

APPLICANT ACTIONS
SECTION 343-5(C), HRS
PUBLICATION FORM (JANUARY 2013 REVISION)

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Project Name: Construction of single-family residence in the Conservaiton District

Island: Kauai

14 SEP 11 A9:21

District: Hanalei/Halele'a

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TMK: (4) 5-3-001:016

SEP 23 2014

Permits: Conservation District Use Permit; Building Permit; Grading Permit; Grubbing Permit; Driveway approach Permit; County Permits for electrical conduits and potable water lines within County right-of-way; County Permit for traffic management (if required)

Approving Agency: Office of Conservation and Coastal Lands
Department of Land and Natural Resources, State of Hawaii
1151 Punchbowl Street, Room 131
Kalanimoku Building
Honolulu, Hawaii 96813
Contact person: Alex J. Roy, (808) 587-0316

Applicant: Kalihiwai Investors, LLC
3762 Kelii Place
Princeville, Hawaii 96722
Contact Person: James Fields, Member/Manager
(347) 804-8059

Consultant: n/a

Status (check one only):

- DEA-AFNSI** Submit the approving agency notice of determination/transmittal on agency letterhead, a hard copy of DEA, a completed OEQC publication form, along with an electronic word processing summary and a PDF copy (you may send both summary and PDF to oeqchawaii@doh.hawaii.gov; a 30-day comment period ensues upon publication in the periodic bulletin.
- FEA-FONSI** Submit the approving agency notice of determination/transmittal on agency letterhead, a hard copy of the FEA, an OEQC publication form, along with an electronic word processing summary and a PDF copy (send both summary and PDF to oeqchawaii@doh.hawaii.gov; no comment period ensues upon publication in the periodic bulletin.
- FEA-EISPN** Submit the approving agency notice of determination/transmittal on agency letterhead, a hard copy of the FEA, an OEQC publication form, along with an electronic word processing summary and PDF copy (you may send both summary and PDF to oeqchawaii@doh.hawaii.gov; a 30-day consultation period ensues upon publication in the periodic bulletin.
- Act 172-12 EISPN** Submit the approving agency notice of determination on agency letterhead, an OEQC publication form, and an electronic word processing summary (you may send the summary to oeqchawaii@doh.hawaii.gov. NO environmental assessment is required and a 30-day consultation period upon publication in the periodic bulletin.
- DEIS** The applicant simultaneously transmits to both the OEQC and the approving agency, a hard copy of the DEIS, a completed OEQC publication form, a distribution list, along with an electronic word processing summary and PDF copy of the DEIS (you may send both the summary and PDF to oeqc@doh.hawaii.gov); a 45-day comment period ensues upon publication in the periodic bulletin.
- FEIS** The applicant simultaneously transmits to both the OEQC and the approving agency, a hard copy of the FEIS, a completed OEQC publication form, a distribution list, along with an electronic word

processing summary and PDF copy of the FEIS (you may send both the summary and PDF to oeqc@doh.hawaii.gov); no comment period ensues upon publication in the periodic bulletin.

___ Section 11-200-23
Determination

The approving agency simultaneously transmits its determination of acceptance or nonacceptance (pursuant to Section 11-200-23, HAR) of the FEIS to both OEQC and the applicant. No comment period ensues upon publication in the periodic bulletin.

___ Statutory hammer
Acceptance

The approving agency simultaneously transmits its notice to both the applicant and the OEQC that it failed to timely make a determination on the acceptance or nonacceptance of the applicant's FEIS under Section 343-5(c), HRS, and that the applicant's FEIS is deemed accepted as a matter of law.

___ Section 11-200-27
Determination

The approving agency simultaneously transmits its notice to both the applicant and the OEQC that it has reviewed (pursuant to Section 11-200-27, HAR) the previously accepted FEIS and determines that a supplemental EIS is not required. No EA is required and no comment period ensues upon publication in the periodic bulletin.

___ Withdrawal (explain)

Summary (Provide proposed action and purpose/need in less than 200 words. Please keep the summary brief and on this one page):

Proposal to construct a single-family residence in the Conservation District portion of TMK(4) 5-3-001:016, Princeville, Kauai. The lot encompasses 174 acres; 146 in the Conservation District, 28 zoned agriculture, no portion in the SMA.

The dwelling site is a two-acre, level bluff bordered by Kapaka Street (east) and Hanalei Valley *pali* (west). Kapaka Street is a developed neighborhood, including 45+ residences on the street's east side. The street's west side (including the lot and proposed dwelling site) is abandoned pasture covered with invasive foliage. The dwelling:

- Is one story (maximum height of 19'8").
- Has 3,833 square feet of living space ("maximum developable area" of 4,941 square feet).
- Is set back between 60 and 80 feet from the *pali* overlooking Hanalei Valley.
- Uses finishes conforming to the natural environment, including green slate roofing and exterior walls of Hawaiian rock and earthen-brown plaster.
- Replaces the site's invasives with native foliage, obscuring and blending the structure with its surroundings.

The dwelling is consistent with the neighborhood's development. The dwelling and landscaping minimize impact and improve the site. After construction, the ~two miles (108 acres) of Conservation District land south of the site will remain undeveloped.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

OFFICE OF CONSERVATION AND COASTAL LANDS
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

JESSE K. SOUKI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
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CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

REF: OCCL: AJR

Jessica Wooley, Director
Office of Environmental Quality Control
Department of Health, State of Hawai'i
235 S. Beretania Street, Room 702
Honolulu, Hawai'i 96813



SEP 23 2014

CDUA: KA-3714

SEP - 3 2014

Dear Ms. Wooley,

With this letter, the Office of Conservation and Coastal Lands hereby transmits the final environmental assessment and finding of no significant impact (FEA-FONSI) for a proposed Single Family Residence on TMK: (4) 5-3-001:016 located in the Hanalei District, Island of Kauai, for publication in the next available edition of The Environmental Notice.

The Draft Environmental Assessment (DEA) and Anticipated Finding of No Significant Impact (DEA-AFONSI) was published in the OEQCs **July 8, 2014** issue of the Environmental Notice. The FEA-FONSI includes copies of comments received during the 30-day public comment period on the DEA-AFONSI and the corresponding applicant responses. We have determined that this project will not have significant environmental effects, and have therefore issued a FONSI. The FONSI does not constitute approval of the CDUA; authority to grant or deny the final permit lies with the Board of Land and Natural Resources.

Enclosed is a completed OEQC Publication Form, a copy of the FEA-FONSI, and Adobe Acrobat file of the same, and an electronic copy of the publication form in MS Word format. Simultaneous with this letter we have submitted the summary of the action in a text file by electronic email to your office. If there are any questions please contact Alex J. Roy at 587-0316.

Sincerely,

Samuel J. Lemmo, Administrator
Office of Conservation and Coastal Lands

Enclosures: FEA, OEQC Publication Form
Disc: FEA, OEQC Publication Form

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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

OFFICE OF CONSERVATION AND COASTAL LANDS
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HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

REF: OCCL: AJR

CDUA: KA-3714

Acceptance Date: June 12, 2014

180 Day Expiration Date: December 9, 2014

James Fields
c/o Kalihiwai Investors, LLC
3762 Kelii Place
Princeville, HI 96722

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SEP 23 2014

JUN 18 2014

NOTICE OF ACCEPTANCE AND PRELIMINARY ENVIRONMENTAL DETERMINATION
Conservation District Use Application (CDUA) File No. KA-3714
(BOARD PERMIT)

Dear Mr. Fields,

This acknowledges the receipt and acceptance for the processing of your Conservation District Use Application (CDUA) regarding a proposed Single Family Residence (SFR) and associated landscaping located on Tax Map Key (TMK): (4) 5-3-001:016. The project area is located in the Hanalei District, Island of Kaua'i within the State Land Use (SLU) Conservation District *Resource Subzone*.

DISCUSSION:

At this time you are proposing to construct a single-story, SFR with a Maximum Developable Area of approximately 4,900 square feet. The development of the SFR will include the placement of a garage, pool, pool decking, landscaping and some minor agricultural uses (i.e., planting of fruit trees). Previous work by the current landowner on the subject parcel includes conducting invasive species removal, minor landscaping of cleared areas, trash and debris removal from previous development and land and resource management; permits and approvals were granted by this office under Site Plan Approval (SPA) permit KA-13-30 and through our correspondence (COR) process under KA-12-50, KA-12-232, KA-13-02, and KA-13-69 for the aforementioned land uses.

Over the past 50 years the subject parcel has been used for both pasturage/animal husbandry and for nursery operations which included the construction of numerous buildings for that land use. While most of the buildings have either been removed by the landowner or destroyed by hurricane Iniki, only one (1) 5000 sq. ft. warehouse building still exists on the subject parcel; although it is slated to be removed by the landowner in the near future. Additional uses on the subject parcel include a potable water well and related facilities which is operated by Princeville Utilities, a private utility regulated by the Hawaii Public Utilities Commission (PUC). The surrounding area contains considerable residential and commercial property development,

including the Princeville Agricultural Subdivision which has numerous homes located adjacent to the subject parcel and are visible from the project area. Wastewater will be addressed using an above-ground, self-contained, anaerobic system which processes all wastewater in an above-ground tank and converts it into non-potable water for irrigation and agricultural uses. The proposed SFR design includes limited grading of the project area, with the aim to maintain the existing contours and runoff patterns of the site to further limit effects to nearby resources. Excavation will include only the areas immediately beneath the proposed dwelling to accommodate a post and pier foundation and the excavation of the pool area; additional earth moving includes the construction of a small berm, located parallel to the roadway, for vegetative screening and to enhance the effectiveness of the native planting.

Besides the development of the SFR and associated structures, the southern portion of the project area, ~1.25 acres, is being proposed as an orchard area for the planting of fruit trees and other native plants for personal use only; at this time no commercial activities are proposed. The "orchard area" will be planted with approximately 75% semi dwarf, tropical fruit trees of mixed variety and 25% with comparable sized native trees (i.e., Kou, Puakenikeni, and Lau Hala).

ANALYSIS:

- The proposed construction of a Single Family Residence and associated development is an identified land use in the Conservation District Resource Subzone pursuant to Hawaii Administrative Rules (HAR) §13-5-24, R-7 (D-1) *A single family residence that conforms to design standards as outlined in this chapter; and*
- The proposed development of ~1.25 acres of orchard agriculture is an identified land use in the Conservation District Resource Subzone pursuant to HAR §13-5-23, L-1 (D-1) *Agriculture, within an area of more than one acre, defined as the planting, cultivating, and harvesting of horticultural crops, floricultural crops, or forest products, or animal husbandry. A management plan (pursuant to HAR §13-5, Exhibit 3) approved simultaneously with the permit, is also required.* As always the decision to approve or deny these proposed land uses will rest with the Board of Land and Natural Resources (BLNR);
- In conformance with Chapter 343, Hawaii Revised Statutes (HRS), as amended, and Chapter 11-200, HAR, an Environmental Assessment (EA) document will be required for this proposed use;
- Pursuant to HAR §13-5-40 Hearings, a public hearing is not required for this project; and
- While it appears the project area is located outside the County of Kaua'i Special Management Area (SMA) an SMA determination, provided by the county, will be required for this application review.

The OCCL will submit a copy of the submitted proposal and EA for publication in the next available edition of the Office of Environmental Quality Control's *Environmental Notice*.

Should you have any questions on this correspondence, please contact Alex J. Roy, M.Sc. of the Office of Conservation and Coastal Lands staff at 808-587-0316 or via email at alex.j.roy@hawaii.gov

Sincerely,



WILLIAM J. AILA Jr., Chair
Board of Land and Natural Resources

CC: *Kaua'i Land Board Member*
KDLO
SHPD
DOFAW
County of Kaua'i – Planning Department

Final Environmental Assessment

TMK: (4) 5-3-001:016

Submitted To: Office of Conservation and Coastal Lands

Applicant: Kalihiwai Investors, LLC

August 27, 2014

Project Information

Project Name: Final Environmental Assessment
Single-Family Dwelling
Princeville, Kaua'i, Hawai'i

Applicant: Kalihiwai Investors, LLC
3762 Keli Place
Princeville, Kaua'i, Hawai'i 967
Phone: (347) 804-8059
Email: jfieldskauai@aol.com

Accepting Authority: Office of Conservation & Coastal Lands
Department of Land and Natural Resources
State of Hawaii
P.O. Box 629
Honolulu, Hawai'i 96809

Project Location: Princeville, Island of Kaua'i, Hawai'i

Lot Tax Map Key No.: (4) 5-3-001:016

Lot's Size: 174 acres

Existing Land Use: Open field and commercial nursery

State Land Use District: Conservation: Resource Subzone – 146 acres

County Zoning Designation: Agriculture – 28 acres

Project Description: Proposed construction of a single-family residence in the Conservation District portion of the Lot under Hawaii Administrative Rules §§13-5-24(c) R-7 and 13-5-41.

Notice of Acceptance
and Preliminary
Environmental Determination
of FONSI: June 12, 2014

Date of Publication in OEQC's
The Environmental Notice: July 8, 2014

End of Public Comment Period: August 7, 2014

Public Hearing: Not required pursuant to Hawaii Administrative Rule §13-5-40

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Executive Summary

Applicant Kalihiwai Investors, LLC (“KI”) has applied to the State of Hawaii’s (“State”) Board of Land and Natural Resources for a Conservation District Use Permit (“CDUP”) to construct a single-family residence in the Conservation District portion of Lot 27 (TMK no. (4) 5-3-001:016), Princeville, Kauai, Hawaii. As part of the approval process for this residence, Hawaii Administrative Rules (“HAR”) §13-5-31(a)(1) requires a Final Environmental Assessment (“Final EA” or “FEA”) to be completed pursuant to Hawaii Revised Statutes (“HRS”) Chapter 343. The State Department of Land and Natural Resources’ (“DLNR”) Office of Conservation and Coastal Lands (“OCCL”) is the approving agency for the CDUP and Final EA. This document is the Final EA for the proposed project.

