

LEEWARD PLANNING COMMISSION
COUNTY OF HAWAI'I

HEARING TRANSCRIPT
JUNE 30, 2009

A regularly advertised hearing on the application of **GREGORY R. MOOERS (SMA 09-32)** was called to order at 2:20 p.m. in the Sheraton Keauhou Bay Resort and Spa, Keauhou Ballroom, 78-128 'Ehukai Street, Kailua-Kona, Hawai'i with Chairman Rodney Watanabe presiding.

PRESENT: Rodney Watanabe
Brandi Beaudet
Lani Bowman
Geraldine Giffin
Frederic Housel
Wayne Iokepa
Warren Lee, Public Works Director – Ex Officio Member (left at 3:06 p.m.)

Bill Brillhante, Deputy Corporation Counsel
BJ Leithead Todd, Planning Director
Jeff Darrow, Staff Planner
Maija Cottle, Staff Planner
Deanne Bugado, Planner, Kona Office
Merrick Nishimoto, Engineering Division, DPW (left at 3:06 p.m.)

And approximately 15 people from the public in attendance

APPLICANT: GREGORY R. MOOERS (SMA 09-32)

Special Management Area (SMA) Use Permit to allow the renovation of the King Kamehameha's Kona Beach Hotel, its commercial area, and related parking and landscaping improvements on approximately 12.89 acres in the Special Management Area. The project site is the existing King Kamehameha's Kona Beach Hotel complex, Kailua-Kona, North Kona, Hawai'i, TMK: 7-5-06:20, 21, 24 & 32; 7-5-05:62, 66 & 75.

WATANABE: Okay, the next agenda item is, the applicant is Greg Mooers and this is an SMA, Special Management Area Permit, to allow the renovation of the King Kamehameha's Kona Beach Hotel. With that, I'll turn it over to Maija.

COTTLE: Thank you, Mr. Chairman. The applicant, Gregory Mooers, has requested a Special Management Area Use Permit to renovate the King Kamehameha's Kona Beach Hotel, its commercial area, and related parking and landscaping improvements on approximately 12.89 acres within the SMA.

And if I can just direct your attention up to the screen. The property is located in Kailua Village between Kuakini Highway and the Kailua Pier. It is shown on this slide outlined in black. It's currently zoned Resort, and surrounding properties towards Kuakini Highway are zoned

Commercial. Properties to the west are zoned Residential. This is an aerial photograph of the site. And you can see the hotel, its two towers – the east and west tower, and the other hotel structures. There's a pool up in the front near what's known as Kamakahonu Beach. It's the sandy beach in front of the hotel. You can also see the tennis courts as well as the parking area behind the hotel. The historically significant and culturally significant sites known as Ahu'ena Heiau are shown here towards the bottom of the slide; and these sites are located on the hotel properties as well.

The applicant is proposing to demolish the pool side and retail area. This is located between the two hotel towers in the central arcade structure. They're also proposing to remove the existing pool and bar area and replace it with a new pool and deck located further mauka of the beach. And they would like to add a terrace and a service corridor and a vestibule area outside of the conference rooms, and demolish the greenhouse and tennis courts to create additional parking stalls. They're also proposing landscaping and hardscaping improvements, which include like the concrete sidewalks and pathways. No work will occur makai of the curved concrete walkway that's currently there near the sandy beach and no work will occur near the historically and culturally significant sites associated with the Ahu'ena Heiau.

This is a demolition plan that the applicant has submitted. All of the areas in gray are proposed for demolition. So there's the greenhouse up in the top left corner, the tennis courts near the parking area and the retail shop area between the two hotel towers will all be demolished. And then the pool will be replaced with this new pool area. Again, it'll be located a little bit further mauka of the shoreline. And they're proposing a lagoon, as well as -. This little square here is an addition of the vestibule area leading into the conference rooms, as well as a service corridor behind the conference rooms, and a breakout terrace area. And, as I mentioned before, no work will occur makai of this curved concrete walkway near the sandy beach area.

The applicant has also submitted exterior building elevations. These are views that show what the hotel will look like after the renovations. And the top view would be if you're standing on Palani Road where it turns into Ali'i Drive looking towards the hotel. So this little structure here would be new. This is near the location of the conference rooms. And then the second elevation is if you were standing in the parking lot looking towards the beach. So, again, this is the new little pre-conference vestibule area. And then the third elevation would be if you're standing near the beach or on the beach looking towards the parking lot.

So, you should have a few new items, and I'll just go over those quickly. One is from the Department of Environmental Management. It's related to the condition for rehabilitating the existing sewer lines. You should also have a letter of support from the Shopoff Group that you probably received this morning, as well as a yellow sheet that has an addition to Condition 5.

GIFFIN: That was faxed to us.

COTTLE: Okay.

GIFFIN: I mean -.

COTTLE: You probably got that a while ago.

GIFFIN: Yes.

COTTLE: So the reason the Planning Department is requesting this addition to Condition 5 is because the shoreline access in this area – actually let me go forward – is a little bit limited. Someone could walk from Ali'i Drive through the Kailua Pier area onto the sandy beach in front of the hotel. But then as you start walking further away from the hotel, you come towards the Heiau, and there's also a breach in this shoreline area on the adjacent property to the west where there's a boat slip that was put in some time ago. So the County recently met with the State DLNR, Na Ala Hele Trail Program, and the National Park Service to try to find a way to link the shoreline trail at Kona Bay Estates, which is off the map to the left, and link that to the Ali'i Drive area. So they came up with two preferred alignments. As you can see, one of them comes off of the road entry into Kona Bay Estates, goes along the adjacent landowner's property line towards the parking lot of the hotel and then drops down along their service road onto the beach. And then the other alignment goes along the inlet on the adjacent property and, again, drops down in the grassy area onto the beach. So the hotel property line is right about here. Well, I can't quite do a straight line with this little thing, but it's in this area. So as you can see, both alignments would require that the hotel allow the public to access their property away from the shoreline area, outside of the shoreline area through the hotel properties. So this is why we're requesting this additional condition, so that if in the future the Planning Department is able to secure a public access easement from the adjacent landowner then the hotel will allow those people to access the beach through their hotel property.

And, lastly, you should also have received proposed amendments to the condition submitted by the applicant's representative from Carlsmith Ball. And we have another letter from Aelbert Mahina Aehagma that you should also have received. And so with that, the Planning Department is recommending approval of the applicant's request for a Special Management Area Use Permit with the recommended conditions.

WATANABE: Okay, thank you. Maija, with regard to that potential public shoreline access, is that like, what, 10 foot or something?

COTTLE: Yes, the standard easement is 10 feet, -.

WATANABE: Okay.

COTTLE: Access easement.

WATANABE: Fellow Commissioners, do we have any questions of staff?

HOUSEL: Maija, the proposed red-lined route, does that enter the shoreline makai of where the guard station is?

COTTLE: You mean entering the Kona Bay Estates guard station?

HOUSEL: Right, right.

COTTLE: It's actually just outside of that, just mauka.

HOUSEL: Okay. So it would not go through the guard station, right?

COTTLE: No.

HOUSEL: Okay. Because they do not allow people to walk in there.

COTTLE: Right. So, so actually access would be, if you were walking from Kona Bay Estates, you'd walk along the shoreline up to the road -.

HOUSEL: Okay.

COTTLE: And then out towards the hotel properties.

HOUSEL: Okay, okay.

