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PLANNING COMMISSION
COUNTY OF HAWAII

HEARING TRANSCRIPT
October 27, 1993

A regularly advertised hearing on the applications of OCEANSIDE 1250 was called to order at 7:00 p.m. in the Kona Surf Hotel, Kamehameha Ballroom, 78-128 Ehukai Street, Keauhou, North Kona, with Vice-Chairman Wilton Wong presiding.

<p>PRESENT: Wilton Wong Eddie Alonzo Edward E. Crook Isaac Fiesta Jay Hanson Melvin Martinson Nemesio Sanchez</p>	<p>ABSENT: Donald Manalili Corporation Counsel Richard Wurdeman</p> <p>EXCUSED: Sally Rice</p>
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Virginia Goldstein, Planning Director
 Rodney Nakano, Staff Planner
 Daryn Arai, Staff Planner
 Susan Gagorik, Staff Planner
 Royden Yamasato, Staff Planner

Quirino Antonio representing Ex-officio Member
 H. William Sewake
 Tom Pack representing Ex-officio Member
 Donna Kiyosaki

And approximately 120 people from the public in attendance.

WONG: Ladies and gentlemen, will the Hawaii County Planning Commission please come to order. My name is Wilton Wong. I'm the vice chairman for the Hawaii County Planning Commission. Chairman Manalili is away on a business trip, so he is unable to be here this evening. I'd just like to go ahead and just take a few minutes to introduce our Commissioners here. If you could raise your hands and be recognized. Mr. Eddie Alonzo from Puna; Mr. Ed Crook from Kau; Mr. Isaac Fiesta, At Large Commissioner; Mr. Jay Hanson, At Large Commissioner; Mr. Melvin Martinson, Commissioner from Kohala; and Mr. Nemesio Sanchez, Commissioner from Hamakua. From the Planning Department we have Planning Director Virginia Goldstein; Rodney Nakano, Staff Planner; Daryn Arai; Susan Gagorik; and Sharon Nomura, Planning Director's Secretary. From Public Works this evening we have Mr. Tom Pack. Commissioner Rice has a conflict of interest on this particular agenda item, so she's been excused from participating in this evening's meeting.

The Commission had a three-hour site inspection this afternoon starting at about 1:30, and we ended the site inspection at about 4:30. At the site inspection the Commissioners had a first-hand view of the project and project site and a thorough briefing by the Applicant.

The procedure this evening, we will call on Planning Commission, Planning Department Staff to go ahead and give us a briefing on the project, then we will ask the Developer to come up and add his comments, and then at that point we will begin to accept public testimony. In order to provide public testimony, you do need to sign up, and you will be called in order of sign up. We have approximately ten seats up front, and, hopefully, we'll call you up in bunches. And when you come up to testify, this is the table that you use to testify. When providing your testimony, if you could please certify that you've been sworn in, number one. Also, speak directly into the microphone, as proceedings are being taped. Speak loudly so we all can hear you.

At this time anyone wishing to provide public testimony or who will be testifying at this evening's meeting, can you please rise, and I will swear you in at this point. Those wishing to provide testimony, can you please stand? Can you raise your right hand, please? Do you swear or affirm to tell the truth on all matters before this Commission? Say I do.

TESTIFIERS: I do.

WONG: Okay, you may be seated. Thank you. Would Staff call up the first ten people, please?

GAGORIK: John Rosas, Charles Young, Maile David, Jim Calkins, Alfred Leslie, and Melitta Hodson.

WONG: Could I now call on Mr. Daryn Arai to brief us on the project, please.

ARAI: Thank you, Mr. Chairman Pro Tem. Tonight we have applications by Oceanside 1250 for a change of zone from Agricultural-5 acre (A-5a) and Unplanned (U) Zoned District to Agricultural-1 acre (A-1a) Zoned District; a Use Permit to allow the construction of a 27-hole golf course, golf clubhouse, driving range and related improvements; and a Special Management Area (SMA) Use Permit to allow the construction of portions of a 27-hole golf course, driving range, public shoreline access and related improvements located within the County Special Management Area. Approximately 1540 acres are master-planned as a residential and recreational community known as the Villages at Hokukano. The project is located makai of the Mamalahoa Highway, makai of Kealakekua Village, Halekii, Keekee, North and South Kona, TMK: 7-9-6:Portion of 1; 7-9-12:Portions of 3, 4, 5 & 11; and 8-1-4: Portion of 3.

If I may direct your attention to the location map, this is the Mamalahoa Highway, in this direction toward Kailua, in this direction toward Captain Cook. The project cited is indicated here makai of the town of Kealahou and indicated here in cross-hatched red. To give a general location, or better I give the location, Konawaena High School is located here, Kona Hospital and Kainaliu in this general vicinity.

The project site known as the proposed Villages at Hokukano, in its entirety, consists of a project of approximately 1540 acres in total. As part of this master-planned development, the Applicant is proposing approximately 1440 single-family residential units, or residential units, I should say, throughout the project site; 20, construction of a 27-hole golf course and golf clubhouse, driving range and related improvements; as well as a 100-unit lodge development and various public and hiking trail networks to be located throughout the project site.

For clarification, tonight's request consists of three components. One is a Change of Zone of 643 acres, I believe, within the mauka portions of the project site noted in the grid color here, to an Ag-1a Zoned District. The Applicant is proposing approximately 367 Residential-Agricultural lots.

The second component of tonight's request is a Use Permit for this area located makai to allow the construction of a 27-hole golf course, driving range, clubhouse and related improvements.

Finally, the last component is a SMA Use Permit to allow construction of the portions of a golf course and public access facilities located within the County Special Management Area, which is indicated here by this orange line and down makai.

As, excuse me. As part of tonight's request and the submittal of the applications by the Applicant, we have also previously transmitted to the Commission for its review the Special Area Management Use Permit Application, Change of Zone Application, technical reference documents to support the applications, as well as the final Environmental Impact Statement for the entire 1500 Hokukano Project which was filed with the OEQC on October 8th.

The Director is recommending favorable recommendation of the Change of Zone Request, as well as recommending approval of the Use Permit and SMA Use Permit Applications. If the Chairman may, I would like to quickly summarize the Conditions of Approval for the Commission's and public's benefit.

Within the Conditions of Approval of the various permits and change of zone ordinance, we will be requiring the Applicant to conduct a flood study of the project site, as well as to provide all necessary drainage improvements, conduct a, or develop an

archaeological mitigation and interpretation plan to address the recovery, data recovery and preservation and interpretation of the historical sites located within the project site.

PUBLIC: I can't hear what you're saying in the back. Could you turn the volume up? Speak louder.

ARAI: Okay. Condition K would require the Applicant to provide, to signalize and channelize the Mamalahoa Highway and Halekii Street intersection.

PUBLIC: A little more please.

ARAI: Also to construct the entire alignment of the Mamalahoa Highway Bypass to a 2-lane configuration within a 4-lane right-of-way; to provide improvements at the bypass intersections with Kuakini Highway, Halekii Street and the Mamalahoa Highway; and to construct the Halekii Street Extension running makai and then turning north to terminate at the project site's northern boundary.

We will also require the Applicant to provide a fair share contribution not to exceed \$4,701,205.74 to address potential regional impacts to various county facilities. I should note at this time that there is no provision or calculation for sewer impacts. And the reason for that is being that the Applicant is still reviewing alternatives to address the waste water disposal. So that number of \$4,700,000 could change.

For the golf course, the Applicant must also prove sufficient quality and quantity of water, irrigation water, to support the golf course development. Public play will also be provided in a manner meeting with the approval of the Planning Director. We will also require a final comprehensive public access plan which will meet with the approval of the Planning Director to provide mauka-makai and lateral shoreline accesses, public parking areas, signage, restroom facilities and any restrictions on use if there are any. Also, areas within the Conservation District shall be set aside as a Public Shoreline area as prescribed by the approved comprehensive plan approved by the Director.

We will also require a coastal and groundwater quality monitoring plan to be developed and approved by the Director.

And finally, a landscaping plan for the golf course and clubhouse to preserve and utilize native plantings in its landscaping scheme.

That's all I have for now, Mr. Chairman. Do you have any questions of Staff?

SANCHEZ: Mr. Chairman?

WONG: Yes.

SANCHEZ: I notice in your summary of the conditions of approval that this application does not have the \$3,000,000 community benefit that we used to assess a previous golf course developer, like the Nansay, Kohala Ranch and, you know. Why is that that we don't have that \$3,000,000 community benefit assessment?

ARAI: Generally speaking, that so-called community benefit assessment is being reflected within the changes, the conditions of approval. And that that is more or less defined as a fair-share contribution. To address the \$4,700,000 that I mentioned, in essence, that is the so-called community benefit assessment. I guess we're just naming it differently and applying it differently, but in essence it's generally the same thing.

SANCHEZ: Thank you, Mr. Chairman.

WONG: Any more questions of Staff, Commissioners?

FIESTA: Mr. Chairman. As seeing to the, the conditions also, there's not any, there's no mention of affordable housing for these people, yeah. And I think we've got to be consistent with what we did with the rest of the golf courses, that we should have affordable housing for those employees that would be working at the golf course, and, you know, making it easy for these people to, to work and not to tax the highways going to work and coming from work. We already know that the highways, that we're having problems, especially in Kona as far as traffic. So I think that we've got to address the affordable housing, and I mean affordable. When we speak about affordable, it's less than \$85,000, it's house and lot. It shouldn't be \$250,000 and above.

So I think in the Conditions, I don't know, Mr. Chairman, where we can insert the affordable housing requirements.

WONG: Thank you. Daryn, would you care to address that? Planning Director Goldstein?

GOLDSTEIN: In the more recent Change of Zone and Use Permit Applications, the affordable housing was not attached in this particular case because the, in the Change of Zone it's an Ag lot subdivision, and you'll recall we did not attach an affordable housing requirement on that portion for the Chalon one. So we're also trying to be consistent with that. Nevertheless, I also hear what you're saying. And if you intend, you would like to attach some kind of a condition, then I think it should go with the Use Permit for the golf course, rather than, for example, with the rezoning or the SMA.

FIESTA: Mr. Chairman, yeah, I would like to see a condition put in the Use Permit, as far as to address the affordable housing for our community out there.

WONG: For the moment could we set that concern aside? Thank you.

ALONZO: Mr. Chairman?

WONG: Yes?

ALONZO: I have some concern with the emergency communication, especially on the trail that a pedestrian may use in case of, as you know, the southern portion of the property is cliffs and there's, you know, public access there with shoreline fishing. And if it does come up with accident, how the people can notify the emergency personnel to send medical help. I'd like to see some kind of program, 911 program on the trail.

WONG: Any more questions?

FIESTA: Just one other one, Mr. Chairman.

WONG: Yes.

FIESTA: Pertaining to that four hundred, well, 4.7 million dollars, it addressed the police, fire, sewer and solid waste facility. It did not address any funds for education for the schools. We all know that the schools already is overtaxed. So I think that we should have some funds at least put away for school, school for our children also. I don't know if it's going to come out of that 4.7 million, but should that, that education program should be addressed from the 4.7.

WONG: Thank you. If we could also leave that concern on the side for the moment. Any more questions of Staff?

CROOK: Mr. Chairman?

CHAIRMAN: Yes, Mr. Crook.

CROOK: Condition 7 of the Application for a Special Management Area Use Permit speaks of using best effort measures to minimize potential for both fugitive dust and runoff sediment. Can we simply make the condition read that they will be in compliance with the construction industry standards, rather than giving the benefit of the best effort measures?

WONG: Daryn?

ARAI: In my opinion, I understand what you're saying. Although it does, in essence, say that, because it, while it is

best effort measures, it has to be in compliance with the building industry, construction industry standards, which prescribes methods and practices for dust control and ambient air quality. I could, I guess I could attempt to tighten it up, although I think my concern would probably be the monitoring of it all, and that's why we tend to use the phrase best effort measures.

WONG: Thank you, Daryn. Daryn, would you give a brief summary of the bypass road, and the sequence of events, and what the developer is willing to provide at this point in time.

ARAI: Sure. Okay.

Okay, the Applicant is proposing the construction of a bypass highway which would, would begin probably in this area nearest, the latest alignment I saw was near Walua Road intersection, generally, and then take off makai in this general alignment, through the mauka portions of the property, and then essentially tie back into the existing Mamalahoa-Napoopoo road intersection.

The Applicant's initial proposal is to construct that bypass as a two-lane road with provisions or right-of-way wide enough to accommodate future expansion to four lanes. The Applicants, as part of this request, which they refer to as the Phase I of the Villages of, at Hokukano, would be the construction of the northerly portion of the bypass to go basically to the project site to provide at least its inter-, the connection with the Halekii, proposed Halekii extension.

I guess improvements relative to that would be possible intersection improvements at Kuakini. Also, the Applicant would provide signalization and channelization in this area here. Is that sufficient?

WONG: Yes. What is the estimated cost to the developer to go ahead and do these improvements?

ARAI: I think that's a question best asked of the Applicant.

WONG: Thank you. Any more questions of Staff at this time? If not, could I call the Applicant, please?

If you could state your name and resident address, and your role in this application.

FRYE: My name is Dick Frye and my address is 77-423 Kalamauka, Holualoa. I'm project manager for Oceanside 1250. I'm vice president of Red Hill 1250, Inc., which is a general partner of Oceanside 1250.

WONG: Just for the record, have you received the background information?

FRYE: I have.

WONG: And also the Recommendations of the Planning Director?

FRYE: I have.

WONG: Thank you. Please proceed.

FRYE: I would like to add some presentation, if I may, and then I would also like to address some of the Conditions of Approval about which we have question.

Our project has been four years now in the planning process. Two of those years have involved interaction with the community at all levels, whether it be at government level, individuals, groups, agencies, clubs. Just about everyone that we could reach, we have tried to do that and involve them in the process of the planning of this property.

We have taken on tours on the property four or five hundred people, perhaps more, in the past 18 to 24 months, evolving the plan with them from where we started with more of a concept of residential property with a golf course. It has evolved now into a plan more specific that shows where the golf course would be located. It has evolved into a project that would expect an ocean park of 140 acres in the Conservation Zone. It has evolved into a property that the mauka half of the property is into one- to three-acre lots that involves an extensive agricultural system, much like that which historically existed on the land.

In addition to those tours and those discussions, we have also held four or five public meetings where we invited any and all to come and hear about the project, give input to us, tell us what they liked and what they didn't like. And, again, this has taken place over the past year or two.

Without question, the look of this master plan has changed considerably since we started. We believe that the plan is better than when we started, by far. In fact, we believe we've reached a point with the, with the master plan that may perhaps be the finest residential community in all of Hawaii upon its completion.

We've studied many, many things, most of which are included in the Environmental Impact Statement. They are required study, many of them, and we've studied many things that weren't required. But things such as the environmental effects; the traffic that's been an issue from when we started; the

infrastructure, of which there is almost none on the property to begin with; the water service, both for irrigation purposes and for potable purposes; the social effects; the economic effect; the flora; the fauna; the various services that would be required by residents of this community in the future; and how this project might benefit all of those things and how it might benefit the community in Hawaii in general.

