

COUNTY OF HAWAI‘I PLANNING DEPARTMENT RECOMMENDATION

WAIKOLOA GREEN LLC STATE LAND USE DISTRICT BOUNDARY AMENDMENT APPLICATION (PL-SLU-2026-000016)

Upon careful review of the request, the Planning Director is recommending that a **favorable recommendation** for the State Land Use District Boundary Amendment be forwarded to the County Council. Since this recommendation is made without the benefit of public testimony, the Planning Director reserves the right to modify and/or alter this position based upon additional information presented at the public hearing. The favorable recommendation is based on the following findings:

The applicant is requesting a State Land Use District Boundary Amendment from an Agricultural to an Urban district for a 14.868-acre portion of a larger 716.630-acre parcel of land. The applicant has submitted concurrent requests for a Change of Zone from Residential and Agricultural-1 Acre (RA-1a) and Open zoning districts to Multiple-Family Residential-1,500 square feet (RM-1.5) for 14.868 acres and the remainder of the project area to Family Agricultural-1 acre (FA-1a), Agricultural-10 acres (A-10a), and Open (O) zoning districts.

If the requested State Land Use District Boundary Amendment and concurrent Change of Zone requests are approved, the applicant proposes to develop a 400-unit multiple-family housing complex with a clubhouse and related improvements within the 14.868-acre Urban/RM-1.5-designated area.

The subject property was previously part of the Waikoloa Highlands project. In conjunction with that project, the property had previously received approvals for residential development, including a prior State Land Use reclassification from a State Land Use Agricultural to a State Land Use Rural designation. However, construction associated with that prior project was never initiated and the State

Land Use Commission subsequently reverted the property back to the Agricultural District.

The approval of the reclassification from the State Land Use Agricultural to the Urban District for 14.868 acres of land will not be in violation of Section 205-2, Chapter 205, Hawai'i Revised Statutes (HRS), nor will it be inconsistent with the Land Use Commission Rules, the County General Plan, and the Hawai'i State Plan.

The proposed reclassification conforms with Section 205-2 of the Hawai'i Revised Statutes, which states, *"Urban districts shall include activities or uses as provided by ordinances or regulations of the county within which the urban district is situated."*

The General Plan is intended to be used as a policy guide for the coordinated growth and development of all areas of the County. It establishes goals, objectives, policies, and actions intended to guide land use decisions, infrastructure investments, housing development, environmental stewardship, and economic growth.

The newly adopted General Plan 2045 (GP 2045) designates the subject property as Medium-Density Urban (MDU), Extensive Agriculture (EA), and Light/Service Industrial (LI). The approximately 14.868-acre portion proposed for reclassification to the State Land Use Urban District and RM-1.5 zoning is located within the MDU designation.

It should be noted that the 2005 General Plan Land Use Pattern Allocation Guide (LUPAG) map designated the property largely as Rural and Open, consistent with the existing RA-1a and Open zoning districts and the previously contemplated Waikōloa Highlands project. However, GP 2045 now recognizes this area as appropriate for Medium-Density Urban development and associated residential uses within an Urban Growth Area.

The proposed State Land Use District Boundary Amendment is consistent with the following GP 2045 objectives, policies, and actions:

- *Promote orderly urban growth patterns and direct urban development to Urban Growth Areas.*
- *Urban uses shall be directed to Urban Growth Areas where adequate infrastructure and public services either exist or can reasonably be provided.*
- *Vacant lands in the urban growth boundary (UGB) should be prioritized for residential and supportive uses before additional agricultural lands outside the UGB are converted into urban uses.*
- *Encourage the development of workforce housing within or near urban growth areas and employment centers and require large new developments that create a demand for housing to provide affordable workforce housing.*

The proposed reclassification would facilitate the development of a multi-family housing project within an area specifically designated by GP 2045 for medium-density urban development and multiple-family residential uses. The project area is adjacent to existing urban development within Waikōloa Village, is served by existing transportation infrastructure and utilities, and would contribute toward the County's stated objectives of expanding housing opportunities and increasing workforce and affordable housing availability. Accordingly, the proposed State Land Use District Boundary Amendment is consistent with the GP 2045.

