

**ENVIRONMENTAL IMPACT STATEMENT
PREPARATION NOTICE**

VILLAGES OF 'ĀINA LE'A

**Waikoloa, South Kohala District, Island of Hawai'i
TMK: (3) 6-8-001: 25, 36, 37, 38, 39, 40**

**Accepting Agency: County of Hawai'i Planning Department
Applicant: Bridge Aina Le'a, LLC
Prepared By: Makani Resources**

November 2007

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LIST OF EXHIBIT(S)

<u>EXHIBIT</u>	<u>DOCUMENT DESCRIPTION</u>
Exhibit 1	Letter from Planning Director Christopher J. Yuen to Sidney Fuke dated October 11, 2007

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LIST OF ACRONYMS, ABBREVIATIONS AND TERMS

ALISH	Agricultural Lands of Importance to the State of Hawai'i
CZM	Hawai'i Coastal Zone Management
dBA	Decibels (Acoustic)
DLNR	Department of Land and Natural Resources
DOH	State Department of Health
DPW	County of Hawai'i Department of Public Works
DWS	County of Hawai'i Department of Water Supply
EIS	Environmental Impact Statement
EISPN	Environmental Impact Statement Preparation Notice
FHA/HUD	Federal Highway Administration/Housing & Urban Development
FIRM	Flood Insurance Rate Map
HAR	Hawai'i Administrative Rules
HELCO	Hawai'i Electric Light Company
HPD	Historic Preservation Division
HRS	Hawai'i Revised Statutes
Ldn	Level day/night (day/night average sound level)
mgd	millions of gallons per day
msl	mean sea level
NPDES	National Pollutant Discharge Elimination System
NRCS	Natural Resources Conservation Services
OEQC	Office of Environmental Quality Control
TIAR	Traffic Impact Analysis Report
TMK	Tax Map Key
USDA	US Department of Agriculture
WWTP	Wastewater Treatment Plant
Makai	Ocean, or directionally towards the ocean
Mauka	Inland, or directionally towards the mountain

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1. INTRODUCTION

This Environmental Impact Statement Preparation Notice (EISPN) serves as an Environmental Assessment and is prepared in accordance with Chapter 343, Hawai'i Revised Statutes (HRS), and the Department of Health's Title 11, Chapter 200, Hawai'i Administrative Rules (HAR), Environmental Impact Statement Rules, for the proposed Villages of 'Āina Le'a at Waikoloa, South Kohala, Island of Hawai'i.

1.01 Project Summary Information

Project Name	Villages of 'Āina Le'a
Project Location	Waikoloa, Island of Hawai'i
Judicial District	Hawai'i
Tax Map Key Nos	(3) 6-8-001: 25, 36, 37, 38, 39, 40
Applicant	Bridge Aina Le'a, LLC John K. Baldwin, Managing Member 2500 Kalakaua Avenue, #2404 Honolulu, Hawai'i 96815 Phone: 808-922-4030/Fax: 926-9767
Landowner	Bridge Aina Le'a, LLC
Size of Project Area	3,000 acres
Project Description	Infrastructure improvements, subdivision of property, five golf courses, golf academy, 40-unit lodge, up to 3,269 multi-family and single-family units, 863 rural-agricultural lots, commercial uses, related improvements/uses.
Project Compliance	Use of State Lands due to proposed highway intersection improvements Possible wastewater treatment facility
Proposed Actions	Project District Zoning Application Amendments to Zoning Ordinance No. 93-1 as amended by Ordinance No. 96-153 Subdivision Application(s) Plan Approval(s) Grading/Grubbing/Building Permits All necessary permits and approvals
EIS Accepting Authority	County of Hawai'i Planning Department

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EIS Preparer	Makani Resources Constance R. Kiriu 195 Makani Circle Hilo, Hawai'i 96720 Phone: 808-959-1803/Cell: 938-7385/ Email: makaniresources@yahoo.com
General Plan LUPAG Map Designation	Urban Expansion Area Conservation (Highway Buffer)
State Land Use	Urban (1,060 acres)/Agricultural (1,940 acres)
Zoning Designations	Multiple-Family Residential (RM-4) Multiple-Family Residential (RM-7) Multiple-Family Residential (RM-14.5) Village Commercial (CV-10) Residential-Agricultural (RA-1a) Agricultural (A-5a)

Special Management Area/Shoreline Setback Area/Conservation District: No

1.02 Applicant and Landowner

The applicant and landowner is Bridge Aina Le'a, LLC, whose address is 2500 Kalakaua Avenue, #2404, Honolulu, Hawai'i, 96815. John K. Baldwin is the Managing Member and contact for Bridge Aina Le'a, LLC.

