

JOHN WAINEE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

P. O. BOX 621
HONOLULU, HAWAII 96808

Ref.: LM-GT

May 29, 1992 RECEIVED

'92 MAY 29 AM 11:53

Mr. Brian Choy
Director
Office of Environmental
Quality Control
465 South King Street, Room 115
Honolulu, HI 96813

OFFICE OF ENVIRONMENTAL
QUALITY CONTROL

WILLIAM W. PATY, CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES

DEPUTIES

JOHN P. KEPPELER II
DONA L. HANAIKE

AQUACULTURE DEVELOPMENT
PROGRAM
AQUATIC RESOURCES
CONSERVATION AND
ENVIRONMENTAL AFFAIRS
CONSERVATION AND
RESOURCES ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
PROGRAM
LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

Dear Mr. Choy:

Subject: Environmental Assessments

Copies of the above-cited assessments were forwarded for our review and comments. The assessments are identified as follows:

1. Applicant: GTE Hawaiian Telephone Company, Inc.

Perpetual nonexclusive easement for pair gain cabinet and cross connect cabinet installation at Puukapu Homesteads, 2nd Series, Waimea, South Kohala, Hawaii, identified by Tax Map Key: 3rd/6-4-03:16 (portion).

2. Applicant: GTE Hawaiian Telephone Company, Inc.

Perpetual, non-exclusive easement for the Mauna Lani/Waikoloa Fiber Optic Truck Line Project at Puu Anahulu, North Kona, Hawaii, identified as Tax Map Key: 3rd/7-1-03:01 (portion).

3. Applicant: Mauna Kea Holding Company, Inc.

Perpetual, non-exclusive easement to correct an encroachment onto State land at Waiakea, South Hilo, Hawaii, identified as TMK: 3rd/2-1-03:23 (portion).

As owner of the underlying lands, we have, as requested, reviewed said assessment. Please be advised that on the basis of the assessment, we find that the proposal will have no adverse impact on the environment.

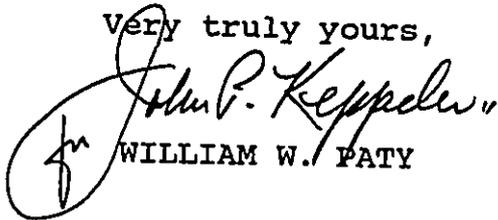
This constitutes our filing a Negative Declaration for the above-cited project.

Mr. Brian Choy
May 27, 1992
Page 2

Please find enclosed for your consideration and action four
(4) copies of the Environmental Assessments together with maps.

For any questions to the foregoing, please contact our Land
Management Division at 587-0414, or our Hawaii District Land Office
at 933-4245.

Very truly yours,


WILLIAM W. PATY

Encls.

cc: Hawaii Land Board Member
Land Management Administrator
Hawaii District Land Office

1992-06-08-HI-FEA-Waiakea ^{Second} ~~Second~~ -fl Addition to The Ice House
& related Improvements

JUN 8 1992

ENVIRONMENTAL ASSESSMENT
SECOND-FLOOR ADDITION TO THE
ICE HOUSE AND RELATED IMPROVEMENTS

Waiakea, South Hilo, Hawaii
Tax Map Key: 3rd Div. 2-1-03:24 and por. 23

Applicant:
Mauna Kea Holding Company, Inc.
P. O. Box 1210
Hilo, Hawaii 96721

For Submittal to:
County of Hawaii
Planning Department

and

State of Hawaii
Department of Land and Natural Resources

May, 1992

1. INTRODUCTION

1.1 Identification of the Applicant

The applicant is Mauna Kea Holding Company, Inc. formerly known as Mauna Kea Agronomics, Inc. a Hawaii corporation, whose address is P. O. Box 1210, Hilo, Hawaii 96721.

1.2 Project Summary

The applicant proposes to construct a second-floor addition to an existing building known as the Ice House, situated along Banyan Drive on the Waiakea peninsula in the City of Hilo. The addition would provide space for a restaurant with banquet facilities and a museum commemorating the Waiakea peninsula prior to the 1960 tsunami. Also proposed are on-site improvements for parking and exterior lighting and renovations to the facing of the entire building. The applicant also proposes to completely renovate the refrigeration system in the existing Ice House and to continue the existing Ice House operations. The applicant is also seeking an easement from the State for a portion of the building that encroaches upon the adjoining State land. For purposes of this assessment, the improvements proposed by the applicant will be called either the "project" or the "proposed action".

1.3 Identification of Approving Agency

This environmental assessment is being submitted in conjunction with the following applications: (1) an amendment to the County of Hawaii General Plan; (2) a Special Management Area (SMA) Use permit, (3) an amendment to the Amended Urban Renewal Plan for the Kaiko'o Project, (4) a change of zone and (5) an easement from the State Department of Land and Natural Resources. The approving agency for this assessment is the County of Hawaii Planning Department, through its Planning Director. This environmental assessment will also be submitted to the State Department of Land and Natural Resources in conjunction with the applicant's easement request.

1.4 Agencies Consulted in Making Assessment

The following agencies were contacted for information used in preparing this assessment:

County of Hawaii Planning Department
County of Hawaii Department of Public Works
County of Hawaii Department of Water Supply
County of Hawaii Department of Civil Defense
State of Hawaii, Department of Land and Natural Resources,
Division of Land Management

2. PROJECT DESCRIPTION

2.1 Location

The project is situated on the Waiakea Peninsula, at Waiakea, South Hilo, Hawaii (See Figure 1). The property is designated by Tax Map Key No. 2-1-03:24 and a small strip of land on the adjoining State owned parcel designated by Tax Map Key No. 2-1-03:23 (See Figure 2).

Fronting the property to the south is Banyan Drive, a County maintained road. Immediately across Banyan Drive to the south is the HELCO Waiakea power plant. To the north of the property is the County maintained park known as Liliuokalani Gardens. The lands to the east and west sides of the project site are owned by the State of Hawaii and are maintained as passive park areas (See Figure 3).

Other improvements within the Waiakea peninsula in the vicinity of the project site include Suisan Fish Market, Restaurant Nihon, Coconut Island Park, Naniloa Country Club golf course and the various hotels along Banyan Drive.

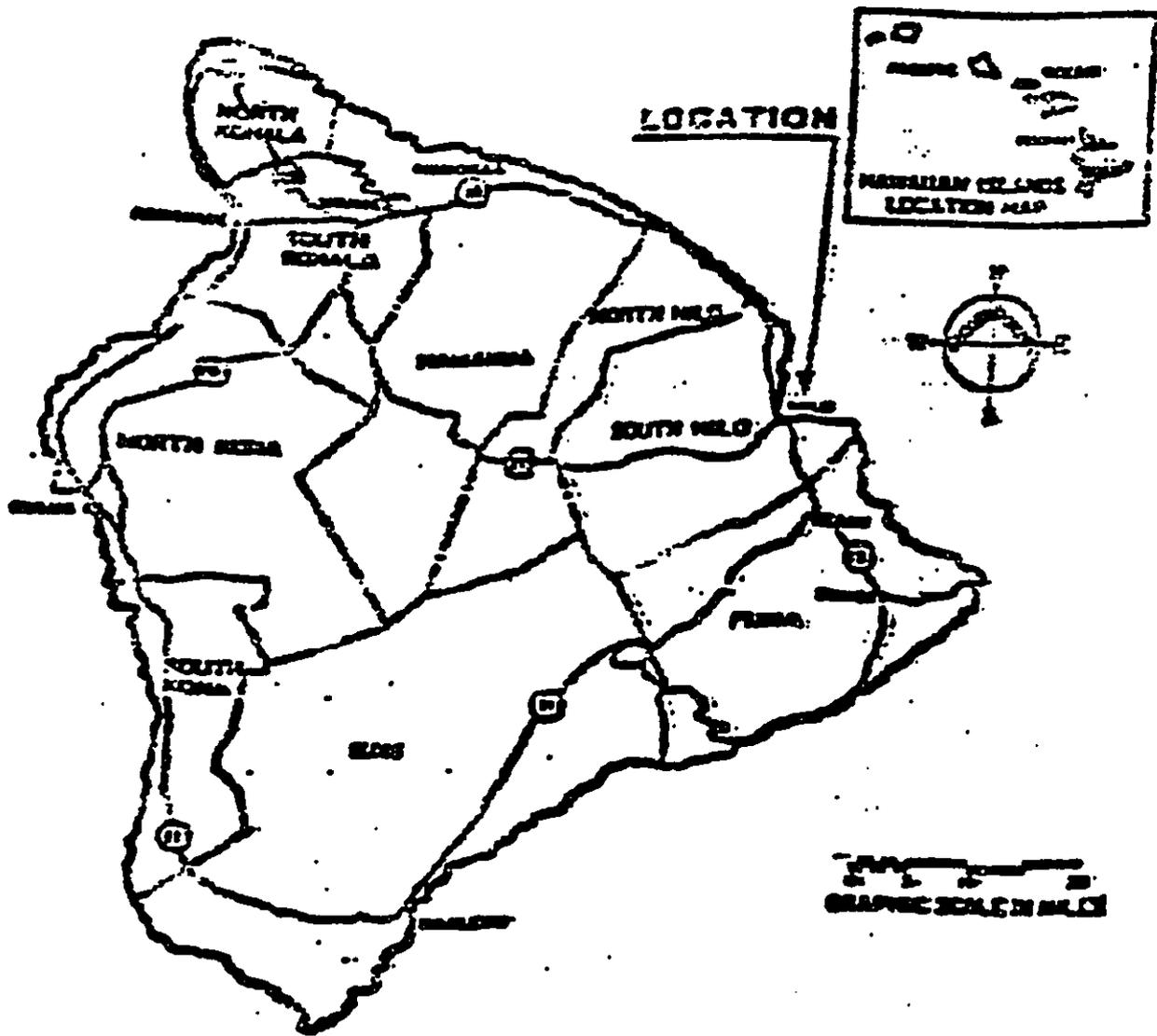
2.2 Proposed Uses and Activities

The applicant is proposing to construct a second-floor addition to a building known as the "Ice House" situated along Banyan Drive adjacent to Liliuokalani Gardens, along the Waiakea peninsula, in the City of Hilo. Also proposed are certain renovations to the exterior of the Ice House building in order to make the building more compatible with the Japanese style garden and the open space along Banyan Drive. In addition, a complete renovation of the refrigeration system of the Ice House is planned. On-site parking and lighting are also proposed. The applicant is also seeking an easement from the State of Hawaii in order to resolve an encroachment problem with the building.

