

COUNTY OF HAWAI'I PLANNING DEPARTMENT RECOMMENDATION

HAUNANI KANE, PH.D., CLIFF KAPONO, PH.D., AND JOHN H.R. BURNS, PH.D. SPECIAL MANAGEMENT AREA USE PERMIT APPLICATION (PL-SMA-2025-000083)

Upon careful review of the applicant's request against the guidelines for granting of a Special Management Area Use Permit, the Planning Director recommends **that this request to develop an educational and research facility consisting of a hālau, cabins, an on-site caretaker residence, accessory mixed-use support buildings, along with 20 parking stalls, internal access driveways, pedestrian pathways, riverfront walking paths, a floating pier, and related improvements on three (3) parcels totaling 1.97 acres within the Special Management Area (SMA) be approved by the Planning Commission.** Since this recommendation is made without the benefit of public testimony, the Director reserves the right to modify and/or alter this recommendation based upon additional information presented at the public hearing. This approval recommendation is based on the following:

The applicant is requesting a Special Management Area (SMA) Use Permit to allow for the phased development of the Pu'ueo Project, a multi-use educational, research, and gathering facility on approximately 85,674 square feet (1.97 acres) of land across three parcels (TMKs: (3) 2-6-002:001, 002, and 003) located in Pu'ueo, South Hilo District. The proposed development will occur over three phases spanning an anticipated period of approximately five to fifteen (5–15) years and includes a combination of residential, institutional, and accessory structures designed to support ongoing programming and site operations.

Phase I includes the construction of a 2,730-square-foot single-family residence intended for on-site management, security, and maintenance functions, along with a garage, internal walking trails, pavilion structures, and a temporary floating pier along the Wailuku River. Phase II introduces a 2,990-square-foot hālau (large gathering structure), a 1,280-square-foot restroom

facility, and a 12-stall covered parking structure to accommodate project-related activities. Phase III includes the construction of two cabins, each approximately 630 square feet, intended for short-term lodging or program support. In total, the project represents a distributed, low-rise development pattern consisting of multiple small-scale structures rather than a single consolidated building footprint, which reduces impacts and allows for retention of open space throughout the site.

The project includes approximately 20 on-site parking stalls, internal circulation pathways, landscaped areas, and supporting infrastructure. Utilities will be provided through existing municipal services, including potable water from the County Department of Water Supply. According to the Department of Water Supply (DWS) potable water service is available to the project via an existing 6-inch waterline; however, its support is conditioned upon several requirements, including submission of engineered water demand calculations, payment of any applicable water commitment and facilities charges, installation of appropriate backflow prevention, and coordination of any necessary system improvements or relocations. DWS also noted that the existing system does not meet minimum fire flow standards, requiring consultation with the Fire Department for alternative fire protection measures, and emphasized the need to reduce potable water use for irrigation through conservation and alternative sources. In response, the applicant has acknowledged and agreed to comply with all DWS conditions, including preparation of water usage studies, installation of required infrastructure, and coordination on fire protection measures, and has committed to incorporating water conservation strategies—such as exploring alternative irrigation sources and low-water landscaping—in alignment with DWS recommendations. Wastewater will be managed through a connection to the existing sewer line located within 300-linear feet of the project site; the applicant shall install sewer lines as required by Section 23-85 of the Hawai'i County Code.

The subject properties have a history of prior SMA approvals, though most were either limited in scope or not fully implemented. In 1978, SMA Minor Permit

No. 78-42 authorized subdivision, grading, and roadway construction; however, the subdivision was not pursued as the parcels were already recognized as legal lots of record. Subsequent approvals included a 1991 SMA Minor Use Permit for site clearing and debris removal on TMKs 326002001 and 002, and a 1993 SMA Use Permit (No. 340) for a 24-unit condominium project on the same parcels, which was ultimately revoked by the Planning Commission in 1999 due to lack of funding. More recently, in 2022, SMA Minor Use Permit No. PL-SMM-2022-000021 authorized tree removal, grubbing, and grading across all three subject parcels (TMKs 326002001, 002, and 003). Since the site has been previously disturbed through grading, clearing, and debris removal, the need for extensive initial site preparation is reduced; however, additional grading and land-altering activities will be required for construction of building pads, access paths, and infrastructure improvements.