The bypass highway has been the most frequent item of conversation in the past two years. We have spent as much time on it as we have on anything else, even though most of that highway is, or at least half of that highway is located on premises outside of our proposed project. We've worked with the business community. We have gone door to door in the businesses; and we haven't talked to everyone, but I don't think we've missed many. We've talked with every homeowner and property owner along the alignment of the highway. We've discussed with each of them how the property, or how the highway might be located relative to their property.

We believe, again, relative to the highway, while it may not yet be unanimous, it certainly is a vast majority, are in favor of the highway in its current location, which we have shown on a map that is behind you over here on top of an aerial photo. There are a couple of exceptions to that, which I'll discuss with you before I finish. For the most part, our focus has been to locate the highway in a such a manner as to not displace anyone's home. There have certainly been other requests that we locate the highway in such a way that we not devalue anyone's home or property. And to the extent that that's possible and reasonable to do, we're certainly making those efforts. It should also be, I also want you to know that we aren't finished with the alignment. We continue to work with people. We continue to work with Engineering. We continue to work with the Department of Transportation at the State level on alignments and criteria for design that are important to them from a liability perspective.

A second, and maybe the second most talked about issue on the property has been its archaeology. The archaeology on the property is extensive. It extends from its mauka boundary to the ocean. It is most prominent in the Conservation Zone along the ocean. And that is a major reason for the park that we have proposed along the ocean, which is about 140 acres, about 300 feet in width, in some cases up to about 1000 feet in width.

Included in the ocean park, in an extension of the park, are some trails. And I'd like to hold a drawing up that shows -. I'll turn around and show this to everyone in just a moment, but -. Thank you.

The shoreline is along here, and this dashed line represents the trail that would be nearest the shoreline and runs through the

park. In addition to that, and there are several loops that are contained off of that, that aren't shown off of this plan, there is another trail that goes here, which is the King's Trail or Ala Loa Trail, more appropriately. Another trail proposed is one here that would follow the Kuakini Wall, which is in excellent condition all the way across the property. Another would follow the railroad, the old railroad bed up in here, that we would propose and hope that others would follow to extend this all the way to the mill in Holualoa in the future.

From a mauka-makai access we would begin in the lower area here near the shoreline, come up through a second park area, a historic park centered around a large heiau, continue mauka up along an ahupuaa wall, and up and tie into the railroad pedestrian system. There can be trail heads located at convenient locations at spots like this here, here, and down in here as we approach the shoreline itself.

We met with about 25 residents and property owners in the area. At one time our shoreline access came over in this location. We had parking and facilities in here, and then trails going this way. There is some beach houses in this area, and they asked us to consider moving our access to a location somewhere else not so close to them, as they fear for vandalism and destruction of their beach homes. We've done that and moved it into this location, and they have indicated their support of that location.

Relative to the shoreline access trail, the puu is located here, and everything to the north is relatively easy to get in and out of the water. It's from zero to 10 or 15, maybe 20 feet in some locations. From the puu south is a cliff-like condition and varies from 20 feet up to about 80 or 90 feet in height and is undermined in many cases from erosion and is relatively unsafe. We would propose that this area to the north be more of a family-type area of the park and the area to the south be more of a primitive hiking, for serious hiking and with adequate warnings, and so on, on the conditions that exist there.

May I take a moment to turn this and show -.

WONG: Absolutely.

FRYE: I think I can get it. Thanks.

To briefly outline what I've just said, you've heard most of the words, so this being the shoreline and the shoreline trail that I spoke of in this location. This being the area where we originally had the access to the shoreline trail. We moved it to here at the request of area property owners. This is the puu. So in this direction, the water is relatively easier to get in and out of. In this direction it's more cliff-like and dangerous

and not really suitable for family activity, although, certainly, I've walked there and others could, but it just takes more care.

The Ala Loa Trail is this one. It comes like this. And in this general area, right in here, the Ala Loa Trail is missing, it is lost, been destroyed, we think by chain dragging. We recently found some chain in the area. We had found some up here long ago. So there's a piece in here that we don't have. But what happened, somehow from here to here there is a connection, then the trail comes on over here and then leaves our property and goes on toward Kealakekua Bay after another mile and a half or so. This is the mauka-makai trail that we have added. The Na Ala Hele Trails group asked us to consider a mauka-makai location that would follow an ahupuaa wall, the boundary, and that exists over here. And then we come through a convenient kind of lower area and work our way to the second story park, which is a large heiau in this location.

The railroad I spoke of is right in here and one that we would like to see go all the way to the mill. This railroad begins about right here near our south boundary. And I don't know how many miles that is to Holualoa, it's considerable, but it's pretty easy walking. It's in excellent condition, not suitable for vehicles, perhaps, but would be a good walking trail.

This exhibit is one that shows the golf courses in the area of this blue. This exhibit in particular is showing the amount of open space that will exist between the shoreline here and any residential areas like these. These brown areas are residential. The blue is either natural open space or golf course open space. So it varies from, oh, the smallest part here is about 300 feet, and that's in this one little piece. The rest of it is 600 feet to 2000 feet of open space between the shoreline and residences. Turn that around as well.

And again, the blue area showing those areas that will not contain dwellings. The only thing that would happen here in the way of a building, I think, is probably a golf course maintenance facility.

So we end up here with, from the smallest area right in here of about 300 feet, the rest of it's 600 to 2000 feet of open space.

PUBLIC: Is the blue area the golf course?

FRYE: Part of the golf course. The golf course is located in part of the blue area, right.

PUBLIC: Can you hold it up?

FRYE: Okay. Again these areas in here, while not under consideration tonight, they're not a part of the

application here, and they'll be considered in the future at other public hearings. These are the area that are more dense in nature, 3 to 5 units per acre. These are half-acre, although the white area up here are the one- to three-acre units, which is a part of tonight's hearing on rezoning. Okay.

We also propose, in all of the residential areas, architectural controls that are extensive. They deal with color. They deal with height, they deal with shape, location on the lot, amount of coverage, type of landscape material, how you care for those materials, driveways, reflective surfaces, virtually everything. They're very comprehensive. It's a very beautiful piece of land. The large drawing behind you, the one almost directly back behind the chairman, shows you the most dense area on the hillside is the clubhouse. That's a fairly large structure, being in the 20,000-30,000 square feet area, but even that we'll be working with color and shape. So you can see we're not extending tall buildings; we're more horizontal, more one-story in nature.

Relative to the environment, another issue talked about frequently, we are required by the Department of Health to follow 12 conditions for golf courses, several of which deal directly with water quality monitoring, control of pesticide use, storage, handling, etc., which materials can and cannot be used. We'll certainly comply with those. They're rather comprehensive. They seem to hit the issues that are of concern to people. And we have, I believe, the best of consultants to help us with that particular area, which is one that is very technical and complex. That person is here tonight. Should we have any questions, he would be glad to help with those.

We also propose for the golf course some construction techniques, to my knowledge, not used before in Hawaii. We have used them in another location in the desert. That is to have the fairways bowl-shaped, and our sprinklers are located on the outside of the fairways and throw water toward the center. In the low areas that, where water tends to run off and run to the low areas, we have a collection system for any excess runoff. It will also collect storm water runoff, return it to the lake holding system, and it would be reused on the golf course. This is to avoid runoff into the ocean of any of the materials, or excess water, or silt, for that matter.

The water for the project is contained in the report, but we have 499 water units for the project. We may be required to help improve the infrastructure to deliver that water to the site. Certainly we'd be required to put in all of the infrastructure on the site, as well as holding tanks and like facilities. Brackish water will be used for the golf course. We've drilled one well to this point, having good quality brackish water. It will also be used in the agricultural area.

Any future water development in the project for future applications will be worked out with the county, and we'll be doing our fair share of helping get water supply and infrastructure for delivery.

I have five statements that I would like to add to the record. These are in conversations that I have had with various individuals whom I have told that I would make as a matter of record certain things. So I would like to read those in at this time.

No. 1 - We will endeavor to use Hawaii-proven biorational pest control methods for our golf course turf. Additionally, we intend to extend that same principal into the agricultural area as appropriate.

No. 2 - We will use brackish water and/or treated waste water to irrigate our golf course. No. 3, I'm sorry, 2. We will extend that same principal to the agricultural area.

No. 3 - We will explore the possibility of moving the proposed north bypass intersection farther south to lessen impacts on the Puuloa Subdivision. That area is still under study. We have just started that. We met with them not too long ago, and that is underway.

No. 4 - There is one leasehold owner along the proposed bypass route who, as of about two weeks ago, was yet undecided about whether or not they will oppose the alignment at the north end. That is the area that we're studying. The idea that we're studying will benefit them as well, and it may not be any impact on them at all once we've reached that conclusion.

No. 5 - There is one agricultural interest who wants to be satisfied that any agricultural areas of the bypass alignment are dealt with properly. Meaning, I believe, that we work to displace as little as possible agricultural areas currently in agricultural use, and that we properly compensate them for crop loss as well as future production from those trees, or whatever the product may be.

No. 6 - Our design of the bypass will include an underpass on the Roy and Patty Wall ranch sufficient for ranch use, such as pickup trucks and the movement of cattle from the mauka area to the makai area of the property.

This concludes my presentation, but I would like to discuss a few of the Conditions of Approval.

WONG: Mr. Frye, before you proceed, these six items that you mentioned, we could incorporate these as part of the Conditions of Approval?

FRYE: You may.

WONG: Before you proceed with your other testimony, could you clarify for us the bypass road, as far as what the cost would be, the phasing of the bypass road as it relates to your entire development?

FRYE: As best I can at this point, the estimate done a few months ago by the engineers working on the highway have estimated \$25,000,000 to \$30,000,000 of construction cost from its northerly intersection to its southerly intersection at Napoopoo Road.

The first phase, that Mr. Arai pointed out that would go from approximately Higashihara Park to the, intersect at our property boundary, would be about \$13,000,000 to \$14,000,000.

WONG: So in other words, you, as the developer, are going to be fronting these costs, is that correct? And working with the individual land owners to accomplish the bypass?

FRYE: That is the intention. We hope to enlist the help of one or two other developers who have reason to participate as well.

WONG: As far as the bypass road, what happens first? Does the bypass road get in before the golf course opens? Can you detail some of that phasing for us?

FRYE: Surely. It is our proposal to begin construction of the bypass highway at the same time that we begin construction of the golf course. The first eight months or so of the golf course will essentially be earth moving, and it would not involve the use of delivering materials and supplies and that sort of thing, other than the equipment to move the earth. In that same period of time we would hope to complete as a construction road, if you will, the bypass from its northerly point to our property. And, therefore, as additional deliveries and workers and so on are needed on further work on our golf course, there would be that alternative route, rather than using Halekii Street for that purpose.

WONG: Ultimately, when you, as the developer, complete the bypass roads north to south to Napoopoo Road, do you anticipate to recover all of your costs of the development of the road? In other words, just a small portion of the bypass actually passes through your property, is that correct?

FRYE: That's correct. We would be delighted if that happened, but our expectations don't reach that point. I think our expectation is that if we could some day come close to

recovering portions of cost for the bypass that exceed our true impact on the bypass, we would be satisfied with that.

WONG: It's my understanding, at this point, that this bypass road on the priority list for the State Department of Transportation is pretty low priority, as I understand.

FRYE: I'm not sure I understand the whole list, but something in the 12th to 16th range is my understanding.

WONG: So it is not a high priority item as far as the State Department of Transportation is concerned, at this point, is that correct?

FRYE: It is not; and what they have said to us is that it is not a likely road to come up for construction any time soon.

WONG: Thank you.

FRYE: Addressing the proposed Conditions of Approval and the, some of the background information contained with it, I think my page numbers may be a little different, but -. Under the Use Permit Conditions of Approval, just prior to the Conditions of Approval, still in the body of the, of the information, it's on my page 3 and is in a paragraph that is very long and the paragraph begins, "The subject request will provide." Near the end of that there's a sentence that says, "The Applicant intends to preserve the King's Trail or Ala Loa in its present location, with slight modifications if necessary." We would like only to clarify that the present location in some areas is not known, as I testified to earlier. There are about 3000 feet that are missing; and in that area we would endeavor to work with the DLNR to establish an acceptable alignment.

At the end of that same paragraph the words "final plan approval" appear, and it's our understanding that that has special meaning under the Zoning Code, and that's the definition that would be applied. That term is used throughout this instrument, and so we wanted to be sure that there was an understanding of what the term means. Am I correct on that? On the -.

GOLDSTEIN: Yes, you're correct.

FRYE: Thank you.

Condition of Approval No. 2 in this same Use Permit instrument. Next to the last line of that No. 2 paragraph says, "Assigns, officers, employees, contractors and agents under this permit or relating to or connected with the approval of this permit;" and this particular paragraph is dealing with the liability issues. The, under this permit seems very broad to us, and as we complete

some facilities, and if they were then in the County's jurisdiction, and the County were working on those roads and something happened, we seem to be liable and precluded from passing any liability on to the County. Is there some way to clarify the limits of liability as to who would be responsible for what on that issue?

WONG: This is the standard verbiage that we've been adding on all the Use Permit Application approvals. Corporation Counsel is unfortunately not here this evening, so I suspect that perhaps your attorney, you know, might have something to say on that.

FRYE: Mr. Ben Kudo is here. If he could, please?

KUDO: Thank you. The provision as drafted is rather broad when it uses the terms "under this permit," because it's unclear as to exactly what actions under this permit are covered. This particular provision provides that the Applicant will indemnify and hold the County harmless. So as Mr. Frye has indicated, in the instance where roads have been dedicated to the County, and they are being maintained by County maintenance crews, if the County maintenance crews, you know, commit damage to property or injure persons, under this particular provision, we would be holding you harmless for any kind of recourse.

I think that the intent of this paragraph is really to hold the county harmless from anything relating to or connected with the approval of this permit, which is fine with us, but it's not really meant to construe a situation where the County may be negligent in its maintenance or other types of activities in the property once it is developed.

WONG: I think the phrasing that the Planning Commission wanted to use was to be as broad as possible. Certainly, I guess, when two parties go into court, you know, certainly all of these conditions are subject to interpretation. But at this point, I don't think, unless we decide otherwise, that we would make any changes on this particular condition. I will certainly, though, agree with the reading of the intent of what we're trying to accomplish here.

FRYE: Thank you, Mr. Chairman. I think we're satisfied to have a record our concern. Thank you.

Item No. 7, we would like to add to the end of the proposed condition, "except as may be approved by the Planning Director." This issue deals with easements for golf courses purposes over and across abutting lots. I think I understand the general reason for that particular condition. We're looking at after the golf course is constructed, we find that a cart path has crossed

onto a lot, and rather than replat or rebuild the cart path, we would cover that by an easement at her or his discretion.

WONG: That's acceptable.