The subject property, Lot 27, encompasses approximately 174 acres and stretches almost three miles along the Hanalei Valley’s eastern rim. The lot is bordered by Kuhio Highway on the north, Kapaka Street on the east and the Hanalei Valley on the west. The lot was purchased by KI from Princeville Development, LLC in 2010.

Approximately 28 acres of Lot 27 is zoned agriculture and the remainder, approximately 146 acres, is located in the State Conservation District, Resource Subzone. No portion of Lot 27 is in the *shoreline management* area (“SMA”) as defined within Hawaii Revised Statutes HRS Chapter 205A (*see* Exhibit 10). Over the last 50 years, Lot 27 has been used for pasturage, commercial nursery operations (including a 5,000 square foot warehouse, a 4,000 square foot greenhouse and three 4,000 square foot plant shade structures), and to accommodate an AT&T cell tower facility and Princeville Utilities potable water facilities (a water well and control and pumping station).

Construction of a single-family residence in the Conservation District portion of Lot 27 (the “proposed project”) must satisfy the requirements of HAR §§13-5-24(c) R-7 and 13-5-41. The design standards described in HAR §13-5-41(a), which are detailed in HAR §13-5 at Exhibit 4 (including “maximum developable area”, “maximum allowable building envelope” and “compatibility provisions”) are satisfied by the proposed dwelling’s design, as discussed below. Also, there are currently no other dwellings on the lot. Accordingly, a single-family dwelling is permitted under HAR §§13-5-41(b) and (c).

The proposed Conservation District single-family dwelling would be located on an approximately two-acre bluff (the “proposed site” or “project site”) bordered by Kapaka Street on the east and the rim of the Hanalei Valley on the west. For the last 50 years, the proposed site has been either left unused or used for limited livestock grazing. Today, the built environment of the proposed site includes the Princeville Agricultural Subdivision which has more than 45 residences on the east (opposite) side of Kapaka Street, 18 of which are visible from the street and Lot 27, and several commercial structures.

Features of the proposed single-family dwelling are designed to minimize its visual impact from the neighboring area and the Hanalei Valley floor. The proposed dwelling:

- (i) Is one story with a maximum height of 19 feet 8 inches above existing grade and 18 feet six inches at the primary ridgeline (less than the maximum of 25 feet, the “maximum allowable building envelope,” described in Exhibit 4 to HAR §13-5);
- (ii) Has 3,833 square feet of living space, a 572 square foot garage, a 300 square foot pool (including pool coping) and Hawaiian rock applied to exterior walls covering 236 square feet of ground (at finish grade), for a total “maximum developable area” of 4,941 square feet (within the maximum of 5,000 square feet prescribed in Exhibit 4 to HAR §13-5);
- (iii) Is set back between 60 and 80 feet from the *pali* overlooking Hanalei Valley;

- (iv) Is finished with materials which conform to the surrounding environment, including green slate roofing (or artificial green slate) and exterior walls finished in brown shades or covered with Hawaiian rock; and
- (v) Includes a landscape plan which replaces the invasive species present throughout the site and a portion of the immediately adjacent cliffside primarily with plants and trees native or endemic to Hawaii, further allowing the structure to blend in with its surrounding environment.

KI concurrently submitted an application for a CDUP and draft Environmental Assessment (“draft EA”) to the OCCL for the proposed project on April 22, 2014. OCCL issued its *Notice of Acceptance and Preliminary Environmental Determination (Conservation District Use Application (CDUA) File No. KA-3714 (Board Permit))* on June 12, 2014. On June 25, 2014, OCCL issued its findings to the State Office of Environmental Quality Control (“OEQC”) that OCCL had reviewed the draft EA and anticipated a Finding of No Significant Impact (“AFONSI”) with respect thereto. The draft EA was published in OEQC’s *The Environmental Notice* on July 8, 2014, triggering a 30-day public comment period pursuant to HRS §343-5 which ended on August 8, 2014.

This Final EA proposes a finding of no significant impact. The key elements of this finding are as follows.

Utilities, Infrastructure and Air Quality. Utilities, infrastructure and air quality are not materially impacted by the proposed dwelling, as the proposed improvement represents a small percentage of activity on Kapaka Street and the broader Princeville area.¹ Wastewater will be accommodated by a below-ground, self-contained, septic system consistent with State Health Department requirements.² Kapaka Street itself is a paved road (re-surfaced about 16 months ago) already serving multiple residences and businesses.

Drainage. The site appears to drain uniformly with no apparent ravines, defiles, indentations or drainages. There is no observable erosion occurring. The existing contours of the site will be maintained. Therefore, rainfall will generally be absorbed on the site and storm water flow will continue in a northwest to southeast direction (*mauka*, parallel to Kapaka Street) discharging to Kapaka Street (where a County of Kauai³ storm drain is located) and the Hanalei Valley as under existing conditions. The dwelling will be designed so that storm water collected from the roof will be captured in a leach bed system and any excess will be dispersed through a drip system within the site.

Historic and Cultural Sites. The proposed project will have no significant impact on historic or cultural sites. Lot 27 includes the Po’oku Heiau (State Historic Preservation Division Site #50-30-03-139), an important Hawaiian historic/cultural site located on the summit of a hill overlooking the Hanalei Valley. On July 24, 2012, the State Historic Preservation Division (“SHPD”) accepted KI’s Final Archaeological Inventory Survey (“AIS”) reviewing historic/cultural sites within Lot 27 and on May 14, 2013, accepted KI’s Final Preservation Plan for the *heiau*. Components of the Final Preservation Plan include designating ~2 acres as the Heiau Area and ~5 acres surrounding that area as a protective buffer zone (making a 7-acre protected area, referred to as the “Heiau

¹ Princeville Utilities (potable water) and KIUC (electric) have confirmed current capacity for the proposed dwelling.

² Alternatively, KI would use an above-ground, self-contained, system or an in-ground, leach field septic system if directed by the State Department of Health.

³ Hereafter “County”.

Preserve”).⁴ The proposed site is more than 1,300 feet from the perimeter of the Heiau Preserve’s buffer zone. The AIS and Final Preservation Plan explicitly contemplate the construction of single-family dwellings on Agriculture-zoned land adjacent to the buffer zone (which would be located closer than the project site), as well as a dwelling on the project site.⁵

The AIS included a pedestrian survey of the project site and found no evidence of historic or archeologically significant structures in the project site area.

Flora and Fauna. There will be a positive impact on flora and fauna in the project site and surrounding area. The project site is almost exclusively covered with invasive vegetation and there is no evidence of native animal species residing within the site. The proposed project’s landscape plan calls for elimination of the invasive species in the site and in adjacent cliffside areas and their replacement with native and endemic plants and trees which will restore the site and provide forage and harborage for native bird species.

Visual and Aesthetic Resources. There will be minimal negative impact upon visual or aesthetic resources. Potentially impacted parties in this regard include (i) residents of Hanalei Town, (ii) travelers and farm owners in the eastern part of the Hanalei Valley and (iii) residents along Kapaka Street. However, the choice of a site well south along the valley rim, the setback of the proposed dwelling from the *pali*, the limitation of the dwelling to a single story, the choice of the dwelling’s materials and colors and the plan for the surrounding native foliage completely eliminate or adequately mitigate these potential impacts.

⁴ In addition to the seven acres approved as part of the AIS and Final Preservation Plan, KI intends to make an additional ~5.8 acres part of the Heiau Preserve on its west and south sides, resulting in a total protected area of almost 13 acres.

⁵ The AIS and Final Preservation Plan are available from KI upon request.

Section 1 Background

1.1 Introduction

Kalihiwai Investors, LLC (“KI”) purchased Lot 27 (TMK no. (4) 5-3-001:016), Princeville, Kauai, Hawaii from Princeville Development, LLC (successor to the Princeville Corporation) in August 2010. Lot 27 stretches almost three miles along the eastern rim of the Hanalei Valley. It is bordered on the north by Kuhio Highway (the principal transportation artery on the north and east shores of the island), on the east by Kapaka Street (a County-owned road) and on the west by the Hanalei Valley (*see* Figures 1 and 2). Approximately 28 acres of Lot 27 is zoned Agriculture and the remainder, approximately 146 acres, is located in the State Conservation District, Resource Subzone. No portion of Lot 27 is in the *shoreline management area* (the “SMA”) (*see* Exhibit 10).

Over the last 50 years, portions of Lot 27 have been used for pasturage and nursery operations. Structures on the lot include or have included a 5,000 square foot warehouse (to be removed by KI in the near future), a 4,000 square foot greenhouse (collapsed by Hurricane Iniki in 1992 and not repaired), three 4,000 square foot plant shade houses (removed by KI in 2013), a cell tower facility (removed at the direction of KI in 2012), a television station broadcast facility (removed by KI in 2012) and a potable water well and related control and pumping station owned and operated by Princeville Utilities, a private utility regulated by the Hawaii Public Utilities Commission.

KI has applied to the State’s Board of Land and Natural Resources for a Conservation District Use Permit (“CDUP”) (i) to construct a single-family residence in the Conservation District portion of Lot 27 under Hawaii Administrative Rules (“HAR”) §§13-5-24(c) R-7 and 13-5-41, (ii) to remove invasive species and plant native and endemic plants and trees in the project site and surrounding cliffside pursuant to HAR §13-5-22(b) P-4 (B-1), HAR §13-5-22(b) P-13 (B-2) and HAR §13-5-22(b) P-11 (B-1) (alternatively, this process would constitute Landscaping pursuant to HAR§13-5-23(c) L-2 (D-1)), and (iii) to plant fruit trees on a portion of the proposed site pursuant to HAR §13-5-23(c) L-1 (D-1) (collectively, the “proposed project”). As part of the approval process for the single-family residence, HAR §13-5-31(a) requires submission of a Hawaii Revised Statutes (“HRS”) Chapter 343 Final Environmental Assessment (“Final EA” or “FEA”). The State Department of Land and Natural Resources’ Office of Conservation and Coastal Lands (“OCCL”) is the approving agency for the Final EA and the CDUP.

The proposed Conservation District single-family dwelling would be located on an approximately two-acre bluff (the “proposed site” or “project site”) one-half mile south of Kuhio Highway adjacent to Kapaka Street. The proposed site is bordered by Kapaka Street on the east and the Hanalei Valley rim on the west (*see* Figure 3, Figure 4, Figure 5 and Figure 6). For the last 50 or more years, the proposed site has been either left unused or used for limited livestock grazing. It is covered predominately with invasive vegetation. Presently, the built environment surrounding the proposed site includes a considerable amount of residential and other development, including the Princeville Agricultural Subdivision on the opposite (east) side of Kapaka Street with more than 45 residences, including 18 which are visible from the street (*see* Exhibit 5 showing selected homes along Kapaka Street and Figure 6 showing a portion of the Princeville Agricultural Subdivision in the immediate vicinity of the proposed site).

1.2 Property Legal Background

Lot 27 was part of an 879 acre land grant sold by the Territory of Hawaii to H.G. Allen in 1904. In 1978, Lot 27 was carved out of the surrounding lot when the then-owner of Princeville Ranch, Princeville at Hanalei (a division of Consolidated Oil & Gas) subdivided a portion of its property to facilitate the

development of an agricultural subdivision. This subdivision process entailed carving then-existing parcels into 27 lots; (i) 22 separate lots comprising the agricultural subdivision (Lots 1 to 22, referred to as the “Princeville Agricultural Subdivision”), (ii) Kapaka Street and an undeveloped right of way extending from Kapaka Street to the Halele’a Forest Reserve (Lots 25 and 26) and (iii) the subject parcel (Lot 27).

After acquiring Lot 27 from Princeville Development, LLC in 2010, KI desired to separate and sell portions of the lot. In particular, KI sought to separate certain areas for possible farm dwellings and certain other areas for non-development uses (e.g., creation and transfer of the Heiau Preserve and a scenic overlook property, as described below). Accordingly, KI submitted the lot to a “condominium property regime” (“CPR”) pursuant to HRS chapter 514B, dividing it into 10 condominium “CPR units”. Each CPR unit may be separately sold or transferred.

Under the CPR documents governing Lot 27, five of the CPR units are each entitled to construct one single-family farm dwelling on land zoned for agriculture. The governing CPR documents also permit one CPR unit (referred to as “Unit C”) to apply for and, if permitted, construct one single-family dwelling in the Conservation District (the subject of this EA). The five farm dwellings and one single family residence in the Conservation District represent the total housing density permitted within Lot 27 under current State and County land use laws. The remaining CPR units are not permitted to construct dwellings under the governing CPR documents; these include a CPR unit encompassing the Heiau Preserve and a CPR unit corresponding to a potential scenic overlook for the Hanalei Valley.

The CPR documents also provide for a 10+ acre, limited common area of Agriculture-zoned land devoted to planting primarily native hardwoods. Accordingly, of the 28 acres zoned Agriculture, approximately nine acres will be associated with the five farm dwellings, approximately eight acres will be associated with the Heiau Preserve and the remainder will be used for growing hardwoods.

1.3 Surrounding Built Environment

The built environment immediately surrounding the proposed site includes residential and commercial development, as well as infrastructure improvements.

Princeville Agricultural Subdivision and Kapaka Street

In 1978, Princeville at Hanalei completed a subdivision to develop the Princeville Agricultural Subdivision and related improvements on a portion of its lands running along the eastern rim of the Hanalei Valley. This subdivision included the creation of 22 lots for residential and commercial development, two lots for Kapaka Street and an undeveloped right of way extending from Kapaka Street to the Halele’a Forest Reserve, and Lot 27 which made up the residual area of this subdivision action.