The Ice House, which was built in 1949, is one of the few buildings that survived the devastation of the 1960 tsunami along the Waiakea peninsula of Hilo. The building also withstood the tsunamis of 1952 and 1957.

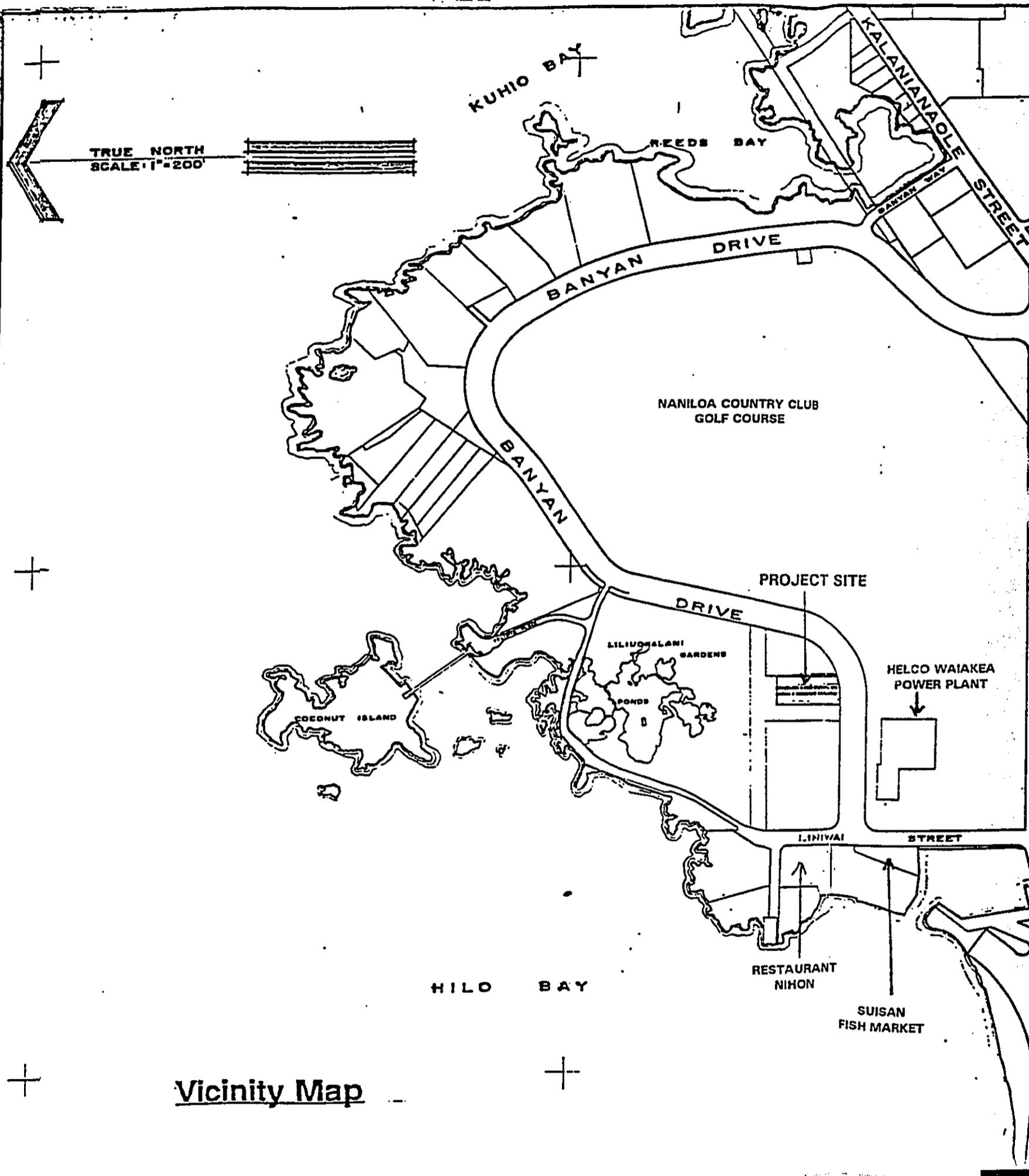
The applicant purchased the 29,330 square foot lot on which the Ice House is located in 1989, and is presently using the building for cold storage and freezer facilities, the cutting, packing and shipping of fish, the sale of bait to fishermen and the manufacture and sale of ice to fishermen, hotels and others.

The second-floor addition, proposed by the applicant, is intended to be used for a restaurant and banquet facility. A museum which would commemorate the Waiakea peninsula prior to the 1960 tsunami is also planned to be included as part of the addition. (See Figure 4).



Location Map

FIGURE 1



Vicinity Map

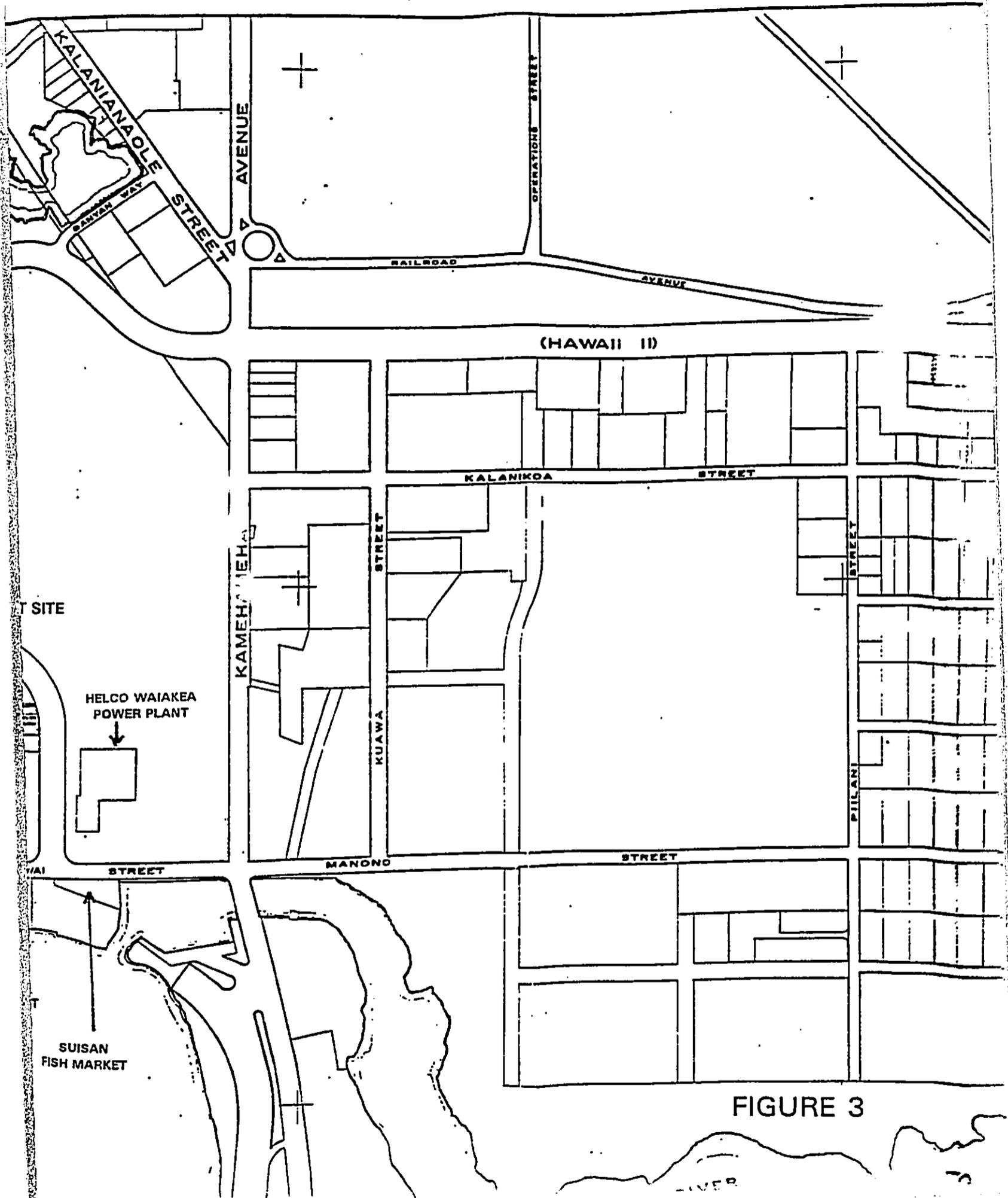


FIGURE 3

The restaurant is intended to feature Continental cuisine with a heavy emphasis being placed on locally caught seafood processed through the Ice House. The planned improvements within the restaurant are anticipated to include a bar, kitchen, office, dining room, banquet/meeting room and restrooms. The present conceptual plan for the restaurant proposes a seating capacity of 200 persons.

The museum feature is intended to include display cases within the restaurant and within a specified area on the second floor that will contain various historical items. Leon H. Bruno, the Director of the Lyman House Museum has expressed support for this proposal.

The ground level of the existing structure is 15 feet above mean sea level. The structure is approximately 5,680 square feet in area, with the highest point being approximately 16 feet or 31 feet above mean sea level. The addition is also proposed to be 5,680 square feet in area. The floor elevation of the addition will be 16 feet or 31 feet above mean sea level and the height of the building with the addition will be 38 feet.

As part of the project, on-site parking facilities with exterior lighting will be constructed. An existing asphalt-concrete paved area of 9,920 square feet, situated on the west side of the Ice House will be enlarged to include a new 8,316 square foot area on the north side of the building. This expanded parking area will accommodate fifty-two (52) parking stalls. (See Figure 5).

