

RESORT

INTRODUCTION AND ANALYSIS

Resort developments are intended to satisfy the needs and desires of both visitors and residents. Such areas have basic amenities and attributes [which] **that** support visitor accommodations and related facilities. [Another factor of major importance is the recreational facilities available to visitors.]

[Resort development sites generally have a harmonious combination of both the built environment, including buildings and landscaping, and the physical environment such as climate, specific site characteristics and scenery.] **Most successful resort areas have a harmonious combination of certain characteristics, such as climate, scenery, and/or man-made facilities.** In most instances, the [elements of the physical environment provide] **natural factors have been** the basis for the development of an area[.] **and the man-made facilities were designed to enhance the area.** Buildings and landscaping are generally designed to enhance the site and area. In other cases, [the features of the built environment] **man-made features** enhance what may be considered undistinguished physical features.

[Most resorts are planned and developed to compete for the visitor market that prefers to stay at a single place for several days to several weeks. Sufficient activities and interests within the immediate resort area are necessary to accommodate the visitors to these resort complexes.]

Generally, several factors in combination with one another contribute to the growth of a visitor industry in a given area. These factors include:

- The amenities that an area has to offer including its beaches, scenic attractions, and recreational facilities and activities.
- The community providing support for the industry.
- Both the public and private sectors providing the needed infrastructure improvements (such as airports, water and sewer systems, and road improvements) and other support[.] **services.**
- The private sector developing a concentration of visitor accommodations in an area.
- The participation of hotel operators with strong ties to national and international markets.
- The successful promotion of an area as a destination and the participation in the promotional effort by airlines and travel agents.

The County [of Hawaii] has several natural advantages, including its climate, topography and scenic qualities [which] **that** provide the setting desired for resort development. With [appropriate] **proper** planning, resort development can have a positive impact on the island's social, economic and physical environment, and [on] the visitor industry as well. A resort area should be large enough to provide a concentration of hotel and recreational facilities [which] **that** will keep the visitor interested and entertained. It should not be so large, however, as to destroy either the sense of scale, intimacy and [leisureliness] **leisure** associated with an area or the way of life on an island [such as this].

The visitor industry is generally regarded as the primary catalyst of economic and population growth throughout the State and particularly the Neighbor Islands. **The visitor industry is the driving force of the economy for the State of Hawaii and contributes \$14.6 billion of economic activity, employs nearly 180,000 people, accounts for 28 per cent of statewide tax revenues, and contributes nearly 28 per cent of the Gross State Product.** The total number of overnight visitors to the State has increased from [1.7 million people in 1970 to] 4.9 million in 1985[.] **to 6.7 million in 1998.** The number of [westbound visitors to the State traveling] **visitor arrivals** to Hawaii County increased from [446,000 in 1970 to 697,400] **760,000** in 1985[.] **to 1.27 million in 1998.** **These statistics do not reflect visitor arrivals from cruise ships.**

The total statewide westbound visitors in 1998 was 4.2 million. The Big Island accounted for 22.8 per cent of this figure with 961,400 westbound visitors. The majority of the westbound visitors originated from the United States with others from Canada, Europe and other countries.

The majority of eastbound visitors originated from Japan as well as Korea, China, and other Asian countries. The total statewide eastbound visitors was 2.5 million in 1998. The island of Hawaii accounted for 12.4 per cent of this figure with 309,000 eastbound visitors.

Accompanying this growth in visitor arrivals has been the development of additional visitor accommodations, particularly on the Neighbor Islands. Based on data from the Hawaii Visitors **and Convention** Bureau, the State's visitor room inventory increased from [26,923 in 1970 to] 65,919 in [late-1985, and] **1985 to 71,480 in 1998.** Hawaii County's visitor room inventory increased from [3,200 in 1970 to] 7,511 in [late] 1985[.] **to 9,655 in 1998.** **The visitor accommodation units include hotels, resort condominiums, apartment hotels, bed and breakfast operations, hostels, and individual vacation units. The bed and breakfast operation in the County, although not significant to the total visitor unit count, has been a fast-growing segment of the visitor industry.**

In 1969, the County of Hawaii had 677 acres zoned for resort use [, of which 357 acres were still undeveloped]. By 1985, the zoned acreage had increased to 793 acres [, of which 473 acres were not utilized]. **The total acreage zoned for resort use in 2000 was approximately 1,353 acres.**

