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STATE OF HAWAII
LAND USE COMMISSION
RECEIVED
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**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII**

In the Matter of the Petition of
NORTH KONA VILLAGE, LLC

DOCKET NO. A07-774

To Amend the Conservation Land Use District
Boundaries into the Urban Land Use District
for certain lands situate at O'oma 2nd - Kaloko,
North Kona, Island of Hawaii, State of Hawaii;
consisting of approximately 181.169 acres, Tax
Map Key Nos. (3) 7-3-009: 004 (por.), and (3)
7-3-009: (portion of State Right-of-Way)

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT;

VERIFICATION

PETITIONER'S EXHIBITS 1 - 12

CERTIFICATE OF SERVICE

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**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII**

In the Matter of the Petition of
NORTH KONA VILLAGE, LLC

DOCKET NO. A 07-774

To Amend the Conservation Land Use District Boundaries into the Urban Land Use District for certain lands situate at O'oma 2nd - Kaloko, North Kona, Island of Hawaii, State of Hawaii; consisting of approximately 181.169 acres, Tax Map Key Nos. (3) 7-3-009: 004 (por.), and (3) 7-3-009: (portion of State Right-of-Way)

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

Petitioner, NORTH KONA VILLAGE, LLC, a Nevada limited liability company whose principal place of business is c/o Midland Pacific Homes, 7305 Morro Road, Suite 200, Atascadero, California 93422 ("Petitioner"), by and through its legal counsel Carlsmith Ball LLP, hereby petitions the Land Use Commission (the "Commission") to amend the land use district classification of certain lands consisting of approximately 181.169 acres of land situate at O'oma 2nd - Kaloko, North Kona, Island and County of Hawaii, State of Hawaii (the "Petition Area"), from the State Land Use Conservation District ("Conservation"), to the State Land Use Urban District ("Urban"). The Petition Area is part of a larger master planned community project called 'O'oma Beachside Village ("O'oma Beachside Village"), consisting of approximately 302.38 acres of land situate at O'oma 2nd - Kaloko, North Kona, Island and County of Hawaii, State of Hawaii (the "'O'oma Beachside Village Site").

In support of Petitioner's request to amend the Land Use District classification of the Petition Area, Petitioner respectfully alleges and presents the following:

I. **AUTHORITY FOR RELIEF SOUGHT**

§15-15-50(a)(1): State clearly and concisely the authorization or relief sought; and (2) Cite by appropriate reference the statutory provision or other authority under which commission authorization or relief is sought;

Petitioner alleges standing to file this Petition for Land Use District Boundary Amendment (this "Petition") pursuant to Section 15-15-46(3), Hawaii Administrative Rules ("HAR"), and Section 205-4(a), Hawaii Revised Statutes ("HRS"), which entitle any person with a property interest in the land sought to be reclassified to petition the Commission for a District Boundary Amendment. The Commission is authorized to grant the relief sought pursuant to Chapter 205, HRS, as amended, all other statutes applicable to the Commission and rules promulgated thereby.

Petitioner reserves the right to amend this Petition in response to any reports, pleadings, arguments, exhibits, issues and witnesses identified by any party.

II. **IDENTIFICATION OF PETITIONER**

§15-15-50(c)(1): The exact legal name of each petitioner and the location of the principal place of business and if applicant is a corporation, trust, or association, or other organized group, the state in which the petitioner was organized or incorporated;

Petitioner is a Nevada limited liability company with its principal place of business located at c/o Midland Pacific Homes, 7305 Morro Road, Suite 200, Atascadero, California 93422. On July 1, 2005, Petitioner filed a name change in the Hawaii State Department of Commerce and Consumer Affairs from Clifto's Kona Coast LLC, to North Kona Village, LLC. A copy of the Certificate of Name Change from the Secretary of State of Nevada, dated July 1, 2005, is attached hereto as Petitioner's **Exhibit 1** and incorporated herein.

III. **AUTHORIZED REPRESENTATIVE**

§ 15-15-50(c)(2): The name, title, and address of the person to whom correspondence or communications in regard to the application are to be addressed;

The law firm of CARLSMITH BALL LLP has been appointed and is hereby authorized to represent Petitioner in its Petition and the proceedings thereon pursuant to HAR § 15-15-35(b). Pursuant to HAR § 15-15-50(c)(2), all correspondence and communications in regard to this Petition shall be addressed to:

1. CARLSMITH BALL LLP
Attention: Steven S.C. Lim, Esq.
121 Waianuenue Avenue
P.O. Box 686
Hilo, Hawaii 96721
Telephone: 808.935.6644
2. CARLSMITH BALL LLP
Attention: Jennifer A. Benck, Esq.
ASB Tower
1001 Bishop Street, Suite 2200
Honolulu, Hawaii 96813
Telephone: 808.523.2500
3. NORTH KONA VILLAGE, LLC
Attention: Dennis Moresco, CEO
c/o Midland Pacific Homes
7305 Morro Road, Suite 200
Atascadero, California 93422
Telephone: 808.466.5100
4. PBR HAWAII
Attention: Thomas S. Witten, ASLA
1001 Bishop Street
ASB Tower, Suite 650
Honolulu, Hawaii 96813
Telephone: 808.521.5631

IV. **IDENTIFICATION OF PETITION AREA**

§ 15-15-50(c)(3): Description of the subject property, acreage, and tax map key number, with maps, including the tax map, that identify the area under petition. If the subject property is a portion

of one or more lots, or the petition proposes incremental development of the subject property on both increments of development, the petitioner shall include a map and description of the subject property and increments in metes and bounds prepared by a registered professional surveyor;

The Petition Area is located within O'oma 2nd - Kaloko, North Kona, Island and County of Hawaii, State of Hawaii, and is comprised of approximately 181.169 acres of land. The Tax Map Key Nos. for the Petition Area are (3) 7-3-009: 004 (por.), and (3) 7-3-009: (portion of State Right-of-Way), as illustrated on the tax map attached hereto as Petitioner's **Exhibit 2** and incorporated herein by reference. A regional location map of the Petition Area is shown as Figure 2 of Petitioner's Environmental Impact Statement Preparation Notice ("EISPN"), attached hereto as Petitioner's **Exhibit 3** and incorporated herein by reference.

The Petition Area is part of the approximately 302.38 acre 'O'oma Beachside Village Site, which is comprised of two parcels and a portion of a right-of-way owned by the State of Hawaii. The 'O'oma Beachside Village Site is comprised of the following TMK Nos.: (3) 7-3-009: 004 ("Parcel 4"), (3) 7-3-009: 022 ("Parcel 22") and 7-3-009: that portion of a thirty (30) foot wide State owned right of way running north/south between Parcel 4 and Parcel 22 (the "State ROW"¹).

The metes and bounds of the Petition Area is attached hereto as Petitioner's **Exhibit 4** and incorporated herein. The metes and bounds of the Parcel 22, Parcel 4 and the State ROW are shown on the Petition Map, attached hereto as Petitioner's **Exhibit 5** and incorporated herein.

¹ Petitioner notes that there is a question as to whether the State ROW was mistakenly created. South of the Petition Area and the 'O'oma Beachside Village Site, the State ROW is aligned with the Mamalahoa Trail. However, at the southern boundaries of Parcels 4 and 22 the State ROW diverges from the Mamalahoa Trail, which runs through Parcel 22, and without apparent reason runs between the two Parcels only to dead-end slightly further north. The State ROW was probably intended to follow the Mamalahoa Trail, and the portion of the State ROW between Parcels 4 and 22 was most likely the result of a surveying error. Petitioner intends to seek resolution on this matter through consultation with the Commission and the State of Hawaii Department of Land and Natural Resources - Na Ala Hele Trails Program. However, for purposes of this Petition the Petition will treat the State ROW as a separate TMK parcel to be reclassified from the State Land Use Conservation District to the State Land Use Urban District.

Further detail and description of the Petition Area and the 'O'oma Beachside Village Site is contained in Petitioner's EISPN; additional details and descriptions will be included in Petitioner's Environmental Impact Statement ("EIS").

V. **RECLASSIFICATION SOUGHT/PRESENT USE OF PROPERTY/ASSESSMENT OF CONFORMITY WITH BOUNDARY AMENDMENT STANDARDS**

§ 15-15-50(c)(4): The reclassification sought and present use of property, including an assessment of conformity of the reclassification to the standards for determining the requested district boundary amendment;

Petitioner seeks to have the Petition Area reclassified from the State Land Use Conservation District to the State Land Use Urban District. The 'O'oma Beachside Village Site consists of approximately 302.381 acres of land comprised of: (i) Parcel 4, currently within the State Land Use Conservation District; (ii) the State ROW, currently within the State Land Use Conservation District; (iii) a portion of the Mamalahoa Trail, also known as the King's Highway, located within the State ROW and currently within the State Land Use Conservation District; (iv) Parcel 22, currently within the State Land Use Urban District; and (v) the portion of the Mamalahoa Trail located within Parcel 22.

The Petition Area does not include approximately 38.211 acres of land within TMK (3) 7-3-009: 004 and designated Existing Conservation on Figure 10 of Petitioner's **Exhibit 3** (the "Coastal Preserve"). The Coastal Preserve is currently within the State Land Use Conservation District and Petitioner intends to keep that portion of the 'O'oma Beachside Village Site in the State Land Use Conservation District.

Parcel 22 was reclassified to the State Land Use Urban District by Commission Decision and Order dated February 6, 1986, in Docket No. A85-592. The petitioner in Docket A85-592 was the State of Hawaii through the Department of Planning and Economic Development

("DPED"). DPED had proposed to develop a research and technology industrial park on the reclassified land. After reclassification, the State of Hawaii, pursuant to an Exchange Deed and Agreement, exchanged an 83.00 acre portion of the reclassified land (current Parcel 22), for 83.00 acres of oceanfront property. On May 19, 1992 the Commission issued an Order Granting Motion to Delete or Modify Condition of the Decision and Order Dated February 6, 1986, in recognition of the changed development plans for Parcel 22. Pursuant to the Commission's May 19, 1992 Order, Petitioner filed an Amended and Restated Certification of Conditions dated March 27, 2007, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2007-058335, a copy of which is attached hereto as Petitioner's **Exhibit 6** and incorporated herein.

Petitioner's proposed land uses for Parcel 22 are substantially different from the uses proposed by DPED. Concurrent with Petitioner's actions in this Docket No. A07- 774, Petitioner intends to file a Motion to Amend Findings of Fact, Conclusions of Law and Decision and Order in Docket No. A86-592, in order to develop Parcel 22 in substantial compliance with the representations made to the Commission in this Petition pursuant to HAR § 15-15-90(e)(1).

The Petition Area is currently vacant and undeveloped. It is zoned by the County of Hawaii as Open, and designated as Urban Expansion (UE) and Open (OPE) on the County General Plan Land Use Pattern Allocation Guide ("LUPAG") Map. Parcel 22 is zoned MG-3a (General Industrial) and designated as Urban Expansion (UE) on the LUPAG Map. The Petition Area is within the Special Management Area ("SMA").

Petitioner seeks to amend the land use district classification of the Petition Area from the Conservation District to the Urban District. The proposed reclassification conforms to the

standards and characteristics of the Urban District. HAR § 15-15-18 sets forth standards for determining Urban District boundaries, which are as follows:

- (1) It shall include lands characterized by "city-like" concentrations of people, structures, streets, urban level of services and other related land uses;*
- (2) It shall take into consideration the following specific factors:*
 - (A) Proximity to centers of trading and employment except where the development would generate new centers of trading and employment;*
 - (B) Availability of basic services such as schools, parks, wastewater systems, solid waste disposal, drainage, water, transportation systems, public utilities, and police and fire protection; and*
 - (C) Sufficient reserve area for foreseeable urban growth;*
- (3) It shall include lands with satisfactory topography, drainage, and reasonably free from the danger of any flood, tsunami, unstable soil condition, and other adverse environmental effects;*
- (4) Land contiguous with existing urban areas shall be given more consideration than non-contiguous land, and particularly when indicated for future urban use on state or county general plans;*
- (5) It shall include lands in appropriate locations for new urban concentrations and shall give consideration to areas of urban growth as shown on the state and county general plans;*
- (6) It may include lands which do not conform to the standards in paragraphs (1) to (5):*
 - (A) When surrounded by or adjacent to existing urban development; and*
 - (B) Only when those lands represent a minor portion of this district;*
- (7) It shall not include lands, the urbanization of which will contribute toward scattered spot urban development, necessitating unreasonable investment in public infrastructure or support services; and*
- (8) It may include lands with a general slope of twenty per cent or more if the commission finds that those lands are desirable and suitable for urban purposes and that the design and construction controls, as adopted by any federal, state, or county agency, are adequate to protect the public health, welfare and safety, and the public's interests in the aesthetic quality of the landscape.*

The Petition Area is contiguous with Urban land to the south and east, and is only approximately 5 miles north of the Queen Kaahumanu Highway/Palani Road Junction. The Petition Area and Urban District Parcel 22 will be planned and developed together as one

project. East of the 'O'oma Beachside Village Site is Queen Kaahumanu Highway, and to the south is the approximately 470-acre, 500-home, golf course community called The Shores at Kohanaiki, located within the State Land Use Urban District and currently under development by Kennedy Wilson and Rutter Development. Natural Energy Laboratory of Hawaii Authority ("NELHA"), occupies the Conservation District land located immediately north of the Petition Area, and the Hawaii Ocean Science and Technology Park ("HOST"), occupies the Urban District land located immediately north of Parcel 22 and the eastern or *mauka* portion of the Petition Area. The NELHA and HOST properties consist of a mix of commercial, public, quasi-public and industrial uses. Directly north of NELHA and HOST is the Kona International Airport at Keahole, which is primarily within the Urban District.

Reclassification of the Petition Area and a subsequent change of zone by the County of Hawaii will permit the Petition Area to be developed in conformity with the surrounding land uses. A detailed discussion of the conformity of the Petition Area and the 'O'oma Beachside Village Site to the Urban District standards will be provided in the EIS.

VI. **PETITIONER'S PROPERTY INTEREST IN THE SUBJECT PROPERTY**

§ 15-15-50(c)(5): The petitioner's property interest in the subject property. The petitioner shall attach as exhibits to the petition the following: (A) A true copy of the deed, lease, option agreement, or other document conveying to the petitioner a property interest in the subject property; (B) If the petitioner is not the owner in fee simple of the subject property, written authorization of the fee owner to file the petition; and (C) An affidavit of the petitioner or its agent attesting to its compliance with section 15-15-48;

With the exception of the State ROW, Petitioner owns the Petition Area in fee simple. A true copy of the Limited Warranty Deed conveying to Petitioner a fee simple interest in the Petition Area is attached hereto as Petitioner's **Exhibit 7**, and incorporated herein by reference. Petitioner has obtained consent from the State of Hawaii through its Department of Land and

Natural Resources for inclusion of the State ROW in this Petition. See Letter from R. Tsuji, State Department of Land and Natural Resources, attached hereto as Petitioner's **Exhibit 8** and incorporated herein.

The State of Hawaii owns the Mamalahoa Trail, portions of which are located within the State ROW and Parcel 22. The State of Hawaii through its Department of Land and Natural Resources has consented to the inclusion of the Mamalahoa Trail in this Petition. See Petitioner's **Exhibit 8**.

Attached hereto as Petitioner's **Exhibit 9** and incorporated herein by reference is the affidavit of Petitioner's authorized agent attesting to its compliance with HAR § 15-15-48(a).

VII. **DESCRIPTION OF DEVELOPMENT PLAN**

§ 15-15-50(c)(6): Type of use or development being proposed, including without limitation, a description of any planned development, residential, golf course, open space, resort, commercial, or industrial use;

'O'oma Beachside Village is intended to be a master planned beachside residential community. A total of approximately 950 to 1,200 residential units, including affordable residential units, are planned for 'O'oma Beachside Village. No residences will be located within the shoreline setback area. 'O'oma Beachside Village will include affordable housing units as required by the County of Hawaii. The mix of residential units will be comprised of single-family residential units, multi-family residential units and "live-work" or mixed-use units. The "live-work" or mixed-use units will be located within the two mixed-use villages planned for 'O'oma Beachside Village; the Makai Mixed-Use Village and the Mauka Mixed-Use Village. The "live-work" units will be for use by sole proprietors and small businesses for combined business and residential uses.

In addition to the extensive network of trails and pathways, 'O'oma Beachside Village will include substantial open space, park land, a coastal preserve and shoreline park. Almost all residential units will have direct or easy access to pedestrian/bike pathways that will connect to the shoreline, the Villages and the various neighborhoods and parks within 'O'oma Beachside Village.

1. Residential Units.

Of the approximately 950 to 1,200 total residential units planned for 'O'oma Beachside Village, approximately 450 to 560 are planned to be single-family residential units on lots ranging from 3,500 square feet to more than 12,000 square feet. Under Petitioner's current Conceptual Master Plan, as shown in Figure 1 of Petitioner's **Exhibit 3** (the "Conceptual Master Plan"), the single-family residential units are planned to be within the Petition Area.

Approximately 160 to 200 multi-family residential units are planned for 'O'oma Beachside Village, most of which are planned to be located within the Petition Area. *See* Conceptual Master Plan. The Makai Mixed-Use Village, to be located within the Petition Area, will consist of approximately 10 acres of land and will have approximately 20 to 40 residential units consisting of a mixture of live-work units and market multi-family residential units. The Mauka Mixed-Use Village, to be located within Parcel 22, will consist of approximately 55 acres of land and will have approximately 320 to 400 residential units consisting of multi-family units and a mixture of market and affordable "live-work" units located over retail or office spaces.

2. Makai Mixed-Use Village.

The proposed approximately 10-acre Makai Mixed-Use Village will be located within the Petition Area, approximately 1,120 feet setback from the shoreline. The Makai Mixed-Use Village will be comprised of live-work units, multi-family residential units, restaurants, retail

uses and a private beach club. The Makai Mixed-Use Village is planned to be focal point of the 'O'oma Beachside Village, as most of the trails and paths will provide easy access to the Makai Mixed-Use Village. People from surrounding communities will also have access to the Makai Mixed-Use Village as its paths will run to the shoreline.

3. Mauka Mixed-Use Village.

Although not part of the Petition Area, an approximately 55-acre area within Parcel 22 is planned to be the Mauka Mixed-Use Village, consisting of residential units, including affordable units, and a full range of community services including retail and office spaces. The Mauka Mixed-Use Village will be a walkable, pedestrian-friendly community organized around a village green. It is expected that the retail and office spaces available in the Mauka Mixed-Use Village will be used by residents of 'O'oma Beachside Village as well as residents of the surrounding communities. The full range of commercial community services within the Mauka Mixed-Use Village will afford 'O'oma Beachside Village residents alternatives to traveling to Kailua-Kona for commercial activities.

4. Trails, Parks, Coastal Preserve and Open Space.

Different areas within 'O'oma Beachside Village will be linked through a series of trails and paths. In addition, approximately 7 acres will be set aside for the historic Mamalahoa Trail and a buffer around that Trail. The trails and paths are intended to connect residences to the shoreline and the various neighborhoods and parks within the 'O'oma Beachside Village.

Integrated with the trails and open spaces are approximately 12 acres of park, including a 10-acre active community park and several neighborhood parks. Petitioner intends to provide an approximately 18-acre shoreline park with a public canoe club *hale* located approximately 400

feet from the shoreline, outside the shoreline setback area. The canoe club *hale* will provide storage for canoes and serve as the home to an outrigger canoe club.

A total of approximately 75 acres within 'O'oma Beachside Village will be park (not including the community or neighborhood parks) or open space. Approximately 57 of the 75 acres, which includes the approximately 38.211 acres of Conservation District land located near the shoreline within TMK (3) 7-3-009: 004 (the "Coastal Preserve"), will be open space.

Petitioner intends to provide an additional approximately 18.79 acres of open space land adjacent to the Coastal Preserve. Within the Coastal Preserve and open space areas uses will be limited to parks, open space recreational uses, and archeological and anchialine pond preservation areas.

5. Project Timetable.

'O'oma Beachside Village will be developed in three phases, with the first phase starting upon issuance of all necessary entitlements and development permits, anticipated to occur in 2010. Petitioner intends to complete all three phases of 'O'oma Beachside Village within 10 years of the Commission's reclassification of the Petition Area. The estimated start date for construction is 2010.

VIII. **DENSITY & PROJECTED MARKET**

§ 15-15-50(c)(7): A statement of projected number of lots, lot size, number of units, densities, selling price, intended market, and development timetables;

Approximately 950 to 1,200 residential units are planned for the 'O'oma Beachside Village. Single-family homes will be on lots ranging in size from 3,500 square feet to more than 12,000 square feet. Final density for the entire 'O'oma Beachside Village Site and the Petition Area specifically will be determined under the Project District (PD) ordinance Petitioner will seek from the County of Hawaii after the Commission grants the reclassification requested in this Petition.

Selling prices for units within 'O'oma Beachside Village will be determined based upon the information presented in marketing studies currently being conducted. However, the overall concept for 'O'oma Beachside Village to be a live-work mixed-use community with a mixture of housing options, ranging from affordable to mid-market, with some higher end units. Additional details regarding density and the projected market for 'O'oma Beachside Village will be provided in the EIS.

IX. **FINANCIAL CONDITION AND FINANCING**

§ 15-15-50(c)(7): A statement describing the financial condition together with a current balance sheet and income statement, and a clear description of the manner in which the petitioner proposes to finance the proposed use or development. A petitioner, which is a state or county department or agency, shall be waived from this requirement;

Petitioner's financial condition is sound. Evidence of Petitioner's financial condition is reflected in the current balance sheet and income statement attached hereto as Petitioner's **Exhibit 10** and incorporated herein by reference. Petitioner intends to finance the infrastructure improvements by obtaining financing through investor equity and construction loans, and may also use proceeds from unit sales to fund later stages of the development.

Petitioner has not fully determined the estimated costs for the development of 'O'oma Beachside Village, but will provide that information in the EIS. In the EIS, Petitioner will also provide preliminary sales terms and prices based upon the market and economic assessments currently underway.

X. **DESCRIPTION OF THE PROPERTY AND SURROUNDING AREA**

§ 15-15-50(c)(8): Description of the subject property and surrounding areas, including the use of the property over the past two years, the present use, the soil classification, the agricultural lands of importance to the State of Hawaii classification (ALISH), the productivity rating, the flood and drainage conditions, and the topography of the subject property;

1. Description of Petition Area and Surrounding Areas.

The Petition Area is comprised of approximately 181.169 acres of vacant, undeveloped land. The land within the Petition Area consists of vegetation that includes fountain grass, kiawe trees, noni plants and maiapilo. The 'O'oma Beachside Village Site is located on the flank of Hualalai, along the western coast of the Island of Hawaii. Some sandy beaches are located along the makai edge of the Petition Area and the Coastal Preserve, although much of the coastline is rugged and comprised of lava rock.

State Land Use District Urban lands are located to the south of the Petition Area at TMK No. (3) 7-3-009-003, currently being developed as The Shores at Kohanaiki, a 500-600 home golf course community. Lands within The Shores at Kohanaiki are zoned by the County of Hawaii as Open (O), Limited Industrial (ML-10), Multiple-Family Residential (RM-3), Single-Family Residential (RS-10), Resort-Hotel (V-1.25) and Village Commercial (CV-10). The LUPAG Map designations for The Shores at Kohanaiki are Open Areas (ope), Medium Density Urban (mdu), Resort (res) and Low Density Urban (ldu). Approximately 0.5 miles south of the Petition Area is the Kaloko-Honokohau National Historic Park, an approximately 1,160 acre national historic landmark with extensive natural and cultural resources, including archaeological sites, wetlands and fishponds.

Both Conservation and Urban lands are located to the north of the 'O'oma Beachside Village Site. NELHA is immediately to the north of the Petition Area and HOST is directly north of Parcel 22. The NELHA/HOST property is owned by the State of Hawaii and is leased to tenants who engage in research, commercial and educational activities that support sustainable development and make use of deep seawater resources. The NELHA property is in the State Land Use Conservation District, zoned by the County of Hawaii as Open (O), and is mostly

LUPAG Map designated Industrial (ind), with the shoreline portion of the property and part of sliver directly above the Petition Area being LUPAG designated Open Area (ope), and the remaining portion of the sliver being LUPAG Map designated Urban Expansion (ue). HOST is within the State Land Use Urban District, zoned by the County of Hawaii as General Industrial (MG-3a), and is with an Industrial (ind) LUPAG Map designation, with a small strip above Parcel 22 being within the Urban Expansion LUPAG Map designation. North of the NELHA/HOST property is the Kona International Airport at Keahole, which occupies approximately 3,450 acres of land.

The *mauka*, or eastern edge of the 'O'oma Beachside Village Site is bordered by the State ROW, and beyond that, Parcel 22. The *mauka* edge of the entire 'O'oma Beachside Village Site is bordered by Queen Ka'ahumanu Highway, a two-lane State arterial highway that is currently being expanded to a four-lane highway from its intersection at Palani Road and Honokohau Harbor.

2. Soil Classification.

Three types of soil, as classified by the U.S. Department of Agriculture Natural Resources Conservation Service Soil Survey, exist in the Petition Area. Within most of the Petition Area is pahoehoe lava flow (rLW), with a small portion located near the southwestern shoreline being 'a'a lava flow (rLV), and the remaining shoreline area consisting of beaches (BH). Parcel 22 consists mostly of pahoehoe lava flow (rLW), with a small portion of 'a'a lava flow (rLV).

The soil within Parcel 4 is classified as E, under an A to E rating system (with A being the highest and E being the lowest class of productivity) by the University of Hawaii Land Study

Bureau's Detailed Land Classification. Soils within the State ROW and Parcel 22 are not classified within the University of Hawaii Land Study Bureau's Detailed Land Classification.

Soils within the Petition Area and the entire 'O'oma Beachside Village Site are not classified under the State of Hawaii Department of Agriculture's Agricultural Lands of Importance to the State of Hawaii ("ALISH") system because the soils are not considered important agricultural lands. Under the ALISH system land is classified as "Prime," "Unique," or "Other" if it is important agricultural land. Unimportant agricultural land is not classified under the ALISH system.

3. Flood and Drainage.

Annual rainfall in the region is approximately 25 inches. Runoff from the undeveloped 'O'oma Beachside Village Site flows east to west and is conveyed by gullies toward Queen Kaahumanu Highway. Development of 'O'oma Beachside Village will result in increased runoff as existing open porous ground is replaced with impermeable surfaces such as roads and homes. Petitioner will ensure that the increased runoff will be retained onsite as required and that the design and construction of the drainage system will be in accordance with the requirements of the County of Hawaii Department of Public Works. *See* EISPN at Section 4.7.4. Additional details regarding drainage flows will be provided in the EIS.

According to the Flood Insurance Rate Map, most of the Petition Area is located outside of the 500 year flood plain. Most of the Petition Area is within an area of minimal flooding (Zone X), with a small portion of the Petition Area near the shoreline being within the 100 year flood plain (Zone A). Parcel 22 is within an area of minimal flooding (Zone X). No habitable structures will be within Zone A. *See* EISPN at Section 3.4.

4. Topography.

The Petition Area slopes in an east to west (*mauka* to *makai*) direction, with a cross-slope of approximately two percent (2.0%). The *makai* extent will be located at an elevation of approximately ten (10) feet above mean sea level ("MSL"). Development on Parcel 22 will be located at an elevation of approximately one hundred and five (105) feet above MSL.

XI. **ASSESSMENT OF IMPACTS UPON RESOURCES**

§ 15-15-50(c)(10): An assessment of the impacts of the proposed use or development upon the environment, agriculture, recreational, cultural, historic, scenic, flora and fauna, groundwater, or other resources of the area;

Petitioner anticipates the usual impacts associated with development of a project of this type, such as impacts on drainage, resources, flora and fauna, and visual resources. A preliminary discussion of the expected impacts is contained in the EISPN. Additional details regarding 'O'oma Beachside Village's impacts upon resources will be provided in the EIS.

1. Environment.

Based upon the historical uses of the land within the Petition Area, development of 'O'oma Beachside Village, and the reclassification of the Petition Area from the Conservation District to the Urban District, is not expected to have a significant adverse affect on the environment.

a. Noise.

Sources of noise around the 'O'oma Beachside Village Site stem from aircraft flying to/from the Kona International Airport at Keahole, operations at Keahole Power Plant located *mauka* of the Airport and Queen Kaahumanu Highway, traffic along Queen Kaahumanu Highway and other surrounding roads, as well as from neighboring uses, including construction at The Shores at Kohanaiki, and natural sources, such as wind, rain and the ocean. Y. Ebisu &

Associates is preparing a noise assessment study for the 'O'oma Beachside Village Site and the EIS will contain conclusions from the study and the complete noise assessment. *See* EISPN at Section 4.3.

Residences in 'O'oma Beachside Village are not planned to be located in areas impacted by aircraft noise over 60 DNL (Day-Night Average Sound Level, also referred to as Ldn). This design is consistent with condition 1.5 of the Amended and Restated Certification of Conditions applicable to Parcel 22. *See* Petitioner's **Exhibit 6**.

2. Agriculture.

Based upon the historical uses of the land within the Petition Area, development of 'O'oma Beachside Village, and the reclassification of the Petition Area from the Conservation District to the Urban District, is not expected to have an adverse impact on agriculture. Neither the Petition Area nor the entire 'O'oma Beachside Village Site, contain soils well suited for agricultural production or considered to be lands of agricultural importance to the State of Hawaii.

3. Recreational.

Development of 'O'oma Beachside Village will enhance recreational resources in the area by providing additional parks, paths and trails, a beach club, canoe club *hale*, shoreline park and the preservation of the Mamalahoa Trail. Such additional recreational resources should help mitigate the anticipated drain on existing recreational resources caused by an increase in the number of area residents as a result of the development of 'O'oma Beachside Village. *See* EISPN at Section 4.8.2. Petitioner will coordinate with the County of Hawaii Department of Parks and Recreation to ensure that community park requirements are met.

4. Cultural and Historic

A cultural impact assessment is currently underway to identify the traditional and customary practices associated with the Petition Area that may need to be considered in the design and planning of 'O'oma Beachside Village. Similarly, an archaeological inventory survey is being conducted on the Petition Area to determine the presence and significance of any archaeological sites. The findings of both the cultural impact assessment and the archaeological inventory survey will be included in the EIS. *See* EISPN at Section 4.1.

5. Scenic

The 'O'oma Beachside Village Site is not within a scenic view corridor and its development will not affect inland viewing points. Currently, the ocean, beach and Mamalahoa Trail can be seen only intermittently from Queen Kaahumanu Highway. At full build-out, those portions of 'O'oma Beachside Village closest to the shore should not be visible from Queen Kaahumanu Highway. *See* EISPN at Section 4.5.

6. Flora and Fauna

The botanical survey conducted on the 'O'oma Beachside Village Site concluded that no threatened or endangered species would be impacted by development of 'O'oma Beachside Village. The botanical survey did identify pilo (*Capparis sandwichiana*), listed as a rare plant by the U.S. Fish and Wildlife Service, within Parcel 22. The proposed landscaping for 'O'oma Beachside Village will, to the extent feasible, include native and indigenous plants and drought tolerant plants and grasses. *See* EISPN at Section 3.5.

An avifauna and feral mammal survey was conducted on the 'O'oma Beachside Village Site in 2006 and found no rare, endangered or threatened species, although two feral mammals were found, the Small Indian Mongoose (*Herpestes auropunctatus*), and the feral cat (*Felis*

catus). Five species of avifauna were seen at the 'O'oma Beachside Village Site; the Pacific Golden-Plover or Kolea (*Pluvialis fulva*), Wandering Tattler or Ulili (*Heteroscelus incanus*), Ruddy Turnstone or Akekeke (*Arenaria interprese*) and Sanderling or Hunakai (*Calidris alba*). One alien species, the House Finch (*Carpodacus mexicanus*) was also seen. See EISPN at Section 3.6.

7. Groundwater.

Due to its low elevation, 'O'oma Beachside Village will not adversely affect groundwater or the potable wells within the vicinity and *mauka* of Queen Kaahumanu Highway.

XII. AVAILABILITY OF PUBLIC SERVICES AND FACILITIES

§ 15-15-50(c)(11): Availability or adequacy of public services and facilities such as schools, parks, wastewater systems, solid waste disposal, drainage, water, transportation systems, public utilities, and police and fire protection, and to what extent any public agency would be impacted by the proposed development or reclassification;

1. Schools.

There are five State of Hawaii Department of Education (the "DOE") public schools in the vicinity of 'O'oma Beachside Village, and three public charter schools. Development of 'O'oma Beachside Village is expected to cause an increase in enrollment in area schools. Petitioner has met with representatives from the DOE to discuss the educational "fair share" assessment for 'O'oma Beachside Village, and will continue to coordinate with the DOE to ensure that all applicable requirements are met. Additional details regarding 'O'oma Beachside Village's impacts on schools will be provided in the EIS. See EISPN at Section 4.8.3.

2. Parks.

Numerous parks are located in the vicinity of 'O'oma Beachside Village. West of the Petition Area is Wawaloli Beach Park, a white sand beach with children's swimming area and

large tide pool, picnic tables, barbecue pits, showers and other public facilities. The Shores at Kohanaiki will be developed with a 7,200 yard golf course, clubhouse and golf range, tennis courts and workout facilities. The oceanfront portion of The Shores at Kohanaiki includes a popular surf spot, four open campground areas and trails. Approximately .5 miles south of the Petition Area is the Kaloko-Honokohau National Historic Park, a 1,160 acre national historic landmark. Approximately 3 miles south of the 'O'oma Beachside Village Site is the Old Kona Airport State Park that has a gymnasium with basketball courts, five baseball fields, two soccer fields, two football fields and four tennis courts. Other parks within the vicinity of 'O'oma Beachside Village include Kealakekua Bay Historic Park, Kekaha Kai State Park, Keolonahihi State Historic Park and Napoopoo Beach Park. *See* EISPN at Section 4.8.2.

3. Wastewater.

Currently, Petitioner is exploring coordination with other landowners on shared use or joint development of offsite treatment facilities, or possibly the development of an onsite facility. M & E Pacific is preparing a preliminary engineering report that will include discussion on wastewater collection and treatment for 'O'oma Beachside Village. Conclusions from the engineering report will be included in the EIS. Wastewater treatment facilities closest to 'O'oma Beachside Village are in Keauhou, Kealakehe and the Kona International Airport at Keahole. At this time, none of these sites appear to have available capacity. *See* EISPN at Section 4.7.3.

4. Solid Waste.

No significant adverse impact to municipal solid waste collection and disposal systems is expected to result from the development of 'O'oma Beachside Village. A solid waste management plan for the reduction of solid waste will be prepared in accordance with the County of Hawaii standards. Recycling programs may be incorporated into the development of

'O'oma Beachside Village. Additional details on the 'O'oma Beachside Village's impacts on the solid waste disposal will be provided in the EIS. *See* EISPN at Section 4.7.6.

5. Drainage.

Currently runoff from the 'O'oma Beachside Village Site flows, and is conveyed, through gullies that run east to west (*mauka to makai*), and discharge into the low lands near the shoreline. Development of 'O'oma Beachside Village will result in an increase in runoff as existing open porous ground is replaced with impermeable surfaces such as roads and homes. Petitioner will ensure that the increased runoff will be retained onsite, and that the design and construction of the drainage system will be in accordance with the requirements of the County of Hawaii Department of Public Works. A more detailed discussion of the drainage infrastructure will be included in the EIS. *See* EISPN at Section 4.7.4.

6. Water.

Additional water commitments are needed for the development of 'O'oma Beachside Village. Petitioner will coordinate with the Department of Water Supply to ensure that sufficient water storage and sources are available at the time of development. Additional details on the 'O'oma Beachside Village's impacts on water systems will be provided in the EIS. *See* EISPN at Section 4.7.2.

7. Transportation Systems.

Any impacts to be caused by the development of 'O'oma Beachside Village will be assessed in the Traffic Impact Assessment Report (the "TIAR") being prepared by M & E Pacific. The TIAR will include an analysis of traffic counts for existing, ambient and future conditions associated with full build-out of 'O'oma Beachside Village. Cumulative traffic

impacts associated with the development of 'O'oma Beachside Village will be discussed in the EIS. *See* EISPN at Section 4.7.1.

8. Public Utilities.

Electrical, telephone and cable services for the areas within the vicinity of the 'O'oma Beachside Village Site are provided by Hawaii Electric Light Company, Inc., Hawaiian TelCom and Oceanic/Time-Warner Cable respectively. Where feasible, Petitioner intends to implement energy conservation measures in the development of 'O'oma Beachside Village. The EIS will include a discussion on the estimated electrical demands arising from development of 'O'oma Beachside Village. *See* EISPN at Section 4.7.5.

9. Police and Fire Protection and Medical Services.

'O'oma Beachside Village should not require an expansion of existing service areas for police and fire protection, but may cause a need for additional personnel. The County of Hawaii Police Department Kealakehe Station is approximately 2 miles south of the 'O'oma Beachside Village Site; substations are located in Keauhou and Captain Cook. The Kailua-Kona Fire Station is located approximately 4 miles south of the 'O'oma Beachside Village Site. Back-up support for that station is provided by a volunteer-operated fire station on Mamalahoa Highway. *See* EISPN at Section 4.8.1. Additional details regarding 'O'oma Beachside Village's impacts on police and fire protection will be provided in the EIS.

'O'oma Beachside Village should not require an expansion of existing service areas for medical services, but may cause a need for additional personnel. The closest health care facility is Kona Community Hospital, located approximately 17 miles southeast. Other private medical and dental service providers, including Kaiser Permanente, are located in the Kailua-Kona region. *See* EISPN at Section 4.8.1.

'O'oma Beachside Village is expected to generate additional demand on other infrastructure such as transportation systems, potable water and electrical power. Development of 'O'oma Beachside Village will include mitigation measures to address some of these anticipated impacts. Additional information regarding the expected impacts on the availability of infrastructure and public services will be provided in the EIS.

XIII. ADJACENT USES/LAND USE DISTRICTS

§ 15-15-50(c)(12): Location of the proposed use or development in relation to adjacent land use districts and any centers of trading and employment;

The Petition Area is surrounded on two sides by Urban land. The land adjacent to the Petition Area to the south is within the Urban District, and Parcel 22, located *mauka* of the Petition Area, is in the Urban District. The land to the north of the Petition Area is in the Conservation District. Centers of trading and employment include the Kaloko Industrial Park, the Kohanaiki Industrial Park, the Kona International Airport at Keahole and nearby Kailua-Kona.

XIV. ASSESSMENT OF ECONOMIC IMPACTS

§ 15-15-50(c)(13): Economic impacts of the proposed reclassification, use, or development including, without limitation, the provisions of any impact on employment opportunities, and the potential impact to agricultural production in the vicinity of the subject property, and in the county and State;

'O'oma Beachside Village should have beneficial impacts on employment and regional income during the construction phases, and once fully developed as a mixed use community. The development of retail, office and other commercial sites within 'O'oma Beachside Village will assist in providing new job opportunities for the Kona region. Due to the mixed residential uses and "live-work" design of 'O'oma Beachside Village, it is expected that a large number of

residents will find, or create, employment opportunities within 'O'oma Beachside Village, thereby reducing commuter traffic.

Additional details regarding 'O'oma Beachside Village's economic impacts will be provided in Petitioner's EIS based upon studies currently underway.

'O'oma Beachside Village is not expected to cause a significant impact on agricultural production in the area, County or State, as land within the 'O'oma Beachside Village Site has not been under agricultural production, and the soil conditions therein are not suited for agricultural production.

XV. LOW INCOME HOUSING

§ 15-15-50(c)(14): If a residential development is proposed, a description of the manner in which the petitioner addresses the housing needs of low income, low-moderate income, and gap groups;

Petitioner will provide affordable housing units as required by the County of Hawaii.

XVI. ASSESSMENT OF NEED

§ 15-15-50(c)(15): An assessment of need for the reclassification based upon the relationship between the use or development proposed and other projects existing or proposed for the area and consideration of other similarly designated land in the area;

'O'oma Beachside Village, which will provide a variety of housing opportunities for County residents, cannot be developed within the State Land Use Conservation District; reclassification to the Urban District is necessary for development of 'O'oma Beachside Village. The Petition Area abuts Urban lands on two sides, and north of the Petition Area is the Kona International Airport at Keahole. A residential golf course community is being developed immediately to the south of the Petition Area. Under the Hawaii County General Plan (2005), the 'O'oma Beachside Village Site is designated Urban Expansion (ue), with Open Space (oe) along the shoreline.

XVII. ASSESSMENT OF CONFORMITY WITH STATE PLANS

§ 15-15-50(c)(16): An assessment of conformity of the reclassification to applicable goals, objectives, and policies of the Hawaii state plan, chapter 226, HRS, and applicable priority guidelines and functional plan policies;

The proposed reclassification is consistent with the goals, objectives and policies of the Hawaii State Plan ("HSP"). The three overall themes to the HSP are: (1) individual and family self-sufficiency; (2) social and economic mobility; and (3) community or social well-being. HRS § 226-3. 'O'oma Beachside Village generally conforms to the themes of the HSP and applicable priority guidelines and functional plans. 'O'oma Beachside Village's conformance with the HSP is preliminary addressed in the EISPN (See EISPN at Section 5.1.4), but further discussion and description of its conformance with the HSP will be provided in the EIS.

XVIII. ASSESSMENT OF CONFORMITY WITH CZMA

§ 15-15-50(c)(17): An assessment of the conformity of the reclassification to objectives and policies of the coastal zone management program, chapter 205A, HRS

All lands within the State of Hawaii are within the coastal zone management area. The Petition Area is within the SMA. The proposed reclassification conforms to the objectives and policies of the coastal zone management program, HRS Chapter 205A. The purpose of the coastal zone management program is to establish guidelines for the use, preservation, restoration, improvement, management, protection and development of resources within the coastal area. A preliminary discussion of 'O'oma Beachside Village's conformance with HRS Chapter 205A is provided in the EISPN as Section 5.2.3. Further discussion of the conformity of the proposed reclassification to the objectives and policies of HRS Chapter 205A will be provided in the EIS.

XIX. ASSESSMENT OF CONFORMITY WITH COUNTY PLANS

§ 15-15-50(c)(18): An assessment of conformity of the reclassification to applicable county general plans, development or

community plans, zoning designations and policies, and proposed amendments required;

The General Plan of the County of Hawaii, amended in 2005, is the policy document for the long range comprehensive development of the County of Hawaii. The General Plan includes the LUPAG Map, which shows the locations of various land uses in relation to each other. Both the Petition Area and Parcel 22 are designated Open and Urban Expansion on the LUPAG Map. 'O'oma Beachside Village's conformance with the goals, objectives and policies of the General Plan of the County of Hawaii will be discussed in the EIS.

The Hawaii County zoning designation for the Petition Area is Open (O). The zoning designation for Parcel 22 is General Industrial (MG-3a). The development of 'O'oma Beachside Village includes land uses that are not permitted under the existing zoning designations. Subsequent to final action by the Commission in this Docket, Petitioner will seek to process a Change of Zone to have the 'O'oma Beachside Village Site rezoned to Project District (PD), which would be consistent with the proposed development.

XX. COMPLETION WITHIN TEN YEARS

§ 15-15-50(c)(19): Petitioners submitting applications for reclassification to the urban district shall also represent that development of the subject property in accordance with the demonstrated need therefore will be accomplished before ten years after the date of commission approval. In the event full urban development cannot substantially be completed within such period, the petitioner shall also submit a schedule for development of the total of such project in increments together with a map identifying the location of each increment, each such increment to be completed within no more than a ten-year period;

Petitioner's preliminary assessment is that construction of 'O'oma Beachside Village will begin in 2010, to be completed within ten years of the Commission's granting of the reclassification sought in this Petition. Some discussion of the proposed development timetable

is provided in Section 2.6 of the EISPN, however, a more detailed discussion of the timing and phasing of 'O'oma Beachside Village will be provided in the EIS.

