

**COUNTY OF HAWAI'I PLANNING DEPARTMENT
RECOMMENDATION REPORT**

**COUNTY COUNCIL INITIATED BILL NO. 154
AMENDMENT TO CHAPTER 25 OF THE HAWAI'I COUNTY CODE 1983 (2016
EDITION, AS AMENDED), RELATING TO COMMERCIAL PARKING LOTS AND
GARAGES (PL-CCI-2026-000017)**

Commercial parking lots and garages operated as a principal use of a property, rather than as accessory parking customarily associated with and serving an on-site business, residential or institutional use, generally does not maximize the efficient use of land within areas designated for housing, commercial activity, mixed-use development, or other community-serving purposes. Such facilities dedicate substantial land area to vehicle storage rather than land uses that contribute more directly to housing availability, economic activity, employment opportunities, tax revenue generation, and community services. Directing developable land toward productive and community-serving uses supports the County's long-term land use and development objectives.

The availability of privately operated commercial parking facilities may encourage additional vehicle trips and automobile dependency, particularly in areas where the County seeks to promote walkability, compact development patterns, transportation efficiency, and multimodal mobility options. Large surface parking areas may also contribute to urban heat island effects, increased stormwater runoff, and inefficient land utilization, resulting in environmental impacts that are inconsistent with broader County sustainability and climate resilience goals.

Based on the foregoing findings, the Department concludes that limiting the establishment of new standalone commercial parking lots and garages advances the County's land use, transportation, environmental, and economic development objectives. The Department further finds that Bill 154 is generally consistent with the policies and objectives of the County of Hawai'i General Plan 2045, including the following:

- Bill 154 supports the General Plan's objective of encouraging compact development patterns and reducing automobile dependency by discouraging the expansion of standalone commercial parking facilities.
- The bill promotes the efficient use of land resources by directing developable land toward housing, commercial activity, employment-generating uses, and community-serving facilities rather than long-term vehicle storage.
- Limiting the expansion of large, paved parking areas may reduce impervious surface coverage, stormwater runoff, and urban heat island effects, thereby supporting the General Plan's biocultural stewardship and climate resilience objectives.

Bill 154 also preserves the rights of existing property owners by allowing any privately owned commercial parking lot or garage lawfully established prior to the effective date of the ordinance to continue as a lawful nonconforming use pursuant to Chapter 25. Accordingly, the proposed ordinance does not require the closure or immediate cessation of existing commercial parking operations but instead limits the establishment of new standalone commercial parking facilities after the effective date of the ordinance. This approach appropriately balances the County's long-term land use planning objectives with the reasonable expectations and investments of existing property owners.

The Planning Director finds that the Downtown Hilo Commercial District (CDH) and Resort-Hotel (V) zoning districts present unique circumstances that distinguish them from other zoning districts. Downtown Hilo contains a concentration of historic structures developed prior to modern parking standards, many of which have limited opportunities to provide on-site parking due to constrained lot sizes and established development patterns. As a result, businesses, employees, customers, and visitors often rely upon shared parking resources to support commercial activity and maintain the economic vitality of the district. Retaining commercial parking lots and garages as a permitted use within the CDH District is therefore consistent with the district's historic development pattern and operational needs.

In contrast, properties within the Resort-Hotel (V) zoning district generally consist of larger sites that are capable of accommodating parking facilities as part of the principal

resort or hotel use. While unique circumstances may occasionally warrant standalone commercial parking facilities, such situations are more appropriately evaluated through the Use Permit process, which allows the County to consider site-specific operational, land use, and transportation impacts.

PLANNING DIRECTOR'S RECOMMENDATION:

The Planning Department supports the overall objectives of Bill 154, including encouraging efficient land use patterns, reducing automobile dependency, and limiting the establishment of new standalone commercial parking facilities. The Director recommends retaining commercial parking lots and garages as a permitted use within the Downtown Hilo Commercial District (CDH), requiring a Use Permit within the Resort-Hotel (V) District, and otherwise supporting the removal of the use from the remaining zoning districts identified in Bill 154. The recommended modifications are as follows:

Recommendation #1: Amend Bill 154 to retain “commercial parking lots and garages” as a permitted use within the Downtown Hilo Commercial District (CDH), while removing the use as a permitted use from the remaining zoning districts identified in Bill 154.

Reason: This exception is warranted because the CDH District presents unique circumstances, including historic development patterns, limited on-site parking opportunities, and reliance on shared parking resources to support businesses, employees, customers, and visitors. Retaining commercial parking lots and garages as a permitted use within the CDH District preserves operational flexibility necessary to support the continued accessibility of Downtown Hilo.

Recommendation #2: Amend Bill 154 by removing "commercial parking lots and garages" from Chapter 25, Article 5, Division 9, Section 25-5-92(a) (Permitted Uses) and placing the use within Section 25-5-92(b) (Uses Permitted by Use Permit), thereby requiring a Use Permit within the Resort-Hotel (V) zoning district.

Reason: While the Department generally supports limiting the establishment of new standalone commercial parking facilities, unique site conditions may exist where such facilities serve a demonstrated public need, support existing development patterns, or accommodate circumstances not anticipated by generally applicable zoning

regulations. In such cases, discretionary review through the Use Permit process may provide an appropriate mechanism to evaluate site-specific land use, transportation, operational, and community impacts.

PLANNING COMMISSION ACTION

The Windward and Leeward Planning Commissions are required to take action on Bill 154 as described in Section 25-2-43 (b) of the Zoning Code. This bill was transmitted by the County Council to the Department on May 8, 2026; therefore the commissions are required to transmit their recommendations to the council by September 5, 2026. The commissions shall recommend approval as a whole or in part, with or without modifications, or rejection of the proposed bill. Each commission's recommendations will be forwarded separately, but at the same time, to the County Council for their consideration and decision. In the event the commissions fail to act on the proposed bill by this date, such inaction shall be considered as an unfavorable recommendation by the commission.