The application indicates that the total project cost is anticipated to be somewhere between \$4,000,000 and \$5,000,000, however a specific valuation has not been set. Based on funding and other attributes the development is proposed to occur in phases over an anticipated period of approximately five to fifteen (5–15) years, subject to the issuance of all required permits, approvals, and adequate project funding. The phased nature of development suggests that investment will occur incrementally over time based on funding availability and operational needs. The multi-phase approach allows for flexibility in implementation but also introduces potential cumulative impacts related to grading, construction activity, and site disturbance over an extended period. These impacts can be mitigated through adherence to construction best management practices (BMPs), phased permitting review, and implementation of appropriate conditions of approval to ensure that each phase is developed in a manner consistent with SMA objectives. Overall, the project represents moderate-scale institutional and residential development within an urbanized setting, with design features and phasing intended to balance site utilization with preservation of open space and environmental resources.

The grounds for approving development within the Special Management Area are based on HRS, Chapter 205A-26(2) (Special Management Area guidelines) and Rule 9-11(e) of the Planning Commission Rules of Practice and Procedure. Planning Commission Rule 9-11(e) states that the Authority (Planning Commission) may permit the proposed development only upon finding that:

1. The development will not have any substantial adverse environmental or ecological effect except as such adverse effect is minimized to the extent practicable and is clearly outweighed by public health, safety or compelling public interest;
2. The development is consistent with the objectives and policies and the Special Management Area guidelines as provided by Chapter 205A, HRS;
3. The development is consistent with the General Plan, Community Plan, Zoning Code and other applicable ordinances;
4. The development will, to the extent feasible, reasonably protect native Hawaiian rights if they are found to exist, including specific factual findings regarding:
 - a. The identity and scope of valued cultural historical or natural resources in the petition area, including the extent to which traditional and customary native Hawaiian rights are exercised in the petition area;
 - b. The extent to which those resources including traditional and customary native Hawaiian rights, will be affected or impaired by the proposed action; and
 - c. The feasible action, if any, to be taken by the Authority to reasonably protect any valued cultural, historical or natural resources including any existing traditional and customary native Hawaii rights.

In review of the SMA guidelines as listed under HRS 205A-26(2)(A), the proposed development will not have any substantial adverse environmental or ecological effect, except as such adverse effect is minimized to the extent practicable and clearly outweighed by public health, safety, or compelling public interest. The project involves phased

construction of multiple structures and associated improvements within a previously disturbed, urbanized area adjacent to the Wailuku River. While the site does not contain identified sensitive coastal ecosystems, its proximity to the river corridor presents potential risks related to erosion, sedimentation, and water quality degradation during construction activities.

Potential adverse impacts are primarily associated with grading, vegetation removal, and construction over an extended period of time. However, these impacts are expected to be temporary and can be effectively minimized through implementation of standard construction best management practices (BMPs), including erosion and sediment control measures, stormwater management systems, and stabilization of disturbed areas. The distributed layout of small-scale structures and the retention of open space further reduce the intensity of site disturbance and limit long-term ecological impacts. Additionally, the phased development approach allows for incremental review and oversight of each stage of construction, providing opportunities to address site-specific conditions and ensure compliance with applicable regulations.

Based on the foregoing, the proposed development is not anticipated to result in any substantial adverse environmental or ecological effect. Any potential impacts can be minimized through adherence to BMPs, regulatory requirements, and appropriate conditions of approval. Accordingly, the project is consistent with the intent and requirements of HRS §205A-26(2)(A). This determination is based on the following:

In review of the SMA guidelines as listed under HRS 205A-26, the proposed development is consistent with the objectives and policies as provided by Chapter 205A-26, HRS, and Special Management Area guidelines contained in Rule No. 9 of the Planning Commission Rules of Practice and Procedure.

