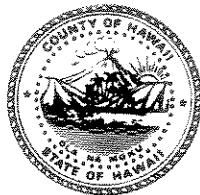


Stephen K. Yamashiro
Mayor



County of Hawaii

PLANNING COMMISSION

25 Aupuni Street, Room 109 • Hilo, Hawaii 96720-4252
(808) 961-8288 Fax (808) 961-9615

July 21, 1993

Honorable Kalani Schutte, Chairman
and Members of the County Council
County of Hawaii
25 Aupuni Street
Hilo, HI 96720

Dear Chairman Schutte and Members:

State Land Use Boundary Amendment (SLU 91-3)
Request: Agricultural (A) to Urban (U)
Change of Zone Application (REZ 91-15)
Requests: Unplanned (U) to Resort-Hotel (V-2.0), Open (O) and
Agricultural-one acre (A-1a)
Applicant: Chalon International of Hawaii, Inc.
Tax Map Keys: 5-7-3:portions of 2 and 10

The Planning Commission, after a duly held public hearing on June 16, 1993 voted to recommend for your approval the proposed legislative bills to change the State Land Use District for approximately 14.324 acres of land from the Agricultural (A) to the Urban (U) District and Change of Zone to change the district classification for approximately 14.324 acres of land from the Unplanned (U) to Resort-Hotel (V-2.0), 11.045 acres from Unplanned (U) to Open (O) and 58.45 acres from Unplanned (U) to Agricultural-One Acre (A-1a) for the above-referenced properties located approximately 12 miles north of Kawaihae Harbor and 6 miles southwest of Hawi off the Akoni Pule Highway between Lapakahi State Historical Park to the south and Kapaa Park to the north in Mahukona-Kapaanui, North Kohala, Hawaii.

The Commission concurs with the following Planning Director's reasons for recommending favorable consideration of the State Land Use Boundary Amendment:

The approval of the reclassification from the State Land Use Agricultural to the Urban district will not be violative of Section 205-2, Chapter 205, Hawaii Revised Statutes, nor will it be inconsistent with the Hawaii Land Use Commission Rules, the County General Plan and the Hawaii State Plan.

COMM. NO.

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To: PC

Chapter 205.3-1(c) states that boundary amendments involving land areas of 15 acres or less shall be determined by the county land use decision-making authority. Further, the authority may consolidate proceedings to amend State Land Use district boundaries with county proceedings to amend the general plan, development plan, zoning of the affected land or such other proceedings.

Chapter 28, Hawaii County Code, outlines the procedures and review standards for State Land Use boundary amendments considered by the County Council. Rule 13 of the Planning Commission relating to State Land Use boundary amendments requires consideration be given to the provisions set forth in Section 205-2, HRS and the purpose of Chapter 28, Hawaii County Code. Specifically, consideration shall be given to "The extent to which the proposed reclassification conforms to the applicable goals, policies, standards and courses of action of the General Plan and implementing ordinances, plans and documents."

According to the Land Use Commission Rules, one of the standards for considering an area for Urban reclassification is that the Commission shall give consideration to the master plan or general plan of the county. The County's General Plan Land Use Pattern Allocation Guide (LUPAG) Map designates the area for Resort, Urban Expansion, and Extensive Agriculture. The General Plan designates Mahukona as a Minor Resort. Further, the Kohala Community Development Plan, adopted by the Planning Commission in 1984, recommends that the area be developed for "Coastal Resort" use.

Other standards for determining Urban districts include "Proximity to centers of trading and employment except where the development would generate new centers of trading and employment." The proposed resort, golf course and club house within the context of the entire development would generate and become a new source and center of employment for the North Kohala District. The proposed development would add a new economic sector which would help to diversify the economy in this area.

Another standard for Urban districts reads that reclassified lands should be those with satisfactory topography and drainage and be reasonably free from the danger of floods, tsunami, unstable soil conditions, and other adverse environmental effects. The property has no severe geological or topographical problems which cannot be

properly rectified or which would render the land unusable. Any improvements to the property must comply with Chapter 27 of the County Code relating to Flood Hazard Control. Thus, the reclassification request does meet with the stated standard.

While the property is within the State Land Use Agricultural and County's Unplanned districts, it has been periodically used for cattle grazing and is not currently being used for active agricultural purposes. The Agricultural Lands of Importance to the State of Hawaii (ALISH) map does not classify the subject area in any category. The Land Use Study Bureau's Overall Master Productivity Rating for the soils in the area is E or Very Poor. Thus, the reclassification of this 14.324 acre area from the Agricultural to the Urban designation will not be detrimental to reducing agricultural lands in this area of from the agricultural land inventory in the County of Hawaii.

Finally, it should also be noted that the reclassification of the property would conform to the following goals, objectives, and/or policies articulated in the Hawaii State Plan:

- a. Achieve a strong, viable economy, characterized by stability, diversity, and growth, that enables the fulfillment of the needs and expectations of Hawaii's present and future generations.
- b. Encourage urban developments in close proximity to existing services and facilities.

Based on the above, the granting of the State Land Use Boundary Amendment complements the State Land Use District Regulations and is supportive of the State of Hawaii Plan.