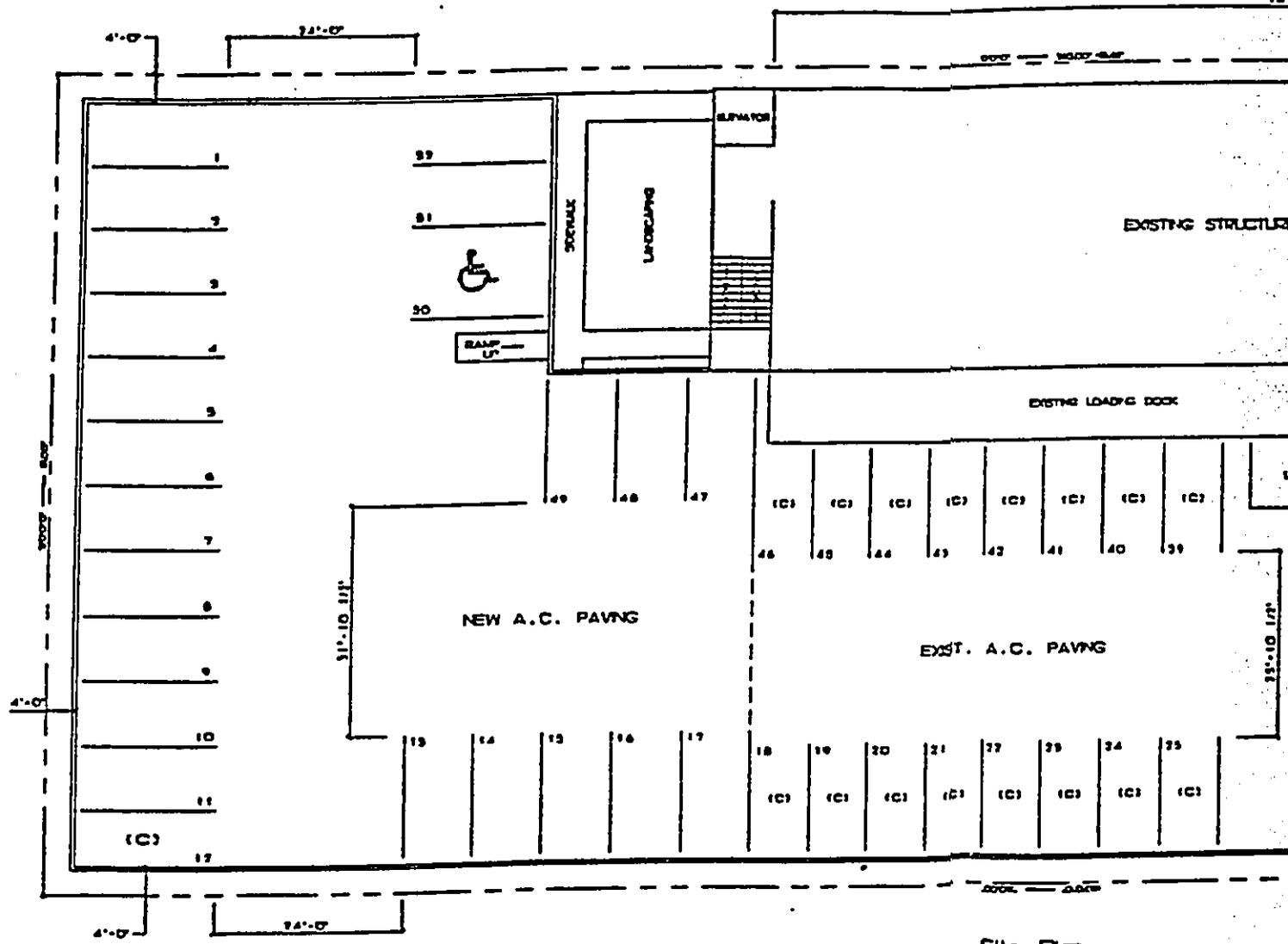
The present 28 foot wide driveway at the southern end of the property will provide access to the Property off of Banyan Drive.

The applicant also proposes to renovate the exterior facing of the entire building so that it will resemble a Japanese tea house. The applicant believes that this type of building design will be compatible with the Japanese style garden found at the adjacent Liliuokalani Gardens (See Figures 6 and 7).

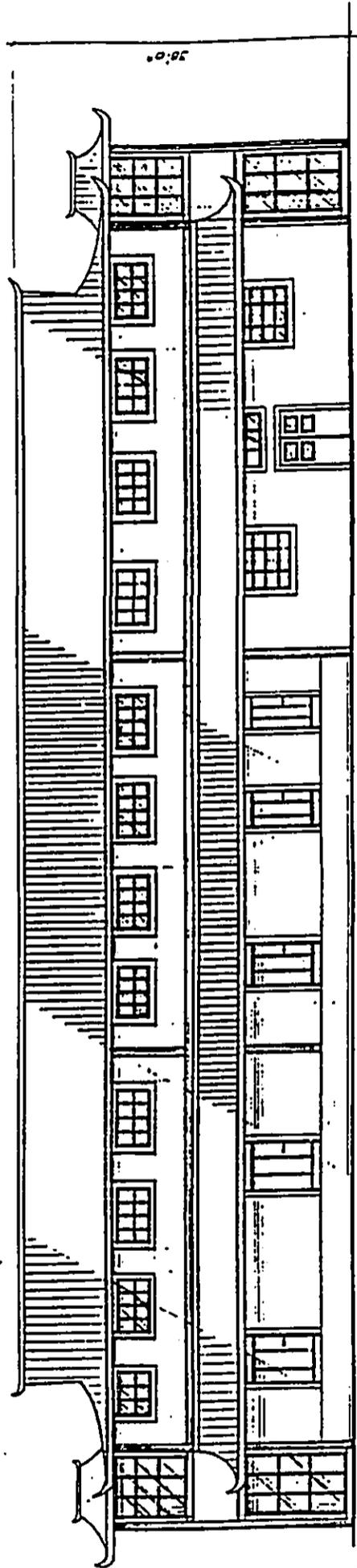
The present use of the Ice House for cold storage, the manufacture and sale of ice, the cutting, packing and shipping of fish, and the sale of bait will continue after the restaurant and museum are established on the second floor of the building.

Because of the age of the refrigeration system in the Ice House, the County Fire Department and County Civil Defense have been called on two occasions within the last ten years due to the leakage of ammonia from the refrigeration pipes into the atmosphere. Although the leakage of ammonia does not, in itself, create any environmental hazard, the applicant proposes to completely renovate and upgrade the refrigeration system as part of the improvements to the Ice House.

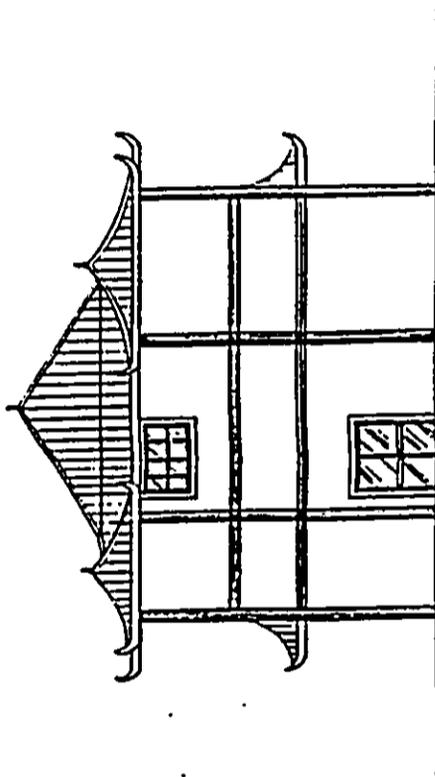
A wall protecting the compressor room, which houses the refrigeration system for the Ice House, is situated on the adjoining State owned land immediately to the east of the



Site Plan
Scale 1/4"



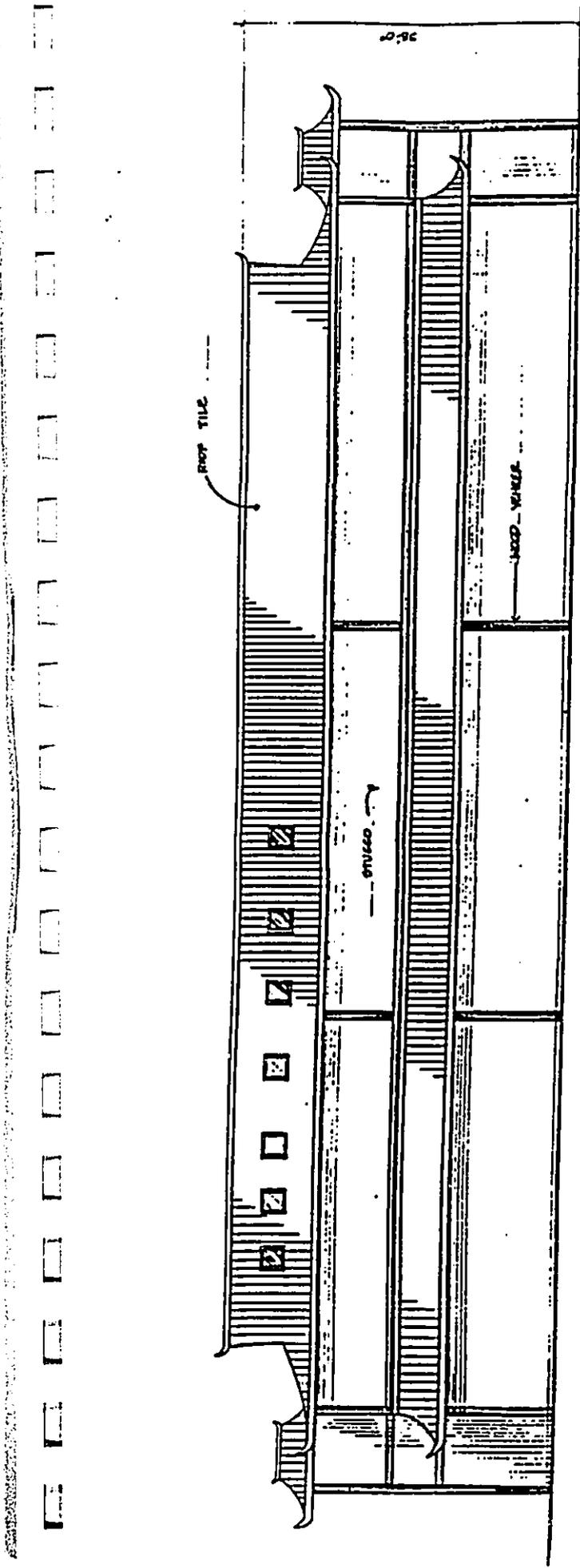
FRONT ELEVATION
SCALE: 1/8" = 1'-0"