1.03 EIS Preparation

The EIS will be prepared by Constance R. Kiriu, Makani Resources, 195 Makani Circle, Hilo, Hawai'i 96720; Telephone: (808) 959-1803, Cellphone: (808) 938-7385; Email address: makaniresources@yahoo.com.

1.04 Accepting Authority

The accepting authority for this Environmental Impact Statement ("EIS") is the County of Hawai'i Planning Department.

1.05 Compliance With State of Hawai'i and Hawai'i County Environmental Laws

The EIS is being prepared pursuant to Chapter 343-5(a)(1), HRS, since the project will involve the use of State or County lands, which includes, but may not be limited to, connecting planned roadways to existing (State/County) roads, improving those intersections, and improving and connecting to existing

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County water systems. Further, should it become necessary to construct a wastewater facility on the Property, this EIS is being prepared pursuant to Chapter 343-5(a)(9), HRS. Please refer to attached letter from Planning Director Christopher J. Yuen to Planning Consultant dated October 11, 2007 (Exhibit 1).

The EIS is intended to support a Project District Zoning Application, requested Amendments to Conditions of Ordinance No. 96-153, and all subsequent permits and applications, including, but not limited to, subdivision, plan approval, grading, grubbing, and all infrastructural construction drawings.

1.06 Agencies Consulted

In preparing the EISPN for the Villages of 'Āina Le'a, the following agencies (or agency documents) were consulted:

- Federal: Federal Emergency Management Agency
 U.S. Department of Agriculture
 U.S. Geological Survey
 U.S. Fish and Wildlife
- State: Department of Agriculture
 Department of Land and Natural Resources
 Department of Education
 Department of Health, Office of Environmental Quality Control
 University of Hawai'i, Land Study Bureau
- County: Department of Environmental Management
 Department of Planning
 Department of Public Works
 Department of Water Supply

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2. GENERAL DESCRIPTION OF PROJECT

The proposed action is to subdivide and construct infrastructure improvements for a golf community called the Villages of 'Āina Le'a ("Project") on 3,000 acres of land in South Kohala, Waikoloa, Island of Hawai'i, TMK Nos. (3) 6-8-001: 25, 36, 37, 38, 39, 40 ("Property"). To provide greater flexibility in project design and implementation, the Applicant is requesting rezoning of 1,060 acres of the Property to a Project District zoning and amendments to conditions of the current zoning ordinance.

Please refer to the attached Location Map (Figure 1), Vicinity Map (Figure 2), Current Zoning and TMK Map (Figure 3), and Conceptual Master Plan (Figure 5).

2.01 Physical Setting

The Property is located mauka, or east, of the Queen Ka'ahumanu Highway, generally between the entrance to Mauna Lani Resort and moving north towards the entrance to Puakō in the land division of Waikoloa and district of South Kohala. It is bounded by the Queen Ka'ahumanu Highway to the west or makai direction, and by privately-owned lands to the north, east, and south. The Property's frontage along the Queen Ka'ahumanu Highway is a little more than two miles in length. (Figures 1 and 2)

The Property is gently to moderately sloping from east to west at about a 20% grade. Elevations range from 150 feet above mean sea level (msl) at the western boundary adjacent to the Queen Ka'ahumanu Highway and 700 feet at the eastern boundary of the Property. The Property is located approximately 9,000± feet mauka of the shoreline and is not a coastal property.

The Property is vacant of any structures and contains no active use. It is essentially an open expanse of 'a'ā and pāhoehoe lava flows with limited vegetation.

2.02 Overall Master Plan and Project Description

The overall master plan for the Property encompasses 3,000 acres of land, of which 1,060 acres are proposed to be rezoned into the Project District. The balance of the Property, or 1,940 acres, would be developed in accordance with its existing A-5a and RA-1a zoning.

The original overall master plan in the early 1990's proposed the development of six golf villages that would include six 18-hole golf courses and associated recreational amenities, a golf academy, a total of 3,220 multiple-family residential and agricultural lots/units, and commercial uses (Figure 4). The Draft EIS will elaborate on the specifics of the original master plan.

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Although some of the Project's components, marketing strategy, and infrastructure layouts may have changed, the basic concept of the permitted Villages of 'Āina Le'a has not.

The proposed overall master plan is to develop 2,406 residential units in the Project District Urban area while maintaining the 863 residential-agricultural lots in the Agricultural District (Figure 5). The overall master plan contains 385 affordable housing units.

Five 18-hole golf courses are planned with a golf academy, associated recreational amenities, golf maintenance facilities, and a 40-unit golf lodge. Commercial areas would be located at the entrance of the Villages of 'Āina Le'a and in the core of the village community.