The purpose of Chapter 205A-26, Hawai'i Revised Statutes (HRS) and Rule 9 of the Planning Commission Rules of Practice and Procedure, is to preserve, protect, and where possible, to restore the natural resources of the

coastal zone areas. Therefore, special controls on development within an area along the shoreline are necessary to avoid permanent loss of valuable resources and the foreclosure of management options. The objectives and policies of Chapter 205A-26, HRS and Rule 9-10(h) include, but are not limited to, the protection of coastal recreational resources, historic resources, scenic and open space resources, coastal ecosystems, marine resources, beaches, and controlling development in coastal hazard areas.

The proposed development has been reviewed in accordance with the objectives and policies of the Coastal Zone Management Act, Chapter 205A, Hawai'i Revised Statutes (HRS), including the Special Management Area (SMA) guidelines set forth under HRS §205A-26, and Rule No. 9 of the County of Hawai'i Planning Commission Rules of Practice and Procedure. The following provides an evaluation of the project's consistency with applicable resource categories:

Recreational Resources:

The subject property does not function as a formal recreational area and is not designated for public recreational use. Recreational resources in the vicinity are primarily associated with the Wailuku River corridor and nearby infrastructure such as the Wailuku River Bridge ("Singing Bridge"), which provides visual access and opportunities for passive recreational uses such as sightseeing. The proposed development will not impede public access to these resources, as no formal access points are located within the subject parcels. The project is therefore not anticipated to adversely impact recreational resources.

Historic Resources:

The project area is located within the historic Pu'ueo District and has been partially surveyed through a prior Archaeological Inventory Survey (AIS), with documented archaeological features present in the area. The State Historic Preservation Division (SHPD) has requested additional archaeological field inspection and potential further study prior to land-altering activities. Compliance with these requirements will ensure that historic properties are properly identified

and addressed in accordance with HRS Chapter 6E. With these measures in place, potential impacts to historic resources can be minimized to the extent practicable.

Scenic and Open Space Resources:

The Wailuku River corridor provides a significant scenic and open space resource in the area. The proposed development consists of low-rise, distributed structures that are compatible with the surrounding urban context and will not obstruct major public view corridors or scenic vistas associated with the river. The project maintains open space through its site layout and does not involve large-scale massing that would dominate the landscape. As such, the project is consistent with policies to protect scenic and open space resources.

Coastal Ecosystems and Marine Resources:

Although the project site is not located along the ocean shoreline, it is adjacent to the Wailuku River, which is hydrologically connected to coastal waters. The site has been previously disturbed and does not contain sensitive coastal ecosystems such as wetlands or dunes. The primary concern relates to potential impacts to water quality from construction activities. The incorporation of standard best management practices (BMPs), including erosion and sediment control measures, will minimize runoff and prevent degradation of downstream marine resources. Therefore, the project is consistent with policies to protect coastal ecosystems and water quality.

Coastal Hazards:

The property is located within the SMA as well as within FEMA Flood Zone X. The project site is located adjacent to the Wailuku River and may be subject to fluvial flooding hazards; however, it is not directly exposed to coastal erosion or marine inundation. The phased development approach allows for consideration of site conditions during each stage of construction, and structures can be sited to avoid areas most susceptible to flooding. The implementation of appropriate drainage and stormwater management measures will further reduce

potential risks. With these considerations, the project is consistent with policies related to hazard mitigation and the protection of life and property.

Based on the foregoing, the proposed development is consistent with the applicable objectives, policies, and guidelines of Chapter 205A, HRS, and Rule No. 9 of the Planning Commission Rules of Practice and Procedure.