COTTLE: And, and I just want to add that these are preferred alignments. You know, we've requested that the applicant submit a public access plan within a year and consider, work with the County, work with National Park Service to, to come up with what alignment would be best for all parties.

HOUSEL: Okay. To be clear about what conditions the Director is approving, we just received a letter dated June 29th from Carlsmith Ball that has changes in the conditions. Does the Director agree with those changes?

COTTLE: You want to answer that, BJ?

LEITHEAD TODD: I have no problem with the proposed changes to item, to No. 4.

I disagree with the changes to No. 5 because I think that we can make some kind of accommodation with the property owner on the parking stalls for the public; I think dropping it down to eight is just too little. And I have to disclose that part of this is just that it -. To me it's not just the beach, but it's also the pier that I was hoping to create some public parking for. And I was recognizing that the beach and the pier together on weekends during canoe regatta season has a lot of people. Normally, to access the beach there are very few people that are actually going there on a regular basis. But on canoe regatta days that beach is packed with canoes and paddlers, and you've got probably close to 2,000 people in that area. So I wanted to try and see if we could work out an accommodation because they were acquiring additional parking stalls. I understand their concerns over the type of system that they're putting in, which is basically a card and they're not going to have a manned booth. So they were concerned about, you know, how, how do you use that to -. Cause in other places you've got a security guard who hands you a pass and you use that pass. And they're not going to have it manned so they're thinking how to do that. They were concerned that if they provided the parking stalls outside of their parking that instead of being actually used by people accessing the shoreline that it would instead get filled up by people who are employees who work in the village area; and it would end up with no public access because it would be just employees parking there all day long. So I understand there's

some issues in terms of how to try and accommodate public parking without, for access, without having it turned into just parking for people who work in the area who will hog it all day long, cause we've had that issue occur in other places where we have free parking.

So on No. 5 I think we ought to try and work something out and see whether some accommodation can be made perhaps with their card trick system. If somebody goes in and parks and wants to get public parking, they go to the front desk to get a placard that they have to put back on their car; and I don't think that that's much to ask of the people parking. But perhaps there's something that can be done with the system. And I'm not married to the idea of 30 stalls, you know, because 30 stalls was really based on hotels that have access to much bigger beaches. And so, you know, 30 may have been asking for more than was reasonable, given the size of the beach. But I always thought that I should try and ask for more and see whether we can negotiate from there.

And then the other recommendations that they have here, I have no opposition to, except No. 8. I think it should read that "A solid waste management plan, including demolition waste, shall be submitted." Because in addition to just demolition waste you have to have a regular solid waste management plan for what you do after you finish your operations. And that's usually basically that they have commercial haulers pick up their rubbish and they provide a site for that. And we thought that it should be more inclusive. But other than that I don't have any problems with their recommendations here.

WATANABE: Thank you. Do we have any further questions of staff? Maybe we can finish this all up in one shot. So if you don't mind, Mr. Mooers, let me switch this around a bit. I have only four people here who have signed up to testify. So let me call those four people up – Laura Dierenfield, Greg Gauthier, Mikahala Roy, and Charles Flaherty. For Laura and Charles we've already sworn you in so you don't need to get sworn in. But for the other two could I swear you in. Would you raise your right hand, please? And do you swear or affirm to tell the truth now before the Planning Commission?

ROY: I do.

GAUTHIER: I do.

WATANABE: Thank you. And why don't we start with you, Mr. Gauthier. Name and address, please, and you can begin your testimony.

GAUTHIER: Aloha.

GIFFIN: Aloha.

GAUTHIER: Commissioners, Chair, Bobby Jean, aloha. Welcome to the west side. This is only my second time, oh, first time being at this new commission. It looks a lot the same from the back side, up here, but I think far more beautiful and handsome. But then, are there any points there? No?

My name is Greg Gauthier. I live in Kamuela, PO Box 6412, 96743. I represent the 150 employees of the King Kamehameha's Kona Beach Hotel. I represent the Hawaiian employees, I represent the Filipino employees, I represent the Japanese, the Portuguese, the Pacific Islanders and the haoles, of course, too. These employees are the most loyal, the most enduring, the most patient, the most patient employees that I've ever had the blessing to be fortunate enough to be elected to represent. They're the reason I sit before you today. These people need a fighting chance, not as an affront to the beauty and meaning of the Heiau and the luau grounds but as a compliment to its perpetuation. These people need a fighting chance to perpetuate their commitment to Kona. Out of the 150 employees at the King Kamehameha's Kona Beach Hotel, approximately half are working consistently. The other half are anxiously waiting for that fighting chance. In the peak tourism markets of 2004 through 2007 our workers had the opportunity to more than double their salaries in many cases as labor was short, and the glory of the King Kamehameha's Kona Beach Hotel had lost much of its luster.

When I asked our housekeepers, our cooks, our landscapers, why do you stay? The customers are shunning us here to visit newer, more beautiful resorts further up the coast. They would always answer, "This is my home, this is my ohana, this is my culture," and we just need a fighting chance. A fighting chance came in the form of Pacifica Hotels. They saw the employees, they saw the Heiau, they saw, somehow, saw through the rust, the age, the broken pipes, the crazy lease agreements, and saw the spirit and the potential for that fighting chance. Their plans and investment have been an oasis of hope in this desolate economy. Our employees now finally have a fighting chance. They now have a reason to believe that their culture will be preserved. They now tell me, see, Greg, this is why we stayed, soon the tourists will come, and they will see and be reminded why the King Kamehameha's Kona Beach Hotel is the most beautiful, centrally located, culturally diverse, culturally sensitive hotel in Kailua-Kona. The Heiau will still be honored. Access will still be granted. Culture will still be the centerpiece. This renovation is our fighting chance for survival. It's not done in spite of cultural preservation, but it's done because of it. So we humbly support King Kamehameha's Kona Beach Hotel and this particular proposal before you. Mahalo.

WATANABE: Well, fellow Commissioners, do we have any questions of Greg? Thank you for your testimony then. Laura?

DIERENFIELD: Thank you for the opportunity to address you again. Again, I'm speaking on behalf of PATH. And this particular project is of, very near and dear to my heart, being born and raised in Kona and seeing the opportunity to realize a dream. I think that was expressed in the Kona Community Development Plan to connect Kailua Village in a unique way. As was just articulated there's a need to revitalize Kailua Village. This is a historic village. The communities of Kā'anapali and Kaua'i and Waikīkī have seen growth in their visitor market because they have things like shared use path that enhance a visitor experience. For residents who enjoy being down at Kamakahonu Bay and paddling, swimming, doing all kinds of recreation in that area, they need access as well. And we see a huge opportunity to connect Kailua Village in a very unique way through a shared use path as part of these renovations. It was encouraging to know that Na Ala Hele, the County Planning Department and the applicant had met to discuss some alignments. That's the first I've heard of it. I'm a little concerned, I guess, about hinging possible alignments with the cooperation of neighboring landowners not knowing how they might feel about that. However, we would encourage that kind of

collaboration to find some kind of an alignment between the Ali'i Drive, the pier area, and Makaeo, the Old Kona Airport Park, which does have quite a bit of parking and hopefully will be a wonderful new park with canoe facilities and other recreational facilities, that could connect the community to Kailua Village.