XXI. HAWAIIAN CUSTOMARY AND TRADITION RIGHTS

§ 15-15-50(c)(20): A statement addressing Hawaiian customary and traditional rights under Article XII, section 7 of the Hawaii State Constitution;

Petitioner's cultural impact assessment will determine the extent of the exercise of Hawaiian customary and traditional rights within the Petition Area and the 'O'oma Beachside Village Site. The findings of the cultural impact assessment will be discussed in the EIS.

XXII. WRITTEN COMMITMENTS

§ 15-15-50(c)(21): Any written comments received by the petitioner from governmental, non-governmental agencies, organizations, or individuals in regards to the proposed reclassification;

Petitioner has not received any written comments from governmental, non-governmental agencies, organizations, or individuals regarding 'O'oma Beachside Village. However, Russell Y. Tsui, Land Division Administrator for the State of Hawaii Department of Land and Natural Resources provided consent to Petitioner's inclusion of the State ROW and the Mamalahoa Trail within the property comprising the Petition Area. See Petitioner's **Exhibit 8**.

XXIII. NOTIFICATION OF PETITION FILING

§ 15-15-50(c)(22): A copy of the notification of petition filing pursuant to subsection (d).

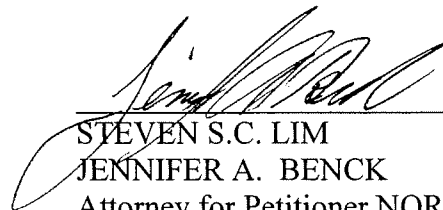
Attached hereto as Petitioner's **Exhibits 11** and **12** respectively, and incorporated herein by reference, is a true and correct copy of the notification of the filing of this Petition, and the Affidavit of Jennifer A. Benck Attesting to the Service of the Notification of Petition Filing required under HAR § 15-15-50(d).

XXIV. CONCLUSION

'O'oma Beachside Village will be an attractive master-planned beachside residential community with a variety of housing opportunities and mixed uses, as well as abundant recreational resources. Given the location of the Petition Area with respect to Kailua-Kona, The Shores at Kohanaiki, NELHA, HOST and the Kona International Airport at Keahole, development of 'O'oma Beachside Village is a reasonable and appropriate use of land.

Based on the foregoing, Petitioner respectfully requests that the Commission find that the Petition complies with the necessary requirements of a petition for boundary amendment pursuant to HAR § 15-15-50. Petitioner also respectfully requests that the Commission find that the proposed development of Parcel 4 meets with the standard for determining the Urban District boundaries pursuant to HAR § 15-15-18, and therefore grant the reclassification of the Petition Area from the Conservation District to the Urban District.

DATED: Honolulu, Hawaii, April 3, 2007.



STEVEN S.C. LIM
JENNIFER A. BENCK
Attorney for Petitioner NORTH KONA VILLAGE,
LLC

**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII**

DOCKET NO. A07-774

In the Matter of the Petition of
NORTH KONA VILLAGE, LLC

To Amend the Conservation Land Use District Boundaries into the Urban Land Use District for certain lands situate at O'oma 2nd - Kaloko, North Kona, Island of Hawaii, State of Hawaii; consisting of approximately 181.169 acres, Tax Map Key Nos. (3) 7-3-009: 004 (por.), and (3) 7-3-009: (portion of State Right-of-Way)

VERIFICATION OF JENNIFER A. BENCK

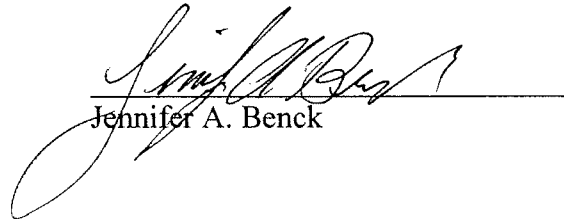
I, JENNIFER A. BENCK declare that:

1. I am the attorney for the applicant in the above captioned matter;
2. I have read the Petition for Land Use District Boundary Amendment

Dated April 3, 2007, know the contents thereof, and that the contents therein contained are true to the best of my knowledge, information and belief;

3. I declare under penalty of law that the foregoing is true and correct.

DATED: Honolulu, Hawaii, April 3, 2007.



Jennifer A. Benck

SECRETARY OF STATE



FILED 07/01/2005 2:08 PM
Business Registration Division
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
State of Hawaii

CERTIFICATE OF NAME CHANGE

I, DEAN HELLER, the duly qualified and elected Nevada Secretary of State, do hereby certify that on JUN 10, 2005, a Certificate of Amendment to its Articles of Organization changing the name to **NORTH KONA VILLAGE LLC**, was filed in this office by **CLIFTO'S KONA COAST 7574C6 LLC**. Said change of name has been made in accordance with the laws of the State of Nevada and that said Certificate of Amendment is now on file and of record in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on July 1, 2005.



Dean Heller

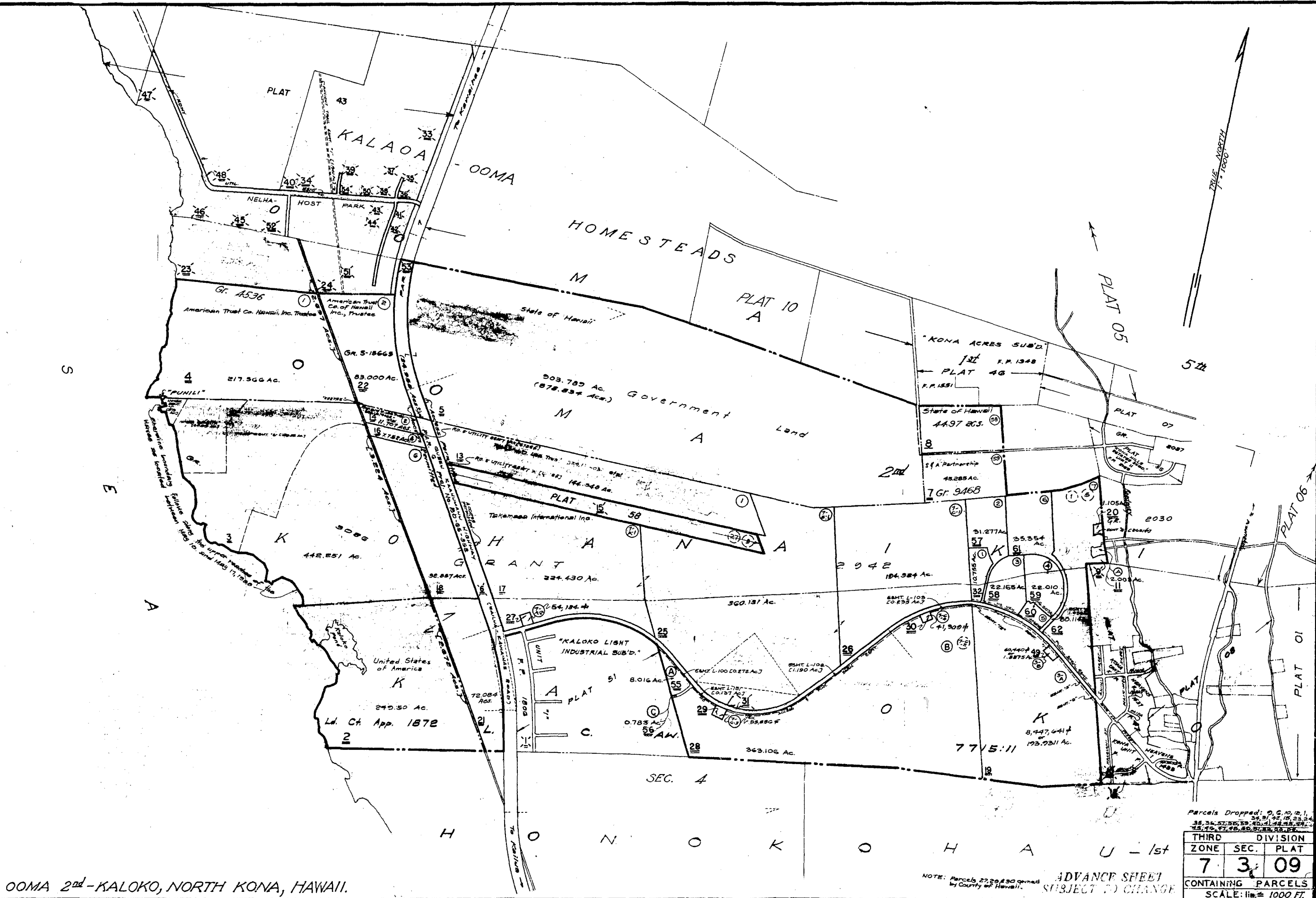
DEAN HELLER
Secretary of State

By

[Signature]
Certification Clerk

DEC 11 1968
 APR 23 1968
 MAY 7 1968
 MAY 10 1968
 AUG 2 1968
 DEC 8 1968
 DEC 11 1968
 DEC 17 1968
 DEC 19 1968
 JAN 12 1970
 JAN 13 1970
 OCT 11 1970
 DEC 9 1971
 MAY 4 1972
 JUN 2 1972
 SEP 2 1972
 SEP 21 1972
 APR 2 1974
 JUN 15 1974
 AUG 21 1974
 AUG 1975
 DEC 1975
 APR 21 1975
 OCT 2 1977
 JUN 7 1977
 JUN 18 1981
 JUL 8 1982
 APR 16 1983
 JUN 17 1984
 DEC 5 1984

Dwg. No. 2622
 Source: Tax Maps Bureau & Survey Dept.
 By: I.K.H. & S.L.C. February, 1936.



OOMA 2nd - KALOKO, NORTH KONA, HAWAII.

Petitioner's Ex. 2

NOTE: Parcels 27, 28 & 30 owned by County of Hawaii.
 ADVANCE SHEET
 SUBJECT TO CHANGE

Parcels Dropped: 0, 6, 10, 12, 1, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

THIRD DIVISION	
ZONE	SEC. PLAT
7	3 09

CONTAINING PARCELS
SCALE: 1 in. = 1000 FT.

PRINTED

Petitioner's Ex. 2

'O'OMA BEACHSIDE VILLAGE

ENVIRONMENTAL IMPACT STATEMENT PREPARATION NOTICE

KALOKO, NORTH KONA, HAWAI'I

Prepared for:

Accepting Authority
State of Hawai'i Land Use Commission
&
North Kona Village, LLC

Prepared by:



April 2007

Petitioner's Ex. 3

'O'OMA BEACHSIDE VILLAGE

ENVIRONMENTAL IMPACT STATEMENT PREPARATION NOTICE *KALOKO, NORTH KONA, HAWAI'I*

Prepared for:

Accepting Authority
State of Hawai'i Land Use Commission
&
North Kona Village, LLC

Prepared by:



April 2007

‘O‘OMA BEACHSIDE VILLAGE
Environmental Impact Statement Preparation Notice

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‘O‘OMA BEACHSIDE VILLAGE
 Environmental Impact Statement Preparation Notice

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LIST OF ACRONYMS AND ABBREVIATIONS

ALISH	Agricultural Lands of Importance to the State of Hawai‘i
CDP	Census Designated Place
CZM	Hawaii Coastal Zone Management
DBA	District Boundary Amendment
DBEDT	State of Hawai‘i Department of Business Economic Development and Tourism
DHHL	State of Hawai‘i Department of Hawaiian Homelands
DLNR	State of Hawai‘i Department of Land and Natural Resources
DOH	State of Hawai‘i Department of Health
DWS	County Department of Water Supply
EIS	Environmental Impact Statement
EISPN	Environmental Impact Statement Preparation Notice
FIRM	Flood Insurance Rate Map
HELCO	Hawaii Electric Light Company, Inc.
HRS	Hawaii Revised Statutes
kV	Kilovolt
LUC	State Land Use Commission
MG	General Industrial
mgd	Million gallons per day
msl	mean sea level
NGPC	Notice of General Permit Coverage
NOAA	National Oceanic and Atmospheric Administration
NPDES	National Pollutant Discharge Elimination Systems
NRCS	U.S. Department of Agriculture Natural Resources Conservation Services
OEQC	Office of Environmental Quality Control
ROW	Right-of-Way
SMA	Special Management Area
TIAR	Traffic Impact Analysis Report
TMK	Tax Map Keys
USGS	United States Geological Survey
WWTP	Wastewater Treatment Plan

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OVERVIEW

‘O‘oma Beachside Village, a master-planned community in Kaloko, North Kona, Hawai‘i, will encompass a mix of land uses, including: 1) a variety of single-family lots; 2) affordable homes; 3) a mauka mixed use village centered around a village green with retail, office, and live-work opportunities; 4) a coastal preserve/open space and shoreline park with a public canoe club hale; 5) a private beach club amidst a smaller maikai mixed-use village with restaurants, retail uses and multi-family residences; 6) archaeological preserves; 7) an approximately 10-acre active community park; and 8) several neighborhood parks, totaling four (4) acres (Figure 1). Multi-mode access ways and greenway trails will enable residents to travel throughout the ‘O‘oma Beachside Village and access the shoreline.

The 302.38-acre ‘O‘oma Beachside Village site (The Site) is comprised of a:

- 217.566-acre parcel identified by Tax Map Key (3) 7-3-009:004 (Parcel 4)
- 83-acre parcel identified by Tax Map Key (3) 7-3-009:022 (Parcel 22); and
- 1.814-acre portion of the State-owned Right of Way located on by Tax Map Key (3) 7-3-009 (State ROW).

The 83 acres of Parcel 44 are within the State Land Use Urban District. The 217.566 acres of Parcel 4 are within the State Land Use Conservation District. The 1.814-acre portion of the State ROW is within the State Land Use Conservation District.

A State Land Use District Boundary Amendment (SLUDBA) is being sought to reclassify approximately 181.169 acres (Petition Area) of The Site from the State Land Use “Conservation” District to the State Land Use “Urban” District. The Petition Area includes approximately 179.355 acres of Parcel 4 and the 1.814-acre portion of the State ROW.

The preparation of an Environmental Impact Statement (EIS) is being undertaken to address requirements of Chapter 343, Hawai‘i Revised Statutes (HRS) and Title 11, Department of Health, Chapter 200, Environmental Impact Rules Hawai‘i Administrative Rules (HAR). Section 343-5, HRS, establishes nine “triggers” that require compliance with these regulations. The triggers for ‘O‘oma Beachside Village include, without limitation, the following:

- Reclassification of approximately 181.169 acres from the State Land Use “Conservation” District to the State Land Use “Urban” District;
- Proposed highway intersection improvements on Queen Ka‘ahumanu Highway (a State highway facility);
- Crossings of the Māmalahoa Trail located within portions of the State ROW and Parcel 22;
- Possible purchase of the 1.814-acre State ROW
- Possible development of a wastewater treatment plant
- Possible work within the shoreline setback area.

In addition, creation of ‘O‘oma Beachside Village may involve or impact State and/or County lands or funds relating to infrastructure improvements for public facilities, roadways, water, sewer, utility, drainage, or other facilities. While the specific nature of each improvement is not known at this time, the EIS is intended to address all current and future instances involving the use of State and/or County lands and funds relating to ‘O‘oma Beachside Village.

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EISPN Land Use Summary	Approx. Area (Acres)	Approx. # of Homes
Mauka Mixed-Use Village	55	320-400
Makai Mixed-Use Village	10	20-40
Residential Single-Family	116	450-560
Residential Multi-Family	16	160-200
Shoreline Park	18	-
Open Space	57	-
Parks (Community & Neighborhood)	12	-
Mamalahoa Trail & Buffer	7	-
State ROW	2	-
Highway Buffer	10	-
Total	303	950-1200

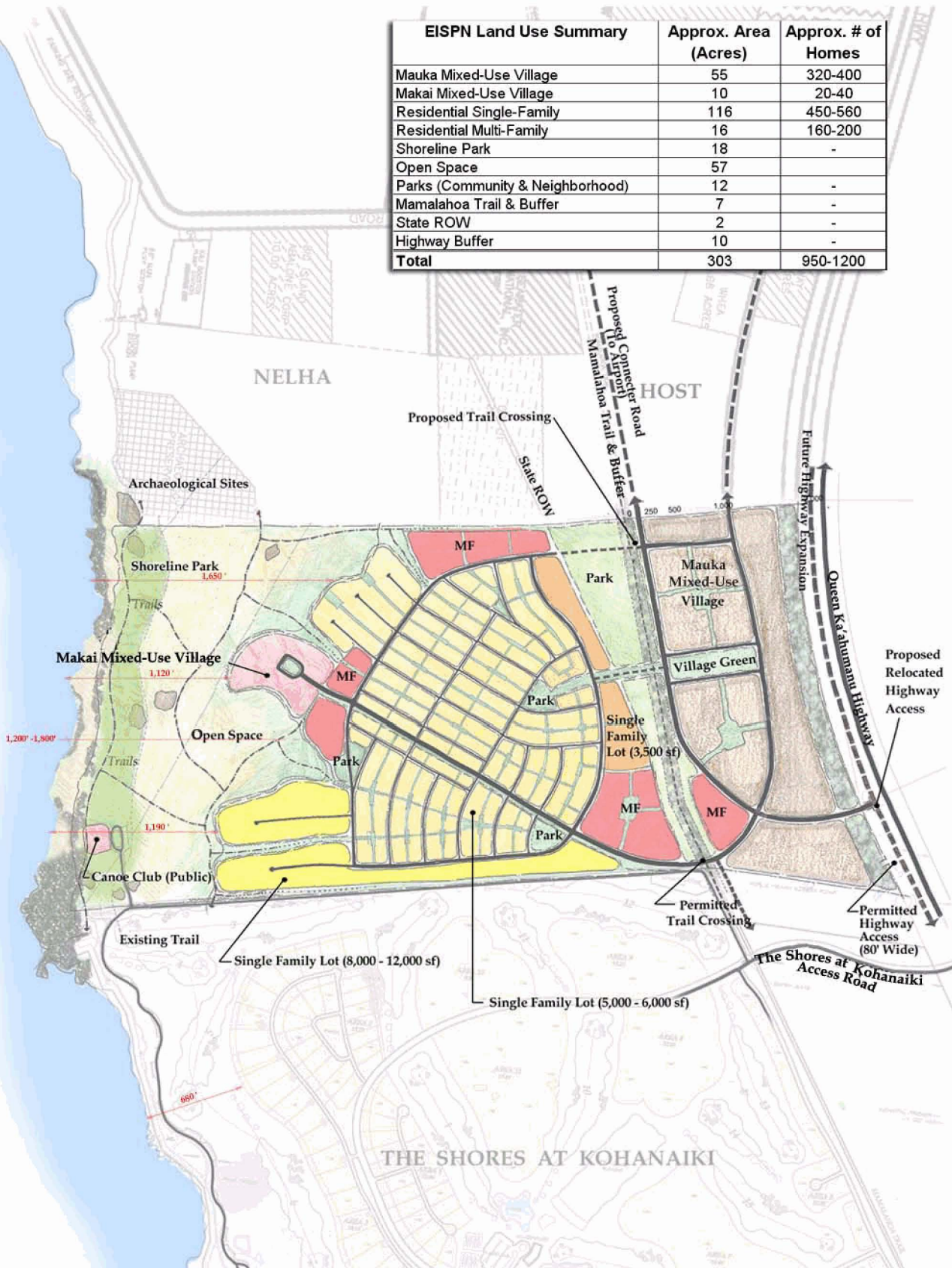
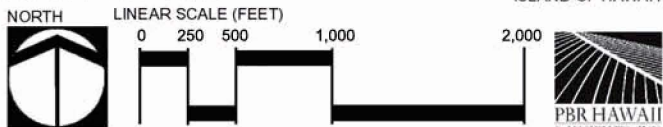


FIGURE 1
Conceptual Master Plan

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII



4/2/2007

‘O‘OMA BEACHSIDE VILLAGE
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1.0 PROJECT SUMMARY

This Environmental Impact Statement Preparation Notice (EISPN) has been prepared in accordance with Chapter 343, Hawaii Revised Statutes (HRS), for the ‘O‘oma Beachside Village in North Kona, Island of Hawai‘i.

Project Name:	‘O‘oma Beachside Village
Location:	Kaloko, North Kona, Hawai‘i
Judicial District:	North Kona
Applicant/Landowner:	North Kona Village, LLC; State of Hawaii
Recorded Fee Owner:	North Kona Village, LLC, formerly known as Clifto's Kona Coast LLC
Tax Map Keys:	TMK (3) 7-3-09:04, 22, and (3) 7-3-009: (portion of State ROW)
Land Area:	Approximately 302.38 acres
Existing Use:	Parcels 4 and 22 consist of vacant, open scrub vegetation amidst lava rock. The portion of the State ROW between Parcels 4 and 22 is vacant, open land with scrub vegetation amidst lava rock, consistent with the surrounding area.
Proposed Use:	A pedestrian and bicycle friendly, master-planned beach community comprised of single-family and multi-family residences, mixed-use villages, a shoreline and several neighborhood parks, and archaeological and open space preserves for protection of historic sites and anchialine ponds.
Land Use Designations:	State Land Use: “Conservation” and “Urban” General Plan: “Open” and “Urban Expansion” County Zoning: “O, Open” and “MG-3a, General Industrial” Special Management Area (SMA): Within the SMA
Approvals Required:	State Land Use District Boundary Amendment Change of Zone Special Management Area Use Permit Shoreline Setback Variance Approval (if necessary) Subdivision Approval NPDES Permit Construction Permits (including Grading/Building Permit)
Accepting Authority:	State of Hawai‘i Land Use Commission

‘O‘OMA BEACHSIDE VILLAGE
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1.1 LOCATION

The proposed ‘O‘oma Beachside Village will be located in Kaloko, North Kona, Hawai‘i (Figure 2). The ‘O‘oma Beachside Village site (The Site), which is approximately 302.38 acres, is currently vacant and undeveloped, consisting of scrub vegetation and lava rock. The Natural Energy Laboratory of Hawai‘i Authority (NELHA) and the Hawaii Ocean Science and Technology Park (HOST) borders The Site to the north. Bordering The Site to the south is The Shores at Kohanaiki, a residential golf-course community under development. Queen Ka‘ahumanu Highway borders The Site to the east. The Pacific Ocean lies west of The Site.

1.2 LAND OWNERSHIP

North Kona Village, LLC is the recorded fee owner of the parcels identified as TMKs (3) 7-3-009:004 and 022 (Figure 3). The State of Hawaii is the fee owner of the portion of the ROW located between Parcels 4 and 22 within (3) 7-3-009

1.3 IDENTIFICATION OF THE APPLICANT

The applicant is North Kona Village, LLC.

Contact: Mr. Dennis Moresco, CEO
North Kona Village, LLC
c/o Midland Pacific Homes
7305 Morro Road, Suite 200
Atascadero, California 93422
Telephone: (805) 466-5100 Fax: (805) 466-5105

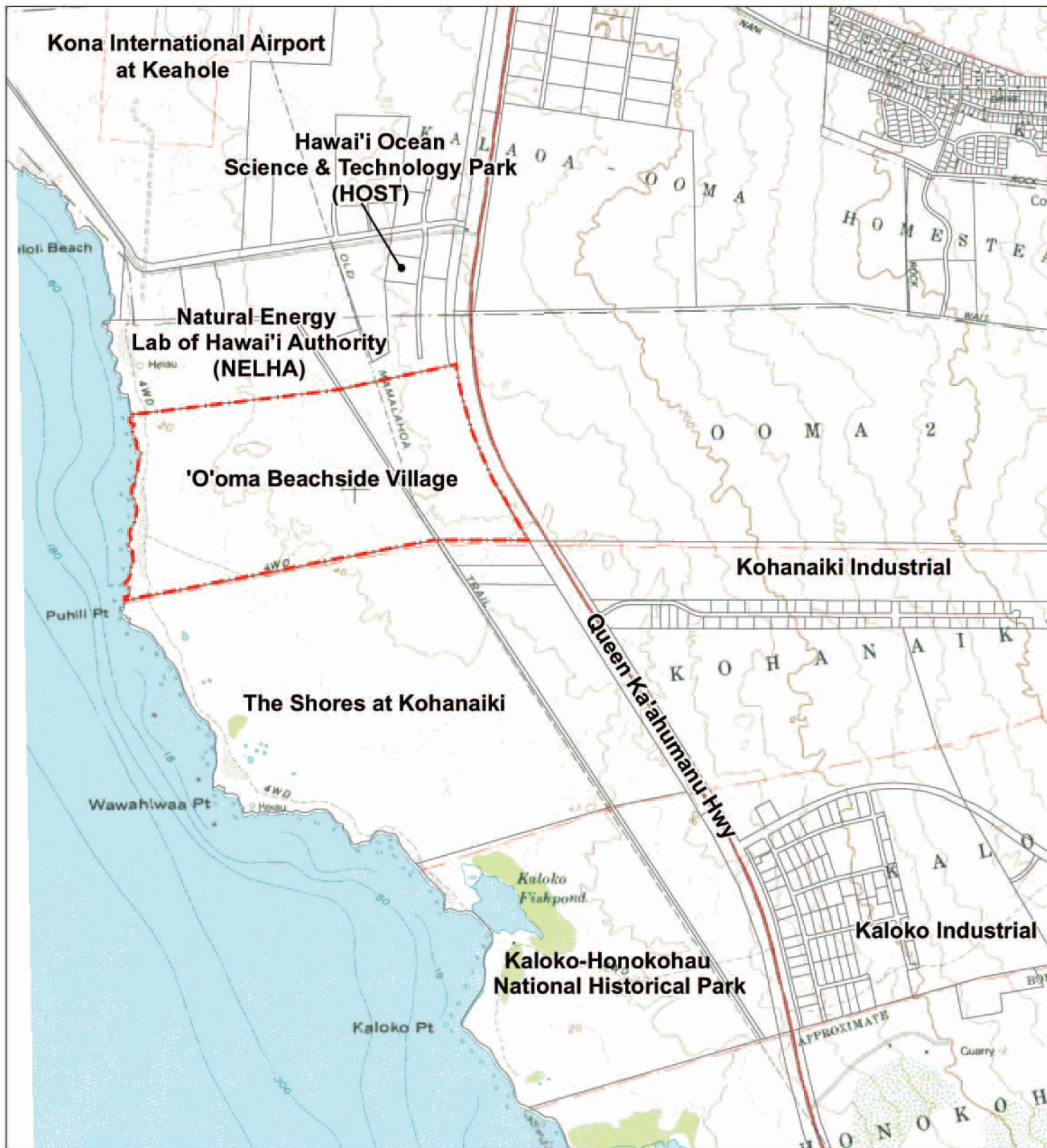
1.4 IDENTIFICATION OF ENVIRONMENTAL CONSULTANT

North Kona Village, LLC’s environmental planning consultant for ‘O‘oma Beachside Village is PBR HAWAII.

Contact: Thomas S. Witten, ASLA
PBR HAWAII
1001 Bishop Street
ASB Tower, Suite 650
Honolulu, Hawai‘i 96813
Telephone: (808) 521-5631 Fax: (808) 523-1402

1.5 IDENTIFICATION OF ACCEPTING AUTHORITY

In accordance with Chapter 343, HRS, privately initiated EIS documents must be accepted by the government agency empowered to issue a permit or approval for the project. In this instance, the State of Hawai‘i Land Use Commission is anticipated to be the accepting authority, since a State Land Use District Boundary Amendment (SLUDBA) is the first discretionary approval being sought for the ‘O‘oma Beachside Village.



Legend

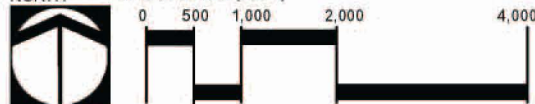
 'O'oma Beachside Village

FIGURE 2
Regional Location Map

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII

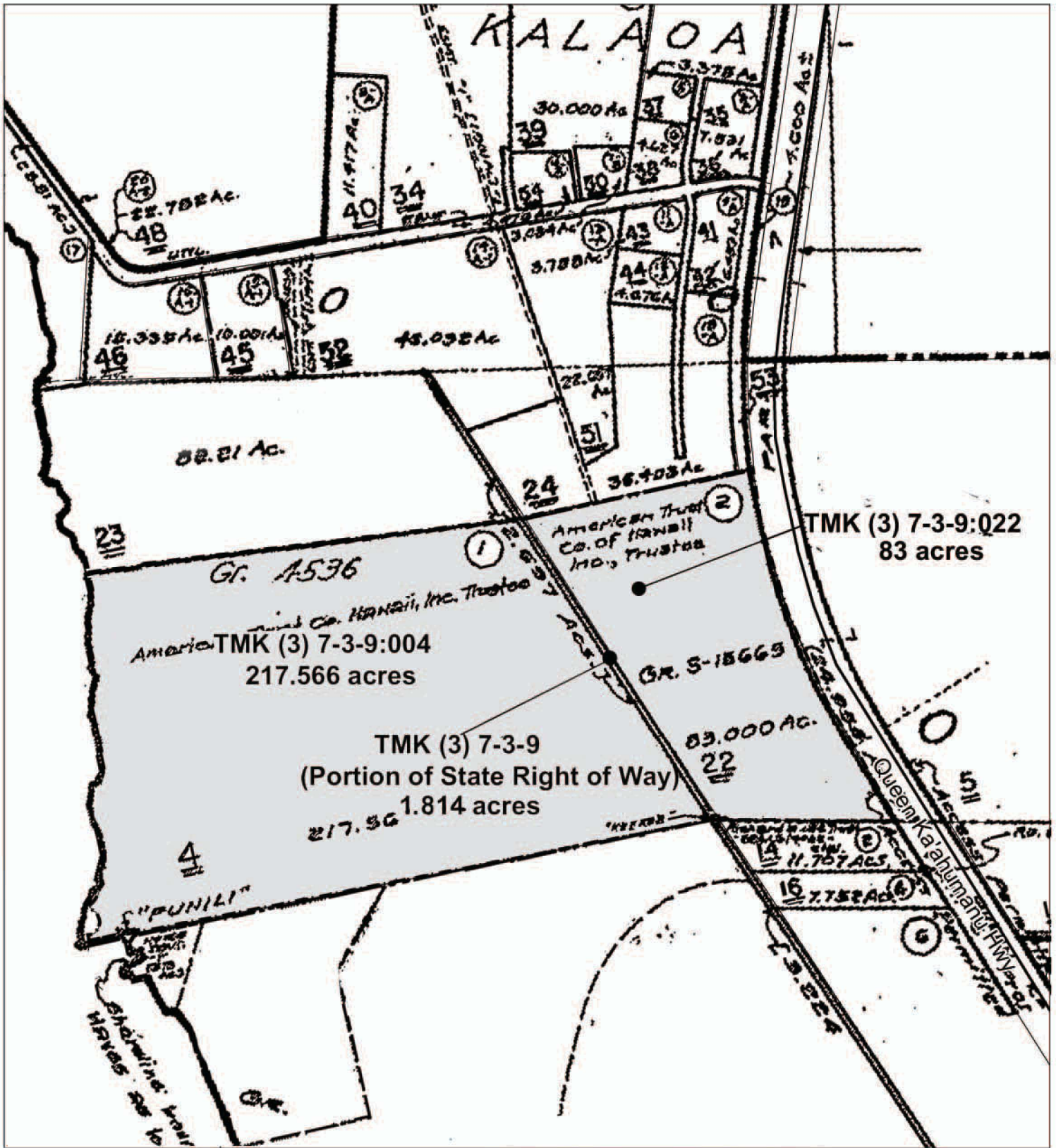
NORTH LINEAR SCALE (FEET)



Source: U.S. Geological Survey

Disclaimer: This graphic has been prepared for general planning purposes only.

3/20/2007



Legend

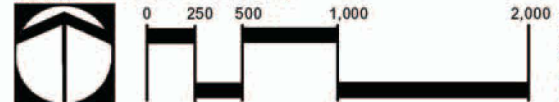
 'O'oma Beachside Village

FIGURE 3
Tax Map Key

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII

NORTH LINEAR SCALE (FEET)



Source: Tax Map Key County of Hawai'i GIS 2006

Disclaimer: This graphic has been prepared for general planning purposes only.

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Contact: Anthony Ching, Executive Officer
State Land Use Commission
Department of Business, Economic Development & Tourism
P.O. Box 2359
Honolulu, Hawai‘i 96804-2359
Telephone: (808) 587-3822 Fax: (808) 587-3827

1.6 COMPLIANCE WITH STATE OF HAWAI‘I AND HAWAI‘I COUNTY ENVIRONMENTAL LAWS

The preparation of an Environmental Impact Statement (EIS) is being undertaken to address requirements of Chapter 343, Hawai‘i Revised Statutes (HRS) and Title 11, Department of Health, Chapter 200, Environmental Impact Rules Hawai‘i Administrative Rules (HAR). Section 343-5, HRS, establishes nine “triggers” that require compliance with these regulations. The triggers for ‘O‘oma Beachside Village include, without limitation, the following:

- Reclassification of approximately 181.169 acres from the State Land Use Conservation District to the State Land Use Urban District;
- Proposed highway intersection improvements on Queen Ka‘ahumanu Highway (a State highway facility);
- Crossings of the Māmalahoa Trail located within portions of the State ROW and Parcel 22;
- Possible purchase of the 1.814-acre State ROW
- Possible development of a wastewater treatment plant
- Possible work within the shoreline setback area.

In addition, creation of ‘O‘oma Beachside Village may involve or impact State and/or County lands or funds relating to infrastructure improvements for public facilities, roadways, water, sewer, utility, drainage, or other facilities. While the specific nature of each improvement is not known at this time, the EIS is intended to address all current and future instances involving the use of State and/or County lands and funds relating to ‘O‘oma Beachside Village.

1.7 STUDIES TO BE CONDUCTED AND INCLUDED IN THE EIS

A preliminary description of the environment, alternatives considered, potential impacts, and proposed mitigation measures are provided in this EISPN. The information contained in this report has been developed from master planning efforts, site visits, and technical studies of the property and surrounding area. Consultant reports referenced in this document will be appended to the Draft EIS.

Technical studies to assess the existing natural and physical site conditions and potential impacts to The Site and surrounding area are being prepared and will be included in the Draft EIS. The studies include:

- Botanical Survey
- Fauna Survey
- Cultural Impact Assessment
- Archaeological Inventory Survey
- Traffic Impact Assessment

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- Noise Assessment
- Air Quality Study
- Marine Water Quality Assessment
- Ground Water Quality Assessment
- Market and Economic Assessment
- Preliminary Engineering Assessment

2.0 PROJECT DESCRIPTION

This section includes background information, a general description of the proposed ‘O‘oma Beachside Village, the development timeframe, and preliminary development costs.

2.1 LOCATION

‘O‘oma Beachside Village will be located in Kaloko in the North Kona District, or western portion, of the island of Hawai‘i (Figure 2). Access to The Site will be off of Queen Ka‘ahumanu Highway, which borders The Site to the east. Makai and west of The Site is the Pacific Ocean. The NELHA and HOST, consisting of a mix of commercial, public-quasi-public uses and industrial uses is located north of and adjacent to The Site. South of and adjacent to The Site is The Shores at Kohanaiki, a golf-course community under development, which includes a shoreline park and the Kohanaiki Golf and Ocean Club.

The 302.38-acre ‘O‘oma Beachside Village site (The Site) is comprised of a:

- 217.566-acre parcel identified by Tax Map Key (3) 7-3-009:004 (Parcel 4)
- 83-acre parcel identified by Tax Map Key (3) 7-3-009:022 (Parcel 22); and
- 1.814-acre portion of the State-owned Right of Way located on by Tax Map Key (3) 7-3-009 (State ROW).

The 83 acres of Parcel 44 are within the State Land Use Urban District. The 217.566 acres of Parcel 4 are within the State Land Use Conservation District. The 1.814-acre portion of the State ROW is within the State Land Use Conservation District.

A State Land Use District Boundary Amendment (SLUDBA) is being sought to reclassify approximately 181.169 acres (Petition Area) of The Site from the State Land Use Conservation District to the State Land Use Urban District. The Petition Area includes approximately 179.355 acres of Parcel 4 and the 1.814-acre portion of the State ROW.

2.2 EXISTING USES

A majority of the approximately 302.38-acre ‘O‘oma Beachside Village site is vacant and undeveloped land amidst lava rock (Figure 4). The area consists of vegetation that includes fountain grass, kiawe trees, noni plants, and maiapilo. The western portion of The Site consists of the shoreline area contiguous to Wawaloli Beach, which is open to the public. There are no streams onsite. Mauka of the coastal vegetation, there is a small area of sedimented anchialine ponds. In the eastern portion of The Site, extending north-south, paralleling Queen Ka‘ahumanu Highway is a portion of the historic Māmalahoa Trail. West of the highway, also extending in a north-south direction is a remnant portion of a State ROW, which veers off from the historic Māmalahoa Trail. The ROW, referred to on survey maps as ‘King’s Highway,’ was meant to be an extension of Māmalahoa Trail but has remained vacant and undeveloped land amidst lava rock, consistent with the surrounding area.

2.3 SURROUNDING USES

The ‘O‘oma Beachside Village site is located along the western coast of Hawai‘i Island. North of The Site is NELHA, which features a dual-temperature seawater system, and HOST (Figure 2).

‘O‘OMA BEACHSIDE VILLAGE
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HOST has attracted tenants that are engaged in research, education and commercial activity that support sustainable industry development and make use of the deep seawater resources. Tenants include commercial entities such as Big Island Abalone Corporation, Uwajima Fisheries, Inc., Hawaiian TelCom, Moana Technologies, Inc. and water bottlers authorized to display "100% Hawai‘i Deep Seawater" and the NELHA logo on their products, verifying that their water is produced from 100% pure, deep seawater at NELHA on the Kona Coast of Hawai‘i. Research organizations at the park include University of California-Santa Cruz, University of Hawai‘i-Infrasound Laboratory of Hawai‘i and The Oceanic Institute. Educational institutions include the West Hawai‘i Explorations Academy (Public Charter School), Hawaiian Islands Humpback Whale National Marine Sanctuary, University of Hawai‘i-Sea Grant Extension Service (NELHA, 2006). Further north, beyond NELHA and HOST, is the Kona International Airport at Keāhole, which occupies 3,450 acres of land, has an 11,000-foot runway, and facilities that accommodate domestic overseas, international, interisland, commuter/air taxi, and general aviation activities (State Department of Transportation, 2006).

South of ‘O‘oma Beachside Village site is The Shores at Kohanaiki, a 500-home golf course community, under development by Kennedy Wilson and Rutter Development since September 2005. Open space along the shoreline, which includes anchialine ponds, trails and historic sites are proposed to be preserved. Housing will be set back at least 400 feet from the shoreline. There will be a 7,200-yard championship golf course and clubhouse, tennis courts and workout facilities. A shoreline park is proposed, with parking, an 8,000 square foot (s.f.) beach facility, with snack bar, restrooms and showers (West Hawaii Today, 2003). Further south, approximately 0.5 miles away from the ‘O‘oma Beachside Village site is the Kaloko-Honokōhau National Historical Park, a 1,160-acre national historical landmark with extensive natural and cultural resources, including archaeological sites, and anchialine ponds. In addition, there are the Kaloko Industrial and Kohanaiki Industrial areas and the Honokōhau Small Boat Harbor.

The ‘O‘oma Beachside Village site is bordered to the west by the Pacific Ocean. The coastline is generally rugged, consisting of lava rocks with some sandy beach areas. The shoreline area has tidal pools and is ideal for shoreline and spear fishing. Amenities include a restroom and picnic tables. The ‘O‘oma Beachside Village site is bordered to the east by Queen Ka‘ahumanu Highway, a two (2) lane State arterial highway facility currently being expanded to a four (4) lane facility in two (2) phases.

2.4 PROPOSED USES

The proposed ‘O‘oma Beachside Village comprises approximately 302.38 acres, including approximately 83 acres (Parcel 22) that were previously planned and zoned for industrial uses along Queen Ka‘ahumanu Highway. Parcel 22 was reclassified to the State Land Use “Urban” District by Commission Decision and Order dated February 6, 1986, in Docket No. A85-592. The Petitioner in that Docket was the State of Hawaii through the Department of Planning and Economic Development.

Concurrent with its Petition for SLUDBA for Parcel 4, North Kona Village, LLC intends to file a Motion to Amend State Land Use Commission Decision and Order for Parcel 22, as North Kona Village, LLC's plans for Parcel 22 are different from the proposed development in Docket No. A85-592. Envisioned as a master-planned beachside residential community with mixed uses, the ‘O‘oma Beachside Village will be positioned as a primary residential community with a full range of housing opportunities and access to the shoreline (Figure 1).



COASTAL PRESERVE AREA / SHORELINE PARK AREA WITH NELHA FACILITIES BEYOND



VIEW FROM COASTAL BLUFF



SHORELINE AREA



EXISTING SHORELINE TRAIL



ARCHAEOLOGICAL RESOURCES



MAMALAHOA TRAIL



VIEW TOWARDS NELHA/HOST PARKS



EXISTING JEEP ROAD
(FROM QUEEN KA'AHUMANU HWY)

FIGURE 4 Site Photographs 'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII



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With consideration for the preservation of the archaeological, cultural, and coastal resources on the property, key land use concepts and components for the ‘O‘oma Beachside Village are as follows:

Residential Community

In total, there will be approximately 950 to 1,200 homes, which will include multi-family units, “live-work” or mixed-use homes, affordable homes, and single-family home lots. There will be a mauka mixed-use village and a makai mixed-use village. Amidst, the villages, there will be “live-work” units for use by sole proprietors and small businesses for business and/or residential purposes. A range of affordable homes will be developed over, or integrated with, retail and/or office uses. Single-family lots, ranging from 3,500 to more than 12,000 square feet, will be located outside of the shoreline setback area. Almost all of the homes will have direct or easy access to pedestrian/bike pathways that will connect to the shoreline and various neighborhoods, parks, and village.

Mauka Mixed-Use Village

The mauka mixed-use village, which is to be located in the area currently zoned “MG-3a, General Industrial,” is envisioned to be a walkable, “pedestrian-friendly” village organized around a village green consisting of multifamily homes, “live-work” units, and affordable homes located over retail or office spaces. There will be a full-range of community support services, including retail and office space to serve residents and businesses and also a commercial area to serve the residents and the communities immediately surrounding the ‘O‘oma Beachside Village site. One of the ‘O‘oma Beachside Village objectives is to reduce the number of trips by vehicle to Kailua-Kona.

Makai Mixed-Use Village

On a bluff overlooking the open space and Shoreline Park, and setback approximately 1,120 feet from the shoreline, a smaller mixed-use village of approximately 10 acres is planned to provide a beach club (similar to the Outrigger Canoe Club in Waikīkī), restaurants, some retail uses, and residential uses. The makai village area is intended to serve as the “community center” for ‘O‘oma Beachside Village residents. With pathways to/from the beach park, this village area could also provide food and beverage service to beach users.

Trails, Parks and Open Space

An extensive network of trails and open space are planned to connect the residences to the shoreline, the mixed-use villages, and various neighborhoods that comprise the community. Multi-modal paths are planned.

Integrated with the trails and open spaces are approximately 12 acres of parks that will include an approximately eight (8) acres active community park and several neighborhood parks totaling four (4) acres.

The historic Māmalahoa Trail, which runs north-south through Parcel 22 will be preserved with a landscape buffer. For improved pedestrian and vehicular access, two (2) additional roadway crossings of the Māmalahoa Trail are proposed. These crossings would be designed to minimize

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impacts to the Māmalahoa Trail and provide a clearly defined visual reference to the trail crossing the roadway.

