Office of Environmental Quality Control
465 South King Street, Room 104
Honolulu, HI 96813

Gentlemen:

Environmental Assessment - Negative Declaration
Applicant: Kona Coast Resort Joint Venture
TRK: 7-8-10:68

Enclosed please find 4 copies of an environmental assessment-negative declaration for the construction of a 195-unit condominium project and related improvements within the Kahaluu Historic District of the County of Hawaii. This report is filed for your review, comments, and publication in your bulletin.

Should you have any questions, please contact this office.

Sincerely,

DUANE KANUHA
Planning Director

CRX:aeb
encls.
cc: Scott Church (w/encl)
    Robert Triantos (w/encl)
ENVIRONMENTAL ASSESSMENT
NEGATIVE DECLARATION

APPLICANT: Kona Coast Resort Joint Venture

APPROVING AGENCY: Hawaii County Planning Commission through the Planning Department

CONSULTING AGENCIES:
- Department of Public Works
- Department of Water Supply
- Department of Land and Natural Resources
- Department of Transportation
- Department of Parks and Recreation
- Police Department
- Department of Health
- Department of Education
- HELCO
- Real Property Tax Office

CLASS OF ACTION:
Development within the Kahalu'u Historic District (Site No. 10-37-4150) which is listed on the State and National Register of Historic Places
PROPOSAL

The applicant, Kona Coast Resort Joint Venture, proposes to construct a 195-unit condominium project with related amenities on 12.846 acres of land in the Keauhou Resort Area. The subject property is situated on the west (makai) side of Alii Drive and across the entrance to Keauhou Shopping Center and adjacent to the existing Keauhou Gardens Condominium-Phase I, Keauhou, Hawaii, TMK: 7-8-10:68.

PROJECT DESCRIPTION

The applicant proposes to construct a 195-unit condominium project consisting of 13 two- and three-story condominium buildings as follows:

<table>
<thead>
<tr>
<th>Building</th>
<th>Story</th>
<th>1-bedroom</th>
<th>2-bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building A:</td>
<td>3 story</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Building B:</td>
<td>2 story</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Building C:</td>
<td>2 story</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Building D:</td>
<td>2 story</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Building E:</td>
<td>2 story</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Building F:</td>
<td>3 story</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Building G:</td>
<td>3 story</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Building H:</td>
<td>2 story</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Building I:</td>
<td>3 story</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Building J:</td>
<td>3 story</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Building K:</td>
<td>3 story</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Building L:</td>
<td>2 story</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Building M:</td>
<td>2 story</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

122 1-bedroom   73 2-bedroom = 195 units

Amenities include:

1. Recreation/administration building two stories in height consisting of approximately 14,343 square feet;

2. Two tennis courts, one volleyball court and one racquetball court;
3. A 9-hole golf putting green;
4. A swimming pool, spa and snack bar;
5. A porte cochere adjacent to a pavilion;
6. An underground off-street parking area of 92 stalls for the residents under the tennis/volleyball court; and
7. An underground "back of house" facility of approximately 9,000 square feet under an elevated off-street parking area.

Conceptual plans have calculated 327 required parking stalls; however, 331 will be provided.

Access is proposed by way of the existing driveway for Keauhou Gardens Phase I and a proposed driveway to the south. If required, the parcel would be consolidated with Parcel 52 (Phase II).

The estimated cost of the valuation is $40,000,000.

Tentative completion date is November 1991 (if not phased).

ENVIRONMENTAL SETTING

The subject property is a 12.846-acre parcel approximately 900 feet in width and has a depth which ranges from 350 to 750 feet. It is irregularly shaped with a 95-foot frontage along Ali'i Drive. The parcel, which is approximately 700 feet from the shoreline, is vacant and overgrown with weeds and grasses.

According to the USDA Soil Conservation Service, Soil Survey Report, the soil classification for this area is (rLV) or Lava Flows Aa. This soil type has been mapped as a miscellaneous land type. This lava has practically no soil covering and is bare of vegetation, except for mosses, lichens, ferns and a few small ohia
trees. It is associated with pahoehoe lava flows and many soils. This lava is rough and broken. It is a mass of clinkery, hard, glassy, sharp pieces piled in tumbled heaps.

The property is at an elevation ranging from 40 to 75 feet above mean sea level. The project site has a gradual slope of about 5 percent in a mauka-makai direction.

A small portion of the property is within the Kahalu'u Historic District, which is included in the Hawaii and National Register of Historic Places. The Kahalu'u Historic District encompasses the seaward half of the Kahalu'u ahupua'a and a small portion of the Keauhou ahupua'a. The district is noteworthy because of the concentration of major Hawaiian heiaus within the area.