The County's existing primary resort centers [on the island] are located along the coastal areas of Hilo in East Hawaii, and North Kona and South Kohala in West Hawaii. The majority of future resort [development should be expected to be in these same coastal areas with secondary centers of development being in the southern and northern quadrants of the County. The North Kona coastal area between Keauhou and Kaupulehu is attracting considerable interest for new resort projects. This is to be expected given the area's physical attributes and proximity to the Keahole airport, the Queen Kaahumanu Highway and the existing West Hawaii communities.] **developments are proposed in the North Kona and South Kohala districts.**

Although resort development has traditionally been located in coastal areas, [it is anticipated that developments] **smaller-scale resort projects** such as mountain and retreat resort complexes may be developed in the future. **In recent years, niche tourism markets, such as eco-tourism and health and wellness tourism have established themselves throughout the island. Niche markets for these types of tourism have growth potential by promoting the abundance of natural, historical and cultural resources this island has to offer. While most of the larger resorts focus upon recreational opportunities offered by the island's coastal resources, these niche tourism markets also take advantage of other natural and cultural resources available from various locations throughout the County.**

How [satisfactorily] **and where** future resort development occurs will depend to a large extent on the County. Although the County is faced with differences of opinion **from its residents** concerning resort development, the benefits that can be derived from resort development may be optimized and the adverse affects minimized. Developers and residents must be made aware of the circumstances resulting from resort development. Citizen participation, awareness, and most of all, [citizen] understanding are vital in resort development, as in all phases of the planning process.

GOALS

- Maintain an orderly development of the visitor industry.
- Provide for resort development that maximizes conveniences to its users and optimizes the benefits derived by the residents of the County.
- Ensure that resort developments maintain the **cultural and historic**, social, economic, and physical environments of Hawaii and its people.

POLICIES

- The County may impose incremental and conditional zoning [which] **that** would be based on performance requirements.
- Promote and encourage the rehabilitation and the optimum utilization of resort areas [which] **that** are presently serviced by basic facilities and utilities.

- **Lands currently designated Resort should be utilized before new resorts are allowed in undeveloped coastal areas.**
- Zoning of resort areas shall be granted when the proposed development is consistent with and incorporates the stated goals, policies and standards of the General Plan.
- [The County shall continue] **Continue** to seek funds from the State Capital Improvement Program to help develop visitor destination areas in accordance with the County's General Plan.
- [The County shall designate] **Designate** and allocate future resort areas in appropriate proportions and in keeping with the social, economic, and physical environments of the County.
- [The County shall evaluate] **Evaluate** resort areas and the areas surrounding existing resorts to insure that viable quality resorts are developed and that the surrounding area contributes to the quality, ambience and character of the existing resorts.
- [The County shall evaluate] **Encourage** the visitor industry to provide resort facilities [which] **that** offer an educational experience of Hawaii as well as recreational activities.
- Coastal resort developments shall provide public access to and parking for beach and shoreline areas.
- [The County shall re-evaluate] **Re-evaluate** existing undeveloped resort designated and/or zoned areas and reallocate [resort designated and/or zoned] **these** lands in appropriate locations.
- [• The concept of a "floating zone" shall be used to allow for the future development of retreat resort areas.]
- **Require developers to provide the basic infrastructure necessary for development.**

STANDARDS

The following established standards shall guide the development of resort areas.

[Destination Resort Community]

A destination resort is a self-contained resort destination area which provides basic and support facilities for both the needs of the entire development and the surrounding regional area. Such facilities shall include employee housing, recreational

facilities, regional civic center facilities, other community facilities serving the region. Basic infrastructure needs such as water, sewer and roads for the entire development shall be provided.

The designation of any destination resort community shall be established through a formal General Plan Amendment accompanied by an Environmental Impact Statement.

Maximum hotel and condominium-hotel units: to be determined in conjunction with the adoption of a master plan for the destination resort community's zoning.

Resort Acreage: to be determined in conjunction with the adoption of a master plan for the destination resort community's zoning.

Active and passive recreation area: to be determined in conjunction with the adoption of a master plan for the destination resort community's zoning.