The portion of the State ROW, located west of Māmalahoa Trail, which has no physical improvements, is proposed to be included within the ‘O‘oma Beachside Village site and may be acquired from the State of Hawai‘i.

A two (2) acre landscape buffer will be maintained along Queen Ka‘ahumanu Highway.

Shoreline Park and Open Space

Given the natural topography of the ‘O‘oma Beachside Village site and the objective of preservation of archaeological and cultural resources of the area, approximately 75 acres near the shore are planned to be maintained as park and open space, consistent with the land use concept of the *County of Hawai‘i General Plan*. Of the 75 acres, there will be approximately 57 acres of open space. Along the shoreline, where there is an existing four-wheel drive road, approximately 18 acres will serve as a shoreline park, an extension of the beach parks planned at The Shores at Kohanaiki and NELHA.

Additional parking areas, envisioned to be accessed via the adjacent shared public access road along the boundary with Kohanaiki, would be provided within the shoreline area at ‘O‘oma Beachside Village. A canoe hale, located within the shoreline park area, approximately 400 feet away from the shoreline and outside of the shoreline setback area, is proposed to provide storage for canoes and also serve as the “home” for an outrigger canoe club.

Along the shoreline, all improvements are proposed to be set back a minimum of 100 feet.

Archaeological and Cultural Preserves

Preservation of significant archaeological and cultural sites has been considered throughout ‘O‘oma Beachside Village planning. Archaeological and cultural sites will be maintained with buffers. Where there are known burial sites, these sites will be buffered from adjacent uses. The natural landforms along the coastline and bluff overlooking the shoreline will be preserved intact.

Infrastructure Improvements

Several wastewater treatment facilities are located in proximity to the ‘O‘oma Beachside Village site at Keauhou, Kealakehe, and the Kona International Airport at Keāhole; however, these facilities have limited capacity, some of which has been reserved for future development. Given the limited resources, North Kona Village, LLC is exploring: 1) coordination with other landowners regarding the use of offsite treatment facilities, if available; 2) joint development of an offsite treatment facility; or 3) possible development of an onsite wastewater treatment plant. If North Kona Village, LLC opts to develop a wastewater treatment plant onsite, design and construction will be in accordance with State Department of Health and County of Hawai‘i standards and treated water would be reused for irrigation.

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Connected Community

Although primary access to ‘O‘oma Beachside Village is permitted from Queen Ka‘ahumanu Highway, near the southern boundary of The Site, coordination will be undertaken on development of a single highway intersection with The Shores at Kohanaiki and planning for a connector road to NELHA and HOST to the north. In addition, it will be desirable to have a connector road to NELHA that would also access the Kona International Airport at Keāhole. North Kona Village, LLC will continue to coordinate with the State DOT and surrounding land owners on roadway access and connectivity to adjacent lands.

Although the land use plan is still conceptual, an estimated breakdown of project uses and an estimated range of homes are provided in the following table:

Table 1: Land Use Summary

Land Use Type	Estimated Area (acres)	Estimated Homes
Mauka Mixed-Use Village	55	320-400
Makai Mixed-Use Village	10	20-40
Residential Single-Family	116	450-560
Residential Multi-Family	16	160-200
Shoreline Park	18	-
Open Space	57	-
Parks (Community & Neighborhood)	12	-
Māmalahoa Trail and Buffer	7	-
State ROW	2	-
Highway Buffer	10	-
TOTAL	303	950-1200

2.5 PROJECT NEED

The Keāhole to Kailua Development Plan (1991), passed by Resolution Number 296-91, is an implementing tool for the Hawai‘i County General Plan. The Plan was supported by the Hawai‘i County Council to serve as a guide for development of infrastructure and land uses of the Keāhole to Kailua area, with recognition of the area for major future urban growth. In the County of *Hawai‘i General Plan* (2005) the 'O'oma lands are also designated for “Urban Expansion, with “Open Space” along the shoreline. The County is currently in the process of preparing the Kona Community Development Plan to further identify how the General Plan can be implemented to achieve the communities’ vision for the region.

A market/economic assessment and findings will be included in the Draft EIS, and a copy of the complete study will be attached as an appendix. The proposed live-work community will provide a variety of housing options and opportunities for Island residents, which will help fulfill the primary residential needs of the region, and also enable local residents to benefit from an improved quality of life associated with residing in the shoreline community.

2.6 DEVELOPMENT TIMETABLE AND PRELIMINARY COSTS

Proposed Phasing Plan

Development of the master-planned community will generally occur within three (3) phases and is anticipated to begin as soon as all entitlement and permitting approvals have been received. North Kona Village, LLC hopes to begin construction as early as 2010, with full build-out anticipated within 10 years of anticipated Commission approval. Phasing details will be discussed in the Draft EIS.

Cost Estimates

The estimated cost of subdivision and related improvements will be discussed in the Draft EIS. North Kona Village, LLC has yet to determine preliminary sale terms and prices, contingent upon findings of the market and economic assessment being prepared and to be included in the Draft EIS.

2.7 SUSTAINABLE BUILDING DESIGN

The Office of Environmental Quality Control (OEQC) issued “Guidelines for Sustainable Building Design in Hawai‘i: A Planner’s Checklist” (OEQC May 1999) and has requested that consideration be made in applying sustainable building techniques to projects. The OEQC Guidelines state, “[a] sustainable building is built to minimize energy use, expense, waste and impact on the environment. It seeks to improve the region’s sustainability by meeting the needs of Hawai‘i’s residents and visitors today without compromising the needs of future generations.”

Where appropriate, North Kona Village, LLC will utilize techniques described in the “Guidelines for Sustainable Building Design in Hawai‘i” in development of the ‘O‘oma Beachside Village.

3.0 DESCRIPTION OF THE AFFECTED NATURAL ENVIRONMENT, POTENTIAL IMPACTS OF THE PROPOSED ACTION, AND MITIGATION MEASURES

This section describes the existing conditions of the physical or natural environment, potential impacts of the ‘O‘oma Beachside Village on the environment, and mitigation measures to minimize any impacts.

3.1 CLIMATE

Existing Conditions

The climate of Hawai‘i Island is influenced by its geologic features. The Island is dominated by Mauna Loa (13,653 foot summit elevation) and Mauna Kea (13,796 foot summit elevation). The annual rainfall in the region is approximately 25 inches, with mauka areas typically experiencing greater rain than in makai areas. Regional temperatures range from the low 70 degrees Fahrenheit to high 70 degrees Fahrenheit (Hawai‘i County Data Book, 2005). Humidity ranges throughout the year between 68 percent in the morning to 80 percent in the afternoon (NOAA, 2005).

Trade winds are typical of the Hawaiian Islands, blowing predominantly in a northeast direction. Winds average approximately seven miles per hour (mph) (NOAA, 2005). The local mountains, namely Hualālai and Mauna Loa volcanoes, further influence the wind pattern for Hawai‘i Island. In the early morning, the prevailing wind pushes out toward the ocean, and in the afternoon, the winds blow from the ocean toward the island (Juvik, 1998).

Potential Impacts and Mitigation Measures

The proposed ‘O‘oma Beachside Village is not expected to have an impact on climatic conditions and no mitigation measures are planned.

3.2 GEOLOGY AND TOPOGRAPHY

Existing Conditions

‘O‘oma Beachside Village will be located on the flank of Hualālai, the third oldest shield volcano on the island of Hawai‘i. Hualālai has an area of approximately 290 square miles, accounting for 7.2 percent of the island. The summit is located 8,271 feet above mean sea level (msl) and approximately 15 km away from Kailua-Kona (USGS, 1996). Three (3) rifts of Hualālai radiate to the north, south, and northwest. The volcano is characterized by a well-developed northwest rift zone, a moderately well-developed south-southeast rift zone and a poorly developed north rift zone (Hawai‘i Center for Volcanology, 2004).

‘O‘OMA BEACHSIDE VILLAGE
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Hualālai grew above sea level more than 300,000 years ago (USGS, 1996). The lava is no longer exposed on the subaerial surface, but has been dredged from submarine portions of the northwest rift zone (Hawai‘i Center for Volcanology, 2004). Post-shield volcanism began 100,000 years ago and covered the entire surface of the volcano (Oregon State University Department of Geosciences, 2006). Hualālai is comprised of alkalic lavas erupted during the post-shield stage of volcanism, with the surface consisting mostly of alkali olivine basalts, but limited quantities of Trachyte are also present.

In the past 5,000 years, 80 percent of Hualālai’s surface has been covered by lava flows; however, earthquake activity beneath the volcano has been low (USGS, 1996). Hualālai erupted last in 1800-1801 from its northwest rift zone, sending two (2) large flows, known as the Ka‘ūpūlehu flow, of ‘a‘ā lava, which is several meters thick and covered in spiny rubble splintered from the flow itself so that it has a surface broken into rough, angular fragments, to the ocean on the west coast of the island (Hawai‘i Center for Volcanology, 2004). The eruption brought quantities of xenoliths or foreign rock up from the mantle source that originally produced the lava. The Kona International Airport at Keāhole, located only 11 km north of Kailua, Kona, is built atop the larger flow.

Hualālai is still considered an active volcano, but there has been no magma-related seismicity or ground deformation, making it difficult to predict the next eruption. In 1929, there were a series of earthquakes occurring for about a month, which was attributed to magma intrusion near the surface. However, there was no surface eruption (Hawai‘i Center for Volcanology, 2004).

The ‘O‘oma Beachside Village site slopes in an east to west (mauka to makai) direction, with a slope of approximately two percent. The mauka extent will be located at an elevation of approximately 105 feet above mean sea level (msl) and the makai extent will be located at an elevation of approximately 10 feet above msl.

Although Hualālai is still considered an active volcano, mapping and dating studies indicate that eruptions have been separated by centuries of inactivity (Hawai‘i Center for Volcanology, 2004). Since 1971, a seismic station has been maintained about three (3) km east of the summit by the Hawaiian Volcano Observatory to monitor the volcano for signs of activity. Since its inception, there have been no micro earthquake swarms or harmonic tremors indicative of magma movement. Hualālai experiences earthquakes, registered to have a four (4.0) magnitude, which stem from a deep source off the coast of the northwest rift zone and is not related to magma movement (Hawai‘i Center for Volcanology, 2004).

Potential Impacts and Mitigation Measures

Grading will be necessary to accommodate the ‘O‘oma Beachside Village. Appropriate engineering, design and construction measures will be undertaken to minimize potential erosion of soils during construction. All ground-altering activity will be conducted in accordance with Chapter 10 of the Hawai‘i County Code, relating to erosion and sedimentation control. Grading plans will attempt to balance excavation and embankment quantities to the extent practicable. Adverse impact to topography and landforms, attributable to grading activity, is not anticipated.

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3.3 SOILS

There are three (3) soil suitability studies prepared for lands in Hawai‘i whose principal focus has been to describe the physical attributes of land and the relative productivity of different land types for agricultural production. These are: 1) the U.S. Department of Agriculture Natural Resources Conservation Service (NRCS) Soil Survey; 2) the University of Hawai‘i Land Study Bureau (LSB) Detailed Land Classification; and 3) the State Department of Agriculture’s Agricultural Lands of Importance to the State of Hawai‘i (ALISH).

Existing Conditions

NRCS Soil Survey

The NRCS Soil Survey shows that the ‘O‘oma Beachside Village site contains soil from the lava flows association, which is characterized as gently sloping to excessively drained soils that are coarse-textured and medium-textured formed in volcanic ash, pumice and cinders (Figure 5). The soil is found on nearly barren lava flows and upland areas at elevations ranging from near sea level to 13,000 feet. More specifically, most of Parcel 4 consists of pāhoehoe lava flow (rLW), a small portion of Parcel 4, located at the southwestern corner, near the beach, consists of ‘a‘ā lava flow (rLV) and the western boundary of the property consists of beaches (BH). Parcel 22 is primarily located on pāhoehoe lava flow. A small portion at the northeast corner is located on ‘a‘ā lava rock. The State ROW is located on pāhoehoe lava flow. Descriptions of the soil classifications are as follows:

Lava Flows, pāhoehoe (rLW) - This soil has a billowy, glassy surface that is relatively smooth. In some areas, the surface is rough and broken and there are hummocks and pressure domes. The soil has no cover and is typically bare of vegetation, except for mosses and lichens. Some flat slabs are used as facings on buildings and fireplaces.

The NRCS Land Capability Grouping, rates soil types according to eight levels, ranging from the highest classification level, I, to the lowest level, VIII. The capability classification, an indicator of suitability of soil for field crop cultivation, for this soil is VIIIs, non-irrigated, meaning the soils and landforms have limitations that preclude their use for commercial plants and restrict their use to recreation, wildlife or water supply or aesthetic purposes. The subclass is “s,” meaning the soil is limited because it is shallow, droughty or stony.

Lava Flows, ‘a‘ā (rLV) – This soil is rough and broken, consisting of a mass of clinkery, hard, glassy, sharp pieces piled in tumbled heaps. There is practically no soil covering and it is typically bare of vegetation, except for mosses, lichens, ferns and a few small ‘ōhi‘a trees. The capability classification is VIIIs, non-irrigated. Class VIII soils and landforms have limitations that preclude their use for commercial plants and restrict their use to recreation, wildlife or water supply or aesthetic purposes. The subclass is “s,” meaning the soil is limited because it is shallow, droughty or stony.

Beaches (BH) – These are long, narrow, sloping areas of sand and gravel along the coastline, typically used for recreation. The sand and gravel vary in color, ranging from yellowish or white sand, formed in coral and sea shells, black sand, formed in lava rocks and green sand formed in olivine. The capability classification is VIIIw, non-irrigated. Class VIII soils and landforms

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have limitations that preclude its use for commercial plants and restrict their use to recreation, wildlife or water supply or aesthetic purposes. The subclass is “w,” meaning that water in or on the soil interferes with plant growth or cultivation and in some instances the wetness can be corrected by artificial drainage.

Land Study Bureau Detailed Land Classification

The University of Hawai‘i Land Study Bureau (LSB) document titled *Detailed Land Classification, Island of Hawai‘i* classifies non-urban land by a five (5)-class productivity rating system, using the letters A, B, C, D and E, where “A” represents the highest class of productivity and “E” the lowest. The LSB rating for Parcel 4 is “E” (Figure 6). The soil on Parcel 22 and the State ROW is unclassified.

Agricultural Lands of Importance to the State of Hawai‘i

The State of Hawai‘i Department of Agriculture’s Agricultural Lands of Importance to the State of Hawai‘i (ALISH) system rates agricultural land as “Prime,” “Unique” or “Other” lands. The remaining land is not classified.

“Prime” agricultural land is best suited for production of food, feed, forage and fiber crops. The land has the soil quality, growing season and moisture supply necessary to economically sustain high yields of crops when treated and managed including water management, according to modern farming methods.

“Unique” agricultural land can be used for specific high-value food crops. The land has a special combination of soil quality, growing season, temperature, humidity, sunlight, air drainage, elevations, aspect, moisture supply, or other conditions that favor the production of a specific crop of high quality and/or high yield when the land is treated and managed according to modern farm methods.

“Other” agricultural land is vital to production of food, feed, fiber and forage crops, yet they exhibit properties, such as seasonal wetness, erosion, and limited rooting zone, slope, flooding, or drought. The land can be farmed satisfactorily through greater fertilization and other soil amendment, drainage improvement, erosion control practices, flood protection and produce fair to good crop yields when properly managed.

According to the ALISH system, Parcels 4 and 22 and the State ROW are not classified and are therefore, not considered important agricultural land (Figure 7).

Potential Impacts and Mitigation Measures

Impacts to the soils of The Site include the potential for soil erosion and the generation of dust during construction. Development of the proposed ‘O‘oma Beachside Village will involve land-disturbance, including removal of existing vegetation (clearing and grubbing) and mass grading.

Grading plans will attempt to achieve a balanced excavation and embankment quantities to minimize disturbance to the site’s topography and soils as much as practicable. As typically required for projects on land greater than one (1) acre in size, a National Pollutant Discharge Elimination System (NPDES) Notice of General Permit Coverage (NGPC) for Storm Water Associated with Construction Activity will be necessary.



Legend

 'O'oma Beachside Village

Soil Survey

 Beaches

 Lava Flows: a'a

 Lava Flows: pahoehoe

 Punalu'u Extremely Rocky Peat, 6-20% Slopes

Source: US Dept. of Agriculture National Resources Conservation Services, 1995
 Disclaimer: This graphic has been prepared for general planning purposes only.

FIGURE 5
 Soil Survey

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII

NORTH LINEAR SCALE (FEET)




3/20/2007



Legend

 'O'oma Beachside Village

Land Classification

 Type E: Very Poor


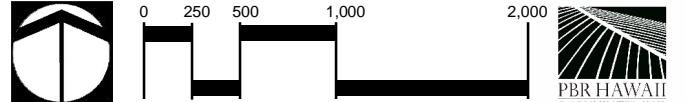
 Not Classified

FIGURE 6
 Land Study Bureau Land Classification
 'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII
 NORTH LINEAR SCALE (FEET)



Source: Land Study Bureau 1967
 Disclaimer: This graphic has been prepared for general planning purposes only.



Legend



-  'O'oma Beachside Village
-  Unclassified

FIGURE 7

Agricultural Lands of Importance
to the State of Hawai'i (ALISH)

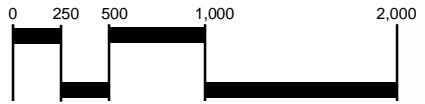
'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII

NORTH

LINEAR SCALE (FEET)



3/20/2007

Source: U.S. State Dept. of Agriculture 1977

Disclaimer: This graphic has been prepared for general planning purposes only.

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During site grading and all other construction activities involving soil disturbance, Best Management Practices (BMPs), which may include use of silt fences, sediment traps and diversion swales, will be utilized to minimize erosion of soil and the discharge of other pollutants, associated with project development. After construction, landscaping will provide long-term erosion control.

Because the soils at The Site are not well suited for agricultural cultivation or production, or considered to be lands of agricultural importance to the State, the proposed ‘O‘oma Beachside Village is not expected to impact the availability of agricultural land.

3.4 NATURAL HAZARDS

The Hawaiian Islands are susceptible to potential natural hazards, such as flooding, tsunami inundation, hurricanes, volcanic eruptions, and earthquakes. This section provides an analysis of site vulnerability to such hazards.

Existing Conditions

According to the Flood Insurance Rate Map (FIRM) prepared by the Federal Emergency Management Agency (FEMA), National Flood Insurance Program, a majority of Parcel 4 is located outside of the 500-year flood plain, in an area of minimal flooding (Zone X) (Figure 8). Only a small portion of Parcel 4 is located within the 100-year flood plain (Zone A). Parcel 22 and the State ROW are located outside of the 500-year flood plain, in an area of minimal flooding (Zone X).

Since the early 1800s, approximately 50 tsunamis were reported in Hawai‘i. Seven (7) caused major damage and two (2) were generated locally. Part of Parcel 4, located along the shoreline, falls within a tsunami evacuation zone designated by the Hawai‘i County Civil Defense Agency. However, The Site is located near an identified evacuation route, Natural Energy Road and Queen Ka‘ahumanu Highway. The remainder of Parcel 4, Parcel 22 and the State ROW are located outside of the tsunami inundation area.

Since 1980, two (2) hurricanes have had a devastating effect on Hawai‘i. They were Hurricane ‘Iwa in 1982 and Hurricane ‘Iniki in 1992. While it is difficult to predict such natural occurrences, it is reasonable to assume that future incidents are likely, given historical events.

The volcanic hazard zone map for Hawai‘i Island divides the island into zones ranked from one (1) through nine (9) (with one (1) being the area of greatest hazard and nine (9) being the area of least hazard) based on probability of coverage by lava flows. According to this map, the ‘O‘oma Beachside Village site is within Zone 4, which includes all of Hualālai, where about five (5) percent has been covered with lava since 1800 and less than 15 percent has been covered by lava in the last 750 years. Flows typically cover large areas but the frequency of eruptions is lower than other volcanoes, such as Kīlauea and Mauna Loa (USGS, 1997).

In Hawai‘i, most earthquakes are linked to volcanic activity, unlike other areas where a shift in tectonic plates is the cause of an earthquake. Each year, thousands of earthquakes occur in Hawai‘i, the vast majority of which are so small they are detectable only with highly sensitive instruments. However, moderate and disastrous earthquakes have rocked the islands.

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In 1929, an earthquake with an epicenter in Hualālai, with a magnitude of 6.5 resulted in extensive damage to the Kona area. A recent series of earthquakes, with magnitudes of 6.7 and 6.0, occurred at Kīholo Bay on October 15, 2006. The earthquakes resulted in more than \$100 million in damages to the northwest area of the island.

Potential Impacts and Mitigation Measures

The proposed ‘O‘oma Beachside Village will not exacerbate any natural hazard conditions. No habitable structures will be built within the 100-year floodplain (Zone A). Impact from tsunamis will be mitigated through compliance with Civil Defense tsunami evacuation procedures. Should there be a hurricane, the potential impact of destructive winds and torrential rainfall will be mitigated through compliance with the Uniform Building Code. All structures will be constructed in consideration of the possibility of earthquake occurrence, in compliance with requirements of the Hawai‘i County Building Code.

3.5 FLORA

Existing Conditions

Geometrician Associates, LLC conducted a botanical survey for the ‘O‘oma Beachside Village site. The Draft EIS will include the entire study as an appendix. The study considered the site in two (2) separate regions, strand and upland, separated by the inland extent of wave-washed coral chunks and sand.

The strand area, consisting of sandy soil and groundwater, contained cover that varied, from blankets of herbs and grasses to few forests or parkland. The area contained an abundance of other grasses, most commonly Bermuda grass (*Cynodon dactylon*). Large quantities of shrubs and herbs were present. Shrubs consisted primarily of the native *naupaka*, somewhat rare native *pilo*, and the aliens *noni* (*Morinda citrifolia*) and *klu* (*Acacia farnesiana*). In a few widely scattered locations, *Pluchea symphitifolia* were plentiful. Great quantities of native and alien herbs were present, including heliotrope trees (*Tournefortia argentea*) and chenopodes. Commonly found herbs included the ‘ilima (*Sida fallax*) and ‘uhaloa (*Waltheria indica*), with weedy composites, sparges, and portulacas. Scattered amidst the lava were unusual native species, including the Polynesian-introduced herb ‘*auhuhu* (*Tephrosia purpurea*). In cave overhangs, there were *Plectranthus parviflorus*. Coconuts (*Cocos nucifera*) and the native *kou* tree (*Cordia subcordata*) were present. Other common alien trees included Christmas berry (*Schinus terebinthifolius*), *kiawe* (*Prosopis pallida*), and *koa haole*. Vines were also found and included the natives *pa‘u o hi‘iaka* (*Jacquemontia ovalifolia*) and *pōhuehue* (*Ipoemoea pes-caprae*), as well as the alien ivy gourd vine (*Coccinea grandis*).


The upland area, consisting of lava rock substrate, has sparse to nearly continuous vegetation comprised primarily of scattered bunch grasses, specifically fountain grass (*Pennisetum setaceum*), *pili* grass (*Heteropogon contortus*) and Natal red-top grass (*Rhynchelytrum repens*). Low shrubs and herbs were also identified. Shrubs consisted primarily of somewhat rare native *pilo*, and the aliens *noni* (*Morinda citrifolia*) and *klu* (*Acacia farnesiana*). *Pluchea symphitifolia* were plentiful in a few, widely scattered locations. Herbs commonly found were ‘ilima and ‘uhaloa (*Waltheria indica*), with weedy composites, sparges, and portulacas. Unusual native species scattered on the lava included the Polynesian-introduced herb ‘*auhuhu* (*Tephrosia purpurea*). *Plectranthus parviflorus* were present in cave underhangs. There were a few widely



Legend

 'O'oma Beachside Village

Flood Hazards

 Zone A: 100 Year Floodplain


 Zone X: Outside Floodplain/Minimal Flooding Area

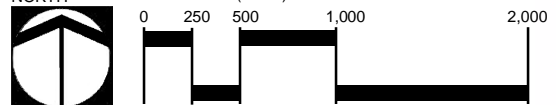
FIGURE 8
Flood Insurance Rate Map

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII

NORTH LINEAR SCALE (FEET)



PBR HAWAII
& ASSOCIATES, INC.
3/20/2007

Source: FEMA Flood Insurance Rate Maps State of Hawai'i 2006

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scattered trees. The alien tree *koa haole* (*Leucaena leucocephala*) was plentiful in a few locations. Also scattered amidst the lava was the native tree *naiio* (*Myoporum sandwicense*). Other native species present included the ferns *Doryopteris decora*, ally *moa* (*Psilotum nudum*) and *N. exaltata* subsp. *Hawaiiensis*, which was present in scarce quantities. The alien fern, *Nephrolepis multiflora*, was present through cracks.

No threatened or endangered species were identified; however, pilo (*Capparis sandwichiana*), listed as a rare plant by the U.S. Fish and Wildlife Service, was commonly found in the mauka portion of The Site.

Potential Impacts and Mitigation Measures

The proposed ‘O‘oma Beachside Village is not expected to impact any endangered or threatened plant species. The Botanical Survey recommended that consideration be given to preservation of some areas with dense concentrations of *pilo* because such plants are not only considered rare, according to the U.S. Fish & Wildlife Service (USFWS), which, along with the DLNR, is interested in its protection; but it is considered important for traditional Hawaiian medicine.

Although some areas will remain intact for preservation, creation of the master-planned community will require removal of some existing scrub vegetation. To the extent practicable, other trees and plants may be relocated to other areas. Trees and plants that cannot be replanted will be chipped and recycled at the green waste recycling center.

The ‘O‘oma Beachside Village will include new landscaping appropriate to the setting. Where feasible, new landscaping will include native and indigenous plants and drought tolerant hardy plants and grasses to minimize the need for irrigation.

3.6 FAUNA

Existing Conditions

Philip L. Bruner prepared an Avifauna and Feral Mammal Survey for the ‘O‘oma Beachside Village site in November, 2006. The Draft EIS will contain the complete survey as an appendix. The survey focused primarily on the coastal habitat, which was covered with native and alien trees and brush. An area of silted anchialine ponds mauka of the coastal vegetation was noted.

Only two (2) feral mammal species, the Small Indian Mongoose (*Herpestes auropunctatus*) and the feral cat (*Felis catus*) were observed. Seven (7) mongooses were observed along the coastal section and cat tracks were found along the coastal beach road. Although feral goats (*Capra hircus*) have been spotted on occasion along the ‘O‘oma and Kohanaiki coast, none were observed.

Five (5) species of avifauna were observed. They included four (4) species of common migratory birds, the Pacific Golden-Plover or Kōlea (*Pluvialis fulva*), Wandering Tattler or ‘Ūlili (*Heteroscelus incanus*), Ruddy Turnstone or ‘Akekeke (*Arenaria interpres*) and Sanderling or Hunakai (*Calidris alba*). There was also one new alien species, the House Finch (*Carpodacus mexicanus*).

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Potential Impacts and Mitigation Measures

The proposed ‘O‘oma Beachside Village is not expected to impact any rare, endangered or threatened species as none were found within the site. The ‘O‘oma Beachside Village is not expected to have an impact on significant habitats, as the anchialine area was deemed too small and overgrown with vegetation to be of use to migratory shorebirds or water birds (Bruner, 2006). No mitigation was suggested. The avifauna and feral mammal study will be included in the Draft EIS.

4.0 ASSESSMENT OF EXISTING HUMAN ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATION MEASURES

This section describes the existing conditions of the human environment, potential impacts of the proposed ‘O‘oma Beachside Village on it, and mitigation measures to minimize any impacts.

4.1 ARCHAEOLOGICAL AND HISTORIC RESOURCES

Existing Conditions

Rechtman Consulting is conducting an archaeological inventory survey of the ‘O‘oma Beachside Village site. The objective of the inventory survey will be to determine the presence/absence, nature, extent and significance of resources in The Site. The scope of work for this investigation will include evaluation, documentation, recordation and, where necessary, limited subsurface testing of recorded sites, as required by the State Department of Land and Natural Resources’ State Historic Preservation Division.

Potential Impacts and Mitigation Measures

The Draft EIS will contain results of the survey and the complete study will be included as an appendix. Appropriate mitigations measures will be implemented based on the results of the survey. North Kona Village, LLC will comply with all state and county laws and rules regarding the preservation of archaeological and historic sites. Should historic remains, such as artifacts, burials, concentrations of shell or charcoal be encountered during construction activities, work will cease in the immediate vicinity of the find and the State Historic Preservation Division will be contacted for appropriate mitigation, if necessary.

4.2 CULTURAL RESOURCES

Existing Conditions

Rechtman Consulting is conducting a cultural impact assessment to identify traditional customary practices associated with the ‘O‘oma Beachside Village site that may need to be considered in project planning. The cultural assessment will include archival research and interviews from people knowledgeable of the area to obtain information relating to practices and beliefs of indigenous Hawaiians within and surrounding the subject area. Such practices may include access-driven subsistence, agricultural, recreational, healing and burial practices, and religious or spiritual traditions.

Potential Impacts and Mitigation Measures

The Draft EIS will contain results of the cultural assessment and the complete study will be included as an appendix. Appropriate mitigation measures will be implemented based on the assessment.

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4.3 NOISE

Existing Conditions

Sources of noise in the vicinity of the ‘O‘oma Beachside Village area stem from:

- Aircraft flying to/from the Kona International Airport at Keāhole;
- Operations at Keāhole Power Plant located mauka of Queen Ka‘ahumanu Highway;
- Traffic traveling along Queen Ka‘ahumanu Highway and other surrounding roads;
- Construction at The Shores at Kohanaiki, Wawaloli Beach;
- Operations at NELHA; and
- Natural sources, such as wind, rain and the ocean.

Y. Ebisu & Associates is preparing a noise assessment study for the ‘O‘oma Beachside Village site. The Draft EIS will contain conclusions from the study and the complete assessment will be included as an appendix.

Potential Impacts and Mitigation Measures

As previously mentioned, results of the noise assessment study, potential impacts and proposed mitigation will be discussed in the Draft EIS. As a result of findings of the noise assessment study, further refinement of the land use plan may be necessary.

During the project construction phase, there will likely be noise impacts associated with operation of heavy construction machinery, paving equipment and material transport vehicles. However, the impact will only be temporary. To mitigate noise levels, North Kona Village, LLC will work with the contractor to ensure adherence with State DOH regulations, use of proper equipment and regular vehicle maintenance. Equipment mufflers or other noise attenuating equipment may also be employed as required. All construction activities will be limited to daylight work hours.

4.4 AIR QUALITY

Existing Conditions

Regional and local climate, together with the amount and type of activity generally dictate the air quality of a given location. In the vicinity of the ‘O‘oma Beachside Village site, winds are predominantly trade winds. During winter, storms may generate strong winds from the south (Kona winds) for brief periods. When the trade winds or Kona winds are weak or absent, landbreeze-seabreeze circulations may develop.

Generally, air quality in the project vicinity is good and meets State and Federal Air Quality Standards. There are no point sources of airborne emission within proximity of the ‘O‘oma Beachside Village site.

Pollutants that exist may be attributable to a variety of sources, including traffic traversing Queen Ka‘ahumanu Highway; housing construction operations occurring south of the project area, associated with development of The Shores at Kohanaiki; operation of the Keāhole Power Plant, mauka of the Kona International Airport at Keāhole and Queen Ka‘ahumanu Highway and volcanic activity at Kīlauea, where plumes of volcanic pollution (vog) is brought to the Kona

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coast by northeasterly tradewinds. Emissions from these sources are intermittent and minimal and are quickly dispersed by prevailing tradewinds.

An air quality study is being prepared and findings will be included in the Draft EIS, along with a copy of the study. The Draft EIS will include discussion of cumulative impacts.

Potential Impacts and Mitigation Measures

Emissions derived from operation of construction equipment and other vehicles involved in construction activities may temporarily affect the ambient air quality in the immediate vicinity. However, these effects will be minimized through proper maintenance of construction equipment and vehicles. In addition, there may be a temporary adverse impact on air quality attributable to dust generated during ‘O‘oma Beachside Village construction, particularly earthmoving activity, including excavating, trenching and filling. Proposed grading activities will occur in proximity to existing industrial businesses and major thoroughfares, posing potential impacts from dust.

It is anticipated that no State or Federal air quality standards will be violated during or after the creation of the ‘O‘oma Beachside Village. A dust control plan will be implemented during all phases of development. All construction activities will comply with the provisions of Chapter 11-60.1-33, HAR on fugitive dust. Measures to control dust during various phases of construction will include:

- Planning phases of construction to minimize the amount of dust-generating materials and activities, centralizing onsite vehicular traffic routes, and locating potential dust-generating equipment in areas of least impact;
- Providing an adequate water source at the site prior to start-up construction activities; Landscaping and rapid covering of bare areas, including slopes, starting from the initial grading phase;
- Minimizing dust from shoulders and access roads;
- Providing adequate dust control measures during weekends, after hours and before daily start-up of construction activities; and
- Controlling dust from debris being hauled away from The Site.

In the long term, motor vehicle traffic on project roadways may potentially cause long-term impacts on ambient air quality in the project vicinity. Motor vehicles with gasoline-powered engines are significant sources of carbon monoxide that emit nitrogen oxides and other contaminants. However, federal air pollution control requirements regulate and restrict the emissions from vehicles; therefore additional traffic generated by the project is not expected to significantly impact the ambient air quality. A more detailed discussion of short- and long-term impacts to air quality will be addressed in the forthcoming Draft EIS.

4.5 VISUAL RESOURCES

Existing Conditions

Hualālai defines the scenic resources east of the ‘O‘oma Beachside Village site. The Site does not lie within a scenic view corridor. Vast vacant and undeveloped open space comprises the view makai of The Site. Visible vegetation includes fountain grass, noni plants and maiapilo. The western portion of The Site consists of Wawaloli Beach, which is open to the public, a small

‘O‘OMA BEACHSIDE VILLAGE
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anchialine pond area, mauka of the coastline vegetation and Māmalahoa Trail, a rugged lava path built by Hawaiians for transportation of goods to neighboring ahupua‘a, extends mauka-makai, running north through the project area. The ocean, beach, anchialine pond area, and Māmalahoa Trail can only intermittently be seen from Queen Ka‘ahumanu Highway. Portions of ‘O‘oma Beachside Village located near the coast will probably not be visible from Queen Ka‘ahumanu Highway. Figure 4 contains photographs of the site.

Potential Impacts and Mitigation Measures

‘O‘oma Beachside Village will be master planned to ensure the appropriate use of materials, colors, site design standards and landscaping. The ‘O‘oma Beachside Village will be in character with surrounding uses, north and south of The Site. The shoreline park will align with NELHA's shoreline park and archaeological preserve to the north and The Shores at Kohanaiki Shoreline Park to the south. While the design is conceptual at this time, building massing will allow for openings between structures for coastal views. Height limits will be in accordance with Hawai‘i County Code requirements. Under the Code, all designs must undergo Plan Approval (except for Single-Family Residential homes) prior to commencement of construction.

Hualālai will still be visible east of The Site. Along the frontage of The Site, most of the coastline is not visible from Queen Ka‘ahumanu Highway. Therefore, there will be no obstruction of views from the highway down to the ocean. A 150-foot landscape buffer will serve to mitigate visual impacts from Queen Ka‘ahumanu Highway. In total, approximately 57 acres will be maintained as open space. Potential impact and mitigation will be further addressed in the Draft EIS.

4.6 SOCIO-ECONOMIC CHARACTERISTICS

A market and economic impact study is currently being prepared for the ‘O‘oma Beachside Village. Conclusions of the report will be included in the Draft EIS and the complete report will be included as an appendix to the Draft EIS.

Existing Conditions

4.6.1 Population and Housing

The 2000 Census reported the population of Hawai‘i County at 148,677. According to the data for the Kalaoa Census Designated Place (CDP), which includes the ‘O‘oma Beachside Village site, the population for that region was 6,794. Table 2 shows a comparison of the population of Hawai‘i County as a whole to the Kalaoa CDP.

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Table 2: Demographic Characteristics: 2000

Subject	Kalaoa CDP		Hawai‘i County	
	Number	Percent	Number	Percent
Total Population	6,794	100.00	148,677	100.00
AGE				
Under 5 years	430	6.3	9,130	6.1
5 – 19 years	1,874	27.6	33,690	22.7
20 – 64 years	4,313	63.5	85,738	57.6
65 years and over	607	8.9	20,119	13.5
Median Age (years)	38.8		38.6	
HOUSEHOLD (By type)				
Total Households	2,402	100.0	52,985	100.0
Family Households (families)	1,724	71.8	36,903	69.6
With own children under 18 years	831	34.6	17,072	32.2
Married-couple family	1,389	57.8	26,828	50.6
With own children under 18 years	622	25.9	11,302	21.3
Female householder, no husband present	234	9.7	7,000	13.2
With own children under 18 years	143	6.0	4,095	7.7
Non-families	678	28.2	16,082	30.4
Living alone	467	19.4	12,240	23.1
65 years and over	88	3.7	4,214	8.0
Average persons per household	2.83		2.75	
HOUSING OCCUPANCY AND TENURE				
Total Housing Units	2,541	100.0	62,674	100.0
Occupied units	2,402	94.5	52,985	84.5
By owner	1,611	67.1	34,175	64.5
By renter	791	32.9	18,810	35.5
Vacant units	139	5.5	9,689	15.5

Source: U.S. Census Bureau, Census 2000.

In 2005, the County of Hawai‘i population rose to 167,293, a 12.5 percent increase (DBEDT 2006). The population for the County is anticipated to increase to 176,750 persons by 2010, 203,050 persons by 2020 and 229,700 by 2030 (DBEDT 2004).

The median year-to-date single-family home sales price as of October 2006 has increased 11 percent from \$382,309 to \$425,000 at approximately the same time last year, the year-to-date sales were down 27 percent from 1,709 single-family home sales compared to 2,350 homes sold last year, according to the Hawai‘i Information Service (Pacific Business News, November 2006).

As of October 2006, year-to-date condominium sales were also higher than year-to-date sales at around the same time in 2005, but the number of sales was lower. While the sales price rose approximately 23 percent from \$374,000 to \$460,000, the amount of condominiums sold decreased by 37 percent from approximately 993 condominiums sold at around the same time in 2005 to 621 condominiums sold this year.

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4.6.2 Economy

The local economy is dependent on the arts, entertainment, recreation, accommodation and food services industry, with approximately 842 persons or 21.9 percent employed in these industries in the CDP. Other prevalent industries, with approximately 10 percent of the working population employed by field include: construction, retail, transportation, warehousing, and utilities; professional, scientific, management, administrative and waste management services and the educational, health, and social services fields.

The Kalaoa CDP has a low number of families facing poverty. In 1999, 53 families or three (3) percent of the population were facing poverty.

4.6.3 Employment

As of October 2006, Hawai‘i County’s unemployment rate was 2.2 percent, compared to three (3) percent in 2005 (State of Hawai‘i Department of Labor and Industrial Relations, 2006). In the Kalaoa CDP, approximately 3,846 persons ages 16 years and older were listed as employed. Approximately 25 percent of the population was employed in the management, professional or related occupations, 25 percent in service occupations and 25 percent in sales and office occupations. The remaining 25 percent were employed in the farming, fishing and forestry occupations, construction industry or production, transportation and material moving occupations.

Potential Impacts and Mitigation Measures

A market study and economic impact analysis is being prepared by the Mikiko Corporation and findings will be included in the Draft EIS, along with a copy of the study. The ‘O‘oma Beachside Village will supply approximately 950 to 1,200 homes. The Draft EIS will include additional information regarding projected population and discuss potential impacts and mitigation measures. The proposed ‘O‘oma Beachside Village will help address housing need for island residents. The market study will address housing demand and supply factors, which may be influenced by the ‘O‘oma Beachside Village. Creation of the proposed master-planned community will result in job creation, associated with subdivision improvements and home construction. It will also generate revenue associated with property taxes and business operations. The economic impact analysis will address the impact of the proposed ‘O‘oma Beachside Village to the local economy.

4.7 INFRASTRUCTURE AND UTILITIES

M&E Pacific is preparing a preliminary engineering report for the ‘O‘oma Beachside Village. Conclusions and recommendations of the report will be included in the Draft EIS. The report will be attached as an appendix to the Draft EIS.

4.7.1 ROADWAYS AND TRAFFIC

Existing Conditions

Queen Ka‘ahumanu Highway is a State arterial highway facility that borders the site to the east and is currently being expanded to a four (4) lane facility in two (2) phases. Phase I of the

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expansion, which will involve road widening from Henry Street to Kealakehe Parkway, is currently underway and is anticipated to be completed by April 2007. Phase II of the expansion, which will involve road widening of the area from Kealakehe Parkway to Keāhole Airport, will soon be open to bid by contractors.

Currently, there is a permitted highway access opening near the southeast corner of the ‘O‘oma Beachside Village site. Additional access is possible via the NELHA access road, which connects to a coastal jeep trail that extends north-south along the western portion of the property, near the shoreline.

A Traffic Impact Assessment Report (TIAR) will be prepared by M&E Pacific. The TIAR will include an analysis of traffic counts for existing, ambient, and future conditions associated with project build-out. Level of Service (LOS), circulation patterns and mitigation measures will be addressed in the TIAR.

Potential Impacts and Mitigation Measures

Access to ‘O‘oma Beachside Village is proposed to be available via two access routes: 1) the primary entrance would be off Queen Ka‘ahumanu Highway, through the southeast corner of Parcel 22; and 2) the secondary access route would be via a collector road that runs north-south from HOST, east of Māmalahoa Trail.

To provide additional secondary access in the future, there will also be two potential access openings: 1) one to enable possible future connection through HOST to the Kona International Airport at Keāhole to the north; and 2) one at the southwestern portion of Parcel 22 to enable future between O‘oma Beachside Village and The Shores at Kohanaiki.

As previously stated, there is an existing permitted access from Queen Ka‘ahumanu Highway, at the southeast corner of Parcel 22. Depending on the derived solution for access to this area, the access is illustrated on the Conceptual Master Plan to be relocated approximately 400 feet north of the existing permitted access opening location. The applicant will work with the County and State to establish the basis of design for access to ‘O‘oma Beachside Village. The entire area will be served by a collector road that will loop around The Site to serve the proposed land uses.

As previously mentioned, a TIAR is being prepared and findings will be included in the Draft EIS, along with a copy of the study. The TIAR will include an analysis of existing traffic conditions and will also account for base year traffic projections without project-generated traffic, trip generation and traffic assignment characteristics, determination of the potential impact of project-generated traffic on the base year for each development phase, and recommendations of mitigation measures to reduce or eliminate adverse impacts resulting from traffic generated. Cumulative traffic impacts associated with the creation of the proposed ‘O‘oma Beachside Village will be addressed in the Draft EIS.

4.7.2 Water System

Existing Conditions

Currently, the Hawai‘i County Department of Water Supply’s (DWS) North Kona Water System provides the region’s potable water and is integrated with sources south of Hinalani, down to the intersection of Māmalahoa Highway and Queen Ka‘ahumanu Highway. The system extends

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from the Kona International Airport at Keāhole in the north to Kealakekua to the south. An existing 12-inch transmission main runs along Queen Ka‘ahumanu Highway and connects to two (2) storage tanks above the airport, Keāhole Tank and Keāhole No. 1 tank). Another 12” transmission main then runs south along the portion of Queen Ka‘ahumau Highway fronting the airport, terminating in a 12-inch by 12-inch tee at NELHA for future connection to ‘O‘oma Beachside Village and lands further south, should there be available water.

