

FOR INFORMATION AND DISCUSSION

I. SUBJECT

Status Update: Presentation by the HCDA Planning Staff and G70 regarding the Draft Environmental Assessment (“DEA”) for the Honokea Surf Village Project (“Project”) in the Kalaeloa Community Development District, Located at [no postal address] 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 19.4-acre HCDA-owned parcel in the Kalaeloa Community Development District (“KCDD”) (see Exhibit "A"). The proposed development is an outdoor recreation facility, primarily focused on surfing, with a large, engineered surf lagoon at its center. Discussions regarding the lease terms are ongoing at this time.

The proposed development will consist of five major zones, featuring various recreation elements. The primary components within these zones are:

- A 5.5-acre surf lagoon and locker rooms
- An adventure lagoon and associated activity areas (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/café/bar/juice bar
- Training center/gym
- Surfboard shaping facility
- Film production studio

Permits

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 in pre-application consultation with the HCDA, the Applicant intended to include resort cabins as part of the proposal, which is why cabins are included in the environmental compliance document. However, since a Lodging Use is not currently allowed in the T2 zone, the Applicant has withdrawn the lodging element from the application at this time.

Environmental Compliance

Because the Project proposes the utilization of leased State lands, the requirement for an environmental assessment (“EA”) was triggered. The HCDA is also the accepting agency for the EA because the land is owned by the HCDA, which would serve as landlord for the long-term lease. The draft version of this EA and the Anticipated Finding of No

Significant Impact (“AFNSI”) were prepared by the Applicant and their agent, G70 (“Agent”), and subsequently published for public review via the State of Hawaii Environmental Review Program (“ERP”) website (<https://planning.hawaii.gov/erp/>) on September 23, 2022 (see Exhibit “B”). During the 30-day public comment period, comments were submitted by the public, government agencies, and other interested parties. Following the comment period, the Applicant worked with the HCDA to address each of the concerns and questions that had been identified through this process.

The DEA included consideration of six alternative options for development, based on the potential for each to have adverse impacts on the following topic areas:

- Climate
- Topography, Soils and Grading
- Drainage and Hydrology
- Natural and Manmade Hazards
- Biological Resources
- Historical and Cultural Resources
- Archaeological Resources
- Socioeconomic Characteristics
- Visual Resources
- Utilities
- Roadways, Access and Traffic Conditions
- Air Quality
- Noise
- Airport-Related Land Use Constraints
- Public Services and Facilities
- Potential Cumulative and Secondary Impacts

The six alternatives included options for: 1) No Action, 2) Alternate location, 3) Alternate site configuration, 4) Alternate use (less dense/temporary tent overnight accommodations), 5) another variation of “alternate use” (no overnight use and new film studio), and 6) Current surf lagoon facility plan. Each of the alternatives were analyzed by their respective impacts, and Alternative 6, the surf lagoon facility plan as proposed, was found to be the Preferred Alternative.

III. DISCUSSION

Public Comment

Comments* on the DEA from agencies and the public were grouped into the following categories, and consolidated by the Applicant and addressed in the attached matrix:

- Construction Management and Best Management Practices (BMPs)
- Air Quality
- Cultural and Historical Resources
- Development Standards
- Airport Impacts
- Traffic Impacts
- Tourism and Economy
- Sea Level Rise
- Flora and Fauna
- Electricity Use
- Potable and Non-Potable Water
- Soil and Karst, Nearshore [Environment]
- Disabled Access/People with Disabilities
- Cumulative Impacts

**Please refer to the matrix for specific details of the comments and inquiries.*

Within these categories, several primary themes related to the impact topics emerged. These include the following:

- Impacts to water resources, specifically the amount of freshwater to be consumed, possible impacts to local hydrogeology and groundwater flow from the re-injection of treated water; and changes to aquifer recharge from adding a large impervious area to the recharge zone;
- Inquiries about the source of the freshwater to be used, exploring the possibility of alternate water sources and types, and the reuse of water onsite;
- Impacts to flora and fauna in the area, particularly *limu* in the nearshore environment, due to changes in salinity to brackish sources resulting from the re-injected water;
- Impacts to aviation, specifically the potential for increased bird strike (from enhanced habitat of landscaping and lagoons), fire suppression measures at Honokea, future restrictions on necessary operations (flight paths and schedules) due to noise, fumes, and vibrations from aircraft, and radio frequency interference (from solar photovoltaic panels at Honokea);
- Impacts on tourism and the local economy, including concerns of negative traffic impact and affordability of the use fee, and consequent congestion at local surf beaches;
- Impacts to cultural resources and sinkholes onsite;
- Inquiries about monitoring programs for the Project and proposed mitigation measures to reduce adverse impacts to resources; and
- Cumulative impacts of this project, factoring in other local demands on water resources and electricity (particularly Wai Kai lagoon, Wet ‘n’ Wild Hawaii, and the Red Hill water crisis).

The HCDA staff worked with the Applicant to consider the comments received. These efforts included additional fact-finding and documentation, discussion with government agencies and their respective specialists, additional engineering investigation, and expanding the initial traffic study. This additional information has been incorporated into the comment responses, which are summarized in the attached matrix (See Exhibit “C”). The Applicant is also incorporating this additional information into the Final EA (“FEA”) document.

Next Steps

Based on the information provided to-date, including the updated information in response to comments on the DEA, the Project does not appear to result in significant adverse effects on the natural or human environment as described by the significance criteria outlined in Chapter 343, *Hawaii Revised Statutes*, and Section 11-200.1, *Hawaii Administrative Rules*. Once the FEA is finalized, the Executive Director will proceed with acceptance and will submit the FEA and Determination (the AFNSI) to the State ERP. The AFNSI will incorporate language obligating the Applicant to all monitoring programs and mitigation measures, including both State agency-prescribed programs and new, project-specific commitments as detailed in the matrix.

Attachments: Exhibit A – Map showing the proposed project location
Exhibit B – Draft Environmental Assessment for Honokea
Exhibit C – Matrix of Agent (G70) Responses to Public Comment Received

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Exhibit A