Residential acreage: acreage shall include areas for employee housing and/or affordable housing and shall be determined in conjunction with the adoption of a master plan for the destination resort community's zoning.

The required employee housing ratio and method of provision shall be determined by an analysis of housing needs of each district or relative area and with the adoption of the resort zoning; provided that the ratio shall not exceed one employee unit for every two hotel units built.]

- Major Resort Area

A major resort area is a self-contained resort destination area [which] **that** provides basic and support facilities for the needs of the entire development. Such facilities shall include sewer, water, roads, employee housing and recreational facilities, etc. **A major resort area is designated as a Resort node or part of a Resort node on the Land Use Pattern Allocation Guide Map.**

Maximum [hotel and condominium-hotel] **visitor** units: 3,000 [rooms.] **units.**

Resort acreage: 90 acres minimum.

Active and passive recreation areas: 50 acres minimum.

Either participate in an off-site housing program or a maximum of 640 acres for residential use when other zoned lands are not available in close proximity for support use.

The required employee housing ratio and method of provision shall be determined by an analysis of housing needs of each district or relative area and with the adoption of the resort zoning; provided that the ratio shall not exceed one employee unit for every two [hotel] **visitor** units built.

- Intermediate Resort Area

An intermediate resort area is a self-contained resort destination area [which] **that** provides basic and support facilities for the needs of the entire development on a smaller scale than a major resort area. Such facilities shall include sewer, water, roads, employee housing and recreational facilities, etc.

Maximum [hotel and condominium-hotel] **visitor** units: 1,500 [rooms.] **units.**

Resort acreage: 45 acres minimum.

Active and passive recreation area: 25 acres minimum.

Either participate in an off-site housing program or a maximum of 320 acres for residential use when other zoned lands are not available in close proximity for support use.

The required employee housing ratio and method of provision shall be determined by an analysis of housing needs of each district or relative area and with the adoption of the resort zoning; provided that the ratio shall not exceed one employee unit for every two [hotel] **visitor** units built.

- Minor Resort

A minor resort area shall not exceed the density of an intermediate resort area [and is generally an area with many small property owners or an isolated resort development without sufficient land area to develop into a self-contained destination area].

Maximum [hotel and condominium-hotel] **visitor** units: 500 [Rooms.] **units.**

[Resort acreage: 35 acres minimum]

Provide active and passive recreation area commensurate with the scale of development.

The required employee housing ratio and method of provision shall be determined by an analysis of housing needs of each district or relative area and with the adoption of the resort zoning; provided that the ratio shall not exceed one employee unit for every two [hotel] **visitor** units built.

- Retreat Resort Area

A retreat resort area is generally an area [which] **that** provides the user with rest, quiet and isolation for an environmental experience. It shall have sewer, water, roads, employee housing, and recreational facilities, etc.[.]

Maximum [hotel and condominium-hotel] **visitor** units: [up to 100 rooms to be determined in conjunction with retreat resort area's zoning.] **50 units.**

Resort acreage: 15 acres minimum.

Provide active and passive recreation area commensurate with the scale of development.

The required employee housing ratio and method of provision shall be determined by an analysis of housing needs of each district or relative area and with the adoption of the resort zoning; provided that the ratio shall not exceed one employee unit for every two [hotel] **visitor** units built.

DISTRICTS

The following is an analysis by district in reference to resort development. The brief analysis of each district is intended to bring into focus the relationship of the district to the County as a whole.

PUNA

Profile

[The Puna district presently has no visitor or overnight accommodations. One acre is zoned Resort, however it is utilized by a drive-in restaurant. Except for a number of scenic attractions along the Puna coastline, the visitor industry has had very little effect on the district.] **The visitor industry in the Puna district is primarily comprised of bed and breakfast visitor units. A drive-in restaurant currently occupies the district's only resort-zoned area of one acre located in Kaimu.** The principal visitor [attractions] **attraction** in the region [are] **is** the Kalapana Extension of the Hawaii Volcanoes National Park [and the Black Sand Beach at Kalapana].

Although resorts have been proposed **previously** in the Kaimu-Kalapana, [area and other resort developments have been proposed for Kapoho, Pohoiki and Opihikao] **Kapoho, Pohoiki, and Opihikao areas,** none of these have materialized. These areas are also subject to volcanic activities, subsidence, and tsunami inundation. [Most of these] **These** areas also lack most of the basic **infrastructure** improvements necessary for development.