The Princeville Agricultural Subdivision extends along the east side of Kapaka Street (adjacent to Lot 27) for approximately 1.5 miles. The original subdivision included 22 lots, but most have been further divided into condominium units pursuant to HRS Chapters 514 A and B (Hawaii’s condominium property acts), and there are now 84 CPR units on the east side of Kapaka Street. Currently, the subdivision includes 45 parcels with dwellings on them (and four others with structures of less than 1,000 square feet). 18 of the Princeville Agricultural Subdivision dwellings are visible from Kapaka Street (*see* Exhibit 5 showing selected homes along Kapaka Street and Figure 6 showing a portion of the Princeville Agricultural Subdivision in the immediate vicinity of the proposed site).

Princeville Airport

The Princeville Airport runway is less than one mile east of Kapaka Street. The airport owners have a recorded 1980 easement and right-of-way for the free and unobstructed passage of aircraft in and through the airspace over and across Lot 27. Although at present there are no regular commercial flights using the airport, there was regular commercial service in the past, which could be reintroduced. In addition, the airport is open to use by private aircraft and is regularly used by tour helicopters.

Nursery Structures

In the late 1980's, the northern portion of Lot 27 was developed as a commercial nursery. At the height of nursery operations, the area was subject to extensive planting, plowing and cultivation. Accompanying those operations, an access road and several large structures were built, including an existing 5,000 square foot warehouse (approximately 20 feet in height) set on a concrete pad, a 4,000 square foot greenhouse (collapsed by Hurricane Iniki and not rebuilt), and three shade houses, each approximately 4,000 square feet in size (removed in 2013). Additionally, electric utility lines run over Kuhio Highway and continue above ground to the warehouse on Lot 27.

As part of the process of preparing Lot 27 for sales of farm dwelling sites, (i) nursery operations are being wound up, (ii) debris from the 4,000 square foot greenhouse was removed, (iii) the shade houses were removed, (iv) construction and nursery debris and gravel strewn throughout the area were collected and removed and (iv) the nursery access road was relocated away from the Conservation District. KI intends to demolish the existing 5,000 square foot warehouse in the near future.

Princeville Utilities Potable Water Facilities

At the southern end of Lot 27, Princeville Utilities maintains potable water facilities, including a water well and associated pump and control building. The well and control building are enclosed by wire fencing and are on Lot 27. Princeville Utilities also maintains and operates a water tank enclosed by chain link fencing which is located immediately across the trail that comprises the southern extension of Kapaka Street, next to Lot 27.

KIUC Power Lines

Kauai Island Utility Cooperative ("KIUC"), a Hawaii consumer cooperative association which provides electric power on the island of Kauai, owns and maintains above-ground power lines that cross Lot 27 in various places, under a 1988 recorded right-of-entry. Three sets of overhead power lines cross Lot 27 (across land in the Conservation District and agriculture-zoned land). One set crosses the Kuhio highway at the northernmost end of the property and continues down into the Hanalei Valley. The second set also runs across Kuhio Highway and into Lot 27 supplying power to the 5,000 square foot warehouse in the old nursery area. The third set are large scale power lines at the southern (*mauka*) end of the parcel running up from the Hanalei Valley and on up the "Powerline Trail", an unpaved trail/road used to access electric transmission lines for maintenance.

Cellular Tower

In 1990, Cybertel Cellular licensed 10,000 square feet in the northern portion of Lot 27 for the installation of a cellular tower and related equipment. The tower was approximately 60 feet high and designed to look something akin to a large pine tree. To power the tower, an underground electric line ran approximately 500 feet from the cell site to electric utility poles at the 5,000 square foot nursery warehouse. A CDUP was secured for the cell tower in 1991. KI did not renew the lease for the cell tower (then, with AT&T) and the tower was demolished and removed in 2012.

Princeville Adventures Kids Center

Princeville Ranch previously operated a riding center on the east side east of Kapaka Street (across the street from Lot 27) with an entrance approximately 500 feet south of the intersection of Kapaka and the Kuhio Highway. The ranch's riding operations were relocated and the building has most recently been used as a children's activity center by Princeville Ranch offering arts and crafts, hiking, a petting zoo and horseback riding for children four to eleven years of age.

Princeville Botanical Garden

A botanical garden and chocolate farm offering garden and chocolate making tours to the general public is located on Ahonui Street (off Kapaka Street, approximately one mile south from Kuhio Highway).

Proposed Relocation of the Hanalei Scenic Overlook

Commencing in the 1990s and continuing to the present, consideration has been given by the United States Fish and Wildlife Service ("USFWS") and the County of Kauai to relocating or augmenting the scenic overlook of the Hanalei Valley (currently located along Kuhio Highway less than ½ mile northwest of Lot 27) to the northernmost six acres of Lot 27. Although consideration has been given to a variety of plans, the plan developed in 2002 included a visitors' center, restrooms (connected to Princeville Utilities' sewer system), a gift shop, multiple locations for viewing the valley and over 60 parking stalls. According to a draft 2002 Environmental Assessment of the project, 350 vehicles and four to ten tour busses were expected on the site daily (an estimated 900 visitors per day). The likelihood of approval and completion of this project in the future is unclear. KI has indicated willingness to make the land available for an overlook if USFWS, the County and local citizens groups are able to reach agreement on details regarding the overlook.

Section 2 Proposed Project and No Action Alternative

2.1 The Proposed Project

KI proposes to construct a single-family dwelling in the State Conservation District (Resource Subzone) portion of Lot 27. The dwelling would be on a two-acre bluff (referred to as the "proposed site" or "project site") one-half mile south of Kuhio Highway on Kapaka Street. The proposed site is bordered on the east by Kapaka Street and on the west by the Hanalei Valley rim (*see* Figure 3, Figure 4, Figure 5 and Figure 6). The proposed site is primarily flat (*see* topographic map included in Exhibit 1 and Figure 3) and is covered with grasses and weeds with very limited presence of native plant species. KI understands the site has been used intermittently for pasturing of livestock over the past 50 years or has otherwise been unused.

The Proposed Dwelling. The proposed single-family dwelling would be located at the northern end of the project site, set back between 60 and 80 feet from the *pali*. The proposed dwelling would be a single-story structure with maximum height of 19 feet 8 inches above existing grade and a height of 18 feet six inches at the primary ridge line. The structure would have a finished living space under roof of 3,833 square feet, a garage of 572 square feet, a pool (with surrounding coping) of 300 square feet and Hawaiian rock applied to exterior walls covering 236 square feet (at finish grade), resulting in a "total maximum developable area" of 4,941 square feet (as reflected in Exhibit 1).⁶

⁶ This total includes the footprint of the home (whether or not living space), as well as, the pool and pool coping, but excludes the driveway.

The Topographic Map, Site Plans (including Landscape Plan) and Floor Plan for the residence are attached as Exhibit 1. Elevations showing the exterior of the dwelling are included as Exhibit 2. In addition, photographs from the perspective of the Hanalei (one-lane) Bridge, Hanalei Valley farms and roads and Hanalei Town, with scaled renderings of the proposed dwelling superimposed, are included in Exhibit 3. These photographs depict how the dwelling would appear to the naked eye when viewed from the various points on the Hanalei Valley floor. Renderings of the proposed dwelling viewed from Kapaka Street are included in Exhibit 4.

Dwelling Exterior Finishes. The exterior walls of the dwelling are finished with Hawaiian rock in certain areas and otherwise painted in earth tones of light browns (as shown in Figure 8 and the elevations included in the Exhibit 2). Trim elements (e.g., along eaves, window and door frames, etc.) are in darker brown shades (as shown in Exhibit 2). All glass in windows and doors is non-reflective, “Ultra White Low Iron Glass, with Lo E coating” (which has the lowest reflectivity for any windows manufactured in the US). The roof is dark green composed of either slate or artificial slate/concrete shingles, as shown in Figure 9. The gutters are of copper patina or other non-reflective material consistent with the color of the trim components. The driveway will be concrete and cover approximately 4,275 square feet. If issues arise with respect to this surface, KI would use "grasscrete" or an alternative permeable material for the driveway surface.

The Landscape Plan. The Landscape Plan (included in Exhibit 1) calls for removal of existing invasive species throughout the project site and replacing them primarily with native and endemic species as follows.

- (i) The project site bordering Kapaka Street, totaling approximately 1/2 acre, would be planted with native Hibiscus, Lou Lou Palms and Kou trees.⁷ Kukui and Puakenikeni trees may be used to supplement or replace the Kou trees along the border and Lau Hala, Ti and Naupaka may also be added at intervals along the border. A low, two-foot high, planting berm will be installed along portions of the border with Kapaka Street to enhance the effectiveness of the foliage in obscuring the dwelling when viewed from the street.
- (ii) The residence would have groupings of Red and Green Ti, White Hibiscus, Kukui, Puakenikeni and Kou trees, Gardenias and Ape planted at intervals all along its perimeter and along the driveway to the residence. The Kou, Kukui and Puakenikeni trees included in these groupings will exceed 10 feet in height (higher than the soffit line of the roof). A Kamani (true), native Bayan or Monkey Pod tree will be planted in the center of the circular driveway.
- (iii) An approximately 60 foot wide area below the *pali* and bordering the project site, totaling more than 3/4ths of an acre, would be planted with a variety of native species starting nearest the *pali* with ferns, grasses and shrubs (such as Naupaka, Poo'hinahina, Ti, Hibiscus Kokio, Lauae, Kupukupu and Palapalai ferns), transitioning to larger native trees and shrubs, (such as Koa, Ohia, Lama, Nao, Alahe'e, Mamake, Koaia, Milo, Kou, Kamani , Nawiliwli, and Hala) as planting continues down the valley slope.⁸
- (iv) Finally, the southern portion of the proposed site, approximately 1.25 acres, will be an orchard, including approximately 75% fruit trees of varying varieties and 25% native or endemic trees.⁹ Orchard fruit trees will be grafted, semi dwarf, tropical trees, of mixed varieties. Each orchard tree will be pruned to be low spreading for ease of harvesting fruit and minimal view plane impact.

⁷ Chain link or similar fencing would be installed along the Kapaka Street border (less than six feet in height), as well as a gate across the driveway entry to the project site, to provide security, enclose domestic animals and provide a trellis for growth of native Hibiscus, Naupaka and other border foliage. The Hibiscus and other border planting will grow about and screen this fencing.

⁸ In this *pali* area, the root structures of larger invasive trees and shrubs will not be removed to maintain stability of the hillside and prevent erosion.

⁹ The native trees could include Nawiliwili and Lau Hala. This foliage would be selected to have the same general profile as the fruit trees.

Wastewater. Wastewater from the dwelling will be addressed using a self-contained system which processes all wastewater in a below-ground tank and converts it into water suitable for agricultural uses. These types of systems use either anaerobic, aerobic or a combination of both processes to treat the wastewater. These systems eliminate the need for a leach filter or infiltration bed, result in effluent water quality which prevents any adverse impacts to surface and ground waters and reduce the use of potable water for irrigation. These systems are summarized in Exhibit 7 along with other alternatives. The wastewater system installed will comply with all Department of Health requirements for wastewater disposal.¹⁰

Site Development – Excavation. The contours of the proposed two-acre site will not be altered, other than (i) excavation of the area immediately beneath the proposed dwelling to accommodate its post and pier foundation (requiring approximately 406 cubic yards of earth to be removed), (ii) excavation of the pool (requiring approximately 55 cubic yards of earth to be removed) and (iii) addition of the two-foot high planting berm along portions of the boundary of the site with Kapaka Street using the excavated soil.

The only other excavation on the proposed site will be installation of the gravel leach bed for rainfall absorption and dispersal (requiring approximately 146 cubic yards of earth to be removed) and installation of the below-ground, self-contained septic system (requiring approximately 30 cubic yards of earth to be removed). After installation of this rainfall leach bed and self-contained septic system, the contours of the property will be returned to their pre-existing state. The product of this excavation will also be added to the planting berm.

The Preliminary Excavation Schedule is included in Exhibit 9.

2.2 No Action Alternative

The No Action Alternative is included in the environmental analysis to provide a basis to compare the proposed project. In the No Action Alternative, there would be no disturbance of the existing environment. At present, many of the invasive species on the proposed site have been cut and grasses mowed to facilitate planning and design work (pursuant to Site Plan Approval KA-13-30, January 31, 2013). The No Action Alternative would permit invasive species existing on the site to once again spread on the site and down the valley wall. The spread of invasive species would further degrade the existing flat pasture and adversely impact useable habitat for native species.

2.3 Project Legal Framework and Compliance Analysis

Under HAR §§13-5-24(c) and HAR 13-5-41, one single-family dwelling may be constructed upon land in the Conservation District with the approval of the BLNR. The dwelling may not be allowed, “where there is an existing residence in a different state land use district zoned for residential, rural or agricultural use on another portion of the same legal lot of record” (HAR §13-5-41(c)). The residence must meet design standards contained in Exhibit 4, HAR §13-5 (HAR §13-5-41(a)). The design standards, among other things, limit the “maximum developable area” to 5,000 square feet for lots larger than one acre and limit the height of any part of the structure (with certain exceptions) to the “maximum allowable building envelope”, which is 25 feet above the existing grade.

¹⁰ The applicant is willing to use an above-ground, self-contained system or an in-ground leach field septic system if directed to do so by the Department of Health.