Approximately 234 acres of open space will be set aside to provide a buffer along Queen Ka'ahumanu Highway. Recreational amenities such as parks, bicycle paths, a swimming pool and tennis courts, are planned. As required by the current zoning ordinance, 10 acres of land for active recreational activities and a 16-acre park for passive uses will be developed within the Property. The parks will be dedicated to the County when completed. A 5-acre red ilima preserve area next to a nature park will be preserved for interpretation and public education. Two archaeological sites and buffers will be maintained and preserved in accordance with approvals from the Department of Land and Natural Resources-State Historic Preservation Division (DLNR-HPD).

There are two approved permitted access points along the Queen Ka'ahumanu Highway serving the six lots containing 3,000 acres. These accesses have temporary access pads on the Highway. The northern temporary access serves as the egress for the Waikoloa Village Emergency Evacuation Access Road, which extends 2.13 miles from the Highway to the end of Hulu Street in Waikoloa Village. The Waikoloa Village Emergency Evacuation Access Road provides more than 5,000 Waikoloa residents with an alternative exit in case of fire, flooding or other disasters.

Access to the Villages of 'Āina Le'a will be from Queen Ka'ahumanu Highway via the two permitted points. Major spine roads would connect to the permitted access points and would contribute to the regional roadway network. A proposed north-south road would also provide regional interconnectivity to adjoining parcels. All other interior roads would be constructed to meet with the requirements of the County Department of Public Works (DPW). Since some of the roads will be private and, in an effort to create a compatible resort-like ambiance, the Applicant may consider modification of the road standards.

The County of Hawai'i's public water system does not serve the Project site. However, an agreement with the County Department of Water Supply (DWS) allows the Applicant to develop and construct up to four wells at the 'Ouli Well Field, which includes an existing well (State No. 6046-01). The anticipated

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capacity for each well is 1.0 to 1.2 million gallons per day (mgd). The initial construction increment includes developing and outfitting the existing well and two new wells. Connection to these wells to DWS' system will be via a new mauka-makai transmission route. This will provide much-needed backup to the existing water system serving Mauna Lani, Mauna Kea, Kawaihae and Puakō. The County will retain 20% of the water the Applicant puts into the system.

The Applicant is pursuing connection of the Project to Mauna Lani Resort's wastewater treatment plant (WWTP) in lieu of constructing a WWTP on the Property. If negotiations are not successful, the WWTP is planned on the southwestern boundary of the Property.

The Applicant is in the process of discussing the needs of the Department of Education (DOE) with respect to acreage demands of the school district and the project. At this time, there has been a commitment of 32 acres of the Property to expand the Waikoloa complex.

The Draft EIS will include more information about the Project, including a development timetable and projected costs.

2.03 Adjacent Uses

Lands in this area are vacant. Mauna Lani Resort and related facilities are nearly a mile from the Highway. The County of Hawai'i Fire Station is situated makai (west) of the Highway and near the middle of the Property's western boundary.

The surrounding properties to the north, east, and south are vacant of any structures. There is no visible active use of these properties.

The Property is part of the South Kohala Coast Resort community, consisting of Waikoloa, Mauna Lani, Hapuna, and Mauna Kea. All of these resorts are located less than five miles from the Property. Puakō and Waikoloa Village are neighboring residential-resort support communities.

2.04 Existing Project Approvals

The basic entitlements for the Villages of 'Āina Le'a (formerly called Puakō Residential Golf Community) were secured in the latter part of 1980 and early 1990's.

Effective January 17, 1989, 1,060 acres were reclassified into the State Land Use Urban district. In 1993, the County rezoned 3,000 acres from Unplanned to RA-1a, RM-4.0, RM-7, RM-14.5, and CV-10 by Ordinance No. 93-1. On December 11, 1991, a Use Permit was granted by the Planning Commission for six 18-hole golf courses affecting portions of the entire 3,000-acre project site. In 1996, amendments to conditions of zoning Ordinance No. 93-1 were enacted