FRYE: Number 8, next to the last, the third to the last line says, "shall be permitted to cross over Alii Drive-Halekii Street extension." Again, we have asked that it say, "except as may be approved by the Planning Director and the Department of Public Works," or "Public Works Director," I believe, was the wording that we talked about. This deals with cart path crossings over roads.

WONG: Would you like to make a comment, Tom?
Mr. Pack?

PACK: Actually, that's our standard wording. There obviously could be liability problems, safety hazards having cart crossings over public roads. But if the wording is, is something to the fact the only with the approval of the Planning Director and the Chief Engineer, sure, that's acceptable. We probably would not approve any exceptions, though.

FRYE: That's acceptable to us as well to leave it in that format.

Number 10, the first line, "An Archaeological Mitigation and Interpretation Plan shall be prepared and submitted." After the word "plan", we would request to have added, "or approved phases thereof pertaining to the golf course development shall be prepared and submitted." We're only asking for that in that the areas under consideration here are large, and if they were done in parts, perhaps that work could be done in parts as well.

WONG: May we ask the Planning Director to make her comments?

GOLDSTEIN: I can understand your reason for, you know, wanting maybe the archaeological mitigation and interpretation plan to be accepted in phases. However, I think if we're going to be making changes to this particular condition there, I'd prefer it to be changed in other ways. And maybe let me just outline for you what I think might be done instead; and that is to, essentially, the condition says that this mitigation and interpretive plan shall have two subplans. And instead of two, I think it would be better to require that there be three subplans: One, the archaeological data recovery plan for the sites to undergo data recovery; two, a detailed preservation plan for the sites to undergo preservation itself, and that would spell out the kinds of mitigation measures that would be necessary, you know, to preserve those sites, including, perhaps, buffers around these sites; and three would be the interpretive plan itself, so

that the archeolo-. And then in terms of the timing of the submittal of those plans, that the Archaeological, the Data Recovery and the Preservation Plans would obviously have to be done prior to any kind of land clearing, but that the Interpretative Plan or that portion may be submitted at a later point in the development.

FRYE: That's agreeable. Thank you.

On still Condition 11, about two-thirds or three-fourths of the way through, the sentence says, "The plan shall also include a detailed map of lava tube cave systems located within the project." If we could only add the word "known" before "lava".

WONG: That's acceptable. Since you're going over the Conditions at this point, Condition 13 indicates best effort measures. Would you object to us deleting the best effort verbiage?

FRYE: That's fine with us.

WONG: Okay.

FRYE: In the -. Let's see which ones I'm in here. Change of Zone Application Background Report, in the report it indicates that the Applicant intends to preserve the King's Trail or Ala Loa in it's present location with slight modifications, if necessary. The same wording that we talked about earlier, we would like to indicate that some portions of the trail are not ascertainable, so just for clarification purposes in this area as well.

WONG: That's acceptable.

FRYE: On the issues that we have already covered, I'd like to be sure that the final plan approval interpretation extends to each of these three condition documents, since we only discussed it on the one. And, Ben, could you help me with this one? Okay, I'm sorry. Regarding the liability issues, those, our comments there of record would extend to all three applications as well.

And also in the rezoning ordinance to define the words "Final Subdivision Approval," whether we're talking about large lot approval or small lot approval. For instance, if we would segregate an area out, a very large area, that would be a large lot. And I assume in that case we wouldn't need to build all the roads and so on that are referred to. Was the document referring to small lot subdivisions? Was that the intent?

ARAI: That was the intent.

FRYE: Thank you. On Item N of the conditions of approval of zoning, this is right after the mention of the \$4,700,000 figure, it indicates, "In lieu of paying the fair share contribution, the Applicant may construct such facilities related to fire, police and solid waste disposal facilities." We would like to add "recreation facilities" as well. It was mentioned in an earlier part of the paragraph and, I believe, omitted at this point.

I think, lastly, in closing, I would like to extend our thanks to all of Staff, the Director, the many departments that we've worked with for about eleven months now relative to these applications. We've addressed many, many issues. They've met with us on several occasions and helped us through this process, and I'd like to express our appreciation for that. And I'm glad to answer any questions you may have.

Our consultants are here that have helped put all this information together. If they're technical questions, I may refer you to them.

WONG: Are there any questions of the Applicant?

HANSON: Mr. Chairman?

WONG: Commissioner Hanson.

HANSON: I had a question that just came up with the review of this Condition K of your Zone Change Application. Where it says that the roadway improvements shall be completed prior to the issuance of final subdivision approval, what did that change to? Was that changed into the whole project being completed? We just made some changes in that. What did we change? It went by too fast for me?

WONG: Daryn, this is Condition K on page 12.

ARAI: It was on page 14.

WONG: No.

HANSON: Okay, sorry.

WONG: Commissioner Fiesta?

FIESTA: I'll save my concern at the public, address it at the public hearing.

WONG: Thank you.

FRYE: Relative to K and L, I wonder if we could ask for just a bit of clarification. They seem a little

contradictory on the surface, but I think in our understanding of it, L is intended to provide some flexibility for K and how it might be phased or something. If we could have a little clarification there, please.

ARAI: Yes, that was the intention. L does further clarify the point that the conditions of approval would not prevent the Applicant from pursuing other accepted means, for example bonding or the like, to provide these necessary infrastructural improvements.

FRYE: So it allows for some discussion as to how it gets phased after bonding and that sort of thing? Then that's the discussion that could take place relative to that paragraph?

WONG: Those are things that will be considered when reviewing any bond proposal or the like. At least it will be considered.

FRYE: Thank you.

WONG: Thank you, Mr. Frye. Commissioner Sanchez.

SANCHEZ: Mr. Frye, I understand that way back in the past this property is heavily populated with native Hawaiians. And you have pointed out several networks of trails. And I assume that these trails are all historical value. Are you going to preserve all these trails that you pointed to us?

FRYE: Mr. Sanchez, Mr. Chairman, we have identified all the public trails on the property via a survey done by R. M. Towill Company. Those are included in the preservation, as well as others that were not identified as public. So the answer to your question, in short, would be yes.

SANCHEZ: How would you preserve that one when you build a golf course that's crossing it? Would that not interfere with the public, of the use of the golf course?

FRYE: One of the positive aspects of the master plan has been that we have been able to move the golf course around substantially to miss burial sites, shrines, heiaus, trails. With only a few exceptions are the trails in such a way they need to cross the golf course; and in those cases we believe those would be fairly rare instances; and with some signage I think everyone could be aware of those conditions.

SANCHEZ: And I, to me, I assume also that one of these trails, or all of these trails, are trails used for religious gathering. Do you have any restriction to the native Hawaiians

or certain group to go and do some religious gathering and use this trail to do some -?

FRYE: I think pursuant to the law, and where that is, we have no objections.

SANCHEZ: You don't have any restriction on this one?

FRYE: No, we've placed no restrictions on it. And I think in compliance with the law, however that ends up as it continues along, we have no problems with that.

SANCHEZ: What about the fishermen? Is there any restriction?

FRYE: Fisherman? I think to the -.

SANCHEZ: Is the 24 hours open for public?

FRYE: To the extent that we want to manage the resource there may be some restriction in that way. For instance, opihi collecting may be something that we would look at being a seasonal thing, or we would watch the supply and monitor that. Most people that have come onto the property, of those that you mentioned just now, have shown concern that this is going to be opened up. It hasn't been for 150 years. It's been behind locked gates most of that time due to the ranching, and so it really hasn't been very open. And not many people have gone down to fish or do anything else over this long period of time. And so, for it to be open all of a sudden is a bit of an invitation for overfishing, overcollecting, overusing. And so we have been asked by the community to sit with them, develop a list of criteria of things that are important about the park, and then respond to that with a management system that will address those criteria.

SANCHEZ: Okay. In the area of these 1400 property lots with houses, what's your ballpark pricing on this one?

FRYE: Well, I honestly don't know. Until we finish some of these cost analyses to understand our cost, we won't know. But I think we are certain that it will be in the upper end of properties that are sold in Hawaii. That starts from low density and continues through many of the things we've talked about today, the highway, the ocean park, the archaeological sites, the fifteen miles of trails, and so on. So I, we feel that it will be, certainly, in the upper end of the cost category, but we've not established any lot prices. And we do not ourselves build homes. Typically, we would build the streets and water and all of those, and then sell the lots. They would hire an architect and builder and complete their residence.

SANCHEZ: Because if your price is for more than \$200,000, I have difficulty to accept that your target market would be interested in agricultural pursuit.

FRYE: In what?

SANCHEZ: I would have difficulty to accept that your target market will be going into the agricultural pursuit if price would be \$200,000 and up for a one-acre parcel.

FRYE: And I don't understand, that the target buyer would not be interested in the park?

KUDO: Agriculture.

FRYE: Oh, in the agriculture pursuits. I'm sorry, I misunderstood your question. I think, on the contrary, but maybe for different reasons. And the different reasons are that the agricultural portion of this plan is one that will create, we think, a great deal of beauty. Something that, I think all of us appreciate a beautiful agricultural field. And in this case, where somebody owns a lot that is from one to two or three acres, they'll build on maybe 15,000 feet or 20,000 feet of the lot for their driveway and lanais and their home and gardens and so on, and the rest of the lot kind of isn't used. And we don't want grass stem to stern, side to side because of water and chemicals and those sorts of things. So what we favor is an, is a landscape concept, for which I think I have one here. Yeah, that one.

This is just A one street with about ten or twelve homes on it. And what we've introduced here is, this being the residence area, that around the residence you would have those kinds of landscape materials that are comfortable for you, maybe flowers and something warmer and softer. And then this area, that looks more regimental, although freeform in shape to follow contours and that sort of thing, is the agricultural area. All of the space not included in one of those two zones is in what we're calling a common landscape area, which would be, in our mind at this point, are monkeypod trees, grasses that are about 14 to 16 inches high, as opposed to the eight-foot grasses that are there now that would have to be changed. And so, what this gives you is, is some kind of organization to the property and beauty as you drive along this road and you look over the agricultural area, which we would control heights and color and that sort of thing, again based on where it is, up towards a beautiful open landscape area, and then on in as you walk into somebody's home, into their private landscape area. We think that these people have little interest themselves in doing agricultural uses.

So what we propose is that these areas would be contracted with local growers, professionals at what they do to grow those

products, market those products, so that they're used here. And it becomes, then, an employment center. It becomes, for us, beautiful, something that uses part of the land that otherwise would go relatively unused. That's more in detail how we see the process working for agriculture.

SANCHEZ: And in the area of the golf course, is there any public play allotted?

FRYE: We haven't finalized public play. But what we're considering is that we would have, or that we would arrange for the golf course to be available, say, four days a year for charitable events. and everybody, anybody could come to those charitable events. And because it would be very special events and for things that are a bit umbrella in nature, perhaps the hospital foundation, something that serves lots of people, we believe that it could command good fund-raising capabilities, maybe in the \$40,000 to \$50,000 kind of fund-raising. And those would then go for public benefits, and that's the way people would play the golf course from a public play perspective.

We think by the golf course being private, by it being designed by Jack Nicklaus, by it being in this really beautiful location, this property, these agricultural areas, and all that's done there, that it can command that kind of fund-raising capabilities. That's a proposal, and we've not finalized anything there yet.

SANCHEZ: Yeah, being that it is private, I think membership fees as reflected in the Background Report is from \$100,000 to \$200,000 membership fee. How would a person in the community have a chance to enjoy your golf course, a beautiful golf course, as you describe it?

FRYE: I think this is a concept that we are interested in. We think it adds, again, value to the kind of use we just talked about. There are lots of golf courses now. There are a lot more already approved to be built. There is a lot of public play already. Many of those, even by lowering prices, still are not commanding very many players. So we're really trying to answer a different need than all the public play provisions that have been done in the past. We think this will make something more special and more revered, even to the community, as a very special place in Hawaii.

SANCHEZ: Thank you, Mr. Chairman.

WONG: Any more questions of the Applicant?

ALONZO: Mr. Chairman.

WONG: Yes.

ALONZO: I asked you today, this afternoon, about the emergency 911 system along the trails. Are you guys planning to implement some kind of program?

FRYE: Yeah, that happens to be something we had not thought of and had not included in any of our documentation. But it certainly makes sense, and we'd be glad to try to find a way to incorporate that into the system.

ALONZO: And how, since there is so many trails, what kind of safeguard is planned, you know, for any intruders coming there and kind of disturbing the archaeological sites, and, you know, especially the visitors that come here or even the local people that use the trail?

FRYE: We intend to have a security system of, or not system, but security people that will monitor the use of the park and trail system and the general uses of the property.

ALONZO: Thank you, Mr. Frye.

WONG: Any more questions of Mr. Frye? If not, thank you very much. We will now begin to take public testimony. Mr. John Rosas, please.

ARAI: Mr. Chairman, before we proceed I would just like to enter into the record that we have received three letters from the public. One of them is from Supporters of a Quality Life in opposition to the applications; a letter from Paul Goodrich, also in opposition; and from Ka Lahui Hawaii, And I haven't had time to read this letter to determine its position. But all three letters have been transmitted, provided to you for you information.

WONG: Thank you. Mr. Rosas, please.

ROSAS: Thank you for letting me speak to the Commission.

WONG: Mr. Rosas, you have been sworn in?

ROSAS: I did it when you raised your hand.

WONG: Okay, thank you.

ROSAS: I didn't sign nothing though.

It looks like we're going to a, from a spaceport to a money port.

WONG: Mr. Rosas, would you state your resident address for the record, please?

ROSAS: Sure. My name is John Tommy Rosas, P. O. Box 1687, Kealakekua, Hawaii.

You know, I know this area a little bit, and I'm wondering why the Commission is going to allow another golf course stacked on top of another one when within a mile and a half there's already another golf course going in. And this kind of bothers me, but maybe you can explain that. Another thing that bothers me is that there's a huge historical and ancestral area sacred to a lot of people, and I'm wondering why this thing is going in on top of that. No matter if they put paths or whatever, it's still a sacred area and should be honored.

The development, I feel, by having access in there with these roads and everything, will eventually eliminate the Kealakekua Bay and the reserve, because it's so close. And it's been pristine because of the work of the people and the previous owners that allowed limited access to those areas, unlike what the man said, there was access to those areas, and they were used and honored.

The pollution from the golf courses historically has been very bad, and I don't see that this is going to change. It'll go right into the ocean where some of the best fishing grounds that I know of on the Kona side will be damaged or ruined forever. And, so I hope that when you Commissioners looks at this thing, that in your judgment you'll put a stop to this kind of projects, because it will be on your conscience if you do not. Thank you.

WONG: Thank you, Mr. Rosas. Mr. Charles Young, please.

YOUNG: I, too, have been sworn in, Mr. Chairman.

WONG: Okay.

YOUNG: Ladies and Gentlemen of the Commission, my name is Charles Young. I'm a resident of South Kona, P. O. Box 505, Honaunau. I'm here tonight speaking, I suppose, on behalf of Ka Lahui Hawaii and also as a resident of South Kona. The speaker following me will explain what Ka Lahui Hawaii and who Ka Lahui Hawaii is. That is not my testimony there, by the way, it's our land chair's testimony.