Courses of Action

- The development of visitor accommodations and any resort development in the district shall complement the character of the area [and be consistent with the General Plan].
- Consider the development of small family or 'bed and breakfast' type visitor accommodations and small-scale retreat resort development.

SOUTH HILO

Profile

[The city of Hilo in the South Hilo district is one of the gateways for Big Island visitors. Direct flights to the continental United States can be accommodated at the General Lyman Airport.] **In the early 1970s, Hilo was envisioned as the gateway to the Island of Hawaii for overseas visitors. In anticipation of that status, the Hilo International Airport terminal was modernized and the runway modified for jumbo aircraft. The anticipated flow of overseas visitors, however, did not materialize.**

Hilo continues to attract its share of visitors with approximately 30 per cent of the island's total visitor count. The Hilo area also accommodates a substantial number of business travelers as well as local travelers attending special events such as sporting events and hula competitions. The visitor industry in South Hilo will continue to service the transient visitors, business travelers, and local residents.

The visitor plant inventory indicates that in 1960 there were 376 hotel units, increasing to 1,247 in 1970 and 1,313 units in 1985. [The present inventory of visitor accommodations in Hilo has actually decreased since it reached its peak of 2,152 in 1976. The decrease is primarily attributable to the reduction of direct mainland service to Hilo.] **South Hilo's visitor accommodations have declined to 1,165 visitor units in 1998.** The majority of Hilo's existing inventory of visitor units are located in the Waiakea Peninsula resort area.

[As a resort area, Hilo has consistently experienced the lowest occupancy rates statewide. Although two other hotels were constructed in the vicinity of the Waiakea Pond, both hotels have since been converted to office and condominium apartments.

Two other areas within the Hilo city limits have resort zoning, one in the Puueo area and the other in the Keaukaha area. These resort zoned areas, however, are utilized by other non-conforming uses. A 15-story condominium with 88 units is located in the Puueo area.

The Hilo area has 139 acres zoned for resort use. Of the total, 51 acres are vacant.] **The Hilo area has approximately 136 acres zoned for resort use.**

Courses of Action

- Re-evaluate [some of the] areas currently zoned for resort use.
- Continue to improve roadways and sewer and water systems in all areas where high density resort uses are allowed.

NORTH HILO

Profile

Presently, the visitor industry plays no significant role in the area as areas of interest to visitors are limited [because of inadequate access]. In the foreseeable future, resort development in the North Hilo district is unlikely.

Course of Action

- Encourage the development of small-scale visitor related facilities near points of interest.

HAMAKUA

Profile

The visitor industry in South Kohala has provided employment opportunities for residents of the Hamakua area. Within the district, there is a small hotel located in Honoka'a [which] **that** is primarily used by local businessmen, [and] construction workers[.], **and travelers. Bed and breakfast operations were also established in parts of the Hamakua district. As of December 2000, there were 42 acres of resort zoned lands in Hamakua. In early 2001, a 15-acre area at Kukuihaele was rezoned to a resort district for the development of a 40-unit retreat resort facility referred to as "The Trees at Kukuihaele."** There are also no shoreline areas where resort complexes can be feasibly developed to any substantial degree. Nevertheless, the district does have some visitor attractions. Waipio Valley is a major visitor attraction. Its beauty lies in its naturalness and the general absence of man-made elements. **Because access into the valley is poor along a steep and dangerous road, the valley itself is not a suitable location for visitor-oriented commercial facilities and accommodations.** Honoka'a town offers a different visitor attraction with its main street setting of 1930's commercial buildings.

Courses of Action

- Encourage the development of small family-operated hotels.
- Consider [the] small-scale retreat resort development.

- Encourage resort development [which] **that** enhances the natural beauty of the area.

NORTH KOHALA

Profile

The district of North Kohala [has limited] **provides** overnight accommodations[.] **for local travelers.** [Its two hotels are generally used by local businessmen and construction workers.] **Chalon International, Inc., a major landowner in the North Kohala district, obtained rezoning of approximately 15 acres of land in 1993 for the development of a 200 to 240-unit lodge hotel at Mahukona. No activity towards the development of the lodge hotel has occurred to date.**

In addition to being an agricultural community, there are [people] **those** who live in this district and commute to work at the South Kohala resorts.