The South Kohala Community Development Plan (SKCDP) was adopted by the Hawai'i County Council by Ordinance No. 08-159 on December 1, 2008. The subject property is identified within the SKCDP on the Waikōloa Village Conceptual Plan as the Waikōloa Highlands planned development showing a proposed 298 dwelling units.

The proposed reclassification is generally consistent with the following goals and policies of the SKCDP:

- *Provide affordable and workforce housing resources for low- and moderate-income individuals, families, and for those residents of Encourage affordable and workforce housing opportunities within the South Kohala District.*

- *Encourage affordable housing and smart growth by concentrating development in areas already zoned for Resort, Residential, Commercial, and Industrial growth, or areas otherwise appropriate for community-serving uses.*

The proposed reclassification supports these goals because the project area is situated immediately adjacent to existing urban development within Waikōloa Village and near employment centers associated with the South Kohala resort area.

The proposed Urban designation would facilitate residential development in an area already characterized by nearby urban residential and commercial development patterns and served by existing roadway access, utilities, and infrastructure.

Based on the preceding, the approval of the reclassification of the project area to Urban, which would facilitate the development of the proposed affordable housing project is consistent with the SKCDP.

Finally, the reclassification action would be consistent with the following goals, objectives, and policies of the Hawai'i State Plan: 1) Convert marginal or non-essential agricultural lands for appropriate urban uses while maintaining agricultural lands of importance in the agricultural district; 2) Effectively accommodate the housing needs of Hawai'i's people; 3) Increase homeownership and rental opportunities and choices in terms of quality, location, cost, densities, style, and size of housing; 4) Promote design and location of housing developments taking into account the physical setting, accessibility to public facilities and services, and other concerns of existing communities and surrounding areas.

The following discussion includes how the proposed project will meet the standards for determining urban district boundaries under State Land Use Commission (LUC) Rules:

Urban Districts shall include lands characterized by “city-like” concentrations of people, structures, streets, urban level of services and

other related land uses. This proposed reclassification action does not represent the creation of a new urban concentration, as the surrounding area is already an urban-like environment.

Just north of Waikōloa Road, approximately 950 feet north of the project area, are CV zoned properties, including the Waikōloa Highland Center which contains a variety of commercial establishments. Several residential subdivisions and RM-zoned multi-family town house developments are located further north and west of the Waikōloa Highland Center. Just west of the project area, on the opposite side of Pua Melia Street, is a mix of CV-10, RM-1.5 and O zoned properties. An adjacent property to the west, identified by TMK (3) 6-8-003:041, was rezoned from Open to MCX-20 in 2024 under Ordinance No. 24-036. This area contains the Lofts at Waikōloa apartments, a post office, an automobile repair shop, the Waikōloa Plaza and several other recently established commercial and residential developments. Other land uses within a half-mile radius of the project area include multiple-family residential, educational, church, and recreational uses found within Waikōloa Village proper.

As these urban types of uses are located within the area, the urbanization of the project site will not contribute towards scattered urban development and be generally compatible with the surrounding area.

The Urban classification conforms to the standard that the development is within reasonable proximity to centers of trading and employment and to basic services such as schools, police and fire protection, transportation systems and water. Additionally, the project area has access to basic services such as schools, parks, solid waste disposal, drainage, water, transportation systems, public utilities, and police and fire protection and access to wastewater systems can be made available.

The project area is situated within Waikōloa Village, adjacent to the southeast of the Waikōloa urban core and approximately 3.3 miles to the east (mauka) of the Waikōloa Beach Resort area.

Public education options in reasonable proximity to this area include Waikōloa Elementary & Middle School within Waikōloa Village, Waimea Elementary and Intermediate Schools, Kanu O Ka 'Āina New Century Public Charter School in Waimea, and Kealakehe High School in Kona. Private schools in the region include Hawai'i Preparatory Academy and Parker School in Waimea.

Public parks in the area include Pu'u Nui Neighborhood Park and Kamakoa Nui Community Park nearby in Waikōloa Village. Beach parks in the area include Hāpuna Beach State Recreation Area and other public beach areas contained within the Waikōloa Beach resort about 10 miles from the project area.

Police and fire protection, transportation systems and water availability are further discussed below.