WONG: You're testifying as an individual, is that correct?

YOUNG: Both as a member of Ka Lahui and as a citizen.

WONG: Thank you.

YOUNG: Ka Lahui is a native Hawaiian initiative, and we are a pro-sovereignty group. And as such, a native Hawaiian initiative, we are very sensitive to the destruction of our archaeological sites. I am concerned with some of the wording that I constantly see with respect to archaeological sites as being either significant or insignificant. We, as Hawaiians, do not believe that we have a religion that needs to be preserved. It is being practiced. And any heiau, any religious site, any archaeological site is very sacred to us. Perhaps not to me as an individual, but certainly to the family that had built the site.

And I was very privileged to, and I should say this first, to have been taken on a tour of the land. We spent from approximately 8:00 in the morning to roughly 4:00 just within the premises, and then probably an hour later talking to the community liaison. And I would like to thank the developer for taking the time to take us through.

And in our discussion with the developer we mentioned our concerns about the archaeological sites and also had a discussion as to what the preservation or interpretative talks and walks through the Conservation Area should look like perhaps in the future. And the developer relayed to us that he was willing to work with Ka Lahui or some native group.

I would like to have that stipulated as a condition, as opposed to leaving it to the State or the County, that we do have Hawaiian groups working with this developer on that part. I think it's very important.

I would also like to suggest that the developer undertake a genealogy search for all the relatives and descendants of people who lived on that land at some point in time before the, within its limits, obviously, but for the people who lived on the land and really have attachment to those archaeological sites, 'cause those sites do have meaning. And there are a lot of families that can trace their ancestry back to that property. So I would like to also suggest that, and that's my feeling from Ka Lahui.

As a South Kona resident, I, too, have a couple of concerns, and I expressed these in a letter to the Planning Director some time ago. And just a couple of things, and I'll mention them for the public record.

One was the concern about the in-migration of people. This is a high-end project, and the developer himself admits that the target market is basically 70% coming from off the island. It is not a large project. I understand this, and, but it will represent some in-migration. My concern is not so much basically on the merits of this project but the precedent it sets for South Kona. It's still very rural, and we do have, as a South Kona

resident, I think I, you know, have at least some input as to what I would like South Kona to look like in the future. And my question, really, to the Planning Commission is, does this set a precedent for South Kona?

One more area was the employment, if we could ask that the employment opportunities be given, employment be given preference to locals rather than, again, having another in-migration of other people coming into the district. I understand there's some restrictions to these.

I'm also concerned about the road development and then the proneness to develop after the road has come in; and, thus, what we have is actually an inroad, another inroad by building that bypass road.

And the last concern I would have is I understand there is an enormous benefit to the County, it's a revenue benefit to the County. And I know there are no guarantees that this revenue will come back to the people who are most impacted, and that is the people in the South Kona area. So if we can somehow guarantee that some of the revenue that the County receives is spent in the South Kona area. That's all I have to say. Thank you very much.

WONG: Mr. Young, would you stay at the table for the moment? Mr. Frye, would you like to address some of those concerns now or later?

FRYE: Either way, whatever you would prefer.

WONG: I would prefer now.

FRYE: To the issue first, if I may, of local employment, I guess our response is that to the extent that it is legal to do so, we certainly have no problem with that. In fact, our most recent opening was in Santa Fe, New Mexico, and on that project which is just started up, just hired lots of people over the past year or two, 95% of our employees are local people. It would run at least that high in Scottsdale, Arizona, but there is, of course, a bigger resource there. But I think Santa Fe is more of a resource similar to what is here in that it is a population of about 50,000 to 60,000 people, more similar to what is here in the Kona area. So I, to that, to our track record of what we've done in another location, that certainly is our interest, and we'll endeavor to do that to the extent permitted by law.

To the issues of in-migration of buyers and so on, what that brings here, I guess it's our observation and part of why we're here, other than all of the obvious reasons of a beautiful and wonderful place, is that people are coming to Hawaii and have

been coming to Hawaii a long time and always will. And there is a demand, in our eyes, for this kind of development, this kind of enrichment. And since those people are coming here, we think we are supplying a product that they want and will purchase. So I don't know that we are causing the in-migration. I think we're serving those people coming here, however, with a product and, thusly, making available other things that they might buy if others were not built.

Relative to the sovereignty issues and some of the others, if I may ask our consultant Gordon Leslie, who has been an enormous help in having, helping address such issues, I would like him to respond to those comments, if he may.

WONG: Please.

LESLIE: Good evening, Mr. Chairman, Members of the Commission.

WONG: Please state your name and resident address. You've been sworn in?

LESLIE: No, I have not.

WONG: Would you raise your right hand? Do you swear or affirm to tell the truth on all matters before this Commission?

LESLIE: I do.

WONG: Proceed.

LESLIE: My name is Gordon Leslie, address is Napoopoo Beach. I've been involved with the project as a consultant for almost two years now. And my principal role as a consultant is a cultural and public relation consultant. I found it very necessary that the project, before coming before the Commission, should have gone out to the community and explained to the community the scope of the project, to receive information and input from the community. By doing that, the developer has modified the plans tremendously based on input received from the community.

On the sovereign issue, I, at this point, don't feel that there is any correlation with the development. However, I have been for the last fifty years pro-sovereign. And the thing I think is most important for the community to know is this land have been restricted use to ranching for perhaps 150 years. This land is not a land, this project is not an area where anything has been taken from me. I live only two miles south of this project. I have never in my life been on this property because of the restrictions. By being involved with this project, we wanted to

see the community, the Hawaiian community, the native community wanted to see that the project would not eliminate any use of the land from the people. And we have urged and maintained a rapport with the community to assure them that the entire Conservation District will be open to the general public as a park, in the nature for a park. And this is what we have done.

For the last 22 years I have been an anti-development person, because we have seen dramatic changes in North Kona. Our beaches, our oceanfront have been removed from us. Those of us who have lived in Kona all our lives realize that development is inevitable. Knowing this, we thought it would be most important to be involved with a project and urge the developer to create open space for the community. By doing that, we would like to realize all the natural archaeological and historical sites that are presently being preserved in the Conservation Area for the general public.

WONG: Thank you, Mr. Leslie.

SANCHEZ: Mr. Chairman.

WONG: Yes.

SANCHEZ: Gordon, do you think this Applicant is sensitive to the concern of the community?

LESLIE: Mr. Sanchez, I have never seen, neither have I ever worked for a developer before, but I have never seen a development organization in the State of Hawaii that is as sensitive as Mr. Anderson and Mr. Frye have been to the land first and to the community.

GOLDSTEIN: Mr. Chairman?

WONG: Yes.

GOLDSTEIN: If I may ask a question of the developer, Mr. Frye? Would you consider a change in the Condition H relating to the archaeological and interpretive plan to perhaps include the participation of community and/or Hawaiian groups in the development of the interpretive plan?

FRYE: That would be acceptable to us, yes.

GOLDSTEIN: Okay.

WONG: Thank you, Mr. Frye. Mr. Young, have, has the developer addressed all of your concerns at this point?

YOUNG: Mr. Wong, we undertook to have an ongoing dialogue when we first met. So at this time, I would say no

because we probably haven't raised all our issues yet, and we'll probably raise more as time goes on. We feel comfortable working with the developer. Should we reach a nexus, then we will, you know, we'll step forward.

WONG: Thank you, Mr. Young. Commissioners, any questions of Mr. Young or Mr. Frye at this point, or Mr. Leslie? Thank you very much. Next to testify, Ms. Maile P. David. Sorry.

DAVID: Aloha, Chairman and Members of this Commission. My name is Maile David. I have been sworn in previously. Before I start my oral testimony, I would like to submit for the record that I have hand delivered a testimony of our Land Chairman of Ka Lahui, our National Land Chairman, Clara Kakalia. She was not able to be here tonight. And as the North Kona Land Chairman of Ka Lahui Hawaii, I am here to present my testimony and also submit hers for the record.

I, to give you a brief background about Ka Lahui Hawaii, as Charlie Young said, we are a native Hawaiian initiative, pro-sovereignty group. We have a constitution which, and have already adopted resolutions. We have been in existence since 1987. I, part of the, part of our constitution, the directive in our constitution, require us, as far as our cultural directives, is to preserve our natural, archaeological and historical sites in both North and South Kona.

The, thus far, we have participated as a nation in opposing various projects in North Kona - The Mauna Lani Cove Project and the on-going Ooma Kohanaiki projects. Initially, we had submitted opposition testimony to this development. Subsequent to that, Mr. Frye and Gordon Leslie has taken committee members of our group down on, myself personally I have been on four field trips. The most recent was with a kupuna, our kupuna class from Hilo, Puna and Keaukaha, which was last weekend. On every field trip that we have taken, we have gone through the archaeological sites, and every time we've gone down there, more intense, more complex sites have been uncovered. Those are the concerns that we have as far as preservation. And I think that Mr. Frye has already said that they are willing to entertain any suggestions that we have in preservation.

Another interesting fact that I, to give you an idea of the significance of this area, is that it is, we have been told that there, among the burial sites on this project on Puu Ohau, it is believed that the grandmother of Queen Liliuokalani is buried there among hundreds of other burial sites. And this is around the Puu Ohau area. We have walked the Conservation Shoreline area. The complexes that we have come across, kupuna from Kau, Pele Hanoa, she has suggested that the types of sites located in the area and the intensity or the various complexes suggest that

this area was occupied by alii which supported a lot of civilians, native Hawaiians. Now, Ka Lahui would like to see, and we have agreed to work with Mr. Frye. What I'd like this Commission to acknowledge is that for future development, the archaeological surveys that are conducted under the EIS is very broad. And in that respect, when you read the EIS, and they say this whole development area contains only a hundred and fifty sites, what they fail to say is that within each site there may be twenty-five features which make up a site. And that, according to what we've reviewed on EIS's, is pretty misleading. And then, again, the significance of these sites are determined by archaeologists who basically have, I feel, no concept or sensitivity to the Hawaiian culture.

I won't go into the agreements we've made. I'd like this Commission to guarantee somehow the public access to the shoreline, to this beach area. I do not want to see the access, public access that is presently, that we see presently at Mauna Lani and all the hotels at the North Kona end, where on the EIS "adequate public access will be provided," when in essence you have a limited amount of parking stalls, and the access to the beach itself, you'd have to literally walk a ways. And then the time limit on when local people can enjoy the beaches, that really is a concern.

Aside from that, I'd like to see -. Mr. Frye was addressing the agricultural, the upper lands being in the, being developed for agricultural purposes. I'm not sure whether a local person such as me, or anyone else that live here, can afford a three-acre agricultural piece of property. But I'd like to see some restrictions as far as if the agricultural development is going to happen, that the types of agriculture be kept to native Hawaiian food resources, taro, that sort of thing, to provide at least for the local people poi, things that we can't, things that are so expensive now that we can't even afford to buy.

I personally had strong feelings against this project. Talking with Mr. Frye, talking with Gordon Leslie, they have reassured us that they are willing to discuss this until the project's end. And I think, with that in mind, if there is some way that the Commission can monitor decisions or agreements that are made hereafter, I'd like to see that. And I think that's about it, that I have to say.

FIESTA: Mr. Chairman.

WONG: Commissioner Fiesta.

FIESTA: What would you be, feel as far as time limits for public access to use the beach? What would the community feel comfortable with?

DAVID: Well, I would feel comfortable if I had to go to a beach that I was never able to access, and I've been born and raised here, I'd like to see if we go down, we'd like to camp, spend the night fishing. As long as we respect the fact that we don't litter the place, and if there's a basic understanding that everybody conform to those rules, you know, I'd like to see when I'm ready to leave, I can leave.

FIESTA: So what you're saying, 24-hours access, then?

DAVID: Well, basically, for certain areas for fishing. I mean, if you're going fishing, you want to go nighttime fishing, you'd want to stay overnight. Other than that, you know, picnicking, if you go to a beach for a picnic, it's hard to do it when you have to watch the clock and say, "Six o'clock. The gate's gonna close. We got to get out of here," you know. That's not, I'm not used to that.

FIESTA: Thank you.

WONG: Mr. Frye, on the SMA Use Permit Application, Condition No. 10, would there be any objection to involve public groups in drawing up the plan, page 7?

FRYE: Mr. Chairman, on page 7, Condition 10?

WONG: That's correct.

FRYE: If I could understand again what would be proposed?

WONG: In other words, the condition indicates a comprehensive plan, but it does not specify, you know, community participation and community input.

FRYE: Oh, I see. It has been our intention, and we have said to many that we approve and suggest, for that matter, that a fairly comprehensive group of people be involved in establishing the criteria for the park. We will manage it or create a management plan and then management in accordance with that criteria. And we're glad to stipulate to that effect.

WONG: Perhaps, Staff, on Condition 8, it is probably better detail there, is that correct? Could we add the community involvement as part of the condition? Mr. Frye, I believe on Condition No. 8, it's better detailed there.

FRYE: I agree. I had trouble finding it in 10.

WONG: Okay. Thank you. Okay?

DAVID: Yes, I'm done.

WONG: Thank you. Thank you very much. Next to testify, Clara Kakalia, please.

DAVID: No, I'm sorry, Chairman, she is the person I delivered the testimony for.

WONG: I'm sorry. Thank you very much. Next to testify, Mr. Jim Calkins.

CALKINS: Yes, my name's Jim Calkins, and I represent some of the residents down at Napoopoo.

WONG: Mr. Calkins, you've been sworn in?

CALKINS: Yes, sir, I have.

WONG: State your resident address, please.

CALKINS: I live at Napoopoo, on Napoopoo Road. My concern for this, for this development going in, along with fellow residents at Napoopoo Beach, and probably quite a bit of the community within Kona that uses or utilizes any of Kealakekua Bay whatsoever, this is a marine life conservation zone. And the State has designated that for approximately, I guess, 14 years. This place is pristine because of the limited access that it has; and to open up this community is, to open up this area that's being proposed right now is to open up the gate to the public or private sector that will end up owning the properties there. And I hope you folks address that issue.

It seems that nobody can anchor, we've stopped all the anchorage in the bay to keep the bay pristine. That same type of situation has to happen on the land side, too, to stop the public access from destroying the public beaches.

The part of access, as far as coming into the property and utilizing it for camping or fishing, is this going to be another Mauna Lani Bay? Is it going to be another Mauna Kea Beach Hotel, where I have to leave at five or six o'clock, where there is a gate after the development gets done, is on a roll, has sold out, decides to shut the doors? Is it going to be another Royal Waikoloan, where the people, that state beach at Anaehoomalu Bay, which was free for everybody to go into, is shut down at whatever time it gets shut down? I believe it's nine o'clock. I hope that you have addressed this situation with the developer, and I sure would like to hear some response from him.

