

PLANNING COMMISSION
COUNTY OF HAWAII

HEARING TRANSCRIPT
DECEMBER 11, 2008

A regularly advertised hearing on the application of **WALUA SUNSETS LLC (SMA 08-000030)** was called to order at 10:20 a.m. in the Hapuna Beach Prince Hotel, Hau Room, 62-100 Kaunaoa Drive, Kohala Coast, Hawaii, with Chairman Rodney Watanabe presiding.

PRESENT: Rodney Watanabe
Lani Bowman
Takashi Domingo
Frederic Housel
Andrew Iwashita (from 10:35 a.m.)
Rell Woodward

ABSENT & EXCUSED: C. Kimo Alameda
Shelly Ogata

Ivan Torigoe, Deputy Corporation Counsel
Daryn Arai, Acting Planning Director
Norman Hayashi, Planning Program Manager
Jeff Darrow, Staff Planner
Maija Cottle, Staff Planner

And no one from the public in attendance

APPLICANT: WALUA SUNSETS LLC (SMA 08-000030)

a. Special Management Area Use Permit to allow the development of a 3-story, 12-unit mixed use office-residential condominium project.

b. Revocation of Special Management Area Use Permit No. 448 previously issued to William E. Hall for a 3-story, 12-unit apartment complex and related improvements.

The property is located between Walua Road and Kuakini Highway, approximately 930 feet northwest of the Walua Road – Lunapule Road junction, Waiaha, North Kona, Hawaii, TMK: 7-5-18: 92.

WATANABE: We are on Agenda Item No. 3. This is Walua Sunsets LLC. It's SMA 08-000030. This would be for a change, I believe, in the usage. Is that it?

DARROW: A new SMA and the revocation of the -.

WATANABE: Of the old one.

DARROW: Yes.

WATANABE: Mr. Darrow?

DARROW: Thank you, Mr. Chairman. If I can direct your attention to the wall for our next application. The applicant is Walua Sunsets LLC. They are requesting a new Special

Management Area Use Permit to allow the development of a 3-story, 12-unit mixed use office-residential condominium project, and they're requesting the revocation of a previous SMA that was approved on this property for a 3-story, 12-unit residential condominium project, SMA Use Permit No. 448.

The area of this application is located within the North Kona District of Hawaii. More specifically, we are looking at Kuakini Highway running in the middle of your map, and we also have Walua Road that runs just below, or makai, of Kuakini Highway. Alii Drive is on the left side of your map. We have the ocean. The particular colors that you see on the map represent zoning. The pink, or pinkish purple type coloring, that we are looking at for this particular subject property area is CV 10,000 square feet. To the mauka side of the property across Kuakini Highway we have Agricultural 1 acre. And just below that we have the Alii Cove condominium project that was approved previously – Multiple-Family Residential 4,000 square feet.

This is an aerial photo of the area. This was taken some time ago, because at this time all areas -. This particular property was subdivided into a multiple parcels; you can see them on this particular application here. This particular property is the only property that is not constructed at this time as well as the applicant's property. All other properties in this particular area have been developed.

The applicant is requesting a Special Management Area Use Permit to allow the development of a 3-story, 12-unit mixed use office-residential condominium project, as well as the revocation of SMA Use Permit No. 448. The 3-story, 12-unit mixed use office-residential condominium project will include six units on the second and third-story floor; these will be, if there is no order to it, it could be office or residential on any floor. The lower floor, the first floor, will consist of parking, which will include 40 parking stalls including two ADA parking stalls. Walkways, lanais and an elevator. There will be a driveway ingress and egress onto Walua Road – we'll show you that on the site plan – it will be one-way in and one-way out. Landscaping. The estimated cost of the project is \$3,500,000.

Again, as I mentioned earlier, you have an ingress/egress onto Walua Road. First floor: This is your first floor site plan. You have your parking stalls on the lower floor. This is the second and third floors, which shows the six units in place. Elevations: This shows elevations – you'll see the height of Kuakini on the mauka side of the road – so when you are looking at Kuakini, you're going to be looking at one-story from Kuakini. The actual grade of the property is relatively low in comparison; there is quite a rise in elevation between the grade of the property and Kuakini.

The Planning Department is recommending approval of the SMA with conditions as well as the approval of the revocation of SMA Use Permit No. 448. Are there any questions?

I'm sorry, one more thing to add. There were some late correspondences that did come in. We have a letter from Richard and Pat Aarhus. We have comment letters from the Fire Department as well as Department of Land and Natural Resources, State Historic Preservation Division. And lastly, we have a letter from the Kailua Village Design Commission; this project did go before the Design Commission, and they recommend that the Planning Commission approve this request.

