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

Gentlemen:

Notice of Determination and
Environmental Assessment
Applicant: Royal Hawaii Shopping Center, Inc.
TMK: (3) 7-8-10: 49, 86, 87, 88

Enclosed please find four copies of an Environmental Assessment-Negative Declaration for the proposed Keauhou Shopping Village, Phase II Expansion at Keauhou, Hawaii, for publication in the OEQC Bulletin.

Sincerely,

DUANE KANUHA
Planning Director

cc: Royal Hawaiian Shopping Center, Inc. (w/EA)
Belt Collins & Associates (w/EA)
ENVIRONMENTAL ASSESSMENT - NEGATIVE DECLARATION

Applicant: Royal Hawaiian Shopping Center, Inc.
2201 Kalakaua Avenue, Suite A500
Honolulu, Hawaii 96815

Approving Agency: Hawaii County Planning Commission
through the Planning Department
25 Aupuni Street
Hilo, Hawaii 96720

Consulting Agencies:

County:
- Department of Public Works
- Department of Water Supply
- Department of Parks and Recreation
- Police Department
- Fire Department
- Real Property Tax Office

State:
- Department of Land and Natural Resources
- Department of Transportation-Highways Division
- Department of Health
- Department of Education

Federal: Soil Conservation Service

Other: Hawaii Electric Light Company

Class of Action Development within the Kahaluu Historic District which is listed on the National Register of Historic Places.
PROPOSED ACTION

The applicant proposes to develop phase II and upgrade phase I of the Keauhou Shopping Village. The 13.6-acre phase II expansion site is located to the north of the existing 7.6-acre shopping center at the corner of Alii Drive and Kamehameha III Road, Keauhou, North Kona, TMK: (3) 7-8-10:40, 86, 87, & 88.

The project will involve the construction of up to 194,200 square feet of gross leasable commercial floor space. The applicant plans to construct 1,357 additional parking stalls.

The applicant proposes to construct seven one- and two-story commercial buildings. The structure housing the "anchor store" would be a two-story building with a basement parking garage. Proposed maximum height of the buildings is 50 feet. Structures would be constructed at +155 feet elevation. Proposed elevation plans show a maximum building height of 206 feet above sea level. The buildings would be constructed of concrete with wood trim and have a mansard type roof. Landscaping would be coordinated with walkways, open pedestrian court yards, planters, benches and water features.

The upgrade of phase I of the shopping center would involve modifications to building facades, rearrangements of building spaces, provision of accessory facilities and landscaping.

Tenants of the new shopping facility would provide goods and services for the local community and the visitor market. Offices and shops would occupy the second floor of buildings.

Complete grading of the site has already been completed as authorized by Special Management Area Use Permit No. 200, issued
October 5, 1983, by the Hawaii County Planning Commission.

Access to the site is via existing entrance/exits from Kamehameha III Road and Alii Drive. The proposed 100-foot Alii Highway right-of-way borders the project to the west. A traffic study by Wilbur Smith Associates for the shopping center expansion and a proposed office complex, dated May, 1990, was submitted with the applicant. The study was done for the combined shopping center expansion and office projects because they are planned to be completed about the same time and are located adjacent to one another. The office complex, however, is not included in this assessment. The study concluded that, for the combined projects, the Alii Drive-Kamehameha III Road intersection should be signalized as volume increases. The mauka entrance/exit to Kamehameha III Road should be signalized as volume increases. The increased volume of traffic at the makai driveway intersection resulting from the shopping center expansion indicates a need for a left-turn pocket on Alii Drive. The need to improve the Kuakini Highway-Kamehameha III Road intersection should be deferred until the effects of the proposed Alii Highway are better known. The study concluded that signalization on Alii Drive could be deferred until the Alii Highway is constructed.

Water will be secured from the County water system. The project will hook up to the existing sewer line connecting to the secondary treatment plant at Heeia. Underground electric and telephone lines will be installed.

Construction of the phase II expansion is expected to begin in early 1991 and be completed in 1992. The estimated cost of
construction is approximately $15.8 million.