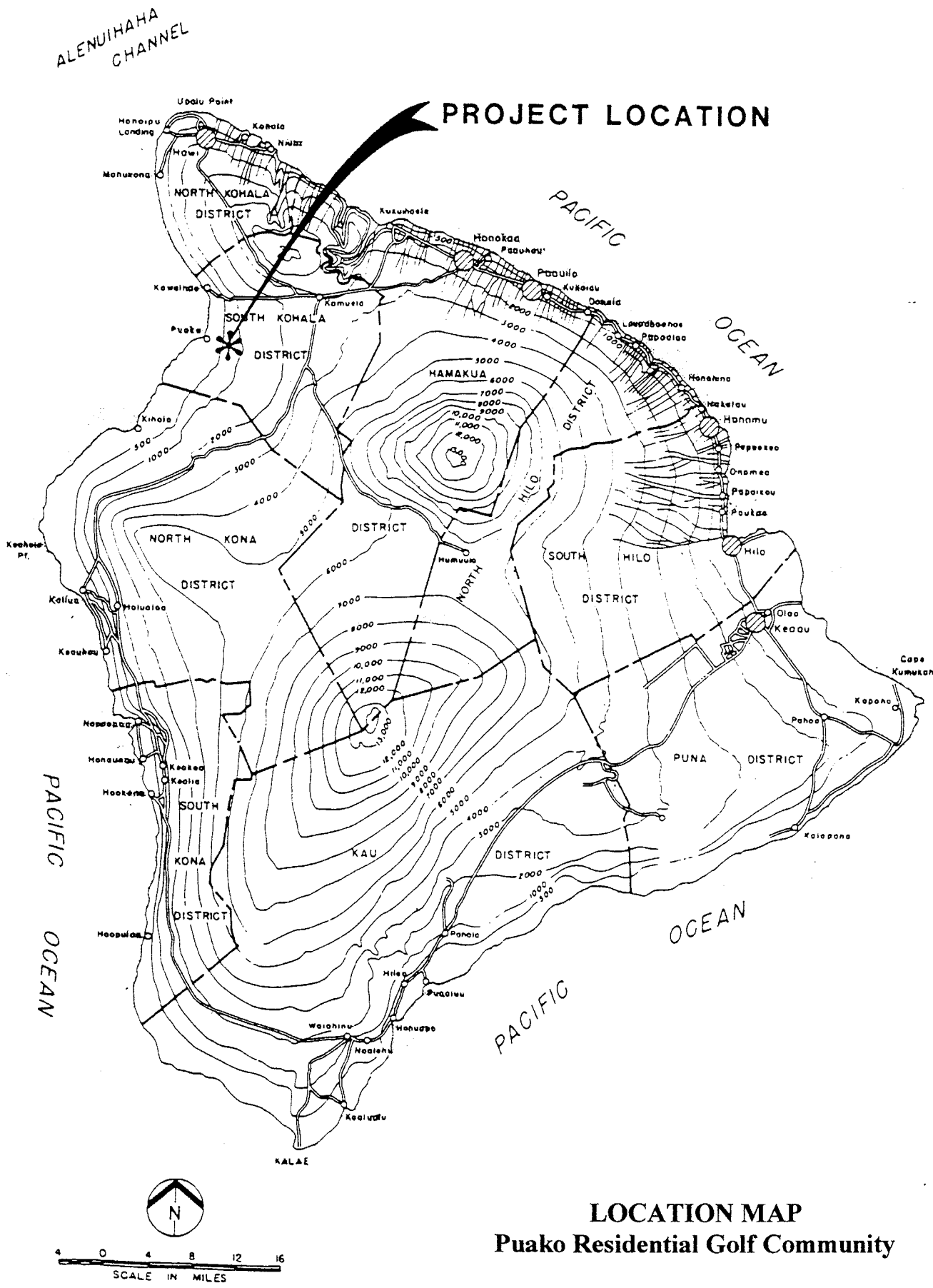
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by Ordinance No. 96-153. Non-significant zoning changes to the Project's zoning boundaries were approved by the Planning Director in 2000. In 2005, the State Land Use Commission approved the Applicant's request to revise its affordable housing condition from 60% to 20% of the total units developed.

2.05 Purpose and Need for Action

Consistent with existing land use approvals, the purpose of the proposed action is to create a mixed use residential golf community with resident and visitor opportunities for recreation, commercial nodes, and lodging, which are compatible with surrounding resort and residential support communities.

The concept of this project has not changed. However, to facilitate site planning, marketing, and other considerations, the Applicant is seeking to rezone the 1,060-acre Urban-designated area into the Project (TMK: (3) 6-8-001:25, 36, 38, and 39). The Applicant also requesting amendments to certain conditions of zoning Ordinance No. 96-153.