Potential Impacts and Mitigation Measures

North Kona Village, LLC will coordinate with the DWS to ensure that water storage and source is available at the time of development. Demand and preliminary water engineering will be discussed in the Draft EIS. A copy of the preliminary engineering report will be attached as an appendix to the Draft EIS.

4.7.3 Wastewater System

Existing Conditions

Wastewater from the Kona region is treated and disposed of by individual wastewater systems, private treatment facilities, as well as the County’s Kealakehe Waste Water Treatment Plant. Many of the single-family residential lots and public parks in the region are still connected to septic systems. For smaller facilities, systems consist of a septic tank and disposal through leaching.

Treatment facilities in close proximity to the ‘O‘oma Beachside Village site are located at Keauhou, Kealakehe, and the Kona International Airport at Keāhole. Limited capacity is available at each wastewater treatment facility; however, according to the *County Environmental Report in Support of Applications for a Project District and Special Management Area Use Permit* (Helber, Hastert & Fee, 2003) much of this capacity has been reserved for future development.

In 2001, the County of Hawai‘i passed Resolution 70-01, which allowed the extension of the municipal sewer system from the existing Kealakehe Wastewater Treatment Plant, north along Queen Ka‘ahumanu Highway to Kohanaiki.

Potential Impacts and Mitigation Measures

North Kona Village, LLC is exploring coordination with other landowners on shared use of offsite treatment facilities, joint development of an offsite treatment facility, or possible development of an onsite one mgd wastewater treatment plant. If North Kona Village, LLC opts to develop a wastewater treatment plant at the ‘O‘oma Beachside Village site, design and construction will be in accordance with State Department of Health and County of Hawai‘i standards and treated water would be reused for irrigation. M&E Pacific is preparing a preliminary engineering report that will include further discussion on the wastewater collection and treatment required for ‘O‘oma Beachside Village. Conclusions from the report will be included in the Draft EIS, which will also contain a copy of the report attached as an appendix.

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4.7.4 Drainage System

Existing Conditions

Runoff from Hualālai sheet flows and is conveyed via gullies that run east to west (mauka to makai) near the ‘O‘oma Beachside Village site. Similarly, runoff from the undeveloped Site sheet flows east to west (mauka to makai) and is conveyed by gullies, discharging into the low lands near the shoreline.

Storm water mauka of Queen Ka‘ahumanu Highway flows down toward the highway, where it is cut off and diverted to a series of culverts running below the highway. Near the ‘O‘oma Beachside Village site, there are two (2) highway culverts, one a 30-inch corrugated metal pipe, located approximately 1,000 feet north of the site, near the airport and the other, a 14 foot, 10-inch by 9 feet, one inch culvert located approximately 1,000 feet south of the existing jeep access road that intersects the highway near the property’s southern boundary. Runoff from the southern culvert drains south of The Site. A more detailed discussion of drainage infrastructure will be included in the Draft EIS.

Potential Impacts and Mitigation Measures

Offsite runoff will continue to flow east to west (mauka to makai). The proposed ‘O‘oma Beachside Village will maintain the original drainage flow pattern.

Creation of the ‘O‘oma Beachside Village will result in increased impervious surfaces, such as roads and homes that will result in an increase of runoff generated. Currently, runoff is planned to be collected by a drywell/drain inlet system with detention basins, as determined during the design phase of the project. Any increase in runoff will be retained onsite and design and construction of the drainage system will be in accordance with existing requirements of the County of Hawai‘i Storm Drainage Standards and the Standard Details and Specifications for Public Works Construction. A detailed discussion of drainage flows and proposed mitigation measures will be included in the Draft EIS, along with a copy of the preliminary engineering report.

4.7.5 Electrical and Communications Systems

Existing Conditions

Electrical, telephone and cable service for the region is provided by Hawai‘i Electric Light Company, Inc. (HELCO), Hawaiian TelCom and Oceanic/Time-Warner Cable, respectively. The nearest power sources are a 69 kV overhead transmission line mauka of Queen Ka‘ahumanu Highway and a substation that serves NELHA (Helber, Hastert & Fee, 2003). Mauka of Kona International Airport and Queen Ka‘ahumanu Highway is the Keāhole Power Plant, the largest power producer on the Island, generating up to 75 percent of the power needed by West Hawai‘i, and 35 percent of the electricity for the entire island. As far as telephone service, there are fiber optic lines on the electrical pole line mauka of the highway and there is a small equipment hut serving a small agricultural subdivision north of the ‘O‘oma Beachside Village site. The nearest source of cable television service is the fiber optic lines also on the 69 kV pole mauka of the highway (Helber, Hastert & Fee, 2003). Additional details of the electrical and communication systems will be described in the Draft EIS.

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Potential Impacts and Mitigation Measures

Coordination with the various utility companies will be undertaken for preparation of the Draft EIS, which will include a discussion of estimated electrical demand as well as potential impacts and mitigation measures.

Energy conservation measures will be implemented where possible in the design of ‘O‘oma Beachside Village. Energy-saving technologies to be considered for incorporation include:

- Solar energy for water heating
- Maximum use of day lighting
- Installation of high efficiency compact fluorescent lighting
- Roof and wall insulation, radiant barriers and energy efficient windows
- Installation of light colored roofing
- Utilization of landscaping for shading of buildings
- Use of photovoltaics, fuel cells and other renewable energy sources
- Installation of “district cooling” system, which utilizes cold sea water as a chilling agent for air conditions systems. NELHA currently utilizes such technology, which requires less maintenance than compressor systems, resulting in energy cost savings, fresh water conservation and fuel conservation needed for electricity production.

4.7.6 Solid Waste

Existing Conditions

Currently, the County of Hawai‘i does not provide solid waste collection service to the North Kona region. Area residents either dispose of their own refuse or hire a private collector to haul it to one of many transfer stations on the island, which in turn is delivered to one of two landfills, the South Hilo Landfill or the Pu‘uanahulu Landfill.

According to the *Update to the Integrated Solid Waste Management Plan for the County of Hawai‘i*, in 2002, the total amount of solid waste managed by the county system was approximately 160,000 tons (Harding ESE, 2002). The South Hilo Landfill is rapidly filling up and will have to close within the next two to five years (Geometrician Associates, 2006). The estimated lifespan of the Pu‘uanahulu Landfill, with a 15 percent diversion rate and receipt of only West Hawai‘i waste, is until the year 2049. If the Pu‘uanahulu Landfill receives all of the County’s waste, and if planned recycling and resource recovery efforts progress (potentially increasing the diversion rate to 45 percent), then the Pu‘uanahulu Landfill has capacity until the year 2045. Additionally, the proposed waste reduction technology in East Hawai‘i could potentially expand the Pu‘uanahulu Landfill beyond the year 2049 (County of Hawai‘i, 2004).

Potential Impacts and Mitigation Measures

The Draft EIS will include more information on solid waste disposal facilities, and the impact of the ‘O‘oma Beachside Village on landfill capacity and future solid waste solutions being pursued by the County.

A solid waste management plan for reduction of solid waste disposal will be prepared in accordance with County standards. Waste generated by site preparation will primarily consist of debris associated with the removal of lava rock and shrub vegetation onsite. Where possible,

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green waste from grubbing will either be chipped into mulch for use onsite or recycled, thereby minimizing the amount of solid waste generated. It will be recommended to contractors that a job-site recycling plan should be developed. Construction waste that cannot be recycled will be disposed of in the County’s landfill.

After construction, recycling will be encouraged. Recycling provisions, such as collection systems and space for bins, may be incorporated in to the Village. The Village will most likely be serviced by a private refuse collection agency, possibly contracted by a Homeowner’s Association(s). Waste that cannot be recycled will be disposed of at the County Landfill.

4.8 PUBLIC SERVICES AND FACILITIES

4.8.1 Police, Fire and Medical Services

Existing Conditions

The County of Hawai‘i Police Department’s Kealakehe Station is located just mauka of Queen Ka‘ahumanu Highway, approximately two (2.0) miles south of the ‘O‘oma Beachside Village site. The station provides service to the North and South Kona Districts. There are also substations in Keauhou and Captain Cook for officers from the Kona Station working in those areas (Helber, Hastert & Fee, 2003).

Fire prevention, suppression and protection services for the region are provided by the Kailua-Kona Fire Station, approximately four (4.0) miles south of the ‘O‘oma Beachside Village site, near the intersection of Palani Avenue and Queen Ka‘ahumanu Highway. The station, which serves areas within a 30-mile radius, from Keauhou to the Kona Village Resort, is equipped with a ladder truck, tanker, rescue boat and Emergency Medical Service ambulance. Back-up support to the station is provided by a volunteer-operated fire station located along Māmalahoa Highway. Other fire stations are located in Keauhou, Waikoloa and South Kohala (Helber, Hastert & Fee, 2003).

The health care facility nearest The Site is Kona Community Hospital, located on Haukapila Street in Kealakekua, approximately 17.0 miles southeast of the ‘O‘oma Beachside Village site. The 94-bed facility provides acute and long-term care services (Hawai‘i Health Systems Corporation, 2006). Other private medical and dental service providers, which have regular business hours, are located in the Kona region, including a Kaiser Permanente Clinic.

Potential Impacts and Mitigation Measures

The ‘O‘oma Beachside Village should not require an extension of existing service area limits for emergency services. There may be a need for additional personnel; however, additional revenues will be generated through property taxes, which will support the County and State and their respective departments. Coordination will be undertaken with appropriate agencies to address service capabilities of police, fire, and emergency medical operations.

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4.8.2 Recreational Facilities

Existing Conditions

Numerous recreational parks and facilities are located in close proximity to the ‘O‘oma Beachside Village site. Bordering The Site to the west is Wawaloli Beach Park, operated by NELHA and HOST. The white sand beach has a children’s swimming area, consisting of a large tide pool surrounded by a lava rock wall, which serves to break waves during high tide. It also has picnic tables, barbecue pits, showers and other public facilities. On-shore pole fishing is possible along the southern shore, amidst the cliffs. Along the shoreline, there is an existing dirt trail with access to many small tide pools.

Along the boundary between Parcels 4 and 22, extending in a north-south direction is the State ROW, labeled on survey maps as ‘King’s Highway,’ which veers off from Māmalahoa Trail. East of the ROW, extending in a north-south direction through Parcel 22, parallel to Queen Ka‘ahumanu Highway is the Māmalahoa Trail, a lava rock road constructed in the early 1800s by Hawaiians, primarily for transport of goods and travel between ahupua‘a. The Māmalahoa Trail, from which one may view petroglyphs, extends around most of the Island. However, the portion that runs through The Site is part of the Kaloko-Honokōhau National Historical Park, a 1,160-acre national historical landmark, located approximately 0.5 miles south of The Site. The park consists of extensive natural and cultural resources, including archaeological sites, wetlands and fishponds (Helber, Hastert & Fee, 2003).

South of, and adjacent to the ‘O‘oma Beachside Village site, within The Shores at Kohanaiki, is a 7,200-yard championship golf course, clubhouse, and golf range, tennis courts and workout facilities. Also in the Kohanaiki project area, near the shore, are four (4) open camp ground areas, a popular surf spot, known as “Pine Trees,” a native trail with benches and vista points, and a trail that will connect to the 175-mile Ala Kahakai National Historic Trail, a corridor which traverses through numerous ancient Hawaiian settlement sites and ahupua‘a.

Approximately three (3) miles south of the ‘O‘oma Beachside Village site is the Old Kona Airport State Park, which has a gymnasium with a full-sized basketball court, five (5) baseball fields, two (2) soccer fields, two (2) football fields and four (4) tennis courts. Other parks include Kealakekua Bay Historic Park, Kekaha Kai State Park, Keolonāhihi State Historic Park and Nāpo‘opo‘o Beach Park. Approximately 1.5 miles south of The Site is the Honokōhau Small Boat Harbor, which can accommodate commercial and recreational vessels (Helber, Hastert & Fee, 2003).

County parks include Disappearing (White) Sands Beach Park, Ho‘okena Beach Park, Kahalu‘u Beach Park, Manini Point (Nāpo‘opo‘o), Miloli‘i Beach Park and Pāhoehoe Beach Park. The Kona Aquatic Center has facilities for lap swimming and water activity area for young children (Helber, Hastert & Fee, 2003).

Potential Impacts and Mitigation Measures

‘O‘oma Beachside Village will consist of approximately 104 acres of parks and open space. Near the shore, there will be approximately 75 acres of parks and open space. Of the 75 acres, there will be approximately 57 acres of open space and an 18 acre shoreline park, which will include a public canoe club, that will connect to the shoreline park for The Shores at Kohanaiki. There will also be an approximately eight (8) acre active community park and various smaller

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neighborhood parks, totaling four (4) acres. Queen Ka‘ahumanu Highway and the historic Māmalahoa Trail will be maintained with landscape buffers. The open space trails would be able to connect to the Ala Kahakai Trail in the future, if so desired. A multi-modal trail system/bike pathways and roadways will loop throughout The Site, providing residents with easy access to the beach and the ability to bike, walk, hike or run throughout ‘O‘oma Beachside Village. North Kona Village, LLC will coordinate with the Department of Parks and Recreation to ensure that community park requirements are satisfied.

4.8.3 Schools

Existing Conditions

Presently, the State of Hawai‘i Department of Education operates five (5) public schools in the Kealakehe Complex of the Honoka‘a-Kealakehe-Kohala-Konawaena Complex Area. They are: Kealakehe High School (grades 9-12), Kealakehe Intermediate School (grades 6-8) and Kealakehe Elementary School (grades K-5), Kahakai Elementary School (grades K-5) and Hōlualoa Elementary School (grades K-5). Table 4 contains current and projected school enrollment information.

Table 3: Capacity and Enrollment for Public Schools

Kealakehe Complex			
School	Capacity for 2005-2006 School Year	Enrollment in 2005-2006 School Year	Projected Enrollment 2011-2012
Kealakehe High School (Grades 9-12)	1,480	1,530	1,395
Kealakehe Intermediate School (Grades 6-8)	1,055	965	874
Kealakehe Elementary School (Grades K-5)	983	960	1,118
Kahakai Elementary School (Grades K-5)	819	618	703
Hōlualoa Elementary School (Grades K-5)	473	448	623

Source: State of Hawai‘i Department of Education, 2006.

There are also three (3) public charter schools in the region: Innovations Public Charter School (PCS) (grades 1-6) located on Queen Ka‘ahumanu Highway in Kailua, Kanu o ka ‘Āina New Century Public Charter School (NCPCS) (grades K-12), which operates out of the Lālāmilo Experiment Station in Waimea and West Hawai‘i Explorations Academy Public Charter School (grades 7-12) operating at NELHA. ,

Innovations PCS, which has an open admissions policy, integrates multi-age groupings, project-based focus and technology into its curriculum. The school has a capacity for 120 students. For the 2006-2007 school year more than 150 students applied, and approximately 242 students are on the wait list (Innovations Public Charter School, 2006).

Kanu o ka ‘Āina NCPCS, which has an open admissions policy, integrates native Hawaiian culture project-based learning and technology into its curriculum. Students have access to

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outdoor learning laboratories in Kawaihae, Pu‘upulehu, Kukui and Waipi‘o Valley. The school has a capacity for 150 students but may be able to accommodate up to 250 students upon permanent site relocation (Kanu o ka ‘Āina Learning ‘Ohana, 2006).

The West Hawai‘i Explorations Academy PCS, which has an open admissions policy, integrates inquiry-based, problem-solving and project-based learning, for students interested in marine and environmental science. Grades seven (7) and eight (8) currently have a capacity for 25 students per grade level. Grades nine (9) to 12 can accommodate 15 students per grade level (West Hawai‘i Explorations Academy, a Public Charter School, 2006).

Potential Impacts and Mitigation Measures

North Kona Village, LLC has met with State Department of Education representatives to discuss the “fair-share” educational assessment for the ‘O‘oma Beachside Village and will continue to coordinate to ensure that requirements are met.

5.0 LAND USE CONFORMANCE

The processing of various permits and approvals are prerequisites to the implementation of the ‘O‘oma Beachside Village Master Plan. Relevant State of Hawai‘i and Hawai‘i County land use plans, policies, and ordinances are described below.

5.1 STATE OF HAWAI‘I

5.1.1 Chapter 343, Hawai‘i Revised Statutes

Compliance with Chapter 343, HRS is required as described in Section 2.6.

5.1.2 State Land Use Law, Chapter 205, Hawai‘i Revised Statutes

The State Land Use Law (Chapter 205, HRS), establishes the State Land Use Commission and authorizes this body to designate all lands in the State into one of four (4) Districts: “Urban,” “Rural,” “Agricultural,” or “Conservation.”

Parcel 4, comprising approximately 217.566 acres lies entirely within the “Conservation” District (Figure 9). A SLUDBA will be required to reclassify approximately 181.169 acres of Parcel 4 from the “Conservation” District to the “Urban” District (Figure 10). Approximately 38.211 acres of Parcel 4, located near the shoreline and that includes the majority of the archaeological and cultural features on the property, will remain in the “Conservation” District.

The State ROW, comprising approximately 1.814 acres, is within the “Conservation” District (Figure 9) and will be included for reclassification to “Urban” in the SLUDBA (Figure 10).

Parcel 22, which comprises 83 acres, is entirely within the “Urban” District (Figure 9) and will remain in the “Urban” District (Figure 10).

5.1.3 Coastal Zone Management Act, Chapter 205A, Hawai‘i Revised Statutes

The Coastal Zone Management Area as defined in Chapter 205A, HRS, includes all the lands of the State. As such, the proposed ‘O‘oma Beachside Village lies within the Coastal Zone Management Area. The County’s SMA extends from Queen Ka‘ahumanu Highway in the makai/west direction through the ‘O‘oma Beachside Village site and to the shoreline.

The Draft EIS will include the relevant objectives and policies of the Hawai‘i Coastal Zone Management (CZM) Program pertaining to the proposed ‘O‘oma Beachside Village along with a more detailed discussion of how the ‘O‘oma Beachside Village will coincide with these objectives and policies.

5.1.4 Hawai‘i State Plan, Chapter 226, Hawai‘i Revised Statutes

The Hawai‘i State Plan (Chapter 226, HRS) establishes a set of goals, objectives and policies that serve as long-range guidelines for the growth and development of the State. The State Plan is divided into three parts: Part I (Overall Theme, Goals, Objectives and Policies); Part II

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(Planning, Coordination and Implementation); and Part III (Priority Guidelines). Part II elements pertain primarily to the administrative structure and implementation process of the State Plan.

As such, an analysis of the applicability of Part II to the proposed ‘O‘oma Beachside Village will not be provided. The sections of the State Plan directly applicable to ‘O‘oma Beachside Village, along with a discussion of how the ‘O‘oma Beachside Village conforms to the State Plan, will be included in the Draft EIS.

5.1.5 State Functional Plans

The Hawai‘i State Plan directs State agencies to prepare functional plans for their respective program areas. There are 14 State Functional Plans that serve as the primary implementing vehicle for the goals, objectives, and policies of the Hawai‘i State Plan. The functional plans applicable to the proposed ‘O‘oma Beachside Village, along with each plan’s applicable objectives, policies, and actions will be discussed in the Draft EIS.

5.2 COUNTY OF HAWAII

5.2.1 County of Hawai‘i General Plan

The County of Hawai‘i General Plan is a policy document that is intended to help guide development for the enhancement and improvement of life on Hawai‘i Island. The document advances the County’s vision for Hawai‘i Island through the establishment of strategies to help achieve that vision.

According to the *County of Hawai‘i General Plan* (February 2005), a portion of Parcel 4 is designated as “Open Space” and a portion is “Urban Expansion” (Figure 11). The shoreline park, coastal (archaeological) preserve, greenway trails and landscape buffers proposed on Parcel 4 are consistent and compatible with the “Open Space” designation. Parcel 22 is designated as “Urban Expansion,” with a narrow strip of “Open Space” bordering the east end of the parcel along Queen Ka‘ahumanu Highway. The State ROW is designated “Urban Expansion,” with a narrow strip of “Open Space” bordering the southern end of the State ROW. The land uses proposed in the Conceptual Master Plan are consistent with the “Urban Expansion” designation and “Open Space” designation along the highway. Goals, objectives, and policies from the General Plan relevant to the proposed ‘O‘oma Beachside Village will be discussed in the Draft EIS.

5.2.2 County of Hawai‘i Zoning

Similar to the State Land Use Districts, the Hawai‘i County Code (County Code) regulates the type and location of development permitted on the island. County Code designations are more specific in terms of describing permitted land uses. For example, there are residential, resort, agricultural, commercial, industrial, open, planned unit development, cluster plan development, ‘ohana dwellings, project districts, agricultural project districts, and special districts, many of which have subcategories based on a variety of development standards such as permitted lot size or structures.



Legend

 'O'oma Beachside Village

Land Use Districts

 Conservation

 Urban

Source: State Land Use Commission 2004

Disclaimer: This graphic has been prepared for general planning purposes only.

FIGURE 9
State Land Use District

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

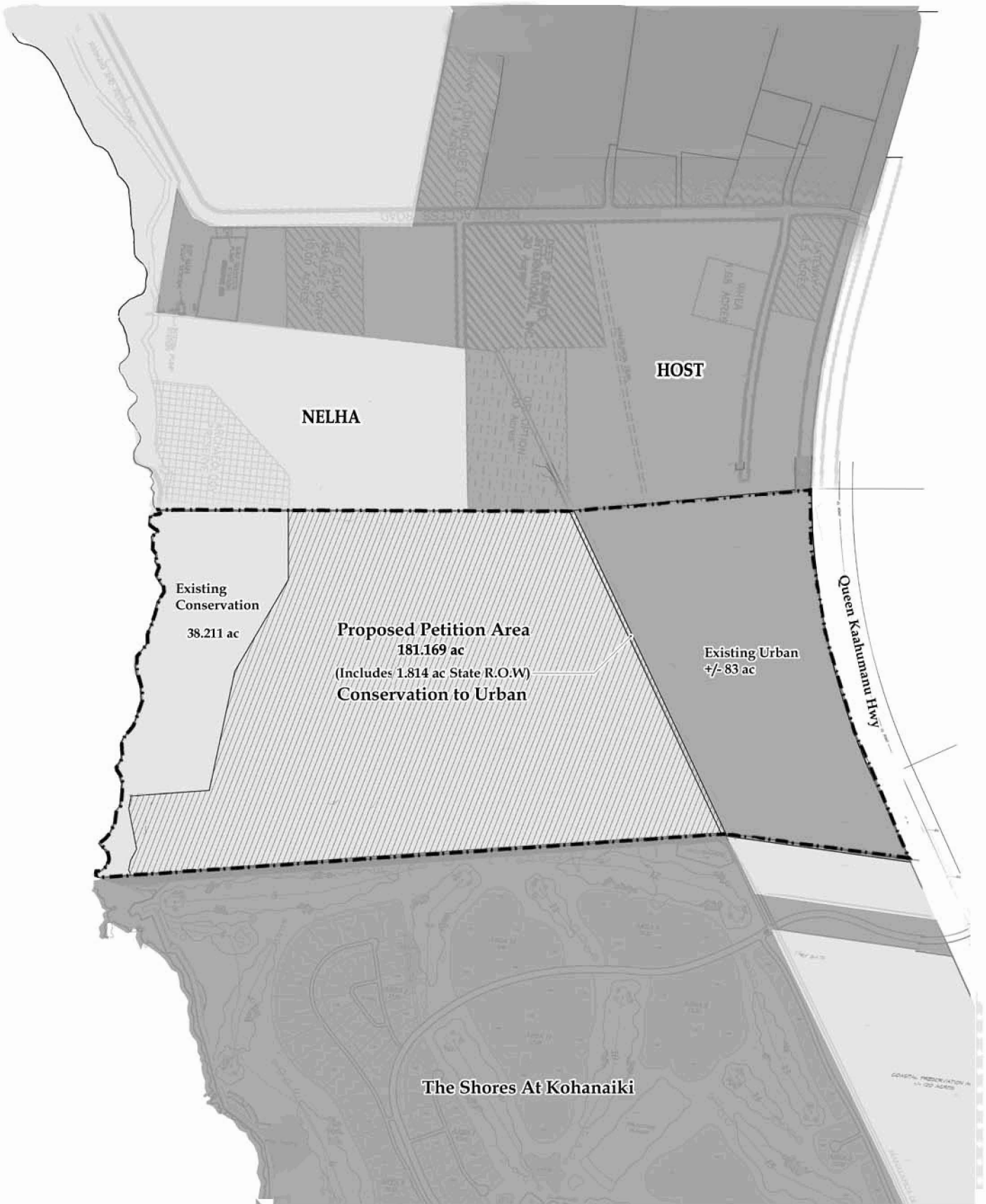
ISLAND OF HAWAII

NORTH

LINEAR SCALE (FEET)



3/20/2007



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



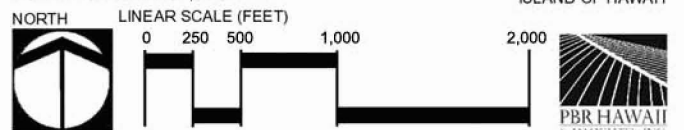
-  'O'oma Beachside Village
-  'O'oma Petition Area (Conservation to Urban)
-  Existing Conservation
-  Existing Urban

FIGURE 10
Petition Area

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII





Legend









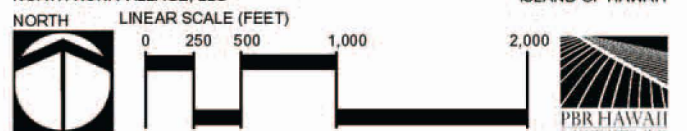
-  'O'oma Beachside Village
-  Important Ag Lands
-  Industrial
-  Low Density Urban
-  Medium Density Urban
-  Open
-  Resort
-  Urban Expansion

FIGURE 11

County of Hawai'i General Plan 2005

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII



‘O‘OMA BEACHSIDE VILLAGE
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The existing Hawai‘i County zoning for Parcels 4 and the State ROW is “OS, Open” (Figure 12). Permitted uses within the district contribute to the general welfare, the full enjoyment or economic well-being of open land type use which has been established, or is proposed. The object of the land use is to encourage development around it such as a golf course and park, and to protect investments which have been or shall be made in reliance upon the retention of such open type use, to buffer an otherwise incompatible land use or district, to preserve a valuable scenic vista or an area of special historical significance, or to protect and preserve submerged land, fishing ponds, and lakes (natural or artificial tide lands).

Parcel 22 is County zoning designated “MG-3a, General Industrial” (Figure 12). Permitted uses within the district are generally considered to be offensive and noxious, making it necessary to separate these uses from residential and other incompatible uses. Minimum lot size is three (3) acres.

The land uses proposed for Parcels 4, 22 and the State ROW of the Conceptual Master Plan are not consistent with the permitted uses of the “OS, Open” and “MG-3a, General Industrial” designations. Therefore, subsequent to the SLUDBA process, a Change of Zone request will be submitted to the County of Hawai‘i Planning Department to change the existing zoning to “PD, Project District.” Project Districts are intended to provide for a flexible planning approach. Permitted uses generally include those permitted in the “RS, Single-Family Residential Districts,” “RD, Double-Family Residential Districts,” “RM, Multiple-Family Residential Districts,” “RCX, Residential-Commercial Mixed Use Districts,” “CN, Neighborhood Commercial Districts,” “CG, General Commercial Districts,” “CV, Village Commercial Districts” or “V, Resort-Hotel Districts.”

5.2.3 Special Management Area

The ‘O‘oma Beachside Village site is located within the Special Management Area (SMA) (Figure 13). The SMA is the area extending inland from the shoreline that has been designated for special protection to help preserve coastal resources. The County must approve any development within the SMA and issue a permit depending upon the type of development. The ‘O‘oma Beachside Village will occur inside of the SMA and thus, will require a SMA Use Permit. Concurrent with, and subsequent to, the Change of Zone process, North Kona Village, LLC will submit a SMA Use Permit application to the County of Hawai‘i Planning Department.

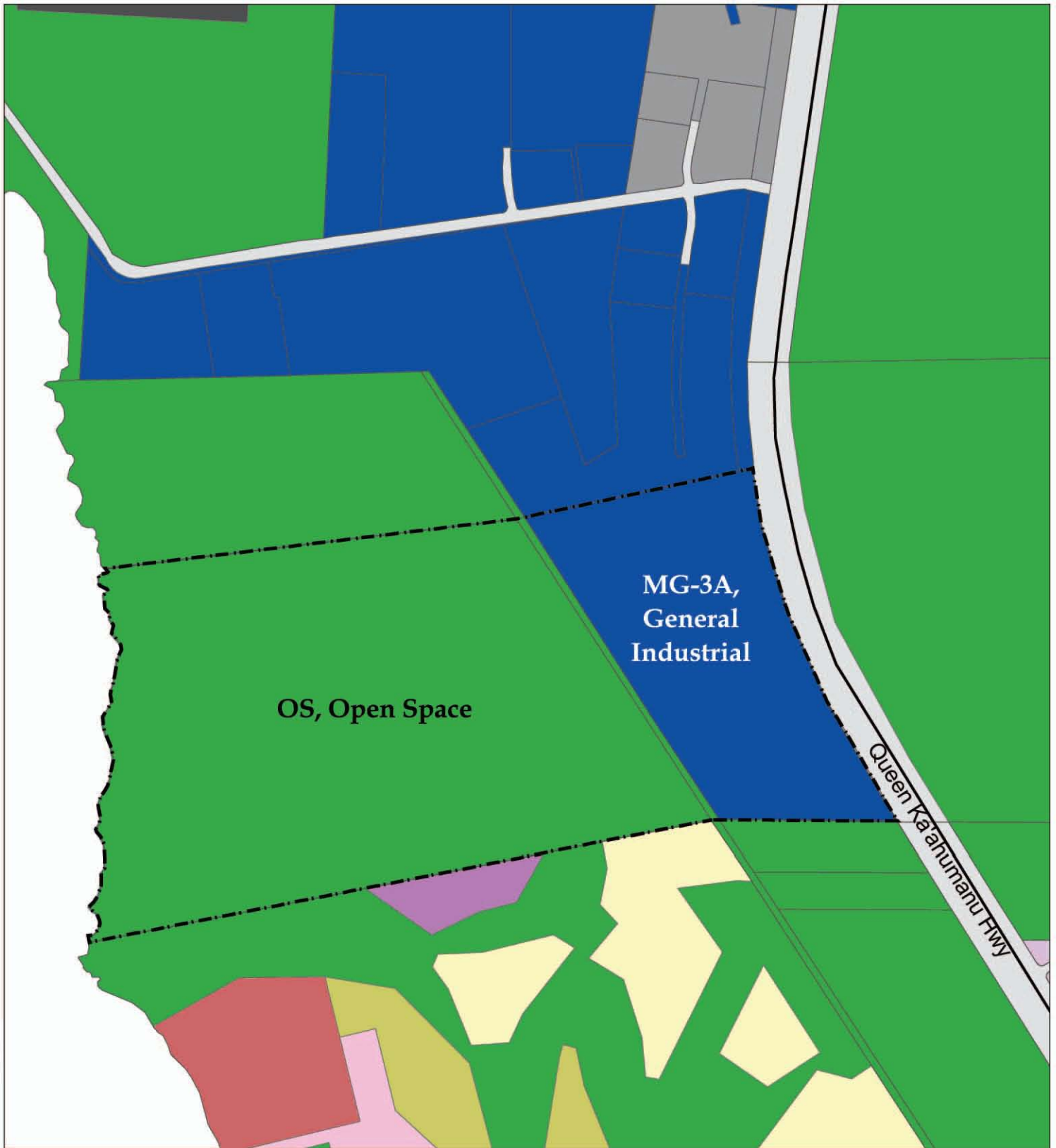
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5.3 APPROVALS AND PERMITS

A listing of anticipated permits and approvals required for the proposed project is presented below:

Table 4: List of Anticipated Permits and Approvals

Permit/Approval	Responsible Agency
State Land Use District Boundary Amendment	State Land Use Commission
Change of Zone Request	County Planning Department/County Council
Special Management Area Use Permit (Major)	County Planning Department/Planning Commission
Subdivision Approval	County Planning Department
National Pollutant Discharge Elimination System (NPDES) Permit	State Department of Health
Plan Approval	County Planning Department
Grading/Building Permits	County Department of Public Works
Approval for Wastewater Treatment Facility	State Department of Health
Permit to Perform Work within a State Right-of-Way	State Department of Transportation
Purchase of State ROW	Board of Land & Natural Resources



Legend

'O'oma Beachside Village	MG-1a	Residential Multi-Family
Road	MG-3a	RM-3
Commercial	ML-10	RM-4
CV-10	ML-1a	Residential Single-Family
CV-20	ML-3a	RS-10
Industrial	OPEN	Resort
MCX-20		V-1.25

FIGURE 12
County of Hawai'i Zoning

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII

NORTH LINEAR SCALE (FEET)

0 250 500 1,000 2,000

Source: County of Hawai'i Zoning GIS 2006
Disclaimer: This graphic has been prepared for general planning purposes only.



Legend



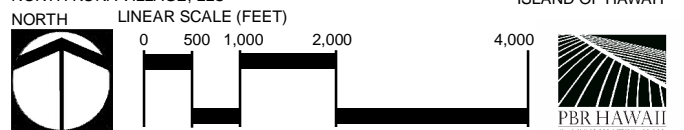
-  'O'oma Beachside Village
-  Special Management Area

FIGURE 13
Special Management Area

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII



Source: SMA County of Hawai'i GIS 2006

Disclaimer: This graphic has been prepared for general planning purposes only.



6.0 ALTERNATIVES TO THE PROPOSED ACTION

In compliance with the provisions of Title 11, Department of Health, Chapter 200, Environmental Impact Statement Rules, Section 11-200-17(f), the Draft EIS will include a discussion of the alternatives to the use of the site for the proposed ‘O‘oma Beachside Village. The possible alternatives to the proposed plan, including the “no-action” alternative, will be investigated to identify other potential land uses which might be appropriate on the property relative to existing environmental and social/economic conditions.

6.1 NO ACTION ALTERNATIVE

Under the No Action alternative, The Site would remain in its current state. This alternative would not be consistent with the *County of Hawai‘i General Plan* (February 2005), which designates a large portion of The Site for Urban Expansion, nor would it improve the current housing market. The proposed ‘O‘oma Beachside Village will be a beachside community with housing for local residents. There will be market priced homes and affordable homes that will contribute to the local economy through expenditures associated with construction and subsequently through the generation of property taxes. There could also be a potential generation of job opportunities associated with construction activity.

In addition to provision of housing, the ‘O‘oma Beachside Village, which includes mixed use villages, will accommodate commercial opportunities that will not only contribute to the local economy through income arising from businesses and property taxes; but will also alleviate residents’ travel time and expense associated with travel to Kailua-Kona for goods and services.

6.2 ADDITIONAL ALTERNATIVES

North Kona Village, LLC considered other site development and infrastructure alternatives prior to arriving at the current Conceptual Master Plan. The Draft EIS will contain a discussion of the alternatives considered during project planning.

‘O‘OMA BEACHSIDE VILLAGE
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7.0 FINDINGS AND DETERMINATION

7.1 SIGNIFICANCE CRITERIA

While this EISPN is preliminary to the Draft EIS, the currently known information presented here has been evaluated according to the significance criteria as set forth in Section 200, Title 11, State of Hawai‘i Department of Health Rules. As a result of this preliminary information it is anticipated that the proposed master-planned community:

- (1) Is not likely to involve an irrevocable commitment to loss or destruction of any natural or cultural resources;
- (2) Will increase the range of beneficial uses of the environment;
- (3) Will not conflict with the State’s long-term environmental policies or goals and guidelines as expressed in Chapter 344, HRS, and any revisions thereof and amendments thereto, court decisions, or executive orders;
- (4) May substantially and positively affect the economic or social welfare of the community or state;
- (5) Will not substantially affect public health;
- (6) Will involve secondary impacts, such as population changes or effects on public facilities;
- (7) Is not likely to involve a substantial degradation of environmental quality;
- (8) Is individually limited but cumulatively may have a considerable effect upon the environment or involves a commitment for larger actions;
- (9) Is not anticipated to substantially affect a rare, threatened, or endangered species, or its habitat;
- (10) Will not detrimentally affect air or water quality or ambient noise levels;
- (11) Will not affect, or be likely to suffer damage, by being located in an environmentally sensitive area such as a flood plain, tsunami zone, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters;
- (12) Will not substantially affect scenic vistas and viewplanes identified in county or state plans or studies; or,
- (13) Will result in additional energy consumption.

‘O‘OMA BEACHSIDE VILLAGE
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7.2 DETERMINATION

In accordance with Chapter 343, HRS and Title 11, Chapter 200, HAR (Environmental Impact Statement Rules), this EISPN for the proposed ‘O‘oma Beachside Village has been prepared to address triggers for Environmental Assessments/Environmental Impact Statements which include, without limitation, the following:

- Reclassification of approximately 181.169 acres from the State Land Use Conservation District to the State Land Use Urban District;
- Proposed highway intersection improvements on Queen Ka‘ahumanu Highway (a State highway facility);
- Crossings of the Māmalahoa Trail located within portions of the State ROW and Parcel 22;
- Possible purchase of the 1.814-acre State ROW
- Possible development of a wastewater treatment plant
- Possible work within the shoreline setback area.

North Kona Village, LLC (the applicant) wishes to provide a thorough environmental review of the Project. Therefore, the preparation of an Environmental Impact Statement (EIS), is being undertaken rather than a less intensive Environmental Assessment (EA).

8.0 CONSULTATION

8.1 PRE-ASSESSMENT CONSULTATION

In the course of planning for ‘O‘oma Beachside Village, the following agencies or individuals were consulted and/or provided information and comments:

Federal

- Federal Emergency Management Agency
- Natural Resources Conservation Service
- U.S. Geological Survey

State of Hawai‘i

- Department of Agriculture
- Department of Business Economic Development & Tourism (DBEDT)
 - Land Use Commission
 - Office of Planning
- Department of Transportation
- Land Study Bureau

Hawai‘i County

- Brad Kurokawa, Deputy Planning Director
- Department of Environmental Management
 - Wastewater Division
- Department of Public Works
- Department of Water Supply
- Mayor Harry Kim
- Planning Department
- Roy Takemoto, Special Projects – Office of the Mayor

Other

- Jeff Nichols, NELHA

8.2 EIS CONSULTATION

The EISPN will be distributed to the following individuals and organizations. Comment letters received for the EISPN will be included in the Draft EIS.

Federal

- U.S. Army Corp. of Engineers Division
- U.S. Department of Agriculture, Natural Resources Conservation Service
- U.S. Department of Defense, U.S. National Guard
- U.S. Department of the Interior, Fish and Wildlife Service

‘O‘OMA BEACHSIDE VILLAGE
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State of Hawai‘i

- Department of Agriculture
- Department of Business Economic Development & Tourism (DBEDT)
- DBEDT Office of Planning
- DBEDT Energy, Resources & Technology Division
- Department of Education
- Department of Hawaiian Home Lands
- Department of Health (DOH)
- DOH Office of Environmental Quality Control
- Department of Land and Natural Resources (DLNR) Land Division
- DLNR Historic Preservation Division
- Department of Transportation
 - Airports Division
 - Highways Division
- Office of Hawaiian Affairs
- University of Hawai‘i at Mānoa (UHM) Environmental Center

County of Hawai‘i

- Civil Defense
- Department of Environmental Management
- Department of Parks and Recreation
- Department of Public Works
- Department of Water Supply
- Fire Department
- Mass Transit Agency
- Mayor Harry Kim
- Planning Department
- Police Department

Utilities

- Hawaii Electric Light Company (HELCO)
- Hawaiian TelCom
- Oceanic/Time Warner Cable

Other Agencies, Consultants, Associations and Individuals

- Cyanotech Corporation
- Hawaii County Council
- Hawaii Leeward Planning Conference
- Keāhole Point Association
- NELHA
- The Shores at Kohanaiki

Other

- Kona-Kohala Chamber of Commerce

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‘O‘OMA BEACHSIDE VILLAGE
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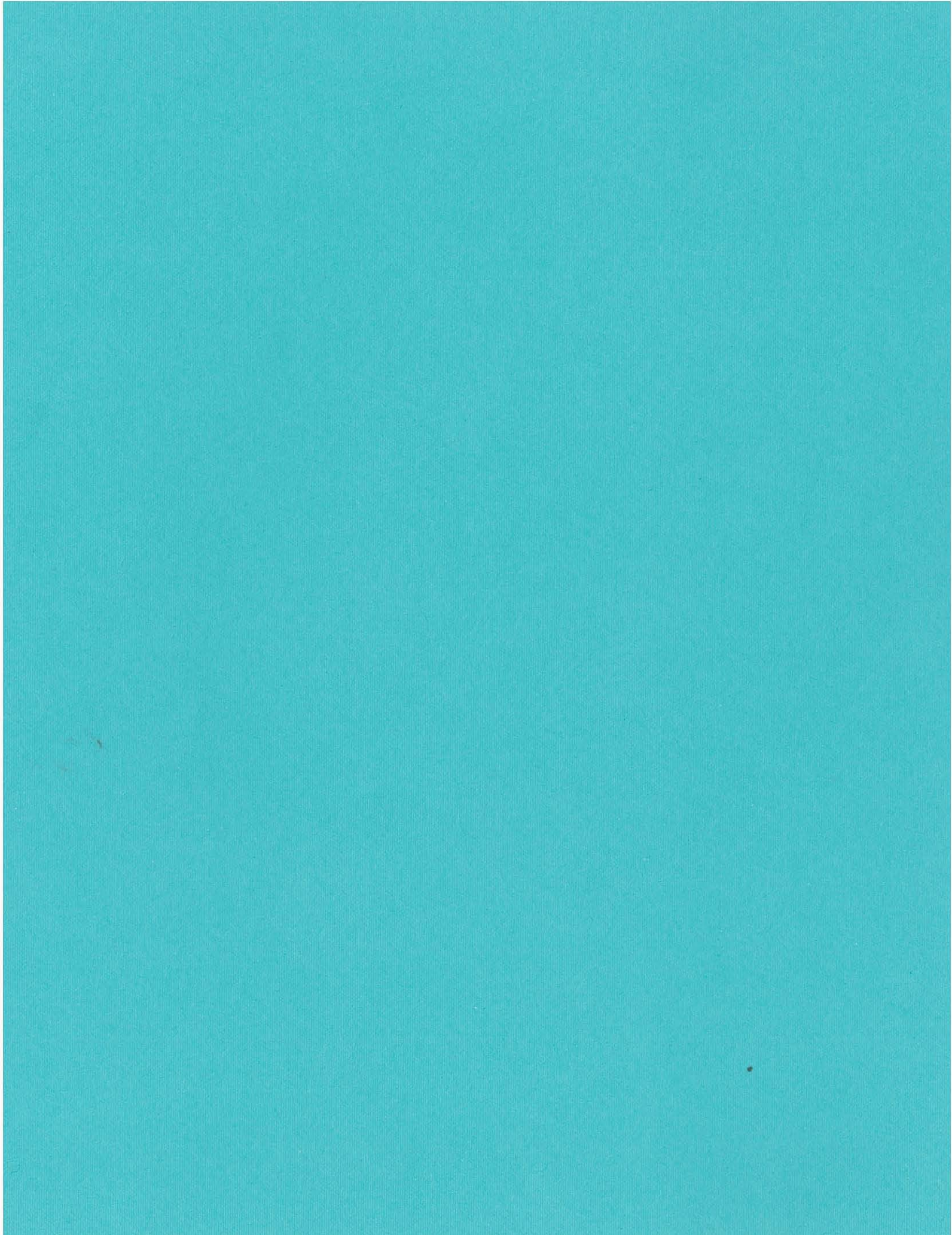
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Letter of transmittal

TO: Mr. Max Rogers
Staff Planner
State of Hawaii Land Use Commission
235 S. Beretania Street, Rm. 406
Honolulu, Hawaii 96813

DATE: April 13, 2007

RE: Docket No. A07-774, North Kona Village, LLC

Mailed Hand Delivered

THE FOLLOWING IS (ARE) TRANSMITTED HEREWITH:

<u>COPIES</u>	<u>DATE</u>	<u>DESCRIPTION</u>
16 originals	April 2007	'O'oma Beachside Village Environmental Preparation Notice, Petitioner's Exhibit 3A

<input type="checkbox"/> For Your Information	<input type="checkbox"/> For Review and Comment
<input checked="" type="checkbox"/> For Your Files	<input type="checkbox"/> For Necessary Action
<input type="checkbox"/> Per Your Request	<input type="checkbox"/> For Signature and Return (Black Ink)
<input type="checkbox"/> Per Our Conversation	<input type="checkbox"/> See Remarks Below

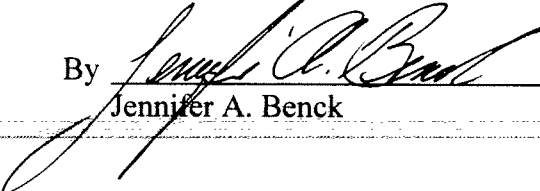
REMARKS:

Max,

Enclosed for your files in Docket No. A07-774 are 16 original copies of Petitioner's Exhibit 3A, the updated version of the EISPN that will be processed with the OEQC.