The impact of the, oh, the impact on the monument, being that the development is so close to the monument, and along with the development period as far as the runoff for the fishing lands. It's some of the most pristine fishing lands on this side of the island, and anybody that fishes knows that.

Those are my concerns. And I'm not opposed to any of this if some of these things have been or can be addressed and done properly, not in the manner that has been presented in the past of the Mauna Kea's and that type of situation. Pine Trees is just about ready to be put into that same category, where we're not going to be able to use that. It's going to be closed down. What's next? Where are we gonna go? Thank you.

WONG: Mr. Calkins, could you please remain seated; and if I could call on Mr. Frye, please, to address some of those concerns.

FRYE: Yes, Mr. Chairman. The biggest concern that I heard has to do with the access and drew some comparisons with other projects, resort projects in particular that access issues have come up and been publicized, for that matter. It is our intention not to restrict the use of the property to anyone or any time, but to strike some kind of reasonable balance between the use of the resource and the preservation of the resource. So how it is managed, how it is accessed, and how many at a time, and what they do when they're there, all of those are not personal things between Mr. Calkins and myself or anyone else as they are, I think, a factor or maybe a result of the group that Maile was talking about that we can pull together to make decisions about what is best for the resource and the general community. It's not an issue of whether we do or don't want somebody or some particular person in there at all, that isn't an issue of ours.

WONG: Mr. Calkins?

CALKINS: Yes. The group here representing the Hawaiian sovereignty people were here. You're going to work with those people. Are you going to work with the haole people that live down there, and as far as that goes, in the entire community? Okay? I respect everybody's views on what has to be done here. It's not a Hawaiian or a haole issue. We don't want to bring it to that. I certainly don't want, but it certainly has been brought up in front of me right here. You're speaking with somebody, but you're not going to speak with somebody else. And I happen to represent residents in the community, and, hopefully, many more.

FRYE: I'm glad to answer that. I'm haole also. Obviously, I'm not Hawaiian. But, and again, I'd like to again to redirect that. Our interest is in the, is in the resource: how it's used and how it's preserved at the same time, whether it be by you or anyone else. There is no restriction. We've not set any guideline or anything else about who can be involved in setting this criteria. If you have that interest, you're certainly welcome to be involved in that. And we've said that to anyone and everyone that has come on the property. TORCH, as a

group, has indicated their willingness to help us as well; and they have some experience in some of the ocean management areas that we're concerned about. David Tarnas has indicated that he'd be glad to sit and help us with that and help us pull all the people together that do have a care and a concern.

So I think there's no restriction on who would be involved. I think our goals are probably the same, we just need to know how to get there. And I think that's best achieved by a group of people that have the interest.

WONG: Thank you, Mr. Frye.

CALKINS: I have one more question. The access to the monument itself is so close to your property line that it is going, the people that, let's say this restriction is cut out at nine o'clock at night, and nobody else can come into the property, or just the owners of the property. So all the owners get to use the access to the monument or whatever, that area that is already a marine life conservation zone and is so precious. Okay. Just those private people will be able to utilize that area. And on top of that, there are restrictions of fishing and everything else that could very well be done at night right there without being monitored. Who's going to monitor that situation?

FRYE: On our property, you're talking about?

CALKINS: On your property to get over to the monument property.

FRYE: Well, I don't know that we have a way to control, or, nor do we need to control if somebody wants to walk to the monument at night, or even in the daytime. In fact, the Ala Loa Trail is a public one and, I think, available to the public 24 hours a day and without restriction on our part.

CALKINS: Is that, you're talking about the road from the top of the hill, the hiking trail, four and half mile hike down the hill?

FRYE: No, no, that would be the Kaawaloa Trail, you mean? The mauka-makai?

CALKINS: Okay. From the very top of Napoopoo Road.

FRYE: I thought you were talking about the one that goes, I'm sorry, let's see if I can use this drawing.

CALKINS: Yeah, from your property to the other side.

FRYE: This one. From here to the bay is about a mile and a half to the monument, for instance.

CALKINS: Okay. Has there ever been a study done on the impact 500 people a day going to the monument is going to do when you have 100 people or 50 people a day today?

FRYE: Well -.

CALKINS: Is there any, an impact on that precious resource, okay, that resource that's guarded by a conservation zone that we can't even anchor at? Okay. Has there been an impact study done that's gonna, that we're gonna know about what's going to happen to that resource? That resource is just as important as an archaeological site. It's just as important.

FRYE: And I certainly don't dispute that. We've not done a study such as you described. We, however, have had no indication that a group as large as you describe would have an interest in walking from this property to the monument. We're a mile and half, two miles away from there over pretty rugged terrain. Nor do we have any vehicular access from this area to that. And I believe the State's interest is that there not be vehicular access from here through Kaawaloa State Park which still lies between and yet more land lies between us and that monument. The interest of ours and yours, that you're describing here, I think, is best resolved in this group of people to get together and discuss it, maybe over many meetings. It's not something that has to be decided immediately. We don't have, in our minds, something set in concrete that has to be or doesn't have to be. Our goal, and the one that we've heard from the community of all people that have come on the property, is "Take care of this resource."

WONG: Thank you, Mr. Frye. Thank you, Mr. Calkins.

Next to testify, Mr. Alfred Leslie, Jr. Alfred Leslie, Jr.?

LESLIE: Hello, Mr. Chairman, Members of the Committee. I was not sworn in yet.

WONG: Do you swear or affirm to tell the truth on all matters before this Commission?

LESLIE: I do.

WONG: State your name and resident address for the record, please.

LESLIE: My name is Alfred Leslie, Jr. My address is 83-5762 Napoopoo Road.

Basically, all I want to talk about here is the environmental impact on the shoreline and outward, actually. I need to know

what exactly, what type of environmental impact statement was given by the applicant, basically. Exactly what did they -, I talked to someone earlier that said that they did current testing.

WONG: Yes, as I understand it, they've already established a baseline for the waters off shore, and that will be monitored. But perhaps I can ask the Applicant to explain that further. Mr. Frye?

FRYE: Mr. Chairman, if I may ask Dr. Brock to address this question. He has done that work for us.

WONG: Mr. Leslie, is that your primary concern?

LESLIE: Yes.

WONG: Okay, and do you have any other concerns at this point?

LESLIE: No, just the environmental impact on the shoreline.

WONG: Have you been sworn in?

BROCK: No, I haven't.

WONG: Do you swear or affirm to tell the truth on all matters before the commission.

BROCK: I do.

WONG: Name and resident address, please.

BROCK: My name is Richard Brock. My resident address is in Honolulu. It's 1820 Kihi Street, Honolulu, Hawaii.

With respect to your question, there has been a baseline study carried out in the area of the water fronting the property, down as far south as the, I guess, the northern edge of Kealakekua Bay, where the boundary would be for the MLCD. We've looked at the fish and coral communities there, and you know, the invertebrates and the limu and the like, and quantified what's there, established permanent stations in the waters from depths ranging from four or five feet right next to shore, real shallow water, on out to about the 60-foot contour. So it covers the area that normally gets fishing by scuba divers or skin divers. And we've also established a water quality baseline. So we have information about the quality of the ground water that enters along that coastline and the quality of the marine water in that area.

Another consultant, who isn't here this evening, carried out studies, to answer your question, you mentioned currents, carried out preliminary studies on the currents, the ocean currents, fronting the project site.

So there is a set of baseline information, if you will. And what will happen if the project moves forward, there will be a monitoring program; and the preliminary monitoring program has been put together. And the monitoring program would look at fish, corals, limu, other invertebrates, you know, underwater invert-, you know, stuff under water, as well as water quality, and we'd monitor this on a quarterly basis with respect, probably a quarterly basis, this hasn't been determined yet. It's up to the permit agencies to say, yeah, quarterly or, you know, every two months, or every six months. But we've proposed a quarterly monitoring program, which is similar to other areas. But that may be modified if the project goes forward.

LESLIE: If there was any damage to the coral life or say fish species started to disappear left and right, what could be done?

BROCK: Well, okay, the first thing, it's very difficult, you see something decline. It's very difficult to say, "Aha, that is the reason" and to be able to point your finger to a specific activity. I can give you an opposite example, if you will. Remember, if you're a fisherman, or if you fish, do you remember in the mid-80's when we had all the file fish?

LESLIE: Right.

BROCK: Yeah. That's the opposite. That was a natural fluctuation where you had very good recruitment of file fish. They were very successful spawning, so very good recruitment. The same kind of thing could happen in the other direction now with fish, and they can decline. You know, your populations can decline. And it can be due to any one of a whole number of things. So what I'm trying to do is, I'm not trying to paint a picture saying to you, oh yeah, we'd know immediately that it was because they're developing a golf course, and assuming that there hasn't been a massive outflow of turbid water, you know, high rainfall and runoff, we wouldn't, you know, we don't have the tie in a lot of cases.

But, to answer your question, in general, the monitoring programs, what they do is, the first line of defense is to look at water quality, because most of the impacts that occur are generally mediated through water quality. This has been the premise that most people have worked with. So, if there's a change on land, say, a golf course or agriculture or something like that, we potentially change the groundwater that comes out.

And you know how leaky this coast is. There's a lot of groundwater coming out. We would see a change in groundwater. Say, for sake of argument, say there was some nasty pesticide. We'd pick that up, and what happens is, you'd see an elevation of something in the groundwater, an increase in something. That is the signal that there's something wrong. And usually you see that increase, that elevation occur in that particular component well before there's any actual impact that you can see in the marine community, in most cases. And, you know, this has been traditionally the thing that's happened.

Now, very quickly, places where you do see impact, obviously, is right next to sewer outfalls. I do a lot of work on sewer outfalls in Honolulu. And obviously, right there you can see impact right next to the outfall; but as you move away, you don't. So, I guess what I'm saying is that you identify a potential problem. That's a signal. The normal response is that's a signal that goes back, if it's in the construction phase, to the people involved in the construction. Also, at the same time, the Department of Health is notified, Department of Land and Natural Resources; and depending if it's in the permit from the County, the SMA or whatever, the County Planning Department would be notified. So there's a notification process that goes on, so the permit agencies are aware of a potential problem. And then you look at the solution, you know, what's causing the problem. Hey, let's turn off the spigot. And that's the standard protocol that's usually set up.

WONG: Thank you very much. Mr. Leslie, is there anything else?

LESLIE: Yeah, exactly how long would it take before you see a problem happening in the shoreline and detecting what it is? How long would that be? Like what is the time process there?

BROCK: It can be as short as days to weeks, depending on when the problem is noticed. You know, you have to identify a problem first. You have to see, you have to be able to identify the problem. The flag has to be flying, so to speak. You got to see the flag go up. When you see the flag go up, it can be very quick.

WONG: Thank you very much. Thank you, Mr. Leslie. Next to testify, Melitta Hodson, please.

HODSON: Good evening, Mr. Chairman, Lady, Gentlemen. My name is -, I have been sworn in. My name is Melitta Hodson. I reside at 75-5572 Kuakini Highway here in Kona.

I first became acquainted with the project approximately two years ago when the Kona Outdoor Circle received an invitation to

come and view it. And I went on the property in my capacity as Chairperson of the Beautification Committee. I was impressed with the way that the developers handled, the people that were on the project, how they answered it, and how they invited input. I have become acquainted with the developers, Gordon Leslie, Dick Frye. And it was a marvel in comparison to other developments to see how it changed and how the project developed.

During this period my husband and I organized a foundation to help preserve the flora of these islands, to help preserve the native endangered and endemic plants and medicinal plants; and we became aware that medicinal plants were available. But land is very expensive, so we could not find land in time to preserve the plants in one project; and they were bulldozed over and they were lost to us. So I told Dick Frye about this, and Gordon Leslie, and they have volunteered to set aside land at different elevations, according to the needs of the medicinal plants, so that as we grow them and propagate them from Honolulu and other places, that we will have a medicinal garden on this development. And they will nurture it, and they will preserve and mature these plants. And they will be available to the laau lapaau's and other people that are interested in alternate ways of healing.

We are very appreciative for this. And they are the only ones that have volunteered this service to the community. And I feel it's important that you know the extent to which they're going out and becoming involved with the community and being helpful to the needs of the community.

Thank you very much for your time.

WONG: Thank you very much for your testimony. At this time would Staff please call out perhaps the next few names. We will, after this, take a ten minute break and reconvene at 9:10. Would you please read out the names of the people to testify, please.

GAGORIK: Okay. The next one would be Stathie John Prattas, William Cowell, Dan Roudebush, Caroline Greenwell Cowell, Virginia Isbell, Brad Houser, and Henry Kekai. Could you sit in the first two rows. Thank you.

WONG: Thank you very much. We'll reconvene at 9:10.

RECESSED The Chair called a short recess at 9:00 p.m.

RECONVENED The meeting reconvened at 9:15 p.m.

WONG: The meeting will -. The meeting will now come back to order. We'll proceed with receiving additional testimony. Stathie John Prattas.

PRATTAS: Thank you, Chairman and Members of the Commission. I'm Stathie Prattas. My address is 81-6671 Muli Street, which borders the subject property.

WONG: You have been sworn in?

PRATTAS: I have been sworn in. And I have lived adjacent to the subject property off and on and currently for the last 15 years. I'm also a realtor. I've talked to a number of the members of our neighborhood which will bear the brunt of all the construction traffic, etc. And I think, basically, most of the neighbors I have talked to that have contacted me since I am a real estate professional, and they kind of value my opinion on these things, are very supportive of this project. Their biggest concern is the traffic during construction until such time as the bypass road is established. And I think their only real concern is that if the construction vehicles can be delegated to certain hours of the day, that would keep them off the roads during such times as the children walking to the bus stop in the neighborhood and also walking home after school. And in talking to representatives of the developer, they are very agreeable to regulating that schedule.

I'm also the Legislative Committee chair for the Konawaena Elementary School PTSA. And since 1984 we have been trying to get a new elementary school built to handle the overcrowding. And the developers for this project have been, have done a lot of work in trying to help us get a school site, which members may know is currently tied up in law suits with Mr. Jack Greenwell. So they've had school groups down to review land that they're willing to donate for this new school site. And whether that ever comes to pass will be up to the DOE.

But in my ten years as a realtor and having been courted by many developers on this island in presentations, I've yet to encounter a development group that has reached out to the community as this development group has. As has been mentioned before, they've taken group after group down to walk the land, which I've done as well. And I've just been very impressed with the sensitivity of this development group in addressing the concerns of the community.

WONG: Thank you very much. Commissioners, questions? If not, thank you very much. Mr. William Cowell.

COWELL: I've not been sworn in yet.

WONG: Do you swear or affirm to tell the truth on all matters before this Planning Commission?

COWELL: I do. I'm William Cowell. I live in Captain Cook. And I feel very strongly about this project here. I know

the background of the land and why the land was sold. And I know the problems that were faced during that time. And I know if we all owned land, then we could go ahead and break it up and give it away, sell it, and so forth. But the State and County laws restrict us to where we have to do so much to get rid of land that we become unable to do anything with the land, and then we're forced to sell it in parcel. And this is what's happened here. I've been on several of their tours. I have a kuleana down there. I've expressed my concern over numerous things to the developer, and they've been very sensitive to what I have asked them. I feel as long as a developer stays within the guidelines of the State and the County and is sensitive to the needs of the community and works with the community that they should be allowed to progress.