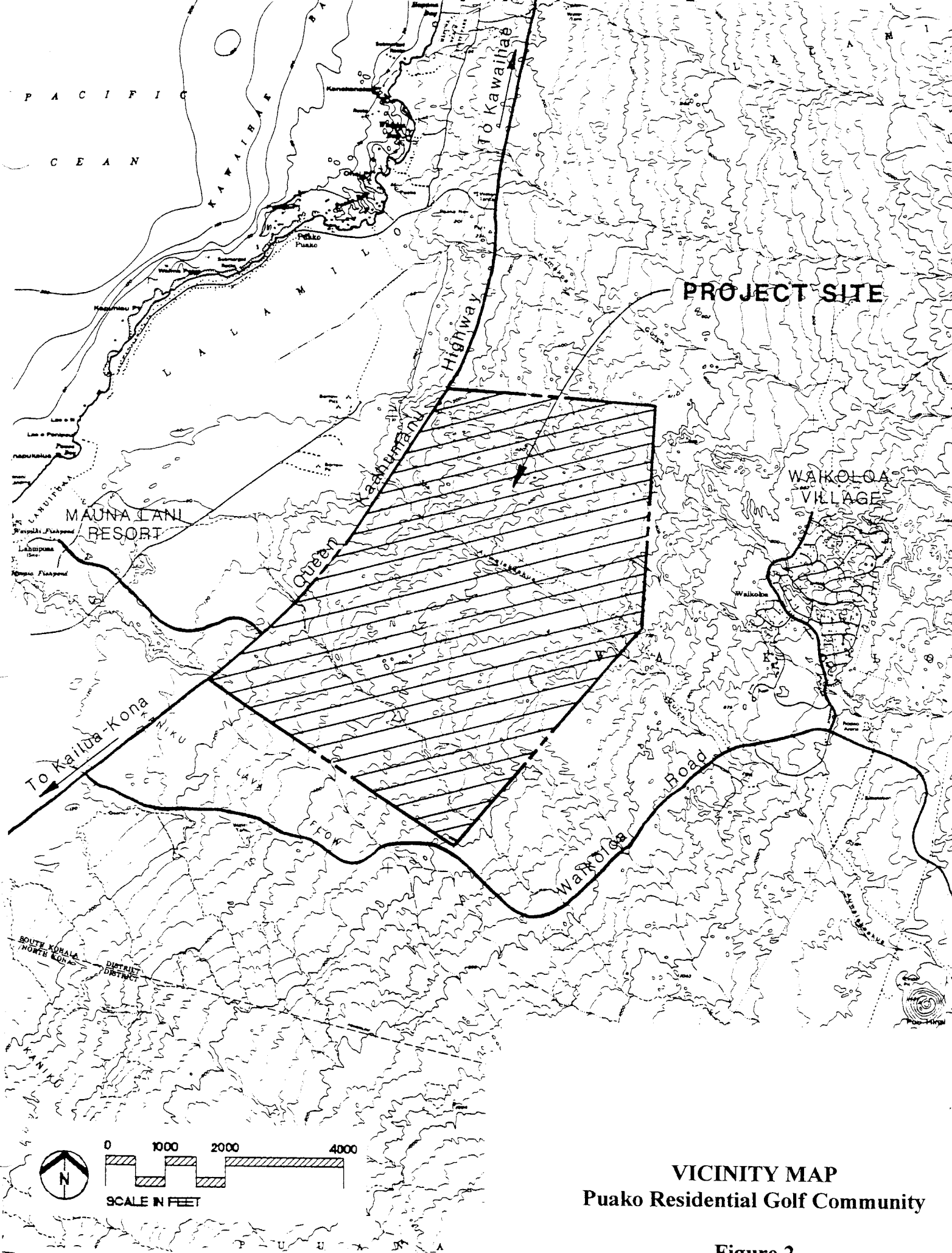


**LOCATION MAP
Puako Residential Golf Community**

Figure 1

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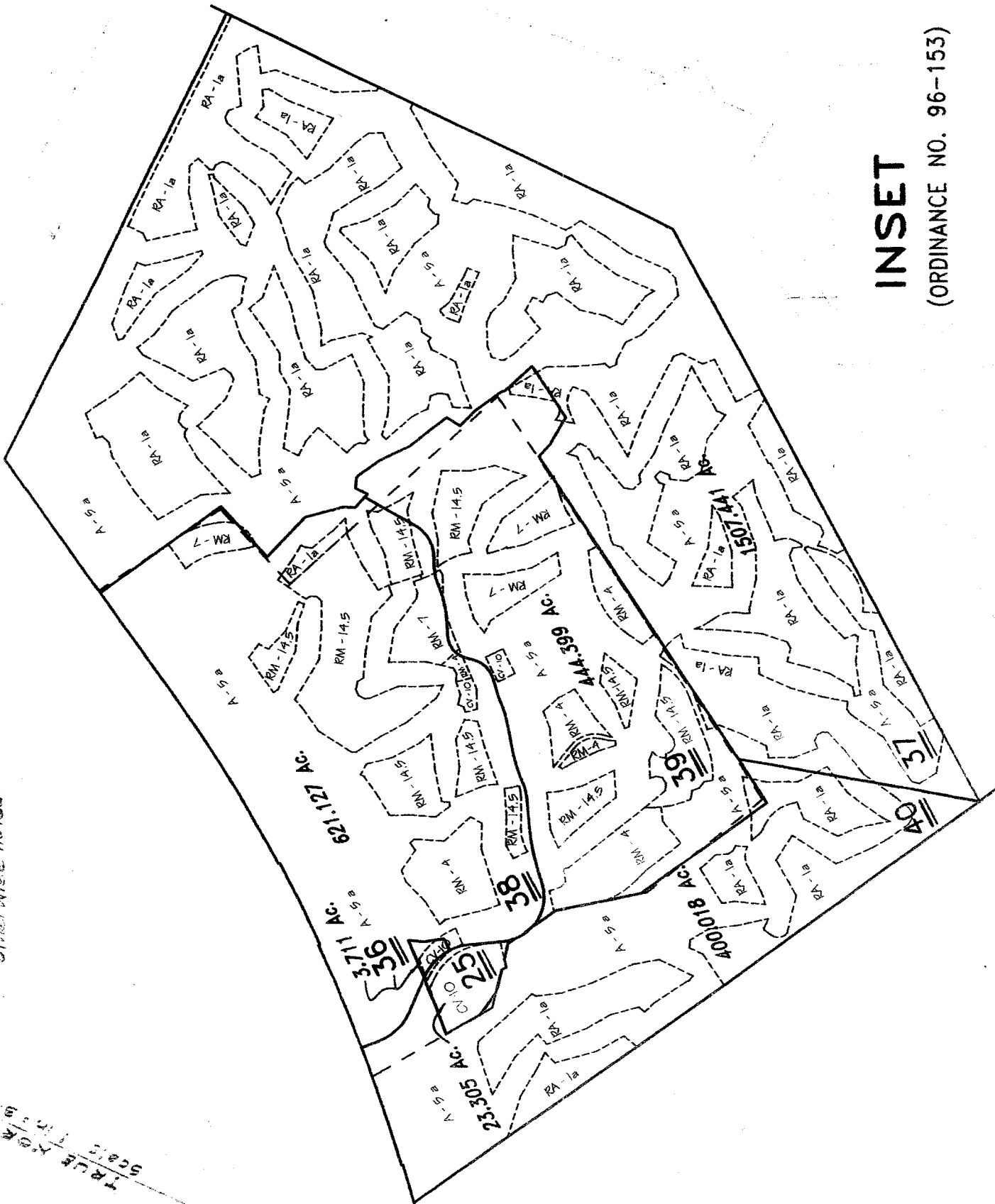