Thank you.

By


Jennifer A. Benck

Enclosure

'O'OMA BEACHSIDE VILLAGE

ENVIRONMENTAL IMPACT STATEMENT PREPARATION NOTICE

KALOKO, NORTH KONA, HAWAI'I

Prepared for:

Accepting Authority
State of Hawai'i Land Use Commission
&
North Kona Village, LLC

Prepared by:



April 2007

‘O‘OMA BEACHSIDE VILLAGE
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LIST OF ACRONYMS AND ABBREVIATIONS

ALISH	Agricultural Lands of Importance to the State of Hawai‘i
CDP	Census Designated Place
CZM	Hawaii Coastal Zone Management
DBA	District Boundary Amendment
DBEDT	State of Hawai‘i Department of Business Economic Development and Tourism
DHHL	State of Hawai‘i Department of Hawaiian Homelands
DLNR	State of Hawai‘i Department of Land and Natural Resources
DOH	State of Hawai‘i Department of Health
DWS	County Department of Water Supply
EIS	Environmental Impact Statement
EISPN	Environmental Impact Statement Preparation Notice
FIRM	Flood Insurance Rate Map
HELCO	Hawaii Electric Light Company, Inc.
HRS	Hawaii Revised Statutes
kV	Kilovolt
LUC	State Land Use Commission
MG	General Industrial
mgd	Million gallons per day
msl	mean sea level
NGPC	Notice of General Permit Coverage
NOAA	National Oceanic and Atmospheric Administration
NPDES	National Pollutant Discharge Elimination Systems
NRCS	U.S. Department of Agriculture Natural Resources Conservation Services
OEQC	Office of Environmental Quality Control
ROW	Right-of-Way
SMA	Special Management Area
TIAR	Traffic Impact Analysis Report
TMK	Tax Map Keys
USGS	United States Geological Survey
WWTP	Wastewater Treatment Plan

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OVERVIEW

‘O‘oma Beachside Village, a master-planned community in Kaloko, North Kona, Hawai‘i, will encompass a mix of land uses, including: 1) a variety of single-family lots; 2) affordable homes; 3) a mauka mixed use village centered around a village green with retail, office, and live-work opportunities; 4) a coastal preserve/open space and shoreline park with a public canoe club hale; 5) a private beach club amidst a smaller makai mixed-use village with restaurants, retail uses and multi-family residences; 6) archaeological preserves; 7) an approximately 10-acre active community park; and 8) several neighborhood parks, totaling four (4) acres (Figure 1). Multi-mode access ways and greenway trails will enable residents to travel throughout the ‘O‘oma Beachside Village and access the shoreline.

The 302.38-acre ‘O‘oma Beachside Village site (the Site) is comprised of a:

- 217.566-acre parcel identified by Tax Map Key (3) 7-3-009:004 (Parcel 4);
- 83-acre parcel identified by Tax Map Key (3) 7-3-009:022 (Parcel 22); and
- 1.814-acre portion of the State-owned Right of Way located on by Tax Map Key (3) 7-3-009 (portion of State-Right-of-Way) (State ROW).

The 83 acres of Parcel 44 are within the State Land Use Urban District. The 217.566 acres of Parcel 4 are within the State Land Use Conservation District. The 1.814-acre portion of the State ROW is within the State Land Use Conservation District.

A State Land Use District Boundary Amendment (SLUDBA) is being sought to reclassify approximately 181.169 acres (Petition Area) of the Site from the State Land Use “Conservation” District to the State Land Use “Urban” District. The Petition Area includes approximately 179.355 acres of Parcel 4 and the 1.814-acre portion of the State ROW.

The preparation of an Environmental Impact Statement (EIS) is being undertaken to address requirements of Chapter 343, Hawai‘i Revised Statutes (HRS) and Title 11, Department of Health, Chapter 200, Environmental Impact Rules Hawai‘i Administrative Rules (HAR). Section 343-5, HRS, establishes nine “triggers” that require compliance with these regulations. The triggers for ‘O‘oma Beachside Village include, without limitation, the following:

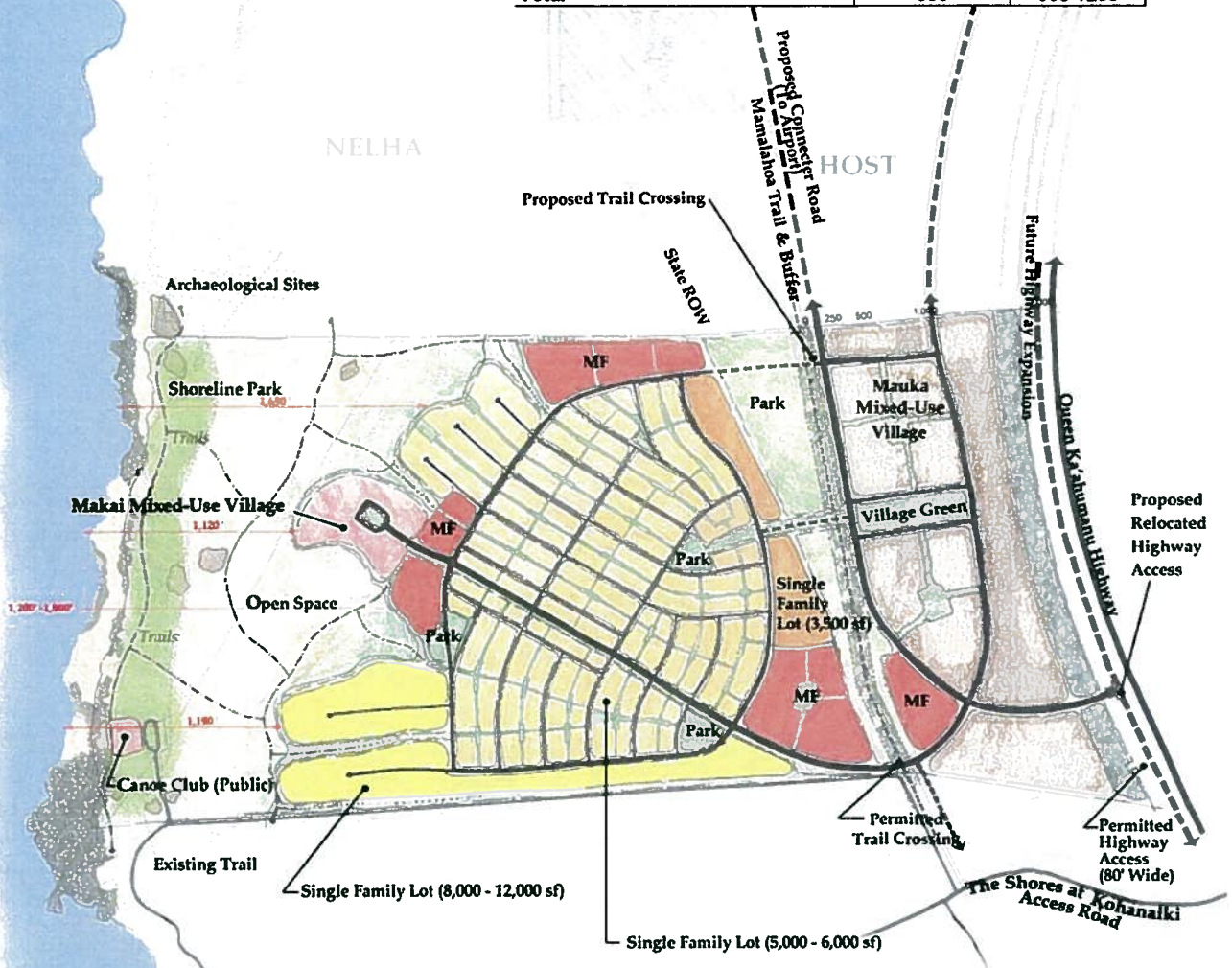
- Reclassification of approximately 181.169 acres from the State Land Use “Conservation” District to the State Land Use “Urban” District;
- Proposed highway intersection improvements on Queen Ka‘ahumanu Highway (a State highway facility);
- Crossings of the Māmalahoa Trail located within portions of the State ROW and Parcel 22;
- Possible purchase of the 1.814-acre State ROW;
- Possible development of a wastewater treatment plant; and
- Possible work within the shoreline setback area.

In addition, creation of ‘O‘oma Beachside Village may involve or impact State and/or County lands or funds relating to infrastructure improvements for public facilities, roadways, water, sewer, utility, drainage, or other facilities. While the specific nature of each improvement is not known at this time, the EIS is intended to address all current and future instances involving the use of State and/or County lands and funds relating to ‘O‘oma Beachside Village.

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Land Use Summary	Approx. Area (Acres)	Approx. # of Homes
Mauka Mixed-Use Village	55	320-400
Makai Mixed-Use Village	10	20-40
Residential Single-Family	116	450-560
Residential Multi-Family	16	160-200
Shoreline Park (includes Canoe Club)	18	-
Open Space	57	-
Parks (Community & Neighborhood)	12	-
Mamalahoa Trail & Buffer	7	-
State ROW	2	-
Highway Buffer	10	-
Total	303	950-1200



THE SHORES AT KOHANAIKI

FIGURE 1
Conceptual Master Plan

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII

NORTH LINEAR SCALE (FEET)



4/2/2007

'O'OMA BEACHSIDE VILLAGE
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1.0 SUMMARY

This Environmental Impact Statement Preparation Notice (EISPN) has been prepared in accordance with Chapter 343, Hawaii Revised Statutes (HRS), for the 'O'oma Beachside Village in North Kona, Island of Hawai'i.

Name:	'O'oma Beachside Village
Location:	Kaloko, North Kona, Hawai'i
Judicial District:	North Kona
Applicant/Landowner:	North Kona Village, LLC; State of Hawaii
Recorded Fee Owner:	North Kona Village, LLC, formerly known as Clifto's Kona Coast LLC
Tax Map Keys:	TMK (3) 7-3-09:04, 22, and (3) 7-3-009: (portion of State ROW)
Land Area:	Approximately 302.38 acres
Existing Use:	Parcels 4 and 22 consist of vacant, open scrub vegetation amidst lava rock. The portion of the State ROW between Parcels 4 and 22 is vacant, open land with scrub vegetation amidst lava rock, consistent with the surrounding area.
Proposed Use:	A pedestrian and bicycle friendly, master-planned beach community comprised of single-family and multi-family residences, mixed-use villages, a shoreline and several neighborhood parks, and archaeological and open space preserves for protection of historic sites and anchialine ponds.
Land Use Designations:	State Land Use: "Conservation" and "Urban" General Plan: "Open" and "Urban Expansion" County Zoning: "O, Open" and "MG-3a, General Industrial" Special Management Area (SMA): Within the SMA
Major Approvals Required:	State Land Use District Boundary Amendment Change of Zone Special Management Area Use Permit Subdivision Approval Plan Approval NPDES Permit Grading/Building Permits
Accepting Authority:	State of Hawai'i Land Use Commission

'O'OMA BEACHSIDE VILLAGE
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1.1 LOCATION

The proposed 'O'oma Beachside Village will be located in Kaloko, North Kona, Hawai'i (Figure 2). The 'O'oma Beachside Village site (the Site), which is approximately 302.38 acres, is currently vacant and undeveloped, consisting of scrub vegetation and lava rock. The Natural Energy Laboratory of Hawai'i Authority (NELHA) and the Hawaii Ocean Science and Technology Park (HOST) borders the Site to the north. Bordering the Site to the south is The Shores at Kohanaiki, a residential golf-course community under development. Queen Ka'ahumanu Highway borders the Site to the east. The Pacific Ocean lies west of the Site.

1.2 LAND OWNERSHIP

North Kona Village, LLC is the recorded fee owner of the parcels identified as TMKs (3) 7-3-009:004 and 022 (Figure 3). The State of Hawaii is the fee owner of the portion of the ROW located between Parcels 4 and 22 within (3) 7-3-009.

1.3 IDENTIFICATION OF THE APPLICANT

The applicant is North Kona Village, LLC.

Contact: Mr. Dennis Moresco, CEO
North Kona Village, LLC
c/o Midland Pacific Homes
7305 Morro Road, Suite 200
Atascadero, California 93422
Telephone: (805) 466-5100
Fax: (805) 466-5105

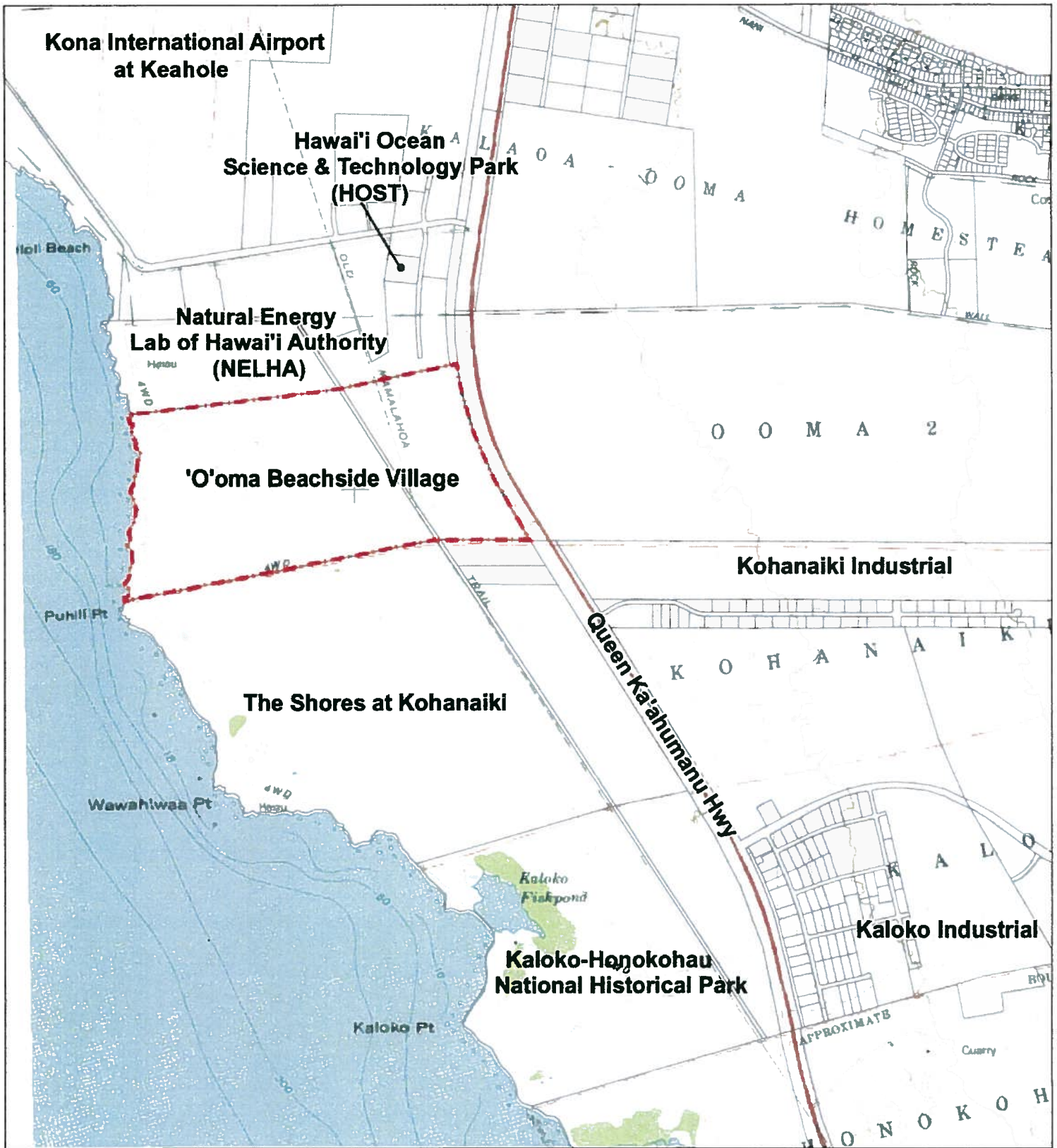
1.4 IDENTIFICATION OF ENVIRONMENTAL CONSULTANT

North Kona Village, LLC's environmental planning consultant for 'O'oma Beachside Village is PBR HAWAII.

Contact: Thomas S. Witten, ASLA
PBR HAWAII
1001 Bishop Street
ASB Tower, Suite 650
Honolulu, Hawai'i 96813
Telephone: (808) 521-5631
Fax: (808) 523-1402

1.5 IDENTIFICATION OF ACCEPTING AUTHORITY

In accordance with Chapter 343, HRS, privately initiated EIS documents must be accepted by the government agency empowered to issue a permit or approval for the project. In this instance, the State of Hawai'i Land Use Commission is anticipated to be the accepting authority, since a State Land Use District Boundary Amendment (SLUDBA) is the first discretionary approval being sought for the 'O'oma Beachside Village.



Legend

 'O'oma Beachside Village

FIGURE 2
Regional Location Map

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII

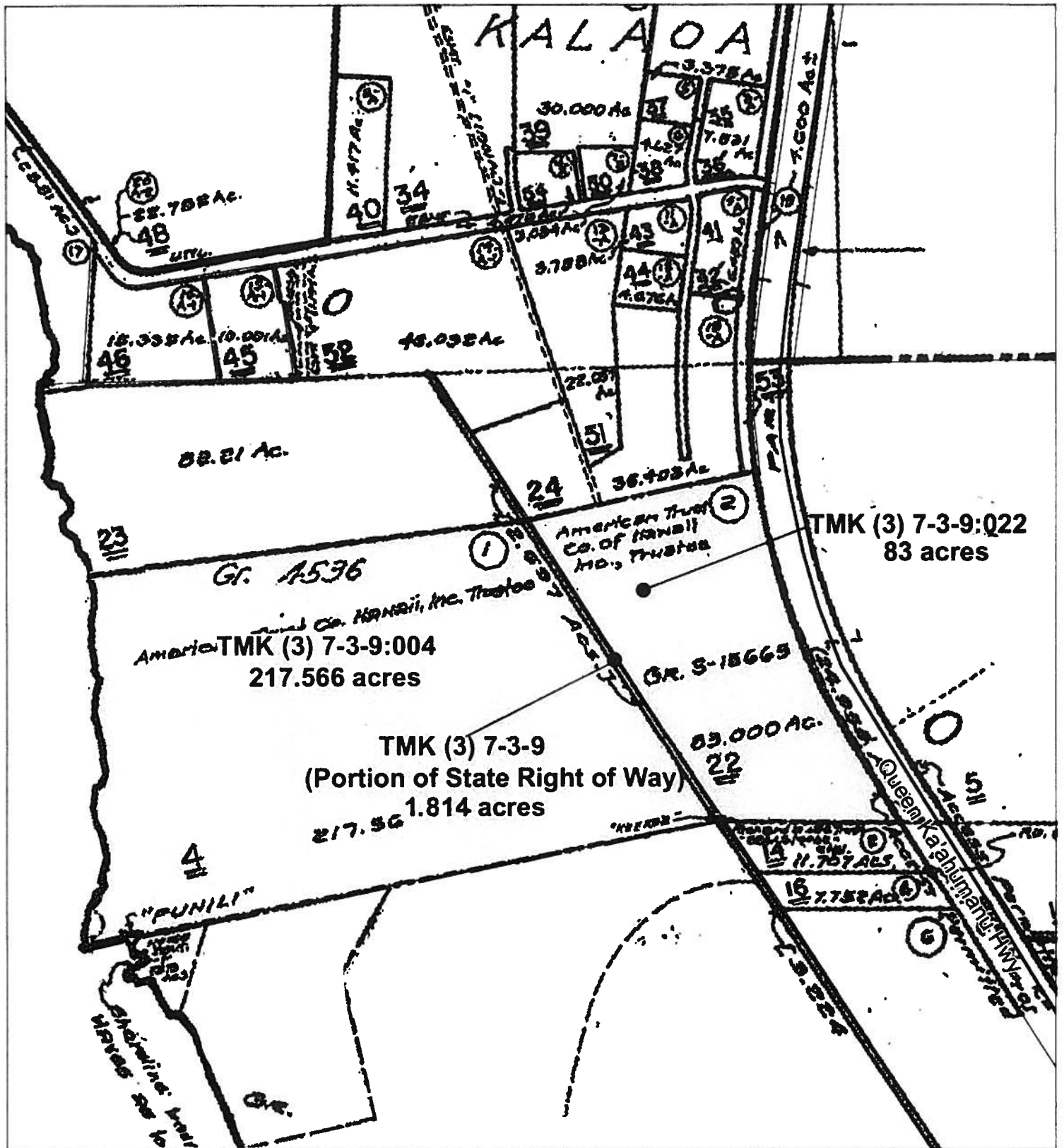
NORTH LINEAR SCALE (FEET)



3/20/2007

Source: U.S. Geological Survey

Disclaimer: This graphic has been prepared for general planning purposes only.

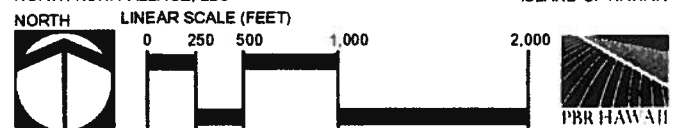


Legend

'O'oma Beachside Village

FIGURE 3
Tax Map Key

'O'oma Beachside Village
NORTH KONA VILLAGE, LLC ISLAND OF HAWAII



Source: Tax Map Key County of Hawaii GIS 2006

Disclaimer: This graphic has been prepared for general planning purposes only

‘O‘OMA BEACHSIDE VILLAGE
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Contact: Anthony Ching, Executive Officer
State Land Use Commission
Department of Business, Economic Development & Tourism
P.O. Box 2359
Honolulu, Hawai‘i 96804-2359
Telephone: (808) 587-3822
Fax: (808) 587-3827

1.6 COMPLIANCE WITH STATE OF HAWAI‘I AND HAWAI‘I COUNTY ENVIRONMENTAL LAWS

The preparation of an Environmental Impact Statement (EIS) is being undertaken to address requirements of Chapter 343, Hawai‘i Revised Statutes (HRS) and Title 11, Department of Health, Chapter 200, Environmental Impact Rules Hawai‘i Administrative Rules (HAR). Section 343-5, HRS, establishes nine “triggers” that require compliance with these regulations. The triggers for ‘O‘oma Beachside Village include, without limitation, the following:

- Reclassification of approximately 181.169 acres from the State Land Use Conservation District to the State Land Use Urban District;
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- Possible purchase of the 1.814-acre State ROW;
- Possible development of a wastewater treatment plant; and
- Possible work within the shoreline setback area.

In addition, creation of ‘O‘oma Beachside Village may involve or impact State and/or County lands or funds relating to infrastructure improvements for public facilities, roadways, water, sewer, utility, drainage, or other facilities. While the specific nature of each improvement is not known at this time, the EIS is intended to address all current and future instances involving the use of State and/or County lands and funds relating to ‘O‘oma Beachside Village.

1.7 STUDIES TO BE CONDUCTED AND INCLUDED IN THE EIS

A preliminary description of the environment, alternatives considered, potential impacts, and proposed mitigation measures are provided in this EISPN. The information contained in this report has been developed from master planning efforts, site visits, and technical studies of the Site and surrounding area. Consultant reports referenced in this document will be appended to the Draft EIS.

Technical studies to assess the existing natural and physical site conditions and potential impacts to the Site and surrounding area are being prepared and will be included in the Draft EIS. The studies include:

- Botanical Survey;
- Fauna Survey;
- Cultural Impact Assessment;
- Archaeological Inventory Survey;

'O'OMA BEACHSIDE VILLAGE
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- Traffic Impact Assessment;
- Noise Assessment;
- Air Quality Study;
- Marine Water Quality Assessment;
- Ground Water Quality Assessment;
- Market and Economic Assessment; and
- Preliminary Engineering Assessment.

2.0 ‘O‘OMA BEACHSIDE VILLAGE DESCRIPTION

This section includes background information, a general description of the proposed ‘O‘oma Beachside Village, the development timeframe, and preliminary development costs.

2.1 LOCATION

‘O‘oma Beachside Village will be located in Kaloko in the North Kona District, or western portion, of the Island of Hawai‘i (Figure 2). Access to the Site will be off of Queen Ka‘ahumanu Highway, which borders the Site to the east. Makai and west of the Site is the Pacific Ocean. The NELHA and HOST, consisting of a mix of commercial, public-quasi-public uses and industrial uses, is located north of and adjacent to the Site. South of and adjacent to the Site is The Shores at Kohanaiki, a golf-course community under development, which includes a shoreline park and the Kohanaiki Golf and Ocean Club.

The 302.38-acre ‘O‘oma Beachside Village site (the Site) is comprised of a:

- 217.566-acre parcel identified by Tax Map Key (3) 7-3-009:004 (Parcel 4);
- 83-acre parcel identified by Tax Map Key (3) 7-3-009:022 (Parcel 22); and
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A State Land Use District Boundary Amendment (SLUDBA) is being sought to reclassify approximately 181.169 acres (Petition Area) of the Site from the State Land Use Conservation District to the State Land Use Urban District. The Petition Area includes approximately 179.355 acres of Parcel 4 and the 1.814-acre portion of the State ROW.

2.2 EXISTING USES

A majority of the Site is vacant and undeveloped land amidst lava rock (Figure 4). The area consists of vegetation that includes fountain grass, kiawe trees, noni plants, and maiapilo. The western portion of the Site consists of the shoreline area contiguous to Wawaloli Beach, which is open to the public. There are no streams onsite. Mauka of the coastal vegetation, there is a small area of sedimented anchialine ponds. In the eastern portion of the Site, extending north-south, paralleling Queen Ka‘ahumanu Highway is a portion of the historic Māmalahoa Trail. West of the highway, also extending in a north-south direction is a remnant portion of a State ROW, which veers off from the historic Māmalahoa Trail. The ROW, referred to on survey maps as “King’s Highway,” was meant to be an extension of Māmalahoa Trail but has remained vacant and undeveloped land amidst lava rock, consistent with the surrounding area.

2.3 SURROUNDING USES

The Site is located along the western coast of Hawai‘i Island. North of the Site is NELHA, which features a dual-temperature seawater system, and HOST (Figure 2).

'O'OMA BEACHSIDE VILLAGE

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HOST has attracted tenants that are engaged in research, education and commercial activity that support sustainable industry development and make use of the deep seawater resources. Tenants include commercial entities such as Big Island Abalone Corporation, Uwajima Fisheries, Inc., Hawaiian TelCom, Moana Technologies, Inc. and water bottlers authorized to display "100% Hawai'i Deep Seawater" and the NELHA logo on their products, verifying that their water is produced from 100% pure, deep seawater at NELHA on the Kona Coast of Hawai'i. Research organizations at the park include University of California-Santa Cruz, University of Hawai'i-Infrasound Laboratory of Hawai'i and The Oceanic Institute. Educational institutions include the West Hawai'i Explorations Academy (Public Charter School), Hawaiian Islands Humpback Whale National Marine Sanctuary, University of Hawai'i-Sea Grant Extension Service (NELHA, 2006). Further north, beyond NELHA and HOST, is the Kona International Airport at Keāhole, which occupies 3,450 acres of land, has an 11,000-foot runway, and facilities that accommodate domestic overseas, international, interisland, commuter/air taxi, and general aviation activities (State Department of Transportation, 2006).

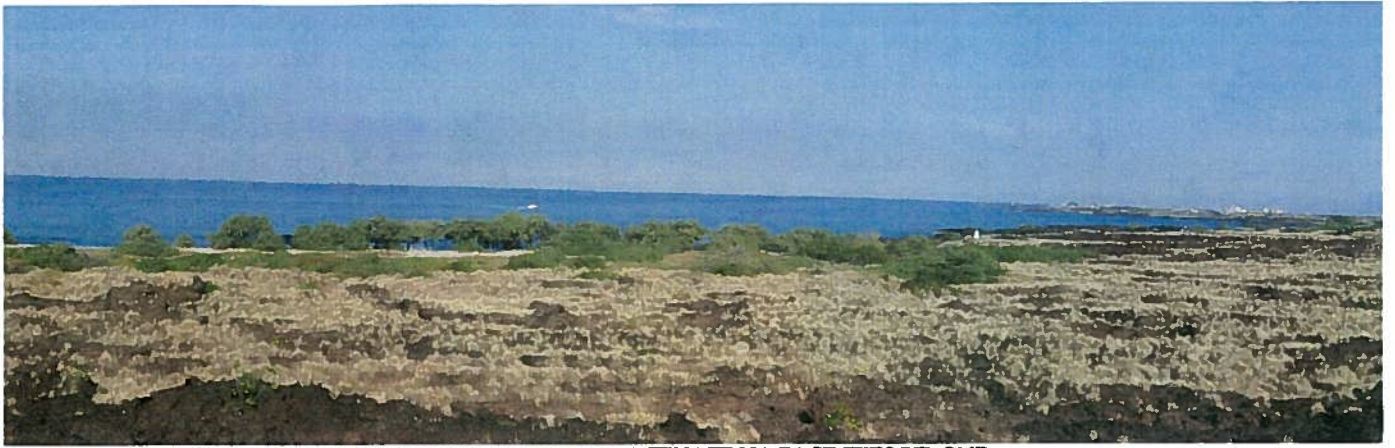
South of the Site is The Shores at Kohanaiki, a 500-home golf course community, under development by Kennedy Wilson and Rutter Development since September 2005. Open space along the shoreline, which includes anchialine ponds, trails and historic sites are proposed to be preserved. Housing will be set back at least 400 feet from the shoreline. There will be a golf course and clubhouse, tennis courts, and workout facilities. A shoreline park is proposed, with parking, an 8,000 square foot (s.f.) beach facility, with snack bar, restrooms and showers (West Hawaii Today, 2003). Further south, approximately 0.5 miles away from the 'O'oma Beachside Village site is the Kaloko-Honokōhau National Historical Park, a 1,160-acre national historical landmark with extensive natural and cultural resources, including archaeological sites, and anchialine ponds. In addition, there are the Kaloko Industrial and Kohanaiki Industrial areas and the Honokōhau Small Boat Harbor.

The Site is bordered to the west by the Pacific Ocean. The coastline is generally rugged, consisting of lava rocks with some sandy beach areas. The shoreline area has tidal pools and is ideal for shoreline and spear fishing. Amenities include a restroom and picnic tables. The Site is bordered to the east by Queen Ka'ahumanu Highway, a two lane State arterial highway facility currently being expanded to a four lane facility in two phases.

2.4 PROPOSED USES

The proposed 'O'oma Beachside Village comprises approximately 302.38 acres, including approximately 83 acres (Parcel 22) that were previously planned and zoned for industrial uses along Queen Ka'ahumanu Highway. Parcel 22 was reclassified to the State Land Use "Urban" District by Commission Decision and Order dated February 6, 1986, in Docket No. A85-592. The Petitioner in that Docket was the State of Hawaii through the Department of Planning and Economic Development.

Concurrent with its Petition for SLUDBA for Parcel 4, North Kona Village, LLC intends to file a Motion to Amend State Land Use Commission Decision and Order for Parcel 22, as North Kona Village, LLC's plans for Parcel 22 are different from the proposed development in Docket No. A85-592. Envisioned as a master-planned beachside residential community with mixed uses, the 'O'oma Beachside Village will be positioned as a primary residential community with a full range of housing opportunities and access to the shoreline (Figure 1).



COASTAL PRESERVE AREA / SHORELINE PARK AREA WITH NELHA FACILITIES BEYOND



VIEW FROM COASTAL BLUFF



SHORELINE AREA



EXISTING SHORELINE TRAIL



ARCHAEOLOGICAL RESOURCES



MAMALAHOA TRAIL



VIEW TOWARDS NELHA/HOST PARKS



EXISTING JEEP ROAD
(FROM QUEEN KA'AHUMANU HWY)

FIGURE 4
Site Photographs
'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII



‘O‘OMA BEACHSIDE VILLAGE
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With consideration for the preservation of the archaeological, cultural, and coastal resources on the Site, key land use concepts and components for the ‘O‘oma Beachside Village are as follows:

2.4.1 Residential Community

In total, there will be approximately 950 to 1,200 homes, which will include multi-family units, “live-work” or mixed-use homes, affordable homes, and single-family home lots. There will be a mauka mixed-use village and a makai mixed-use village. Amidst, the villages, there will be “live-work” units for use by sole proprietors and small businesses for business and/or residential purposes. A range of affordable homes will be provided over, or integrated with, retail and/or office uses. Single-family lots, ranging from 3,500 to more than 12,000 square feet, will be located outside of the shoreline setback area. Almost all of the homes will have direct or easy access to pedestrian/bike pathways that will connect to the shoreline and various neighborhoods, parks, and village.

2.4.2 Mauka Mixed-Use Village

The mauka mixed-use village, which is to be located in the area currently zoned “MG-3a, General Industrial,” is envisioned to be a walkable, pedestrian-friendly village organized around a village green consisting of multifamily homes, “live-work” units, and affordable homes located over retail or office spaces. There will be a full-range of community support services, including retail and office space to serve residents and businesses and also a commercial area to serve the residents and the communities immediately surrounding the Site. One of the ‘O‘oma Beachside Village objectives is to reduce the number of trips by vehicle to Kailua-Kona.

2.4.3 Makai Mixed-Use Village

On a bluff overlooking the open space and Shoreline Park, and setback approximately 1,120 feet from the shoreline, a smaller mixed-use village of approximately 10 acres is planned to provide a beach club, restaurants, some retail uses, and residential uses. The makai village area is intended to serve as the “community center” for ‘O‘oma Beachside Village residents. With pathways to/from the beach park, this village area could also provide food and beverage service to beach users.

2.4.4 Trails, Parks and Open Space

An extensive network of trails and open space are planned to connect the residences to the shoreline, the mixed-use villages, and various neighborhoods that comprise the community. Multi-modal paths are planned.

Integrated with the trails and open spaces are approximately 12 acres of parks that will include an approximately eight acres active community park and several neighborhood parks totaling four (4) acres.

The historic Māmalahoa Trail, which runs north-south through Parcel 22 will be preserved with a landscape buffer. For improved pedestrian and vehicular access, two additional roadway crossings of the Māmalahoa Trail are proposed. These crossings would be designed to minimize impacts to the Māmalahoa Trail and provide a clearly defined visual reference to the trail crossing the roadway.

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The portion of the State ROW, located west of Māmalahoa Trail, which has no physical improvements, is proposed to be included within the Site and may be acquired from the State of Hawai'i.

A two-acre landscape buffer will be maintained along Queen Ka'ahumanu Highway.

2.4.5 Shoreline Park and Open Space

Given the natural topography of the Site and the objective of preservation of archaeological and cultural resources of the area, approximately 75 acres near the shore are planned to be maintained as park and open space, consistent with the land use concept of the *County of Hawai'i General Plan*. Of the 75 acres, there will be approximately 57 acres of open space. Along the shoreline, where there is an existing four-wheel drive road, approximately 18 acres will serve as a shoreline park, an extension of the beach parks planned at The Shores at Kohanaiki and NELHA.

Additional parking areas, envisioned to be accessed via the adjacent shared public access road along the boundary with Kohanaiki, would be provided within the shoreline area at 'O'oma Beachside Village. A canoe hale, located within the shoreline park area, approximately 400 feet away from the shoreline and outside of the shoreline setback area, is proposed to provide storage for canoes and also serve as the "home" for an outrigger canoe club.

Along the shoreline, all improvements are proposed to be set back a minimum of 100 feet.

2.4.6 Archaeological and Cultural Preserves

Preservation of significant archaeological and cultural sites has been considered throughout 'O'oma Beachside Village planning. Archaeological and cultural sites will be maintained with buffers. Where there are known burial sites, these sites will be buffered from adjacent uses. The natural landforms along the coastline and bluff overlooking the shoreline will be preserved intact.

2.4.7 Infrastructure Improvements

Several wastewater treatment facilities are located in proximity to the 'O'oma Beachside Village site at Keauhou, Kealakehe, and the Kona International Airport at Keāhole; however, these facilities have limited capacity, some of which has been reserved for future development. Given the limited resources, North Kona Village, LLC is exploring: 1) coordination with other landowners regarding the use of offsite treatment facilities, if available; 2) joint development of an offsite treatment facility; or 3) possible development of an onsite wastewater treatment plant. If North Kona Village, LLC opts to develop a wastewater treatment plant onsite, design and construction will be in accordance with State Department of Health and County of Hawai'i standards and treated water would be reused for irrigation.

2.4.8 Connected Community

Although primary access to 'O'oma Beachside Village is permitted from Queen Ka'ahumanu Highway, near the southern boundary of the Site, coordination will be undertaken on development of a single highway intersection with The Shores at Kohanaiki and planning for a connector road to NELHA and HOST to the north. In addition, it will be desirable to have a

'O'OMA BEACHSIDE VILLAGE

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connector road to NELHA that would also access the Kona International Airport at Keāhole. North Kona Village, LLC will continue to coordinate with the State DOT and surrounding land owners on roadway access and connectivity to adjacent lands.

2.4.9 Land Use Summary

Although the land use plan is still conceptual, an estimated breakdown of uses and an estimated range of homes are provided in the following table:

Table 1: Land Use Summary

Land Use Type	Estimated Area (acres)	Estimated Homes
Mauka Mixed-Use Village	55	320-400
Makai Mixed-Use Village	10	20-40
Residential Single-Family	116	450-560
Residential Multi-Family	16	160-200
Shoreline Park	18	-
Open Space	57	-
Parks (Community & Neighborhood)	12	-
Māmalahoa Trail and Buffer	7	-
State ROW	2	-
Highway Buffer	10	-
TOTAL	303	950-1200

2.5 'O'OMA BEACHSIDE VILLAGE NEED

The *Keāhole to Kailua Development Plan* (1991), passed by Resolution Number 296-91, is an implementing tool for the Hawai'i County General Plan. The *Keāhole to Kailua Development Plan* was supported by the Hawai'i County Council to serve as a guide for development of infrastructure and land uses of the Keāhole to Kailua area, with recognition of the area for major future urban growth. In the County of *Hawai'i General Plan* (2005), the 'O'oma Beachside Village site is also designated for "Urban Expansion," with "Open Space" along the shoreline. The County is currently in the process of preparing the *Kona Community Development Plan* to further identify how the *General Plan* can be implemented to achieve the communities' vision for the region.

A market/economic assessment and findings will be included in the Draft EIS, and a copy of the complete study will be attached as an appendix. The proposed community will provide a variety of housing options and opportunities for Island residents, which will help fulfill the primary residential needs of the region, and also enable local residents to benefit from an improved quality of life associated with residing in the shoreline community.

2.6 DEVELOPMENT TIMETABLE AND PRELIMINARY COSTS

2.6.1 Proposed Phasing Plan

Development of the master-planned community will generally occur within three phases and is anticipated to begin as soon as all entitlement and permitting approvals have been received. North Kona Village, LLC hopes to begin construction as early as 2010, with full build-out anticipated within 10 years of anticipated Commission approval. Phasing details will be discussed in the Draft EIS.

2.6.2 Cost Estimates

The estimated cost of subdivision and related improvements will be discussed in the Draft EIS. North Kona Village, LLC has yet to determine preliminary sale terms and prices, contingent upon findings of the market and economic assessment being prepared and to be included in the Draft EIS.

2.7 SUSTAINABLE BUILDING DESIGN

The Office of Environmental Quality Control (OEQC) issued "Guidelines for Sustainable Building Design in Hawai'i: A Planner's Checklist" (OEQC May 1999) and has requested that consideration be made in applying sustainable building techniques to projects. The OEQC Guidelines state, "[a] sustainable building is built to minimize energy use, expense, waste and impact on the environment. It seeks to improve the region's sustainability by meeting the needs of Hawai'i's residents and visitors today without compromising the needs of future generations."

Where appropriate, North Kona Village, LLC will utilize techniques described in the "Guidelines for Sustainable Building Design in Hawai'i" in the creation of 'O'oma Beachside Village.

3.0 DESCRIPTION OF THE AFFECTED NATURAL ENVIRONMENT, POTENTIAL IMPACTS OF THE PROPOSED ACTION, AND MITIGATION MEASURES

This section describes the existing conditions of the physical or natural environment, potential impacts of the ‘O‘oma Beachside Village on the environment, and mitigation measures to minimize any impacts.

3.1 CLIMATE

Existing Conditions

The climate of Hawai‘i Island is influenced by its geologic features. The Island is dominated by Mauna Loa (13,653 foot summit elevation) and Mauna Kea (13,796 foot summit elevation). The annual rainfall in the region is approximately 25 inches, with mauka areas typically experiencing greater rain than in makai areas. Regional temperatures range from the low 70 degrees Fahrenheit to high 70 degrees Fahrenheit (Hawai‘i County Data Book, 2005). Humidity ranges throughout the year between 68 percent in the morning to 80 percent in the afternoon (NOAA, 2005).

Trade winds are typical of the Hawaiian Islands, blowing predominantly in a northeast direction. Winds average approximately seven miles per hour (mph) (NOAA, 2005). The local mountains, namely Hualālai and Mauna Loa volcanoes, further influence the wind pattern for Hawai‘i Island. In the early morning, the prevailing wind pushes out toward the ocean, and in the afternoon, the winds blow from the ocean toward the island (Juvik, 1998).

Potential Impacts and Mitigation Measures

The proposed ‘O‘oma Beachside Village is not expected to have an impact on climatic conditions and no mitigation measures are planned.

3.2 GEOLOGY AND TOPOGRAPHY

Existing Conditions

‘O‘oma Beachside Village will be located on the flank of Hualālai, the third oldest shield volcano on the Island of Hawai‘i. Hualalal has an area of approximately 290 square miles, accounting for 7.2 percent of the island. The summit is located 8,271 feet above mean sea level (msl) and approximately 15 km away from Kailua-Kona (USGS, 1996). Three rifts of Hualālai radiate to the north, south, and northwest. The volcano is characterized by a well-developed northwest rift zone, a moderately well-developed south-southeast rift zone and a poorly developed north rift zone (Hawai‘i Center for Volcanology, 2004).

Hualālai grew above sea level more than 300,000 years ago (USGS, 1996). The lava is no longer exposed on the subaerial surface, but has been dredged from submarine portions of the northwest rift zone (Hawai‘i Center for Volcanology, 2004). Post-shield volcanism began 100,000 years ago and covered the entire surface of the volcano (Oregon State University Department of Geosciences, 2006). Hualālai is comprised of alkalic lavas erupted during the post-shield stage

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of volcanism, with the surface consisting mostly of alkali olivine basalts, but limited quantities of Trachyte are also present.

