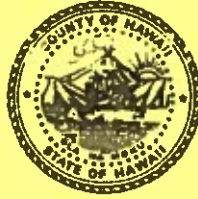


Harry Kim  
Mayor



Christopher J. Yuen  
Director

Brad Kurokawa, ASLA  
LEED® AP  
Deputy Director

County of Hawaii

PLANNING DEPARTMENT

101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720-3043  
(808) 961-8288 • FAX (808) 961-8742

May 17, 2006

Mr. Gregory R. Mooers  
Mooers Enterprises, LLC  
P.O. Box 1101  
Kamuela, Hawaii 96743

Dear: Mr. Mooers:

**Subject: Special Management Area Use Permit Assessment Application No. 06-000147  
(SAA 06-147)**

**Applicant: Sunstone Realty Partners V, LLC**

**Land Owners: Sunstone Realty Partners V, LLC**

**Project: Kona Sea Ranch Subdivision of Portion of Grant 1725 into 26 Lots and  
2 Roadway Lots**

**Tax Map Key: 8-7-011:001**

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This is in response to the subject application, which you resubmitted on behalf of the landowners on April 19, 2006 to allow for the subdivision of the subject property into a total of twenty-six (26) lots and two (2) roadway lots. We understand that this SMA Assessment application is being submitted for the after-the-fact final approval of Kona Sea Ranch Subdivision Increment I (SPH-05-000006) on January 12, 2006, which consisted of eight (8) lots and one (1) roadway lot. Kona Sea Ranch Subdivision Increment II (SPH-05-000007), for the remaining eighteen (18) lots and one (1) roadway lot is pending final approval.

The portion of the subject property that is within the Special Management Area (SMA) extends from the shoreline to approximately 500 feet inland. The portion of the subject property that extends from the shoreline to approximately 300 to 400 feet inland is situated in the State Land Use Conservation district. The remaining mauka portion of the proposed subdivision is zoned Agricultural (A-5a) by the County and is in the State Land Use Agricultural district.

We understand that both increments of the proposed subdivision do not include any construction activities, uses or operations within the Conservation district, SMA or Shoreline Setback Area. We further acknowledge that, pursuant to Condition 3 of Variance 1097, no construction of dwellings below the 520-foot elevation shall be permitted.

MAY 19 2006

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Pursuant to Rule 9-4(10)B(xi) of the Planning Commission Rules of Practice and Procedure (PC Rules), the subdivision of land into lots greater than 20 acres in size may be determined by the Planning Director to be exempt from the definition of "development" provided that the use, activity or operation being excluded does not have a cumulative impact, or a significant adverse environmental or ecological effect on the Special Management Area.

In view of the above, we have determined that the subject subdivision is exempt from the definition of "development" and shall not require any further review under the SMA guidelines.

This determination is granted subject to the applicant's compliance with the following conditions.

1. The applicant, its successors or assigns shall be responsible for complying with all stated conditions of approval.
2. The applicant shall comply with all applicable requirements of all Federal and State and County of Hawaii departments and agencies.
3. Prior to commencing any land altering activities within the SMA portion of the subject lands, an archeological inventory survey shall be conducted in accordance with Chapter 6E, Hawaii Revised Statutes and Chapter 276, Hawaii Administrative Rules. An archeological sites data recovery and preservation plan shall be prepared and approved by the Department of Land and Natural Resources, State Historic Preservation Division and a copy submitted to the Planning Department prior to conducting any ground disturbance or the issuance of any land alteration or building permits in the SMA.
4. The applicant shall submit a plan for the purchase and installation of Shoreline Public Access signage to the Planning Department prior to final approval of Increment II of the subject subdivision. Approved signage must also be installed prior to final subdivision approval. Signage should include, but not be limited to, the pedestrian access route and noted hazardous trail and shoreline conditions.
5. The Planning Director shall initiate procedures to revoke this determination should any of the conditions not be met or substantially complied with in a timely fashion.

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Should you have questions, please feel welcome to contact Larry Brown or Esther Imamura of my staff at 961-8288.

Sincerely,



CHRISTOPHER J. YUEN  
Planning Director

LMB:cd

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xc: Ms. Deborah Chang – Long Range Planning  
Mr. Daryn Arai - Ministerial  
SPH-05-000007