We did provide you with a letter detailing several of the benefits to a shared use pathway. I have to say a 10-foot easement would not be enough in my opinion. I think we'd have a lot of traffic. And 10 feet it would be the minimum of the path itself, but you need some shy distance. So we encourage that to be a bit wider. This map that we provided to you in the form of a letter is just some possible alignments to basically skirt the perimeter. We acknowledge that these would take away a significant amount of parking; so perhaps something else would need to be worked out. But essentially there's a number of different opportunities to try and connect the village. And, again, we just think this is a once in a lifetime opportunity to make Kailua Village a historic village, the kind of place that we all want to visit as residents, as guests, and to really make this a wonderful place for the community. Thank you.

WATANABE: Do we have, oh, go ahead.

BOWMAN: I do. Thank you, Laura. I want your opinion or, on these preferred alignments that you see here. As I see it, and I'm maybe not familiar that -. Maybe somebody can tell me, where is Makaeo from here? Like it would be off, kind of towards that box over there on the wall?

HOUSEL: To the left.

BOWMAN: Yeah, to the left, straight across. And you talk about connecting to Makaeo. Are there any, is there any way you can get from the Old Airport other than the road now?

DIERENFIELD: Well, I'm sure there's people in this room that are much more knowledgeable than I am. But there is a sewer easement I believe that basically goes behind the West Hawai'i Today building that connects to the back of the parking lot. That's used frequently by people just because it's fun to be able to run through the village or walk through the village and, I don't know, that's not really a, I think, a welcomed, you know, access for both the property in terms of the risks that that poses for them, I suppose, and it's not necessarily the most scenic, but that is, that does exist now.

My understanding is that there used to be access along the shoreline and somehow that was lost; and that's something that I don't totally understand myself, but it's unfortunate. And I'm sure Na Ala Hele would know more about that. But those two alignments, I mean, it would be great to do that but I just, it's, I'm not sure how the neighboring landowners would feel about that. So, I don't really know -.

BOWMAN: Because my concern is with the red alignment, I mean, you come off a road but what does that mean? Where are those people going to park? I just don't understand how that alignment would be beneficial for anyone because going down to - what is that subdivision? I'm sorry I don't know the name of it.

WATANABE: Kona Bay.

LEITHEAD TODD: That subdivision has in front of it a seawall, which is considered to be a public access. If you come from the Old Kona Airport, you can walk in front of those homes. Questionable in my mind in the future whether that, you know, is going to be a good alignment. But if you went along the purple line, then theoretically that would follow the coast, and end up in front of those homes which are directly in front of the park, okay? If you follow the red alignment, then that takes you by the gated entrance, and then you would have to either go from there down along the path towards the ocean where the public access currently is.

The reason there are two alignments there is one, I think, one that, you know, a lot of people would like to see is the purple one closer to the ocean, but the thought was that we might not be able to negotiate that with the property owner next door, and that because unless they are coming in for some kind of permitting, we don't really have a mechanism to get public access across the property; and the red alignment allows, though, access to the anchialine pond area, which is quite extensive back there and there's been some community expression of trying to clean that up and restore those ponds because – I think you can see the water feature by the red – it's quite extensive. I walked it recently, and was surprised at how big that area is. So I think it's -. And that one, because it's following the edge of the property line, we thought perhaps it was easier to actually get from a property owner because it falls between their property and neighboring properties. And the reason the purple one we thought might be difficult to negotiate with the property owner is because that brings people into their little inlet there and by the homes and stuff, we thought that that might be difficult. But I think, you know, we'd like to be able to try and negotiate both of them, you know. And I think in terms of the public they probably would prefer the purple, but I don't know exactly how accessible along the shoreline, the rest of that shoreline is, because that break, the breach in the wall has been there I think since the 1950's or '60's. It was some time ago that they created that little inlet back when I think Thurston was the property owner of that.

BOWMAN: And, and some of that is in the Historic District, right, in the red -. I wish I had an overlay of exactly where the Historic District is. But that's, quite a bit is -. Maybe you can show us, Maija?

COTTLE: Yeah, actually the historic -.

BOWMAN: I know Heiau, yeah.

COTTLE: The historic and cultural sites are mainly down here. But the Historical District is two parcels, and it comes right across here and then cuts down towards the beach -.

BOWMAN: Could you also just -.

COTTLE: So this area here would be in the Historical District.

BOWMAN: Thank you. And could you also just highlight where the present luau grounds are?

COTTLE: They are right about here.

BOWMAN: Thank you.

WATANABE: Okay. Any further questions? Thank you for your testimony. Mikahala?

ROY: I'm going to ask if Chuck can go first.

WATANABE: Oh, okay. Mr. Flaherty?

FLAHERTY: Good afternoon, again, Members of the Planning Commission. Aelbert Mahina Aehegma had asked me to read this; he left us, left meeting earlier, so he asked me to read this into testimony. Uh, it's written very small.

This is testimony by Aelbert Aehegma, consultant for the Kūlana Huli Honua, now pro bono.

Kamakahonu, the Kamakahonu area including the rock Ahu'ena Heiau stands on and is claimed by the new owners of King Kamehameha Beach Hotel. However, there are unresolved issues. One, the high watermark to west of the Ahu'ena Heiau has been changed by a southerly facing seawall. Previously, high tides could pass by the heiau and into the beach area. Therefore, no building ownership is possible below the high water mark. Also, a cement path above the beach causes the high water mark to change. I have seen the series of maps of the Kamakahonu area as consultant for the Kūlana Huli Honua, and noted how the maps changed as historic pōhaku/stones were moved and removed.

There is one letter claiming the beach was manmade; therefore, the high water mark did not apply when a previous resort owner wished to build the pool area and other renovations. The incursion historically on this most sacred crown land continues, unabated.

The lū'au grounds are built on a pond and burial. There are iwi, sacred to the Hawaiians, still on the grounds. The Hawai'i Historical Society, the Hawaiian people and the community are not represented on the board dominating the care of Ahu'ena Heiau. The hotel would never have been built on this crown land, if the Hawaiians and community could not guide the care of this Kamakahonu area. There is a large shadow on this Special Management Area Permit permitting commercial interests. Please refuse their application.

WATANABE: Okay, thank you.

(Mikahala Roy circulated a map and photos to the Commission.)

ROY: Aloha Kakou. I am Mikahala Roy of P. O. Box 2388 Kealakekua, Hawai'i, 96750. I am a Kahu of Ahu'ena Heiau, a title inherited by my father and from my father, David Kahelemauna Roy Jr. who led the restoration of this temple for 'Oiwi and for the world.

Now that I've identified myself, while it's fresh in your mind, this is Kaiakeakua beach. This is (inaudible) -.

WATANABE: Uh, can you hold on? I think Jeff will help you with the mike. We are trying to get everything transcribed, that's why.

ROY: Thank you. I'm sorry.

WATANABE: I'm sorry for the interruption.

ROY: Well, while it's fresh in our memory, this beach is Kaiakeakua. This great beach, the remnant that you see here, extends all the way across town under the seawall. It is great and glorious Kaiakeakua; it means the sea of the god.

I've read land covenant documents related to this property. Former landholder, American Factors, descendant company of Hackfeld & Company, made an agreement with governing bodies at the time, the State, to require all future landholders respect this very sacred land place. Clearly the spirit of these land covenants is to ho'ihi mau, to respect forever to be sure that Ahu'ena Heiau and Kamakahonu will be respected forever. Serious challenges arose when IWF-KKH took up their new management of the King Kamehameha's Kona Beach Hotel. Eroded harmony among people and serious degradation of the first restored Hale O Lono of the modern era in Hawai'i has occurred.