The proposed development is consistent with the County General Plan, Hilo Community Development Plan (HCDP), Zoning Code, and other applicable ordinances. The County General Plan Land Use Pattern Allocation Guide (LUPAG) designates the subject parcels as Urban (Medium Density Urban). This designation is intended to accommodate a mix of residential, commercial, and institutional uses in areas that are already developed or planned for urban growth, while supporting efficient use of infrastructure and services. The project site is located within an established urban area of Pu‘ueo characterized by a combination of multi-family residential, commercial, and open space uses associated with the Wailuku River corridor. The proposed development, consisting of a multi-use facility with residential, educational, and gathering structures, is consistent with the intent of the Urban designation as it represents an appropriate use within an existing developed area and utilizes available infrastructure. By distributing low-rise structures across the site and maintaining open areas adjacent to the Wailuku River, the project retains elements of open space and respects the natural features of the site, while satisfying the land-use goals, policies, and standards of the General Plan.

The proposed development has been reviewed for consistency with the County of Hawai‘i General Plan, the Hilo Community Development Plan (PCDP), the County Zoning Code, and other applicable ordinances.

Zoning Code

The subject property is zoned Resort-Hotel (V-.75), which permits a range of uses including multi-family residential, transient accommodations, and institutional-type uses. The proposed development includes a caretaker residence, hālau (gathering structure), pavilions, cabins, and supporting facilities,

which are generally consistent with uses allowed within the district. The project's low-rise, distributed layout is compatible with surrounding development in the Pu'ueo area. The application does not cite specific sections of the Hawai'i County Zoning Code; however, compliance with applicable development standards, including setbacks, building height, parking, and SMA requirements, will be addressed through the permitting process and conditions of approval.

Hilo Community Development Plan

The application does not reference specific goals, policies, or action items from the Hilo Community Development Plan. However, the project has been evaluated by staff for consistency with the HCDP. The Pu'ueo area is identified as part of Hilo's urban core where reinvestment, mixed-use development, and the use of existing infrastructure are encouraged. The proposed project supports these objectives by introducing a mix of residential and community-serving uses within an already developed area. The project also maintains open space adjacent to the Wailuku River and incorporates a distributed building pattern, which is consistent with HCDP policies that emphasize the protection of scenic resources and integration of development with natural features.

Conclusion

Staff conclude that the proposed development is found to be consistent with the General Plan, HCDP, Zoning Code, and other applicable ordinances. The project represents a compatible and appropriate use within an established urban area and aligns with the overall planning framework for the Pu'ueo area.

The development will to the extent feasible, reasonably protect native Hawaiian rights if they are found to exist. In view of the Hawai'i State Supreme Court's "PASH" and "*Ka Pa'akai O Ka'Aina*" decisions, the issue relative to native Hawaiian rights, such as gathering and fishing rights, must be addressed in terms of the cultural, historical, and natural resources and the associated traditional and customary practices of the site.

Investigation of valued resources: The record reflects that portions of the subject project area have previously been investigated for archaeological

resources. An Archaeological Inventory Survey (AIS) prepared by Goodfellow (1991) covered Parcels 001 and 002 of the project area and documented archaeological Site SIHP 50-10-35-15415. According to the March 4, 2026, SHPD letter, the current project area also lies within the historic Pu'ueo District, SIHP 50-10-35-07442. SHPD further noted that Parcel 003 has not been subject to an AIS and that, based on the current record, SHPD has insufficient information to determine the project's potential to affect undocumented historic properties. Accordingly, SHPD requested that an archaeological field inspection (FI) be conducted across the entire project area by a qualified archaeologist and further stated that, if archaeological sites or other historic properties are identified, a new AIS may be required prior to land-altering activities.

The valuable cultural, historical, and natural resources found in the area:

The available record identifies the project area as part of a culturally and historically significant landscape. SHPD stated that the Pu'ueo area originated as a residential community dating to the late 18th century and that the subject parcels historically contained the Pu'ueo Poi Factory, which operated until approximately 1965, together with several residences and other businesses. Within the previously surveyed portion of the site, the Goodfellow (1991) AIS documented SIHP 50-10-35-15415, consisting of two features, including precontact hearths, historic refuse, and more recent structural remnants. SHPD also noted the presence of historic district features in the surrounding area, including a boathouse and shore-side boat davits along the Wailuku River, and reported that the area is considered culturally significant based on its history. In addition, the site's location along the Wailuku River corridor indicates the presence of a natural resource setting historically associated with habitation, river use, and access to nearshore resources.