A single-family dwelling must receive a Board Permit (HAR §13-5-24(c)). A Board Permit, among other things, requires submittal of a draft or final EA (HAR §13-5-31(a)(1)). The Board Permit for a single-family dwelling in the Resource Subzone does not require a Public Hearing (HAR §13-5-40(a)).

There are no existing dwellings in the Conservation District or any other portion of Lot 27. There is a 5,000 square foot warehouse on the lot which supported the prior nursery operations. However, this warehouse is not a dwelling (no person resides there, there is no certificate of occupancy for a dwelling and there is no kitchen) and, in any event, KI plans to demolish this structure in the near future. Accordingly, since there is no existing residence in any State land use district on any portion of Lot 27, the proposed single-family residence satisfies the requirements of HAR §13-5-41(b) and (c).

The proposed dwelling complies with the “compatibility provisions” of Exhibit 4, HAR §13-5. In particular:

- (i) landscaping will screen much of the structure from the perspective of Kapaka Street, the dwelling will not be visible from Hanalei Town and, to the extent the dwelling would be visible from roads and farms on the eastern portion of the Hanalei Valley floor, the combination of foliage about the structure, setback from the *pali*, single story construction, and choice of materials for the roof and exterior walls will obscure the dwelling such that it will not be readily discernable to the naked eye from its surroundings;
- (ii) the visible walls of the structure will be covered in Hawaiian rock or finished in brown tones and the roof will be of green slate or artificial slate shingles;
- (iii) waste water systems will comply with and be approved by the State Department of Health;
- (iv) the general contours of the proposed site will not be altered (except for the area represented by the dwelling itself, the in-ground pool and the two-foot high planting berm along Kapaka Street);
- (v) all structural parts of the dwelling will be connected;
- (vi) all building and grading code requirements will be followed; and
- (vii) there will be only one kitchen.

Section 3 Physical Environmental Setting, Impacts and Proposed Mitigation

3.1 Topography, Geology, Soils, Natural Hazards

Existing Condition

Topography. The project site is located along the eastern rim of the Hanalei Valley, within the district of Hanalei, Island of Kauai, near the Princeville Resort Community. The site is about two miles from the nearest coastline and is approximately 380 feet above sea level (370 feet above the valley floor). The valley wall below the *pali* is steep, at about a 50 percent grade (*see* Figure 3 and the Topographic Map included in Exhibit 1). The project site is generally level from from Kapaka Street to the *pali*, sloping down slightly as it runs *mauka* from northwest to southeast (parallel to Kapaka Street) at approximately 3 degrees to 7 degrees, with the degree of slope increasing towards the project site’s southern end.

Like many other valleys on Kauai, Hanalei Valley was created largely by stream erosion. It stretches from Hanalei Bay to the Mount Waialeale, a distance of approximately ten miles. The valley is widest at the bay, narrowing inland. Alluvial deposits, and the effects of sea level changes helped form the valley’s flat floor. Because of this flat terrain, and wetland conditions, the valley floor is presently used primarily for

endangered water bird management and wetland taro cultivation. The valley floor was also used to cultivate sugarcane, coffee and rice from the early 1800s through the 20th century.

The Hanalei River, which meanders through the Hanalei Valley floor, is located 1,000 feet from the westernmost boundary of the project site. The Hanalei River is the fourth largest stream in the State based upon the amount of water discharged (Stream Assessment Draft Report of 1990, State of Hawaii and National Park Service: 27).

Soils and Geology. The property's soil is Kauai Oxisol. The soil order is Po'oku Oxisol. The soil family is fine, ferritic, isohyperthermic, anionic acruDEX. Permeability of this soil is moderately rapid, its runoff is slow, and its erosion hazard is slight.

Rainfall, Drainage and Natural Hazards. The parcel receives approximately 78 to 157 inches of rain per year (Giambelluca, et al. 1986). The site appears to drain uniformly with no apparent ravines, defiles, indentations or drainages. There is no observable erosion occurring. The majority of rainfall is absorbed on the property itself and in extreme conditions, storm water may flow from northwest to southeast (*mauka*, parallel to Kapaka Street) following the mild contours of the land, discharging to both the Kapaka Street and the Hanalei Valley sides of the project site. Kapaka Street has storm drains at various points, including one at the southern end of the project site. The County of Kauai maintains an easement in that location for drainage purposes.

The project site is rated Flood Zone X. Zone X is a Special Flood Hazard Area determined to be outside the 500-year floodplain. Flood insurance purchases are not required. The nearest floodplain is within Hanalei Valley.

Potential Impacts and Mitigation

The Proposed Project

Topography. The dwelling and surrounding landscaping will be designed to conform to the existing contours of the project site and not materially alter the existing topography. The only permanent alteration of the site's contours will be for the pier and post foundation of the dwelling itself, for the pool and for the two-foot high planting berm along portions of Kapaka Street. Excavation will also be undertaken to install the rainwater leach bed and the drip-line drainage system for disbursement of excess rainfall and for the below-ground, self-contained septic system. However, after introduction of those systems, the site's surface will be returned to its original contours. The Landscape Plan will not require any material modification of the existing terrain or excavation, other than the planting berm.

Soils and Geology. The proposed dwelling will not change the soils of the project site or the surrounding areas.

Rainfall, Drainage and Natural Hazards. The existing contours of the site will be maintained. Therefore, rainfall will generally be absorbed on the site and storm water in extreme conditions will flow in a northwest to southeast direction discharging to Kapaka Street (and the County of Kauai storm drain in that area) and the Hanalei Valley, as under the existing circumstances. The dwelling will be designed so that storm water collected from the roof will be captured in a leach bed system and any excess will be dispersed through a drip-line dispersal system within the site (*see* Exhibit 6 – Rainwater Leach Bed and Drip-Line Dispersal System).

The proposed project will not increase the risk of natural hazards (i.e., landslides) due to the limited alteration of site drainage and location of the dwelling on the level portion of the proposed site a substantial distance (approximately 60 to 80 feet) from the *pali*.

No Action

The No Action Alternative would not change the existing topography, soils, drainage or natural hazards of the project site.

3.2 Water Resources

Existing Condition

The project site contain no surface water bodies or wetlands. A botanical survey of the site found no evidence of wetland vegetation.

The surface water bodies nearest to the project site are Hanalei River, which meanders along the valley floor, and the river's adjacent wetlands. The river is designated a National Heritage River. The Hawaii Stream Assessment (1990) evaluated Hanalei River as having outstanding aquatic natural resources. The valley wetlands are used to cultivate taro and provide habitat for endangered water birds. The nearest coastline, Hanalei Bay, is approximately two miles distant.

Princeville Utilities operates a potable water system that delivers water to Princeville and the dwellings and businesses along Kapaka Street. A portion of Princeville's potable water is sourced from a water well on Lot 27 far south of the proposed site.

Potential Impacts and Mitigation

Proposed Project

The proposed project will no significant direct or indirect impacts on the Hanalei River, the adjacent valley wetlands or the coastal waters (including Hanalei Bay).

Princeville Utilities has confirmed current potable water capacity for the proposed dwelling. The proposed wastewater septic system will produce water suitable for agricultural uses.

No Action

The No Action Alternative would not impact the Hanalei River, the Hanalei Valley wetlands or the coastal waters because this alternative would propose no construction.

3.3 Flora

Existing Condition

The proposed site is abandoned pasture, primarily covered in grasses. Invasive shrubs and trees are growing thickly on the borders and slopes about the proposed site and are starting to colonize the remainder of the site and neighboring areas. Cutting along the *pali* and mowing activity in the project site interior (pursuant to SPA: KA-13-30, January 31, 2013) has temporarily controlled the growth and spread of the invasive vegetation.

Kapaka Street Border. The Kapaka Street boundary of the project site is covered in thick, shoulder-high grasses, primarily Buffalo Grass (*buchloe dactyloides*), and shrubs such as Guava (*pisidium guajava*) and Java Plum (*syzygium cumini*).

Hanalei Rim Border. The Hanalei Valley rim boundary of the project site is dominated by Strawberry Guava, (*psidium cattleianum*), Java Plum (*syzygium cumini*) and Cat's Claw (*Caesalpinia decapetala*). There are remnant native ferns in small, scattered patches and some Lau Hala (*Pandanus odoratissimus*) specimens below the valley rim.

Interior of the Project Site. The interior of the project site is covered in grass (80% Buffalo Grass (*buchloe dactyloides*), 10% Wedelia (*shagneticola trilobata*), 5% Sleeping Grass (*mimosa pudica*) and 5% Kikuyu Grass (*pennisetum clandestinum*)), with the exception of several small shrubs growing intermittently in the field (e.g., Guava (*pisidium guajava*), Haole Koa (*leucaena leucocephala*), and Java Plum (*syzygium cumini*)). There are no native species in this interior area.

Potential Impacts and Mitigation

Proposed Project

The proposed project's Landscape Plan would significantly and positively impact the project site flora. The plan proposes to remove invasive plant species covering the site and replace them with native species, except for fruit trees planted in the orchard area of the site interior (as detailed in section 2.1 and shown in Exhibit 1).

No Action

The property remains degraded pasture dominated by invasive grasses, shrubs and trees that will continue to slowly spread throughout the project site and down the slope of Hanalei Valley.

3.4 Fauna

Existing Condition

The project site is a grassy field with limited harborage or forage. Field observation indicates that several species may use the area. The following species were observed: Common Myna Bird (*acridotheres tristis*); Chestnut Munia (*lonchura atricapilla*); Cattle Egret (*bubulcus ibis*); and Zebra Dove (*geopelia striata*). There was also evidence that feral pigs and feral chickens transit the property.

In addition, there are native bird species assumed to seasonally/occasionally fly over the property, including Nene (*branta sandvicensis*), Golden Plover (*pluvialis fulva*) and Pueo (*asio flammeus sandwichensis*). The USFWS indicates that various seabirds including "the federally threatened Newell's shearwater (*Puffinus auricularis newellii*), endangered Hawaiian petrel (*Pterodroma sandwichensis*), and a candidate for listing, the band-rumped storm-petrel (*Oceanodroma castro*) may fly over the project area when traversing between the ocean and mountainous breeding colonies." (*see* USFWS letter, December 2013, included in Exhibit 8).

According to the USFWS, the federally endangered Hawaiian duck or Koloa (*Anas wyvilliana*) and Hawaiian hoary bat or `ope`ape`a (*Lasiurus cinereus semotus*) may be present in the vicinity (*see* USFWS letter, December 2013, included in Exhibit 8)).

While the various species may be present in the vicinity or occasionally fly over the property, no threatened or endangered species are known to exist or reside on the project site and there is no proposed or designated critical habitat located in the area.

Potential Impacts and Mitigation

Proposed Project

The proposed project will not adversely impact fauna in the area of the project site. To the contrary, the introduction of native ferns, shrubs and trees, particularly in the .75-acre area below the *pali*, will provide harborage and forage for native bird species. Currently, these native birds are not currently in the proposed site due to the absence of native foliage. Also, approximately 1.25 acres of the site will be maintained in short grass throughout the orchard area providing harborage for native birds, including the Koloa, and Nene.

The proposed project is also not anticipated to adversely impact threatened or endangered species. In response to a pre-assessment letter regarding the project distributed on November 9, 2013 (the “Pre-Assessment Letter”), the USFWS provided the following recommendations to avoid potential impacts to endangered and threatened species that may exist in the vicinity (*see* Exhibit 8):

Hawaiian Duck. In addition to utilizing lowland wetlands and estuaries, Hawaiian ducks also utilize mountain streams. Although no mountain streams or wetlands are currently found within the proposed 2-acre parcel, Hawaiian ducks may fly over the area or stop for a rest. To avoid impacts to the Hawaiian duck, the contractor should survey the area in the morning, before any ground clearing for any part of the proposed project occurs.

Hawaiian Hoary Bat. This species roosts in both exotic and native woody vegetation and, while foraging will leave young unattended in “nursery” trees and shrubs when they forage. If trees or shrubs suitable for bat roosting are cleared during the breeding season, there is a risk that young bats could inadvertently be harmed or killed. To minimize impacts to the endangered Hawaiian hoary bat, woody plants greater than 15 feet (4.6 meters) tall should not be disturbed, removed, or trimmed during the bat birthing and pup rearing season (June 1 through September 15). Site clearing should be timed to avoid disturbance to Hawaiian hoary bats in the project area.

Seabirds. This group including the Newell’s shearwater, Hawaiian petrel, and band-rumped storm petrel, fly at night and are attracted to artificially lighted areas resulting in disorientation and subsequent fallout due to exhaustion. Seabirds are also susceptible to collision with objects that protrude above the vegetation layer, such as utility lines, guy-wires, and communication towers. Additionally, once grounded, they are vulnerable to predators and are often struck by vehicles along roadways. To reduce potential impacts to seabirds, the following minimization measures are recommended:

- Construction activities should only occur during daylight hours. Any increase in the use of nighttime lighting, particularly during peak fallout period (September 15 through December 15), could result in additional seabird injury or mortality.
- If housing development lights cannot be eliminated due to safety or security concerns, then they should be positioned low to the ground, be motion-triggered, and be shielded and/or full cut-off. Effective light shields should be completely opaque, sufficiently large and positioned so that the bulb is only visible from below. Landscaping will be utilized to further minimize impacts.

The proposed project will follow all USFWS recommendations described immediately above.

No Action Alternative

Under the No Action Alternative, the project site would remain degraded pasture with limited harborage and forage for native species.

3.5 Air Quality and Noise

Existing Condition

KI is not aware of any air quality issues concerning the proposed site. Additionally, there are no industrial sources of noise near the project site, other than periodic construction activity.

