Stephen K. Yamashiro
Mayor

County of Hawaii

PLANNING COMMISSION

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CERTIFIED MAIL
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SEP 3 0 1996

Philip Y. Ho, President
Puako Hawaii Properties
Nansay Hawaii, Inc.
841 Bishop Street, Suite 1000
Honolulu, HI 96813

Dear Mr. Ho:

Use Permit (USE 90)
Request: Amendment to Condition Nos. 2, 3, 4, 5 and 14
Applicant: Puako Hawaii Properties (Nansay Hawaii, Inc.)
Tax Map Key: 6-8-1:25, 36, 37, 38, 39 and 40

The Planning Commission, at its duly held public hearing on September 19, 1996, voted to approve the above-referenced request. Use Permit No. 90 allowed the construction of six 18-hole championship golf courses, a golf teaching academy and related improvements. The amendments relate to the requirements for development performance, community benefit assessment program and monitoring program. The project site is located on the mauka side of Queen Ka'ahumanu Highway between the Mauna Lani Resort and Waikoloa Village, approximately one-half mile north of the Waikoloa Road-Queen Ka'ahumanu Highway intersection, Waikoloa, South Kohala, Hawaii.

Approval of this request is based on the following:

Use Permit No. 90 was approved by the Planning Commission on December 11, 1991, subject in part, to the following Condition Nos. 3 and 4:

"3. Final Plan Approval for three golf courses and related improvements shall be secured from the Planning Department within 18 months from the effective date of this permit. To assure adequate time for Plan Approval review and in accordance with Chapter 25-244 (Zoning Code), plans shall be submitted a minimum of forty-five (45) days prior to the date by which plan approval must be secured. Plans would delineate structure(s), archaeological and biological preservation areas, landscaping, parking and roadway alignments, at the minimum. The Planning Department shall determine the related improvements and accessory uses to the golf courses not inconsistent with the applicable provisions of the Zoning Code

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at the time of plan approval review. This condition shall not preclude the simultaneous submittal of plans for the remaining golf courses.

"4. Construction of the three golf courses within the first phase and related improvements shall commence within one year from the date of receipt of Final Plan Approval and be completed within four years thereafter. Phases II and III shall be completed within three years from the date of completion of the golf courses within the previous increment(s). Construction of the golf courses within Phases II and III shall commence within one year from the date of opening of the golf course(s) within the previous increment(s) and be completed within three years thereafter."

Approval of this request would not be contrary to the General Plan or the Zoning Code. The amendment to Condition Nos. 3 and 4 would not be contrary to the original reasons for granting the Use Permit. The amendments would only reschedule the time for completion of the golf courses and provide the applicant the flexibility of timing the construction of each of the golf courses as economic conditions warrant. A modified amendment to allow five years for completion of a project has become a standard condition of approval and the proposed amendments would be consistent with this direction. The request would be consistent with the Land Use Pattern Allocation Guide Map which designates the area for Urban Expansion, and which would allow for a range of Urban uses, including resorts and recreational facilities. Further, the applicant, in its request, stated that since the development of the project they have pursued the drilling of potable and brackish wells, numerous environmental and engineering studies and the construction of 107 affordable homes to serve the South Kohala region. However, in spite of this, the market conditions have precluded further development of the property as originally planned. Nansay Hawaii Inc. is in discussion with prospective investors with resources to bring the property into active use and to determine how best to accommodate future development. It was impossible for them to comply with the conditions of the permit at this time.

The request would also be consistent with the policies of the Recreation and Open Space Elements of the General Plan which states that recreational facilities in the County shall reflect the natural, historic and cultural character of the area, and that the recreational use should be compatible with the adjacent areas. The granting of this amendment would further compliment the goals of the General Plan's Recreational Element which states to "Provide a diversity of environments for active and passive pursuits" and to "Provide a wide variety of recreational opportunities...."

The inability of the applicant to comply with the requirements of Condition Nos. 3 and 4 of Use Permit No. 90 is the result of conditions which could not have been foreseen or are beyond the control of the applicant. The current economic situation has affected the real estate industry over the last three years. The outlook for the future looks more promising but remains uncertain. The plans remain to develop the property with both golf course and residential development. However, the exact product mix will have to reflect the market realities. The applicant can no longer undertake the magnitude of this project due to other financial commitments. These events could not have been foreseen and are not the result of their fault or negligence.

Based on the above, the request for an amendment to Condition Nos. 3 and 4 are hereby approved.

Approval of this amendment is subject to the following (new material is underscored and deleted material is bracketed):

3. [Final Plan Approval for] The three golf courses and related improvements shall be [secured from the Planning Department] completed within [18 months] fifteen (15) years from the effective date of this [permit] amendment. [To assure adequate time for Plan Approval review and in accordance with Chapter 25-244 (Zoning Code), plans shall be submitted a minimum of forty-five (45) days prior to the date by which plan approval must be secured. Plans would delineate structure(s), archaeological and biological preservation areas, landscaping, parking and roadway alignments, at the minimum.] Prior to the start of construction, Final Plan Approval shall be secured from the Planning Director. The Planning Department shall determine the related improvements and accessory uses to the golf courses not inconsistent with the applicable provisions of the Zoning Code at the time of plan approval review. This condition shall not preclude the simultaneous submittal of plans for the three golf courses or the remaining golf courses.

4. Construction of the [three] golf courses within [the first phase and related improvements shall commence within one year from the date of receipt of Final Plan Approval and be completed within four years thereafter.] Phase[s] II [and III] shall be completed within [three] ten years [after] from the date of completion of the golf courses within [the previous increment(s)] Phase I. Construction of the golf [courses] course within Phase[s II and] III shall [commence] be completed within [one] five years from the date of [opening] completion of the golf course(s) within [the previous increment(s) and be completed within three years thereafter] Phase II.

This approval does not, however, sanction the specific plans submitted with the application as they may be subject to change given specific code and regulatory requirements of the affected agencies.

Should you have any questions, please feel free to contact Alice Kawaha or Susan Gagorik of the Planning Department at 961-8288.

Sincerely,

Kevin M. Balog, Chairman
Planning Commission

AK:syw
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cc: Honorable Stephen K. Yamashiro, Mayor
Department of Public Works
Department of Water Supply
County Real Property Tax Division
West Hawaii Office
Mr. Keith Kato