

LANDSCAPE ARCHITECTURE PLANNING ENVIRONMENTAL STUDIES

June 22, 1995

Ms. Virginia H. Goldstein, Planning Director County of Hawaii Planning Department 25 Aupuni Street, Suite 109 Hilo, Hawaii 96720

SUBJECT: ANNUAL PROGRESS REPORT USE PERMIT (USE PERMIT NO. 115) SPECIAL MANAGEMENT AREA USE PERMIT (SMA USE PERMIT NO. 345) APPLICANT: OCEANSIDE 1250 TMK'S: 8-1-4: 3 POR; 7-9-12: 3 POR 7-9-12: 04 AND 11

Dear Ms. Goldstein:

On behalf of Oceanside 1250, we are submitting the following October 1994 annual progress report for the Villages at Hokukano project, which covers the status of development and compliance with conditions of approval for Use Permit No. 115 ("Use Permit") and Special Management Area ("SMA") Permit No. 345 ("SMA Permit").

Since the receipt of the subject permits, Oceanside 1250 and its planning team have been refining the Master Plan for the Villages at Hokukano to address issues that arose through discussions with community members and representatives.

BACKGROUND - REGULATORY APPROVALS

As part of the regulatory approval process, Oceanside 1250 prepared an Environmental Impact Statement ("EIS"), which addressed the potential environmental impacts of the overall Villages at Hokukano development. The Final EIS for the Villages at Hokukano was accepted by the County Planning Department on September 23, 1993, and the notice of acceptance was published in the October 8, 1993 issue of the Office of Environmental Quality Control (OEQC) bulletin.

In November of 1993, the Planning Commission granted approval of the subject Use and Special Management Area Use Permits allowing for construction of a 27-hole golf course, golf clubhouse and related facilities, and public access improvements within the SMA. In June of 1994, the County Council approved Zoning Ordinance 94-73, allowing for subdivision of the upper ("mauka") 684 acres of the property into lot sizes of one acre or larger.

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The preliminary development plan presented in the Final EIS and the subject Use and SMA Permits envisioned a predominantly single family development and lodge facility, with a total of 1,540 units. Residential densities ranged from approximately 0.5 units per acre in the mauka portion, to subdivisions with densities of 2 to 5 units per acre in the lower ("makai") portion.

Since receipt of initial regulatory approvals, and largely as a result of the discussions Oceanside 1250 has had with residents and representatives of the surrounding community, Oceanside 1250 has revised its preliminary development plan for the residential portion of the development. The revised development plan extends densities similar to those planned for the mauka portion, together with the associated agricultural program, to the makai segment of the property. In addition, the members' lodge has been downsized from 100 units to 80 units. These reductions in densities and the extension of the proposed agricultural zoning are the only changes to the preliminary development plan, as initially presented in the Final EIS and subject permits. The net effect of these changes is to decrease the overall number of units by nearly half, from 1,540 units to a total of 810 units. This change is intended to bring the preliminary development plan in line with the community sentiment, and lessen anticipated impacts to the area, while remaining responsive to the existing market conditions.

STATUS OF DEVELOPMENT

To achieve the goals of the revised development program, Oceanside 1250 submitted their Phase II regulatory package to the Planning Department on March 10, 1995. Included within this package was: (1) a Change of Zone application to allow for approximately 400 lots of one acre or greater on approximately 756 acres within the makai portion of the property; and (2) an SMA Use Permit application, to allow for the creation of an agricultural lot subdivision and related improvements within the County designated SMA. The proposed agricultural lot subdivision would be integrated with the 27-hole golf course, which was approved under the subject permits. Due to refinements of the development plan and pending litigation regarding the subject applications, construction of the project is not expected to commence until 1996.

COMPLIANCE WITH CONDITIONS

The following addresses each condition of the Use Permit:

Condition 1: Compliance With Conditions

Oceanside 1250, its successors or assigns, will comply with all of the stated conditions of approval, as set forth below.

Condition 2: County Liability

Oceanside 1250, its successors or assigns, will indemnify and hold the County of Hawaii harmless from and against any loss, liability, claim or demand, as outlined within Condition 2 of the Use Permit.