In the past 5,000 years, 80 percent of Hualālai's surface has been covered by lava flows; however, earthquake activity beneath the volcano has been low (USGS, 1996). Hualālai erupted last in 1800-1801 from its northwest rift zone, sending two large flows, known as the Ka'ūpūlehu flow, of 'a'ā lava, which is several meters thick and covered in spiny rubble splintered from the flow itself so that it has a surface broken into rough, angular fragments, to the ocean on the west coast of the island (Hawai'i Center for Volcanology, 2004). The eruption brought quantities of xenoliths or foreign rock up from the mantle source that originally produced the lava. The Kona International Airport at Keāhole, located only 11 km north of Kailua, Kona, is built atop the larger flow.

Hualālai is still considered an active volcano, but there has been no magma-related seismicity or ground deformation, making it difficult to predict the next eruption. In 1929, there were a series of earthquakes occurring for about a month, which was attributed to magma intrusion near the surface. However, there was no surface eruption (Hawai'i Center for Volcanology, 2004).

The 'O'oma Beachside Village site slopes in an east to west (mauka to makai) direction, with a slope of approximately two percent. The mauka extent will be located at an elevation of approximately 105 feet above mean sea level (msl) and the makai extent will be located at an elevation of approximately 10 feet above msl.

Although Hualālai is still considered an active volcano, mapping and dating studies indicate that eruptions have been separated by centuries of inactivity (Hawai'i Center for Volcanology, 2004). Since 1971, a seismic station has been maintained about three km east of the summit by the Hawaiian Volcano Observatory to monitor the volcano for signs of activity. Since its inception, there have been no micro earthquake swarms or harmonic tremors indicative of magma movement. Hualālai experiences earthquakes, registered to have a 4.0 magnitude, which stem from a deep source off the coast of the northwest rift zone and is not related to magma movement (Hawai'i Center for Volcanology, 2004).

Potential Impacts and Mitigation Measures

Grading will be necessary to accommodate the 'O'oma Beachside Village. Appropriate engineering, design and construction measures will be undertaken to minimize potential erosion of soils during construction. All ground-altering activity will be conducted in accordance with Chapter 10 of the Hawai'i County Code, relating to erosion and sedimentation control. Grading plans will attempt to balance excavation and embankment quantities to the extent practicable. Adverse impact to topography and landforms, attributable to grading activity, is not anticipated.

3.3 SOILS

There are three soil suitability studies prepared for lands in Hawai'i whose principal focus has been to describe the physical attributes of land and the relative productivity of different land types for agricultural production; these are: 1) the U.S. Department of Agriculture Natural Resources Conservation Service (NRCS) Soil Survey; 2) the University of Hawai'i Land Study Bureau (LSB) Detailed Land Classification; and 3) the State Department of Agriculture's Agricultural Lands of Importance to the State of Hawai'i (ALISH).

Existing Conditions

3.3.1 NRCS Soil Survey

The NRCS Soil Survey shows that the 'O'oma Beachside Village site contains soil from the lava flows association, which is characterized as gently sloping to excessively drained soils that are coarse-textured and medium-textured formed in volcanic ash, pumice and cinders (Figure 5). The soil is found on nearly barren lava flows and upland areas at elevations ranging from near sea level to 13,000 feet. More specifically, most of Parcel 4 consists of pāhoehoe lava flow (rLW), a small portion of Parcel 4, located at the southwestern corner, near the beach, consists of 'a'ā lava flow (rLV) and the western boundary of the Site consists of beaches (BH). Parcel 22 is primarily located on pāhoehoe lava flow. A small portion at the northeast corner is located on 'a'ā lava rock. The State ROW is located on pāhoehoe lava flow. Descriptions of the soil classifications are as follows:

Lava Flows, pāhoehoe (rLW) - This soil has a billowy, glassy surface that is relatively smooth. In some areas, the surface is rough and broken and there are hummocks and pressure domes. The soil has no cover and is typically bare of vegetation, except for mosses and lichens. Some flat slabs are used as facings on buildings and fireplaces.

The NRCS Land Capability Grouping, rates soil types according to eight levels, ranging from the highest classification level, I, to the lowest level, VIII. The capability classification, an indicator of suitability of soil for field crop cultivation, for this soil is VIIIs, non-irrigated, meaning the soils and landforms have limitations that preclude their use for commercial plants and restrict their use to recreation, wildlife or water supply or aesthetic purposes. The subclass is "s," meaning the soil is limited because it is shallow, droughty or stony.

Lava Flows, 'a'ā (rLV) – This soil is rough and broken, consisting of a mass of clinkery, hard, glassy, sharp pieces piled in tumbled heaps. There is practically no soil covering and it is typically bare of vegetation, except for mosses, lichens, ferns and a few small 'ōhi'a trees. The capability classification is VIIIs, non-irrigated. Class VIII soils and landforms have limitations that preclude their use for commercial plants and restrict their use to recreation, wildlife or water supply or aesthetic purposes. The subclass is "s," meaning the soil is limited because it is shallow, droughty or stony.

Beaches (BH) – These are long, narrow, sloping areas of sand and gravel along the coastline, typically used for recreation. The sand and gravel vary in color, ranging from yellowish or white sand, formed in coral and sea shells, black sand, formed in lava rocks and green sand formed in olivine. The capability classification is VIIIw, non-irrigated. Class VIII soils and landforms have limitations that preclude its use for commercial plants and restrict their use to recreation, wildlife or water supply or aesthetic purposes. The subclass is "w," meaning that water in or on the soil interferes with plant growth or cultivation and in some instances the wetness can be corrected by artificial drainage.

3.3.2 Land Study Bureau Detailed Land Classification

The University of Hawai'i Land Study Bureau (LSB) document titled *Detailed Land Classification, Island of Hawai'i* classifies non-urban land by a five-class productivity rating

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system, using the letters A, B, C, D and E, where “A” represents the highest class of productivity and “E” the lowest. The LSB rating for Parcel 4 is “E” (Figure 6). The soil on Parcel 22 and the State ROW is unclassified.

3.3.3 Agricultural Lands of Importance to the State of Hawai‘i

The State of Hawai‘i Department of Agriculture’s Agricultural Lands of Importance to the State of Hawai‘i (ALISH) system rates agricultural land as “Prime,” “Unique” or “Other” lands. The remaining land is not classified.

“Prime” agricultural land is best suited for production of food, feed, forage and fiber crops. The land has the soil quality, growing season and moisture supply necessary to economically sustain high yields of crops when treated and managed including water management, according to modern farming methods.

“Unique” agricultural land can be used for specific high-value food crops. The land has a special combination of soil quality, growing season, temperature, humidity, sunlight, air drainage, elevations, aspect, moisture supply, or other conditions that favor the production of a specific crop of high quality and/or high yield when the land is treated and managed according to modern farm methods.

“Other” agricultural land is vital to production of food, feed, fiber and forage crops, yet they exhibit properties, such as seasonal wetness, erosion, and limited rooting zone, slope, flooding, or drought. The land can be farmed satisfactorily through greater fertilization and other soil amendment, drainage improvement, erosion control practices, flood protection and produce fair to good crop yields when properly managed.

According to the ALISH system, Parcels 4 and 22 and the State ROW are not classified and are therefore, not considered important agricultural land (Figure 7).

Potential Impacts and Mitigation Measures

Impacts to the soils of the Site include the potential for soil erosion and the generation of dust during construction. Development of the proposed ‘O‘oma Beachside Village will involve land-disturbance, including removal of existing vegetation (clearing and grubbing) and mass grading.

Grading plans will attempt to achieve a balanced excavation and embankment quantities to minimize disturbance to the site’s topography and soils as much as practicable. As typically required for projects on land greater than one acre in size, a National Pollutant Discharge Elimination System (NPDES) Notice of General Permit Coverage (NGPC) for Storm Water Associated with Construction Activity will be necessary.





During site grading and all other construction activities involving soil disturbance, Best Management Practices (BMPs), which may include use of silt fences, sediment traps and diversion swales, will be utilized to minimize erosion of soil and the discharge of other pollutants, associated with development. After construction, landscaping will provide long-term erosion control.



Legend

 'O'oma Beachside Village

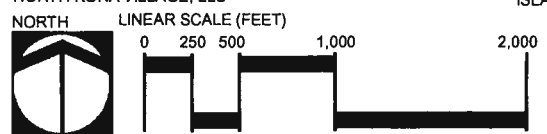
Soil Survey

-  Beaches
-  Lava Flows: a'a
-  Lava Flows: pahoehoe
-  Punalu'u Extremely Rocky Peat, 6-20% Slopes

Source: US Dept. of Agriculture National Resources Conservation Services, 1995
 Disclaimer: This graphic has been prepared for general planning purposes only.

FIGURE 5
 Soil Survey

'O'oma Beachside Village
 NORTH KONA VILLAGE, LLC ISLAND OF HAWAII






Legend

 'O'oma Beachside Village

Land Classification

 Type E: Very Poor


 Not Classified

FIGURE 6

Land Study Bureau Land Classification

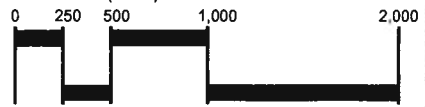
'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII

NORTH

LINEAR SCALE (FEET)



PBR HAWAII
& ASSOCIATES, INC.

3/20/2007

Source: Land Study Bureau 1967

Disclaimer: This graphic has been prepared for general planning purposes only.



Legend



-  'O'oma Beachside Village
-  Unclassified

FIGURE 7

Agricultural Lands of Importance
to the State of Hawai'i (ALISH)

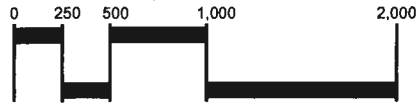
'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII

NORTH

LINEAR SCALE (FEET)



Source: U.S. State Dept. of Agriculture 1977

Disclaimer: This graphic has been prepared for general planning purposes only.

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Because the soils at the Site are not well suited for agricultural cultivation or production, or considered to be lands of agricultural importance to the State, the proposed 'O'oma Beachside Village is not expected to impact the availability of agricultural land.

3.4 NATURAL HAZARDS

The Hawaiian Islands are susceptible to potential natural hazards, such as flooding, tsunami inundation, hurricanes, volcanic eruptions, and earthquakes. This section provides an analysis of site vulnerability to such hazards.

Existing Conditions

According to the Flood Insurance Rate Map (FIRM) prepared by the Federal Emergency Management Agency (FEMA), National Flood Insurance Program, a majority of Parcel 4 is located outside of the 500-year flood plain, in an area of minimal flooding (Zone X) (Figure 8). Only a small portion of Parcel 4 is located within the 100-year flood plain (Zone A). Parcel 22 and the State ROW are located outside of the 500-year flood plain, in an area of minimal flooding (Zone X).

Since the early 1800s, approximately 50 tsunamis were reported in Hawai'i. Seven (7) caused major damage and two (2) were generated locally. Part of Parcel 4, located along the shoreline, falls within a tsunami evacuation zone designated by the Hawai'i County Civil Defense Agency. However, the Site is located near an identified evacuation route, Natural Energy Road and Queen Ka'ahumanu Highway. The remainder of Parcel 4, Parcel 22 and the State ROW are located outside of the tsunami inundation area.

Since 1980, two hurricanes have had a devastating effect on Hawai'i. They were Hurricane 'Iwa in 1982 and Hurricane 'Iniki in 1992. While it is difficult to predict such natural occurrences, it is reasonable to assume that future incidents are likely, given historical events.

The volcanic hazard zone map for Hawai'i Island divides the island into zones ranked from one (1) through nine (9) (with one (1) being the area of greatest hazard and nine (9) being the area of least hazard) based on probability of coverage by lava flows. According to this map, the 'O'oma Beachside Village site is within Zone 4, which includes all of Hualālai, where about five (5) percent has been covered with lava since 1800 and less than 15 percent has been covered by lava in the last 750 years. Flows typically cover large areas but the frequency of eruptions is lower than other volcanoes, such as Kīlauea and Mauna Loa (USGS, 1997).

In Hawai'i, most earthquakes are linked to volcanic activity, unlike other areas where a shift in tectonic plates is the cause of an earthquake. Each year, thousands of earthquakes occur in Hawai'i, the vast majority of which are so small they are detectable only with highly sensitive instruments. However, moderate and disastrous earthquakes have rocked the islands.

In 1929, an earthquake with an epicenter in Hualālai, with a magnitude of 6.5 resulted in extensive damage to the Kona area. A recent series of earthquakes, with magnitudes of 6.7 and 6.0, occurred at Kīholo Bay on October 15, 2006. The earthquakes resulted in more than \$100 million in damages to the northwest area of the island.

Potential Impacts and Mitigation Measures

The proposed 'O'oma Beachside Village will not exacerbate any natural hazard conditions. No habitable structures will be built within the 100-year floodplain (Zone A). Impact from tsunamis will be mitigated through compliance with Civil Defense tsunami evacuation procedures. Should there be a hurricane, the potential impact of destructive winds and torrential rainfall will be mitigated through compliance with the Uniform Building Code. All structures will be constructed in consideration of the possibility of earthquake occurrence, in compliance with requirements of the Hawai'i County Building Code.

3.5 FLORA

Existing Conditions

Geometrician Associates, LLC conducted a botanical survey for the 'O'oma Beachside Village site. The Draft EIS will include the entire study as an appendix. The study considered the site in two separate regions, strand and upland, separated by the inland extent of wave-washed coral chunks and sand.

The strand area, consisting of sandy soil and groundwater, contained cover that varied, from blankets of herbs and grasses to few forests or parkland. The area contained an abundance of other grasses, most commonly Bermuda grass (*Cynodon dactylon*). Large quantities of shrubs and herbs were present. Shrubs consisted primarily of the native *naupaka*, somewhat rare native *pilo*, and the aliens *noni* (*Morinda citrifolia*) and *klu* (*Acacia farnesiana*). In a few widely scattered locations, *Pluchea symphitifolia* were plentiful. Great quantities of native and alien herbs were present, including heliotrope trees (*Tournefortia argentea*) and chenopodes. Commonly found herbs included the 'ilima (*Sida fallax*) and 'uhaloa (*Waltheria indica*), with weedy composites, sparges, and portulacas. Scattered amidst the lava were unusual native species, including the Polynesian-introduced herb 'auhuhu (*Tephrosia purpurea*). In cave overhangs, there were *Plectranthus parviflorus*. Coconuts (*Cocos nucifera*) and the native *kou* tree (*Cordia subcordata*) were present. Other common alien trees included Christmas berry (*Schinus terebinthifolius*), *kiawe* (*Prosopis pallida*), and *koa haole*. Vines were also found and included the natives *pa'u o hi'iaka* (*Jacquemontia ovalifolia*) and *pōhuehue* (*Ipoemoea pes-caprae*), as well as the alien ivy gourd vine (*Coccinea grandis*).


The upland area, consisting of lava rock substrate, has sparse to nearly continuous vegetation comprised primarily of scattered bunch grasses, specifically fountain grass (*Pennisetum setaceum*), *pili* grass (*Heteropogon contortus*) and Natal red-top grass (*Rhynchelytrum repens*). Low shrubs and herbs were also identified. Shrubs consisted primarily of somewhat rare native *pilo*, and the aliens *noni* (*Morinda citrifolia*) and *klu* (*Acacia farnesiana*). *Pluchea symphitifolia* were plentiful in a few, widely scattered locations. Herbs commonly found were 'ilima and 'uhaloa (*Waltheria indica*), with weedy composites, sparges, and portulacas. Unusual native species scattered on the lava included the Polynesian-introduced herb 'auhuhu (*Tephrosia purpurea*). *Plectranthus parviflorus* were present in cave underhangs. There were a few widely scattered trees. The alien tree *koa haole* (*Leucaena leucocephala*) was plentiful in a few locations. Also scattered amidst the lava was the native tree *naio* (*Myoporum sandwicense*). Other native species present included the ferns *Doryopteris decora*, ally *moa* (*Psilotum nudum*) and *N. exaltata* subsp. *Hawaiiensis*, which was present in scarce quantities. The alien fern, *Nephrolepis multiflora*, was present through cracks.



Legend

 'O'oma Beachside Village

Flood Hazards

 Zone A: 100 Year Floodplain


 Zone X: Outside Floodplain/Minimal Flooding Area

FIGURE 8

Flood Insurance Rate Map

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII

NORTH

LINEAR SCALE (FEET)



Source: FEMA Flood Insurance Rate Maps State of Hawai'i 2006

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No threatened or endangered species were identified; however, pilo (*Capparis sandwichiana*), listed as a rare plant by the U.S. Fish and Wildlife Service, was commonly found in the mauka portion of the Site.

Potential Impacts and Mitigation Measures

The proposed ‘O‘oma Beachside Village is not expected to impact any endangered or threatened plant species. The Botanical Survey recommended that consideration be given to preservation of some areas with dense concentrations of *pilo*. According to the U.S. Fish & Wildlife Service (USFWS), these plants are considered rare. They are also important for traditional Hawaiian medicine.

Although some areas will remain intact for preservation, creation of the master-planned community will require removal of some existing scrub vegetation. To the extent practicable, other trees and plants may be relocated to other areas. Trees and plants that cannot be replanted will be chipped and recycled at the green waste recycling center.

The ‘O‘oma Beachside Village will include new landscaping appropriate to the setting. Where feasible, new landscaping will include native and indigenous plants and drought tolerant hardy plants and grasses to minimize the need for irrigation.

3.6 FAUNA

Existing Conditions

Philip L. Bruner prepared an avifauna and feral mammal survey for the ‘O‘oma Beachside Village site in November 2006. The Draft EIS will contain the complete survey as an appendix. The survey focused primarily on the coastal habitat, which was covered with native and alien trees and brush. An area of silted anchialine ponds mauka of the coastal vegetation was noted.

Only two feral mammal species, the Small Indian Mongoose (*Herpestes auropunctatus*) and the feral cat (*Felis catus*), were observed. Seven mongooses were observed along the coastal section and cat tracks were found along the coastal beach road. Although feral goats (*Capra hircus*) have been spotted on occasion along the ‘O‘oma and Kohanaiki coast, none were observed.

Five (5) species of avifauna were observed. They included four species of common migratory birds, the Pacific Golden-Plover or Kōlea (*Pluvialis fulva*), Wandering Tattler or ‘Ūlili (*Heteroscelus incanus*), Ruddy Turnstone or ‘Akekeke (*Arenaria interpres*) and Sanderling or Hunakai (*Calidris alba*). There was also one new alien species, the House Finch (*Carpodacus mexicanus*).

Potential Impacts and Mitigation Measures

The proposed ‘O‘oma Beachside Village is not expected to impact any rare, endangered or threatened species as none were found within the site. The ‘O‘oma Beachside Village is not expected to have an impact on significant habitats, as the anchialine area was deemed too small and overgrown with vegetation to be of use to migratory shorebirds or water birds (Bruner, 2006). No mitigation was suggested. The avifauna and feral mammal study will be included in the Draft EIS.

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4.0 ASSESSMENT OF EXISTING HUMAN ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATION MEASURES

This section describes the existing conditions of the human environment, potential impacts of the proposed 'O'oma Beachside Village on it, and mitigation measures to minimize any impacts.

4.1 ARCHAEOLOGICAL AND HISTORIC RESOURCES

Existing Conditions

Rechtman Consulting is conducting an archaeological inventory survey of the 'O'oma Beachside Village site. The objective of the inventory survey will be to determine the presence/absence, nature, extent and significance of resources in the Site. The scope of work for this investigation will include evaluation, documentation, recordation and, where necessary, limited subsurface testing of recorded sites, as required by the State Department of Land and Natural Resources' State Historic Preservation Division.

Potential Impacts and Mitigation Measures

The Draft EIS will contain results of the survey and the complete study will be included as an appendix. Appropriate mitigations measures will be implemented based on the results of the survey. North Kona Village, LLC will comply with all state and county laws and rules regarding the preservation of archaeological and historic sites. Should historic remains, such as artifacts, burials, concentrations of shell or charcoal be encountered during construction activities, work will cease in the immediate vicinity of the find and the State Historic Preservation Division will be contacted for appropriate mitigation, if necessary.

4.2 CULTURAL RESOURCES

Existing Conditions

Rechtman Consulting is conducting a cultural impact assessment to identify traditional customary practices associated with the 'O'oma Beachside Village site. The cultural assessment will include archival research and interviews from people knowledgeable of the area to obtain information relating to practices and beliefs of indigenous Hawaiians within and surrounding the subject area. Such practices may include access-driven subsistence, agricultural, recreational, healing and burial practices, and religious or spiritual traditions.

Potential Impacts and Mitigation Measures

The Draft EIS will contain results of the cultural assessment and the complete study will be included as an appendix. Appropriate mitigation measures will be implemented based on the assessment.

4.3 NOISE

Existing Conditions

Sources of noise in the vicinity of the ‘O‘oma Beachside Village area stem from:

- Aircraft flying to/from the Kona International Airport at Keāhole;
- Operations at Keāhole Power Plant located mauka of Queen Ka‘ahumanu Highway;
- Traffic traveling along Queen Ka‘ahumanu Highway and other surrounding roads;
- Construction at The Shores at Kohanaiki, Wawaloli Beach;
- Operations at NELHA; and
- Natural sources, such as wind, rain and the ocean.

Y. Ebisu & Associates is preparing a noise assessment study for the ‘O‘oma Beachside Village site. The Draft EIS will contain conclusions from the study and the complete assessment will be included as an appendix.

Potential Impacts and Mitigation Measures

As previously mentioned, results of the noise assessment study, potential impacts and proposed mitigation will be discussed in the Draft EIS. As a result of findings of the noise assessment study, further refinement of the land use plan may be necessary.

During the construction phase, there will likely be noise impacts associated with operation of heavy construction machinery, paving equipment and material transport vehicles. However, the impact will only be temporary. To mitigate noise levels, North Kona Village, LLC will work with the contractor to ensure adherence with State DOH regulations, use of proper equipment and regular vehicle maintenance. Equipment mufflers or other noise attenuating equipment may also be employed as required. All construction activities will be limited to daylight work hours.

4.4 AIR QUALITY

Existing Conditions

Regional and local climate, together with the amount and type of activity generally dictate the air quality of a given location. In the vicinity of the ‘O‘oma Beachside Village site, winds are predominantly trade winds. During winter, storms may generate strong winds from the south (Kona winds) for brief periods. When the trade winds or Kona winds are weak or absent, landbreeze-seabreeze circulations may develop.

Generally, air quality in the vicinity is good and meets State and Federal Air Quality Standards. There are no point sources of airborne emission within proximity of the ‘O‘oma Beachside Village site.

Pollutants that exist may be attributable to a variety of sources, including traffic traversing Queen Ka‘ahumanu Highway; housing construction operations occurring south of the ‘O‘oma Beachside Village site, associated with development of The Shores at Kohanaiki; operation of the Keāhole Power Plant, mauka of the Kona International Airport at Keāhole and Queen Ka‘ahumanu Highway and volcanic activity at Kilauea, where plumes of volcanic pollution

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(vog) is brought to the Kona coast by northeasterly tradewinds. Emissions from these sources are intermittent and minimal and are quickly dispersed by prevailing tradewinds.

An air quality study is being prepared and findings will be included in the Draft EIS, along with a copy of the study. The Draft EIS will include discussion of cumulative impacts.

Potential Impacts and Mitigation Measures

Emissions derived from operation of construction equipment and other vehicles involved in construction activities may temporarily affect the ambient air quality in the immediate vicinity. However, these effects will be minimized through proper maintenance of construction equipment and vehicles. In addition, there may be a temporary adverse impact on air quality attributable to dust generated during ‘O‘oma Beachside Village construction, particularly earthmoving activity, including excavating, trenching and filling. Proposed grading activities will occur in proximity to existing industrial businesses and major thoroughfares, posing potential impacts from dust.

It is anticipated that no State or Federal air quality standards will be violated during or after the creation of the ‘O‘oma Beachside Village. A dust control plan will be implemented during all phases of development. All construction activities will comply with the provisions of Chapter 11-60.1-33, HAR on fugitive dust. Measures to control dust during various phases of construction will include:

- Planning phases of construction to minimize the amount of dust-generating materials and activities, centralizing onsite vehicular traffic routes, and locating potential dust-generating equipment in areas of least impact;
- Providing an adequate water source at the site prior to start-up construction activities; Landscaping and rapid covering of bare areas, including slopes, starting from the initial grading phase;
- Minimizing dust from shoulders and access roads;
- Providing adequate dust control measures during weekends, after hours and before daily start-up of construction activities; and
- Controlling dust from debris being hauled away from the Site.

In the long term, motor vehicle traffic on ‘O‘oma Beachside Village roadways may potentially cause long-term impacts on ambient air quality in the vicinity. Motor vehicles with gasoline-powered engines are significant sources of carbon monoxide that emit nitrogen oxides and other contaminants. However, federal air pollution control requirements regulate and restrict the emissions from vehicles; therefore additional traffic generated by ‘O‘oma Beachside Village is not expected to significantly impact the ambient air quality. A more detailed discussion of short- and long-term impacts to air quality will be addressed in the forthcoming Draft EIS.

4.5 VISUAL RESOURCES

Existing Conditions

Hualālai defines the scenic resources east of the ‘O‘oma Beachside Village site. The Site does not lie within a scenic view corridor. Vast vacant and undeveloped open space comprises the view makai of the Site. Visible vegetation includes fountain grass, noni plants and maiapilo. The western portion of the Site consists of Wawaloli Beach, which is open to the public and a

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small anchialine pond area, mauka of the coastline vegetation. The ocean, beach, and anchialine pond area can only intermittently be seen from Queen Ka'ahumanu Highway. Figure 4 contains photographs of the site.

Potential Impacts and Mitigation Measures

'O'oma Beachside Village will be master planned to ensure the appropriate use of materials, colors, site design standards and landscaping. The 'O'oma Beachside Village will be in character with surrounding uses, north and south of the Site. The shoreline park will align with NELHA's shoreline park and archaeological preserve to the north and The Shores at Kohanaiki Shoreline Park to the south. While the design is conceptual at this time, building massing will allow for openings between structures for coastal views. Height limits will be in accordance with Hawai'i County Code requirements. Under the Code, all designs must undergo Plan Approval (except for Single-Family Residential homes) prior to commencement of construction.

Hualālai will still be visible east of the Site. Along the frontage of the Site, most of the coastline is not visible from Queen Ka'ahumanu Highway. Therefore, there will be no obstruction of views from the highway down to the ocean. A 150-foot landscape buffer will serve to mitigate visual impacts from Queen Ka'ahumanu Highway. In total, approximately 57 acres, exclusive of parks and trails, will be maintained as open space. Potential impact and mitigation will be further addressed in the Draft EIS.

4.6 SOCIO-ECONOMIC CHARACTERISTICS

A market and economic impact study is currently being prepared for the 'O'oma Beachside Village. Conclusions of the report will be included in the Draft EIS and the complete report will be included as an appendix to the Draft EIS.

Existing Conditions

4.6.1 Population and Housing

The 2000 Census reported the population of Hawai'i County at 148,677. According to the data for the Kalaoa Census Designated Place (CDP), which includes the 'O'oma Beachside Village site, the population for that region was 6,794. Table 2 shows a comparison of the population of Hawai'i County as a whole to the Kalaoa CDP.

In 2005, the County of Hawai'i population rose to 167,293, a 12.5 percent increase (DBEDT 2006). The population for the County is anticipated to increase to 176,750 persons by 2010, 203,050 persons by 2020 and 229,700 by 2030 (DBEDT 2004).

The median year-to-date single-family home sales price as of October 2006 has increased 11 percent from \$382,309 to \$425,000 at approximately the same time last year, the year-to-date sales were down 27 percent from 1,709 single-family home sales compared to 2,350 homes sold last year, according to the Hawai'i Information Service (Pacific Business News, November 2006).

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Table 2: Demographic Characteristics: 2000

Subject	Kalaoa CDP		Hawai'i County	
	Number	Percent	Number	Percent
Total Population	6,794	100.00	148,677	100.00
AGE				
Under 5 years	430	6.3	9,130	6.1
5 – 19 years	1,874	27.6	33,690	22.7
20 – 64 years	4,313	63.5	85,738	57.6
65 years and over	607	8.9	20,119	13.5
Median Age (years)	38.8		38.6	
HOUSEHOLD (By type)				
Total Households	2,402	100.0	52,985	100.0
Family Households (families)	1,724	71.8	36,903	69.6
With own children under 18 years	831	34.6	17,072	32.2
Married-couple family	1,389	57.8	26,828	50.6
With own children under 18 years	622	25.9	11,302	21.3
Female householder, no husband present	234	9.7	7,000	13.2
With own children under 18 years	143	6.0	4,095	7.7
Non-families	678	28.2	16,082	30.4
Living alone	467	19.4	12,240	23.1
65 years and over	88	3.7	4,214	8.0
Average persons per household	2.83		2.75	
HOUSING OCCUPANCY AND TENURE				
Total Housing Units	2,541	100.0	62,674	100.0
Occupied units	2,402	94.5	52,985	84.5
By owner	1,611	67.1	34,175	64.5
By renter	791	32.9	18,810	35.5
Vacant units	139	5.5	9,689	15.5

Source: U.S. Census Bureau, Census 2000.

As of October 2006, year-to-date condominium sales were also higher than year-to-date sales at around the same time in 2005, but the number of sales was lower. While the sales price rose approximately 23 percent from \$374,000 to \$460,000, the amount of condominiums sold decreased by 37 percent from approximately 993 condominiums sold at around the same time in 2005 to 621 condominiums sold this year.

4.6.2 Economy

The local economy is dependent on the arts, entertainment, recreation, accommodation and food services industry, with approximately 842 persons or 21.9 percent employed in these industries in the CDP. Other prevalent industries, with approximately 10 percent of the working population employed by field include: construction, retail, transportation, warehousing, and utilities; professional, scientific, management, administrative and waste management services and the educational, health, and social services fields.

The Kalaoa CDP has a low number of families facing poverty. In 1999, 53 families or three (3) percent of the population were facing poverty.

4.6.3 Employment

As of October 2006, Hawai'i County's unemployment rate was 2.2 percent, compared to three (3) percent in 2005 (State of Hawai'i Department of Labor and Industrial Relations, 2006). In the Kalaoa CDP, approximately 3,846 persons ages 16 years and older were listed as employed. Approximately 25 percent of the population was employed in the management, professional or related occupations, 25 percent in service occupations and 25 percent in sales and office occupations. The remaining 25 percent were employed in the farming, fishing and forestry occupations, construction industry or production, transportation and material moving occupations.

Potential Impacts and Mitigation Measures

A market study and economic impact analysis is being prepared by the Mikiko Corporation and findings will be included in the Draft EIS, along with a copy of the study. The 'O'oma Beachside Village will supply approximately 950 to 1,200 homes. The Draft EIS will include additional information regarding projected population and discuss potential impacts and mitigation measures. The proposed 'O'oma Beachside Village will help address housing need for island residents. The market study will address housing demand and supply factors, which may be influenced by the 'O'oma Beachside Village. Creation of the proposed master-planned community will result in job creation, associated with subdivision improvements and home construction. It will also generate revenue associated with property taxes and business operations. The economic impact analysis will address the impact of the proposed 'O'oma Beachside Village to the local economy.

4.7 INFRASTRUCTURE AND UTILITIES

M&E Pacific is preparing a preliminary engineering report for the 'O'oma Beachside Village. Conclusions and recommendations of the report will be included in the Draft EIS. The report will be attached as an appendix to the Draft EIS.

4.7.1 ROADWAYS AND TRAFFIC

Existing Conditions

Queen Ka'ahumanu Highway is a State arterial highway facility that borders the site to the east and is currently being expanded to a four (4) lane facility in two phases. Phase I of the expansion, which will involve road widening from Henry Street to Kealakehe Parkway, is currently underway and is anticipated to be completed by April 2007. Phase II of the expansion, which will involve road widening of the area from Kealakehe Parkway to Keāhole Airport, will soon be open to bid by contractors.

Currently, there is a permitted highway access opening near the southeast corner of the 'O'oma Beachside Village site. Additional access is possible via the NELHA access road, which connects to a coastal jeep trail that extends north-south along the western portion of the Site, near the shoreline.

A Traffic Impact Assessment Report (TIAR) will be prepared by M&E Pacific. The TIAR will include an analysis of traffic counts for existing, ambient, and future conditions associated with

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‘O‘oma Beachside Village build-out. Level of Service (LOS), circulation patterns and mitigation measures will be addressed in the TIAR.

Potential Impacts and Mitigation Measures

Access to ‘O‘oma Beachside Village is proposed to be available via two access routes: 1) the primary entrance would be off Queen Ka‘ahumanu Highway, through the southeast corner of Parcel 22; and 2) the secondary access route would be via a collector road that runs north-south from HOST, east of Māmalahoa Trail.

To provide additional secondary access in the future, there will also be two potential access openings: 1) one to enable possible future connection through HOST to the Kona International Airport at Keāhole to the north; and 2) one at the southwestern portion of Parcel 22 to enable future between O‘oma Beachside Village and The Shores at Kohanaiki.

As previously stated, there is an existing permitted access from Queen Ka‘ahumanu Highway, at the southeast corner of Parcel 22. As shown on the Conceptual Master Plan, this access is proposed to be relocated approximately 400 feet north. The applicant will work with the County and State to establish the basis of design for access to ‘O‘oma Beachside Village. The entire area will be served by a collector road that will loop around the Site to serve the proposed land uses.

As previously mentioned, a TIAR is being prepared and findings will be included in the Draft EIS, along with a copy of the study. The TIAR will include an analysis of existing traffic conditions and will also account for base year traffic projections without project-generated traffic, trip generation and traffic assignment characteristics, determination of the potential impact of project-generated traffic on the base year for each development phase, and recommendations of mitigation measures to reduce or eliminate adverse impacts resulting from traffic generated. Cumulative traffic impacts associated with the creation of the proposed ‘O‘oma Beachside Village will be addressed in the Draft EIS.

4.7.2 Water System

Existing Conditions

Currently, the Hawai‘i County Department of Water Supply’s (DWS) North Kona Water System provides the region’s potable water and is integrated with sources south of Hinalani, down to the intersection of Māmalahoa Highway and Queen Ka‘ahumanu Highway. The system extends from the Kona International Airport at Keāhole in the north to Kealakekua to the south. An existing 12-inch transmission main runs along Queen Ka‘ahumanu Highway and connects to two storage tanks above the airport, Keāhole Tank and Keāhole No. 1 tank. Another 12” transmission main then runs south along the portion of Queen Ka‘ahumau Highway fronting the airport, terminating in a 12-inch by 12-inch tee at NELHA for future connection to ‘O‘oma Beachside Village and lands further south, should there be available water.

Potential Impacts and Mitigation Measures

North Kona Village, LLC will coordinate with the DWS to ensure that water storage and source is available at the time of development. Demand and preliminary water engineering will be

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discussed in the Draft EIS. A copy of the preliminary engineering report will be attached as an appendix to the Draft EIS.

4.7.3 Wastewater System

Existing Conditions

Wastewater from the Kona region is treated and disposed of by individual wastewater systems, private treatment facilities, as well as the County's Kealakehe Waste Water Treatment Plant. Many of the single-family residential lots and public parks in the region are still connected to septic systems. For smaller facilities, systems consist of a septic tank and disposal through leaching.

Treatment facilities in close proximity to the 'O'oma Beachside Village site are located at Keauhou, Kealakehe, and the Kona International Airport at Keāhole. Limited capacity is available at each wastewater treatment facility; however, according to the *County Environmental Report in Support of Applications for a Project District and Special Management Area Use Permit* (Helber, Hastert & Fee, 2003) much of this capacity has been reserved for future development.

In 2001, the County of Hawai'i passed Resolution 70-01, which allowed the extension of the municipal sewer system from the existing Kealakehe Wastewater Treatment Plant, north along Queen Ka'ahumanu Highway to Kohanaiki.

Potential Impacts and Mitigation Measures

North Kona Village, LLC is exploring coordination with other landowners on shared use of offsite treatment facilities, joint development of an offsite treatment facility, or possible development of an onsite one mgd wastewater treatment plant. If North Kona Village, LLC opts to develop a wastewater treatment plant at the 'O'oma Beachside Village site, design and construction will be in accordance with State Department of Health and County of Hawai'i standards and treated water would be reused for irrigation. M&E Pacific is preparing a preliminary engineering report that will include further discussion on the wastewater collection and treatment required for 'O'oma Beachside Village. Conclusions from the report will be included in the Draft EIS, which will also contain a copy of the report attached as an appendix.

4.7.4 Drainage System

Existing Conditions

Runoff from Hualālai sheet flows and is conveyed via gullies that run east to west (mauka to makai) near the 'O'oma Beachside Village site. Similarly, runoff from the undeveloped Site sheet flows east to west (mauka to makai) and is conveyed by gullies, discharging into the low lands near the shoreline.

Storm water mauka of Queen Ka'ahumanu Highway flows down toward the highway, where it is cut off and diverted to a series of culverts running below the highway. Near the 'O'oma Beachside Village site, there are two highway culverts, one a 30-inch corrugated metal pipe, located approximately 1,000 feet north of the site, near the airport and the other, a 14 foot, 10-

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inch by 9 feet, one inch culvert located approximately 1,000 feet south of the existing jeep access road that intersects the highway near the Site’s southern boundary. Runoff from the southern culvert drains south of the Site. A more detailed discussion of drainage infrastructure will be included in the Draft EIS.

Potential Impacts and Mitigation Measures

Offsite runoff will continue to flow east to west (mauka to makai). The proposed ‘O‘oma Beachside Village will maintain the original drainage flow pattern.

Creation of the ‘O‘oma Beachside Village will result in increased impervious surfaces, such as roads and homes that will result in an increase of runoff generated. Currently, runoff is planned to be collected by a drywell/drain inlet system with detention basins, as determined during the design phase. Any increase in runoff will be retained onsite and design and construction of the drainage system will be in accordance with existing requirements of the County of Hawai‘i Storm Drainage Standards and the Standard Details and Specifications for Public Works Construction. A detailed discussion of drainage flows and proposed mitigation measures will be included in the Draft EIS, along with a copy of the preliminary engineering report.

4.7.5 Electrical and Communications Systems

Existing Conditions

Electrical, telephone and cable service for the region is provided by Hawai‘i Electric Light Company, Inc. (HELCO), Hawaiian Telcom, and Oceanic/Time-Warner Cable, respectively. The nearest power sources are a 69 kV overhead transmission line mauka of Queen Ka‘ahumanu Highway and a substation that serves NELHA (Helber, Hastert & Fee, 2003). Mauka of Kona International Airport and Queen Ka‘ahumanu Highway is the Keāhole Power Plant, the largest power producer on the Island, generating up to 75 percent of the power needed by West Hawai‘i, and 35 percent of the electricity for the entire island. As far as telephone service, there are fiber optic lines on the electrical pole line mauka of the highway and there is a small equipment hut serving a small agricultural subdivision north of the ‘O‘oma Beachside Village site. The nearest source of cable television service is the fiber optic lines also on the 69 kV pole mauka of the highway (Helber, Hastert & Fee, 2003). Additional details of the electrical and communication systems will be described in the Draft EIS.

Potential Impacts and Mitigation Measures

Coordination with the various utility companies will be undertaken for preparation of the Draft EIS, which will include a discussion of estimated electrical demand as well as potential impacts and mitigation measures.

Energy conservation measures will be implemented where possible in the design of ‘O‘oma Beachside Village. Energy-saving technologies to be considered for incorporation include:

- Solar energy for water heating;
- Maximum use of day lighting;
- Installation of high efficiency compact fluorescent lighting;
- Roof and wall insulation, radiant barriers and energy efficient windows;
- Installation of light colored roofing;

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- Utilization of landscaping for shading of buildings;
- Use of photovoltaics, fuel cells and other renewable energy sources; and
- Installation of “district cooling” system, which utilizes cold sea water as a chilling agent for air conditions systems. NELHA currently utilizes such technology, which requires less maintenance than compressor systems, resulting in energy cost savings, fresh water conservation and fuel conservation needed for electricity production.

4.7.6 Solid Waste

Existing Conditions

Currently, the County of Hawai‘i does not provide solid waste collection service to the North Kona region. Area residents either dispose of their own refuse or hire a private collector to haul it to one of many transfer stations on the island, which in turn is delivered to one of two landfills, the South Hilo Landfill or the Pu‘uanahulu Landfill.

According to the *Update to the Integrated Solid Waste Management Plan for the County of Hawai‘i*, in 2002, the total amount of solid waste managed by the county system was approximately 160,000 tons (Harding ESE, 2002). The South Hilo Landfill is rapidly filling up and will have to close within the next two to five years (Geometrician Associates, 2006). The estimated lifespan of the Pu‘uanahulu Landfill, with a 15 percent diversion rate and receipt of only West Hawai‘i waste, is until the year 2049. If the Pu‘uanahulu Landfill receives all of the County’s waste, and if planned recycling and resource recovery efforts progress (potentially increasing the diversion rate to 45 percent), then the Pu‘uanahulu Landfill has capacity until the year 2045. Additionally, the proposed waste reduction technology in East Hawai‘i could potentially expand the Pu‘uanahulu Landfill beyond the year 2049 (County of Hawai‘i, 2004).

Potential Impacts and Mitigation Measures

The Draft EIS will include more information on solid waste disposal facilities, and the impact of the ‘O‘oma Beachside Village on landfill capacity and future solid waste solutions being pursued by the County.

A solid waste management plan for reduction of solid waste disposal will be prepared in accordance with County standards. Waste generated by site preparation will primarily consist of debris associated with the removal of lava rock and shrub vegetation onsite. Where possible, green waste from grubbing will either be chipped into mulch for use onsite or recycled, thereby minimizing the amount of solid waste generated. It will be recommended to contractors that a job-site recycling plan should be developed. Construction waste that cannot be recycled will be disposed of in the County’s landfill.

After construction, recycling will be encouraged. Recycling provisions, such as collection systems and space for bins, may be incorporated in to ‘O‘oma Beachside Village. ‘O‘oma Beachside Village will most likely be serviced by a private refuse collection agency, possibly contracted by a Homeowner’s Association(s). Waste that cannot be recycled will be disposed of at the County Landfill.

4.8 PUBLIC SERVICES AND FACILITIES

4.8.1 Police, Fire and Medical Services

Existing Conditions

The County of Hawai‘i Police Department’s Kealakehe Station is located just mauka of Queen Ka‘ahumanu Highway, approximately two (2.0) miles south of the ‘O‘oma Beachside Village site. The station provides service to the North and South Kona Districts. There are also substations in Keauhou and Captain Cook for officers from the Kona Station working in those areas (Helber, Hastert & Fee, 2003).

Fire prevention, suppression and protection services for the region are provided by the Kailua-Kona Fire Station, approximately four (4.0) miles south of the ‘O‘oma Beachside Village site, near the intersection of Palani Avenue and Queen Ka‘ahumanu Highway. The station, which serves areas within a 30-mile radius, from Keauhou to the Kona Village Resort, is equipped with a ladder truck, tanker, rescue boat and Emergency Medical Service ambulance. Back-up support to the station is provided by a volunteer-operated fire station located along Māmalahoa Highway. Other fire stations are located in Keauhou, Waikoloa and South Kohala (Helber, Hastert & Fee, 2003).

The health care facility nearest the Site is Kona Community Hospital, located on Haukapila Street in Kealakekua, approximately 17.0 miles southeast of the ‘O‘oma Beachside Village site. The 94-bed facility provides acute and long-term care services (Hawai‘i Health Systems Corporation, 2006). Other private medical and dental service providers, which have regular business hours, are located in the Kona region, including a Kaiser Permanente Clinic.