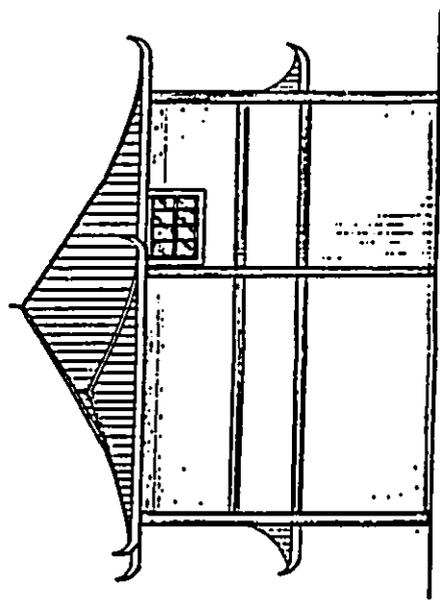
LEFT SIDE ELEVATION
SCALE: 1/8" = 1'-0"

FIGURE 6

Front and Left Side Exterior



REAR ELEVATION
SCALE: 1/8" = 1'-0"



RIGHT SIDE ELEVATION
SCALE: 1/8" = 1'-0"

Rear and Right Side Exterior

FIGURE 7

applicant's parcel. (See Figure 8). The encroachment is 2.28 feet wide and extends along the length of the building north for a distance of 69.7 feet. The total area of the encroachment is 159 square feet. The wall was constructed sometime between 1949 and 1950 to protect the compressor equipment from damage that would result in the leakage of ammonia into the atmosphere. When the compressor room was first constructed the site glass, which measured the refrigerant level, was exposed and subject to vandalism, which resulted in the leakage of ammonia refrigerant. The wall had not been changed from the time that it was originally constructed when the State acquired the parcel after the 1960 tsunami as part of the Kaiko'o Urban Renewal Project. The applicant is seeking to acquire an easement from the State in order to retain the wall as part of the building.

2.3 Project Cost and Timetable for Development

The estimated cost of the project is \$1,050,000. The applicant anticipates that construction will commence immediately upon receipt of all required County permits and will be completed within eighteen months thereafter.

2.4 Applicant's Objectives and Need for the Project

The applicant has the following objectives with this project:

- (a) To provide a quality restaurant, with banquet facilities that is in reasonable proximity to the fish auction and fishing activities at the Hilo Bay and to the hotels and other restaurants along Banyan Drive;
- (b) To help restore some of the history of the Waiakea area^a through the proposed museum;
- (c) To make the existing appearance of the Ice House more compatible with the surrounding area by means of the proposed exterior renovations to the building;
- (d) To continue the present operations of the Ice House of providing cold storage, ice manufacturing and sale, cutting packing and shipment of fish and the sale of bait;
- (e) To increase the economic productivity of the existing building; and
- (f) To resolve the existing encroachment problem.

There is a need for this project. At the present time there are very few restaurants in the Hilo area with banquet and meeting facilities. Also, other than the Lyman House Museum, there is not a depository in the Hilo area for historical data from the Waiakea district of South Hilo.

The Banyan Drive area is Hilo's show case. It is the area where visitors form their first impression of the city. The increased lighting and activity from this project will encourage visitors and Hilo residents to use the adjoining park area at night. It may also help to reduce the rough element that has recently begun to use the park area.

3. ALTERNATIVES CONSIDERED

Two alternatives to the proposed action have been considered. The first is a no-action alternative, which would be to abandon plans for the renovation of the Ice House. Under this alternative, the Ice House would continue to be used for cold storage and the manufacture and sale of ice. The applicant believes that this alternative is undesirable from both an economic as well as an aesthetic standpoint. The second alternative would be to demolish the existing building to remove the encroachment and the non-conforming use. Under the existing land use classification for the Property, no new building would be permitted. This alternative would not be acceptable because it would essentially prevent the applicant from obtaining any economic benefit from its property.

4. THE AFFECTED ENVIRONMENT, POTENTIAL IMPACTS AND MITIGATION MEASURES

4.1 Physical Environment

The project site is situated on an improved lot that is approximately 29,330 square feet in size and a strip of the adjoining State owned land approximately 159 square feet in size (hereinafter referred to as the "Property"). (See Figure 9). The existing Ice House is setback from Banyan Drive approximately eight feet. The building is setback approximately 93 feet from the northern boundary line, 72 feet from the western boundary line and three feet from the eastern boundary line, except for the compressor room, which, together with the outer wall, encroaches upon the adjoining State owned land to the east approximately 2.28 feet and extends north beginning at the southern end of the building approximately 69.7 feet.

The Property is essentially flat with a grade of less than 3%. It is approximately 850 feet inland or mauka from the shoreline, and the elevation of the Property is 15 feet above mean sea level.

4.1.2 Soils

The United States Department of Agriculture Soil Conservation Service Soil Survey Report classifies the soils on the subject Property as being in the Keukaha series (rKFD). The Keukaha series consists of well-drained, thin organic soils overlying pahoehoe lava bedrock. The rKFD type, in a representative profile, contains a surface layer of dark brown muck about eight inches thick, underlain by pahoehoe lava bedrock.

TRUE NORTH
SCALE: 1" = 30'

LILIUOK
(MOKU)

1/2" pipe in conc.
2917.00 N.
5942.00 E.
HALALAI'S

180' 00"

20.00'

90° 00'

BANYAN

DRIVE

spike

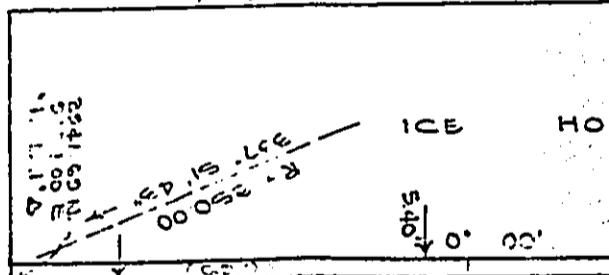
70° 25' 51.5" 95.98

REC'D 3

1/2" pipe in conc.

Grant 11550 to

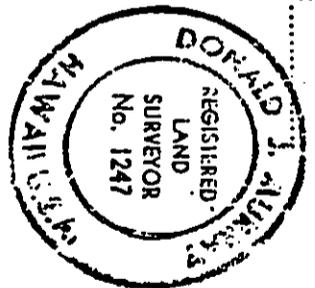
LOADING



ADDITION FOR
COMPRESSOR UNITS (5.4'
ENCROACHMENT)