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Condition 3: Irrigation Water Source

Condition B requires that Oceanside 1250 provide proof of an irrigation water source of sufficient quality and quantity to meet the needs of the proposed golf course. Irrigation water for the Villages at Hokukano golf course, estimated at 900,000 gallons per day, will be provided through development of groundwater sources, as well as the use of treated effluent from a wastewater treatment facility planned onsite. Oceanside 1250 is looking to develop an onsite brackish groundwater supply as the primary source of irrigation water. Test results from a well developed onsite at the 800 foot elevation indicate the high probability of developing a brackish well source at this site. Oceanside 1250, in consultation with the Department of Land and Natural Resources ("DLNR"), Water Resource Management Division and the Department of Health ("DOH"), Water Management Division, will prepare a report verifying that the proposed water sources are of sufficient quality and quantity to meet the total irrigation needs of the golf course. This report will be submitted to the Planning Director prior to the issuance of a certificate of occupancy or opening of the golf course, whichever occurs first.

Condition 4: Final Plan Approval

Architectural and landscape plans for the golf course and related improvements will address noise and visual impacts through appropriate siting, height, bulk, color schemes and landscaping, and Final Plan approval for the proposed golf course and related improvements will be sought from the Planning Director.

Condition 5: Golf Course Construction

Construction of the golf course and related improvements should be completed within five years of Final Plan approval. Barring any further legal impediments, construction of the Villages at Hokukano golf course is expected to commence in 1996.

Condition 6: Drainage

Oceanside 1250 will submit a detailed drainage study to the Departments of Public Works ("DPW") for review and approval prior to its submittal of golf course plans for plan approval review. This drainage study will address implementation of retention/infiltration and siltation basins, drywells, bowl-shaped fairways, a drainage tile system, irrigation holding ponds, and the "Reduced Turf" design to be incorporated within the golf course.

The drainage system for the golf course will be installed in a manner meeting with the approval of the DPW, prior to issuance of a certificate of occupancy or golf course opening, whichever occurs first.

Condition 7: Golf Course Design

The proposed golf course is being designed in accordance with the Planning Department's Guidelines for Golf Course Design. Oceanside 1250 will comply with all building and property line setback requirements as determined by the Planning Director at the time of plan approval review.

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Condition 8: Ali'i Drive-Haleki'i Street Extension

The mauka-makai alignment will be constructed to meet with the approval of the DPW prior to certificate of occupancy or golf course opening, whichever occurs first, and will allow for perpetual public use either through easement or dedication to the County. Oceanside 1250 expects to initiate construction of the extension concurrent with construction of the golf course.

Condition 9: Intersection Improvements

Improvements at the Mamalahoa Highway/Haleki'i Street intersection will be installed to the appropriate recommendations of the DPW and Department of Transportation prior to issuance of a certificate of occupancy or golf course opening.

Condition 10: Archaeological Mitigation and Interpretation Plan

Condition 10 requires that Oceanside 1250, in consultation with the DLNR-State Historic Preservation Division ("DLNR-SHPD") and Hawaiian community organizations, prepare an Archaeological Mitigation and Interpretation Plan ("Archaeological Plan") consisting of three components: (1) a data recovery plan; (2) a detailed protection/preservation plan; and (3) an interpretation plan that covers buffer zones, signage, and long range preservation issues. Components (1) and (2) of the Archaeological Plan will be submitted for approval to the Planning Director prior to the submission of plans for plan approval review, with component (3) to follow at a later date. The Archaeological Plan will also include a detailed map of known lava tube/cave systems located within the project site and mitigative measures to ensure that the golf course and related drainage systems do not impact these cave systems. All approved mitigation measures will be implemented prior to or in conjunction with any land alteration activity within the project area.

Oceanside 1250's consulting archaeologist, Cultural Surveys Hawaii ("CSH"), submitted a revised Archaeological Inventory Survey Report ("Report") on August 23, 1994 to the DLNR-SHPD for their review and approval. On December 15, 1994, the DLNR-SHPD completed their review of the Report and requested that certain additional revisions and clarifications be incorporated therein. Since then, Oceanside 1250, CSH, and representatives from DLNR-SHPD have been meeting both on and offsite to review the archaeology present on the property and to ensure that the archaeology is accurately represented and addressed prior to finalization of the Archaeological Inventory Survey.