Potential Impacts and Mitigation

Proposed Project

During construction, noise at the proposed site will be the typical levels associated with construction of a single-family dwelling and related improvements and KI will comply with all applicable legal and regulatory requirements related to noise levels. Once the dwelling is completed, noise emissions will be minimal and impacts to neighboring properties will not be significant. Once constructed, the types of noise that will be generated at the dwelling would include cars moving in and out of the site and the operation of landscaping maintenance equipment, such as lawnmowers, blowers, etc. Use of such equipment is common within the project neighborhood.

During construction of the proposed dwelling, BMPs will be used to minimize any dust or similar air borne material and KI will comply with all applicable legal and regulatory requirements related to air pollution control and fugitive dust emissions. Once the proposed dwelling is completed, the dwelling and vehicles entering and exiting the dwelling will have no significant impact on pollutant air emissions.

No Action

The No Action Alternative would not change existing noise levels or pollutant air emissions.

3.6 Utilities and Roads

Existing Condition

There is no sewer service along Kapaka Street. KI understands that all residences and businesses along Kapaka Street use septic systems. State Health Department regulations require that a septic system may not be located within 1,000 feet of a public potable water well.

Potable water for residences along Kapaka Street and in the larger Princeville community is provided by Princeville Utilities, a privately owned but regulated utility providing potable water to the Princeville area. The Kauai County Department of Water does not provide potable water to the Princeville area.

Kauai Island Utility Cooperative (“KIUC”) provides electric power service along Kapaka Street.

Kapaka Street is a public road owned by the County of Kauai. It was re-surfaced in 2012.

Potential Impacts and Mitigation

Proposed Project

The proposed dwelling does not materially impact utilities and roads.

As with all other residences and businesses along Kapaka Street, domestic waste water from the proposed dwelling would be processed by a septic system, in this case by a below-ground, self-contained, system. The system would be in compliance with State Department of Health and County requirements. There are no existing public wells within 1,000 feet of the proposed site. Princeville Utilities' well, located on the southern end of Lot 27, is situated substantially more than 1,000 feet from the project site area. Accordingly, a traditional, in-ground, leach bed septic system would be in compliance with State Health Department regulations.

Princeville Utilities has confirmed availability of potable water service to the residence. As part of the building permit process, KI will execute a "Waiver and Release Agreement" with the Kauai County Department of Water agreeing that water service is not available from the Department of Water (see Kauai County Department of Water letter, December 19, 2013, included in Exhibit 8).

KIUC has approved plans for electrical service to the proposed dwelling.

The addition of the residence should have no material impact on wear of or traffic on Kapaka Street. The State Department of Transportation ("DOT") concluded that "DOT does not anticipate any significant adverse impacts to the State Transportation facilities." (*see* DOT letter, November 2013, included in Exhibit 8).

No Action

The No Action Alternative would not change the existing use of utilities and roads.

Section 4 Social Environmental Setting, Impacts and Proposed Mitigation

4.1 Population Characteristics

Existing Condition

The town of Princeville was developed starting in the late 1960's. It includes two major hotels (the St. Regis Princeville and the Westin), over 1,500 time-share and condominium properties, and over 700 single-family residences. Princeville's population in 2010 was 2,158. Princeville includes a commercial area, the 74,000 square foot Princeville Center, which includes a 24,666 square foot Foodland supermarket, an ACE Hardware store and numerous other small businesses and restaurants.

Hanalei is a much older community. The community had approximately 300 residences in 2010. The area often referred to as Hanalei Town supports a small commercial district with shops, restaurants and other businesses. The remainder of the Hanalei Valley is very rural and scenic and includes a National Wildlife Refuge, some residences and taro farms.

The County of Kaua'i General Plan projects a resident population ranging from between 65,300 to 82,800 for the year 2020 based on data from the 1990s (section 1.6.2.2 County of Kaua'i General Plan). The U.S.

Census Bureau for 2010 estimates the population for 2020 to be 75,640 residents, which is slightly more than the maximum projection from 1997 (Table 2-1).

Table 2-1: Resident Population Projection

Year	Resident Population Projection for Kaua'i County
2010	67,226
2015	71,380
2020	75,640
2025	80,000
2030	84,380
2035	88,730
2040	93,020

Reference: U.S. Census Bureau, 2010

Potential Impacts and Mitigation

Proposed Project

The addition of a single-family residence in Princeville will have no material impact on population metrics of the area.

No Action

The No Action Alternative does not impact population metrics.

4.2 Traffic Conditions

Existing Condition

Lot 27 and the project site are located on Kapaka Street, a County-owned, paved road. Kapaka Street has numerous dwellings and other structures, including 45 dwellings in the Princeville Agricultural Subdivision, located along it. This street was resurfaced in 2012.

The nearest significant intersection to the project site is the corner of Kapaka Street and Kuhio Highway. All residences and business along Kapaka Street access the highway from the south side of this intersection. The Church of the Pacific, Princeville Ranch Adventures Center, and the Prince Golf Course's service facilities access Kuhio Highway from the north side of this intersection. The State Department of Transportation has awarded a contract for construction of left turn lanes from Kuhio Highway north and south at the intersection and construction of these improvements began March 12, 2014. KI has indicated willingness to contribute land it owns at the north-west corner of Kapaka Street and Kuhio Highway, if such land would be needed in constructing the left turn lanes.

Potential Impacts and Mitigation

Proposed Project

The introduction of one single family dwelling to the community will have no significant impact on existing traffic conditions on Kapaka Street or the Kapaka Street/Kuhio Highway intersection. The incremental use associated with the proposed single-family dwelling is not consequential. The State DOT has concluded that “DOT does not anticipate any significant adverse impacts to the State transportation facilities”. (*see* State DOT letter, November 2013, included in Exhibit 8).

No Action

The No Action Alternative will not alter existing use of Kapaka Street or Kapaka Street/Kuhio Highway intersection.

4.3 Historic and Cultural Properties

Existing Condition

Lot 27 includes the Po’oku Heiau (State Historic Preservation Division Site # 50-30-03-139), an important Hawaiian historic/cultural site located on the summit of a hill overlooking the Hanalei Valley. On July 24, 2012, the State Historic Preservation Division (“SHPD”) accepted KI’s Final Archaeological Inventory Survey (“AIS”) covering much of the lot, including the area of the Po’oku Heiau. On May 14, 2013, the SHPD accepted KI’s Final Preservation Plan for the *heiau*.

The AIS noted –

[T]he precise location and size of Po’oku Heiau on the summit of the *pu’u* overlooking the Hanalei Valley is particularly subjective. This subjectivity results from the general absence of structural elements remaining on the site and the general understanding that the *heiau* was unenclosed. Accordingly, prior determinations of the size and location of the *heiau* have been quite variable.

To eliminate any uncertainty and minimize future controversy, the AIS and Final Preservation Plan (i) set the entire 1.8 acre summit of the hill overlooking the Hanalei Valley (including various *heiau* locations identified by prior research) as the site boundary for the *heiau* and (ii) defined the surrounding five acres of the hill as a buffer zone (the entire 7-acre area being referred to as the “Heiau Preserve”). In addition to the seven acres approved as part of the AIS and Preservation Plan, KI intends to make an additional approximately 5.8 acres on the preserve’s west and south sides part of the Heiau Preserve, resulting in a total protected area of almost 13 acres. The proposed project site sits more than 1,300 feet south of the perimeter of this 13 acre preserve area.

KI intends to transfer title to the Heiau Preserve to a non-profit corporation (Ka Pua Hinalo O Po’oku) created to hold and administer the preserve. The board of the non-profit is comprised of community members who will act as curators of this important historic property. IRS Form 1023 (the procedural filing for qualification as a 501(c)(3) entity) has been filed and transfer of title to the preserve property is anticipated in the near future.

The buffer zone, along with other measures in the Final Preservation Plan, safeguards the *heiau* from future adverse activities in the surrounding area. In setting the buffer zone, the AIS and Final Preservation Plan expressly considered that five farm dwellings could be developed in Agriculture-zoned land immediately north and south the Heiau Preserve (*see* Figure 10 – which is Figure 4 from the AIS and Figure 21 from the

Final Preservation Plan) and that a single-family dwelling in the Conservation District (as proposed herein) could be developed in the area further south of the farm dwellings.

The AIS also included a pedestrian survey of the two-acre bluff that is the project site. The AIS *found no evidence of historic properties or structures* in the project site.

Potential Impacts and Mitigation

Proposed Project

There should be no significant impact on historic or cultural sites. As mentioned, the AIS identified no historic properties or structures on the project site.

With respect to Po'oku Heiau, the potential for construction of single-family dwellings neighboring the 7-acre Heiau Preserve, including the proposed dwelling in the Conservation District, was explicitly described in the AIS and Final Preservation Plan. The proposed site is well outside the preserve, more than 1,300 feet south of the preserve (note, the Kuhio Highway is approximately 700 feet north of the preserve). The proposed site is further from the preserve than the possible farm dwellings that will be located on Agriculture-zoned land bordering the preserve, which farm dwellings were also described in the AIS and Final Preservation Plan (*see* Figure 10 and Figure 11).

The buffer zone around the *heiau* area, along with other measures included in the Final Preservation Plan, safeguards the historic preserve from subsequent uses of Lot 27, including construction activities such as the construction of home sites north and south of the Heiau Preserve.

No Action

The No Action Alternative would not impact historic properties.

4.4 Visual and Aesthetic Resources: Impact on the Kapaka Street Neighborhood

Existing Condition

Kapaka Street begins at the Kuhio Highway and runs south approximately two miles until it terminates at the unpaved Powerline Trail. Lot 27 is the sole lot of record on the west side of Kapaka Street. There are no dwellings on Lot 27 at present. However, there have been or are several commercial structures on this lot including--

- (i) Princeville Utilities' waterworks control and pumping station;
- (ii) a 60 foot AT&T cell tower (in the Conservation District, previously removed at the direction of KI);
- (iii) three sets of KIUC power lines crossing the property;
- (iv) a 5,000 square foot warehouse (in the Conservation District, to be removed by KI in the near future);
- (v) a 4,000 square foot greenhouse (collapsed by Hurricane Iniki and not rebuilt); and
- (vi) three 4,000 square foot plant shade houses (previously removed at the direction of KI).

Extensive residential and commercial development on the east side of Kapaka Street (across Kapaka Street from Lot 27) has also occurred. This development includes--

- (i) over 40 farm dwellings in the Princeville Agricultural Subdivision; many of these dwellings are large and readily visible from the street and Lot 27 (*see* Figure 6 and Exhibit 5);
- (ii) the Princeville Utilities water tank; and
- (iii) the Princeville Ranch Kids Adventure Center.

Potentially, five farm dwellings may be constructed on the portion of Lot 27 zoned Agriculture under County land use laws. There are also numerous additional residences which may be constructed on the east side of Kapaka Street in the Princeville Agricultural Subdivision, next to Lot 27.¹¹

Analysis/Mitigation

Proposed Project

The proposed project will have no significant impact on Kapaka Street neighborhood. Lot 27 includes 146 acres in the Conservation District in which one home is proposed. No further dwellings are permissible in the Conservation District under current law. Accordingly, there will be no further residential development in the two miles of Lot 27 along the Hanalei Valley rim, south of the proposed site and this area will remain open space. North of the proposed site, the nearest possible Lot 27 home site along the rim is approximately 900 feet away from the project site (on Agricultural-zoned land).

The proposed dwelling is only one story with a maximum height of 19 feet 8 inches and a primary ridgeline of 18 feet 6 inches. Also, the home will be oriented perpendicular to Kapaka Street, across the project site, with its eastern-most corner set more than 40 feet from the Kapaka Street right of way (and more than 50 feet from the street itself). As a result, the dwelling will not be a large imposing structure looming over the street. Given the landscaping along Kapaka Street and around the residence and the roofing and exterior materials used, the proposed residence will blend into its surroundings and will be largely obscured to passing vehicle and pedestrian traffic on Kapaka Street (*see* Exhibit 4).

Moreover, even if the residence were not obscured in the manner described, the project would have no significant impact on the condition of the Kapaka Street neighborhood. Kapaka Street is not a pristine, natural preserve; it is a developed residential and commercial area. Although homes along the street are high quality residences, many are large, colorful, conspicuous and have made no effort to conform to the natural environment or be scenically “discrete” (*see* Exhibit 5 and Figure 6). As a result, the proposed single-family dwelling will have no material impact on the overall visual appearance of the Kapaka Street area in terms of its existing “natural” condition.

With respect to natural foliage, the west side of Kapaka Street has been largely overtaken by invasive vegetation. Accordingly, eliminating invasive plants and replacing them with native flora along Kapaka Street and around the proposed dwelling will improve the natural condition of the Kapaka Street neighborhood.

No Action

¹¹In addition to residential and commercial development along Kapaka Street, there has been substantial additional development along the Hanalei Valley rim closer to Hanalei Bay (north of Lot 27). This development includes numerous dwellings along Hanalei Plantation Road, particularly in the Hanalei Garden Farms development (which includes 22 home sites). Furthermore, more than 30 dwellings and a new hotel are proposed to be constructed at the northernmost end of the Hanalei Valley rim overlooking Hanalei Bay (on the former Club Med site).

The No Action Alternative would not change the existing state of the area. Invasive vegetation would continue to populate and spread in and around the proposed site.

4.5 Visual and Aesthetic Resources: Impact on Immediately Adjacent Parcels

Existing Condition

There are two undeveloped CPR units immediately across Kapaka Street from the proposed site.¹² These units currently look across the street and the proposed site to views of the mountain range on the west side of the Hanalei Valley. KI has cut invasive trees along the *pali* and mowed the weeds and grasses growing in the field pursuant to the Site Plan Approval KA-13-30 (January 31, 2013), improving views from these adjacent CPR units.