WONG: Thank you very much. Mr. Dan Roudebush, please.

ROUDEBUSH: I have not been sworn.

WONG: Do you swear or affirm to tell the truth on all matters before this Planning Commission?

ROUDEBUSH: I do.

WONG: Thank you.

ROUDEBUSH: I'd just like to support the -.

WONG: Your resident address, please, for the record.

ROUDEBUSH: Excuse me. Dan Roudebush, 77-6384 Halawai.

I'd just like to state in support of the project from the rurality and address the Ag issue that was raised earlier. I've been down there and looked at it from the standpoint of a potential purchaser. And I'd just like to say that I think that there's a different micro-climate in there. And all due respect to the request for raising taro, that might lend itself to crops that could be grown locally and provide some employment from the standpoint of picking and packing that'd make money for guys like myself that might be marginal buyers to get into the place. I have two, one other question in that regard for maintaining the Ag, and that's the price of water and the source of it. I'm not that familiar with the water pricing sold by the County, or that's going to be provided by the developer. But I'd like the Planning Commission to at least address the fact that if they're going to have Ag lots, that water be provided at a reasonable price.

The other thing in regard to rurality, request for both this project and others, is that somebody on the Planning Commission or as a whole do something about the influx of street lights that

is killing the environment of the island. I've got three of them shining in my bedroom window right now, and I'd rather that I didn't have any. That's just a personal aside.

And finally, in conclusion, I had one request by somebody in the audience regarding earlier testimony, and that was monitoring of the water quality off shore. They wanted to know the length of the monitor, the life of the project or beyond, by whom it was being done, and if the results would be published.

WONG: Thank you very much. Mr. Frye, please.

FRYE: Relative to the price of water, it's not an item, frankly, that I had thought of as to how that might work. But I feel certain that we would probably establish a price that would deal only with the pumping cost of the water. The rest of the infrastructure that would be in place for the water would be needed for the golf course anyway. So I think just to the extent that we incur pumping costs, that we would pass that on for water use cost.

Relative to street lights, I share your opinion. And I hope that there is a way that the Department can work with us on street lighting and what is required and not. And to the extent that they are public roads, I suspect that there are some liability issues in certain types of areas that will be addressed. But we will do our best to minimize the amount of lighting that would take place on the project as well.

Lastly, the amount of time that we would do monitoring, I believe our proposed management plan speaks to something like a ten-year time frame, or something of that nature, that if nothing has happened in all that time and all is well, then perhaps that plan would change to something less frequent.

Relative to the results of the water quality testing and monitoring, those will be made available, and part of the management plan will specify how that's done and who it's reported to. We will keep a log of all of that information of our own so that it would be available.

WONG: Thank you, Mr. Frye. Thank you very much for your testimony. Next to testify, Caroline Greenwell Cowell, please.

COWELL: I have not been sworn in.

WONG: You have not? Do you swear or affirm to tell the truth on all matters before this Planning Commission?

COWELL: Yes, I do.

WONG: Would you speak loudly into the microphone, please?

COWELL: My name is Caroline Greenwell Cowell. I'm a resident of just, in Kealahou just above the project site. I wanted to let you know that the Applicant Oceanside 1250 has worked very well with our family and has consulted us on many times. And they've been very willing to share what their project plan is and taken us into consideration.

And just for the record, if there's any possible way to move the bypass road so that it borders their property and does not cut our lower portion into two parts, it would be appreciated by us. Right now it would cut off a substantial, about 25 or 30 acres of our property. If it could be lowered in any way, the family would appreciate it.

And one other thing for the record, just to answer Gordon Leslie, or in response to Gordon Leslie's comment, our family, the previous owner's, did not deny access. In fact, we gave access to large groups of people. Local fishermen had access to the property. I just wanted to let that known.

WONG: Thank you very much. Mr. Frye, would you like to address the siting of the bypass. As I understand it, it's a State Route.

FRYE: That's correct. The alignment that we're following, for the most part, is that alignment that was established through the State's investigative process in the mid-70's, I believe. They looked at several locations, not just this, but one more mauka, one way-mauka above the villages. And as a result, the particular alignment here has been subjected to a fair amount of input from the community, a fair amount of investigative work. Both technical and the EIS work had been done on that route. So we selected the route from that perspective and tried to honor as nearly as we could the alignment.

Relative to moving the alignment, we have talked with the Cowells about moving the alignment in such a way that it minimized and reduced any kind of a strip left, so they have a little piece here and a little piece there; and we'll continue to work with that and try to move that around in a way that they don't have a split situation. Or if they do have a little piece left, maybe we can incorporate it into our land and work out a purchase agreement with them, or something of that nature. We'd rather not reroute the whole highway, however.

WONG: Thank you, Mr. Frye. Commissioners, any questions? Thank you very, very much. Next to testify, Virginia Isbell.

ISBELL: Aloha. I've not been sworn in yet.

WONG: Do you swear or affirm to tell the truth on all matters before this Planning Commission?

ISBELL: I do. My name is Virginia Isbell. I live in a post office box, 926, Kealakekua, otherwise known as Keopuka Makai.

I speak in opposition to this development because of the many unanswered questions that I've still not received any answers to or been enlightened on tonight.

I was taken on a tour of the area, and my first question when they showed me the map was where is the affordable housing for the local people? Where is there housing for any place for those people? To this day I have not found where that's going to be. But I do not understand or condone a complete development which is for the very wealthy, upper end of the scale, which has been stated tonight, which leaves really no affordable housing for the local people. And I cannot understand how even the Planning Commission could look at a great big development like this and not ask that question. So I'm very concerned about that.

It has been in the back of my mind, and as the chairman of the Housing Committee in the House of Representatives, even HFDC, the Housing Financing and Development Corporation, has to have some affordable house in every development they make, even though some of the homes are over \$500,000. And 10% of every development, under the law now, has to have owner-builder type of developers for the local people in the median income range. And that isn't being addressed.

I also have a question on the golf course that has also bothered me for quite some time. Four times a year, whoopee. And that's only for fund-raisers. There are not a lot of golf courses for the local people. The Kona Surf cut off membership when they purchased it from the former owner. If you want a membership there, you're going to have to pay plenty. And, basically, it has left the local people out. Before that, it was, more or less, open to them. The golf courses that are available are all about 45 minutes to an hour away; and they're in the Waikoloa, Mauna Lani, Mauna Kea area. So to have a golf course in that area and not even allow the local people the opportunity to have it on a regular basis, I would say at least one day a week or maybe two days a week. But if these are the very luxurious types of homes, then we're talking about thousands of square feet under roof on huge lots, and they're probably winter homes anyway. Who's going to play on the golf course? So, again, I'm suggesting that you require some really pizzazz in this, and get some openings for the local people. Give them an opportunity to play on the golf course.

The Ag lots. I'd like to see a market study on what would grow down there in brackish water. Have you seen a market study? Do you know what will grow? Personally, I don't know of anything that will grow in brackish water at that level that is a marketable commodity. So I would like to suggest that the Planning Commission certainly must defer this until they get some better information. And what they are suggesting is that the very wealthy people will own the lots, and they will allow sharecroppers. Basically, that's what it is. Sharecroppers without a home to come in, they've got to drive down there and farm those lots, if they can make some money at it. Maybe there's something I don't know about, but only thing I can think of is flowers. And you can only grown so many flowers, and we've got so many blight problems and, you know, whatever diseases, and even that is very expensive.

I'd also like to know how much it's going to cost for the water. If, in fact, they can get fresh water. Because some of those flower things and crops will not grow in brackish water. So, again, a lot of questions, and more questions than answers.

The bypass road has not been set in iron, and I was surprised to hear that the Department of Transportation's plan is being used by the developer as the plan. I've been working with the Department of Transportation and the business people. There's been no concentrated plan set yet that this is where it's going to be. The Department of Transportation has the money to do a study. And the last time we met with Hugh Ono, he stated that they would be doing a study of all the studies, because there are so many. The Holualoa to Papa Bay plans that were put in are just one of several. And it does basically talk about using the railroad track, the old railroad track, as the site for the road.

The people in the business community that I've talked to are very concerned about having a road that's too far below the businesses, which will basically cut them off, so that nobody will really take the time to go through the Kainaliu to Kealakekua areas and Honalo. I also question whether or not the people of Puuloa are aware that this road is going to go right by them; and I'm not just sure about Bishop Estate, whether they are supportive of, you know, the plan.

Basically, the bypass road is needed more by the developer at this point than anyone else. They need a road to get in there and to do the development. So let's make sure it's the right one in the right place. But have you seen approval by the State to say that that's the plan? I have not. And I think that that should be answered.

The beach park is basically archaeological sites, and they can't use it anyway. And so, who's going to take it over, the County or the State? Or is it going to be the private entity that runs

that beach park? And if so, how do they keep the people from destroying the archaeological sites? What kind of park is that? Where do the kids play? Where do you camp? How you designate "don't touch that" and "don't touch this." And who's going to be in charge of monitoring?

I did hear Mr. Frye talk about the target group as, the people who are going to be living there, as the enrichment. I heard the word enrichment, and I couldn't believe it. It really is the rich. But part of that is okay. The word is obviously meant to be for the very wealthy.

I'm here representing not just a certain group of people, but the people of Kona, too. There are many people who are not here that would love to have a home but could never afford to live in that area. This is not going to be for the local people. And if they're saying 80% will be brought in, I would be willing to bet that it's going to be higher than that.

And I also would be interested to know whether the people that work in their developments in New Mexico, or wherever it is on the mainland, how many of those are immigrants from Mexico? How many of them are actually citizens? And what kind of wages do they get? And are they under the table, or is it cash? I mean there's a lot of questions that should be asked.

And the donation of the land for the school, I remember seeing a letter that was written to this group asking them whether they would donate land, and it was very wishy-washy, it never committed. Do you have a letter in your hand that states that they will donate the land for the elementary school and build the road that will be in a good spot for the elementary school, so they can come across? The elementary school cannot be put there without a new road because it's too steep for the busses. So even if they gave the land for the elementary school, you must have a road that comes way up on the mauka side that would allow the busses to come in from below Teshima's somewhere, across, not that far below Kainaliu, so that it'd come to the elementary school over and out.

So with that, I just bring to you my concerns. I've watched this for a long time. I've visited it. And I have a lot more questions than I have answers. And I'm sure that if we can get these resolved, and you see them in writing, maybe we can all agree that it would be a good project, but I'm not convinced. And I don't see what's there for the local people. Thank you very much. I'm sure you've got a lot of questions.

WONG: Thank you very much. Mr. Frye, would you like to try to address some of the concerns at this point?

FRYE: Yes, sir.

WONG: Thank you.

FRYE: It may take me longer to answer all your questions than it did to make my presentation, but I'll try. Many of the issues that you have raised I have some comments for, and I hope they're helpful.

Relative to affordable housing, Virginia has been steadfast in that opinion with us very early on. She indicated that she would not be able to support our project if we did not include affordable housing within the boundaries of this property. It is our intention, and it will be required of us as we do the makai portion of the project and go through the general plan amendment and land use change process, to provide for affordable housing in accordance with rules, regulations and law. And at that time we will certainly do so. We have addressed the issue of having affordable housing within the boundaries of this site and did a rather extensive effort in that regard and found that in order to meet the guidelines, at the time that that study was done, that it increased the density so sufficiently, or so markedly, on this project that we could not then meet the request that we had had from many people that had visited with us about the land of keeping the rural density. And so, it was hard, it was not possible for us to accomplish both and still have an economically viable project. And so our proposal has been to find a piece of land that is suitable for affordable housing density in an area where that density maybe is already zoned or where that density would be acceptable and not at cross-purposes with the rest of the community. That is still our intention and our willingness to do that.

Relative to public play of the golf course, I believe the proposed Condition of Approval indicates that we will comply with whatever public play requirement is agreed upon or is forced upon us by the County. It doesn't say forced, but it certainly will be subject to whatever policy the County comes up with for public play. We simply have proposed the tournaments per year as an idea. So that is simply on the table, and we'll continue to have those discussions until we achieve a result that's acceptable to everyone.

Also, just one other word about public play. There are two courses at Kona Country Club in the Keauhou area. There is the Makalei course. There is the proposed Kealakehe course. There is the permitted, and under somewhat slower construction, I think, the Tom Pace property just mauka of this one. There is the course at Four Seasons that is partially done and continues under construction, I believe, and others that have been permitted, and many of those are shorter drives. And I agree with her that the hour drive to Mauna Kea is a long one and not one that you do often. So, according to our studies and those courses that have been approved and others that are being

requested, there will be plenty of public play. And, in fact, at this time none of the courses have an overabundance of play and haven't for quite some time. We did do a study of all of those, so that we knew how much play would be available to people in the future. However, we leave that to resolve with the County and we'll abide by their decision when the time comes.

Relative to the Ag lots and the viability or the marketability or the economics of the agricultural use. We did do such a study, and, Virginia, I'm glad to send you a copy of that, because it was important to us to do so. It was done with, I think, eight of ten products in mind. We selected those eight of ten as a good cross-section from about twenty-five products that are under consideration. We picked those eight because it gives us a good cross-section of the various types. We researched the viability of those products for use with brackish water and the pesticides and other issues that we're concerned about in the agricultural use. It happens that the agricultural, I'm sorry, the brackish water quality is good, and any of the products shown in the study will grow adequately with that brackish water. Some of the, there are some products that don't do well on brackish water, particularly when you get to the one and two thousand parts per million of chlorides, which gets pretty salty. Ours, on the other hand, is just not too, in fact you probably wouldn't notice it was salty if you were to drink it. It's about 360 parts per million.

You asked one question about money for water, and I'm sorry, I didn't catch all of what you said on that one. Do you have that? Could you -?

ISBELL: What is the cost?

FRYE: To, of -?

ISBELL: If you have to have fresh water, what's the cost? Because some things don't do well.

FRYE: For agriculture you mean?

ISBELL: Yeah.

FRYE: We hadn't contemplated using fresh water for the agriculture, so we haven't looked into that as an opportunity. But I suppose we would be subject to whatever the County rates are to do so, would make a difference in the economic viability.

The bypass. We've worked long and hard with many, many people. And we've tried to contact everyone we can that has a concern about the highway. And we have been asked by the State Department of Transportation to arrange for a public meeting that will bring the alignment studies that we've done and get everyone

that has an interest to that meeting and have a public discussion about it. We've been asked to make that arrangement and will do so and get more input about it.

Again, I think the stipulations contemplate that there may yet be some changes in the alignment, and that is yet to be worked out specifically how that would be. I think we've addressed the major issues. We've addressed traffic. We've addressed economics. We've addressed displacing people's homes. We've addressed business concerns, the location of the intersection; and all the things that come to our attention and things that we could think of, we believe we have addressed.

