CERTIFIED MAIL

March 31, 1987

Mr. Sidney Fuke
100 Pauahi Street, Suite 212
Hilo, Hawaii 96720

Dear Mr. Fuke:

Special Management Area Use Permit and Use Permit Applications
Applicant: Hillhaven Corporation
dba Hillhaven Kona Healthcare Center
Tax Map Key 7-8-10:Portion of 78

The Planning Commission at its duly held public hearing on March 24, 1987, voted to approve your applications, Special Management Area Use Permit No. 256 and Use Permit No. 48 to allow the construction of a 60-bed skilled nursing and intermediate care facility and related improvements at Keauhou-Kona, North Kona, Hawaii.

Approval of the special management area request is based on the following:

The proposed project consists of the development of a 60-bed skilled nursing facility and intermediate care facility and related parking and landscaping improvements. The proposal is not anticipated to have any substantial adverse environmental or ecological effects.

The project site is not known to contain any unique ecological systems nor provide habitats for any endangered plant or animal species.

The area has been the subject of several reconnaissance surveys. These surveys have located four archaeological sites, of which one (Site 4624) could be directly affected by the nursing facility construction. After comparing past survey reports with the more recent report, it is concluded that Site 4624 has been partially destroyed by land clearing activities. Thus, physical preservation or restoration of the site is not

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critical. The approval of these permits is conditioned upon adequate data recovery in lieu of preservation. In this manner, the county's historic resources within the Kahalu'u Historic District will be properly documented.

The proposed project is consistent with the objectives, policies and guidelines of the Special Management Area. These were established to provide guidance for the preservation, protection and development of coastal resources of the State and County. They identify several areas of management concerns including historic, recreational, scenic resources, coastal ecosystems, economic use and coastal hazards. The establishment of a 60-bed SN/IC facility in a rapidly growing area will offer support to the economic base of the community and the region. The applicant was awarded a certificate of need from the State Health Planning and Development Agency, which found that there was a need in the Kona area for a care home, Alzheimers service, elderly day care service, and SN/IC bed facility. In addition, the applicant was able to demonstrate a prudent cost/benefit balance relating to public need and the impact on health care costs. Thus, the economic spin-offs derived from the project would also enhance the social well-being of the island population.

The subject property is situated approximately 3,000 feet from the shoreline and will not interfere with the natural shoreline processes nor with any recreational resources along the coastal area. Since the project will be required to hook-up to existing sewer lines, impacts to coastal ecosystems will be negligible.

Viewplanes to the ocean will be minimally affected by the 25-foot high one-story structure due to the moderately steep slope of the land and its inherent topographical features. To protect scenic and open space resources, the project must comply with the "Comprehensive Design Principles for Keauhou-Kona," December 1980. Moreover, building bulk and vertical intrusion will be relieved through the provision of perimeter landscaping, especially along Kamehameha III Road.

Temporary disruption to noise and air quality will be short-term since construction is expected to be completed by December 1987.

The proposed project would be consistent with the Zoning Code provided the use permit application is approved by the Planning Commission. The nursing facility fully supports an economic standard of the General Plan which reads, "New industries which provide favorable benefit-cost relationships to the people of the County should be encouraged. Benefit-cost relationships as used here include more than fiscal considerations." (GP at 10)

Based on the foregoing, it is determined that the proposed development will not have any substantial adverse impacts to the subject or surrounding area; and, therefore, will not be contrary to the purpose and intent of Chapter 205-A, HRS, relating to Coastal Zone Management; Rule 9 of the Planning Commission relating to the Special Management Area; the General Plan and the Zoning Code of the County of Hawaii.

Approval of the use permit request is based on the following:

The granting of the proposed nursing facility will be consistent with the general purpose of the zoned district, the intent and purpose of the Zoning Code, and the County General Plan. The establishment of a SN/IC facility situated in the County's Multiple-Family Residential zone district is permitted through the granting of a Use Permit by the Planning Commission. It should be further noted that the goals of the Land Use element of the General Plan states to "Designate and allocate land uses in appropriate proportions and in keeping with the social, cultural, and physical environments of the County." The location of this request does not significantly alter the surrounding commercial/residential environment of the Keauhou area. The Keauhou Shopping Village is situated to the west; while a portion of the Keauhou Golf Course lies to the east-northeast. At present, the remaining 31 acres of the subject parcel are proposed for multiple-family residential development by the Keauhou Resort Master Plan. These existing and future land uses should complement the proposed nursing facility by their general nature and convenient location.