Existing property access is from Pua Melia Street, a County owned and maintained roadway with approximately 35 foot-wide-pavement and concrete curb, gutter, and sidewalks within a 60-foot-wide right-of-way located approximately 850 feet south of its intersection with Paniolo Avenue and Waikōloa Road. The Pua Melia Street access will be constructed in Phase 1 of the project and is intended to serve the multi-family component that will occupy the newly designated State Land Use Urban area and provide future connectivity to the remainder of the parcel. Conditions of approval of the concurrent Change of Zone request will require the applicant to comply with DPW requirements for connection to and work within the County right-of-way and construct and dedicate internal roadways to the County.

A Traffic Impact Analysis Report (TIAR) submitted with the application concludes that, upon completion of all development phases, the project will adversely affect traffic operations at several intersections. Given the extended timeline for project buildout, the conditions of the concurrent Change of Zone request will require the developer to submit updated TIARs prior to the commencement of each construction phase. The developer will also be required to implement any traffic mitigation measures identified in the updated TIARs or

otherwise required by the Department of Public Works (DPW) in conjunction with the applicable phase of development.

Water will be provided by West Hawai'i Water Company, a private water system authorized by the Hawai'i Public Utilities Commission (PUC) to provide water service to the Waikōloa area. Although the nearby West Hawai'i Sewer Company has indicated its willingness to provide wastewater service for the proposed development, the project site is not within the company's approved service territory, and expansion of the service area would require PUC approval at the developer's expense. A condition of the concurrent Change of Zone recommendation will require extension of the private sewer system to service the proposed multiple-family housing development.

Police and medical services are located in Waimea, approximately 10 miles away. There is a fire station located approximately 0.5 miles away in Waikōloa Village. All other essential utilities can be made available to the property.

There are no severe geological or topographical problems which cannot be properly rectified, or which would render the land unusable. According to the Federal Emergency Management Agency the project area is designated as Zone "X", which is an area determined to be an area of minimal flood hazard. The property is located within Lava Hazard Zone 8 and is not located within a tsunami inundation or evacuation area. The topography generally consists of gently sloping terrain suitable for urban development.

Conditions of approval associated with the concurrent Change of Zone action will require compliance with applicable drainage, grading, erosion control, and infrastructure requirements. Thus, the reclassification meets the standard which states that the lands included within the urban district, *"...shall be those with satisfactory topography and drainage and reasonably free from the danger of floods, tsunami and unstable soil conditions and other adverse environmental effects."*

The subject property is currently located within the State Land Use Agricultural District. However, the project area proposed for reclassification is not considered prime or important agricultural land. The Land Study Bureau classifies the soils within the project area as “E” or “Very Poor.” The property is also identified as unclassified under the Agricultural Lands of Importance to the State of Hawai‘i (ALISH) system. The project area has not been utilized for significant agricultural production in recent years. Additionally, the substantial remainder of the 716.630-acre parcel will remain within the Agricultural State Land Use District.

Based on the preceding, the reclassification of approximately 14.868 acres from the Agricultural District to the Urban District will not significantly diminish the County’s agricultural land inventory.

The Hawai‘i Right to Farm Act, Chapter 165, HRS, protects agricultural operations within the Agricultural District from nuisance complaints and related restrictions arising from adjacent urban development. Conditions of approval are recommended requiring notice to future purchasers, tenants, and lessees regarding the protections afforded agricultural operations under the Hawai‘i Right to Farm Act.

The request will not have a significant adverse impact to traditional and customary Hawaiian Rights. 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 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: Several archaeological investigations have previously been conducted within the subject parcel, including studies by Robert F. Bevacqua (1972), Peter M. Jensen (1990), Cultural Surveys Hawai‘i, Inc. (2007), and ASM Affiliates (2018).

ASM Affiliates also submitted a 2024 Archaeological Field Inspection (AFI) conducted for the approximately 14.868-acre project area, including background

research and a systematic pedestrian survey with 100 percent coverage of the proposed RM-zoned area.

A Cultural Impact Assessment (CIA) prepared by Cultural Surveys Hawai'i, and Flora and Fauna studies were conducted as part of previous State Land Use District Boundary Amendment in 2006.