Grant 10676 to
Shiro Ikeda

270' 00' 228



THIS WORK WAS PREPARED BY ME
OR UNDER MY SUPERVISION

Shiro Ikeda

Part of

Grant 11550 to Isidoro Masako Kashimoto

Waialea, South Hilo, Island of Hawaii, Hawaii

Survey and Plan by Murray, Smith & Associates, Ltd.
P.O. Box 863
Hilo, Hawaii

TAK 2-1-03:24
April 20, 1989

F. D. 404 F. 2:2 Hilo

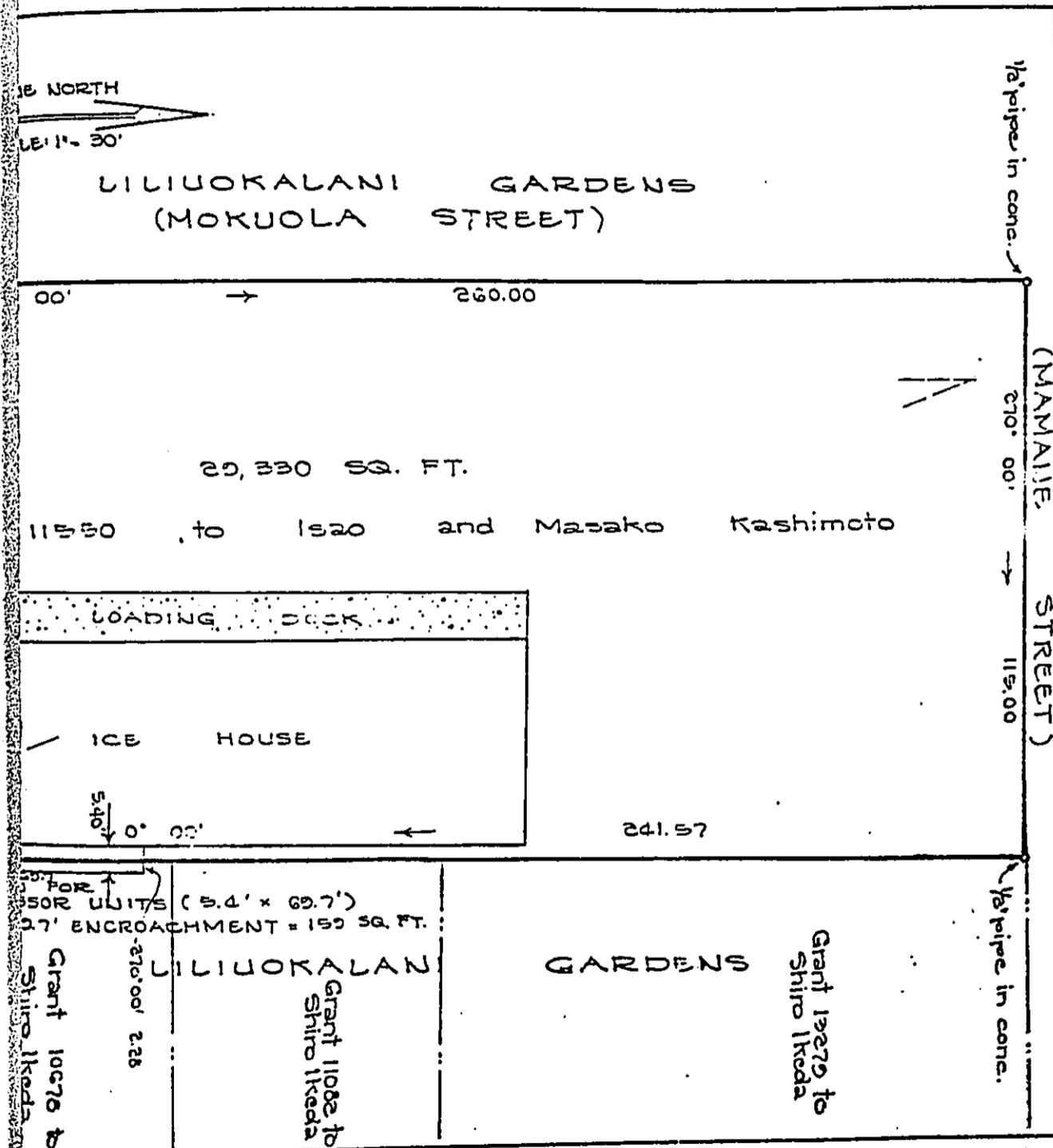


FIGURE 9

The soil in this area above the lava is rapidly permeable. The pahoehoe lava is very slowly permeable, but water moves rapidly through the cracks. Runoff is medium and the erosion hazard is slight.

4.1.3 Climate

The area in the vicinity of the Property receives an average of 137 inches of rainfall annually, with precipitation occurring 280 days out of the year. Average temperatures range between 65 and 81 degrees Fahrenheit.

4.1.4 Flooding and Tsunami Inundation

The Flood Insurance Rate Map (FIRM) prepared by the U.S. Army Corps of Engineers designates the property as being in a coastal high hazard area, more commonly known as a tsunami inundation area, with a base flood elevation of 14 feet (VE-14). Under this designation, the minimum elevation above sea level for human occupancy is 14 feet. Since the Property is 15 feet above mean sea level, the present Ice House building is one foot above the minimum elevation required by the FIRM.

Since 1949, when the Ice House was constructed, the building has experienced and has withstood the impact of three tsunamis in 1952, 1957 and 1960.

~~Probable Impact:~~ There is a threat of tsunami inundation on the Property; however, based on the impacts of past tsunamis, it is anticipated that the building will continue to withstand any future tsunamis. In addition, the floor elevation of the existing building is one foot above the designated FIRM base flood elevation and the floor elevation of the proposed second floor addition is 31 feet above the FIRM base flood elevation. Based upon these facts, it is anticipated that there will not be any substantial adverse impact from the threat of tsunamis on the Property.

4.2 ~~Flora and Fauna~~

The Property is an improved, landscaped parcel. The vegetation on the site includes Hilo grass, Wainaku grass, ti leaf, palms, and an ironwood tree.

The known mammals the area include the mongoose, the rat and the house mouse. Also, stray domestic dogs and cats are known to roam the area. The birds found in the area are common exotic birds.

~~Probable Impact:~~ There are no known endangered plant species in the area and the removal of any of the known vegetation for the expansion of the parking area will not constitute a significant impact to any of the plant colonies. Likewise, there are no known endangered mammal or bird species in the area, and the proposed action is not expected to impose a significant impact upon any endangered bird or mammal populations.

4.3 Historical/Archaeological Resources

The Ice House, constructed in 1949, is historical in the sense that it survived the 1960 tsunami. However, it has not been designated as an historic feature in either the Hawaii Register or National Register of Historic Places. Other than the Ice House, there are no known historical sites to be found on the Property.

Probable Impact. The existing Ice House will be retained by the proposed action, with only the facing renovated for aesthetic purposes. With the absence of any other sites on the Property, there will be no adverse impact upon historical and archaeological resources by the proposed action.

4.4 Air Quality

Current impacts on ambient air quality are derived from nearby traffic and from dioxides and particulates emitted during volcanic eruptions.

There have also been two known incidents in the last ten years where ammonia has leaked from the old refrigeration pipes into the atmosphere. Ammonia is not known to be toxic to the environment, and it is considered better for refrigeration systems than Freon, which is known to damage the ozone layer of the earth's atmosphere. Ammonia will, however, displace oxygen and because of this property, it can be dangerous in enclosed areas. Ammonia also gives off an unpleasant odor.

Probable Impact. The major impact on ambient air quality would result from construction activities. This adverse effect is considered short-term, being that it would be confined only to the construction period of the improvements. ~~Mitigation measures will be implemented as required by the County, in order to reduce or lessen the impacts of the construction activities.~~

Long term adverse impacts on air quality would involve the emissions from vehicles using the Ice House facilities. However, since the Banyan Drive area is already a commercially developed area with restaurants and hotels, the impact from these vehicle emissions appears to be minimal.

The renovation of the refrigeration system of the Ice House will remedy the potential problem of the leakage of ammonia into the air.

4.5 Noise Quality

The noise generated on the Property comes from existing road traffic along Banyan Drive and the operation of the Ice House.

Probable Impact: Some short-term increase in noise level is expected during construction. This noise will be confined to normal daylight working hours. The impact is expected to be limited, because there are no residences in the area. However, all operations will be conducted in conformance with the State Department of Health regulations regarding noise and vehicular emissions:

There will also be some increase in noise level due to the expanded activities on the Property. However, it is anticipated that the restaurant and museum uses will not result in a substantial adverse impact upon the noise quality in the area.

4.6 Traffic

There will be increased traffic generated by reason of the proposed action. Most of the traffic will be generated by the restaurant and will be concentrated around the lunch and dinner hours.

Probable Impact: Since most of the increase in traffic will be limited to the lunch and dinner hours, this periodic increase in traffic is not anticipated to adversely impact Banyan Drive. The applicant is proposing to expand the on-site parking area in order to mitigate the impacts of increased vehicles parking along Banyan Drive.

4.7 Visual Attributes

The present building on the Property is not compatible with the surrounding Liliuokalani Gardens.

Probable Impact: Although the height of the existing building will be increased by 22 feet, the entire facing of the building will be renovated into a Japanese tea house motif. It will, thus, be more compatible with the adjoining gardens and will enhance the visual attributes of the area.

4.8 Socioeconomic Considerations

There is a need for a restaurant with banquet and meeting facilities in Hilo, since very few restaurants in the Hilo area have such facilities. Also, other than the Lyman House Museum, there is not a depository in the Hilo area for historical data from the Waiakea district of South Hilo. Thus, the proposed action will benefit the community.

From an economic standpoint, the proposed action will stimulate short-term construction activity. In addition, it is anticipated that approximately 18 full-time and six part-time long term jobs will be provided by the restaurant. Both State and County tax revenues will also be generated by means of the proposed action.,

4.9 Public Services and Facilities

4.9.1. Public Facilities

Access to the Property is provided off of Banyan Drive, a roadway under the jurisdiction of the County of Hawaii. Banyan Drive is a 100-foot wide right-of-way, accommodating two-way traffic and parking.

The Ice House is presently connected to the County sewer system. Sewage from the second floor addition is also proposed to be disposed of by means of the County sewer system.

Water is presently provided to the Ice House from the County system and a two-inch water meter services the building. A 12-inch water main extends along Banyan Drive and County water is available for the project. At the present time, approximately 1,000 gallons of water per day is used for the Ice House operation. The estimated water usage for the second floor addition is approximately 2,500 gallons per day. The applicant will pay the required facilities charge for the additional water required for the project.

Solid waste is disposed of by collection bins, which are picked up by a private refuse collector. It is anticipated that this method of solid waste disposal will continue with the addition of the restaurant and the museum.

Electrical and telephone service are presently provided to the Property.

The existing public facilities are expected to adequately serve the project.

4.9.2 Public Services

The Property is within an area that is already serviced by basic police and fire facilities. The Hilo Police Station is situated approximately 2.5 miles away from the Property. The Hilo Central Fire Station is situated approximately two miles away from the Property and the Keaa Fire Station is approximately one mile away from the Property.

The State Department of Health administers Hilo Hospital, an acute care facility approximately four miles away from the Property. Also, for emergency services, an advanced life support ambulance unit is located at the Keaa Fire Station.

These existing services are expected to adequately serve the project.

5. RELATIONSHIP OF THE PROPOSED ACTION TO LAND USE PLANS, POLICIES AND CONTROLS FOR THE AFFECTED AREA

5.1 State Land Use Law

All lands within the State have been classified into one of four land use districts: urban, rural, agriculture and conservation, by the State Land Use Commission, pursuant to Chapter 205, HRS. The Property lies within the State land use urban district.

5.2 Hawaii State Plan

The Hawaii State Plan, Chapter 226, HRS, establishes a set of goals, objectives and policies to serve as long-range guidelines for the growth and development of the State.

In general, the proposed action is compatible with these guidelines, particularly those pertaining to economic diversification and growth, and preserving significant historical resources.

5.3 Hawaii County General Plan

The Hawaii County General Plan is the policy document for the long range comprehensive development of the island of Hawaii. The plan contains goals, policies and standards concerning thirteen functional areas as well as a series of land use maps, designated as the general plan land use pattern allocation guide (LUPAG) maps, showing the locations of desired land uses.

The current LUPAG map designates the Property as Open. Open areas include such uses as parks and historic sites. The Ice House is a permitted non-conforming use that predated the enactment of the General Plan. The proposed action would, however, require an amendment of the LUPAG map designation for the Property to Industrial.

The elements of the General Plan relevant to the project are presented below together with a discussion of the proposed action's consistency with the applicable goals, policies and standards.

Economic

Goals: The County of Hawaii shall strive for diversity and stability in its economic system.

The County shall provide an economic environment which allows new, expanded, or improved economic opportunities that are compatible with the County's natural and social environment.