Analysis/ Mitigation

Proposed Project

The proposed dwelling would be visible from the two CPR units immediately across the street, although it would be obscured by surrounding foliage. It could possibly impact some portion of the two neighboring CPR units' views of the mountains on the west side of the Hanalei Valley, even though the proposed dwelling would be only one story and would be oriented perpendicular to Kapaka Street (running from Kapaka Street towards the Hanalei Valley, rather than parallel to Kapaka Street which would place more of the home in the neighbors' view). The degree of impact depends upon the location of the two neighbors' as yet un-built homes. Visual impacts would also depend upon the continued clearing of the project site and control of invasive vegetation along Kapaka Street and the *pali*. Normal growth of invasive trees on the proposed site (generally strawberry guava, hau, java plums and eucalyptus), if left unchecked by the applicant, would likely create an equal or greater barrier to visibility of the mountain range across the Hanalei Valley, as is the case with large stretches of Kapaka Street's west side.

No Action

As noted above, normal growth of invasive trees on the proposed site, if left unchecked by the applicant, would likely create a significant barrier to visibility of the mountain range across the Hanalei Valley from these neighboring CPR units,.

4.6 Visual and Aesthetic Resources: Impact on Views from Farms and Roadways on the Hanalei Valley Floor

Existing Condition

¹² These CPR units are owned by Mr. Timothy Reed and Ms. Bethany Hamilton who acquired their properties in October 2013 and in January 2013, respectively. Mr. Reed submitted a letter in response to the Pre-Assessment Letter distributed on November 9, 2013, which is included in Exhibit 8. Two other letters were received (from Dr. and Mrs. Ogawa and Mr. and Mrs. Brewer) stating that the proposed dwelling would be "directly across the street" from their homes. The Ogawa and the Brewer residences are a considerable way south of the proposed dwelling along Kapaka Street and are more than 600 feet and 900 feet, respectively, from the proposed dwelling (see Figure 12). Given these distances and angles, the proposed project will not materially restrict the views from either residence (even without consideration of the potential development by Ms. Hamilton of her CPR unit).

There are several taro farms on the Hanalei Valley floor. The Kuhio Highway runs east-west across the valley floor from Princeville to Hanalei. Ohiki Road runs south from the highway up the valley, providing access to the taro farms and USFWS property in the valley.

Analysis/Mitigation

Proposed Project

Given the location of the project site along the Hanalei Valley rim, there are only three or four farmhouses at the southern end of the valley floor which could potentially see the proposed dwelling. By limiting the dwelling to one story (with a maximum height of 19 feet 8 inches and an 18 foot 6 inch primary ridgeline) and by setting back the structure 60 to 80 feet from the *pali*, the dwelling's visibility from these farms and from the roads on the valley floor is mitigated.

In addition, even if a portion of the dwelling or its roof could be observed from valley farms or roadways, the dwelling's impact is further mitigated by using (i) green slate (or artificial slate) roofing material, (ii) Hawaiian rock and brown coloring on the walls and (iii) foliage around the dwelling which breaks the dwelling's roof and soffit lines. These mitigating measures prevent any visible portion of the structure from standing out from its natural surroundings.

The mitigating effect of these design features is demonstrated by Figures 16A, 16B, 17A and 17B which are photographs of the proposed site from the USFWS station and the Hanalei (one-lane) Bridge on the valley floor (Figure 15 is an aerial photo of the valley showing the locations where the photographs were taken). Each photograph has a rendering of the proposed dwelling superimposed on the site. The photographs depict how the proposed dwelling would appear to the naked eye from these points on the valley floor. The difference between Figures 16A and 16B and between Figures 17A and 17B is that 16A and 17A do not include landscaping on the west (valley) side of the dwelling, whereas 16 B and 17B include the trees (e.g., Kou) to be planted pursuant to the Landscape Plan. This comparison illustrates the incremental impact of the Landscape Plan in further blending the proposed dwelling into its surroundings.

For purposes of comparison, there has been substantial development along the Hanalei Valley rim closer to Hanalei Bay (north of Lot 27), some of which has not used the mitigating design features of the proposed dwelling (or other mitigation measures). As noted above, this development includes numerous dwellings along Hanalei Plantation Road, particularly in the Hanalei Garden Farms development which includes 22 home sites. Several of these dwellings are readily visible from the Hanalei Valley floor and Hanalei Town (see Figure 12). There is further development planned at the northernmost end of the Hanalei Valley rim overlooking Hanalei Bay including more than 30 dwellings and a new hotel proposed to be constructed on the former Club Med site.

At night, it is possible the proposed dwelling's lights could be seen from parts of the Hanalei Valley floor (note, hundreds of lights in Hanalei are visible from the eastern valley rim). This impact would be mitigated by compliance with down lighting requirements for all exterior lights and the Landscape Plan's use of foliage (e.g., Kou Trees) interspersed between the proposed dwelling and the *pali*.

No Action

The No Action Alternative would not change the appearance of the project site.

4.7 Visual and Aesthetic Resources: Impact on Hanalei Town

Existing Condition

Certain portions of the Hanalei Valley’s eastern rim are visible from Hanalei Town.

Analysis/Mitigation

Preferred Alternative

A spur of the mountains on the west side of the Hanalei Valley extends sufficiently far north into the valley to block views of the proposed site from Hanalei Town (this mountain spur runs from Hihimanu, to Puu Ki to Kuakaopua and on northwards). Figure 18 is a photograph taken from the eastern end of Hanalei Town (the Hanalei Dolphin Restaurant) which shows the mountain ridge blocking visibility of the proposed site (the coconut palms appearing above the ridge line in the photo are located on the lot immediately north and across the street from the proposed site and can be located in Figures 16 and 17). See also Figure 15, an aerial view of the Hanalei Valley, which shows the sight-line between the proposed site and Hanalei Town running through the mountain spur.

No Action

The No Action Alternative would not change the appearance of the project site.

Section 5.0 Cumulative Impacts

Cumulative impacts are two or more individual effect’s which, when considered together, compound or increase the overall impact. The cumulative impacts of implementing the proposed project along with past and reasonably foreseeable future projects on Lot 27 are assessed based upon current available information.

There are no construction projects planned for the Conservation District portion of Lot 27, other than the proposed project. Accordingly, there are no cumulative impacts in the Conservation District to be considered.

Over time, there might be up to a maximum of five single-family dwellings (“farm dwellings”) built on the Agriculture-zoned portion of Lot 27. The sites for these possible dwellings are shown in Figure 11. However, the proposed project does not result in a commitment to develop these farm dwellings. The development of the five farm dwellings is independent of the proposed project and will not be under the control of KI.¹³ Furthermore, as discussed below, KI believes that even if one or more of these farm dwellings were constructed, the incremental impact of the proposed project would not be altered and would continue to be insignificant.

Sections 3 and 4 of this document described the incremental impact of the proposed project. KI does not believe there are interactive or compounding effects between the proposed project and the other possible development on the lot; that is, the proposed project’s use of resources, its impact on neighbors and its visibility from the Hanalei Valley are not changed by the construction of other dwellings on Lot 27. As

¹³ Three of the sites for possible farm dwellings have been sold to unrelated third parties, one unit is subject to an accepted verbal offer for sale and the remaining unit will be offered for sale in the near future. Accordingly, the decision of whether, what and when to build in the Agriculture-zoned portion of Lot 27 will not be under the control of KI.

such, the presence or absence of the additional farm dwellings on Agriculture-zoned land should not alter the analysis of the proposed project.¹⁴

Section 6.0 Consistency with Governmental Plans, Policies and Controls

This section summarizes the relationship of governmental plans and policies to the proposed project.

6.1 Hawaii State Planning Act

The Hawai‘i State Planning Act, HRS Chapter 226 (the “State Plan”), was developed as a guideline for the future growth of the State of Hawai‘i. The State Plan identifies goals, objectives, policies, and priorities for the development and growth of the State. It provides a basis for prioritizing and allocating limited resources such as public funds, services, human resources, land, energy, and water.

The State Plan establishes a system for the formulation and program coordination of State and County plans, policies, programs, projects, and regulatory activities. The State Plan also facilitates the integration of all major State and County activities.

The proposed project is consistent with the following objectives and policies of the State Plan:

HRS §226-13 Objectives and policies for the physical environment – land, air, and water quality.

(b) To achieve the land, air, and water quality objectives, it shall be the policy of this State to:

(7) Encourage urban developments in close proximity to existing services and facilities.

The County of Kauai General Plan (2000) recognizes the Princeville community as “the only North Shore community that provides the full range of urban-level services, including wastewater treatment.”¹⁵ The proposed project would be developed within close proximity to urban services of the Princeville area, including potable water and electric service, and would therefore be consistent with the policy of encouraging urban development within the meaning of HRS 226-13(b)(7).¹⁶

¹⁴ The aggregate impact of all potential development on Lot 27, including five farm dwellings on Agriculture-zoned land and the proposed project in the Conservation District (with adherence to mitigation recommendations described herein), would also be minimal. From the perspective of residential density, if the maximum of six single-family dwellings were built on the 174 acres of Lot 27, it would equal a maximum density of one single-family dwelling per 29 acres. This compares to the existing density in the neighboring Princeville Agricultural Subdivision of one single-family dwelling per 8 acres. Moreover, if the aggregate impacts of development on Lot 27 were considered, any such analysis should also include the significant beneficial uses and impacts of Lot 27 (other than the proposed site). Such uses and impacts include (i) creation of an almost 13-acre Heiau Preserve, (ii) removal of the AT&T cell tower, (iii) pending removal of the 5,000 square foot nursery warehouse, (iv) removal of invasive species over several acres, (v) clean-up of construction, nursery and Hurricane Iniki debris, (vi) relocation of the nursery access road away from the Conservation District, (vii) planting between 3,000 and 4,000 saplings (largely native hardwoods) in a 10+ acre area and (viii) pending preservation of all Conservation District land (108 acres) south of the proposed site.

¹⁵ Section 6.1.4.3, *Kauai General Plan*.

¹⁶ The proposed project is outside of the Princeville Utilities sewerage service area; as such, the project would use an below-ground, self-contained waste processing system (or such other system as directed by the State Department of Health, such as an above-ground anaerobic or leach bed septic system; these systems are summarized in Exhibit 7). Any such system will comply with applicable State Department of Health requirements for individual wastewater systems.

6.2 Hawaii State Land Use Law

HRS Chapter 205 articulates the Hawaii State Land Use Law. This law is intended to preserve, protect, and encourage the development of lands in the State of Hawai‘i for uses that are best suited to the public health and welfare of its people, and classifies all land into four districts: Urban, Conservation, Agriculture, and Rural. The Conservation district has five subzones: Protective, Limited, Resource, General and Special. These subzones define a set of identified land uses which may be allowed by a discretionary permit. The proposed project is situated in the Resource subzone of the Conservation District.

Hawai‘i Administrative Rules, Title 13, Department of Land and Natural Resources, Subtitle 1 Administration, Chapter 5, Conservation District, Subchapter 2, Subzones states in relevant part:

§13-5-13 Resource (R) subzone.

- (a) *The objective of this subzone is to ensure, with proper management, the sustainable use of the natural resources of those areas.*
- (b) *The (R) subzone shall encompass:*
 - (1) *Lands necessary for providing future parkland and lands presently used for national, state, county, or private parks;*
 - (2) *Lands suitable for growing and harvesting of commercial or other forest products;*
 - (3) *Lands suitable for outdoor recreational uses such as hunting, fishing, hiking, camping, and picnicking;*
 - (4) *Offshore islands of the State of Hawai‘i, unless placed in a (P) or (L) subzone;*
 - (5) *Lands and state marine waters seaward of the upper reaches of the wash of the waves, usually evidenced by the edge or vegetation or by the debris left by the wash of waves on shore to the extent of the State’s jurisdiction, unless placed in a (P) or (L) subzone.*
- (c) *Identified land uses in the resource (R) subzone are restricted to those listed in section 13-5-24.*

§13-5-24 Identified land uses in the resource subzone.

-
- (c) *Identified land uses in the resource subzone and their required permits (if applicable), are listed below:*
 -
 - R-7 SINGLE FAMILY RESIDENCE**
 - (D)-1 A single family residence that conforms to design standards as outlined in this chapter.*

Analysis. The construction of one single-family dwelling, conforming with the applicable design standards referenced in HAR §13-5-41, in the 146-acre Conservation District portion of Lot 27 is a reasonable and beneficial use of the project site, consistent with the objectives of the Conservation District and the Resource subzone.

- A) The development of a single dwelling in the Conservation District portion of Lot 27 is consistent with the development in the surrounding neighborhood (see the detailed discussion in section 4.4 of this document).
- B) The Landscape Plan significantly improves the condition of the proposed site by promoting the long-term sustainability of native flora on the site, as well as, harborage and forage for native bird species.

Currently, the proposed site is degraded pasture dominated by invasive species which are spreading throughout the site and adjacent Conservation District land. The proposed project’s Landscape

Plan would completely remove invasive plants and trees covering both the two acres of the site and more than .75 acres along the Hanalei Valley rim, below the *pali*. The invasives would be replaced with native species (including large hardwoods such as ohia lehua, koa, milo, kamani and nawiliwili, below the *pali*), except for fruit trees planted in a portion of the site interior (as detailed in the section 2.1 of this document and shown in Exhibit 1).

The introduction of native ferns, shrubs and trees, particularly in the .75-acre area below the *pali*, will provide harborage and forage for native bird species. These native birds are not currently found in the proposed site due to the absence of native foliage. Also, the 1.25 acre fruit and native tree orchard area will be maintained in short grass providing additional harborage for native birds, including the Koloa, and Nene.