It is anticipated that DLNR-SHPD's revisions and clarifications will be incorporated into the Report by early July 1995, at which time Oceanside 1250 and CSH will be able to commence preparation of the Archaeological Plan.

Condition 11: Unanticipated Archaeological Sites

Should any unanticipated archaeological sites be uncovered during land preparation, Oceanside 1250 will stop work immediately and notify the Planning Director. Work will not resume until appropriate clearance is given by the Director.

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Condition 12: Pesticides and Herbicides

All uses of pesticides and herbicides within all phases of operation of the golf course will conform to applicable regulations of appropriate government agencies.

Condition 13: Fugitive Dust and Runoff Sedimentation

Appropriate mitigation measures will be taken to minimize the potential of both fugitive dust and runoff sedimentation during construction. These may include the use of water trucks during grading operations and the use of silt basins and other erosion control measures, as may be delineated within the erosion control plan, which will be submitted with grading plans for grading permit approval. All measures to control fugitive dust and runoff sedimentation will conform to State of Hawaii construction industry standards and practices.

Condition 14: Offsite Construction Material

Prior to construction, Oceanside 1250 will demonstrate to the Planning Director that all offsite construction material will be obtained from an approved quarry or resource site.

Condition 15: Public Play Program

Proposals for public play are currently being studied and a finalized program will be submitted to the Planning Director for approval prior to issuance of a certificate of occupancy or opening of the golf course. The program for public play will include the provision of at least one day per month of public play at kama'aina rates.

Condition 16: Employee Housing

An employee housing assessment and mitigation plan ("Employee Housing Plan") will be prepared in consultation with the County Office of Housing and Community Development. The Employee Housing Plan will be submitted to the Planning Director and the County Housing Agency for review and approval concurrently with the submittal of plans for plan approval of the golf course and clubhouse. Approval of the Employee Housing Plan will be secured prior to the issuance of a certificate of occupancy for the golf course.

Oceanside 1250 intends to conduct a Housing Assessment Study to examine its options for addressing employee housing. The study will include an assessment of housing availability and costs, housing opportunities and demands, and will be prepared shortly before the commencement of construction of the golf course to ensure that it adequately reflects the employee housing needs at that time. The housing opportunities and employee needs determined within the Housing Assessment Study will be incorporated into the Employee Housing Plan, and the ratio of employees who are provided on or offsite housing assistance, as required by Condition 16, will be no less than ten percent, and no more than fifty percent.

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Condition 17: Job Training Program

A job training program for the operating phase of the golf course and clubhouse will be submitted for review and approval prior to issuance of a certificate of occupancy or opening of the golf course, whichever comes first.

Condition 18: Compliance With Other Applicable Laws

In addition to the conditions set forth in the Use Permit, Oceanside 1250 will comply with all applicable laws, rules, regulations, and requirements.

Condition 19: Annual Status Report

This Annual Progress Report is submitted pursuant to Condition 19 of the Use Permit. Annual progress reports addressing the status of development and compliance with conditions of the Use Permit will be submitted each year prior to the anniversary date of the Use Permit until the Planning Director acknowledges that further reports are no longer required.

Condition 20: Time Extensions

Any extensions of time will be requested by Oceanside 1250 pursuant to Condition 20 of the Use Permit. Oceanside 1250 understands that the Planning Director will initiate procedures to revoke the Use Permit should any of its conditions not be substantially complied with in a timely fashion.

COMPLIANCE WITH CONDITIONS OF SMA PERMIT NO. 345

The following addresses the conditions of approval for the SMA Permit:

Condition 1: Compliance With Conditions

Oceanside 1250, its successors or assigns shall comply with all of the stated conditions of approval, as set forth below.

Condition 2: **County Liability**

Oceanside 1250, its successors or assigns will indemnify and hold the County of Hawaii harmless from and against any loss, liability, claim or demand, as outlined within Condition 2 of the SMA Permit.

Condition 3: Archaeological Mitigation and Interpretation Plan

As set forth in Condition 10 of Use Permit No. 115.

Condition 4: Unanticipated Archaeological Sites

As set forth in Condition 11 of Use Permit No. 115.

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Condition 5: Drainage

As set forth in Condition 6 of Use Permit No. 115.