This landowner fails to do their part to help resolve challenges within this very sacred area. They are so fortunate to be the landholder here, yet their actions do not demonstrate this. Ahu'ena Heiau, Inc. fails to respect traditional care by 'oiwi, kanaka maoli, of Ahu'ena Heiau.

This landholder and the State of Hawai'i fail to keep current with laws to protect religion and the civil rights related to the practice of customs of the faith of this land. Congress passed Law 95-341, The Freedom of Religion Act. H. T. Hayashi and newly formed IWF-KKH have broken their promise, their requirement, to uphold the care of Ahu'ena Heiau and Kamakahonu for the community and certainly for 'oiwi. Mr. Paul Allen who occupies the former Thurston Estate presents deaf ears to the population who would be his kind neighbors.

The words to sum up the status quo at Kamakahonu resemble magma rising in an active volcano. They only begin with "deplorable" and "unacceptable." For these reasons I urge this Commission to decline this application at this time.

This is my testimony that went into their Environmental Assessment. They did not deem this land place worthy of an Environmental Impact Statement like the community asked for. They carried out an environmental assessment. This is my answer to it, and it is published in that report. Do you have access to that report? Okay.

Ahu'ena Heiau is the first restored temple by Hawaiian people in the modern era. You would be fascinated to know that it was on this coast that an earlier restoration by Hawaiian people took place in about the '30s. But beyond that it is the only one. Instead of supporting the cultural

care of this temple as was begun by my father, they have done everything to erode that and created disharmony in the process. This is not a good land steward.

Next door the map that you have in your hand is a map that came forward from the people. Nowhere in any public repository was this map found. This is a map of the Henry Kekahuna series done in the '50s, and it shows the present Paul Allen estate. We tried to reach Mr. Allen to ask him, won't you please consider moving off of the sites that your home is on, and put this all a part of this national historic landmark; in fact, we have asked both landowners to do the right thing by Kamakahonu. This is a place for the community, yes, but can you imagine this place for the 'ōiwi, for the people, the first people of this land.

There is a turtle stone that lies beneath the pier, and I've learned that in Fiji there is one, in Raiatea there are three. What is the story of these things? But we won't know, if all we clutter our minds with is development.

Clearly they would not have this tract of land, if they did not promise people like my father, people from this community, to mālama the memory, the people, the great leaders of this capital site.

This is a, I'll read to you now, editorial that came on 6/19.

“Heiau Access Questioned: Rarely have I experienced the warm welcome that I did on a recent 10-day visit to the Big Island. Everywhere I went, I was in complete awe of the unique beauty of the island and its people. I had only one unpleasant experience and it was such a shocking anomaly that I felt I had to share it. My friend and I visited the Ahu'ena Heiau behind the King Kamehameha's Kona Beach Hotel at sunset on our only afternoon in Kailua-Kona. We were surprised to find that access to the heiau was restricted in the evening – unless one purchased a \$70.00 ticket to a lū'au that used it as the backdrop for their performance and changing room for their performers. Apparently even reading the interpretative sign was an intrusion and we were forcefully escorted off the site after rudely being told we should swim to the heiau if we really wished to see it. I have no problem with restricting tourist access In fact, I support it. There is only one Hawai'i and it is much too precious to be run over by tourists who can't possibly understand or appreciate the natural resources of the island However, appropriating the Ahu'ena Heiau for a tourist lū'au and charging for entry is not just prohibitive for visitors and the local residents, it is completely disrespectful of the spiritual meaning of the site and the traditional native practitioners to whom it rightfully belongs. Why does the community allow a site of such cultural, historical and spiritual value to be appropriated for private profit?”

My response: “I'd like to thank Ms. Cushing of Oakland, California for her succinct and purposeful letter. I applaud her for taking the time to write Kamakahonu, yesterday in time, is a snapshot of a country's capital, the residence of the Ruler of the Kingdom, in this case, Kamehameha the Great. Working to promote a flourishing society, as rulers had before him, Ahu'ena Heiau was where the King honored the faith of his ancestors, presented his kingdom's first flag, and departed his earthly domain, May 8, 1819. There were at least 15 sacred components clustered to compose his enclosure. Jeweled by at least two Heiau, each with its own Lana Nu'u Mamao (Oracles), these temples were among eleven temples of Hawai'i Island of that significance (the highest) of Kamehameha's day -.”

WATANABE: Ms. Roy, I hate to interrupt you, but I don't know how long that is. You are not -.

ROY: Not much longer.

WATANABE: You are not planning to read through -.

ROY: No, not the whole thing. But you have the map -.

WATANABE: Yeah, okay, we did -.

ROY: Because this is particularly related to the map that you are looking at. Would you take a look at that? I won't be much longer. Please listen carefully.

“Kamehameha erected the “House-to-see-the-Garden” (Hale Nana Mahina‘ai, 54 feet by 131 feet) upon a house foundation built centuries earlier by his ancestor, King ‘Umi-A-Liloa.’ From that vantage point, Kamehameha could overlook his fishing grounds (ko‘a) and his planting fields Located near Ahu‘ena Heiau was the house foundation of the chief Keawe-A-Mahi whose residence Kamakahonu was until Kamehameha acquired it Big Surf Trust purchased this land from the family whose members are noted in the island history. Asa Thurston, born in Fitchburg, Massachusetts, led the first company of Calvinist missionaries here ...Lorrin A. Thurston, his descendant, led a group of American businessmen in an overthrow of that kingdom 73 years later. As Lara Cushing asks, ‘why does the community allow such a site ... to be appropriated for private profit?’” The answer is, there is more to it than what I read here. “Commercial interests and businessmen protected by the State of Hawai‘i seek to make artifacts -.”

WATANABE: Ms. Roy, Ms. Roy -.

ROY: “‘Historical sites’ of the living faith of Hawai‘i. This is the same as creating a -.”

WATANABE: Ms. Roy, I'm going to have to ask you to -.

ROY: “Statue of the living Pope and no longer allowing people to worship in his church” Sir, if you will, this is well worth your time. You will not hear testimony of this kind. Please. This is factual -.

WATANABE: I'm really sorry -.

ROY: And related to law.

WATANABE: I'm really sorry, but you're going to have to wrap, okay, cause we have -.

ROY: Surely. I will. I will do that.

“Where title of the Hawaiian Islands is questioned, the title of Kamakahonu lands is questioned. Both jewels referred to as Ahu‘ena Heiau are submerged in the sea daily. Submerged lands are ceded lands – the same as the whole of Mauna Kea. Clouded is the discussion of ‘ceded’ lands. The whole of the islands are in this case. In the age of information,” we are only now becoming aware of this history.

The, one more point, the breakage or the, what Bobby Leithead Todd referred to as the break way, was done illegally by the Thurston family. This was done by the Army Corps of Engineers. They broke into Waiki Pond, and opened it up. At this point, Mr. Paul Allen does not care to listen to his community about matters of the importance of the whole of Kamakahonu, the eye of the turtle. Thank you.

WATANABE: Okay, thank you. Do we have any questions of Ms. Roy? Seeing none, then thank you for your testimony. You may be seated.

I’m sorry, Mr. Mooers, I was hoping I can make it all the way through, but can I take five, can we take five, and then we’ll come right back in to deliberate on yours? Okay? Let’s take five.

RECESSED The Chair called a recess at 3:06 p.m.

RECONVENED The meeting reconvened at 3:14 p.m.