The residents of Puuloa, we have visited with them, and they have asked us to consider moving the intersection further south so it will have less impact on them, and we're studying that at this time.

I would agree that we have a definite need for the bypass highway for our project. It is important to us. I would also say that for a good many years there has also been a need by the entire community, entire community for the highway, so I think that our project, then, is a benefit to the community in providing the wherewithal at this time to maybe build this highway sooner than it might be built through the priority list by the Department of Transportation.

Lastly, the park, we do not intend to build the park and then give it to others for them to maintain. We intend to continue to maintain it. We are glad to stipulate so. We intend to do so through home owner association fees eventually, as buyers participate in our development. But we'll continue to bear the responsibility in management of the park, both financially and physically. Did I miss any -?

WONG: Thank you, Mr. Frye. Mrs. -.

ISBELL: The school. The school site.

FRYE: Oh, I'm sorry, yeah, I'm sorry, I had some more notes here.

The school site that was discussed was located at the very upper end on this map, right in this location, right across from the existing park facility that is there now. We've studied some alternative road service routes to get to there, coming up through here and on up to the highway, and the financial viability of that school site, just considering the road cost alone, was substantial. We have never been in a position, I don't know if we've been asked to be in a position, to donate the land, or not donate the land. We have only been asked if we would participate in the school site. Our letter to the

Department of Education said that we'll be cooperative in establishing the school site. Whether or not that's a donation, or whether or not we are compensated for it, was never negotiated, nor did we ever get to that point. We never said no, we never said yes. It just never got to that point, and I think because it wasn't a feasible location because there's several million dollars worth of road that would need to be built to get to it, because of the slope and curve requirements for busses. To that extent, you know, we've been cooperative. We'll continue to be. If the site that they're currently working on just can't work, and ours is resurrected, we're still upon to discussions about the school site.

WONG: Thank you, Mr. Frye.

ISBELL: Mr. Chairman, if I may offer a slight rebuttal on just a couple of items since -.

WONG: Uh -.

ISBELL: But no rebuttal, fine.

WONG: Yes, this is not intended to be a forum for debate but a forum to receive information.

ISBELL: Okay. Well, let's just -.

WONG: Would you like to make any additional comments?

ISBELL: Yeah, I would like to just make the additional comment, basically, that what I brought up as questions basically are still questions, and they were not answered. And just to let you know that the stadium for the University was No. 72 on the priority list and became No. 1 in the legislative hearing. And so priorities mean nothing, as you know. They can change at the whim of the legislature. So if this became a number one priority of the Department of Transportation through legislative action, it could happen. And so you always must keep that in mind.

But I hope that you will certainly take note of all of the things that were said in his responses, because basically he didn't answer the questions. Thank you very much.

WONG: Thank you. Commissioners, any questions?

SANCHEZ: Mr. Chairman.

WONG: Mr. Sanchez.

SANCHEZ: Representative Isbell, this 60-40 applies to any development's affordable housing?

ISBELL: No.

SANCHEZ: Is that a State requirement?

ISBELL: No, we repealed that this past year because it doesn't work. When you require 60% affordable and 40% market, and the market houses look very much like the affordable and the only difference is that you're paying a subsidy, they couldn't sell them. So what we had to do was remove that from Chapter 201-E. So now there is no longer this 60-40 affordable, but they still have to have a percentage. But we are allowing HFDC to say what the percentage will be based on what the ultimate goal is, because we have to have revolving funds. The money has to revolve. And it may be that they would have maybe only 20% affordable. But there has to be an affordable amount. And 10% of the total subdivision, if they've got 500 lots, 50 lots have to be owner-builder for the affordable median income range.

SANCHEZ: Thank you, Mr. Chairman. Thank you.

ISBELL: Thank you.

WONG: Thank you very much.

ISBELL: Thank you very much.

WONG: Next to testify, Mr. Brad Houser.

HOUSER: I haven't been sworn in, but I always tell the truth.

WONG: Do you swear or affirm to tell the truth on all matters before the Planning Commission?

HOUSER: Yes, sir. My name is Brad Houser. I'm a resident of Kailua-Kona, 77-342 Nohealani Street. And I'd like to, only intended to make comments on one subject, however, the other person, Jim Russell, has to stay by the phone because he's got family near the brush fires in Southern California. So I would appreciate the opportunity to talk on two subjects. One is energy conservation, and the second is traffic analysis and roadway planning.

In terms of energy conservation, I think the Planning Commission has a marvelous opportunity to take a leadership role, both in the County and the State, by putting a condition on all developers in this County to follow the State-approved model energy-efficient building code. This code has a short payoff period, it saves energy. And it's something that, who knows how long it will take the County Council to get around to approving,

and it's something that we should do now, otherwise we lose the opportunity for saving energy on all of our new construction.

In addition to the present code that was partly emasculated due to a feud between GASCO and HELCO and HEI, they stripped out the requirement for solar water heating. And I think this is certainly in the purview of counties when they adopt this code and certainly under your powers to require that as a further condition, that solar water heating be required on all residences and on larger buildings, where it's not practical, that they use high efficiency heat pumps. So that's the issue of conservation. I think it's very important. We've all heard about the hand-wringing HELCO goes through all the time in terms of lack of capacity; and this is one thing you folks can do to help out.

In terms of the traffic analysis and roadway planning subject, there's a fatal flaw here. And I think we ought to all stop and look at the basic assumption. The assumption is that if we put in a new road, that's going to take care of the traffic problem. Gentlemen, that's not true. You take the proposed road and before the Planning Commission approves this project, they ought to know the traffic impact, not only on that road, but on its intersection and in the regional road systems in Kona. It's that simple. The technology is here to do that analysis. We've talked, some of us have talked to the County. Instead of just doing regular traffic, state traffic analysis, the County should develop a process and procedures and tools so they can do their own traffic analysis. The cumulative effect of Development A here and Development B here on the roadway system in Kona is dramatic. And I would like to just quote from the 1991 Island of Hawaii Long Range Highway Plan. They use 1986 traffic counts, which is old. It's obsolete data. The traffic counts have gone up substantially since then. But nonetheless, they identified six of nine major Kona roadway segments as being deficient. That was in 1991. By the year 2000, they project that eight of these nine segments will be deficient.

So my recommendation in terms of all projects, not just this project, that the Planning Commission, that all new developments in Kona should be evaluated in terms of both the traffic impact of the immediate local roadways and the entire roadway systems of North and South Kona. The traffic consultant should be hired by and directed by the County. Analysis assumptions should be prepared by the County in consultation with the developer and appropriate local experts, for instance, the Kona Traffic Safety Committee and the Kona-Kohala Chamber of Commerce Transportation Committee. So that the going in position and the assumptions on the traffic analysis are agreed to.

I think it's obvious that under the present system, where a traffic consultant is paid by the developer, this cannot be relied upon to be totally objective. In addition, these analysis

do not consider the broad impacts on the regional roadway system, only the portion of roads in close proximity to the development.

So I submit that this road that's being proposed, wherever its final alignment goes, does not guarantee it's not going to degradate the roadway system in Kona. And I think before you approve it, you ought to find out what the projections and an impartial analysis says. And I thank you for the opportunity.

WONG: Thank you very much. I'd like at this time perhaps for Mr. Tom Pack from Public Works to just make a few comments on the traffic analysis.

PACK: Actually, there was a traffic study done, I believe it was dated January of '93. The traffic, the analysis was reviewed by both our Engineering and Traffic Divisions. The numbers did seem to be realistic. Also, though, I guess above and beyond any particular traffic study, there's also, I guess you could call it the issue of common sense. Basically, all of us know that we do have traffic problems in this area. The bypass road will, in and of itself, be of some benefit to the traffic going through the villages. The part of -. The DOT is also doing their own studies on this road as to where they feel the specific alignment should be, where should the specific intersection should be. Their data and their analysis will essentially be the determining factor of the final layout.

HOUSER: But just to take it from the intersection with Kuakini, you have to do an analysis of that level of service at the intersection. And Kuakini running north, I think you appreciate, Kuakini running north, my guess today, is level of service D. And additional flow going in there could well drive it to level of service E. See, we don't know what's going to happen; and you can't assume that just because you're putting in a roadway it's going to help out the situation. You put in the Alii Bypass Highway, no one knows how much traffic is going to be generated there and what it's going to do to the rest of the road system. And we can bring up in this county traffic simulation models, so you can have near real-time understanding of the whole situation, and we ought to do it. That's my plea with you gentlemen.

WONG: Thank you, Mr. Houser. Mr. Frye, please.

FRYE: If I may, I'll address the energy conservation issue first. In our Environmental Impact Statement, we addressed this information. And this was information brought to our attention through the tours on the property about how we handle energy and also by another local person generally interested in development. And to that end, we have, pardon me, said as a guide we will be using the strategies for energy-efficient architecture by Hawaiian Design and the model energy code, as

well as our electrical consultants, and input, as well as our own electrical consultants, and input from other sources to encourage the use of energy-efficient design in buildings to be located in the Villages at Hokuano. We have a very strong architectural review committee in process, and we can be very influential, I think, on the design of those homes; and to the extent that it all works together, we are in favor of that. I'm also in favor of the County and/or State adopting regulations to that effect so it applies to all people, all future home construction and commercial as well.

Relative to the roadway planning, there is a stipulation contained, Condition of Approval that anticipates that there may be such regional improvements and impacts as caused by our development. And in that case, we are assessed an impact fee for our share of what those improvements might need to be. As opposed to our making an improvement at the intersection of Palani Road and Queen K, for instance, that wouldn't be a requirement of us, but we might have to contribute that if that was, if that turned out to be an impact. And I think that's a determination made perhaps as we go through land use change, as well as by the County's Department of Public Works. Both of them will look at that.

WONG: Thank you, Mr. Frye.

HOUSER: May I ask him a question, Mr. Wong?

WONG: Yes.

HOUSER: You didn't mention, you mentioned the model energy code, and I think that's marvelous. You realize the state-adopted model energy code does not have a requirement for solar hot water heating. What's your position on that?

FRYE: I think to the extent that -. I have it in my own homes. And I have no problem with it, except that two days ago I had to turn on the power because of the storms and no sun for two or three days. But -.

HOUSER: Get a bigger tank.

FRYE: It's pretty big already. But, anyway, our interest, I think, is going to be one of an aesthetic one and compatibility with that, so that we find ways to install that equipment so it doesn't have reflective problems and all, as you might view the property from the ocean or if looking one house down on another. Those collector panels and however they may be situated, we need to address those, just from an aesthetic purpose. And if we can do that adequately, we have no problem with that.

HOUSER: How would an impact fee be decided upon at other intersections, other portions of the Kona Roadway System, when there apparently will not be analysis of the entire roadway system, your project's impact on the entire roadway system?

FRYE: I think that it's probably sufficient to do an analysis of our contribution to the highways, as opposed to identifying where there's a problem. Where they spend the money, I think they'll identify on some priority basis. But when they say in year one we provide ten cars, but in year thirty we provide a thousand cars, they can then lay out when we have an impact on highways, and they assess us for that, and then they would spend the money on their priority basis. That's my understanding of how that might be done. I think that there's someone here from the Department of Transportation if it needs further clarification.

WONG: Thank you, Mr. Houser and Mr. Frye. Commissioners, any questions?

HANSON: Mr. Chairman. Mr. Frye, could we make that a Condition of Permit, the energy, the energy codes?

FRYE: How would the stipulation be worded?

HANSON: It would be, well, we'd let the Department work out the wording, but so you would include the energy codes as part of your permit recommendations of your construction.

FRYE: We would like to use them as a guideline, and we'll enforce them as best we can; but not as a requirement for every home and every condition. We have no problem with that as a condition.

HANSON: And solar hot water heaters, too?

FRYE: Yes.

WONG: Thank you, Mr. Frye. Thank you, Mr. Houser. Next to testify, Mr. Henry Kekai.

KEKAI: Oh, wow, everybody went home. Ladies and gentlemen of the Council, welcome to Kona. I don't want to put my back against you, so I do it on the side. That is known as manners.

WONG: Mr. Kekai, before you proceed, have you been sworn in?

KEKAI: Yes, when the crowd, with the crowd.

WONG: Okay. Just for the record, could you state your name and resident address, please.

KEKAI: Yeah, I have been sworn in. My name is Henry K. Kekai. I'm keiki o ka aina o tutu pele. I'm a native of the Hawaiian Islands. I reside at Box 26726 Kailua-Kona on the Big Island. Sometime I go by the name of Resident Box Holder. Well, I just try to wake up people. I hope you don't mind, Commissioners. I only, I like the makeup of this Commission. This is the first time I've been here with this Commission. I see the good work you've been done. I know only that Hawaiian and that, shall we say, haole. He's a good one. And that cross-section right there. You Filipino?

SANCHEZ: Yeah.

KEKAI: I like your style.

So getting back to business, gentlemen. There is time to be humble and there is time to rumble. I'm a Hawaiian. I'm pushing 70. I'm an activist. I belong to Ka Lahui, OHA and any Hawaiian club that's been activated already to go into business. I'm a kapuna. I'm proud of it. I'm proud to be a Hawaiian. Gentlemen, I have a deep, deep distrust of developers and lawyers, really, because I've been an activist too long. But I let you know where I coming from. That's 2.

No. 3, going through that.

No. 4, I just attended the kapuna conference held here. This was sponsored by OHA, Office of Hawaiian Affairs, was held here in Kona just about couple weeks ago. That taught me as a man close to 70 how to be humble. I got back with my peers. There were people older than I am. Some of them were activists, but some of them were just like any other kanaka mauoli. They were simple Hawaiian people. They were not only simple, they were pure. I've seen that when I was a child. I've seen Hawaiians when they say something, there's no shibai. They speak with truth. They speak simple. They speak from the heart. And being an activist, I try to do that at all times.

When I say distrust of developers, lawyers, I've seen Hawaii go down the drain, slow but sure. The gentleman here spoke about Mauna Kea Beach development. I've been down there recently. I walked by the gate. The guards know who I am. But previously I go down with a junk car, they just look at me like, you know, I dress like a bum. They think you're a bum, but not all homeless people are bums. So they question me, "Where you going," and I say, "I'm going down the beach." The other guy look at 'em, he say, "Eh, it's a Hawaiian from Kona." He say, "Oh, yeah, Mister, you can go in." But I have been stopped more times. Now the first time was something like 30 years ago. I was one of the

guys that fought for that road. That's how far I go back. That's what I mean by deep distrust of developers.

But, then again, I watch how many people got employed. I'm a union man. I'm a union organizer, but I'm retired. I've been through that segment, and Mauna Kea showed me something: that Mr. Rockefeller can work with the Hawaiian people. And I like what they're doing; but I don't like the Hapuna Beach area, the way they did it. That's the reason why we lost a good mayor, Dante Carpenter. They don't cater to the people.