Possible adverse effects or impairment of valued resources:

The proposed project includes phased development over the full 1.97-acre site, including a 2,730-square-foot residence, garage, walking trails, several pavilions, and a temporary floating pier in Phase I; a 2,990-square-foot hālau, 1,280-square-foot

restroom facility, and 12-stall covered parking structure in Phase II; and two 630-square-foot cabins in Phase III. These improvements will require ground disturbance across an area that has only been partially surveyed and that contains known archaeological and historic properties within and adjacent to the project area. Because not all three parcels have been fully investigated, and because SHPD has stated that insufficient information currently exists to assess impacts to undocumented historic properties, the potential remains for land alteration, grading, trenching, and construction activities to affect buried archaeological deposits or other historic properties that may retain cultural significance. To date, the applicant has not identified any ongoing traditional and customary Native Hawaiian practices occurring on the parcel itself; however, the presence of documented precontact features and the project area's location within a historic district indicate that cultural resources associated with Native Hawaiian use and occupancy are present in the area.

Feasible actions to protect native Hawaiian rights: To the extent feasible, protection of Native Hawaiian rights in this case depends on identifying and avoiding or appropriately treating any historic properties that may embody cultural or traditional significance. As specifically required by SHPD in its March 4, 2026, letter, an archaeological field inspection of the entire project area should be completed by a qualified archaeologist prior to the initiation of land-altering activities. If additional archaeological sites or unrecorded historic properties are identified, SHPD has stated that a new AIS shall be completed, as appropriate in consultation with SHPD, and submitted for review and acceptance before such activities begin. In addition, if archaeological or cultural materials are encountered during project implementation, work should cease in the vicinity of the discovery and further coordination with SHPD should occur before construction resumes. These measures provide the practical mechanism for identifying valued cultural resources, assessing any traditional and customary practices that may be associated with them, and ensuring that native Hawaiian rights are reasonably protected to the extent feasible in accordance with PASH,

Ka Pa‘akai O Ka ‘Āina, HRS Chapter 6E, and HRS §205A-26.

Lastly, this approval is made with the understanding that the Applicant remains responsible for complying with all other applicable government requirements in connection with the approved use, prior to its commencement or establishment upon the subject property. Additional governmental requirements may include the issuance of building permits, the installation of approved wastewater disposal systems, compliance with Fire Code, installation of improvements required by the American with Disabilities Act (ADA), among many others. Compliance with all applicable governmental requirements is a condition of this approval; failure to comply with such requirements will be considered a violation that may result in enforcement action by the Planning Department and/or the affected agencies.

Based on the above findings, the proposed development will not have substantial adverse impacts on the environment, nor will its approval be contrary to the objectives and policies of Chapter 205A, HRS, relating to Coastal Zone Management and Rule No. 9 of the Planning Commission relating to the Special Management Area. Approval of this request is subject to the following conditions:

1. The applicant(s), its successor(s), or assign(s) (Applicant) shall be responsible for complying with all stated conditions of approval.
2. The Applicant shall secure all necessary approvals and permits from other affected Federal, State, and County agencies as necessary to comply with all applicable laws and regulations.
3. Other than the proposed project as described in this permit, no further work is permitted under this approval.
4. Construction of the educational and research facility and related improvements shall be conducted in a manner that is substantially representative of plans and details as contained within the SMA Application dated January 26, 2026, and representations made to the Windward Planning Commission.
5. Construction of the proposed development shall be completed within fifteen (15) years from the effective date of this permit.