WATANABE: Leeward Planning Commission back into order. Mr. Mooers, you heard all the public testimony, and also heard the comments by Madam Director with regard to the proposed, your proposed amendments. And it seems that now you understand her reasoning behind the request for the public parking stalls and also her willingness to negotiate. So what number between eight and 30 can we say is reasonable?

MOOERS: Zero is a number, right?

WATANABE: No, I said eight and 30, between eight and 30. You proposed eight, right? Oh, I’m terribly sorry. Yeah, let me swear you in. Would you all raise your right hand, please? Do you swear or affirm to tell the truth now before the Planning Commission?

APPLICANTS: I do.

LIM: Thank you, Mr. Chairman. My name is Steve Lim, P. O. Box 121 Hilo 96721, representing the applicant, IWF KKH, LLC. With me today to my right is Mr. Tommy Henry who is the project manager, Mr. Jak Hu from the hotel, who is the general manager for how many years now, and Greg Mooers, our planning consultant. What we are going to be doing very quickly is to ask for your support in the SMA Permit. I think most of you probably have stayed at the King Kamehameha Hotel one time or another. And the intent of the applicant is to, as you heard from Greg Gauthier, is to bring it back to its former glory. We are already in the process of doing interior renovations under our SMA approvals with the County. And what you are going to be looking at now is the SMA Major Permit, improvements for the exterior modifications to the hotel. I’ll let Greg give our project presentation, answer some of the questions that we’ve talked about. I’ll then move down to Jak who can then give you some

operational aspects of the hotel and where they are going. And also, we'll, then we'll lead off and end up with the discussion of the proposed changes that the applicant has made as you see in our letter of June 29th.

WATANABE: Thank you, Mr. Lim. Go ahead, Mr. Mooers.

MOOERS: Thank you. I am Greg Mooers. My address is P. O. Box 1101 Kamuela, Hawai'i 96743. I am listed as the applicant for this particular SMA Permit. As Mr. Lim pointed out, we have started the renovations of the interior, done on an SMA exemption issued by the previous Planning Director, as the interior work is not considered "development under Rule 9." The exterior work that we are proposing does require an SMA Use Permit. The fact that a portion of the property that the West Tower is on is in the National, or Federal Historic District necessitated an environment assessment. That environment assessment was prepared and processed through the Planning Department. The Planning Department reviewed the environmental assessment, the comments and our responses to comments, and issued a Finding of No Significant Impact. Therefore, the EA was deemed adequate and addressed the issues. That was published and it passed the challenge period; so that final EA has been approved.

I would like to expand a little bit on the project description to make sure that the record clearly reflects some other potential improvements that are suggested in the plans that Maija did not mention, most specifically on the West Tower. There is an existing restaurant on the first floor, and part of the proposed improvements would include opening that up and having an exterior patio dining area. Given the financial situation in the world today, we are not in the position to make all the improvements immediately. So this would be phased improvements; interior renovation is proceeding now, we will start hopefully shortly with the exterior renovations.

I would like to address some of the issues that were raised by the various testifiers. Ms. Dierenfield was speaking about the trail access and I think you have in your files the responses that we made to that, and there's also a condition directly related to this lateral shoreline access that Mr. Lim will discuss as we get to that point. The thing that's interesting about this hotel is that we do not own the land; we are lessees. So the issues that were raised in the letter, Mr. Flaherty raised, about ownership of the hotel, we are not the owners, we lease. And if there is a question about ownership or title, this is not the appropriate venue to discuss that. This property does have title insurance. And the Department of Land and Natural Resources would be, you know, the appropriate agency to address that, if there are concerns about the location of the shoreline or other such issues; it's not an SMA issue and it's not an issue that should be decided by this body.

We heard a number of comments about Big Surf Trust, Thurston Estate and Paul Allen; those are all unrelated to our property and our project. We do have a very serious commitment to Ahu'ena Heiau. There is an agreement that Ms. Roy referred to that was drafted in 1991 and recorded, and it specifies in here how the heiau and the lū'au grounds will interact, what rights are afforded by the owners of the property, what responsibility is afforded, and it's very clear. And we just want to make sure that as we proceed with this SMA Permit that nothing would invalidate this agreement we have with the Board of Land and Natural Resources.

I guess the last thing I wanted to talk about was the letter to the editor that was read by Ms. Roy – obviously a very unfortunate experience by this woman. But we did issue a response immediately to that letter. Since Jak Hu signed that letter, I'd ask him to, in fairness, to read his response to that letter into the record as well.

HU: My name is Jak Hu, general manager at the King Kamehameha's Kona Beach. Address: 75-5660 Palani Road, Kailua-Kona, 96740. This is a response letter to the letter to the editor.

“Aloha. I have read the letter to the editor regarding access to Ahu'ena Heiau through our hotel grounds at the King Kamehameha's Kona Beach Hotel. I was most disturbed as this letter does not accurately reflect the situation and certainly is not representative of our feelings toward the heiau or our visitors to our island. The staff in the management of the King Kamehameha Kona Beach Hotel understand and appreciate the cultural significance of Ahu'ena Heiau, and always comply with the covenants related to the conservation and preservation of the heiau. We have a contractual obligation with the State to preserve the heiau, and are required to have the access to open from 10:00 a.m. to 4:00 p.m., 300 days per year. This heiau was restored with a full financial support of the hotel. We try to provide access to the heiau through our property at all times. During the commercial lū'au especially allowed in our agreement with the Board of Land and Natural Resources, we do have visitors in this area enjoying the entertainment and the beautiful setting. During the lū'au the heiau is never used as a dressing room or a prop as stated in the recent letter to the editor. This would be insensitive to the cultural significance of this site and a violation of our agreement with the State. The performers change in the restroom area adjacent to the stage – never the heiau. We accommodate visitors to the hotel, whether to view the heiau, walk along the shore or to enjoy our lū'au. I have checked with our staff at the lū'au, and no one has ever restricted access to the heiau. We do realize the historical significance of the heiau, and wouldn't deny anyone into the area. I'm truly sorry, if Ms. Cushing was treated discourteously during her visit. And for that I apologize. We are requesting the address of Ms. Lara Cushing so that we are able to respond to her personally. Mahalo.”

WATANABE: Thank you. Do we have any questions? No? Thank you. Mr. Lim?

HU: I'm the general manager of the hotel, and I've been with this hotel close to five years. And I was hired by HTH which is the previous owner, and now I'm working for Pacifica Hotel Company. When I started to work for the HTH Hotel Company, they closely lost \$70,000,000 in 14 years. When I started to work, I was the last hope. I had a meeting with my staff and all our people. I'm the last hope. If I fail, we have to close the hotel – that was the situation. We went through it, we made it, and then they sold the hotel to Pacifica Hotel Company. In last two years, Pacifica Hotel Company, they lost \$6,000,000. On top of it we are still spending money to renovate the hotel. This hotel was opened in 1976. In last 34 years no one did renovation the way they are doing now. When Pacifica Hotel Company purchased the hotel, I was ready to leave the hotel. They asked me why I wanted to go. I said, “I don't want a rundown hotel. I don't want to run the rundown hotel anymore. It's very difficult and tired.” And they told me they were going to renovate the hotel. The only one vision, and I said, “I want to give the pride back to my employees. They've been waiting for this opportunity long time.”

Some people say we're looking for, only for the profit. We do a lot of donations; I get at least five to ten donation papers on my desk every single day. Whenever there is a parade, who is helping the parade? Our hotel. There is anything happening, people come and say, you know, "Can you do this?" We do. But I always remember I want to take care of my people first, which is our employees. I'm a salaried person. I come and go. I don't stay here. I wasn't born here, I didn't grow up here. This is my career. If I can find another job, tomorrow I go home – but not our people, our employees. What I want to do is I want to give the pride back to our employees.