STATE AND COUNTY LAND USE POLICIES

The project site is situated within the State Land Use Urban District. The proposed development is a permitted use within this district.

The County zoning designation for the property is Village Commercial-7,500 square feet (CV-7.5). This designation allows the proposed uses. The maximum building height in the CV zoned district is 30 feet. The applicant has filed a Planned Unit Development Application to allow the construction of buildings up to 50 feet in height.

According to the Hawaii County General Plan's Land Use Pattern Allocation Guide (LUPAG) Map designates the area for Medium Density Urban Development. The Keauhou area is designated as a Major Resort Area by the General Plan.

The Land Use Concept Map of the Kona Regional Plan depicts the area as Village Commercial.

The site is within the Special Management Area and is therefore subject to the requirements of Chapter 205A, Hawaii Revised Statutes. An SMA Use Permit Application has been submitted to the Planning Commission for review pending compliance with requirements of Chapter 343, HRS.

SMA Use Permit No. 184 was granted July 1, 1982 to allow the construction of phase I of the Keauhou Shopping Village, which contains 73,000 square feet of gross leasable area.

SMA Use Permit No. 189 was granted October 27, 1982 to allow the
construction of a service station and restaurant, among other developments in the Keauhou area, on the property to the east of the project site.

An Environmental Assessment-Negative Declaration for the grading of the subject property was published in the August 8, 1983 bulletin of the Environmental Quality Commission.

ENVIRONMENTAL SETTING

The project site is a 13.6-acre area consisting of three separate lots. The site is located makai of the Kamehameha III Road and mauka of Alii Drive, approximately 1,500 feet from the shoreline at + 125-foot elevation above sea level. The natural topography prior to grading was a 10 percent slope.

The site has been graded level with embankments along the Kamehameha III Road and the existing shopping center and along the future Alii Highway realignment at the site's western boundary.

Since the site was recently graded, vegetation consists primarily of exotic species such as fountain grass, pluchea, mia-pilo, and koa haole. Wildlife is limited to primarily urban species of bird. No rare or endangered plants or animals are known to inhabit the property.

The U.S. Department of Agriculture, Soil Survey of the Island of Hawaii classifies the landform as Aa lava flow (rLV). Rainfall averages 40 to 50 inches a year.

The Flood Insurance Rate map, prepared by the U.S. Army Corps of Engineers, depicts the area as being within Zone "X" (outside the 500-year flood plain).
The waters of Keauhou Bay are classified "A" by the Department of Health Water Quality Standards. Class "A" waters are to be maintained for recreational purposes and aesthetic enjoyment. Coastal waters beyond the Bay are classified "AA". Class "AA" waters are suitable for research, propagation of marine life, conservation and aesthetic enjoyment.

The project site is located within the Kahaluu Historic District, which is included on the National Register of Historic Places. The district is most noteworthy for at least ten major heiau. The district also contains a number of historic places and remains including an old stone church, ancient breakwater, portions of the ancient Hawaiian field system, habitation areas, caves, burial platforms, wells, midden sites, enclosures and petroglyph fields. An Intensive Survey and Test Excavations Report, dated September 1983, was carried out by Margaret Rosendahl on the project site prior to commencement of grading work. Historic sites on the property were described, mapped, and photographed. All features with structural deposit were tested. The detailed recording of features was determined to be an adequate recording of all significant archaeological data and archaeological clearance was granted to proceed with grading work.

The Ohi'a Cave system is located to the north of the property. The nearest entrance to the cave, which runs in an mauka-makai (east-west) direction was estimated to be over 500 feet from the property boundary. No lava tube caves, either empty or containing human burial remains, were found that are likely to be directly impacted by the construction of the shopping center. Openings to
the cave system are proposed to be preserved within a historic preservation area to the north of the property.

Access to the site from the mauka direction is from Kamehameha III Road, which is has a 100-foot right-of-way with a wide two-lane roadway with left turn pockets at the mauka entrance to the project. Alii Drive is a two-lane arterial street within a 100-foot right-of-way. The 100-foot Alii Highway right-of-way borders the west of the property.