Potential Impacts and Mitigation Measures

The ‘O‘oma Beachside Village should not require an extension of the existing service area for emergency services. There may be a need for additional personnel; however, additional revenues will be generated through property taxes, which will support the County and State and their respective departments. Coordination will be undertaken with appropriate agencies to address service capabilities of police, fire, and emergency medical operations.

4.8.2 Recreational Facilities

Existing Conditions

Numerous recreational parks and facilities are located in close proximity to the ‘O‘oma Beachside Village site. Bordering the Site to the west is Wawaloli Beach Park, operated by NELHA and HOST. The white sand beach has a children’s swimming area, consisting of a large tide pool surrounded by a lava rock wall, which serves to break waves during high tide. It also has picnic tables, barbecue pits, showers and other public facilities. On-shore pole fishing is possible along the southern shore, amidst the cliffs. Along the shoreline, there is an existing dirt trail with access to many small tide pools.

The Kaloko-Honokōhau National Historical Park, a 1,160-acre national historical landmark, is located approximately 0.5 miles south of the Site. The park consists of extensive natural and

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cultural resources, including archaeological sites, wetlands and fishponds (Helber, Hastert & Fee, 2003).

In the Kohanaiki area, near the shore, are four open camp ground areas, a popular surf spot, known as "Pine Trees," a trail with benches and vista points, and a trail that will connect to the 175-mile Ala Kahakai National Historic Trail, a corridor which traverses through numerous ancient Hawaiian settlement sites and ahupua'a.

Approximately three miles south of the 'O'oma Beachside Village site is the Old Kona Airport State Park, which has a gymnasium with a full-sized basketball court, five baseball fields, two soccer fields, two football fields and four tennis courts. Other parks include Kealakekua Bay Historic Park, Kekaha Kai State Park, Keolonāhihi State Historic Park and Nāpo'opo'o Beach Park. Approximately 1.5 miles south of the Site is the Honokōhau Small Boat Harbor, which can accommodate commercial and recreational vessels (Helber, Hastert & Fee, 2003).

County parks include Disappearing (White) Sands Beach Park, Ho'okena Beach Park, Kahalu'u Beach Park, Manini Point (Nāpo'opo'o), Miloli'i Beach Park and Pāhoehoe Beach Park. The Kona Aquatic Center has facilities for lap swimming and water activity area for young children (Helber, Hastert & Fee, 2003).

Potential Impacts and Mitigation Measures

'O'oma Beachside Village will consist of approximately 104 acres of parks and open space. Near the shore, there will be approximately 75 acres of parks and open space consisting of approximately 57 acres of open space, an 18 acre shoreline park (will connect to The Shores at Kohanaiki shoreline park), and a public canoe club. There will also be an approximately eight (8) acre active community park and various smaller neighborhood parks, totaling four (4) acres. Queen Ka'ahumanu Highway and the historic Māmalahoa Trail will be maintained with landscape buffers. The open space trails would be able to connect to the Ala Kahakai Trail in the future, if so desired. A multi-modal trail system/bike pathways and roadways will loop throughout the Site, providing residents with easy access to the beach and the ability to bike, walk, hike or run throughout 'O'oma Beachside Village. North Kona Village, LLC will coordinate with the Department of Parks and Recreation to ensure that community park requirements are satisfied.

4.8.3 Schools

Existing Conditions

Presently, the State of Hawai'i Department of Education operates five (5) public schools in the Kealakehe Complex of the Honoka'a-Kealakehe-Kohala-Konawaena Complex Area. They are: Kealakehe High School (grades 9-12), Kealakehe Intermediate School (grades 6-8) and Kealakehe Elementary School (grades K-5), Kahakai Elementary School (grades K-5) and Hōlualoa Elementary School (grades K-5). Table 3 contains current and projected school enrollment information.

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Table 3: Capacity And Enrollment For Public Schools

Kealakehe Complex			
School	Capacity for 2005-2006 School Year	Enrollment in 2005-2006 School Year	Projected Enrollment 2011-2012
Kealakehe High School (Grades 9-12)	1,480	1,530	1,395
Kealakehe Intermediate School (Grades 6-8)	1,055	965	874
Kealakehe Elementary School (Grades K-5)	983	960	1,118
Kahakai Elementary School (Grades K-5)	819	618	703
Hōlualoa Elementary School (Grades K-5)	473	448	623

Source: State of Hawai'i Department of Education, 2006.

There are also three public charter schools in the region: Innovations Public Charter School (PCS) (grades 1-6) located on Queen Ka'ahumanu Highway in Kailua, Kanu o ka 'Āina New Century Public Charter School (NCPCS) (grades K-12), which operates out of the Lālāmilo Experiment Station in Waimea and West Hawai'i Explorations Academy Public Charter School (grades 7-12) operating at NELHA.

Innovations PCS, which has an open admissions policy, integrates multi-age groupings, project-based focus and technology into its curriculum. The school has a capacity for 120 students. For the 2006-2007 school year more than 150 students applied, and approximately 242 students are on the wait list (Innovations Public Charter School, 2006).

Kanu o ka 'Āina NCPCS, which has an open admissions policy, integrates native Hawaiian culture project-based learning and technology into its curriculum. Students have access to outdoor learning laboratories in Kawaihae, Pu'upulehu, Kukui and Waipi'o Valley. The school has a capacity for 150 students but may be able to accommodate up to 250 students upon permanent site relocation (Kanu o ka 'Āina Learning 'Ohana, 2006).

The West Hawai'i Explorations Academy PCS, which has an open admissions policy, integrates inquiry-based, problem-solving and project-based learning, for students interested in marine and environmental science. Grades 7 and 8 currently have a capacity for 25 students per grade level. Grades 9 to 12 can accommodate 15 students per grade level (West Hawai'i Explorations Academy, a Public Charter School, 2006).

Potential Impacts and Mitigation Measures

North Kona Village, LLC has met with State Department of Education representatives to discuss the "fair-share" educational assessment for the 'O'oma Beachside Village and will continue to coordinate to ensure that requirements are met.

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5.0 LAND USE CONFORMANCE

The processing of various permits and approvals are prerequisites to the implementation of the ‘O‘oma Beachside Village Master Plan. Relevant State of Hawai‘i and Hawai‘i County land use plans, policies, and ordinances are described below.

5.1 STATE OF HAWAI‘I

5.1.1 Chapter 343, Hawai‘i Revised Statutes

Compliance with Chapter 343, HRS is required as described in Section 1.6.

5.1.2 State Land Use Law, Chapter 205, Hawai‘i Revised Statutes

The State Land Use Law (Chapter 205, HRS), establishes the State Land Use Commission and authorizes this body to designate all lands in the State into one of four (4) Districts: “Urban,” “Rural,” “Agricultural,” or “Conservation.”

Parcel 4, comprising approximately 217.566 acres lies entirely within the “Conservation” District (Figure 9). A SLUDBA will be required to reclassify approximately 181.169 acres of Parcel 4 from the “Conservation” District to the “Urban” District (Figure 10). Approximately 38.211 acres of Parcel 4, located near the shoreline and that includes the majority of the archaeological and cultural features on the Site, will remain in the “Conservation” District.

The State ROW, comprising approximately 1.814 acres, is within the “Conservation” District (Figure 9) and will be included for reclassification to “Urban” in the SLUDBA (Figure 10).

Parcel 22, which comprises 83 acres, is entirely within the “Urban” District (Figure 9) and will remain in the “Urban” District (Figure 10).

5.1.3 Coastal Zone Management Act, Chapter 205A, Hawai‘i Revised Statutes

The Coastal Zone Management Area as defined in Chapter 205A, HRS, includes all the lands of the State. As such, the proposed ‘O‘oma Beachside Village lies within the Coastal Zone Management Area. The County’s SMA extends from Queen Ka‘ahumanu Highway in the makai/west direction through the ‘O‘oma Beachside Village site and to the shoreline.

The Draft EIS will include the relevant objectives and policies of the Hawai‘i Coastal Zone Management (CZM) Program pertaining to the proposed ‘O‘oma Beachside Village along with a more detailed discussion of how the ‘O‘oma Beachside Village will coincide with these objectives and policies.

5.1.4 Hawai‘i State Plan, Chapter 226, Hawai‘i Revised Statutes

The Hawai‘i State Plan (Chapter 226, HRS) establishes a set of goals, objectives and policies that serve as long-range guidelines for the growth and development of the State. The sections of the State Plan directly applicable to ‘O‘oma Beachside Village, along with a discussion of how the ‘O‘oma Beachside Village conforms to the State Plan, will be included in the Draft EIS.

5.1.5 State Functional Plans

The Hawai'i State Plan directs State agencies to prepare functional plans for their respective program areas. There are 14 State Functional Plans that serve as the primary implementing vehicle for the goals, objectives, and policies of the Hawai'i State Plan. The functional plans applicable to the proposed 'O'oma Beachside Village, along with each plan's applicable objectives, policies, and actions will be discussed in the Draft EIS.

5.2 COUNTY OF HAWAI'I

5.2.1 County of Hawai'i General Plan

The County of Hawai'i General Plan is a policy document that is intended to help guide development for the enhancement and improvement of life on Hawai'i Island. The document advances the County's vision for Hawai'i Island through the establishment of strategies to help achieve that vision.

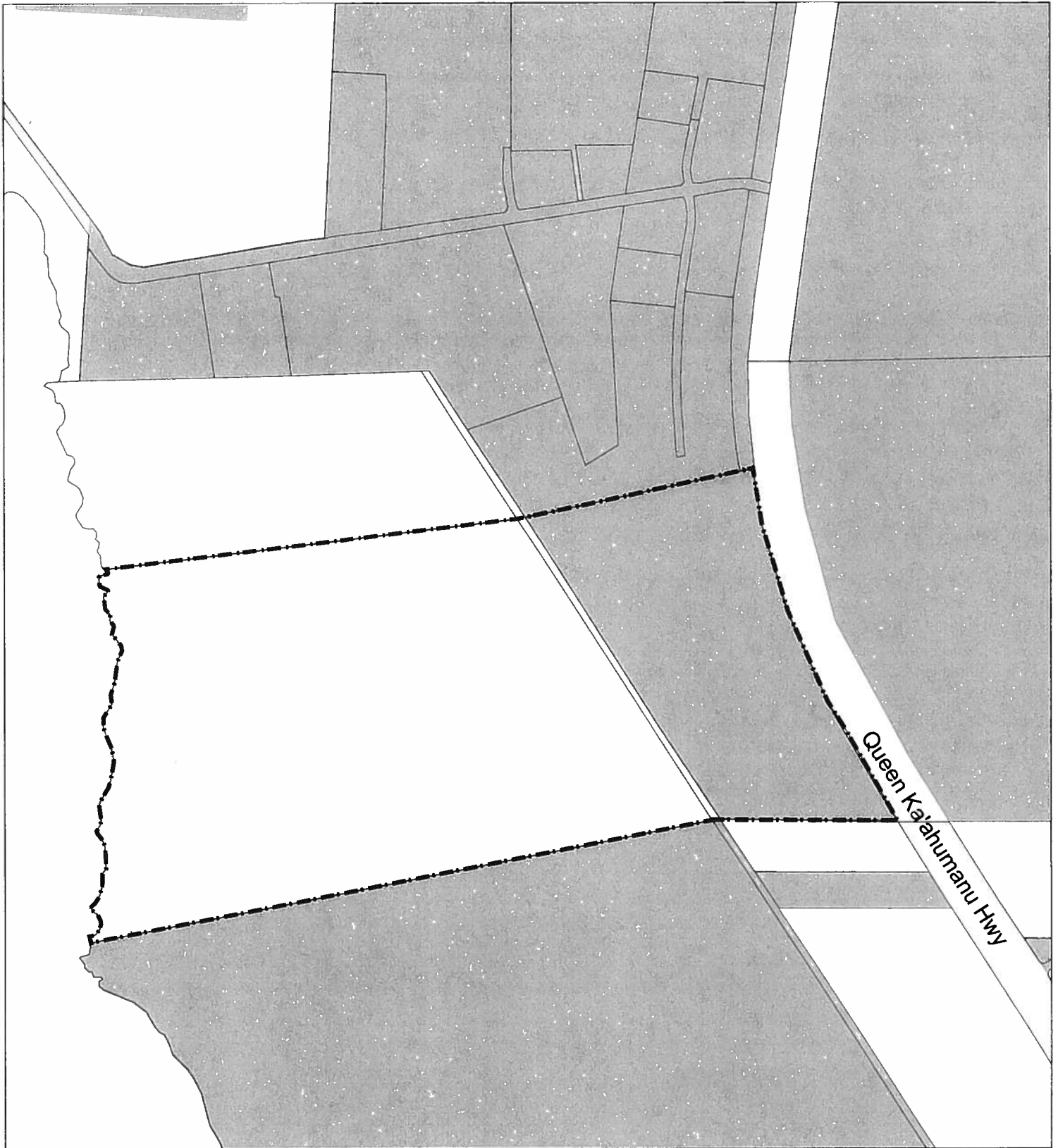
According to the *County of Hawai'i General Plan* (February 2005), a portion of Parcel 4 is designated as "Open Space" and a portion is "Urban Expansion" (Figure 11). The shoreline park, coastal (archaeological) preserve, greenway trails and landscape buffers proposed on Parcel 4 are consistent and compatible with the "Open Space" designation. Parcel 22 is designated as "Urban Expansion," with a narrow strip of "Open Space" bordering the east end of the parcel along Queen Ka'ahumanu Highway. The State ROW is designated "Urban Expansion." The land uses proposed in the Conceptual Master Plan are consistent with the "Urban Expansion" designation and "Open Space" designation along the highway. Goals, objectives, and policies from the General Plan relevant to the proposed 'O'oma Beachside Village will be discussed in the Draft EIS.

5.2.2 County of Hawai'i Zoning

Similar to the State Land Use Districts, the Hawai'i County Code (County Code) regulates the type and location of development permitted on the island. County Code designations are more specific in terms of describing permitted land uses. For example, there are residential, resort, agricultural, commercial, industrial, open, planned unit development, cluster plan development, 'ohana dwellings, project districts, agricultural project districts, and special districts, many of which have subcategories based on a variety of development standards such as permitted lot size or structures.

The existing Hawai'i County zoning for Parcels 4 and the State ROW is "O, Open" (Figure 12). Open zone applies to areas that contribute to the general welfare, the full enjoyment or economic well-being of open land type use which has been established, or is proposed. The object of the Open zone is to encourage development around it such as a golf course and park, and to protect investments which have been or shall be made in reliance upon the retention of such open type use, to buffer an otherwise incompatible land use or district, to preserve a valuable scenic vista or an area of special historical significance, or to protect and preserve submerged land, fishing ponds, and lakes (natural or artificial tide lands).

The Hawai'i County zoning for Parcel 22 is "MG-3a, General Industrial" (Figure 12). The MG, General Industrial zone applies to area for uses that are generally considered to be offensive or



Legend

 'O'oma Beachside Village

State Land Use District

 Conservation

 Urban

Source: State Land Use Commission 2006

Disclaimer: This graphic has been prepared for general planning purposes only.

FIGURE 9
State Land Use District

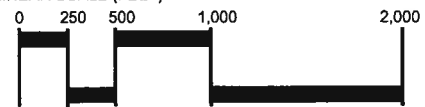
'O'oma Beachside Village

NORTH KONA VILLAGE, LLC

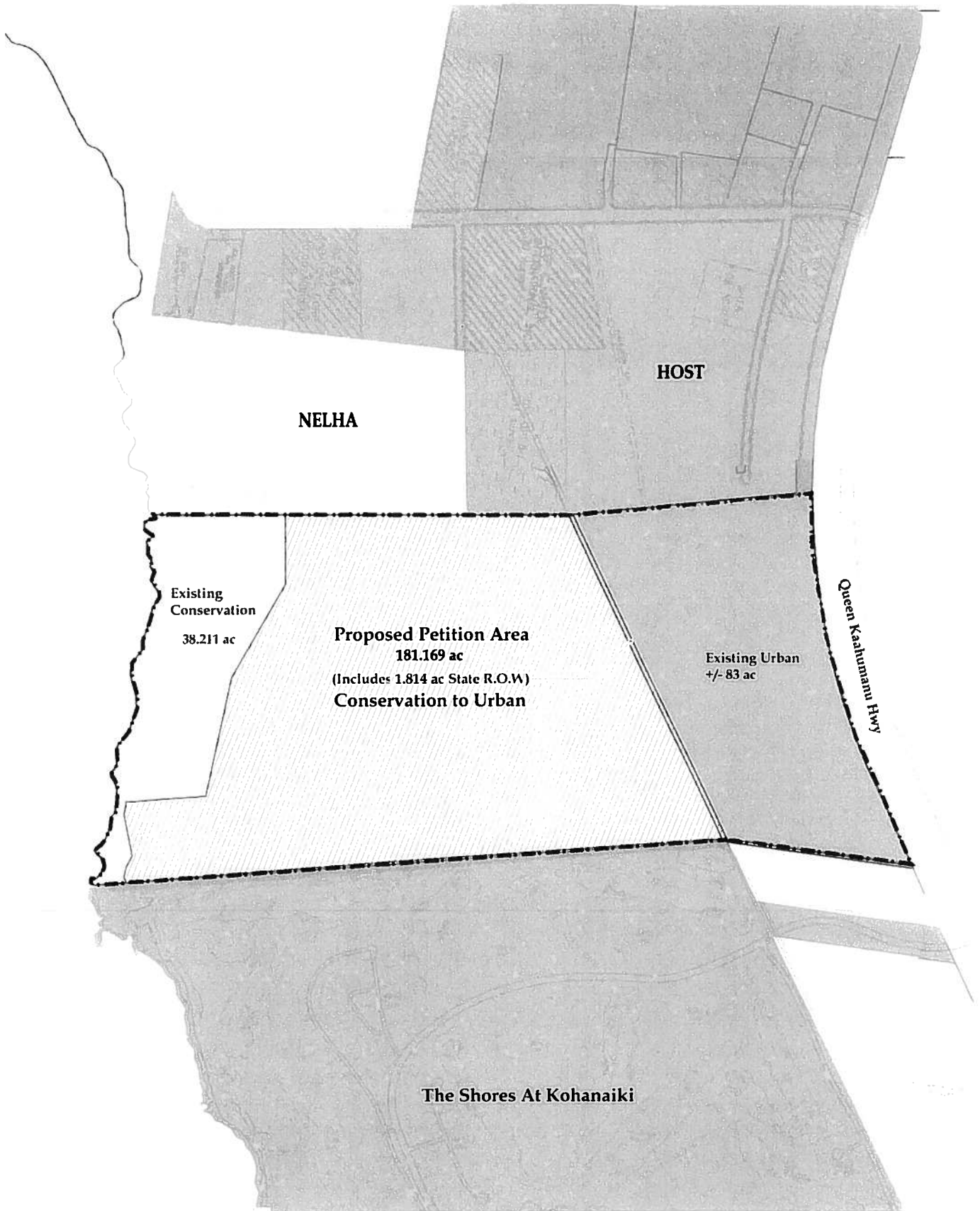
ISLAND OF HAWAII

NORTH

LINEAR SCALE (FEET)



4/12/2007



Legend





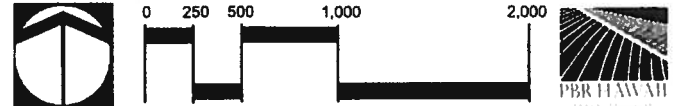
-  'O'oma Beachside Village
-  'O'oma Petition Area (Conservation to Urban)
-  Existing Conservation
-  Existing Urban

FIGURE 10
Petition Area

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII

NORTH LINEAR SCALE (FEET)





Legend







- | | |
|--|---|
|  'O'oma Project Boundary |  Low Density Urban |
|  Important Ag Lands |  Open |
|  Industrial |  Urban Expansion |

FIGURE 11

County of Hawai'i General Plan 2005

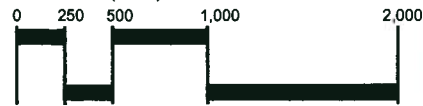
'O'oma Beachside Village

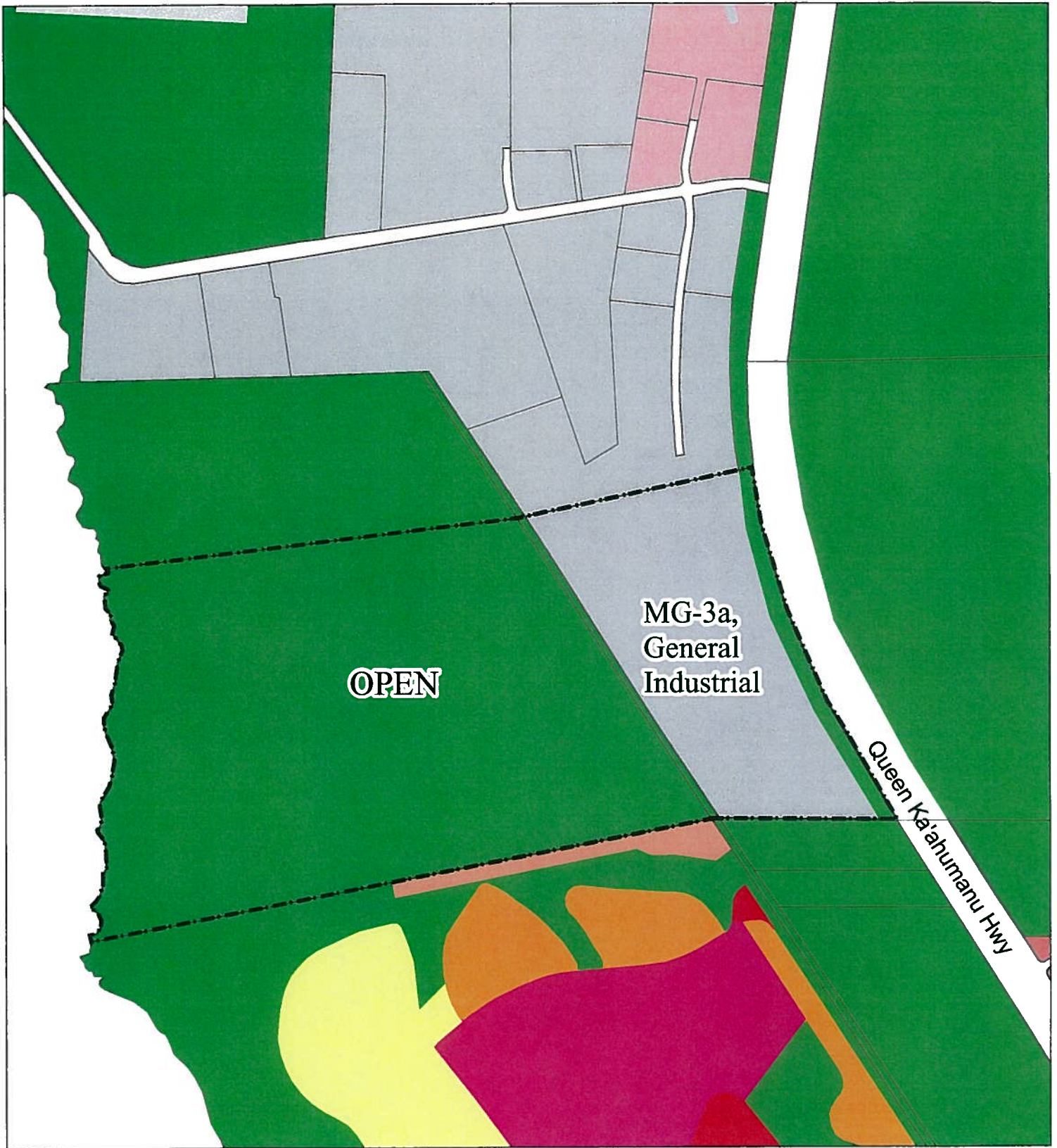
NORTH KONA VILLAGE, LLC

ISLAND OF HAWAII

NORTH

LINEAR SCALE (FEET)





Legend

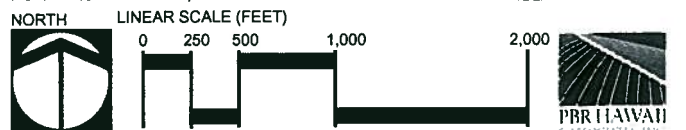
'O'oma Project Site	Industrial	OPEN
Road	MG-1a	Residential
Commercial	MG-3a	RM-3
CV-10	ML-10	RS-10
CV-20	ML-3a	Resort
		V-1.25

FIGURE 12

County of Hawai'i Zoning

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII'



Source: County of Hawai'i Zoning GIS 2007

Disclaimer: This graphic has been prepared for general planning purposes only.

‘O‘OMA BEACHSIDE VILLAGE
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have some element of danger. noxious, making it necessary to separate these uses from residential and other incompatible uses. Minimum lot size is three acres in the MG-3a zone.

The land uses proposed for Parcels 4, 22 and the State ROW of the Conceptual Master Plan are not consistent with the permitted uses of the “O, Open” and “MG-3a, General Industrial” designations. Therefore, subsequent to the SLUDBA process, a Change of Zone request will be submitted to the County of Hawai‘i Planning Department to change the existing zoning to “PD, Project District.” Project Districts are intended to provide for a flexible planning approach. Permitted uses generally include those permitted in the “RS, Single-Family Residential Districts,” “RD, Double-Family Residential Districts,” “RM, Multiple-Family Residential Districts,” “RCX, Residential-Commercial Mixed Use Districts,” “CN, Neighborhood Commercial Districts,” “CG, General Commercial Districts,” “CV, Village Commercial Districts” or “V, Resort-Hotel Districts.”

5.2.3 Special Management Area

The ‘O‘oma Beachside Village site is located within the Special Management Area (SMA) (Figure 13). The SMA is the area extending inland from the shoreline that has been designated for special protection to help preserve coastal resources. The County must approve any development within the SMA and issue a permit depending upon the type of development. The ‘O‘oma Beachside Village will occur inside of the SMA and thus, will require a SMA Use Permit. Concurrent with, and subsequent to, the Change of Zone process, North Kona Village, LLC will submit a SMA Use Permit application to the County of Hawai‘i Planning Department.

5.3 APPROVALS AND PERMITS

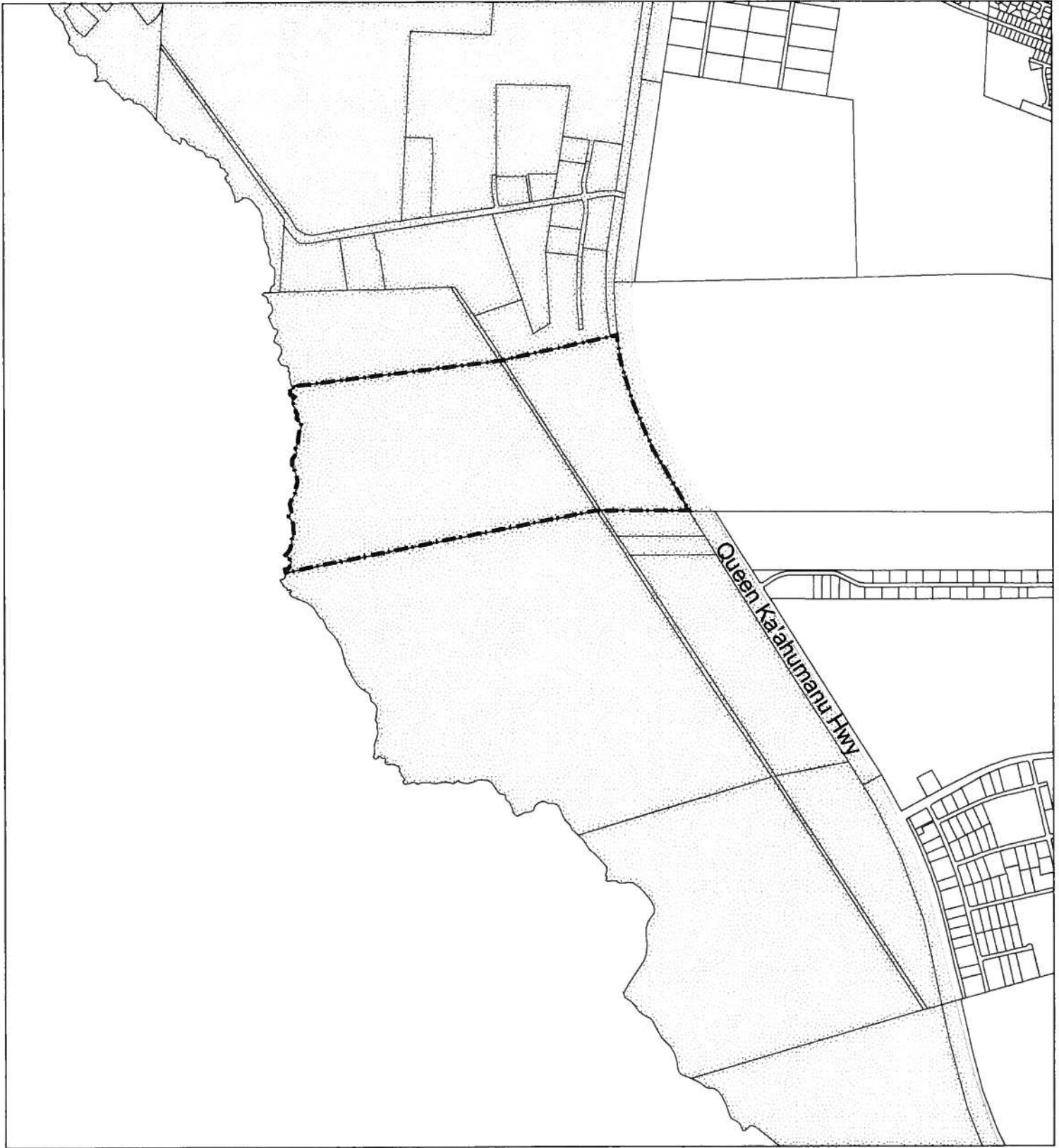
A listing of anticipated permits and approvals required for ‘O‘oma Beachside Village is presented below:

Table 4: List of Anticipated Permits and Approvals

Permit/Approval	Responsible Agency
State Land Use District Boundary Amendment	State Land Use Commission
Change of Zone Request	County Planning Department/County Council
Special Management Area Use Permit (Major)	County Planning Department/Planning Commission
Subdivision Approval	County Planning Department
National Pollutant Discharge Elimination System (NPDES) Permit	State Department of Health
Plan Approval	County Planning Department
Grading/Building Permits	County Department of Public Works
Approval for Wastewater Treatment Facility	State Department of Health
Permit to Perform Work within a State Right-of-Way	State Department of Transportation
Purchase of State ROW	Board of Land & Natural Resources

'O'OMA BEACHSIDE VILLAGE
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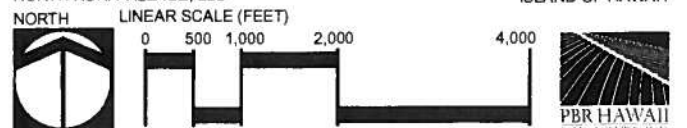
Legend

-  'O'oma Beachside Village
-  Special Management Area

FIGURE 13
Special Management Area

'O'oma Beachside Village

NORTH KONA VILLAGE, LLC ISLAND OF HAWAII'



Source: SMA County of Hawai'i GIS 2006

Disclaimer: This graphic has been prepared for general planning purposes only.

3/20/2007

6.0 ALTERNATIVES TO THE PROPOSED ACTION

In compliance with the provisions of HAR Title 11, Department of Health, Chapter 200, Environmental Impact Statement Rules, Section 11-200-17(f), the Draft EIS will include a discussion of the alternatives to the use of the site for the proposed ‘O‘oma Beachside Village. The possible alternatives to the proposed plan, including the “No-Action” alternative, will be investigated to identify other potential land uses which might be appropriate on the Site relative to existing environmental and social/economic conditions.

6.1 NO ACTION ALTERNATIVE

Under the No Action alternative, the Site would remain in its current state. This alternative would not be consistent with the *County of Hawai‘i General Plan* (February 2005), which designates a large portion of the Site for Urban Expansion, nor would it improve the current housing market. The proposed ‘O‘oma Beachside Village will be a beachside community with housing for local residents. There will be market priced homes and affordable homes that will contribute to the local economy through expenditures associated with construction and subsequently through the generation of property taxes. There could also be a potential generation of job opportunities associated with construction activity.

In addition to providing housing, the ‘O‘oma Beachside Village will accommodate commercial opportunities that will contribute to the local economy and will alleviate residents’ travel time associated with travel to Kailua-Kona for goods and services.

6.2 ADDITIONAL ALTERNATIVES

North Kona Village, LLC considered other site development and infrastructure alternatives prior to arriving at the current Conceptual Master Plan. The Draft EIS will contain a discussion of the alternatives considered during ‘O‘oma Beachside Village planning.

'O'OMA BEACHSIDE VILLAGE
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7.0 FINDINGS AND DETERMINATION

7.1 SIGNIFICANCE CRITERIA

While this EISPN is preliminary to the Draft EIS, the currently known information presented here has been evaluated according to the significance criteria as set forth in HAR Title 11, Department of Health, Chapter 200, Environmental Impact Statement Rules, Section 200. As a result of this preliminary information it is anticipated that the proposed master-planned community:

- (1) Is not likely to involve an irrevocable commitment to loss or destruction of any natural or cultural resources;
- (2) Will increase the range of beneficial uses of the environment;
- (3) Will not conflict with the State's long-term environmental policies or goals and guidelines as expressed in Chapter 344, HRS, and any revisions thereof and amendments thereto, court decisions, or executive orders;
- (4) May substantially and positively affect the economic or social welfare of the community or state;
- (5) Will not substantially affect public health;
- (6) Will involve secondary impacts, such as population changes or effects on public facilities;
- (7) Is not likely to involve a substantial degradation of environmental quality;
- (8) Is individually limited but cumulatively may have a considerable effect upon the environment or involves a commitment for larger actions;
- (9) Is not anticipated to substantially affect a rare, threatened, or endangered species, or its habitat;
- (10) Will not detrimentally affect air or water quality or ambient noise levels;
- (11) Will not affect, or be likely to suffer damage by being located within an environmentally sensitive area such as a flood plain, tsunami zone, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters;
- (12) Will not substantially affect scenic vistas and viewplanes identified in county or state plans or studies; or
- (13) Will result in additional energy consumption.

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7.2 DETERMINATION

In accordance with Chapter 343, HRS and Title 11, Chapter 200, HAR (Environmental Impact Statement Rules), this EISPN for the proposed 'O'oma Beachside Village has been prepared to address triggers for Environmental Assessments/Environmental Impact Statements which include, without limitation, the following:

- Reclassification of approximately 181.169 acres from the State Land Use Conservation District to the State Land Use Urban District;
- Proposed highway intersection improvements on Queen Ka'ahumanu Highway (a State highway facility);
- Crossings of the Māmalahoa Trail located within portions of the State ROW and Parcel 22;
- Possible purchase of the 1.814-acre State ROW;
- Possible development of a wastewater treatment plant; and
- Possible work within the shoreline setback area.

North Kona Village, LLC (the applicant) wishes to provide a thorough environmental review of the 'O'oma Beachside Village. Therefore, the preparation of an Environmental Impact Statement (EIS) is being undertaken rather than a less intensive Environmental Assessment (EA).

8.0 CONSULTATION

8.1 PRE-ASSESSMENT CONSULTATION

In the course of planning for ‘O‘oma Beachside Village, the following agencies or individuals were consulted and/or provided information and comments:

Federal

- Federal Emergency Management Agency
- Natural Resources Conservation Service
- U.S. Geological Survey

State of Hawai‘i

- Department of Agriculture
- Department of Business Economic Development & Tourism (DBEDT)
 - Land Use Commission
 - Office of Planning
- Department of Transportation
- Land Study Bureau

Hawai‘i County

- Brad Kurokawa, Deputy Planning Director
- Department of Environmental Management
 - Wastewater Division
- Department of Public Works
- Department of Water Supply
- Mayor Harry Kim
- Planning Department
- Roy Takemoto, Special Projects – Office of the Mayor

Other

- Jeff Nichols, NELHA

8.2 EIS CONSULTATION

The EISPN will be distributed to the following individuals and organizations. Comment letters received for the EISPN will be included in the Draft EIS.

Federal

- U.S. Army Corp. of Engineers Division
- U.S. Department of Agriculture, Natural Resources Conservation Service
- U.S. Department of Defense, U.S. National Guard
- U.S. Department of the Interior, Fish and Wildlife Service

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State of Hawai‘i

- Department of Agriculture
- Department of Business Economic Development & Tourism (DBEDT)
- DBEDT Office of Planning
- DBEDT Energy, Resources & Technology Division
- Department of Education
- Department of Hawaiian Home Lands
- Department of Health (DOH)
- DOH Office of Environmental Quality Control
- Department of Land and Natural Resources (DLNR) Land Division
- DLNR Historic Preservation Division
- Department of Transportation
 - Airports Division
 - Highways Division
- Office of Hawaiian Affairs
- University of Hawai‘i at Mānoa (UHM) Environmental Center

County of Hawai‘i

- Civil Defense
- Department of Environmental Management
- Department of Parks and Recreation
- Department of Public Works
- Department of Water Supply
- Fire Department
- Mass Transit Agency
- Mayor Harry Kim
- Planning Department
- Police Department

Utilities

- Hawaii Electric Light Company (HELCO)
- Hawaiian Telcom
- Oceanic/Time Warner Cable

Other Agencies, Consultants, Associations and Individuals

- Cyanotech Corporation
- Hawaii County Council
- Hawaii Leeward Planning Conference
- Keāhole Point Association
- NELHA
- The Shores at Kohanaiki

Other

- Kona-Kohala Chamber of Commerce

9.0 REFERENCES

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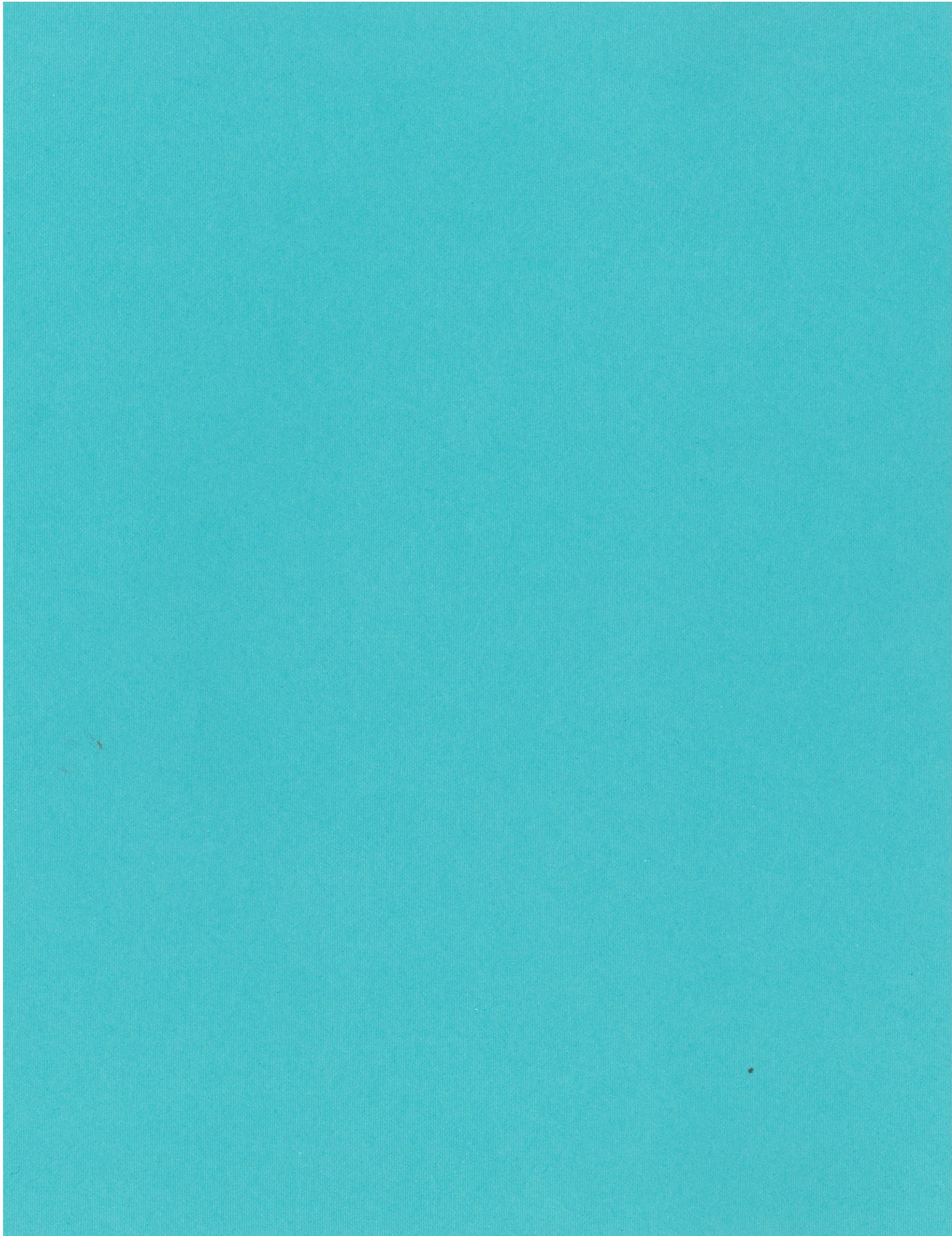
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O:\Job23\2309.03 Ooma Entitlements\EISPNEISPN-09.doc



LEGAL DESCRIPTION PETITION AREA:

All of that certain parcel of land (being a portion of Grant 4536 to John A. Maguire) situated at O'oma 2nd, North Kona, Island of Hawaii, State of Hawaii, being Lot 1, described as follows:

Beginning at the Northeast corner of this parcel of land and on the Southwest side of King's Highway, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Akahipuu" being 15,474.96 feet South and 23,940.04 feet West, thence running by azimuths measured clockwise from true South:

1. 328°31'32" 2636.08 feet along the southwest side of King's Highway;
2. 79°43'42.4" 4339.85 feet along GRANT 3086 to KEPENA;
3. 186°44'44" 36.38 feet;
4. 145°49'17" 27.58 feet;
5. 185°10'11" 24.02 feet;
6. 201°56'21" 116.04 feet;
7. 162°41'56" 320.26 feet;
8. 184°53'57" 76.94 feet;
9. 173°52'30" 26.63 feet;
10. 259°43'42" 566.61 feet;
11. 185°50'40" 891.19 feet;
12. 204°06'08" 776.12 feet;
13. 173°39'44" 502.98 feet;
14. 263°39'44" 2054.03 feet along the remainder of Grant 4536 to John A. Maguire to the point of beginning and containing an area of 179.355 acres, more or less.

