

## **FOR INFORMATION and DISCUSSION**

### **I. SUBJECT**

Status Update: Planning Presentation by the HCDA Planning Staff and G70 regarding the Honokea Surf Village Project in the Kalaeloa Community Development District, Located at Tax Map Key (1) 9-1-013-068.

### **II. FACTS**

In January 2020, Honokea Kalaeloa LLC (“Applicant”), was approved by the Hawaii Community Development Authority (“HCDA” or “Authority”) to enter into negotiations for the long-term lease of a parcel in the Kalaeloa Community Development District (“KCDD”) with its landowner, the HCDA. The proposed development is an outdoor recreation facility, primarily focused on surfing, with a large, engineered surf lagoon at its center. At this time, the lease terms are being discussed.

The Applicant and their agent, G70 (“Agent”), have been conferring with the HCDA’s staff (“Staff”) in pre-consultation, to understand the zoning and permit requirements of the KCDD. These can be found in the Kalaeloa Community Development District Rules (“Kalaeloa Rules”), Title 15, Chapter 15, Hawaii Administrative Rules. The Applicant is also working with the State Historic Preservation Department (“SHPD”), to satisfy all the cultural resource protection requirements related to the proposed development. Although the project proposal is not yet finalized, and no formal application has been submitted to the HCDA for processing, the Applicant has substantially progressed on the development of their proposal. Considering this, the HCDA Executive Director thought it prudent to bring this matter back to the Board for an informational update at this time.

### **III. DISCUSSION**

The Authority has not yet been presented with a final application for the required permits. When the application is received and deemed complete, the HCDA will begin processing it, including publishing public notice of the contested case hearing and any other presentations required, per the permits that must be obtained for development in the “T2 Rural/Open Space” Transect Zone (“T2 zone”). In the interim, Staff will present some of the items of note that have emerged during pre-consultation.

#### ***Proposal***

The proposed development will include many elements (approximately 50 buildings), but the primary components are:

- A 5.5-acre surf lagoon and locker rooms
- Various outdoor recreation areas and an adventure lagoon (e.g., skate park, climbing wall, splash pad, dive tank, volleyball courts, events lawn, lazy river)
- Educational facility/surf history museum

- Conference center
- Clubhouse and grille
- Retail/pro shops
- Restaurants/cafés/bars/juice bar
- Training center/gym
- Surfboard shaping facility
- Film production studio

### ***Permits***

And as currently proposed, the project will require a Conditional Use Permit [required for the “Outdoor Recreation (on lots > .25 acres)” primary use] and a Development Permit (due to the parcel size). Earlier, the Applicant was also seeking the Authority’s approval to request a Waiver process, per § 15-219-98, to allow a Lodging Use in the T2 zone. We understand, from the Applicant, that they will not be proposing any lodging in the application at this time.

### ***Zoning Compatibility***

The character of the “T2 Rural/Open Space” Transect Zone is described in § 15-215-23(b)(2) of the Kalaeloa Rules as follows:

*“The T2 Rural/Open Space zone shall consist primarily of open space, parks, and limited agricultural use. Cultural, archaeological and environmental uses and sites shall also be located within the T2 Rural/Open Space zone...”*

Accordingly, the Density (floor area) allowances, as established in Figure 1.3 of the Kalaeloa Rules (“Development Standards Summary”), are significantly lower in the T2 zone than in the T3-T5 zones; presumably, to discourage buildings in the more natural areas of the KCDD. For example: in the T3-T5 zones, the allowed Commercial/Retail floor area ranges from 10,000 s.f./acre to 60,000 s.f./acre, while the allowance for the T2 zone is capped at 500 s.f./acre.

Most of the proposed development will likely comply with the zoning requirements of the T2 zone; however, some elements of the proposal are not permitted under the current Kalaeloa Rules. The proposed uses that fall within categories that are currently not allowed within the T2 zone include:

- Retail
- Restaurant/dining/banquet facility

The uses that are within the Retail or Restaurant categories are expressly prohibited within the T2 zone, but might possibly be allowed as part of an “accessory use” that is subordinate to and in support of an allowed primary use - if an Interpretation is made by the Executive Director regarding accessory uses. (This would be consistent with “accessory building” and “accessory dwelling,” which are already defined in the Kalaeloa

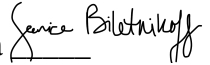
Rules). It is important to note that several of the Retail or Restaurant uses proposed by the Applicant are specifically included as examples within the definitions of the primary uses that are allowed in the T2 zone.

A proposal to include Camping or Lodging uses would prove more difficult. The Kalaeloa Rules are silent on Camping uses (*i.e.*, it was never contemplated), whereas they strictly prohibit Lodging uses within the T2 zone (see Figure 1.7 of the Kalaeloa Rules, “Land Use”). The proposal previously included duplex cabins situated as overwater bungalows, located adjacent to the Kalaeloa airport (John Rodgers Field – “JRF”). The Applicant considered possibly utilizing tents instead of buildings, if camping were allowed in future revised Kalaeloa Rules, and also considered relocating the Camping or Lodging use to the far southeast corner of the parcel, to reduce exposure to aircraft noise and vibrations.

In consultation with the Hawaii Department of Transportation, Airports Division (“DOT-A”), it was determined that noise exposure within the lodging units could possibly be reduced by the aforementioned relocation, as well as housing the use within buildings instead of tents. However, the Kalaeloa Rules prohibit Lodging uses in this zone district, and accommodating overnight guests in buildings instead of tents would more accurately fit within the Lodging use than Camping use. The potential hazard posed by aircraft noise, fumes and vibrations is a concern for both the HCDA and the DOT-A. As landowner, the HCDA bears liability for any damages suffered, possibly even if liability waivers are signed by all participants and/or overnight guests. The frequency and intensity of air traffic at the Kalaeloa Airport might make this parcel more suitable for daytime resort uses than overnight uses. The location of military aviation facilities at JRF results in takeoffs and landings throughout the day and during the night, after the commercial aircraft operations at JRF have concluded for the day. The noise from military aircraft takeoffs and landings during the evening exacerbates the noise levels in the vicinity of JRF.

The Applicant has currently decided to remove the overnight lodging or camping element from the project proposal; however, if the element is reintroduced in the future, noise exposure from aviation activities would be a primary concern of State agencies.

Attachments: Exhibit A – Map showing location of the proposed project

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## Exhibit A