The property was surveyed for archaeological resources by Paul H. Rosendahl in May 1979. It identified a site complex (Site D3-46) which was described as a heiau—Kualiiili, a heiau for prayers for the replenishment of sweet potatoes. This site was the only one on the subject property recommended for intensive survey work and a follow-up significance determination made regarding the site's preservation.

An intensive archaeological survey report was prepared by Robert D. Connolly III in July 1979. The report noted "This site [Site D3-46] has been identified by both Reinecke and Kekahuna as Kualiiili Heiau, a heiau dedicated to prayers for the replenishment of the sweet potato crop. Although this identification might well be true, there is nothing particularly impressive or distinctive about the structure, and it might just as likely have been a residential feature. The test excavation did not produce any
evidence supporting one interpretation over another. Additional archival research on this site did nothing to confirm or deny that Site D3-46 is or is not a heiau. . . . It is curious that neither of two earlier inventories of Hawaiian heiau sites (Stokes n.d. (1906), Thrum 1908) mention a Kaua iliili Heiau; while subsequent studies (Reinecke n.d. (1929-30), Kekahuna n.d. (1952-53)) both identify a Kaua iliili Heiau. A long-time Kaua area resident and student of Hawaiian culture, Mrs. Mary Ann Warfield, recently related that an elderly informant of hers, Mrs. Mary Haanio (now deceased) of Kaua, once told her of a heiau named Ka-ua-liili ("the little rain"), said to be located in the middle of the Kaua Golf Course.* According to Mrs. Haanio, this heiau was a place for conducting prayers for bringing rain in times of drought. As such this site would have probably been a heiau hoo'ulu 'ua - a heiau where offerings were made to assure or induce rain.**

The applicant intends to preserve the site complex along with interpretive signage, buffers, and pedestrian trails.

According to the Flood Insurance Rate Map (FIRM) administered by the Department of Public Works, the property is in an area outside of the 500-year flood plain (Zone X).

The waters off the coast are classified "AA" by the Department of Health Water Quality Standards. Class "AA" waters are suitable for research, propagation of marine life, conservation and aesthetic enjoyment. The objective of class "AA" waters is that these waters remain in their natural pristine state as nearly as possible.

* Pers. comm., Mrs. Mary Ann Warfield to Dr. Paul Rosendahl, June 1979

** Pers. comm., Ms. Dorothy Barrere to Dr. Paul Rosendahl, June 1979
INSTITUTIONAL AND SOCIAL SETTING

The General Plan designates the area as a Major Resort area. The Land Use Pattern Allocation Guide (LUPAG) Map of the County General Plan designates the area for Medium Density Urban Uses. This designation would allow residential and related functions up to 35 units per acre provided applicable goals, policies and standards are met.

The Kona Regional Plan adopted by resolution in 1984 recommends residential uses at a density of 22 units per acre (RES-22).

The property is zoned Multiple-Family Residential-2,000 square feet (RM-2) by the Hawaii County Zoning Code. The maximum allowable density for the subject property is calculated at 279.78 units (559,571.76 sf/2,000 sf).

The parcel is within the Special Management Area (SMA) of the County of Hawaii. SMA Use Permit No. 106 was granted by the Planning Commission on June 27, 1979, which allowed for the construction of a 112-unit condominium project and related improvements on a portion of Parcel 52. Parcel 52 was subsequently subdivided and the property currently under consideration is now identified as Parcel 68. An application to amend SMA Use Permit No. 106 to include Parcel 68 and the proposed improvements is under review by the Planning Department at this time.

Surrounding lands include Keahou Gardens-Phase I condominium project to the east; portions of the Kona Country Club golf course (11th, 13th, 14th, 15th and 16th holes) to the north, west, south and southwest; and vacant lands to the northeast. Other uses in the vicinity include the Keahou Palena, Kanaloa at Keahou, the Keahou
Kona Surf and Racquet Club and the Keauhou Village Shopping Center. A scenic lookout is situated approximately 500 feet to the south of the entrance of the existing Keauhou Gardens condominiums on the makai side of Alii Drive.

Immediately adjacent lands are zoned Open (golf course); Multiple-Family Residential-2,000 (Keauhou Gardens-Phase I).

Access is gained from Alii Drive, which has a 120-foot wide right-of-way with approximately 24 feet of pavement. The existing driveway is across from the Keauhou Village Shopping Center entrance. The applicant proposes another access onto Alii Drive for the entire Keauhou Gardens project. This proposal will require modifications to Condition No. 7 of SMA Use Permit No. 106 which reads "That only one (1) access be provided from Alii Drive, and the location shall meet with the approval of the Chief Engineer of the Department of Public Works; further, should there be any subdivision of the area, access shall be provided through an easement to meet the one (1) access condition."

The proposed Alii Highway alignment would intersect with Ali'i Drive about mid-way between the existing driveway and the proposed driveway to the south fronting Keauhou Gardens Phase I.