Policies: The County of Hawaii shall strive for an economic climate which provides its residents an opportunity for choice of occupation.

The County of Hawaii shall encourage the development of a visitor industry which is consistent with the social, physical, and economic goals of the residents of the County.

The County of Hawaii shall strive for diversification of its economy by strengthening existing industries and attracting new endeavors.

The County shall encourage the expansion of the fishing industry, and other fresh and ocean water-based activities.

Discussion: The proposed action, which provides for a new restaurant with a banquet facility, will add a new business opportunity to the Hilo area. The location of the restaurant along Banyan Drive, in an area already designated and developed for visitor use, will aid the visitor industry of the area by providing a new facility for visitors. In addition, the museum will add a feature for visitors and residents alike. Finally, the improvements to the Ice House refrigeration system and the use by the restaurant of fish processed through the Ice House will aid the fishing industry of the island.

Environmental Quality

Goal: Maintain and, if feasible, improve the existing environmental quality of the island.

Policy: The County of Hawaii shall take positive action to further maintain the quality of the environment for residents both in the present and in the future.

Standard: Pollution shall be prevented, abated and controlled at all levels which will protect and preserve the public health and well-being, through the enforcement of appropriate Federal, State and County standards.

Discussion: The renovation of the Ice House refrigeration system will help to maintain the air quality of the Hilo area. Although the leakage of ammonia is not an environmental hazard, it does have an unpleasant odor. The repair and replacement of the old refrigeration pipes will prevent the potential of future leaks of ammonia.

Flood Control and Drainage

Goals: Protect human life.

Prevent damage to man-made improvements.

Prevent damage from inundation.

Policy: In areas vulnerable to severe damage due to the impact of wave action, restrictive land use and building structure regulations must be enacted relative to the potential for loss of life and property.

Standards: Applicable standards and regulations of Chapter 27, "Flood Control," of the Hawaii County Code.

Applicable standards and regulations of the Federal Emergency Management Agency (FEMA).

Discussion: The Ice House has withstood three tsunamis that have hit the Waiakea peninsula of South Hilo. The building is presently situated higher than the FIRM base flood elevation established by FEMA. The project will also comply with all of the standards required by Chapter 27 of the Hawaii County Code relating to flood control.

Historic Sites

Goals: Protect and enhance the sites, buildings and objects of significant historical and cultural importance to Hawaii.

Access to significant historic sites, buildings and objects of public interest should be made available.

Policy: Public access to significant historic sites and objects shall be acquired.

Discussion: The museum proposed as part of the project will house photographs and other historical objects from the Waiakea peninsula, providing greater public access to those objects.

Natural Beauty

Goal: Protect, preserve and enhance the quality of areas endowed with natural beauty, including the quality of coastal scenic resources.

Discussion: The appearance of the Ice House will be enhanced by the renovations to the facing of the building. Likewise, the Japanese style garden of the adjoining Liliuokalani Gardens will be enhanced by the Japanese tea house motif of the new building facing design.

Land Use - General

Goal: Designate and allocate land uses in appropriate proportions and mix and in keeping with the social, cultural and physical environments of the County.

Policies: Zone urban- and rural- type of uses in areas with ease of access to community services and employment centers and with adequate public utilities and facilities.

Allocate appropriate requested zoning in accordance with the existing or projected needs of neighborhood, community, region and County.

The County shall encourage the development and maintenance of communities meeting the needs of its residents in balance with the physical and social environment.

Standard: Zoning requests shall be reviewed with respect to general Plan designation, district goals, regional plans, State Land Use District, compatibility with adjacent zoned uses, availability of public services and utilities, access and public need.

Discussion: The proposed restaurant and museum and the existing Ice House are located in a coastal area that is easily accessible to the fishermen using the cold storage, ice and other services offered by the Ice House. The project is also within the Banyan Drive tourist area and is accessible to visitors and residents who wish to use the restaurant facilities. The project meets the needs of the Hilo community by providing a new restaurant with banquet facilities and a museum. It also maintains and improves the existing cold storage and ice facilities. The project is compatible with other uses in the area. Hotels and a golf course are situated near the property. Suisan Fish Market and Restaurant Nihon are also situated in the immediate vicinity of the property. Finally, there are adequate public utilities and facilities presently serving and available to the property.

Land Use - Industrial

Goal: Designate and allocate industrial areas in appropriate proportions and in keeping with the social, cultural, and physical environments of the County.

Policies: It shall be the policy of the County to achieve a broader diversification of local industries by providing opportunities for new industries and strengthening existing industries.

Through its zoning powers, the County shall locate industrial areas convenient to transportation facilities, and provide a variety of industrial zoned districts and lot sizes, depending on the needs of the industries and the communities.

Industrial development shall be located in areas adequately served by transportation utilities, and other amenities.

Standards: Industrial development shall maintain or improve the quality of the present environment.

Industrial activities may be located close to raw materials or key resources.

Topography of industrial land shall be reasonably level.

Industrial development shall be conveniently located to its labor resources.

Discussion: Although the restaurant and museum are more in the nature of commercial uses, since the Ice House operation is proposed to continue on the property, a Limited Industrial (ML-20) zoned designation is appropriate. This would provide for the continued the cold storage and ice manufacture operations. Permitting the proposed project would strengthen the existing fishing industry by providing a needed service in an area accessible to those using the services. There is an adequate road providing access to the property; the topography of the Property is reasonably level; the activities proposed will not pollute the environment; and the Property is in an convenient location to those in Hilo that may work either in the restaurant or the Ice House operation.

5.4 Hawaii County Zoning

The Property is zoned under the Hawaii County Zoning Code (Chapter 25 of the Hawaii County Code as Open (O). The Ice House is a permitted non-conforming use under the Zoning Code. The proposed action would, however, require an amendment to the Zoning Code to reclassify the land use district to Limited Industrial, with a minimum area of 20,000 square feet (ML-20).

The ML district is intended to apply to those areas for business and industrial uses which are generally in support of but not necessarily compatible with those permissible activities and uses in other commercial districts.

An amendment to the Zoning Code is authorized whenever the public necessity and convenience and the general welfare require the amendment. Consistency with the goals, policies and standards of the County General Plan is considered in determining whether a zoning amendment is appropriate. A discussion of the consistency of the proposed action with the County General Plan goals, policies and standards is contained in Section 5.3 above.

5.5 Special Management Area

~~The Property is within the Special Management Area (SMA) as defined by Chapter 205A, HRS and Chapter 9 of the County of Hawaii Planning Commission Rules. An SMA Use Permit, issued by the County Planning Commission, would be required for the proposed action.~~

The following is a discussion of the proposed action's relationship to the objectives and policies of Chapter 205A and the SMA Guidelines in the Planning Commission Rules:

Recreational Resources

The proposed improvements to the Ice House will enhance the Liliuokalani Gardens, a coastal park in the area. Outdoor lighting for the Property will be provided which will promote night time usage of the park in the immediate vicinity of the Property. Also, the additional activity in the area at night will discourage the unsavory element from using the park, making it safer for residents and visitors.

Historic Resources

There are no significant historic sites on the Property, other than the Ice House, itself. However, the proposed museum will include the history and artifacts of the Waiakea peninsula, the small boat harbor, the fish auction and the Ice House up through the 1960 tsunami.

Scenic and Open Space Resources

The renovations to the face of the Ice House building will enhance the view of the coastal area by improving the visual impact of a building that is presently out of character with the surrounding area. Although the building will be 22 feet higher, it is not expected to have a substantial adverse impact upon the views of Hilo Bay.

Coastal Ecosystems

The proposed action will not adversely effect the coastal ecosystems. The waste water and sewage from the Ice House is already disposed of through the County sewage system and this method of sewage disposal will continue after the addition is constructed.

Economic Uses

The proposed action will not preclude the development of coastal dependent public and private facilities necessary to the State's economy in suitable areas.

Coastal Hazards

The Property is within the coastal high hazard zone (VE-14). The elevation of the lowest habitable floor of any building in this zone must be 14 feet above mean sea level. The ground elevation of the Property is 15 feet above mean sea level. Thus, the existing Ice House building is constructed in accordance with minimum floor elevation requirement. The proposed project will also be designed and constructed in accordance with the construction

standards for improvements within coastal high hazard areas, as prescribed by Chapter 27 of the Hawaii County Code. As such, the project will not be adversely affected by tsunamis or storm waves.

Managing Development

This environmental assessment is intended to help improve the public review process, including communication and participation in the management of coastal resources.

5.5 Kaiko'o Urban Renewal Plan

The Property is within the boundaries of the project area as defined by the Amended Urban Renewal Plan for the Kaiko'o Project, Project No. Hawaii R-4, of June, 1965 (the "Urban Renewal Plan"). The Urban Renewal Plan was adopted by the Hawaii Redevelopment Agency for the purpose of disaster clearance and redevelopment of the area within the northeast section of the City of Hilo that was devastated by the Seismic wave of May 23, 1960. Although the Urban Renewal Plan was originally administered by the Hawaii Redevelopment Agency, by County of Hawaii Resolution No. 233-90 the Hawaii Redevelopment Agency was deactivated and its responsibilities were assumed by the County of Hawaii.

The Urban Renewal Plan divides the property within the project area into two categories; the elevated areas where commercial uses are permitted, and the open areas where limited commercial, limited industrial and open uses are permitted. The plan also designates the permitted land uses within the project on the Land Use Map attached to the Urban Renewal Plan as Exhibit II-B.

The Property is designated for "Open Uses" on the Land Use Map. Open Uses include uses such as parks and playgrounds, botanical and cultural gardens, golf courses, swimming pools and other recreational facilities, agricultural uses such as commercial gardening and truck crops, horticultural, fish hatcheries, nurseries, grading and other similar or related uses, and certain defined temporary non-conforming uses. The existing Ice House is a permitted non-conforming use under the Urban Renewal Plan.

The proposed action would require an amendment to the Land Use Map of the Urban Renewal Plan to change the permitted land use designation from "Open Uses" to "Limited Industrial Uses" and an amendment to the definition of "Limited Industrial Uses" to expand those uses permitted to include a museum commemorating the history of the Waiakea peninsula. Such amendments are permitted under the Urban Renewal Plan if it is determined to be in the public interest and in furtherance of the purpose of redevelopment.