TOGETHER WITH:

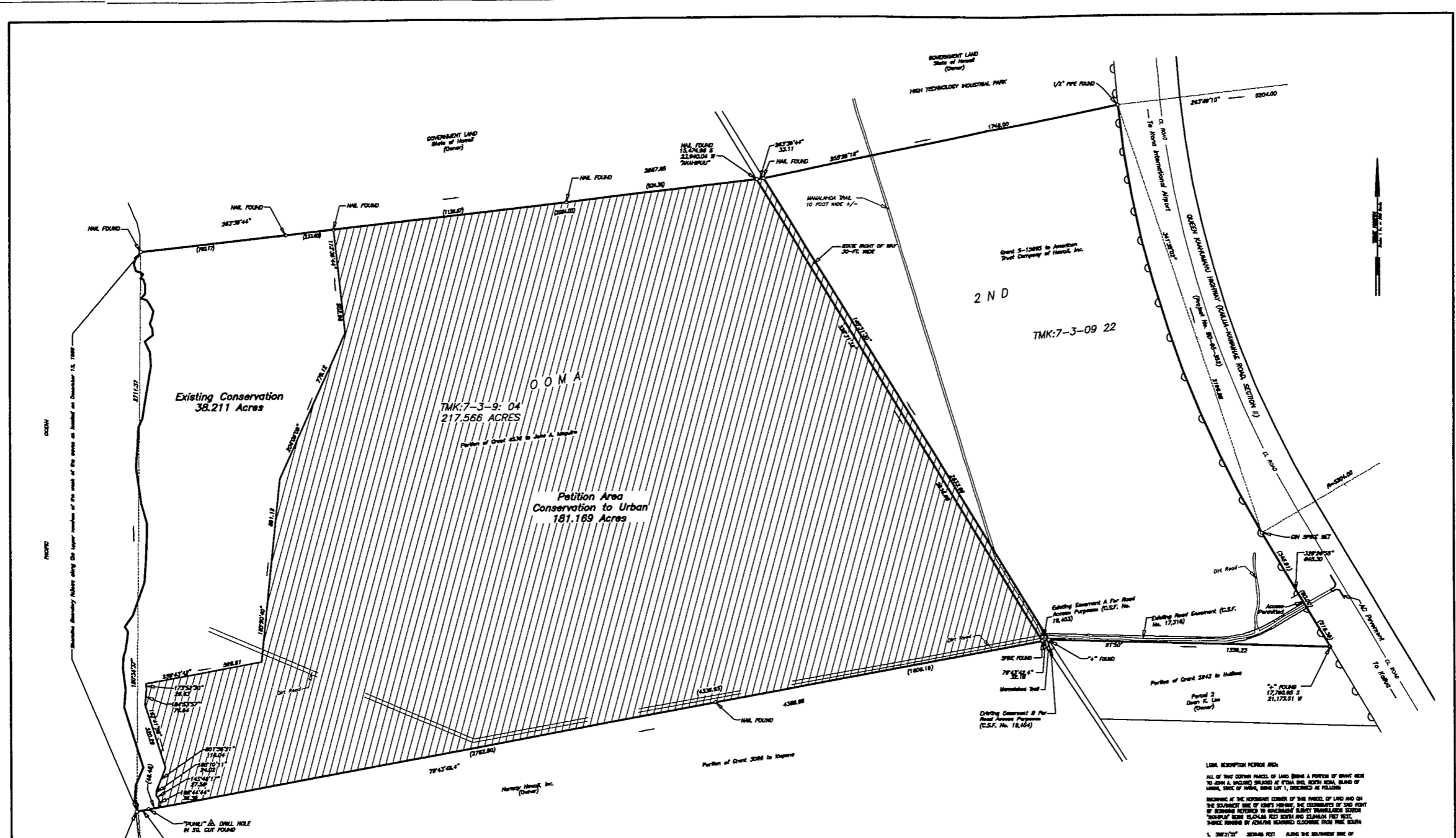
A portion of that certain parcel of land being the 30.00 foot wide State of Hawaii Right of Way as shown on the State of Hawaii, Department of Accounting and General Services, Survey Division Map, CSF No. 20120 as the King's Highway, situate at O'oma 2nd, North Kona, Island of Hawaii, State of Hawaii, described as follows:

Beginning at the Northwest corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Akahipuu" being 15,474.96 feet South and 23,940.04 feet West, thence running by azimuths measured clockwise from true South:

1. 263°39'44" 33.11 feet;
2. 328°31'30" 2633.66 feet along Grant s-15665 to American Trust Company of Hawaii, Inc.;
3. 79°43'42.4" 32.18 feet;
4. 148°31'32" 2636.08 feet along Grant 4536 to John A. Mcguire to the point of beginning and containing an area of 1.814 acres, more or less.

Description prepared by:
M&E PACIFIC, INC.

George S. Yoshimura
Licensed Professional Land Surveyor
Certificate No. 2927
Honolulu, Hawaii
March 4, 2007



PETITION MAP
PORTION TMK (3RD DIV.) 7-3-9: 04
AND
A PORTION OF THE 30.00 FOOT WIDE
STATE OF HAWAII RIGHT OF WAY
O'OMA 2nd-KALOKO, NORTH KONA, ISLAND OF HAWAII, HAWAII
TAX MAP KEY: (3RD DIV.) 7-3-9: 04 PORTION

- Notes**
1. T.M. boundary survey was performed 8/29/04 - 8/12/04
 2. Boundary survey per final description from this report under number 2421114, dated July 6, 2004. Prepared by The American Land Surveyors, Inc. 323 Kane Street, Suite 202 Honolulu, Hawaii, 96813
 3. Owner: North West Village LLC

LEGAL DESCRIPTION TMK (3) 7-3-9: 04
 ALL OF THAT CERTAIN PARCEL OF LAND BEING A PORTION OF THE GOVERNMENT LAND OF O'OMA, BEING A PORTION OF THE ISLAND OF HAWAII, STATE OF HAWAII, BEING LOT 2, DESCRIBED AS FOLLOWS:
 BEGINNING AT THE SOUTHWEST CORNER OF THIS PARCEL OF LAND AND ON THE WEST SIDE OF O'OMA'S SHARAWAIA HIGHWAY (SHARAWAIA HIGHWAY SECTION 2), THE CORNER OF LAND POINT OF BEGINNING BEING TO CORNER POINT SHARAWAIA HIGHWAY SECTION 2, BEING 17,762.02 FEET SOUTH AND 21,172.51 FEET WEST, THENCE BEARING BY ADJACENT PARCELS TO THE POINT OF BEGINNING AS FOLLOWS:
 1. 27°12'30" S 208.00 FEET ALONG THE WESTERN SIDE OF HAWAII'S HIGHWAY;
 2. 14°21'30" S 208.00 FEET ALONG THE WESTERN SIDE OF HAWAII'S HIGHWAY;
 3. 27°12'30" S 208.00 FEET ALONG HIGH TECHNOLOGY INDUSTRIAL PARK, GOVERNMENT LAND (SECTION 2);
 4. 18°04'47" S 27.00 FEET ALONG THE WEST SIDE OF O'OMA'S SHARAWAIA HIGHWAY (SHARAWAIA HIGHWAY SECTION 2) ON A CURVE TO THE LEFT WITH A RADIUS OF 180.00 FEET, THE CHORD BEING 27.00 FEET AND BEARING 247°20'42" S 218.00 FEET;
 5. 27°12'30" S 208.00 FEET ALONG THE WEST SIDE OF O'OMA'S SHARAWAIA HIGHWAY (SHARAWAIA HIGHWAY SECTION 2);
 6. 27°12'30" S 208.00 FEET ALONG THE WEST SIDE OF O'OMA'S SHARAWAIA HIGHWAY (SHARAWAIA HIGHWAY SECTION 2) TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 181,169 ACRES.
 BEING ALL OF THE PREMISES COVERED BY LIMITED WARRANTY DEED DATED JANUARY 26, 2002 AS REGULAR STATE DOCUMENT NO. 2002-0107 OF OFFICIAL RECORDS.
 BEING THE LAND AS APPROXIMATELY A PARTIAL LIMITED PARTNERSHIP OWNERSHIP OF O'OMA CONSERVATION LLC, A HAWAII LIMITED LIABILITY COMPANY.
 NOTE: GOVERNMENT OF HAWAII AND COMMISSIONER APPROVAL, STATE OF HAWAII, DECIDES THE CHANGE OF NAME OF O'OMA'S SHARAWAIA HIGHWAY TO NORTH KONA VALLEY LLC ON JULY 1, 2004.
 TMK: (3) 7-3-9: 04-000-000 (PARTIAL SECTION)
 7-3-9: 04-000-000 (PARTIAL SECTION)

LEGAL DESCRIPTION TMK (3) 7-3-9: 04
 ALL OF THAT CERTAIN PARCEL OF LAND BEING A PORTION OF O'OMA BEING A PORTION OF THE ISLAND OF HAWAII, STATE OF HAWAII, BEING LOT 1, DESCRIBED AS FOLLOWS:
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 TMK: (3) 7-3-9: 04-000-000 (PARTIAL SECTION)
 7-3-9: 04-000-000 (PARTIAL SECTION)

- LEGAL DESCRIPTION PORTION AREA**
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 TMK: (3) 7-3-9: 04-000-000 (PARTIAL SECTION)
 7-3-9: 04-000-000 (PARTIAL SECTION)

100 Poupou St.
 1400, Hawaii
 March 27, 2007
 Rev. March 30, 2007
 Rev. APRIL 2, 2007

JOSEPH S. YOSHIMIZU
 LICENSED PROFESSIONAL LAND SURVEYOR
 No. 23923
 HAWAII, U.S.A.

M & E Pacific, Inc.
 Licensed Professional Land Surveyors
 Certificate No. 1927 Exp. 4/30/08

GRAPHIC SCALE IN FEET

MADE PACIFIC, INC.
 Drafters & Surveyors

THE ORIGINAL OF THIS DOCUMENT
RECORDED AS FOLLOWS:
STATE OF HAWAII

BUREAU OF CONVEYANCES

Doc 2007-058335
MAR 30, 2007 02:00 PM

LAND COURT

REGULAR SYSTEM

Return By Mail Pick-Up To:

CARLSMITH BALL LLP
P.O. Box 686
Hilo, Hawaii 96721-0686
Attention: Steven S.C. Lim
Telephone: (808) 935-6644

JAB

TITLE OF DOCUMENT:

AMENDED AND RESTATED CERTIFICATION OF CONDITIONS

PARTIES TO DOCUMENT:

PETITIONER: **NORTH KONA VILLAGE LLC**, a Nevada limited liability company,
whose mailing address is 6955 El Camino Real, Suite 200, Atascadero,
California 93422

TAX MAP KEY(S): (3) 7-3-009-004

(This document consists of 4 pages.)

AMENDED AND RESTATED CERTIFICATION OF CONDITIONS

THIS INDENTURE, is made this 27th day of March, 2007, by **NORTH KONA VILLAGE LLC**, a Nevada limited liability company, the business and mailing address of which is 6955 El Camino Real, Suite 200, Atascadero, California 93422 ("Petitioner");

WITNESSETH:

WHEREAS, Petitioner holds title to that certain real property located at Keahole, North Kona, Island, County and State of Hawaii, and designated as Tax Map Key No. (3)-7-3-009-004 (the "Subject Property");

WHEREAS, title to the Subject Property is encumbered by that certain Certificate of Conditions dated March 7, 1986 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 19341, Page 736 (the "1986 Certificate"), setting forth the conditions imposed by the State of Hawaii Land Use Commission (the "LUC") in connection with the reclassification of the Subject Property from Conservation District to Urban District and amendment of the land use district boundaries of the Subject Property by that certain Decision and Order dated and entered on February 6, 1986, in Docket No. A85-592 (the "Original Order"), which is incorporated herein by reference;

WHEREAS, by that certain Order Granting Motion to Delete or Modify Condition of the Decision and Order Dated February 6, 1986, dated and entered on May 19, 1992, in Docket No. A85-592 (the "Amending Order"), which is incorporated herein by reference, the LUC amended the conditions set forth in the Original Order; and

WHEREAS, Petitioner desires to amend and restate the Original Order in its entirety to include the modification of the conditions contained in the Amending Order, and to release from the Subject Property in full the 1986 Certificate.

NOW, THEREFORE, Petitioner hereby amends and restates the 1986 Certificate in its entirety as follows:

Condition 1:

Petitioner shall grant to the State of Hawaii an avigation (right of flight) and noise easement in the form prescribed by the State Department of Transportation on any portion of the Subject Property subject to noise levels exceeding 55 Ldn.

Condition 1.5:

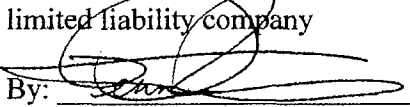
Petitioner shall not construct residential units or condominium units within areas of the Subject Property exposed to noise levels of 60 Ldn or greater.

Condition 2:

Prior to any construction activity Petitioner shall submit to the Department of Land and Natural Resources Historic Preservation Office a satisfactory historic preservation plan prepared by a qualified archaeologist, which plan will include appropriate measures to preserve the Mamalahoa Trail and all sites deemed appropriate for preservation.

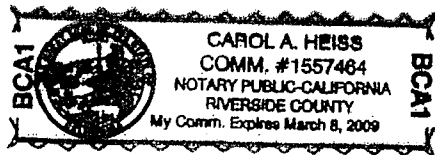
IN WITNESS WHEREOF, the undersigned has hereunto caused this instrument to be duly executed and acknowledged on March 27, 2007.

NORTH KONA VILLAGE LLC, a Nevada limited liability company

By: 
Name: DENNIS MORESCO
Title: MANAGER

STATE OF CALIFORNIA)
)
COUNTY OF Riverside) ss.

On this 27th day of March, 2007, before me personally appeared Dennis Moresco, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Carol A. Heiss
Name: CAROL A. HEISS

Notary Public, State of California

My commission expires: MARCH 8TH 2009

75

R-828

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

JAN 30, 2002 09:30 AM

Doc No(s) 2002-016768

/s/CARL T. WATANABE
ACTING
REGISTRAR OF CONVEYANCES
CONVEYANCE TAX: \$2835.00

LAND COURT

KM

REGULAR SYSTEM

Return by Mail () Pickup () to:
James H. Watson, Esquire
HOLLAND & KNIGHT LLP
1201 West Peachtree Street, N.E., Ste. 2000
Atlanta, Georgia 30309-3400

FAM

439244

Tax Map Keys: (3) 7-3-9-4 and (3) 7-3-9-22

Total Pages 11

LIMITED WARRANTY DEED

THIS Limited Warranty Deed, made this 18 day of January, 2002, by and between KONA KAI ASSOCIATES, a Hawaii limited partnership, whose address is c/o Holland & Knight LLP, Attn: Francis W. Costello, Esq., 633 West Fifth Street, Suite 2100, Los Angeles, California 90071-2017, hereinafter called the "Grantor," and CLIFTO'S KONA COAST LLC, a Nevada limited liability company, whose address is 68-1857 Lina Poepoe Street, Waikoloa, Hawaii 96743, hereinafter called the "Grantee;"

WITNESSETH:

That the Grantor, for and in consideration of the sum of Ten and NO/100 Dollars (\$10.00) and other valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, and convey unto the Grantee, and its successors and assigns, forever, the following:

Limited Warranty Deed Page 1

ALL OF THE LAND IN THE COUNTY OF HAWAII, STATE
OF HAWAII, DESCRIBED IN EXHIBIT A ATTACHED
HERETO AND MADE A PART HEREOF.

TO HAVE AND TO HOLD the said land, together with all buildings, improvements, rights, easements, privileges, and appurtenances thereon and thereunto belonging or appertaining or held and enjoyed therewith, and all of the estate, right, title, and interest of the Grantor both at law and in equity, therein and thereto, unto the Grantee as aforesaid, in fee simple (collectively referred to herein as the "Property"); SUBJECT, HOWEVER, as set forth herein; and PROVIDED, HOWEVER, as follows: Grantee acknowledges and agrees that, without limiting the limited warranty expressly provided in the next paragraph, Grantor has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning or with respect to (a) the value, nature, quality or condition of the Property, including, without limitation, the water, soil, and geology, (b) income or other benefit to be derived from the Property, (c) the suitability of the Property for any and all activities and uses which Grantee may conduct thereon, or the availability of any governmental approvals for any use of the Property which Grantee may wish to make, (d) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body, (e) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property, (f) developability, access, availability of utilities or other infrastructure, possession, historical, archaeological, cultural, and similar aspects, (g) the manner, quality, state of repair or lack of repair of the Property, (h) the area or acreage of the Property, (i) governmental or private claims to use of the shoreline or adjacent areas on the Property or any trails, roads, rights of way, paths, or other means of traversing the Property, and (j) any other matter with respect to the Property; and specifically, that Grantor has not made, does not make, and specifically disclaims any representations regarding compliance with any environmental protection, pollution, land use or zoning laws, rules, regulations, orders or requirements, including the existence in or on the Property of hazardous materials (except Grantor represents that as of the date of this deed, Grantor has not actually received any notice in writing from a governmental agency or any other party concerning any of the following: (A) the presence of hazardous substances, pollutants, or contaminants as defined by hazardous material laws on the Property ("Hazardous Materials"), (B) any reporting, remediation, or clean-up obligations of the owner of the Property concerning Hazardous Materials, or (C) a condemnation of all or a portion of the Property or other indication from the government that it intends to acquire all or a portion of the Property). Grantee further acknowledges and agrees that the sale of the Property is made on an "as is" condition and basis with all faults, in all respects, and that the purchase price of the Property was adjusted by negotiation to reflect that the Property is sold by Grantor and purchased by Grantee subject to the foregoing. Grantee further acknowledges and agrees that Grantor shall not be deemed to have made any representation or warranty regarding the accuracy or completeness of any information provided to Grantee in connection with Grantee's investigation and inspection of or relating to the Property, or regarding the truth of any statements in such information or regarding any omissions from such information, that Grantor has not made any independent investigation or verification of any such information provided to Grantee, and that Grantee has conducted its own independent analysis of the Property and any and all such information provided to Grantee, without reliance upon any representation or warranty by Grantor or any agent or representative

of Grantor, with respect to any such information. Grantee further acknowledges and agrees that Grantor's determination that conditions to Grantor's making a real property and sale with Grantee have been satisfied does not create any express or implied representation or warranty by Grantor to Grantee regarding existence or non-existence of facts or circumstances contemplated by such conditions, and Grantor's conveyance of the Property to Grantee pursuant to satisfaction of such conditions shall not be deemed to expand or reduce the limited warranty in this deed.

And without limiting the foregoing, the Grantor, for itself and its successors, hereby covenants with the Grantee and the Grantee's successors and assigns that said property is free and clear of all encumbrances made or suffered by the Grantor except as set forth herein, and except for real property taxes for the current year, which are to be prorated as of the date hereof.

The respective terms "Grantor" and "Grantee" used herein, or any pronoun used in place thereof, shall mean and include the masculine or feminine, the singular or the plural, individuals or corporations and their respective successors and assigns, as the case may be.

The parties hereto agree that this instrument may be executed in identical counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK. SIGNATURES
ARE INTENTIONALLY PLACED ON A SUBSEQUENT PAGE]

i

And the Grantor, for itself and its successors, hereby covenants with the Grantee and the Grantee's successors and assigns that said property is free and clear of all encumbrances made or suffered by the Grantor except as set forth herein, and except for real property taxes for the current year, which are to be prorated as of the date hereof.

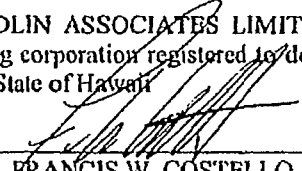
The respective terms "Grantor" and "Grantee" used herein, or any pronoun used in place thereof, shall mean and include the masculine or feminine, the singular or the plural, individuals or corporations and their respective successors and assigns, as the case may be.

The parties hereto agree that this instrument may be executed in identical counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

IN WITNESS WHEREOF, this instrument has been executed by the parties described above, as of the dates herein evidenced.

KONA KAI ASSOCIATES, a Hawaii limited partnership

By: RODLIN ASSOCIATES LIMITED, a Hong Kong corporation registered to do business in the State of Hawaii

By: 
FRANCIS W. COSTELLO
Its Attorney in Fact

"Grantor"

CLIFTO'S KONA COAST LLC, a Nevada limited liability company

By: _____
Its

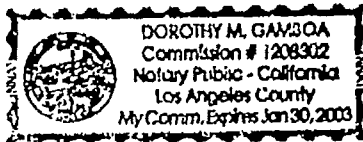
Print Name: _____

Title: _____

"Grantee"

STATE OF CALIFORNIA)
)
) SS:
COUNTY OF LOS ANGELES)

On this 18th day of January, 2002, before me personally appeared FRANCIS W. COSTELLO, proved to me by satisfactory evidence to be the person who executed the foregoing instrument, and, being by me duly sworn, did say that he is the Attorney-in-Fact for RODLIN ASSOCIATES LIMITED, a Hong Kong corporation, which is general partner of KONA KAI ASSOCIATES, a Hawaii limited partnership, duly appointed as such Attorney-in-Fact under that certain Power of Attorney dated August, 2000, which Power of Attorney is now in full force and effect; and that the foregoing instrument was executed in the name and behalf of said Rodlin Associates Limited as such general partner by said Francis W. Costello as such Attorney-in-Fact; and said Francis W. Costello acknowledged such instrument to be the free act and deed of said Rodlin Associates Limited and of said Kona Kai Associates.



Signature: Dorothy M. Gamba

Print Name: DOROTHY M. GAMBGA

Notary Public, State of California

My Commission Expires: January 30, 2003

[Notary Seal]

STATE OF HAWAII)
)
) ss:
CITY AND COUNTY OF HONOLULU)

On January __, 2002, before me appeared _____ to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: _____

Print Name: _____

Notary Public, State of Hawaii

My Commission Expires: _____

[Notary Seal]

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) SS:

On this _____ day of January, 2002, before me personally appeared FRANCIS W. COSTELLO, proved to me by satisfactory evidence to be the person who executed the foregoing instrument, and, being by me duly sworn, did say that he is the Attorney-in-Fact for RODLIN ASSOCIATES LIMITED, a Hong Kong corporation, which is general partner of KONA KAI ASSOCIATES, a Hawaii limited partnership, duly appointed as such Attorney-in-Fact under that certain Power of Attorney dated August, 2000, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 2001-174404, which Power of Attorney is now in full force and effect; and that the foregoing instrument was executed in the name and behalf of said Rodlin Associates Limited as such general partner by said Francis W. Costello as such Attorney-in-Fact; and said Francis W. Costello acknowledged such instrument to be the free act and deed of said Rodlin Associates Limited and of said Kona Kai Associates.

Signature: _____

Print Name: _____

Notary Public, State of California

My Commission Expires: _____

[Notary Seal]

STATE OF HAWAII)
 HAWAII)
CITY AND COUNTY OF HONOLULU) ss:

On January 25, 2002, before me appeared CLIFF M MORRIS to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: Stacie K. Francis

Print Name: STACIE K FRANCIS

Notary Public, State of Hawaii

My Commission Expires: 10/28/05

[Notary Seal]

ATL1 #502067 v2



EXHIBIT A

PARCEL FIRST

ALL of that certain parcel of land (being a portion of Grant 4536 to John A. Maguire) situated at O'oma 2nd, North Kona, Island and County of Hawaii, State of Hawaii, being LOT 1, described as follows:

Beginning at the northeast corner of this parcel of land and on the southwest side of King's Highway, the coordinates of said point of beginning referred to Government Survey Triangulation Station "AKAHIPUU" being 15,474.96 feet South and 23,940.04 feet West, then running by azimuths measured clockwise from True South:

1. 328° 31' 32" 2636.08 feet along the southwest side of King's Highway;
2. 79° 43' 42.4" 4388.69 feet along Grant 3086 to Kapena;
3. 79° 25' 16" 55.83 feet along Grant 3086 to Kapena to highwater mark at seashore;
4. Thence along highwater mark at seashore, the direct azimuth and distance being:
180° 34' 37" 2711.37 feet;
5. 263° 39' 44" 2987.85 feet along the remainder of Grant 4536 to John A. Maguire to the point of beginning and containing an area of 217.566 acres, more or less.

EXCEPTING any portion of the above-described property lying below the line of high water, said line of high water being defined by Sections 205A-41 to 205A-43.6 of the Hawaii Revised Statutes, as amended, and also excepting any artificial accretions to said property waterward of said high water line.

PARCEL SECOND

ALL of that certain parcel of land (being a portion of the Government Land of O'oma 2nd) situated at O'oma 2nd, North Kona, Island and County of Hawaii, State of Hawaii, being LOT 2, described as follows:

Beginning at the southeast corner of this parcel of land and on the west side of Queen Kaahumanu Highway (Kailua-Kawaihae Road, Section II), the coordinates of said point of beginning referred to Government Survey Triangulation Station "AKAHIPUU" being 17,760.95 feet South and 21,173.51 feet West, thence running by azimuths measured clockwise from True South:

1. 91° 50' 1359.22 feet along Grant 2942 to Hulikoa;
2. 148° 31' 30" 2633.66 feet along the northeast side of King's Highway;
3. 258° 25' 16" 1749.00 feet along High Technology Industrial Park, Governor's Executive Order 3282;
4. Thence along the west side of Queen Kaahumanu Highway (Kailua-Kawaihae Road, Section II), on a curve to the left with a radius of 2504.00 feet, the chord azimuth and distance being:
 - 341° 38' 02.6" 2196.88 feet;
5. 329° 26' 55" 345.91 feet along the west side of Queen Kaahumanu Highway (Kailua-Kawaihae Road, Section II);
6. 329° 26' 55" 50.00 feet along the west side of Queen Kaahumanu Highway (Kailua-Kawaihae Road, Section II);
7. 329° 26' 55" 30.00 feet along the west side of Queen Kaahumanu Highway (Kailua-Kawaihae Road, Section II);
8. 329° 26' 55" 219.39 feet along the west side of Queen Kaahumanu Highway (Kailua-Kawaihae Road Section II) to the point of beginning and containing an area of 83.00 acres, more or less.

BEING the same land conveyed by Bank of Hawaii, a Hawaii corporation, by its division Pacific Century Trust, as Trustee under that certain unrecorded Land Trust Agreement dated December 28, 1982, and Land Trust No. 90-01646, as grantor, to Kona Kai Associates, a Hawaii limited partnership, as grantee, by that certain Limited Warranty Deed dated December 4, 2001, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2001-199565.

SUBJECT, HOWEVER, to the following:

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. AS TO PARCEL FIRST:
 - a) Government Triangulation Station called "Puhili" on the southerly boundary of the land described herein. Attention is invited to the provisions of Section 172-13 of the Hawaii Revised Statutes relative to destruction, defacing, or removal of survey monuments.
 - b) Location of seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance, and the effect, if any, upon the area of the land described herein.
 - c) Rights and easements for commerce, navigation, and fishery in favor of the public or the federal, state or municipal government, including rights in and to that

portion of the property lying below the mean high water mark of the Pacific Ocean, currently or hereafter established by law or court ruling.

- d) Lack of right of access to and from Lot 1 to a public highway.
- e) Any public trail along the seaward boundary.

3. AS TO PARCEL SECOND:

- a) Reservations to the State of Hawaii as reserved in Land Patent Grant No. S-15,665.
- b) Conditions in Land Patent Grant No. S-15,665.
- c) Access shall not be permitted into and from Queen Kaahumanu Highway (Kailua-Kawaihae Road, Section II) over and across Courses 4, 5 and 8 of the land described herein, as set forth in Land Patent Grant No. S-15,665.
- d) Reservation to the State of Hawaii and its successors and assigns of the Mamalahoa Trail over and across the land described herein, as set forth in Land Patent Grant No. S-15,665.
- e) CERTIFICATE OF CONDITIONS by the High Technology Development Corporation dated March 7, 1986, recorded in the Bureau of Conveyances in Book 19341, Page 736.
- f) Subject to non-exclusive Road Easement from the State of Hawaii to Paul Lynch as set forth in Land Patent Grant No. S-15,665, more particularly described as follows:

Beginning at the northeast corner of this easement, being also the end of Course 6 of the land described as said PARCEL SECOND, thence running by azimuths measured clockwise from true south:

1. $329^{\circ} 26' 55''$ 30.00 feet along the west side of Queen Kaahumanu Highway (Kailua-Kawaihae Road, Section II);
2. $59^{\circ} 26' 55''$ 189.10 feet;
3. Thence on curve to the right with a radius of 540.00 feet, the chord azimuth and distance being: $75^{\circ} 38' 27.5''$ 301.17 feet;
4. $91^{\circ} 50'$ 792.80 feet along Grant 2942 to Hulikoa;
5. $148^{\circ} 31' 30''$ 35.90 feet along the northeast side of King's Highway;

6. 271° 50' 812.51 feet;
7. Thence on a curve to the left with a radius of 510.00 feet, the chord azimuth and distance being: 255° 38' 27.5" 284.44 feet;
8. 239° 26' 55" 189.10 feet to the point of beginning and containing an area of 38,655 square feet or 0.887 acre, more or less.

As also described as a non-exclusive easement and right-of-way for pedestrian and vehicular traffic over and across a 30-foot wide road easement, as granted in Grant of Easement S-4830 dated December 3, 1982, recorded in the Bureau of Conveyances in Book 16727 at Page 370.

NOTE: Grant of Easement under General Lease S-4876 from the State of Hawaii to Paul Lynch has expired according to the records in the Department of Land and Natural Resources

4. MUTUAL AGREEMENT

By and Between: Kahala Capital Corporation, a Hawaii corporation, by and through its Trustee, Robert D. Van Dorpe, and Cyanotech Corporation, a Nevada corporation, by and through its President Gerald Cysewski, Ph.D., and its Vice President, Kelly Moorhead, and Keahole Point Association, an unincorporated association, by and through its Vice President, Philip Wilson;

Dated: February 17, 1993;

Recorded in the Bureau of Conveyances as Document No. 93-026582.

5. Any unrecorded leases and matters arising from or affecting the same.
6. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey or archaeological study would or does disclose.
7. All customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access, or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
DEPUTY DIRECTOR

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

March 23, 2007

Sent by E-mail at SLIM@carlsmith.com
and U.S. Mail

Mr. Steven S.C. Lim
Carlsmith Ball LLP
121 Waiianuenue Avenue
Box 686
Hilo, Hawaii 96721-0686

Dear Mr. Lim:

Subject: O'oma Beachside Village – North Kona Village LLC, Mamalahoa Trail,
State Right-of-Way, O'oma 2nd, North Kona, Hawaii Tax Map Key: (3) 7-
3-9:4 and 22

We do not have any comments or objections to your request to include the State's Right-of-Way or the Mamalahoa Trail within your Petition for a Boundary Amendment seeking to reclassify certain lands from the conservation district, to urban.

We will need to defer and study further your other request about designating certain portions of the State's Right-of-Way as a remnant under section 171-52, HRS. By copy of this letter, I am asking Curt Cottrell of our Na Ala Hele program to be your point of contact on that request. Curt can be reached at 587-0062.

Should you reach me, you may contact me at 587-0422. Thank you.

Sincerely,

Russell Y. Tsuji
Land Division Administrator

c: Curt Cottrell, Na Ala Hele
Abe Mistuda, Office of Planning
Ms. Jennifer Benck, Esq. via e-mail at jbenck@carlsmith.com

**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII**

In the Matter of the Petition of
NORTH KONA VILLAGE, LLC

To Amend the Conservation Land Use District Boundaries into the Urban Land Use District for certain lands situate at O'oma 2nd - Kaloko, North Kona, Island of Hawaii, State of Hawaii; consisting of approximately 181.169 acres, Tax Map Key Nos. (3) 7-3-009: 004 (por.), and (3) 7-3-009: (portion of State Right-of-Way)

DOCKET NO. A07-774

AFFIDAVIT OF JENNIFER A. BENCK
ATTESTING TO SERVICE OF PETITION
FOR LAND USE DISTRICT BOUNDARY
AMENDMENT

**AFFIDAVIT OF JENNIFER A. BENCK ATTESTING TO
SERVICE OF PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT**

STATE OF HAWAII

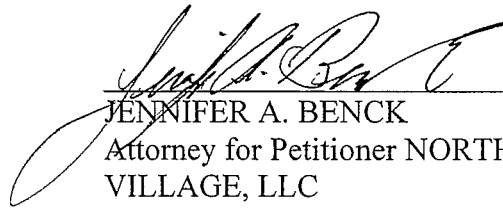
COUNTY OF HAWAII

JENNIFER A. BENCK, being first sworn on oath, deposes and says that:

1. Affiant is one of the attorneys for Petitioner, NORTH KONA VILLAGE, LLC ("Petitioner"), is licensed to practice law in the State of Hawaii, is duly authorized to make this affidavit, and does so upon personal knowledge and belief.
2. This affidavit is made to comply with Section 15-15-50(c) (5) (C), Hawaii Administrative Rules ("HAR") for the State of Hawaii Land Use Commission ("Commission").
3. On April 3, 2007, Petitioner filed with the Commission a petition for a boundary amendment ("Petition") in Docket No. A07-774.
4. Pursuant to HAR Section 15-15-48(a), the foregoing Petition and Exhibits 1 through 12 of the Petition were duly served by certified mail or personally served to each of the following persons on April 3, 2007, addressed as follows:

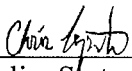
- DEL. LAURA THIELEN
Office of Planning
State Office Tower, 6th Floor
235 South Beretania Street
Honolulu, Hawaii 96813
- DEL. ABE MITSUDA
Office of Planning
State Office Tower, 6th Floor
235 South Beretania Street
Honolulu, Hawaii 96813
- CERT. BRYAN YEE, Esq.
Deputy Attorney General
Hale Auhau, Third Floor
425 Queen Street
Honolulu, Hawaii 96813
- CERT. CHRISTOPHER J. YUEN, Director
Planning Department
County of Hawaii
101 Pauahi Street, Suite 3
Hilo, Hawaii 96720
- CERT. LINCOLN ASHIDA, Esq.
Corporation Counsel
County of Hawaii
101 Aupuni Street, Suite 325
Hilo, Hawaii 96720-4262
- CERT. PLANNING COMMISSION
c/o Planning Department
County of Hawaii
101 Pauahi Street, Suite 3
Hilo, Hawaii 96720
- CERT. RUSSELL TSUJI
Land Administrator
Dept. of Land and Natural Resources
1151 Punchbowl Street, Room 220
Honolulu, Hawaii 96813

Further affiant sayeth naught.



JENNIFER A. BENCK
Attorney for Petitioner NORTH KONA
VILLAGE, LLC

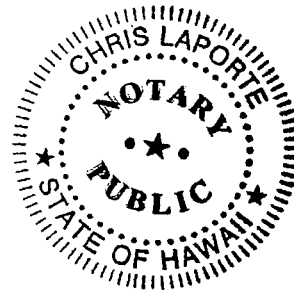
Subscribed and sworn to before me
this 3 day of April, 2007.



Notary Public, State of Hawaii

Chris Laporte
Printed Name

My commission expires: 11/13/09



North Kona Village, LLC
BALANCE SHEET
As of December 31, 2006

Assets

Cash - Checking	844.28
Land	4,907,652.95
Land-Section 754	5,087,276.00
Capitalized Costs	<u>1,996,699.62</u>
Total Assets	<u>11,992,472.85</u> =====

Liabilities & Equity

Accounts Payable	<u>72,272.95</u>
Total Liabilities	72,272.95

Equity

Capital	<u>11,920,199.90</u>
Total Equity	<u>11,920,199.90</u>
Total Liabilities & Equity	<u>11,992,472.85</u> =====

North Kona Village, LLC
I N C O M E S T A T E M E N T
For the year ended December 31, 2006



Income	
Cost of Sales	
Gross Profit	<u>0.00</u>
General & Admin Expenses:	
Caretaker/prop maint	42,665.85
Insurance	13,031.18
Misc	2,188.41
Property taxes	32,812.01
Trash removal	<u>5,289.34</u>
Total Admin Expenses	<u>95,986.79</u>
Net Income or (Loss)	<u><u>(95,986.79)</u></u> =====

April 3, 2007

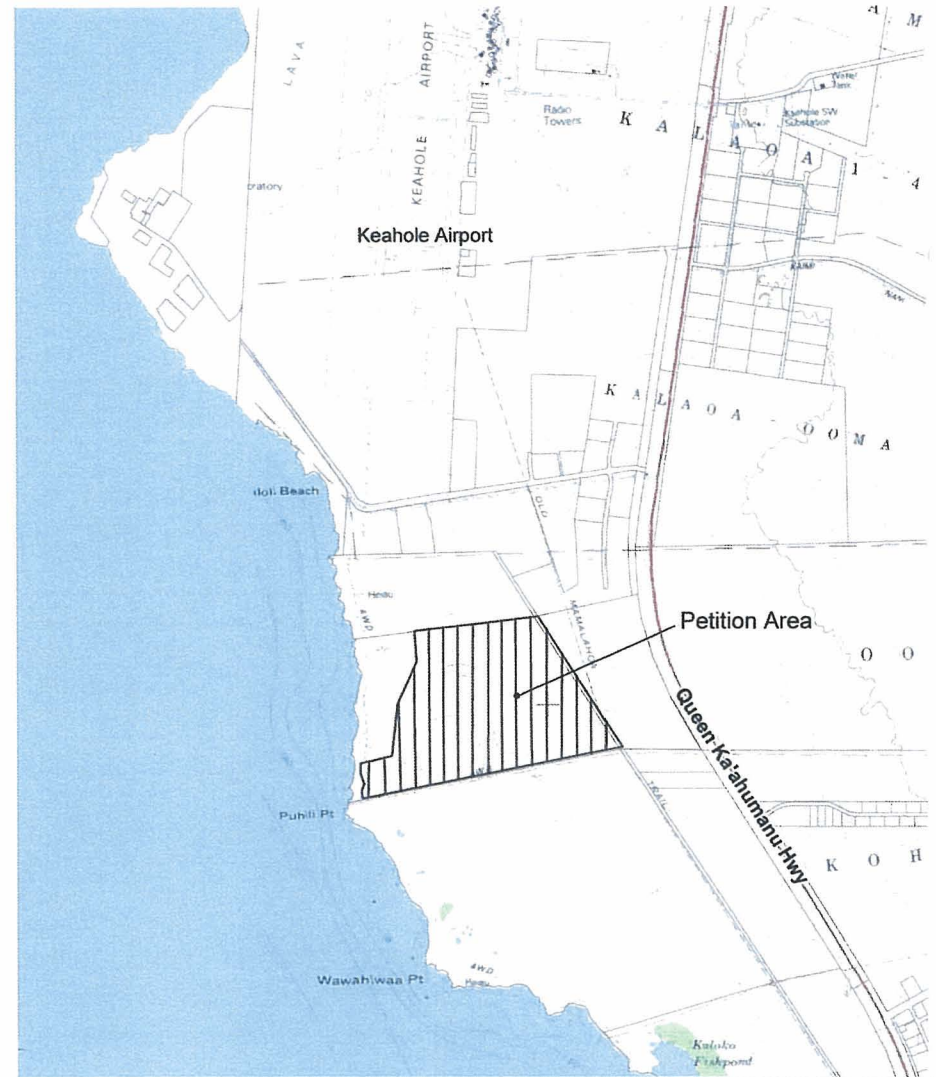
Notification of Petition Filing

This is to advise you that a petition to amend the State Land Use District Boundaries with the following general information has been submitted to the State of Hawaii Land Use Commission:

Docket No:	A07-774
Petitioner/Address	North Kona Village, LLC c/o Midland Pacific Homes 7305 Morro Road, Suite 200 Atascadero, California 93422
Landowners:	North Kona Village, LLC and the State of Hawaii
Tax Map Key Numbers:	3-7-3-009:004 (portion), and (3) 7-3- 009: (portion of State Right-of-Way)
Location:	O'oma 2nd, Kaloko, North Kona, Hawai'i
Request Reclassification	Conservation to Urban
Acreage:	Approx. 181.169
Proposed Uses:	Master-planned beachside residential community with mixed uses.

You may review detailed information regarding the petition at the Land Use Commission ("Commission") office or the County of Hawai'i Planning Department.

The Commission's office is located at 235 S. Beretania Street, Room 406, Honolulu, Hawaii. Office hours are from 7:45 a.m. to 4:30 p.m., Mondays through Fridays.



The County of Hawaii Planning Department (Hilo office) is located at 101 Pauahi Street, Suite 3, Hilo, Hawaii 96720. Office hours are from 7:45 a.m. to 4:30 p.m., Monday through Friday.

A hearing on this petition will be scheduled at a future date. If you are interested in participating in the hearing as a public witness, please write or call the Commission office at P.O. Box 2359, Honolulu, Hawaii, 96804-2359; telephone: (808) 587-3822.

If you intend to participate in the hearing as an intervenor, pursuant to § 15-15-52, Hawaii Administrative Rules, you should file a Notice of Intent to Intervene with the Commission within 30 days of the date of this Notice. Please contact the Commission office for further information.

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of

NORTH KONA VILLAGE, LLC

To Amend the Conservation Land Use District Boundaries into the Urban Land Use District for certain lands situate at O'oma 2nd - Kaloko, North Kona, Island of Hawaii, State of Hawaii; consisting of approximately 181.169 acres, Tax Map Key Nos. (3) 7-3-009: 004 (por.), and (3) 7-3-009: (portion of State Right-of-Way)

DOCKET NO. A07-774

AFFIDAVIT OF JENNIFER A. BENCK
ATTESTING TO SERVICE OF THE
NOTIFICATION OF PETITION FILING

AFFIDAVIT OF JENNIFER A. BENCK
ATTESTING TO SERVICE OF THE NOTIFICATION OF PETITION FILING

STATE OF HAWAII

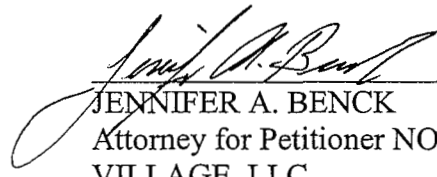
COUNTY OF HAWAII

JENNIFER A. BENCK, being first sworn on oath, deposes and says that:

1. Affiant is one of the attorneys for Petitioner, NORTH KONA VILLAGE, LLC ("Petitioner"), is licensed to practice law in the State of Hawaii, is duly authorized to make this affidavit, and does so upon personal knowledge and belief.
2. This affidavit is made to comply with Section 15-15-50(d), Hawaii Administrative Rules ("HAR") for the State of Hawaii Land Use Commission ("Commission").
3. On April 3, 2007, Petitioner filed with the Commission a petition for a boundary amendment ("Petition") in Docket No. A07-774.

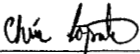
4. On April 3, 2007, the same day that the Petition was submitted to the Commission and pursuant to HAR Section 15-15-50(d), Petitioner sent a Notification of Petition Filing to persons included on the statewide and Hawaii County mailing lists provided to Petitioner by the Commission on or about March 30, 2007, copies of which are attached hereto as Exhibits A and B, respectively.

Further affiant sayeth naught.

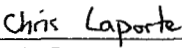


JENNIFER A. BENCK
Attorney for Petitioner NORTH KONA
VILLAGE, LLC

Subscribed and sworn to before me
this 3 day of April, 2007.

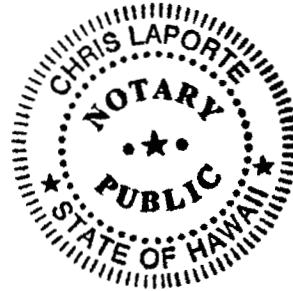


Notary Public, State of Hawaii



Printed Name

My commission expires: 11/13/09



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HAWAII MAILING LIST
Updated: 1/18/07

**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII**

In the Matter of the Petition of
NORTH KONA VILLAGE, LLC

DOCKET NO. A07-774

To Amend the Conservation Land Use District
Boundaries into the Urban Land Use District
for certain lands situate at O'oma 2nd - Kaloko,
North Kona, Island of Hawaii, State of Hawaii;
consisting of approximately 181.169 acres, Tax
Map Key Nos. (3) 7-3-009: 004 (por.), and (3)
7-3-009: (portion of State Right-of-Way)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing document was
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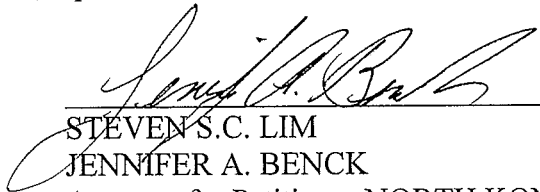
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