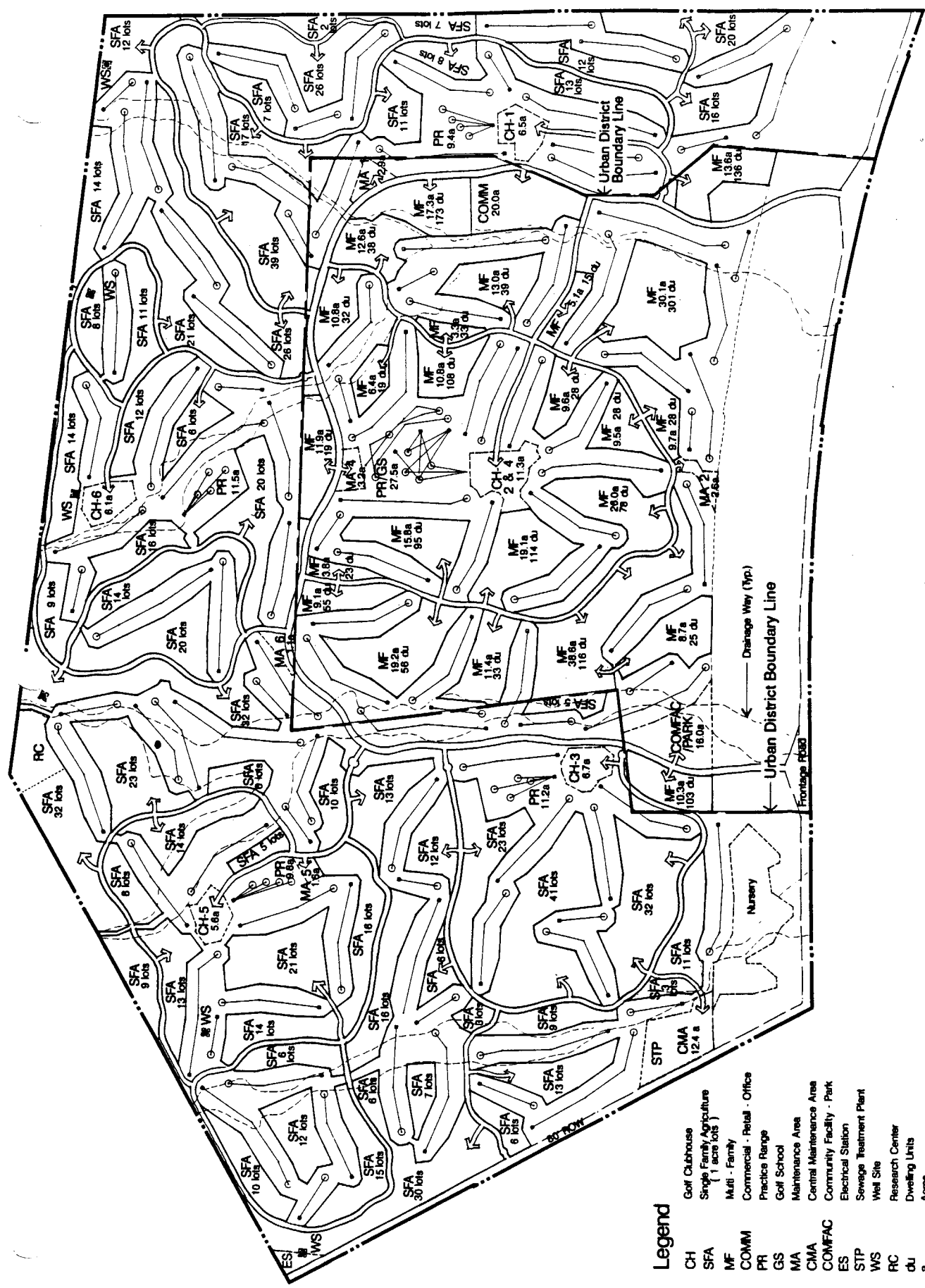
FIGURE 3

INSET

(ORDINANCE NO. 96-153)

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Desmond Muirhead, Inc.
Golf Course Architects and Planners (413) 924-2900

DEVELOPMENT CONCEPT PLAN

- Legend**
- CH Golf Clubhouse
 - SFA Single Family Agriculture (1 acre lots)
 - MF Multi - Family
 - COMM Commercial - Retail - Office
 - PR Practice Range
 - GS Golf School
 - MA Maintenance Area