The valued cultural, historical, and natural resources found in the rezoning area: Previous archaeological studies identified historic properties within the larger, 716-acre parent parcel: SIHP Site 50-10-11-15931 and SIHP Site 50-10-11-31024. Site 15931 consists of a short stone wall segment near 'Auwaiakeakua Gulch and was evaluated as significant for information content only (Criterion D), thus no further studies or preservation was merited for this site. Site 31024 consists of a terrace feature interpreted as a possible historic-period water retention or cattle watering feature. 95% of this site lies outside of the property boundaries, and the portion of the site on the property is to remain open space and thus will not be affected by the project development.

The 2024 AFI concluded that no archaeological sites, historic properties, cultural deposits, or cultural features were identified within the 14.868-acre area proposed for Urban designation and RM-1.5 zoning. ASM recommended a finding of "No Historic Properties Affected."

The AFI identified the historic Puakō-Ke'āmuku Trail crossing the subject parcel based on historic map research. In comments submitted to the County, the DLNR Nā Ala Hele Trail and Access Program corroborated the existence of the trail through documentation on maps dating to at least 1885 and 1892 and stated that the trail may be government-owned pursuant to the Highways Act of 1892. Nā Ala Hele further noted that the exact alignment of the trail within the project area remains uncertain and recommended additional archaeological and cultural mapping to verify its location.

The application also references a Cultural Impact Assessment (CIA) prepared by Cultural Surveys Hawai'i in 2006 as part of the previous State Land

Use District Boundary Amendment proceeding. According to the application, individuals and organizations consulted during preparation of the CIA were not aware of ongoing traditional cultural practices occurring on the property.

Biological studies indicate that the project area consists primarily of previously disturbed grasslands dominated by non-native vegetation and that no threatened or endangered plant species were identified within the project area. Potential transient use of the area by protected seabirds or the Hawaiian hoary bat may occur.

Possible adverse effect or impairment of valued resources: Potential impacts could occur if previously unidentified archaeological resources, cultural deposits, human burials, or portions of the historic Puakō-Ke'āmuku Trail are encountered during future ground-disturbing activities. Because Nā Ala Hele has identified the trail as a documented historic access route that may be government-owned under the Highways Act of 1892, impacts could also occur if future development were to affect portions of the trail corridor that are subsequently verified through archaeological, cultural, or legal review.

Feasible actions to protect native Hawaiian rights: A condition of approval of the concurrent Change of Zone will require consultation with the DLNR Nā Ala Hele Trail and Access Program, the State Historic Preservation Division, and other agencies having jurisdiction regarding the Puakō-Ke'āmuku Trail identified in the AFI and corroborated by Nā Ala Hele's historic map research. The applicant shall document the trail alignment, significance, and ownership status within the project area. If the trail corridor is identified within the project area, the applicant shall preserve and accommodate the corridor in a manner acceptable to the agencies having jurisdiction, including implementation of any required easements, dedications, access provisions, Public Access Plan requirements, subdivision of the trail corridor as a separate parcel where required by the agency having jurisdiction, or other protective measures.

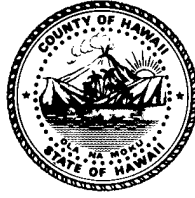
A standard condition of approval of the concurrent Change of Zone will also require that if archaeological resources or human burials are inadvertently discovered during future ground-disturbing activities, all work in the immediate area shall cease and appropriate consultation with the State Historic Preservation Division shall occur pursuant to applicable law.

Lastly, this approval is made with the understanding that the applicant remains responsible for complying with all other applicable governmental 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 the Fire Code, installation of improvements required by the American with Disabilities Act (ADA), compliance with DLNR-SHPD requirements, 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 preceding findings, approval of the State Land Use District Boundary Amendment from the Agricultural District to the Urban District for approximately 14.868 acres is consistent with the applicable provisions of Chapter 205, Hawai'i Revised Statutes, the Hawai'i State Plan, and the intent of the County General Plan.

The accompanying draft bill to amend the State Land Use District Boundary Map is provided for your favorable consideration. Please note the proposed conditions of approval attached to the draft bill.

COUNTY OF HAWAI‘I



STATE OF HAWAI‘I

BILL NO. _____
(Planning Department)

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE STATE LAND USE BOUNDARIES MAP BY CHANGING THE DISTRICT CLASSIFICATION FROM AGRICULTURAL TO URBAN AT WAIKŌLOA, SOUTH KOHALA, HAWAI‘I, COVERED BY A PORTION OF TAX MAP KEY NO. (3) 6-8-002:016.