I know you guys are requesting the 30 parkings. It's an unreasonable request. The hotel owner is keeping on losing money. We've got a hard time to pay the bill. Now we have to adjust maybe some of our renovations because I lost \$6,000,000 in two years. So they have to cover my operation shortfalls. What I'm asking is this: Please consider. This is not only the permit; this is the hope and pride to our people. Thank you.

WATANABE: Thank you. Mr. Lim?

LIM: Thank you, Mr. Chairman. As you can see, the staff and the employees feel very strongly about the success of the project. And I think that the applicant has gone and taken significant steps towards proving that they have the ability even in these tough times to renovate and reinvigorate the hotel.

Some of these proposed changes that we made in our June 29th letter are intended to both clarify issues and update certain issues. And I'll kind of go through those real quickly. The Planning Director, for No. 4, has said that the addition of the last red sentence, "Access to the Heiau area will continue to comply with the agreement recorded January 10, 1991 between the hotel operator and the Board of Land and Natural Resources," does intend to preserve the ability to run the commercial heiau which was negotiated – excuse me – the commercial lū'au that was negotiated significantly a long time ago in the early 1990's. The property owner at that time was required to file a restrictive covenant, and that's what this agreement is being referred to as. So we'd ask for your support on No. 4.

No. 5, we'll leave to last, which is the parking.

No. 6 is the clarification that we wanted to make that we will be working with the Department of Environmental Management. At this present time we've done some initial investigations with our engineers and plumbers, and we are not able to tell for sure what's happening down there; so we believe it is reasonable to include the condition, and that we will replace and/or rehabilitate any deficiencies to existing sewer lines. I think we recently got the clarification from the Department of Environmental Management that said that they didn't intend to require us to replace all of the existing sewer lines. And so we are in agreement with No. 6, as well as the Planning Director is.

The last condition is No. 8, the Solid Waste Management Plan. Our amendment would clarify that the Solid Waste Management Plan was for the demolition waste, as the hotel is already in operation and has a management plan. We also took that lead from Page No. 7 in the Planning Department's recommendations, which say that the Solid Waste Management Plan is to address

the demolition waste. And so that's why we put that clarification in there so that ours would read that "a Solid Waste Management Plan for demolition waste shall be submitted," etc.

WATANABE: Okay. Madam Director?

LIM: It's about at the second paragraph -.

WATANABE: I'm, yeah, I'm following your lead; we're going to take No. 5 last.

LIM: Right. For No. 8, the -.

WATANABE: So you are suggesting that there is no need to strike "for" and insert "including."

LIM: That's correct. We're just looking at the Director's recommendation Page -.

WATANABE: Yeah, then so I'm looking to the Director to see if she's in agreement -.

LEITHEAD TODD: Yeah, I don't have a problem with striking "including."

WATANABE: Okay, okay. So then it seems we are at the juncture where only No. 5 is in question. The rest would follow as proposed by yourself.

LIM: Thank you very much. The parking, public access parking has two issues: First one is number of public access stalls; second one is the location of the lateral shoreline access. And as you look at the graphic that's up on the wall, there're the preferred alignments – the red being the one that essentially runs through the back of the parking lot and the next to the back-of-the-house facilities near the hotel, which we do not favor because of significant security issues which we are already having, and that you don't want to run the public access down through the back of the house of the hotel. We would prefer the purple alignment that essentially – I can't tell exactly where that is because it's not real clear on the photo – but essentially what we had proposed in our Condition No. 5 on the second bullet point, which states that essentially if the Planning Department in the future is able to acquire an access easement over the parcel to the west, which they've been calling the Big Surf property or the Paul Allen property, the applicant, meaning the IWF company, would provide a public access easement in a location mutually agreed upon to the County of Hawai'i across the hotel properties to facilitate a link between the lateral shoreline access trail at Kona Bay Estates and Ali'i Drive. And we added that provided that the agreement which talks about the heiau and the access and the operation -.

WATANABE: Yeah, so in other words the State agreement would supersede.

LIM: That's correct, with respect to the heiau area. We, you know, obviously I don't think anybody wants to run a public access right through the heiau area.

WATANABE: Yeah.

LIM: We feel that the purple alignment or something similar to that alignment then going out into the Thurston estate, the Big Surf Trust property, then coming back along and joining up with the lateral shoreline access that the Kona Bay Estates, which is running generally along the seawall that they have there, would be in keeping with the SMA rules and regulations with respect to lateral shoreline public access. We think that running the public access through the back of the parking lot would cause us to not only lose significant amount of parking spaces but would also open up the hotel like you've never opened up a private hotel property before.

WATANABE: Is that agreeable?

LEITHEAD TODD: Providing that we can work that out with Big Surf. I happen to think that the purple alignment that follows the shoreline is the one -.

WATANABE: Is probably best.

LEITHEAD TODD: Preferred by the public, too.

WATANABE: Yeah.

LEITHEAD TODD: Because, you know, the idea is a shoreline access, and then that would follow the shoreline and then hook up with the current public access in front of the Old Kona Airport area, ka Makaeo.

WATANABE: Yeah, agreed, and the red would not occur anyway unless you had an agreement with the other property owners, so -.

LEITHEAD TODD: And it's a less preferred access in reality.

WATANABE: Yeah.

LEITHEAD TODD: The one that goes along with shoreline is the one that I would, I mean, in the past when I heard public testimony, it seems to me that it's been access to the shoreline area there that has been preferred. I guess the anchialine ponds is something else that maybe we can work out with Big Surf. But the public, I think, at least in prior hearings on various applications in this area has always talked about shoreline.

WATANABE: Yeah, okay, so -.

ROY: (Speaking from the audience area) (Inaudible) do you know the DLNR (inaudible)? (Inaudible) are you familiar? That was closed by the DLNR (inaudible).

WATANABE: Okay, the time – thank you for that information – but the time for public testimony has passed.

ROY: (Speaking from the audience area) (Inaudible) you don't seem to know. You are not up to date, is my point. I'm giving you some current information. I hope you appreciate that.

WATANABE: Thank you. Okay, so it seems like we are -.

HOUSEL: Mr. Chairman?

WATANABE: Yes.

HOUSEL: I had a question of either Mr. Lim or the project director. In reading the EIS and your plan, you're planning for 622 parking spaces, and that's 179 more than the minimum. Are those all existing now, or are you adding more parking spaces?

MOOERS: We are adding more. The proposal is to remove the tennis courts and put in additional parking. I think, when we talk about the parking, I think Jak will take the lead here, but one of the things that I can point out is just this past weekend with the fishing tournament and car show the parking lot was full. I mean we were looking for every stall we had. So it's not like we are going to create 179 stalls that are not going to be used. But the decision to eliminate the tennis courts and put in parking is because we need the parking.

HOUSEL: Okay, so you -.

MOOERS: So those will be added, yes.

HOUSEL: You do need that much parking then, huh?

MOOERS: That's why they are removing the courts, yes.

HOUSEL: Okay.

MOOERS: There's no point creating them, if we didn't need it.

HOUSEL: Okay. Well, I share the Director's concern that if the parking for public access to the beach is external, that it's going to be a fight trying to get a parking space there. There has to be some control over who can park there. Is there solution for that?