 - CMA Central Maintenance Area
 - COMFAC Community Facility - Park
 - ES Electrical Station
 - STP Sewage Treatment Plant
 - WS Wet Site
 - RC Research Center
 - DU Dwelling Units
 - a Acres

Puako
Residential Golf Community
South Kohala, Hawaii
Puako Hawaii Properties

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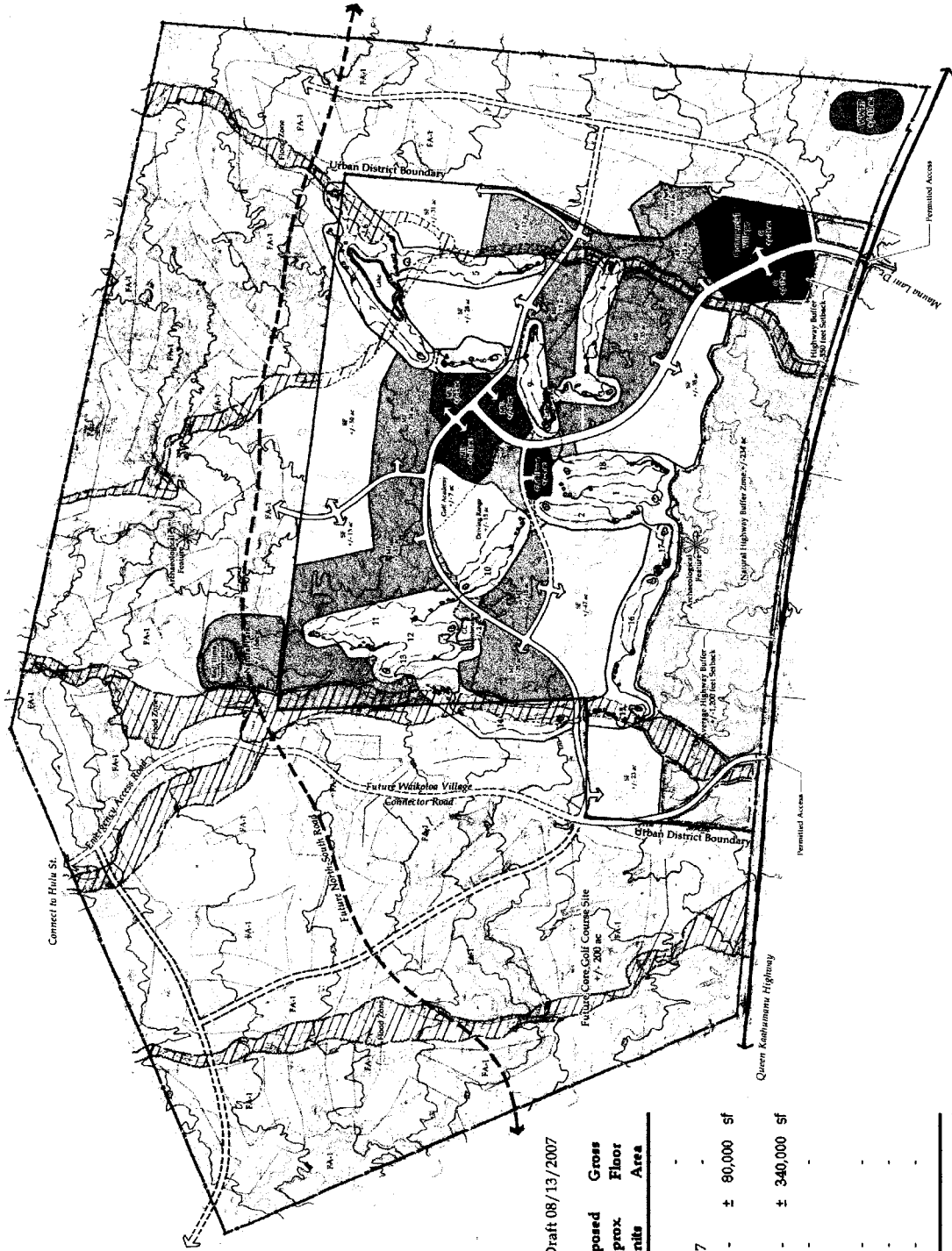
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CONCEPTUAL MASTER PLAN