6. Artificial light from exterior lighting fixtures, including, but not necessarily limited to floodlights, up-lights or spotlights used for decorative or aesthetic purposes shall be prohibited if the light directly illuminates, or is directed to project across property boundaries toward, the shoreline and ocean waters, except as may otherwise be permitted pursuant to Section 205A-71(b), Hawai'i Revised Statutes.
7. The applicant shall comply with Chapter 27 - Flood Control, of the Hawai'i County Code.
8. All earthwork and grading shall conform to Chapter 10, Erosion and Sedimentation Control of the Hawai'i County Code.
9. The property shall connect to the public sewer in accordance with Section 21-5 of the Hawai'i County Code prior to issuance of a Certificate of Occupancy.
10. Prior to the issuance of a water commitment by the Department of Water Supply (DWS), the Applicant shall submit the anticipated maximum daily water usage calculations as prepared by a professional engineer licensed in the State of Hawai'i to the Department of Water Supply (DWS). A water commitment deposit shall be paid to the DWS within one hundred and eighty (180) days from the effective date of this permit in accordance with Rule 5 of the Department of Water Supply's Rules and Regulations. The Applicant is responsible for maintaining valid water commitments to support the proposed use until such time that required water facilities charges are paid in full.
11. The Applicant shall install a reduced pressure type backflow prevention assembly within five (5) feet of the existing water meter and any additional water meter on private property, which must be inspected and approved by the Department of Water Supply.
12. Since the existing 6-inch waterline is inadequate to provide the required fire flow, the Applicant shall contact the County Fire Department to determine the appropriate fire protection requirements or alternatives to be installed prior to the issuance of a Certificate of Occupancy.
13. All development generated runoff shall be disposed of on site and shall not be

directed toward any adjacent properties.

14. The Applicant shall ensure that excessive siltation and turbidity are contained or otherwise minimized through the use of silt containment devices or barriers, or other approved Best Management Practices to minimize impacts to the nearshore and riverine areas.
15. During construction, measures shall be taken to minimize the potential of both fugitive dust and runoff sedimentation. Such measures shall be in compliance with construction industry standards and practices utilized during construction projects of the State of Hawai'i.
16. Prior to any land disturbance the applicant shall complete an archaeological field inspection (AFI) of the entire project area to determine the presence or absence of any additional undocumented historic properties and shall submit the AFI to the State Historic Preservation Division (SHPD) for review and approval. If any archaeological sites are present and/or unrecorded historic properties are identified, SHPD will request a new Archaeological Inventory Survey (AIS) be submitted for review and acceptance prior to commencement of development.
17. In the event that surface or subsurface historic resources, including human skeletal remains, structural remains (e.g., rock walls, terraces, platforms, etc.), cultural deposits, marine shell concentrations, sand deposits, or sink holes are identified during the demolition and/or construction work, the applicant shall cease work in the immediate vicinity of the find, protect the find from additional disturbance and contact the State Historic Preservation Division at (808) 933-7651. Subsequent work shall proceed upon an archaeological clearance from DLNR-SHPD when it finds that sufficient mitigation measures have been taken.
18. An initial extension of time for the performance of conditions within this permit may be granted by the Planning Director upon the following circumstances:
 - A. The non-performance is the result of conditions that could not have been foreseen or are beyond the control of the applicant, successors or assigns, and that are not the result of their fault or negligence.
 - B. Granting of the time extension would not be contrary to the General

Plan or Zoning Code.

- C. Granting of the time extension would not be contrary to the original reasons for the granting of this permit.
 - D. The time extension granted shall be for a period not to exceed the period originally granted for performance (i.e., a condition to be performed within one year may be extended for up to one additional year).
 - E. If the Applicant should require an additional extension of time, the Planning Department shall submit the applicant's request to the Planning Commission for appropriate action.
19. That in issuing this permit, the Commission has relied on the information and data that the Applicant has provided in connection with this permit. If, subsequent to this permit, such information and data prove to be false, incomplete or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and/or the Commission may, in addition, institute appropriate legal proceedings.
20. Should any of the foregoing conditions not be met or substantially complied with in a timely fashion, the Planning Director may initiate procedures to revoke the permit.