Pesticides and Herbicides Condition 6:

As set forth in Condition 12 of Use Permit No. 115.

Condition 7: Fugitive Dust and Runoff Sedimentation

As set forth in Condition 13 of Use Permit No. 115.

Condition 8: Comprehensive Public Access Plan

A Comprehensive Public Access Plan is currently being developed by Oceanside 1250 in consultation with community groups, the Planning Director, and DLNR. The Comprehensive Public Access Plan will include mauka-makai and lateral shoreline accesses, signage, parking area(s), emergency response considerations, restrictions on use, recreational and restroom facilities, and other related improvements.

The Comprehensive Public Access Plan will be submitted to the Planning Director in conjunction with its submission of golf course plans for plan approval review. Applications for permits required to implement improvements outlined within the Comprehensive Public Access Plan will be submitted to applicable agencies within one year of the date of approval of the final Comprehensive Public Access Plan.

Condition 9: Ali'i Drive-Haleki'i Street Extension

As set forth in Condition 8 of Use Permit No. 115.

Condition 10: Public Shoreline Access

The Comprehensive Public Access Plan, developed under Condition 8 of the SMA Permit, will ensure that areas within the Conservation District are set aside as public shoreline access areas. Covenants ensuring perpetual public access will be submitted to the Planning Director for approval, and the approved covenants will be recorded prior to receipt of Final Plan approval for the golf course or agricultural subdivision, whichever occurs first.

Initially, Oceanside 1250 met with a group of community members and resource persons to discuss the overall objectives of public shoreline access in the context of management of the planned 140-acre shoreline park and the environmental and cultural resources present in the project area. Dialogue with community members is expected to continue throughout the preparation and refinement of Oceanside 1250's Shoreline Park Management Plan, of which the approved Public Shoreline Access Plan will be an integral component.

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Condition 11: Integrated Golf Course Management Program

To ensure that ground and marine water resources are protected, Oceanside 1250 will prepare an Integrated Golf Course Management Program ("IGCMP") that includes a Water Quality and Marine Life Monitoring and Mitigation Plan and Golf Course Best Management Plan.

The Water Quality and Marine Life Monitoring and Mitigation Plan will address the DOH's twelve Conditions Applicable to All New Golf Course Development, the West Hawaii Coastal Monitoring Workshop Task Force's Coastal Monitoring Protocols, and other applicable guidelines and regulations.

The IGCMP will be prepared in consultation with the DOH and submitted for approval to the Planning Director prior to commencement of construction of any portion of the proposed golf course development.

Condition 12: Landscape Master Plan

A Landscape Master Plan will be prepared and submitted to the Planning Director for approval concurrent with the submission of golf course plans for plan approval review. The Landscape Master Plan will address the methods of preservation, and/or propagation, and use of native plants within and around the golf course and clubhouse facilities.

Condition 13: Electrical/Communication Utilities

All electrical and communication utilities and systems will be located underground except for the main 69 kV transmission line from Mamalahoa Highway to the proposed electrical substation site.

Condition 14: Compliance With Other Applicable Laws

In addition to the conditions set forth in the SMA Permit, Oceanside 1250 will comply with all applicable laws, rules, regulations, and requirements.

Condition 15: Annual Status Report

This Annual Progress Report is submitted pursuant to Condition 15 of the SMA Permit. Annual progress reports addressing the status of development and compliance with conditions of the SMA Permit will be submitted each year prior to the anniversary date of the SMA Permit until the Planning Director acknowledges that further reports are no longer required.

Condition 16: Time Extensions

Any extensions of time will be requested by Oceanside 1250 pursuant to Condition 16 of the SMA Permit. Oceanside 1250 understands that the Planning Director will initiate procedures to revoke the SMA Permit should any of its conditions not be substantially complied with in a timely fashion.

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We trust that the above provides an adequate description of the status of development and compliance with conditions of Use Permit No. 115 and SMA Use Permit No. 345. However, should you require any further information or have any other questions, please contact either myself (961-3333) or Mr. Richard Frye at Oceanside 1250 (326-2966).

Sincerely,

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AMES M. LEONARD, AICP Managing Director PBR HAWAII - Hilo Office

xc: R. Frye B. Kudo F. Brandt D. Hulse