Limited Industrial Uses are defined in the plan as commercial fishing and related activities and operations such as storage, auction, ice plant, moorage, boat drydock, service and repair and commercial fishing suppliers, and incidental commercial uses such as seafood

restaurants, sport fishing suppliers and other such "fisherman's wharf" type activities and uses within the fishing industry area.

The existing activities of the Ice House are compatible with those permitted uses listed under the Limited Industrial Use land use classification. Likewise, the proposed restaurant featuring local fish is authorized as a permitted use under this designation. The proposed uses are, therefore, consistent with the purpose of redevelopment defined under the plan.

The public interest would be served by establishing a museum commemorating the history of the Waiakea peninsula prior to the 1960 tsunami. Likewise, this feature would be in furtherance of the purpose the redevelopment.

5.6 Environment Impact Statement

Section 343-5(a)(6), HRS provides that any use proposing any amendment to an existing county general plan is subject to the provisions of the Environment Impact Statement law, Chapter 343, HRS. Likewise, Section 343-5(a)(1), HRS, requires compliance with the Environmental Impact Statement law for any proposed use of state land, such as the acquisition of an easement on state land.

Section 343-5(c), HRS states that applicants proposing actions subject to Chapter 343, HRS

"shall prepare an environmental assessment of such proposed action at the earliest practicable time to determine whether an environmental impact statement shall be required."

This environmental assessment has been prepared to fulfill these requirements.

6. DETERMINATION OF SIGNIFICANCE

~~Based on the analyses presented in this assessment, the proposed action will not pose any significant adverse environmental impacts.~~

sp:May 12, 1992/Nierkiewicz/assess

: We hereby certify that this is a true copy of the original
: filed at Land Court Document No. _____ and/or
: recorded in Liber 23643 on Page 454
: on Sept. 15, 1989 at 8:01am

: TITLE GUARANTY OF HAWAII, INCORPORATED
: By Donna P. Morgan

LAND COURT

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL () PICK-UP ()

RUSH MOORE CRAVEN & STRICKLIN
745 FORT STREET, 20TH FL.
HONOLULU, HAWAII 96813
ATTN: SUSAN TIUS, ESQ.

(DO NOT WRITE IN THIS SPACE)

TITLE OF DOCUMENT:

DEED

PARTIES TO DOCUMENT:

Grantor: HAWAIIAN PACIFIC TUNA, INC., Debtor and Debtor in Possession

Grantee: MAUNA KEA AGRONOMICS, INC.

PROPERTY DESCRIPTION:

: LIBER/PAGE: 18829/74

See Exhibit "A"

: DOCUMENT NO.:
: TRANSFER CERTIFICATE OF
: TITLE NO(S):

DEED

THIS INDENTURE executed this 15th day of September, 1989, by and between HAWAIIAN PACIFIC TUNA, INC., a Hawaii corporation, as Debtor and Debtor in Possession of the bankruptcy estate of HAWAIIAN PACIFIC TUNA, INC., a Hawaii corporation, hereinafter called the "Grantor", and MAUNA KEA AGRONOMICS, INC., a Hawaii corporation, the principal place of business of which is Hilo, Hawaii and the post office address of which is P. O. Box 1210, Hilo, Hawaii 96720, hereinafter called the "Grantee",

RUSH MOORE CRAVEN & STRICKLIN
Attorneys At Law

THAT WHEREAS, HAWAIIAN PACIFIC TUNA, INC. is the Debtor and Debtor in Possession under Chapter 11 of the U. S. Bankruptcy Code pursuant to a Voluntary Petition filed on March 27, 1989, in that certain proceeding entitled, "In re HAWAIIAN PACIFIC TUNA, INC., Debtor", in the United States Bankruptcy Court for the District of Hawaii, designated as Bankruptcy Case No. 89-00187 (Chapter 11) in the files of said Court;

NOW, THEREFORE, Grantor, as aforesaid, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration to Grantor paid by the Grantee, receipt whereof is hereby acknowledged, and of the promises and covenants hereinafter set forth and on the part of Grantee to be faithfully observed and performed, does by these presents grant, bargain, sell and convey the real and personal property described in Exhibit "A" hereto attached and expressly made a part hereof, unto Grantee.

And the reversions, remainders, rents, issues and profits thereof and all of the estate, right, title and interest of the Grantor, both at law and in equity, therein and thereto;

TO HAVE AND TO HOLD the same, as to said real property, together with all buildings, improvements, tenements, hereditaments, rights, easements, privileges and appurtenances thereunto belonging or appertaining or held and enjoyed therewith unto Grantee, absolutely and in fee simple, and as to said personal property, absolutely and forever;

Grantor as aforesaid does hereby covenant and agree with the Grantee that Grantor is lawfully seized in fee simple of the real property described in Exhibit "A" and is the absolute owner of all of said personal property and that Grantor's title to all of said property is free and clear of and from all

encumbrances other than those mentioned in Exhibit "A" and real property taxes which are to be prorated between the parties hereto; that Grantor has good right to sell and convey said property as aforesaid and that Grantor will WARRANT and DEFEND the same unto Grantee against the lawful claims and demands of all persons except as aforesaid.

This conveyance is executed by HAWAIIAN PACIFIC TUNA, INC., Debtor and Debtor in Possession as aforesaid, pursuant to the terms and provisions of that certain "ORDER GRANTING APPLICATION FOR ORDER AUTHORIZING AND APPROVING SALE OF REAL PROPERTY FREE AND CLEAR OF LIENS" dated September 1, 1989, and entered on September 1, 1989, in the United States Bankruptcy Court for the District of Hawaii, in that certain proceeding entitled "In re HAWAIIAN PACIFIC TUNA, INC., Debtor.", designated as Bankruptcy Case No. 89-00187 in the files of said Court.

Grantee hereby acknowledges that Grantee is aware that the improvements on the subject property encroaches onto State of Hawaii land. Grantee further acknowledges that Grantee has inspected the encroachment area and agrees to accept the property with the encroachment and agrees to release the Grantor from any and all further liability or obligation relating thereto.

Grantee covenants and agrees that Grantee is purchasing the property and all improvements thereon in their "AS IS" condition. Grantor as aforesaid makes no warranties of any kind, expressed or implied, about the real property and all improvements thereon, to include, but not limited to, all fixtures, refrigeration systems, roof, sewer/cesspool, plumbing and electrical systems.

The terms "Grantor" and "Grantee", as and when used herein, or any pronouns used in place thereof, shall mean and include the masculine, feminine or neuter, the singular or plural number, individuals or corporations, and their and each of their respective successors, successors in trust, heirs, personal representatives and assigns, according to the context thereof.

IN WITNESS WHEREOF, the Grantor and the Grantee have executed these presents this _____ day of _____, 1989.

HAWAIIAN PACIFIC TUNA, INC.
Debtor and Debtor in Possession
of the bankruptcy estate of
HAWAIIAN PACIFIC TUNA, INC.

By

Its

By

Its

Grantor

MAUNA KEA AGRONOMICS, INC.

By

Its

President

By

Its

Grantee

STATE OF HAWAII

County of Hawaii)

ss.

On this 14th day of September, 1989, before me appeared James T Nakamoto and

_____ to me personally known, who, being by me duly sworn, did say that ^{he is} ~~they are~~ the President and _____,

respectively, of HAWAIIAN PACIFIC TUNA, INC., a Hawaii corporation, Debtor and Debtor in Possession of the bankruptcy estate of Hawaiian Pacific Tuna, Inc., and ~~that the seal affixed to the foregoing instrument is the corporate seal of said corporation~~ and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said James T Nakamoto and

_____ acknowledged said instrument to be the free act and deed of said corporation as such Debtor and Debtor in Possession.

LS

[Signature]
Notary Public, State of Hawaii.
My commission expires 9-25-92

STATE OF HAWAII

County of Hawaii }

ss.

On this 14th day of September, 1989, before

me appeared Paul J. Kierkiewicz and

_____ to me personally known, who, being
by me duly sworn, did say that ^{he is} ~~they are~~ the

President and _____,

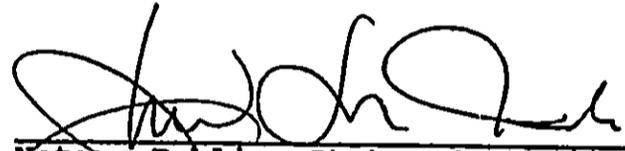
respectively, of MAUNA KEA AGRONOMICS, INC., a Hawaii
corporation, and that the seal affixed to the foregoing
instrument is the corporate seal of said corporation and that
said instrument was signed and sealed in behalf of said

corporation by authority of its Board of Directors, and the said

Paul J. Kierkiewicz and _____

acknowledged said instrument to be the free act and deed of said
corporation.

LS



Notary Public, State of Hawaii.