If the proposed project is not undertaken, the proposed site remains degraded pasture dominated by invasive grasses, shrubs and trees. These invasives will continue to slowly spread throughout the project site, over the *pali* and down the slope of Hanalei Valley.

- C) After development of the proposed site, no further dwellings are permissible in the Conservation District. Accordingly, the remaining ~2 continuous miles of Lot 27 running south of the proposed site, including 108 acres in the Conservation District, will remain open, consistent with the Conservation District's overall goal of conservation and preservation.

KI's long-term plans for the remaining Conservation District acreage in Lot 27 includes various remedial efforts, such as preservation of specified areas for (i) hiking, trail biking and hunting, (ii) planting of native foliage, (iii) recreational space and (iv) the possible development of the Hanalei Valley scenic overlook by the USFWS (see Figure 7). These improvements would be in furtherance of the specific objectives of HAR §13-5-13(b)(1) and (b)(3).

KI has already created the 13-acre Po'oku Heiau Preserve within Lot 27, including approximately five acres in the Conservation District. KI is committed to convey this preserve in fee to a newly-formed 501(c)(3) non-profit corporation to be managed by community members in an effort to preserve this important historic and cultural site. In effect, the Heiau Preserve will function akin to a park in furtherance of the objectives of HAR §13-5-13(b)(1).

Finally, KI has significantly improved the condition of Conservation District land in the former nursery area of Lot 27 by removing various large structures in the Conservation District (including the 60 foot AT&T cell tower and three 4,000 square foot shade houses), removing debris remaining from Hurricane Iniki (including the 4,000 square foot greenhouse debris), clearing up construction and nursery debris, cutting a dense wall of invasive vegetation (primarily hau, strawberry-guava and java plum) along the *pali* and planting and maintaining grasses in large open fields (formerly largely barren or covered with weeds). KI plans to remove the 5,000 square foot nursery warehouse in the near future.

- D) In sum, the proposed use is consistent with the overall goal of preservation. No long-term negative impacts to the physical or social environment are anticipated as a result of the proposed project. No significant change to the topography of the site will occur. No valuable natural or cultural resource would be adversely affected or lost. No native ecosystems are present.

6.3 County of Kauai General Plan

The County of Kauai General Plan (the “General Plan”) presents the County’s vision for Kauai and establishes strategies for achieving that vision. The strategies are expressed in terms of policies and implementing actions.

Chapter 2 of the General Plan, Vision for Kauai 2020, at section 2.1 describes various community values, including the following:

- Protection, management, and enjoyment of our open spaces, unique natural beauty, rural lifestyle, outdoor recreation and parks.
- . . .
- Balanced management of our built environment, clustering new development around existing communities and maintaining the four-story height limit.

Chapter 6 of the General Plan, Enhancing Towns & Communities and Providing for Growth, addresses, among other things, the “location and character of future residential and commercial growth” (page 6-1, Chapter 6 General Plan).

Section 6.1.4.2 Policies states in part:

(a) The North Shore shall remain primarily a rural, agricultural area, with resort use and other urban development concentrated in Princeville. The towns of Hanalei and Kilauea shall also provide for housing and other urban uses.

• . . .
(c) Princeville Mauka. The intent is to provide an urban village to consist primarily of affordable housing, with a commercial area for resident shopping and services and sites for a new elementary school and/or a middle school. A site near the airport will provide for light industrial use.

Section 6.1.4.3 Rationale for Map and Text Policies of the General Plan states in relevant part:

Princeville. The Princeville re-designation continues the longstanding strategy of concentrating North Shore development at Princeville. It is the only North Shore community that provides the full range of urban-level services, including wastewater treatment. . . . Mauka of the highway, the light industrial site will provide space for North Shore businesses and fulfill a prior condition of zoning. Princeville Corporation intends the “Mauka Village” to provide affordable housing to satisfy County and State housing requirements. . . . Unlike the makai resort/residential community, the Mauka Village will be oriented to local residents. . . . Princeville will serve the village with its privately-operated water and wastewater treatment systems.

Analysis. The proposed construction of one dwelling will not undermine the rural character of the North Shore community which the General Plan seeks to maintain. At the same time, it is consistent with the General Plan’s strategy of concentrating further North Shore development at Princeville, given Princeville is the only North Shore community providing a full range of urban-level services. The proposed project’s specific location places it in a largely-residential community along Kapaka Street. Therefore, the proposed project is consistent with the community value of clustering new development around existing communities described in Chapter 2 of the General Plan, Vision for Kauai 2020.

Chapter 3 of the General Plan, Caring for the Land, Water and Culture, sets policies relating to “Heritage Resources” including resources connected to “the visual experience of the environment” (section 3.1, General Plan).

Section 3.1.1 Heritage Resources Map describes “Heritage Resource Maps” appended to the General Plan which “document important natural, scenic and historic features” of the island. The Heritage Resources Map for the North Shore of Kauai (*see* Figure 13) identifies scenic roadway corridors along Kuhio Highway.

Section 3.2.1 Policy provides in part:

(a) In developing public facilities and in administering land use regulations, the County shall seek to preserve scenic resources and public views. Public views are those from a public place, such as a park, highway or along the shoreline.

(b) The County shall observe the following general principles in maintaining scenic resources:

- (1) Preserve public views that exhibit a high degree of intactness or vividness.
 - “Intactness” refers to both the integrity of visual patterns and to the extent to which the landscape is free from structures or other visually encroaching features.
 - “Vividness” relates to the memorability of a view, caused by contrasting landforms which create striking and distinctive patterns. (Examples are the silhouette of Mt. Ha’upu against the horizon, views of Nonou Mountain from the valley and the coast, and the view of Hanalei Valley from the overlook.)
- (2) Preserve the scenic qualities of mountains, hills and other elevated landforms, qualities such as the silhouette against the horizon and the mass and shape of the landform.
- (3)...Structures should not impede or intrude upon public views of the feature and should not alter the character of the immediate area around the land feature...

Section 3.2.2 Rationale provides in part:

As discussed herein, the intent is to preserve public views – i.e., views seen from a park, the beach, a road or some other public place. The term does not include private views – i.e., views from one’s residence or other private property. (emphasis in original).

As an example, consider a hill which is an important landmark for residents in the surrounding community...If a person purchased the land and built a house high up on that hill, he would have a dominating view. But the owner’s private view would be achieved at the expense of many other residents’ and visitors’ enjoyment and appreciation of the landscape. Of course, the owner should be able to build a house on property her purchased for that purpose. But he should not be allowed to site his house so that it interferes with an important local landmark. Instead, the County should provide clearly-stated land use regulations that require a formal view analysis and placement of structures in locations that do not have a significant impact on public views.

Analysis. The proposed project sits well outside the roadway view corridor of the Kuhio Highway identified in the Heritage Resources Map and is not visible from Kuhio Highway. Further, even if the Hanalei Valley rim were considered to be a Heritage Resources feature, as discussed in sections 4.4, 4.6 and 4.7, the project does not substantially impede or intrude upon public views of the valley rim and does not alter the character of the immediate area around the rim (*see* Figures 16A, 16B, 17A, 17B and 18). Finally, if the proposed project impacted the views of residential homeowners across Kapaka Street, such impacts would be to private views as defined under the General Plan and therefore not be within the scope of chapter 3 of the General Plan.

6.4 North Shore Development Plan Update (1980)

The North Shore Development Plan Update (1980) (the “North Shore Plan”) identifies land suitable for residential expansion as those lands which are not included in tsunami inundation and flood hazard areas; are not considered prime or productive ag lands; do not adversely affect coastal or ground water quality; do not affect important wildlife habitats; do not adversely affect scenic, historic, or recreational resources; and are serviceable by existing utilities and public services (Section I.C., Summary of Findings and Recommendations - Growth, North Shore Plan, page 4).

The North Shore Plan’s “Recommendations” (pages 43-44), state in relevant part, that:

1. Scenic views should not be adversely affected by man-made improvements.
2. Scenic views from Kuhio Highway should be protected and enhanced.

(Section IV. C.1. *Scenic/Historic*, North Shore Plan, page 44)

Section IV. C.1. *Scenic/Historic* (page 43) refers to a map of “Historic, Scenic & Recreational Resources” appended to the North Shore Plan (included herein as Figure 14). The map identifies numerous scenic view planes most of which are along Kuhio Highway and almost all of which are *makai*-facing. Those view planes which do face *mauka* are distant from the proposed site. Section IV (page 43) also references an additional list of historic and scenic features contained in the North Shore Special Planning Area Report, 1972. This report’s list of outstanding scenic features includes the “magnificent mountains in the background of the Hanalei Valley.”

Various other narrative sections of the North Shore Plan affirm that scenic views should not be adversely affected by man-made improvements, that scenic views from Kuhio Highway should be protected and enhanced, and state that residences should be constructed away from Kuhio Highway, and landscaped to minimize their visual impact.

Analysis. The proposed project will not impact any view planes specifically identified in in the North Shore Plan including views from the Kuhio Highway corridor, views identified in the “Historic, Scenic & Recreational Resources” map (appended to the North Shore Plan) and views identified in the North Shore Special Planning Area Report, 1972. Additionally, as discussed in sections 4.4, 4.6 and 4.7 of this document, the proposed project will have no significant adverse impact on views of the Hanalei Valley rim.

6.4 Kaua‘i County Code, Comprehensive Zoning Ordinance

The purpose of the County’s Comprehensive Zoning Ordinance (“CZO”) is to regulate and provide standards for land development and the construction of buildings and other structures in the County of Kaua‘i. The regulations and standards prescribed in the CZO are intended to regulate development to ensure its compatibility with the overall character of the island.

As the proposed project is located within the State’s Conservation District: *Resource Subzone*, the State, not the County, has jurisdiction and authority over approval of permits for residential uses within the district; therefore, the CZO does not address development of the proposed project.

Section 7 Permits and Approvals

The following permits are required to develop a single-family dwelling in the Conservation District portion of Lot 27:

- Conservation District Use Permit (“CDUP”) from the State DLNR Office of Conservation and Coastal Lands;
- Building Permit from the County of Kauai (“County”);
- Grubbing permit from the County for clearing the footprint area of the home;
- Grading permit from the County is required if more than 100 cubic yards of earth are moved within the project site area (which is the case given pool, foundation and rainwater leach bed system excavation). The disposal site and borrow site shall comply with Ordinance No. 808 (the County’s Sediment and Erosion Control Ordinance);
- Driveway Approach Permit from the County for a driveway connection with Kapaka Street (secured);
- County Department of Public Works (“DPW”) permit to bring electric conduit from KIUC line on east side to the west side of Kapaka Street (secured);
- County DPW permit to bring potable water from Princeville Utilities line in the County right-of-way to the proposed site; and
- County permit for any work requiring traffic management on Kapaka Street during construction of the proposed dwelling.

Section 8 Comments and Coordination

Community meetings and consultation concerning the proposed project began in 2012 and will continue through the Environmental Assessment, Conservation District Use Permit and construction periods. Two separate presentations have been made at annual meetings of the neighboring homeowners association (the Princeville Agricultural Community Association; minutes of the December 2013 meeting are included in Exhibit 8) and to individual neighbors who have expressed interest in the development of Lot 27.¹⁷ Updates will be provided to neighbors and others, as requested. Discussions have also been held with the County Planning Department representatives regarding the proposed project to inform them of the nature and scope of the project. The Planning Department had no objections to the proposed project.

Additionally, KI and its representatives discussed proposals for uses of Lot 27, including the potential for Farm Dwellings on Agriculture-zoned land and a single-family residence in the Conservation District with numerous individuals and groups island-wide in connection with the review of KI’s proposals for Po’oku Heiau. This consultation was part of the consultation process associated with the AIS and Final Preservation Plan relating to Po’oku Heiau (a draft Preservation Plan was also provided to each interviewee).

8.1 Pre-Assessment and Agency Consultation

A Pre-Assessment Letter (“Pre-Assessment Letter”) was mailed on November 9, 2013 to a total of 80 interested parties, including government agencies, utilities, neighboring landowners and neighboring business. Comments and responses were requested with a December 9, 2013 deadline. The Pre-Assessment Letter and the letters in response to it are included in Exhibit 8 to this EA.

¹⁷ Meetings/discussions regarding the development of Lot 27 with individual neighbors include Mr. Reed, Mrs. Ogawa, Ms. Winifred Proctor Ms. Bouret, Ms. Edwards, Mr. May, Mr. Bryan, Mr. Carswell, Mr. Anthony, Dr. Brownstein, Mr. Cohen and Mr. Robertson.

In response to the Pre-Assessment Letter, three letters and one petition raised the following concerns with regard to the proposed project: (i) construction of a home on the west side of Kapaka Street would upset the natural beauty of the neighborhood, (ii) the home, if constructed, could be visible from Hanalei and (iii) the home would be visible from immediately neighboring properties (*see* letters from Mr. Reed,¹⁸ Dr. and Mrs. Ogawa¹⁹ and Mr. and Mrs. Brewer and the petition initiated by Mr. Reed included in Exhibit 8).²⁰

Regarding concerns about impact upon the natural beauty of the neighborhood, this issue is discussed in detail in section 4.4 of this document. In particular, the Kapaka Street area is a developed residential area which includes a number of large, two story dwellings readily visible from Kapaka Street and Lot 27. These dwellings do not blend with or conform to the natural environment (*see* Exhibit 5).²¹ For example, Dr. and Mrs. Ogawa's two story, yellow home, while of a high quality, is readily visible from Kapaka Street beginning 600 feet south of the Ogawa property and ending 2,000 feet north of the residence (the dwelling is visible in each direction until the road bends). It does not blend in with the natural environment (*see* Exhibit 5; the Ogawa residence is the center photograph). The Blakely's two story, bright white home with blue, reflective tile roof also is of the highest quality, but is immediately apparent from Kapaka Street and does not conform to the natural environment (*see* Exhibit 5; the Blakely residence is the top right photograph).