Views of the property are primarily from Kamehameha III Road, which is constructed at an elevation of approximately 200 to 220 feet above sea level mauka of the project site. Kuakini Highway is located approximately 4,000 feet mauka of the project site at +800-foot elevation.

Land uses adjacent to the project site are phase I of the shopping center to the south and a gas station/convenience store to the east. Unplanned zoned lands to the north are shown on the applicant's proposed site plan as a future office complex and historic preserve. The Hillhaven nursing facility is located on RM-3 zoned lands across Kamehameha III Road to the east. The Kona Gardens condominium development is located across Alii Drive to the east on RM-3 zoned lands.

Keauhou Shopping Village phase I consists of seven one- and two-story structures. Buildings heights are within the 35-foot height limit.

The Department of Water Supply has stated that there is adequate water available for the project.
The project site is within the service area of the Captain Cook police and fire stations. A fire station site has been dedicated to the County on Alii Highway within the Keauhou Resort area.

The project is served by the Heia wastewater treatment plant. An expansion of the plant is expected to be completed prior to completion of the proposed shopping center expansion.

Consulted public agencies had no objection to the proposal.

ENVIRONMENTAL IMPACT AND MITIGATING MEASURES

The proposed expansion of the Keauhou Village Shopping Center is not expected to have significant environmental impact on the resources of the area.

The site is not an identified habitat for any rare or endangered species of plant or animal. The project site does not contain any archaeological sites as it has already been graded.

The project will not affect beneficial uses of the environment. The site is located mauka of Alii Drive more than 1,400 feet from the shoreline and will not interfere with any beach processes, shoreline access, or use of the shoreline.

The granting of the proposed use will not unreasonably burden public agencies to provide roads, sewer, water, drainage, schools, police and fire protection and other related infrastructure. All necessary services are available to the property. While the Police Department had no objection to this particular request, they commented that an increased need for police services will result from this development and others in the rapidly growing Keauhou area. The potential impact of increased traffic may be mitigated.
through conditions of approval of a Special Management Area Use Permit.

The proposed use will not negatively affect the economic or social welfare of the community or State. The shopping center expansion will provide economic opportunities for local residents and will provide goods and services to the meet the needs of residents and visitors.

Viewplanes will not be negatively impacted by the proposed development. Alii Drive is located makai of the project site, therefore views of the shoreline from the roadway will not be affected. The project site is located more than 600 feet below the elevation of Kuakini Highway at a distance of 4,000 feet and will not affect coastal viewplanes from the roadway. The proposed structures will be visible from Kamehameha III Road. The grade of the site is such that the roadway is +50 feet above the elevation of the building site grade. Any potential viewplane impacts may be mitigated through conditions of the SMA Use Permit and the Planned Unit Development Application.

Sewage from the shopping center will be processed at the secondary treatment facility at Heela. The site is not affected by any natural drainage course or water feature affecting coastal waters. Therefore, no negative impact on the quality of ocean waters is anticipated.

The project site is not within an environmentally sensitive area such as tsunami inundation area or floor zone. The site is at approximately 150-foot elevation and 1,400 feet from the shoreline.
On-site drainage systems will be installed to dispose of surface runoff.

**IMPACTS WHICH CANNOT BE AVOIDED**

Ambient noise levels would be affected by the short term construction activities and by vehicular traffic generated by the development. Short-term impacts may be controlled through the use of noise control measures such as muffler devices on diesel powered equipment, limiting the number of noise-generating equipment operating at the same time, and limiting operations to daylight hours. Long term noise impacts are not expected to be significantly higher than existing levels.

Short-term air quality impact will result from dust and vehicle emissions produced from the final site preparation, building construction and movement of construction vehicles. Major grading work has already been completed and, therefore, will minimize future impacts of dust and noise from grading activity. Dust control measures may be implemented to mitigate impacts. The long-term effects of electrical power generation and motor vehicle emissions are expected to have a minor impact on air quality. However, the strict emission control standards required of new vehicles should assist in reducing pollutants.

**DETERMINATION**

Based on the above, it is determined that the proposed shopping center expansion will not have significant impacts upon the environment. Therefore, a notice of negative declaration is now being filed with the environmental assessment.