My commission expires 9-25-92

EXHIBIT "A"

All of that certain parcel of land (being all of the land(s) described in and covered by Land Patent Grant Number 11,550 to Isao Kashimoto and Masako Kashimoto) situate, lying and being at Waiakea, District of South Hilo, Island and County of Hawaii, State of Hawaii, being A PORTION OF LOT 5 AND ALL OF LOTS 6 TO 10, INCLUSIVE, Block 2, of the "WAIAKEA KAI LOTS", and thus bounded and described:

Beginning at the southwest corner of this piece of land, the northeast corner of Liholiho Street (60 feet wide) and proposed Mokuola Street (60 feet wide), the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALAI" being 2,917.00 feet north and 9,642.00 feet east, as shown on Government Registered Map 2835, and running by azimuths measured clockwise from true South:

- | | | | | |
|----|------|-----|--------|---|
| 1. | 180° | 00' | 260.00 | feet along the east side of proposed Mokuola Street (60 feet wide) to the south side of proposed Mamane Street; |
| 2. | 270° | 00' | 115.00 | feet along the south side of proposed Mamane Street (100 feet wide); |
| 3. | 360° | 00' | 260.00 | feet along Lot 4, Block 2, Waiakea Kai Lots and along Grants 11082 and 10678 to Shiro Ikeda to the north side of Liholiho Street; |
| 4. | 90° | 00' | 115.00 | feet along the north side of Liholiho Street (60 feet wide) to the point of beginning and containing an area of 29,900 square feet, more or less. |

Saving and excepting therefrom, that certain parcel of land conveyed to the STATE OF HAWAII, by HAWAII ICE & COLD STORAGE, LTD., a Hawaii corporation, by DEED dated October 22, 1971, recorded in Liber 7916 at Page 45, being more particularly described as follows:

All of that certain parcel of land (being portion(s) of the land described in and covered by Land Patent Grant 11,550 issued to Isao Kashimoto and Masako Kashimoto) situate, lying and being at Waiakea, District of South Hilo, Island and County of Hawaii, State of Hawaii, being PARCEL 3, and thus bounded and described:

Beginning at the southeast corner of this parcel of land, the southwest corner of Grant 10678 to Shiro Ikeda and on the north side of Liholiho Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALAI" being 2,917.00 feet north and 9,757.00 feet east, as shown on Government Survey Registered Maps 2537 and 4102, thence running by azimuths measured clockwise from true South:

1. 90° 00' 94.21 feet along the north side of Liholiho Street;
2. Thence along the remainder of Grant 11550 to Isao Kashimoto and Masako Kashimoto, on a curve to the left with a radius of 250.00 feet, the chord azimuth and distance being 258° 55' 51.5" 95.99 feet;
3. 360° 00' 18.43 feet along Grant 10678 to Shiro Ikeda to the point of beginning and containing an area of 570 square feet, more or less.

Leaving a net area of 29,330 square feet, more or less.

BEING THE PREMISES DESCRIBED IN DEED

GRANTOR : HAWAII ICE AND COLD STORAGE, LTD., a Hawaii corporation

GRANTEE : HAWAIIAN PACIFIC TUNA, INC., a Hawaii corporation

DATED : August 2, 1985

RECORDED : Liber 18829 Page 74

SUBJECT, HOWEVER, to:

1. Covenants, conditions and restrictions set forth in DECLARATION dated July 1, 1963, recorded in Liber 4555 at Page 17.
2. Covenants, conditions and restrictions set forth in DECLARATION dated October 9, 1965, recorded in Liber 5166 at Page 528.
3. Amended Urban Renewal Plan for the Kaiko's Project dated June 25, 1965, recorded in Liber 5157 at Page 574.
4. OWNER-REDEVELOPMENT AGREEMENT dated October 24, 1966, recorded in Liber 5483 at Page 368, by and between HAWAII REDEVELOPMENT AGENCY, an agency of the County of Hawaii, State of Hawaii and a public body corporate and politic, "Agency", and HAWAII ICE AND COLD STORAGE, LTD., a Hawaii corporation, "Owner"; re: redevelopment of the land described herein.
5. Covenants, conditions and restrictions set forth in DEED dated November 16, 1966, recorded in Liber 5503 at Page 311.
6. Encroachment as shown on map attached hereto.

TOGETHER WITH all of the personal property presently situate in or used in connection with the building located upon the above described real property described as follows:

OFFICE EQUIPMENT:

1. 1 Desk 4 drawer w/typewriter
2. Electric cash register RE-2021
3. Calculator 2 each Model CRS Model 4200. Canon Model P-101
4. Large Safe
5. 1 Each 7" oscillating fan
6. 3 Metal folding chairs
7. 3 Manual receipt machine, Model Moore
8. Time clock, Model Lathem
9. File Cabinets, 2 each 4-drawer

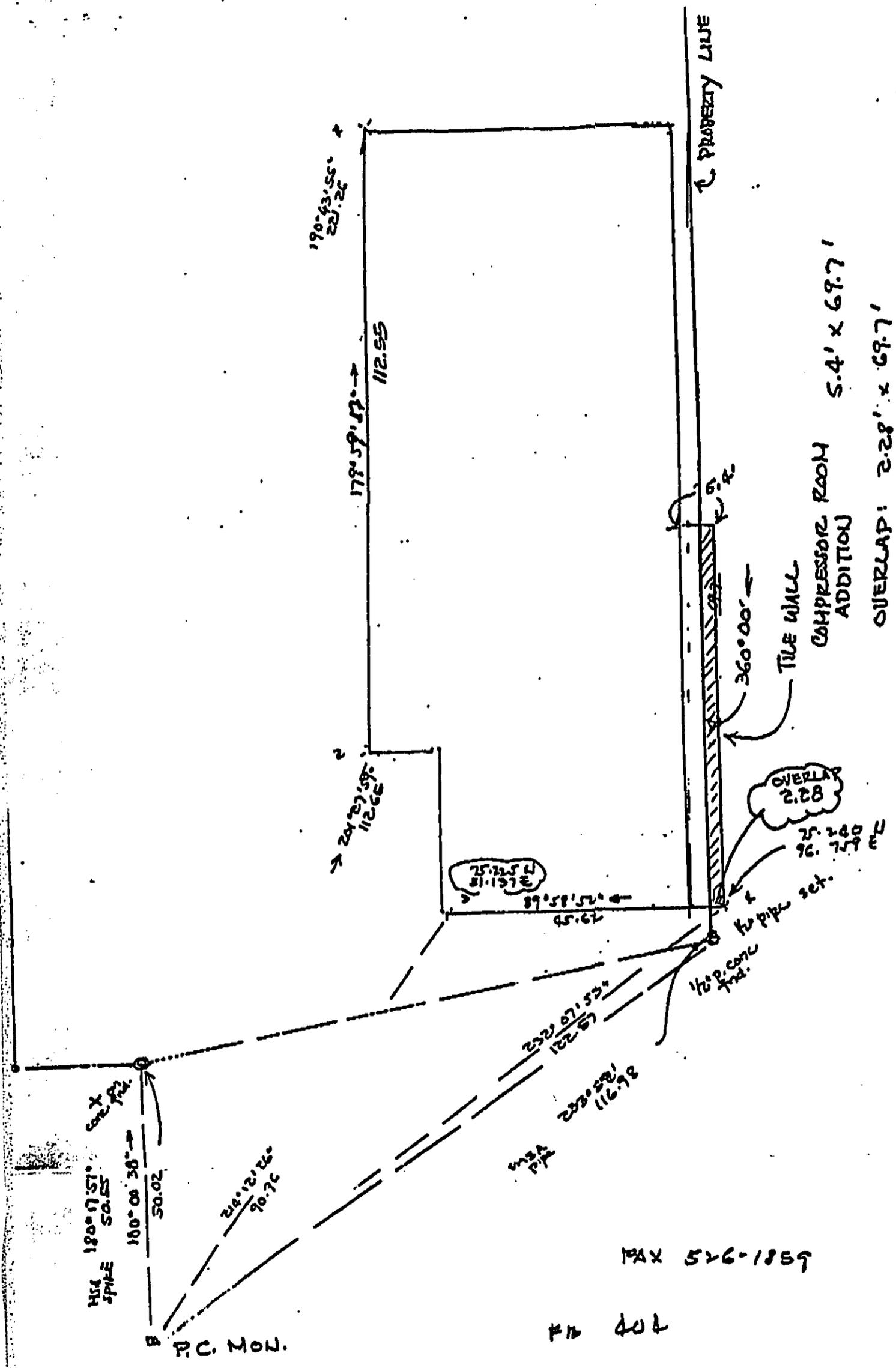
PLANT EQUIPMENT:

1. Ladders, Wooden 1-each, metal 1-each
- 2: Miscellaneous tools: pipe wrenches, crescent wrenches, hammer, etc.
3. Ice tongs
4. 5 Wooden dollies w/2 wheels and 2 dolly lifts
5. 3 Each 30 gallon plastic trash cans w/covers
6. Metal Hooks for hanging meat. 75 Pcs
7. 2 Each safety helmets w/goggles
8. Shovels, 2 each
9. 2 Heavy jackets, for refrigerator use

FISH ROOM:

1. 2 Each plastic cutting board 2"x4'x8'
2. Hacksaw 2 each 24"
3. Knives 4-16", 1-8". 2 each hand scalers
4. Gafts 3 each
5. Steel 1 each
6. Hachet 1 each
7. Cleaver 1 each 6"
8. Fish box 2 each 1 - 4'x4'x8', 4'x5'x10' fiber glass
9. 3 Gas masks
10. Miscellaneous tools

END OF EXHIBIT "A"



FAX 526-1859

404

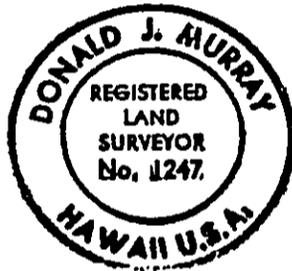
159 SQUARE FEET

ENCHROACHMENT

**Within Grant 10,678 to Shiro Ikeda
Waiakea, South Hilo, Island of Hawaii, Hawaii**

Beginning at a point at the southwest corner of this parcel of land the coordinates of said point of beginning referred to Government Survey Triangulation Station "Halai" being 2,941.69 feet North and 9,757.00 feet East and running by azimuths measured clockwise from true South:

- | | | |
|----|----------|---|
| 1. | 180° 00' | 69.70 feet along Grant 11,550 to Isao and Masako Kashimoto; |
| 2. | 270° 00' | 2.28 feet along remainder of Grant 10,678 to Shiro Ikeda; |
| 3. | 0° 00' | 69.70 feet along remainder of Grant 10,678 to Shiro Ikeda; |
| 4. | 90° 00' | 2.28 feet along remainder of Grant 10,678 to Shiro Ikeda to the point of beginning and containing an area of 159 Square Feet. |



MURRAY, SMITH & ASSOCIATES, LTD.

By Donald James Murray
**Donald James Murray
Registered Surveyor**

Hilo, Hawaii
April 30, 1992
MSA 4035-ke

Murray, Smith & Associates, Ltd.

**REGISTERED SURVEYORS
HILO, HAWAII**