The district does have potential for resort development catering to visitors seeking quiet and rest. There are areas of historical significance and natural beauty in North Kohala.

Courses of Action

- [• Consider possible development of resort facilities at Mahukona.]
- Encourage the development of small family [or "bread and breakfast"] type hotels[.] **and bed and breakfast establishments.**
- Consider small-scale retreat resort development[.] **that is consistent with the rural character and cultural lifestyle of the district.**

SOUTH KOHALA

Profile

[South Kohala's role in the visitor industry is unique. In Waimea, the small lodging facilities totaling 29 units offer opportunities for an upland, cool, vacation experience. At Waikoloa Village active recreation attractions, such as horseback riding, hunting and golfing, are available. Approximately 40 condominium units within the Village area are available to visitors.

The South Kohala coast has long been envisioned as a prime visitor destination area since the late 1960s. Its natural attributes, white sand beaches, calm ocean waters, and a dry, sunny climate have made it especially attractive. The Mauna Kea, Mauna Lani and Waikoloa Resorts, the three major resort developments along this coastal area have each developed a hotel and are

actively pursuing plans for further hotel development. Each of the three existing South Kohala resorts also have recreational amenities which include a championship golf course at each development, tennis facilities and beach and ocean activities. The three South Kohala resorts' hotel room inventory has increased from 315 units in 1969 to 1,357 units in 1985. At the Waikoloa Resort, the 1,244-unit Waikoloa Hyatt is under construction and is generally expected to be the catalyst for a new wave of development activity in the County.]

There are [297] **360** acres zoned for resort use in South Kohala. [Of these zoned acres, 115 have been utilized. In addition all three of the major coastal resort areas have 268 acres zoned for multiple family residential use which may also be used for vacation rental condominiums.]

The South Kohala coast has developed into a major destination resort area for the island of Hawaii, as well as the State. The three major developers of the area are Mauna Kea Properties , Mauna Lani Resort, and Waikoloa Land Company. The major hotels within these developments are the Mauna Kea Beach Hotel, Hapuna Prince Hotel, Mauna Lani Bay Hotel and Bungalows, The Orchid at Mauna Lani, Hilton Waikoloa Village, and The Outrigger Waikoloan Beach Hotel. The number of hotel rooms within these three resort nodes totals over 3,250.

A limited number of visitor accommodations are also available in Waimea. Some visitor units are also available within the Waikoloa Village.

The South Kohala resorts greatly benefited from the direct flights to Kona International Airport at Keahole from Japan and the mainland United States. These direct flights significantly increased the number of visitors to the South Kohala resort destination areas. As a result of these direct flights and the potential for growth of future visitor accommodations, the visitor industry at the South Kohala coast should expand. The excellent climatic conditions of the area and its ease of access from the Kona International Airport at Keahole provide an optimistic future for the South Kohala coast's major resort destination area.

Course of Action

- Adequate access, sewer and water systems, and other basic amenities shall be provided in all areas where higher density uses are allowed.

NORTH KONA

Profile

The district of North Kona has historically been the focus of resort activity on the Island of Hawaii. The initial development occurred in the Kailua-Kona area with a small number of visitor accommodations. Few of these hotels contained the full range of resort amenities. As the tourism industry expanded, the character of the Kailua-Kona area has changed. [The hotel

facilities are now located in both the Kailua area and at Keauhou. Other visitor related uses such as condominiums, single-family dwellings, restaurants and other commercial establishments are located along Ali'i Drive between these two points. The "Kailua Village Design Plan," originally prepared in 1974 and adopted by the County Council in 1976, guides development within the Kailua Village area. The plan needs to be updated and requires more definitive design and landscaping criteria.] **Today, visitor accommodations and facilities extend from the Keauhou-Kona Resort at the southern end of the North Kona district to the Hualalai Resort and Kona Village Resort at the northern end.**

Keauhou-Kona Resort is **master-planned** and [has been] developed as a resort/residential community [and] **that** offers the full range of resort amenities including [a] golf [course,] **courses**, tennis facilities, shopping center and entertainment facilities. [A convention center is located at the Kona Surf Hotel. The expansion of resort areas in the district is anticipated north of Kailua-Kona. A number of resorts have been proposed for this area.] **The recently refurbished Aston Keauhou Beach resort is part of the Keauhou-Kona Resort. There are two resort-zoned sites at Keauhou-Kona Resort, totaling 59 acres that have yet to be developed.**

[Other area-wide facilities have helped to encourage the growth of tourism in the district. These include the Honokohau Small Boat Harbor, Keahole Airport and the completion of the Queen Kaahumanu Highway.]