The Villages of Aina Lea



Note: The approximate location of the flood inundation area was mapped from a scan of a map titled "Flood Inundation Study for the Residential Golf Community" prepared by RM Towill Corporation, August 1992, entitled "Puako Flood Boundary Study (Developed Conditions, 100-Year Stream, 24-Hour Duration)".



Land Use Summary (Land Within Urban District) Draft 08/13/2007

Land Use	Proposed Approx. Acreage	Proposed Approx. Units	Gross Floor Area
SF Single Family (SF)	± 227	± 564	-
MF Multi-Family (MF)	± 169	± 1,437	-
MU Mixed Use (MU)	± 25	-	± 80,000 sf
AH Affordable Housing (AH)	± 32	± 385	-
C Commercial (C)	± 36	-	± 340,000 sf
GC Golf Course (GC)	± 251	-	-
GCH Golf Course Club House	± 4	-	-
HFB Highway Buffer	± 234	-	-
POS Parks / Open Space	± 37	-	-
MR Major Roadways	± 45	-	-
Total	± 1,060	± 2,406	± 420,000 sf

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3. SUMMARY DESCRIPTION OF AFFECTED ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATION

3.01 Climate

The Project area receives approximately 9 inches of rainfall annually. The mean annual temperature is about 75 degrees Fahrenheit with an average high of 83 degrees Fahrenheit and an average low of 67 degrees Fahrenheit. Relative humidity is about 40% during the late morning and afternoon hours.

Potential Impacts and Mitigation

The Villages of 'Āina Le'a is not anticipated to have an effect on climatic conditions and no mitigation is planned.

3.02 Topography

The project area is gently to moderately sloping from east to west at about a 20% grade. Elevations range from 150 feet above msl at the western boundary adjacent to the Queen Ka'ahumanu Highway and 700 feet at the eastern boundary of the Property.

The Project site is bisected by the 'Auwaiakekua Gulch. The area north of this Gulch is characterized by gently rolling hills. There are some trees in this area and large boulders. The southern portion is characterized more by lava fields, a few trees and large boulders.

Potential Impacts and Mitigation

The Villages of 'Āina Le'a will change the topography of the Property as it prepares and constructs roads, building pads, and infrastructural improvements. Appropriate engineering, design and construction measures will utilize the gentle slopes in the design of the golf courses and in village planning efforts. Further, compliance with grading and grubbing permits will assure that potential erosion is minimized.

3.03 Soils and Agricultural Potential

The US Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS) classifies the soil as being of the Kawaihae and Puakō series (rLV – a'a Lava Flows; KNC – Kawaihae extremely stony very fine sandy loam; PVD - Puu Pa Extremely stony very fine sandy loam; rVS – Very stony land). These types of soils are characterized by volcanic ash, medium texture, rocky, very well drained, and unsuited for machine tillability.

There are no existing agricultural activities on the site due in large part to the absence of arable soil on the site. The soil survey maps plotted by the