A Traffic Impact Analysis Report (TIAR) of the second phase was prepared by Barton-Aschman Associates, Inc. dated January 1990. The report found that the project is expected to generate 101 trips during the evening peak hour based on trip generation counts of the existing development. Two existing intersections adjacent to the proposed expansion and the intersection to be created by the second phase were analyzed. Three access alternatives were examined:
(1) use of the existing access only, (2) provision of the second access and use of both accesses, and (3) closure of the existing access and use of second access location only. The last alternative may result from the alignment of Ali'ip Drive just north of the project site. The study concluded that traffic impacts associated with the expansion of the Kona Coast Resort Condominiums would be minimal. The development did not require mitigation because none of the project intersections were degraded to below Level of Service "D". However, in the first two alternatives, the existing site access will not provide a satisfactory level-of-service for outbound movements from the site. In Alternative 3, where the existing access is closed, the level of service for the worst movements is improved to acceptable levels. The unsatisfactory level-of-service at the existing access is primarily related to the limited sight distance along Ali'ip Drive to the north and traffic from the shopping center entrance/exit. If Ali'ip Drive is realigned, the study concludes that this problem could be corrected. In summary, no mitigation was recommended for any access/egress alternative. The analysis also concluded that adequate access/egress can be provided by only one entrance, either the existing entrance or the proposed entrance.

Based upon comments received from the Department of Public Works, the TIAR was revised. The Department of Public Works has since reviewed and approved the revised Traffic Impact Analysis Report subject to the following: (1) future driveway to the south may have restricted use in the future. Access may be limited to
right turn in and out when Alii Highway is constructed, (2) existing
driveway shall be checked for adequate site distance, and (3)
left-turn pockets should be provided at driveways. These conditions
will be imposed through the SMA Use Permit review.

A 12-inch water line is situated along Alii Drive and the
applicant has deposited water commitment payment for 195-units to
the Department of Water Supply.

The proposed wastewater requirements for this development will
be made available at the Heeia Wastewater Treatment Plant makai of
the subject property.

Police and fire protection are available to the property from
the Kailua Fire Station and the new police station at Kealakehe.

All other essential facilities and utilities are or will be made
available to the project site.

ENVIRONMENTAL IMPACT AND MITIGATION MEASURES

The proposed construction of a 195-unit condominium project and
related improvements is not anticipated to adversely affect the
economic, physical or social welfare of the community. The property
is located within the Keauhou Resort destination area and has been
zoned for Multiple-Family Residential uses. Surrounding uses
include a golf course and Phase I of the Keauhou Gardens condominium
project. Adequate building setbacks, or appropriate mitigation
measures, from the existing golf course will be imposed through the
later permitting process. Viewplanes from Keauhou Gardens Phase I,
Alii Drive and the scenic viewpoint will be minimally affected due
to a combination of landscaping, slope, height and siting of the
buildings. To this end, the applicant has performed a viewplane analysis of the project. Additionally, the project must conform to the "Comprehensive Design Principles for Keauhou Kona" which encompasses viewplane vistas, design standards, landscaping and signage for Keauhou Resort developments.

The archaeological complex identified on the subject property as a possible heiau would be preserved with appropriate buffers, interpretive signage and landscaping. The preservation plan will be reviewed and approved by the Planning Department in consultation with the Department of Land and Natural Resources—Historic Sites Section. Since there is a possibility that underground lava tubes or caves might be unearthed during land preparation, the applicant will be required to cease work in the affected area until archaeological clearance is given by the Planning Department and the Department of Land and Natural Resources. Thus, the historical and cultural resources of the Kahalu'u Historic District will be maintained and its accessibility improved.

The site is not an identified habitat for any rare or endangered species of plant or animal.

Ambient noise and air quality levels would be affected by the short term construction activities. No long term impacts are expected.

The project is located over 700 feet from the shoreline. Wastewater will be treated at the Heeia Wastewater Treatment plant and water runoff will be handled on-site in compliance with existing regulations of the Department of Public Works. Therefore, no
significant impacts to coastal waters are anticipated to be generated by the development. Similarly, no recreational areas or access thereto should be affected.

The revised Traffic Impact Analysis Report as approved by the Department of Public Works finds that the worst movements would be experienced by outbound movements from the site. The unsatisfactory level-of-service is caused by the limited site distance along Alii Drive to the north and traffic from the shopping center driveway. A check of the sight distance of the existing driveway and the installation of left-turn pockets at the driveways should improve the situation. Any further traffic mitigation measures, such as participation in the Alii Highway improvements district, if deemed appropriate, may be imposed during the SMA review.

DETERMINATION

Based upon the above considerations, it is determined that the proposed 195-unit condominium project and related improvements will not have significant impacts on the environment. Therefore, a notice of negative declaration is now being filed with the environmental assessment.