The Hualalai Resort and the Kaupulehu Development's Project District will be developed as another master-planned resort/residential community. The 243-room Four Seasons Hualalai opened in 1996. Other developments in the area include a championship golf course, condominium and single-family residential units, and other support amenities.

The visitor units in the North Kona district include over 2,180 hotel rooms and approximately 1,465 resort condominium units. Approximately 500 units are operated as timeshare units, including the 263-unit Kona Coast Resort at Keauhou-Kona Resort, the largest time share project. A number of bed and breakfast units have also been established.

There are [328] **740** acres zoned resort in the North Kona District [with approximately 135 acres vacant]. However, not all of the acres zoned for resort are actually utilized for hotels. [Other uses which have largely been established are multiple] **Multiple** family residential uses[.] **and single family residential uses have been established on some of the resort zoned lands.** [In addition, there are some non-conforming residential and commercial uses. The] **According to the 1998 data from the Hawaii Visitors and Convention Center, the North Kona** district [now] has the largest inventory of visitor units on the island. The [4,694] **4,399** units include a broad range of accommodations, [beginning with 100 units of the luxury retreat at the Kona Village to lower priced condominium units along Ali'i Drive.] **ranging from hotels to bed and breakfast establishments.** [For every hotel unit in the district, there are almost two condominium units that are available for vacation rentals.] **Some of the older hotels are in need of major refurbishment.**

Courses of Action

- Discourage strip **resort** development along Alii Drive.
- Re-evaluate some [of the] areas currently zoned for resort use.
- Improve and provide adequate roadways, sewer and water systems, and other basic amenities in all areas where higher density uses are allowed.

SOUTH KONA

Profile

The South Kona district has limited visitor accommodations. There is one hotel with 64 units [which] **that** is primarily used by [island] **local** residents. **Some bed and breakfast operations have also been established in recent years. An 80-unit private member's lodge is proposed on a 14-acre area within the Hokulia development project. The Land Use Pattern Allocation Guide map was amended in 1997 to reflect the resort use. This area was also rezoned to the resort district in 1997. There are no other resort zoned lands within the South Kona district.**

[The South Kona district does have the natural and historic amenities which provides areas and sights of visitor interest. There are presently no resort zoned lands in the district.]

Courses of Action

- Developments shall blend in with the character of the area.
- [• Require developers to provide the basic improvements necessary for development.]
- Encourage the development of small family-operated hotels[.] **or bed and breakfast accommodations.**
- [• Re-evaluate and if appropriate implement plans formulated in the West Hawaii Corridor Study.]

KA'U

Profile

Tourism activity in the Ka'u district has been limited to [Punalu'u] **Punaluu** and the Volcano areas. The Punalu'u Resort, formerly known as SeaMountain, has [33] **56** condominium units, tennis, golf and retreat conference facilities[.] **in need of repair.** [The Shirakawa Motel also serves local residents and business people.] This resort generally caters to those wishing a relatively quiet and isolated vacation experience.

The 12-unit Shirakawa Motel in Waiohinu also serves local travelers. [A 37-unit hotel] **The 37-unit Volcano House** within the Hawaii Volcanoes National Park caters largely to those wishing to explore the National Park. The hotel also manages cabins within the park. These are available to visitors who prefer a more "wilderness" experience. **A number of bed and breakfast operations have been established within the district, particularly the Volcano area.**

There are approximately [27] **45** acres zoned resort in the district [of which 26 remain vacant. Additions and expansion of the Punalu'u Resort area are being proposed. A major resort has also been proposed for the Kahuku coastal area].

Courses of Action

- [• Require developers to provide the basic improvements necessary for development.]
- The development of visitor accommodations and any resort development [in Ka'u] shall complement the character of the area.
- [The County shall encourage] **Encourage** the development of small family or "bed and breakfast" type visitor accommodations.