The Land Use Element of the General Plan states that "Zoning requests shall be reviewed with respect to General Plan designation, district goals, State Land Use District, compatibility with adjacent zoned uses, availability of public service and utilities, access and public need." The General Plan further states that areas to be considered for rezoning "shall have basic improvements and amenities necessary for immediate use." The applicant shall be required to install roadway improvements meeting with the Department of Public Works within the development. In addition, ingress and egress improvements to Akoni Pule

Highway shall be installed as required by the Department of Transportation-Highways Division for this development. All other essential utilities and services can or shall be made available to the subject development. Conditions of approval are being included to ensure the provision of all essential utilities and services.

The Commission concurs with the following Planning Director's reasons for recommending favorable consideration of the Change of Zone:

The requested changes of zoning will complement the appropriate goals, policies, and standards of the General Plan. The Resort section of the Land Use Element of the General Plan sets forth the following goals, policies and standards.

Goals: Maintain an orderly development of the visitor industry. Provide for resort development that maximizes conveniences to its users and optimizes the benefits derived by the residents of the County. Ensure that resort developments maintain the social, economic, and physical environments of Hawaii and its people.

Policies: Zoning of resort areas shall be granted when the proposed development is consistent with and incorporates the stated goals, policies and standards of the General Plan. The County shall encourage the visitor industry to provide resort facilities which offer an educational experience of Hawaii as well as recreational activities. Coastal resort developments shall provide public access to and parking for beach and shoreline areas.

The project site is within close proximity to major transportation facilities, i.e. Akoni Pule Highway. In the implementation of these goals and policies, Akoni Pule Highway will be improved in accordance with the recommended road improvements of the Traffic Impact Analysis report. These improvements include a channelized intersection improvements with left turn and right turn deceleration lane, meeting with the approval of the Department of Transportation, Highways Division.

The property is or will be provided with all utilities and services which are essential to accommodate urban development including construction of the required water

improvements. The Department of Water Supply has no objections to the requested proposals. Compliance with Fire Code requirements for 1) water supply and sufficient fire flow; 2) fire hydrants and 3) access roads shall be included as a condition of approval. Conditions of approval are also being included to also ensure compliance with the necessary agencies' requirements, including the State Department of Health's concerns on sewage disposal.

The above-mentioned public improvements would complement the design of the resort to fit into the locale with minimal intrusion while providing the desired services; as well as incorporating appropriate infrastructure and design concerns of the development.

The property has no severe geological or topographical problems which cannot be properly rectified or which would render the land unusable. All development generated storm run-off shall be disposed of on-site and not allowed onto adjacent properties or roadways. Any improvements to the property must comply with Chapter 27 of the County Code relating to Flood Hazard Control.

With regard to the provision of employee housing, this matter will be conditioned as part of the Change of Zone requests. In this regard, the requests will conform to the following statements, goals, policies and courses of action of the General Plan:

- a) Employee housing shall be provided at a maximum ratio of one employee unit to every two hotel units built. The required ratio shall be determined by an analysis of housing needs of each district and relative area.
- b) The Housing Element of the General Plan states in part:

*many people cannot afford housing in today's market. The rising costs land, land improvements, and construction discourage many low and moderate income families from purchasing a home. Personal income will not rise commensurate with rising costs of land and construction of housing units. Inappropriate location of various housing types also contributes to the difficulties in providing adequate public services which are essential for a desirable living environment.

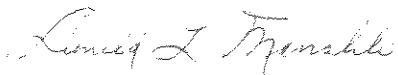
- * The basic purpose of the housing element is to minimize housing problems and maximize housing opportunities for residents in the County of Hawaii.
 - * Although efforts are being made by government to provide low and moderate income housing, construction still lags behind replacement and growth needs. Government, however, will continue to play an important role in providing housing for low and moderate income families.
 - * The growth in the visitor industry is also generating an increasing demand for low and moderate income housing for employees, precisely the type which private industries are not building in substantial amounts. With the growth of visitor and other industries, new housing units will be needed to accommodate an increase in population. This additional population growth will compete with the existing population for new housing. Therefore, growth also becomes a problem in respect to this housing element.
- c) The Housing Element's goals include:
- * To attain diversity of socio-economic housing mix throughout the different parts of the County.
 - * Maintain a housing supply which allows a variety of choice.
- d) The Housing Element's policies include:
- * It shall be the policy of the County of Hawaii to assure that safe, sanitary, and livable housing is available to persons of all ages, income and ethnic groups and to provide a variety of choice as to location and types.
 - * Public and private programs intended to increase the supply of housing and to create a variety of choice shall be encouraged.
 - * Large industries which create a demand for housing shall provide employee housing based upon a ratio to be determined by an analysis of the locality's needs.

Honorable Kalani Schutte, Chairman
and Members of the County Council
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For your favorable consideration, an amendment to the State Land Use Boundaries Map H-3 and an amendment to Section 25-95A, the North and South Kohala Districts Map, of the County Zoning Code are transmitted.

We are enclosing a copy of the application and a copy of the staff background for your information.

Sincerely,



Donald L. Manalili, Chairman
Planning Commission

RKN:jdk
LChalo05.PC

Enclosures
8, 113, 112 + 113

xc: Honorable Stephen K. Yamashiro, Mayor
Planning Director
Steven S. C. Lim, Esq.
Chalon International of Hawaii, Inc.
PBR Hawaii
Department of Water Supply
Department of Public Works
Office of Housing and Community Development
Department of Education
Department of Parks and Recreation
Police Department
Fire Department
State Land Use Commission
Department of Land & Natural Resources
Department of Health
Department of Transportation-Highways Division
HELCO
Hawaiian Telephone
West Hawaii Office
Plan Approval Section