The granting of this request will also fulfill the land use policy of the General Plan which seeks to promote and encourage the utilization of urban areas which are serviced by basic community facilities and utilities. Infrastructure to the project site is adequate or capable of being upgraded to meet immediate demands of this project. The applicant has received water commitments for the facility and will be utilizing the

existing sewage treatment plant. Roadway improvements, including access and channelization to the newly created lot, must meet with the approval of the Department of Public Works and the Planning Director. As such, the introduction of a SN/IC facility will not have a major physical, cultural or social impact on the Keauhou or Kona area.

The proposed use will not be materially detrimental to the public welfare nor cause substantial adverse impact to the community's character or to surrounding properties. The one-story building will provide a minimum 20-foot setback from Kamehameha III Road; and 120- and 50-foot setbacks from the east and northeast property lines (adjacent to the golf course), respectively. These proposed setbacks are adequate buffers coupled with the stipulation for perimeter landscaping.

The granting of the proposed use will not unreasonably burden public agencies to provide roads and streets, sewer, water, drainage, schools, police and fire protection and other related infrastructure. As stated previously, the property is serviced with all essential utilities and services. Kamehameha III Road, which serves as access to the project, has a right-of-way width of 100 feet. With the provision of off-site roadway improvements to Kamehameha III Road as required by the Department of Public Works, this approval contains assurances that the expected increase in traffic will be addressed.

The SMA Use Permit and Use Permit requests are approved subject to the following conditions:

1. The petitioner, its successors, or assigns shall be responsible for complying with all of the stated conditions of approval.

2. Plans for plan approval review, including landscaping and parking, shall be submitted within one year from the effective date of approval of the SMA Use Permit and the Use Permit. The landscaping plan shall provide heavy landscaping around the perimeter of the project site including a 10-foot wide landscaping easement within the project site along the frontage of Kamehameha III Road. The parking plan shall comply with the requirements of the Zoning Code. Plans shall reflect the design principles for building and landscaping set forth in the "Comprehensive Design Principles for Keauhou-Kona.".

3. Construction shall commence within one year from the date of receipt of final plan approval and be completed within two years thereafter.

4. Physical preservation of Archaeological Site No. 4624 shall be approved by the Planning Director prior to any land alterations. In lieu of physical preservation, adequate data recovery shall be conducted on Site No. 4624 and a report filed with the Planning Department and the Department of Land and Natural Resources-Historic Sites Section prior to any land alterations relating to the project.

5. Should any unidentified sites or remains such as artifacts, shell, bone or charcoal deposits, human burials, rock or coral alignments, pavings or walls be encountered, work in the affected area shall cease and the Planning Department immediately notified. Subsequent work shall proceed upon an archaeological clearance from the Planning Department when it finds that sufficient mitigative measures have been taken.

6. Provide on-site fire hydrants and mains capable of supplying the required fire flow as required by the Fire Department and/or the Department of Water Supply.

7. Access to the project from Kamehameha III Road shall be located opposite to the existing Keauhou Kona Shopping Center access and shall meet with the approval of the Department of Public Works and the Planning Director. Further, channelized intersection improvements at Kamehameha III Road access shall include but not be limited to a left-turn storage lane and acceleration and deceleration lanes. The improvements and the timing of their implementation shall meet with the approval of the Department of Public Works and the Planning Director.

8. Comply with all other applicable rules, regulations and requirements, including those of the Department of Water Supply and the Department of Health.

9. The Planning Director may administratively grant a single two-year extension to the foregoing conditions. Further, should the Director determine that any of the conditions have not been met or substantially complied with in a timely fashion, the Director shall initiate procedures to nullify these permits.

Please feel free to contact the Planning Department if there are any questions on this matter.

Sincerely,

Thomas A. Krieger
Chairman, Planning Commission

cc: Mr. Patrick Evans
Department of Public Works
Department of Water Supply
County Real Property Tax Division
Hawaii County Services, Deputy Managing Director's Office
DPED-CZM Program (with background)
DLNR

bcc: Plan Approval Section