WATANABE: Thank you, Mr. Darrow. Fellow Commissioners, do we have any questions of staff? Ms. Bowman?

BOWMAN: I'm sorry, a quick question, cause I can't, where I'm at -. The surrounding lots are developed but not built, right?

DARROW: They are built.

BOWMAN: Can I see the picture again?

DARROW: Sure.

BOWMAN: I'm sorry, I guess -.

DARROW: This aerial? This one?

BOWMAN: Yeah.

DARROW: Unfortunately, this aerial photo was taken -. Google Earth kind of updates it every two years themselves, so unfortunately this is what they have online at this time.

BOWMAN: Okay, thank you. I just couldn't see and I thought -.

DARROW: Yeah, sorry about that. I should have made that clear.

BOWMAN: Okay. And then my other question is in regards to the letter that we got. Can you kind of explain what they are alluding to? "It needs a three-way stop" – I don't know where they are talking about.

WATANABE: Good question. Maybe, shall we have the Director respond to that?

DARROW: I can address that, if you -.

WATANABE: Oh, you want to? Okay, fine. I'm sorry.

DARROW: Currently, Walua Road connects to Kuakini Highway in this particular location. It appears that the applicant is requesting a three-way stop at this particular location. This isn't something at this time that has been done. It was reviewed at the time that this particular application for Alii Cove came in. And there was a condition in the ordinance requiring that if Department of Public Works wanted improvements on this particular intersection, they would require it; but they did not require of this particular applicant. In this particular case, we are looking at a project that has already been approved and it's smaller in nature, so we are not looking at requiring this particular applicant to improve the intersection.

BOWMAN: Thank you.

WATANABE: As a follow-up, though, Mr. Darrow, it's not likely that Department of Public Works would ever approve a three-way stop at Kuakini, yeah, in that particular location?

DARROW: I'm not sure. Maybe Daryn, our Planning Director, can address that.

ARAI: Kuakini Highway, at least that section, is considered like an arterial roadway, and this is generally the policy that you do not try to implement stop controls within an arterial roadway because arterials are meant to move traffic as quickly and sufficiently as possible. I'm not saying it would never happen, but I just don't see that -. There is no high probability that it could occur at this particular intersection.

WATANABE: Thank you. Mr. Housel?

HOUSEL: Mr. Darrow, just to maybe help the Commission. I'm familiar with the area, and that is an old photo because, as you said, most of the lots along there, I believe, are fully developed. And I think it's important to know also that – please correct me, if I'm wrong – the buildings along that street are very consistent with this type of building. Is that correct?

DARROW: Correct. Our applicant has submitted some very good photos within their application that show the different developments, as well as Walua Road has been widened and improved curb, gutters and sidewalks along that particular location.

Just for the record, I'd like to make a correction. This was the letter of opposition that was requesting the three-way stop, not the applicant. Thank you. Just for the record.

WATANABE: Thank you. Mr. Woodward?

WOODWARD: Can I see the original photograph that you had with the colors on it? Okay. Just one comment: That color, that's mauve.

DARROW: Thank you.

WOODWARD: So just, you know, for your edification.

DARROW: That's mauve. Okay. I wasn't aware.

WOODWARD: Yeah, that's what mauve looks like.

WATANABE: Okay, we have no further questions. Then for the record, there is no one signed up to testify on this application. And I would like to call up the applicant, please.

HETHERINGTON: Good morning.

WATANABE: Good morning. Could I swear you in, please?

HETHERINGTON: Yes.

WATANABE: Do you swear or affirm to tell the truth now before the Planning Commission?

HETHERINGTON: Yes, I do.

WATANABE: Would you state your name and address for the record, please?

HETHERINGTON: My name is John Hetherington. And my address is 73-4428 Mamalahoa Highway and that's in Kailua-Kona.

WATANABE: Thank you. Mr. Hetherington, have you had an opportunity to review the recommendations of the Planning Department? And are you in agreement with them, or do you have any concerns?

HETHERINGTON: No. Yes, I have had a chance to review them. And I believe they are all reasonable, and we will comply with them.

WATANABE: Okay, thank you. Fellow Commissioners, do we -? Mr. Woodward?

WOODWARD: This is something that was curious to me. Looking at the background information that was supplied to us by the Planning Department, I noticed that since July 31, 2001, and 2005 there have been seven different SMA Permits issued for this property, one subdivision approval and one consolidation. I was just wondering, it doesn't seem like -. I don't know if you've owned this property that whole time, but whoever did doesn't seem to have their ducks in a row; they seem to be spending more money on getting approvals than they do on building anything.

DARROW: If I could address that question.

WOODWARD: Okay.