MOOERS: Well, yeah, we just received the recommendation this last week, and frankly we were a little surprised, because I think the ownership of the hotel, and Jak will probably respond to that, was a little surprised that after being here for, you know, for 35 years that -. We don't dominate, we don't own all the way up to the beach; so the access to the beach is not affected by this. So their belief was what we were doing is we're trying to paint and renovate the hotel; and now we are being asked to give up 30 of our stalls that had always been controlled stalls. And so operationally we are trying to figure out, okay, how do we do that? And we are looking at, you know, passes and -. And operationally, presently there is a guard there, or a ticket taker, and we are trying to remove that person to reduce cost and go to a card gate where you pull a ticket on the way in and on the way out pay with, you know, credit card, which are being done in a number of hotels on the coast. So now, we're saying, okay, we've got to give away 30 freebies or 20 or 10 or whatever the number is, we're trying to figure out, okay, how do we do that? And one of the things operationally we looked at, we said, well, maybe if

we move the gate back to the back corridor, that would create I think twelve to 14 stalls outside of the gate, that we wouldn't have to worry about, you know, where these people are going. And the other question is, how do you know if they are going to the beach or they are just parking there going across the street to Quinn's or going into town to shop. I think it would be unreasonable for us to be required to follow, or somehow validate where those people are going. And so operationally it's a challenge for us, yes.

HOUSEL: Uh huh, okay, okay.

MOOERS: So that's really, there're two parts to the issue: What's the financial implication of losing the stalls, and second part is, okay, operationally how do we do that?

HOUSEL: Right.

MOOERS: And I'll let Jak try to answer those questions.

HOUSEL: I understand. Thank you.

WATANABE: Okay.

BOWMAN: I have -.

WATANABE: Yes, Ms. Bowman.

BOWMAN: Just a quick question. Mr. Lim, you noted that by having that, I believe that access behind the parking lot, that it would open it up to lots of people coming through there. But again, I still don't know where those people are going to come from. You know, they are not going to park -. I mean, you talk about opening it up to this hordes of people, I just -. Maybe you know where they are coming from.

WATANABE: Ms. Bowman -.

MOOERS: I think their proposal -.

WATANABE: They changed that, and I think the Director agreed that we are going to be looking at the purple -.

BOWMAN: I understand. But I'm still, but Mr. Lim, you know, discussed that. So I'm just wondering. Again, there're two options. But what, I want to be, you know, maybe be more cognizant of where these people are coming from, because I may not know.

MOOERS: I think what's been proposed, and if you listen to Ms. Dierenfield's comment, is that they're looking for a multi-use trail; so you are looking at bikers and joggers who work out in the village, running out to the Old Airport Park. And so I mean this is a community, it will be a community asset. And I agree that it's also an asset to the hotel to have public access and walkways and stuff. Operationally what we are saying is that this is not a good alignment because the back of the house needs to be opened for deliveries, and people going in

and out of the kitchen, the trash compactor, the grease trap, all that stuff is back there; that's not where you want to have people running unfettered. So that was the comment. But as far as where the people are coming from, I think the proposal is that they will be community people for recreation from either the park or from along Ali'i Drive, visitors, everybody using be able to walk, ideally, to walk along the shoreline.

BOWMAN: Okay, thank you.

WATANABE: Okay. Any further questions? No? Then it looks like we are down to the one sticky point – some number between eight and 30, and how do we manage it.

HU: I have a little comment, you know, I want to add -.

WATANABE: Please.

HU: As you know, that we are losing money, and it's very hard to run the business in these days. And then I was really shocked to see that actually, you know, the City, the County is asking for 30, you know, parking stalls, free parking stalls. We do have a parking stall for the public – of course, with a charge. Even if we are charging, we are still losing money. And then we are running the business. We get a hard time running the business, and then you guys are asking for the 30 free parking stalls. It's very hard to, you know, take it. And secondly, how are we going to control that? You know, they asked me, we sat down and we went through brainstorm on how we're going to control it. If push comes to shove, we've got to give; then how are we going to control it? Where are we going to draw the line? Who's going to watch the parking lot? Who's actually going to park there? And then we have, you know, leased State land right outside our hotel; we let the people park their canoes. Supposed be seasonal in the contract, now we let them park in there throughout the whole season. We don't ask them to remove it. It just stays there because it doesn't disturb us. We are trying to accommodate, you know, public's needs as much as we can. I just feel that, as the operator of the hotel, this doesn't really make sense to me.

WATANABE: Yeah.

LEITHEAD TODD: Okay. I have a couple of questions because -. So you currently allow, what, Kai 'Ōpua, Keauhou to store canoes on hotel property?

HU: Yes. It's right outside, which is our leased land from the State.

LEITHEAD TODD: Okay. Well, that's public access, too, I guess, in some ways, you know.

WATANABE: Can we count that?

LEITHEAD TODD: Uh -.

WATANABE: They are now -.

LEITHEAD TODD: I was thinking that, you know, that's to some extent, that's a type of beach access, you know, which serves the community, and they should be given some credit for that. I'm just wondering if there is any way that you can accommodate additional parking with the proposed card that you are doing. If not, is eight the maximum you can give, or could you give some more and then maybe we can try to work out some type of placard or something that people have to go get from the hotel front desk to stick on their car? I don't know whether that works or not.

HU: The problem is, you know, controlling is going to be very difficult.

LEITHEAD TODD: Okay.

HU: Just people coming to ask, you know, I just parked my car, I want to go down to the beach, give me a parking pass; but we don't really know that actually the person is going down to the beach or not. It's going to be -. Sometimes it's undesirable people who come in and park their cars and that they're having parties and they have those things. So you know, and I'm also looking at all different angles, and it's very difficult. And I always ask for some advice from our staff, you know, sit down with the security. And it's going to be very difficult for us.

WATANABE: But it's your testimony that you do provide parking for Kai 'Ōpua and some of the other canoe clubs -.

HU: Just, yes, for the canoes, you know, just a, you know, we tell them, you know, you can park in there. And this is supposed to be seasonal. And then we just give them throughout the whole year; we don't tell them to, you know, the season is finished, you have to pick up your canoe and take it, move. We don't do that. We just let them leave it there, you know, as long as it doesn't disturb us, we say, that's fine with us, just leave it there. Because one thing is they give us a business, too, yeah? They are very nice to us, and we want to accommodate whatever we can.

BOWMAN: I have a question.

WATANABE: Yes, Ms. Bowman.

BOWMAN: I really understand. Unlike other hotels, Mauna Lani, Mauna Kea, most people who go to the beach access will go to the beach, you are in a unique situation, and I really feel for you. My question, again, you have a Kai 'Ōpua canoe and you give them access during the season to keep their canoe there only, not their vehicles.

HU: Throughout the whole year.

BOWMAN: Okay, throughout the whole year, their canoe. And then they take the canoe by hand down to the beach.

HU: Yes.

BOWMAN: Okay. And is that area -? I don't know, I'm thinking in lieu of the parking, can that be a condition that there be a certain area for the local canoe club? I mean, I'm just -.

WATANABE: Maybe, I appreciate that, but maybe we don't need to write a condition for that; they are already performing that un-policed, and it's kind of a tradition for them, huh?

BOWMAN: Okay. I'm just trying to maybe solve the problem of the additional -.

WATANABE: I appreciate that.

BOWMAN: Thank you.