And I like your style. This development here is good. Gordon and I, we go way back. Meokako, we fought with Uncle Sonny, put cattles in, and we're activists. He still could be mean, but now I think he got tame. I don't know what you guys did, whether under the table or hooponopono. But I've known Gordon that long and I rap with 'em, Hawaiians. You know, we get together every once in awhile. We shoot the bull here and there. He's a fisherman. I'm a fisherman. And fishermen don't lie, really, the good ones don't. I'm one of the good ones. If I tell you it's thirty pounds, it's thirty pounds. I don't make no exaggeration. I don't have to prove nobody, 'cause they're going to look at 'em. We're going to eat 'em.

So my respect goes out to you people for picking somebody in the area. I know some activists don't like Gordon. I seen guys telling him, "Eh, brah, what? You get dollar sign on the head?" Probably because his, their property run this way, that way. I don't believe in that. I know the man, not only personally, but we've been through some good ones. He knows it, and there's lotta more to come.

And when he told me this development is based on public input, I don't know if you guys seen the Maukanese and the Makainese, but knowing Gordon, he does some intensive research to try get as much people involve. And Ka Lahui right now, Henry, I think it was Henry Young from Ka Lahui, I know he represent Ka Lahui because I'm one of 'em, and I like that dialogue that Leslie have with Young. This is good. Keep it up. That way any time another bunch comes in, the dialogue is there. We can call on Ka Lahui, say, "Eh, can we get you guys' support?" With me, going to be pretty hard. You got to show where you guys coming from.

And, well, like I say, I attended the Hawaiian culture of the kapunas. And when I say I learned something about being humble, there were elderly people, older than I was, who were doing the same things, were sharing the same manao, our feelings. I shared things as a child that they didn't like. But you see the Hawaiian people, there's two type: there's the proud ones; there's the polite ones. Lotta them, they were too polite. They don't want to make waves. I'm the one, not only make the waves, I like make 'em big because I body surf, and I surf on 'em.

That's the type I am. I want to make the biggest wave as much as I can. Give you the baddest time that you going to expect from a small little guy like me.

As far as your, your nighttime access, Mauna Kea Beach, they don't let us go down fish nighttime. And I don't know, one of our councilmen had a hullabaloo going down, I don't know whether it was Kona Village or some new hotel down the road. I was intend to do that at the same week when these two guys went down before me. I had a letter all written in my head, but so much for that.

Maile expressed about us Hawaiians doing night fishing, not only Hawaiians. We go there, we catch opapalo. You know, we do real night fishing. You haoles say sometime the Hawaiians go down there, they go catch snipes, which is true. They go down there, they bring the guys, they drink, they suck 'em up. But if they get their own crowd, like your excesses, I don't know, by permission, permit, you'll have the good ones, and you'll have the bad ones. It's up to people like us, just go there, teach 'em the rules of the road and say, "Eh, we no accept that over here." And if you guys lean on 'em, we'd like you guys say, "Eh, these are good people." So like we say, hooponono, give and take. That's all. And I know where Maile coming from when she say nighttime fishing, because I still do it. I tired watch TV. Or, like HELCO, my light went off when they had the Merrie Monarch Festival. Man, I was so mad, ready to broke the TV. I've done it, nothing new. But I walk outside, I look at my old lady, pick up my dogs, I go down the beach, I go fishing. That's one way to let off steam. But I never forgave HELCO 'til today. Two icebox, they never give me 'em back. So every time you see a confrontation about HELCO, they gave you a good deal for your electricity coming from. Your answer was pretty good.

And as far the housing, I understand that the State and the County, that'll be coming up future. Is that right? And if you guys really get into that, like I said, the Planning Commission or the developers, look up that lady with the silver hair. That's my representative. I've seen what she done down Milolii. I've seen the houses. I've seen the course. It's unbelievable, unbelievable. There's no way, shape and form on the face of the earth you'll get houses like the one that they put in Milolii with free labor, free this that, engineering, and all this and that. And I was there on the grand opening. And Isbell said something about water. I went down there. I seen the gravitational flow. It was all solar. The engineer put it up. I talked to the guy. He was a retired man. He put two tanks up in the wall, gravitational flow. They opened the hydrant, the fire hydrant, it works. But the two tanks were something so simple that even Isbell said with the rationing of water that will come in Honolulu they should put into effect what they did down there. Two tanks - One is raw, the other one is brackish.

It goes into the house, two different connections. This way you don't deplete the fresh water table. I don't care where you are. Honolulu, it's going down the drain. Here we're lucky, we get a lot of water. You don't see it, but I know where it's at. All you got to do is go in the ocean. There's water all over Kona.

WONG: Mr. Kekai, would you try to perhaps quickly summarize your remaining points.

KEKAI: Okay. Since I'm the last, not the least, I'd like to thank you people for coming to Kona. But work on that water and electricity, solar if possible. As we say in Hawaiian, domo arigato.

WONG: Thank you very much, Mr. Kekai. Next to testify Lunakanawai Hauanio.

HAUANIO: Aloha, Mr. Chairman. I have not been sworn in.

WONG: Please raise your right hand. Do you swear or affirm to tell the truth on all matters before this Commission.

HAUANIO: So help me, Papa.

WONG: State your name and resident address, please, for the record.

HAUANIO; E Lunakanawai Hauanio. E ko'u. Na kelia Honaunau. Mokupuni o Hawaii. Mahalo, Mr. Chair. And mahalo to you folks for your folks' conviction and dedication towards this type of effort, yeah, to provide for the community here in Kona, things that we lack, yeah, housing. But not so much of this kine golf course. I tell you folks why. I have one letter here, dated September 2, 1993. It's from the Department of Health. I will tell you folks a little story before I get to that letter.

Last year, on about August 22, '92, there was an abundant of children and some elders, they getting sick. They had to be admitted into the hospital. They had something like 107 fever. They had to lie in a bed packed with ice. They had their skin color red, red in color. Their whole skin, whole body all red. Same time they had this thing all look like chicken pox, their whole body full like chicken pox. Blisters are on the eyes and around the mouth. So this person was in the hospital for about 7 to 14 days, these people. And finally the doctors, we ask 'em, "Eh, what the scoop?" Three of 'em over there, they say, "Eh, we don't know, maybe, all we can say is prognosis virus." Two go ask these people, "Eh, how come? What happened?" Majority of them said, "Eh, they was having fun down at the beach, going in the stream waters." And they said, "And after that, they get sick." So I called Harry Kim over in Hilo. I ask him how we can get water testing done over here in these particular areas. He

said, "Oh, you gotta go call da kine Health Department." So I go. They say, "Oh, go call the Kona da kine Environmental." Oh, okay, I call 'em. They tell me they don't do water testings down in that area. So I say, "Well, how can I get somebody to do it?" For one year went by, nobody when go down there.

This past July, '93, my son, five months old, after we when had fun down the beach, he is sick. He had blood in his fece. That's the term that they use, fece. Anybody out there don't know what fece is? After you, that's your kaka alave. He had blood inside his one. We going take him to the hospital, stay in there a couple of days. Call the Health Department and tell 'em, "Eh, now this is my son when get hurt? Do something, or I'm going to get a little bit upset." I don't know what happen. Couple months went by, and I never get nothing back.

But after I go push some, I actually when push his head practically, this guy Lewin, who is at the capital of the day in Waikoloa. And he when go send me this letter. In this letter, they say -. Maybe I better let all these people know, how many of you know what Milolii flu is raise your hand.

WONG: Would you please address the comments to the Commission. I mean, your testimony is for the benefit of the Commissioners.

HAUANIO: Yes, sir, Commissioner. Do you know what Milolii flu is, any of you? Well, this is what I like suggest, yeah. Before you guys do any building, thinking about doing any of this kine stuff, I like somebody give me an answer to this. They say it's one virus. And I say, "What kine virus? Is that AIDS? Something relative to that? Da kine you guys hush up until an epidemic just goes out like AIDS?" So before you guys have, approve, I'd like one answer to this first. And I think almost everybody here and out there in the general public would want an answer to this first. What is this that causes high fever, that causes this red color of the skin and chicken pox and blisters around the lips and the eyes?

WONG: Is that the end of your testimony?

HAUANIO: No. I've seen -. I lived in Hilo almost all of my life. Then I came to Kona 'cause I heard they got trouble. For the past seven years I been here. I seen developers make statements such as "We're going preserve native Hawaiian sites." Well, I don't know if you folks know there is one site on Keauhou Beach Hotel. Today nobody know where that. Today it's just nothing but a pile of rocks. And many of the developments here in Hawaii, the abuse too much, too much abuse. They talk about these chemicals going into the water, parts per billions, parts per millions, eh, whatever. It's still going into the water. It's still affecting. If it's not one quick piece, if it's one

small piece before the people can get sick, what the difference? What is the difference if you only poison the people this much and they get still 30 years to live, or if you poison 'em this much, and they get two months to live?

They talk about conservation, energy efficiency, all of this nice stuff, you know, plenty tests. Pau already. You guys put the rules, but they comply only within a short period of time. After you get off of their back, pau, they shaka loose. You can go to every development, after a certain period of time it's forgotten. You go down to OTEC, they running their business without one permit, go for six months, seven months. Nobody go check. You guys no more budget for go check. Shoots. We got plenty hanahana men, hanahana women, they like go work. They getting paid, Social Service. They getting paid, SSI, Social Security. Eh, put 'em to work.

Other than that, stop the abuse.

WONG: Thank you very much.

HAUANIO: Any questions?

WONG: Commissioners, any questions? Thank you very much for your testimony. This is a public hearing. Is there -?

HAUANIO: Mr. Chair?

WONG: Yes, Sir.

HAUANIO: Before I stop down, I'd like to express to everyone here. If I have offended any one of you, e kala mai ia'u. As you can see, I kinda concerned, yeah? Thank you.

WONG: Thank you very much. This is a public hearing. Is there anyone else in the public here to testify?

FIESTA: Mr. Chairman, can we have a short recess, please?

WONG: Yes. We'll have a ten-minute recess.

RECESSED The Chair called a short recess at 10:30 p. m.

RECONVENED The meeting reconvened at 10:40 p.m.

WONG: The meeting will now reconvene. Staff, will you go over all of the changes that we discussed tonight at this hearing?

ARAI: I'll do my best, Mr. Chairman. Okay.

Let's first attack the Change of Zone recommendation. Starting off on page 10, Condition B, we would like to -. One moment. Oh, I think Condition B was okay, I'm sorry. It was just a matter of clarification. Okay, I'm sorry.

Continuing on to Condition H, archaeological requirement. And I'll read this, I'll read it with the amendment in place.

"An archaeological mitigation and interpretation plan shall be prepared and submitted for approval by the Planning Director, in consultation with the Department of Land and Natural Resources-Historic Preservation Division and Hawaiian community organizations, prior to submitting plans for plan approval review. The plan shall consist of three subplans; (1) an archaeological data recovery plan for the sites to undergo data recovery, (2) a detailed interim protection/preservation plan for the sites to undergo preservation, and (3) an interpretation plan which shall include buffer zones, signage and long-range preservation concerns which may be submitted at a later date. Approved mitigation measures shall be implemented prior to or in conjunction with any land alteration activity within the project area. The plan shall also include a detailed map of known lava tube cave systems," and so forth and so on. The remainder of the condition will not change.

Let's see, continuing on to Condition N on page no. 13, "The Applicant shall pay its fair share contribution to address potential regional impacts of the project with respect to park," replace "recreation" with "park", "fire, police," delete the word "and", "solid waste disposal facilities," and this is Staff's addition, include the word "sewer" and "roads". Basically, impact fee analysis would also look at the exaction for sewer facilities; and we inadvertently did not include that. Carrying on to, oh, page 14, the last paragraph within Condition N. "In lieu of paying the fair share contribution, the Applicant may construct such facilities related to park," include "park", "fire, police and solid waste disposal facilities and sewers and roads with the approval of the appropriate agency(ies)."

There will be a new Condition O, this is regarding energy conservation measures. Condition O reads, "The Applicant shall conform, to the best extent practicable, with the guidelines as provided within the Strategies for Energy Efficient Architecture by Hawaiian Design and the State Model Energy Code, in the construction of dwellings within the project site."

The remaining Conditions of Approval shall be realphabetized accordingly.

For the Use Permit, Condition No. 7. At the very end of that condition, include the phrase "except as may be approved by the Planning Director."

Condition 8, at the very end of that particular, oh, I'm sorry, after this sentence, "No golf cart path shall be permitted to cross over the Alii Drive-Haleki'i Street Extension," add this phrase, "except as may be approved by the Planning Director and the Chief Engineer."

Condition No. 10, which is the archaeological condition, once again, please carry over the language in the Change of Zone amendment that I referred to.

Condition No. 13. "During construction," strike out "best effort." So it shall read, "During construction, measures shall be taken to minimize the potential of both fugitive dust and runoff sedimentation, such," strike out "best effort" once again, "measure shall be in compliance," blah, blah.

WONG: Mr. Arai, Condition No. 10, I think the second, third sentence should be "The plan shall also include a detailed map of known lava tube cave systems." I think "known" was the addition on that particular condition.

ARAI: Yeah, and I included it in the Change of Zone amendment as well. Thank you. Where did I leave off, okay. I think that's it for the Use Permit.

And finally, the SMA Use Permit. Once again, Condition 3, carry over the same archaeological language as contained in the Use Permit and Change of Zone. And it should also include "known cave systems."

Condition No. 7, once again throughout the Conditions, strike out "best effort."

Condition No. 8. "A Final Comprehensive Public Access Plan," and include this statement "to be developed in consultation with community groups, shall be submitted to the Planning Director in conjunction with golf course plans submitted for plan approval review. The final comprehensive public access plan shall be developed in consultation with the Planning Director and the DLNR and shall include mauka-makai and lateral shoreline accesses, parking area(s), signage," and include this item, "emergency response considerations." That inclusion is in addressing concerns raised by Commissioner Alonzo. The remainder of the condition will not change.

And I believe that is the extent of the amendments I have noted.

WONG: Mr. Frye, are you agreeable to all those changes and additions, modifications?

FRYE: Yes, we are.

WONG: Thank you very much.

FIESTA: Mr. Chairman?

WONG: Commissioner Fiesta.

FIESTA: Can I make a make a motion to recess this hearing until tomorrow after 1:00 p.m.?

ALONZO: Second, Mr. Chairman.

WONG: It's been moved and seconded that this public hearing take a recess and convene after the one o'clock agenda item scheduled for tomorrow. Is that the motion?

FIESTA: Yes.

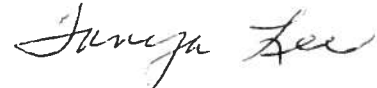
WONG: All those in favor?

COMMISSIONERS: Aye.

WONG: Opposed? This agenda item is recessed until after one o'clock tomorrow.


RECESSED The meeting was recessed at 10:55 p.m. on October 28th.

Respectfully submitted,



Tanya Lee, Transcriber

A T T E S T:



Sharon M. Nomura, Secretary