DARROW: Previously, this particular property was identified as Parcel 7, and it has been subdivided into, I believe, eight lots. So each of these lots had come in for SMA Permits. And so these are actually on different lots on this particular, what previously used to be Parcel 7.

WOODWARD: Okay. So most of these SMA Permits don't have anything to do with this actual SMA Permit that we are dealing with now.

DARROW: Right. There was only one previous one on this particular property, and that was SMA 448 that they are asking for the revocation.

WOODWARD: Okay.

DARROW: And part of that was, that was Parcels 92 and 93, and so they asked for those two parcels to be consolidated, which has been done already. And so now we are looking at Parcel 92 for this particular project.

WOODWARD: Okay, that's mauve to me.

HETHERINGTON: And for the record I'm not the owner. I'm with Hawaii Design Group. Charles Cotton and partners are Walua LLC.

WATANABE: Okay. Any further questions? Ms. Bowman?

BOWMAN: I just have a comment. You know, reading the background, I like the idea of people residing where they are going to work. I mean, not everybody, but I think it's really good planning as far as in an urban area. So I think it's a really good idea. Thank you.

HETHERINGTON: Well, our marketing people, because when Mr. Cotton and partners bought this property, there was an SMA Permit, building permits for the residential condos. And all the people that we've talked to are promoting and feel that that is the best opportunity at this time to do the mixed use.

BOWMAN: Thank you.

WATANABE: Thank you. Any further comments, questions? No? Okay, I'll entertain -. Mr. Woodward?

WOODWARD: All right. I guess we can't drag this out any longer. I'd like to move that with regard to Special Management Area Use Permit 08-000030, Walua Sunsets LLC is the applicant, that that be approved and that Special Management Area Use Permit No. 448 be revoked as per the recommendation from the Planning Director.

DOMINGO: Second.

WATANABE: Okay. Let me just make sure. Mr. Torigoe, do you feel comfortable taking vote at once in one motion?

TORIGOE: Yeah, they seem to be both sides of the same coin, unless the Acting Director has some other view of it.

WATANABE: Comfortable with that? Taking vote in one motion?

ARAI: We would prefer that the actions be taken separately.

WATANABE: Okay.

ARAI: And, I'm sorry, you may want to also recognize the arrival of Mr. Iwashita.

WATANABE: Yes, okay.

WOODWARD: Okay, let me just make the motion that we approve Special Management Area Use Permit 08-000030, applicant is Walua Sunsets LLC, per the recommendation of the Planning Director.

DOMINGO: Second.

WATANABE: Okay. We have a motion. And yeah, I'd like to recognize that Mr. Iwashita finally got through traffic in Waimea.

IWASHITA: It was a major accident.

WATANABE: Okay. Do we have any further comments on this? Any discussion on this? Mr. Darrow?

DARROW: With that, I'll take the roll call. Commissioner Woodward?

WOODWARD: Aye.

DARROW: Commissioner Domingo?

DOMINGO: Aye.

DARROW: Commissioner Bowman?

BOWMAN: Aye.

DARROW: Commissioner Housel?

HOUSEL: Aye.

DARROW: Commissioner Iwashita, do you feel comfortable -?

IWASHITA: I abstain.

DARROW: Mr. Chairman?

WATANABE: Aye.

DARROW: The motion passes, five to zero.

WATANABE: Okay. Then we have the second part of this. Mr. Woodward?

WOODWARD: I would like to move that Special Management Area Use Permit No. 448, Walua Sunsets LLC, be revoked per the recommendation of the Planning Director.

HETHERINGTON: That's not Walua Sunsets'.

WOODWARD: It's not? Okay, strike that part – just the Permit be revoked per the recommendation of the Planning Director.

DOMINGO: Second.

WATANABE: Okay, we have a motion to revoke the previously existing Permit. Any discussion on that? Seeing none. Mr. Darrow?

DARROW: Thank you, Mr. Chairman. With that, I'll take the roll call. Commissioner Woodward?

WOODWARD: Aye.

DARROW: Commissioner Domingo?

DOMINGO: Aye.

DARROW: Commissioner Bowman?

BOWMAN: Aye.

DARROW: Commissioner Housel?

HOUSEL: Aye.

DARROW: And Mr. Chairman?

WATANABE: Aye.

DARROW: The motion passes, five to zero.

WATANABE: Okay. Congratulations. You've got your new mixed use SMA Permit. And we'll be notifying you in writing.

HETHERINGTON: Thank you very much. And I'd like to thank the Planning Department for all their assistance and helping us to put this together.

The discussion ended at 10:36 a.m.

Respectfully submitted,

Noriko Sauer, West Hawaii Secretary