LEITHEAD TODD: Well, I was thinking if the hotel was amenable to that, then you know, that would be acceptable to me that there be included in this that, and you know, obviously you can't accommodate every canoe in the world there, but that you provide that area to the canoe clubs, and particularly Kai 'Ōpua, I was thinking, because this is the area that they practice for a year around. And then, you know, to me that serves some of the public purpose, and then we can go with the eight stalls. Is that okay?

LIM: Okay, we'll agree -. Is that okay with you, Tommy? Basically -.

HENRY: Yeah, State land, though.

LIM: Right. So long as the Commission understands that this is State land; we have it under license. So subject to whatever State approvals we need, and we are willing to accept that as a condition. We would assume that the eight stalls, we were trying to count them out on our plat plan, but we can accommodate those outside the existing guard booth by moving it down just a little bit. And those would be essentially open for the public but difficult to regulate.

WATANABE: Yeah, and we realize that even if, even if you had it inside of the gate, it would be the same thing. What are you going to do? Follow them? You know, same thing. So I think we are fine that way. Do we have any other concerns?

LEITHEAD TODD: I was thinking that it might even be possible that if there - I don't know whether it works or not - but you know, something that perhaps on special event days that, you know, organizations could work out an agreement with the hotel to police that parking and reserve it for their organization.

HU: You know, depends on, you know, what kind of function is your first thing, however -.

LEITHEAD TODD: Yeah, yeah, I'm just saying, if there is some kind of a function that's in that area like the regattas, you know -.

HU: Sure, we can -.

LEITHEAD TODD: Then that would allow them to perhaps -.

HU: You know, like we have Ironman and those days, yes, we accommodate -.

LEITHEAD TODD: Yeah, okay.

ROY: (Speaking from the audience area) There are also handicapped people that come to swim there on a regular basis. They need access and parking. They have none right now.

WATANABE: Uh -.

HU: You know, handicap parking is, you know, there is, right next to the banyan tree area, there is -.

ROY: (Speaking from the audience area) (Inaudible) two stalls or three. Doesn't cover it (inaudible).

WATANABE: Okay. So are we in agreement in principle then? Then maybe for clarification purposes then, so we know what we are making a motion on, we are taking the Director's recommendations with a revised Condition 4, certainly a revised Condition 6 and a revised Condition 8 exactly as proposed by Mr. Lim in that letter dated June 29. Now, what I'm not completely clear about is, how are we going to word Condition 5, which I think we agree in principle there is going to be eight free parking stalls -.

LEITHEAD TODD: Uh huh.

WATANABE: Right?

GIFFIN: Uh huh.

WATANABE: But there was also some talk about this canoe storage, which they are already doing. But are you planning to word any of that into this?

LEITHEAD TODD: Mr. Lim, I was wondering, if we had some language at the end that says "and allow storage of canoes," and is there a way to describe that area in front of the hotel?

LIM: "And allows the storage of ca-," "continued," I guess, "storage of canoes at the licensed parcel owned by the State of Hawai'i adjacent to the project."

WATANABE: Okay, this would be inserted as what -?

LEITHEAD TODD: Right after the "free parking stalls."

WATANABE: Okay, so this would be another bullet then, yeah?

LEITHEAD TODD: Yeah.

WATANABE: So, do you want to limit the, or put some reasonable limit on the storage of canoe, so it's not, like, open? Or do you think that's not going to be a problem? I'm just thinking, you know -.

LEITHEAD TODD: I think the area only physically can accommodate a certain number. I don't think it's been an issue. Does Hotel have some concerns about limiting the number?

HU: You know, normally I leave, we leave it up to the Kai 'Ōpua Canoe Club since they are managing the area; you know, they are supervising it.

LEITHEAD TODD: Okay.

WATANABE: Okay, so, is everyone clear on the revisions that we were discussing?

HOUSEL: I had one question.

WATANABE: Yes.

HOUSEL: On the addition to Condition 5, we've changed the first paragraph with a bullet. Does the second paragraph remain as is?

WATANABE: Well, no, we added a third paragraph in between, first and second and that paragraph would be the third bullet, which is continue to allow storage of canoes in the State lease area subject to -.

HOUSEL: Right, well, the paragraph -.

WATANABE: Am I correct on that? We are in agreement in that, right?

HOUSEL: Yeah.

WATANABE: We are just adding a third bullet point right in the middle of the existing two.

HOUSEL: Okay.

MOOERS: I guess what I heard was a question about whether the second paragraph that we recommended changes on, if that was changing. Was that the question?

HOUSEL: The paragraph that talks about the -.

MOOERS: Public access.

HOUSEL: Public access easement. Is that -?

WATANABE: Yeah, my impression is that that stays as is.

MOOERS: As proposed, you mean as is by as we proposed changes -.

WATANABE: Yeah, right, exactly.

MOOERS: Okay.

LEITHEAD TODD: Yeah, because it doesn't specify a specific alignment, it's just we're going to try and get what we can get. And I think, you know, the public probably prefers the one along the shoreline, and that's what we would try to get.

HOUSEL: Okay.

LEITHEAD TODD: But it's obviously subject to them coming forward and also working out with DLNR any issues that they may have.

HOUSEL: Right, right. So my main question is, does this stay in there?

WATANABE: Yes.

HOUSEL: It does. Okay.

WATANABE: It does, yeah. Okay? So we're all clear on all of this? Okay. So you've got everything you want – just a little condition about, you know, continuing to allow them to store the canoes, right?

MOOERS: Thank you.

WATANABE: All right. So with that, if everybody is clear on the revisions to the conditions for this SMA Permit, would you care to make a motion?

HOUSEL: I'll make it, if you don't -.

WATANABE: Thank you.

HOUSEL: Have me repeat everything you said.

GIFFIN: Maija has it. Don't worry.

HOUSEL: Okay, Maija has it, okay. I'd like to make a motion that the Special Management Area Use Permit, that we approve it to allow the renovation of the King Kamehameha's Kona Beach Hotel, its commercial area, and related parking and landscaping improvements on approximately 12.89 acres in the Special Management Area. I won't go further, but the motion is to approve this.

WATANABE: Yeah, as revised.

HOUSEL: As revised.

WATANABE: Yeah, okay, thank you. Could I have a second?

GIFFIN: I second.

WATANABE: Thank you.

GIFFIN: You're welcome. Is Maija going to read -? Okay.

COTTLE: Okay. So my understanding is that the motion is to approve as recommended by the Planning Director, with the additional -.

WATANABE: Revisions as discussed.

COTTLE: Revisions from the applicant's representative, plus the addition of a second bullet, or third bullet actually, under No. 5, stating "allow continued storage of canoes on leased State property next to project site."

WATANABE: Yeah.

COTTLE: Is that correct?

GIFFIN: Uh huh.

WATANABE: Good.

COTTLE: Okay. Commissioner Housel?

HOUSEL: Aye.

COTTLE: Commissioner Giffin?

GIFFIN: Aye.

COTTLE: Commissioner Beaudet?

BEAUDET: Aye.

COTTLE: Commissioner Bowman?

BOWMAN: Aye.

COTTLE: Commissioner Iokepa?

IOKEPA: Aye.

COTTLE: And Mr. Chairman?

WATANABE: Aye.

COTTLE: Motion passes, six-zero.

WATANABE: Okay, thank you. So Mr. Lim and Mr. Mooers, you will be notified in writing.

MOOERS: Thank you.

LIM: Thank you very much on behalf of the applicant.

The discussion ended at 3:53 p.m.

Respectfully submitted,

Noriko Sauer, Secretary
Leeward Planning Commission