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF HAWAI‘I:

SECTION 1. The State Land Use District Boundaries Map within the County is hereby amended to change the district classification of the land situated at Waikōloa, South Kohala, Hawai‘i, as more particularly depicted on “Exhibit A” and described in “Exhibit B”, both of which are attached hereto and made a part hereof, from Agricultural to Urban.

SECTION 2. The State land use district boundary amendment set forth in Section 1 is conditioned upon the following:

SEE ATTACHED CONDITIONS

SECTION 3. Severability. If any provision of this ordinance, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable.

SECTION 4. This ordinance shall take effect upon its approval.

INTRODUCED BY:

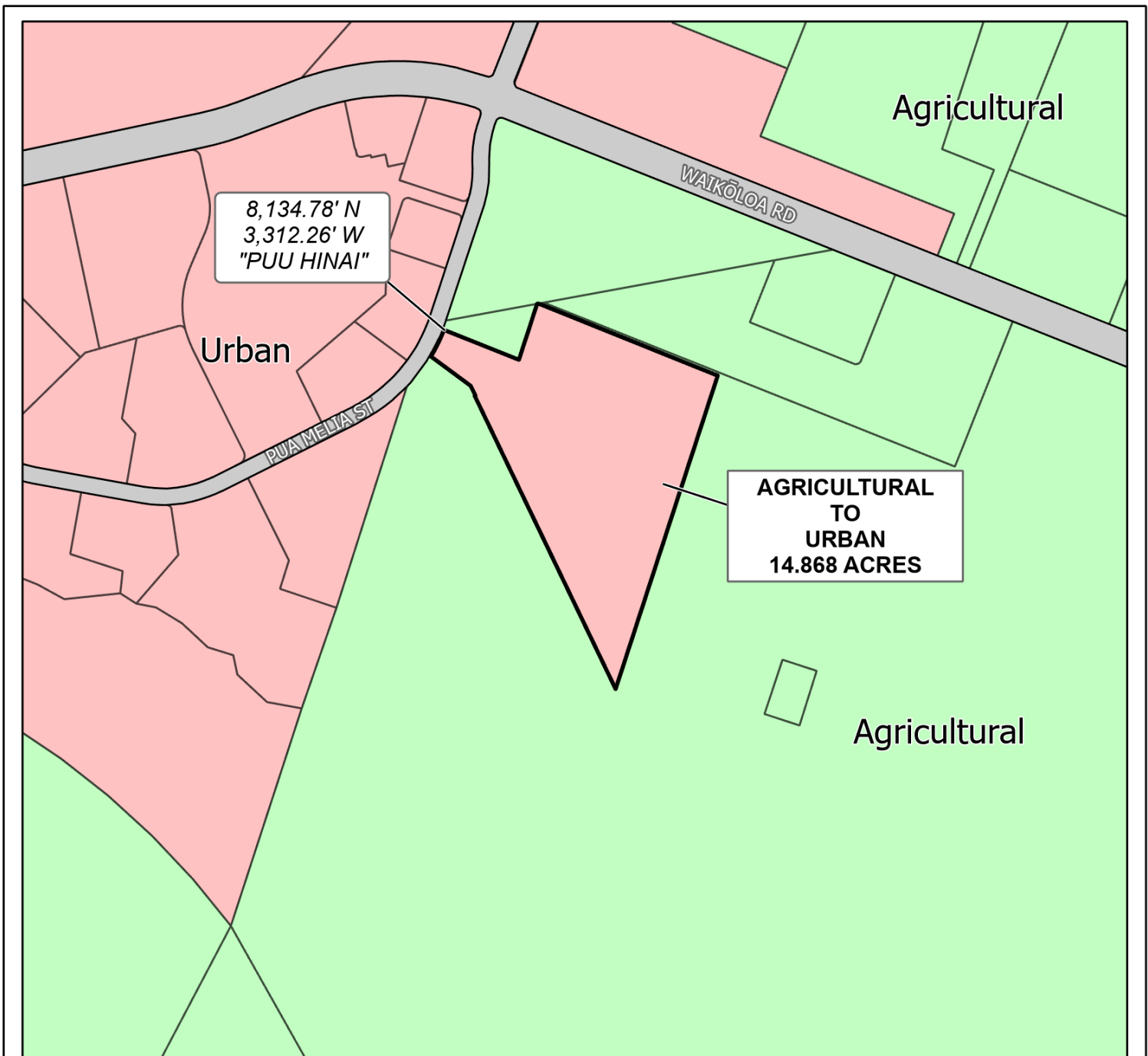
COUNCIL MEMBER, COUNTY OF HAWAI‘I

_____, Hawai‘i
Date of Introduction:
Date of 1st Reading:
Date of 2nd Reading:
Effective Date:

**WAIKOLOA GREEN LLC
STATE LAND USE DISTRICT BOUNDARY AMENDMENT (PL-SLU-2026-000016)
CONDITIONS OF APPROVAL**

- A. The applicant, successors, or assigns ("Applicant") shall notify prospective purchasers, tenants, or lessees of all lots that farming operations and practices on adjacent or contiguous land in the State Land Use Agricultural District are protected under Hawai'i Revised Statutes Chapter 165, the Hawai'i Right to Farm Act. This notice shall be included in any disclosure required for the sale or transfer of all of the proposed lots.
- B. Any action that would interfere with or restrain farming operations on adjacent or contiguous properties shall be prohibited under Hawai'i Revised Statutes Chapter 165, the Hawai'i Right to Farm Act; provided the farming operations are conducted in a manner consistent with generally accepted agricultural and management practices on adjacent or contiguous lands in the Agricultural District.

EXHIBIT A



0 500 1,000 Feet

AMENDMENT TO THE STATE LAND USE BOUNDARIES MAP

AMENDING THE STATE LAND USE BOUNDARIES MAP
FOR THE COUNTY OF HAWAI'I, BY CHANGING THE DISTRICT CLASSIFICATION
FROM THE AGRICULTURAL DISTRICT TO THE URBAN DISTRICT
AT WAIKŌLOA, HAWAI'I

TMK: (3) 6-8-002:016 (POR.)

MAP PREPARED BY:
COUNTY OF HAWAI'I, PLANNING DEPARTMENT

DATE: June 1, 2026

Waikōloa Green

EXHIBIT B

DESCRIPTION

Amendment of State Land Use Designation from Agricultural to Urban

PROPOSED CHANGE IN THE STATE LAND USE CLASSIFICATION FROM AGRICULTURAL TO URBAN AT WAIKOLOA, SOUTH KOHALA, HAWAII, COVERED BY TAX MAP KEY (3) 6-8-02: PORTION OF 16.

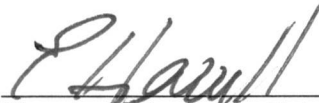
Beginning at the North corner of this portion of land to be Urban, on the Easterly side of Pua Melia Street, the coordinates of which referred to Government Survey Triangulation Station "PUU HINAI" being 8,134.78 feet North and 3,312.26 feet West, and running by azimuths measured clockwise from true South:

1. 291° 50' 00" 296.12 feet along Lot 2-B-1;
2. 198° 03' 00" 212.77 feet along Lot 2-B-1;
3. 259° 46' 00" 5.05 feet along Lot 2-B-1;
4. 291° 44' 07" 698.53 feet along Lot 2-B-2-B;
5. 18° 03' 16" 1,193.55 feet along the remainder of Lot 2-B-2-C;
6. 154° 19' 00" 1,218.33 feet along the remainder of Lot 2-B-2-C;
7. 126° 26' 16" 178.80 feet along the remainder of Lot 2-B-2-C;
8. Thence continuing along the Easterly side of Pua Melia Street, on a curve to the left with a radius of 630.00 feet, the chord azimuth and distance being:
206° 05' 39" 107.15 feet to the
Point of Beginning and containing an
area of 14.868 acres, more or less.



THIS WORK WAS PREPARED BY
ME OR UNDER MY SUPERVISION

Engineering Partners, INC
455 E. Lanikaula Street,
Hilo, Hawai'i 96720
June 2, 2026

 04-2-2026
Signature Expiration Date of License: 04-30-2028