In contrast, the proposed dwelling is designed to minimize its visual impact on the surrounding neighborhood and visibility from the street. Limiting the structure to one story, orienting the structure perpendicular to Kapaka Street, using green slate roofing, finishing the exterior walls in brown tones and Hawaiian rock, and planting native trees and shrubs along Kapaka Street and about the dwelling will help ensure the proposed dwelling neither looms over Kapaka Street nor stands out against its natural environment (*see* Exhibit 4). In addition, the use of native trees and shrubs will enhance the condition and appearance of the proposed site, which is currently dominated by invasive weeds and trees.

Regarding the proposed dwelling's visibility from Hanalei, this concern was addressed in detail in sections 4.6 and 4.7 of this document. As discussed, the dwelling would not be visible from Hanalei Town (*see* Figure 18), and to the extent it or its roof might be visible from the roads and farms in the Hanalei Valley, the choice of building materials and surrounding planting would result in it largely blending into its surrounding environment and not standing out (*see* Figures 16A, 16B, 17A and 17B). For comparison purposes, several dwellings in the Hanalei Garden Farms development are obvious when viewing the Hanalei Valley's eastern rim due to their relative proximity to the Hanalei Bay, lack of setback from the *pali* and lack of foliage along the *pali* (*see* Figure 12). Also for comparison, the Blakely residence, although distant from Hanalei, is still somewhat visible from the Kuhio Highway in the Hanalei Valley (*see* Figure 19). This is largely a result of its bright white color and blue roofing. The dwelling would be largely undetectable if the exterior finish choices were different.

¹⁸ Mr. Reed purchased a CPR unit on the east side of Kapaka Street directly across the street from the proposed site in October 2013.

¹⁹ The letters from Dr. and Mrs. Ogawa and Mr. and Mrs. Brewer also raised the issue that when residents of the Kapaka Street neighborhood purchased their properties, they were told by the developer of their Princeville Agricultural Subdivision there would be no development on the west side of the Street.

²⁰ In addition, a letter from Mr. and Mrs. Blakely did not object to the proposed project, but rather expressed concern that the proposed dwelling not jeopardize views from the Hanalei Valley.

²¹ It should be noted that Dr. and Mrs. Ogawa's two story, yellow home, while of a high quality, is readily visible from Kapaka Street beginning 600 feet south of the Ogawa property and ending 2,000 feet north of the residence (the dwelling is visible in each direction until the road bends). It does not blend in with the natural environment (*see* Exhibit 5; the Ogawa residence is the center photograph). Mr. and Mrs. Blakely's two story, bright white home with blue, reflective tile roof also is of the highest quality, but is immediately apparent from Kapaka Street and does not conform to the natural environment (*see* Exhibit 5; the Blakely residence is the top right photograph).

Regarding the proposed dwelling's visibility from neighboring parcels, this concern was addressed in section 4.5 of this document.²² As noted there, the impact on neighboring parcels is minimized by the design features of the dwelling (including limitation to a single story, use of green slate roofing, and use of Hawaiian rock and brown tone exterior finishes), the dwelling's setback from Kapaka Street, orientation perpendicular to Kapaka Street and the surrounding landscaping (*see* Exhibit 4).

Contrary to concerns raised, there have also been positive responses from neighbors regarding the proposed project (*see* e-mails from Ms. Bouret and Ms. Edwards included in Exhibit 8). These responses were not solicited by KI and KI and its principals have no prior relationship with the e-mails' authors.

Response letters were also received from the State Department of Health, the State Department of Transportation, the USFWS, DLNR Division of State Parks, Kauai Department of Water and the State Office of Environmental Quality (included in Exhibit 8). These letters provide information and guidance with respect to development of the proposed project.

8.2 Public Comments in response to Draft Environmental Assessment

The draft EA was published in OEQC's *The Environmental Notice*, July 8, 2014. The 30-day comment period concluded August 7, 2014. In addition, OCCL distributed the draft EA and related CDUA to the Princeville Public Library in Princeville, Kauai and the Princeville at Hanalei Community Association.

In response to the publication of the draft EA and OCCL's request for agency comments, DLNR's Division of State Parks, Division of Forestry and Wildlife, and Kauai District Land Office all replied with "no comments" (*see* Exhibit 9). KI sent letters to these three agencies acknowledging their comments (*see* Exhibit 9). Also, DLNR's Division of Aquatic Resources ("DAR") commented that the applicant must implement BMPs during all phases of grading, excavation and earth moving and construction activities associated with the project to assure there will be no or minimal negative impacts to the surrounding natural resources. In response thereto, KI acknowledges the comment and will follow its recommendation. No other comment letters were received.

8.3 Substantive Modifications to Draft EA

The Final EA makes two minor changes to the Landscape Plan as it was described in Exhibits 1B and 1C accompanying the draft EA.²³ The changes are consistent with the draft EA's goals of eliminating invasive species currently pervasive on the proposed site and using native or endemic species to obscure visibility of the proposed dwelling.

1. *Kapaka Street boundary trees*. The draft EA Landscape Plan includes several trees located along the Kapaka Street border of the proposed dwelling site. The Final EA modifies the plan by relocating the six northernmost trees, approximately 50 feet closer to the proposed single-family dwelling and away from Kapaka Street. These trees are being relocated based on comments received from a neighboring homeowner in response to the proposed project's Pre-Assessment Letter. This relocation is minor, but

²² Although three letters raised this concern, Mr. and Mrs. Brewer and Dr. and Mrs. Ogawa reside a substantial distance from the proposed site (their residences are more than 600 feet and 900 feet, respectively, from the proposed dwelling) (*see* Figure 12). Mr. Reed's undeveloped parcel purchased in October 2013 is immediately across Kapaka Street (It is KI's understanding that Mrs. Brewer was Mr. Reed's real estate agent in his purchase of the land).

²³ Note, Exhibit 1B in the draft EA was inadvertently mislabeled as Exhibit 1C, and should instead have been labeled Exhibit 1B: *Site Plan (including Landscape Plan)*. A correctly labeled Exhibit 1B is attached to the Final EA.

helps mitigate possible adverse impacts to neighbors' views and does not alter the proposed dwelling's visibility from Kapaka Street.

2. *Trees along the north side of the proposed dwelling.* The draft EA Landscape Plan includes trees along the north (*makai*) side of the proposed dwelling (between the dwelling and the Hanalei Valley *pali*). The Final EA moves six of those trees approximately 10 to 15 feet closer to the dwelling. The slight shifting of these trees toward the dwelling should help obscure the roof line of the dwelling.

A revised Landscape Plan reflecting the foregoing changes is attached to the Final EA as Exhibits 1B and 1C.

The Final EA also clarifies that the waste-water septic system serving the proposed project will be a below-ground, self-contained septic tank with aerobic and/or anaerobic chambers. The system will produce non-potable water suitable for agricultural uses. To be installed, the system requires a hole to be dug approximately eight feet wide, fifteen feet long and eight feet deep. The system satisfies all State Department of Health requirements. Information regarding septic systems of this type are included in Exhibit 7 attached to the Final EA. Note, the draft EA described several different potential septic systems which the applicant could install depending upon input from the OCCL. OCCL commented that the applicant should select its preferred system, which the applicant has done here. However, as noted elsewhere in this document, the applicant's preferred system could change based on recommendations from the State Department of Health during building permitting.

Finally, the Final EA attaches as Exhibit 10 a June 10, 2014 letter from the County Planning Department stating that the proposed project site is not located within the Special Management Area as defined under HRS chapter 205A.

Section 9 Findings and Impacts

This Final EA will be published in the OEQC's *The Environmental Notice*. In accordance with HRS Chapter 343, this Final EA concludes that the proposed project will not have significant adverse impacts on the environmental quality of the area. As such, the applicant respectfully requests OCCL issue a FONSI for the proposed project. Therefore, an EIS is not required.

A review of the 13 "Significance Criteria" used as a basis for the above determination is presented below.

Involves an irrevocable commitment to loss or destruction of any natural or cultural resources. The proposed project will not use or destroy any natural resources on the proposed site; in fact, natural resources will be enhanced by the removal of invasive species and restoration of native flora. With regard to cultural resources, the AIS identified no historic properties on the proposed site; further, the proposed site is located well outside the Po'oku Heiau Preserve's buffer zone. Accordingly, the proposed project would not involve an irrevocable commitment to loss or the destruction of any natural or cultural resources.

Curtails the range of beneficial uses of the environment. The proposed project will not curtail the range of beneficial uses of the environment. The project site is currently abandoned pasture populated with invasive plant species. The site represents just over 1% of the 146 acres of Conservation District land included in Lot 27, which (other than the project site) will remain undeveloped open space. Moreover, the proposed construction of one single-family home is a reasonable and beneficial use of the site, and the proposed replacement of invasive plant species with native plants and trees will serve to actually enhance and protect the environment. Further, no long-term negative environmental impacts are anticipated as a result of the proposed project.

Conflicts with the State’s long-term environmental policies or goals and guidelines as expressed in HRS Chapter 343; and any revisions thereof and amendments thereto, court decisions, or executive orders. The proposed project does not conflict with the State’s long-term environmental policies, goals, and guidelines. In fact, the removal of invasive species and restoration of native flora will enhance, conserve, and protect the natural resources of the Conservation District. The proposed project will not result in any adverse effects to the public health, safety and welfare.

Substantially affects the community. The proposed project will not substantially impact the community, and will not negatively affect the economic or social welfare of the community. As set forth in sections 3, 4 and 5 of this document, the project will result in no significant negative impact on infrastructure, flora, fauna, cultural or historic properties, or visual or aesthetic resources. The project would, however, generate short-term employment and long-term real property tax revenues (approximately \$25,000 per annum).

Substantially affects public health. The proposed project will have no negative impact on public health.

Involves substantial secondary impacts, such as population changes or effects on public facilities. The proposed project will not cause substantial secondary impacts. The development of a single-family residence in an area already characterized by similar residential development will not create additional pressures of a substantial nature. Population changes and effects on public facilities (such as roads, park use, potable water usage, electricity usage, etc.) will be minimal.

Involves a substantial degradation of environmental quality. The proposed project will not result in a substantial degradation of environmental quality; in fact, the removal of invasive species and their replacement with native flora will actually improve and enhance environmental quality. Further, as discussed in sections 3, 4 and 5 of this document, the proposed project will have no significant negative impact on the physical or social environment. All construction activities will be implemented using best management practices (“BMPs”).

Is individually limited, but cumulatively has considerable effect on the environment, or involves a commitment for larger actions. Cumulatively, the proposed project will have no considerable negative effect on the environment, nor will the project create a commitment for larger actions. Regarding environmental effects, inasmuch as the project proposes to replace invasive species with native flora, the project will actually have a positive effect on the environment. Regarding a commitment for additional or larger actions, the project creates no such commitment inasmuch as the proposed action is a stand-alone proposal for the construction of one single-family residence; other than the proposed dwelling, no further residential development would be permitted in the 146 acres of Conservation District land area which comprise Lot 27. The construction of farm dwellings in the Agriculture-zoned portion of Lot 27 are independent of the proposed project. The likelihood of construction of those farm dwellings is unaffected by development of the proposed project.

Substantially affects a rare, threatened, or endangered species or its habitat. The proposed project will not substantially affect any rare, threatened, or endangered species, or its habitat. As discussed in sections 3.3 and 3.4 of this document, no known endangered species or their habitat exists at the project site. Measures to mitigate any potential harm to any native Hawaiian species, as recommended by the U.S. Fish and Wildlife Service, will be employed during construction of the project. Further, the removal of invasive species and introduction of native foliage should create additional forage and harborage for native birds, some of which are threatened.

Detrimentially affects air or water quality or ambient noise levels. No long-term negative impacts to air and water quality or ambient noise levels will result from the proposed project. A temporary increase

in ambient noise levels could occur during construction of the dwelling. Nevertheless, best management practices (BMPs) will be employed where possible to mitigate any such impacts, as well as any short-term impacts on air quality from dust or similar construction effects. Refer to sections 3.2 and 3.5 of this document for a further discussion of the proposed project's impact on, respectively, water and air quality/noise.

Affects or is likely to suffer damage by being located in an environmentally sensitive area, such as a flood plain, tsunami zone, beach, erosion-prone area, geologically hazardous land, estuary, freshwater, or coastal waters. The proposed project would not affect environmentally sensitive areas, such as a floodplain, tsunami zone, beach, erosion-prone area, geologically hazardous land, estuary, freshwater, or coastal waters, as the project site is not situated in any of these areas.

Substantially affects scenic vistas and view planes identified in County or State plans or studies. The proposed project would not substantially affect scenic vistas and view planes identified in County or State plans or studies.

The "Historic, Scenic & Recreational Resources" map appended to the *North Shore Development Plan Update (1980)* ("North Shore Development Plan") identifies numerous scenic view planes, many of which are along Kuhio Highway (see Figure 14). The proposed dwelling will not impact view planes identified in the "Historic, Scenic & Recreational Resources" map of the North Shore Development Plan given that almost all such planes are *makai*-facing; any planes that face *mauka* are distant from the proposed project. The *North Shore Planning District Heritage Resources Map* ("Heritage Resources Map") appended to the *Kauai General Plan (2000)* ("General Plan") also identifies scenic roadway corridors along Kuhio Highway (see Figure 13). The proposed project sits well outside the roadway view corridor identified in the Heritage Resources Map. Both documents express a concern for preserving scenic resources generally; as discussed in section 8.1 of this document, the proposed dwelling would not be visible from Hanalei Town and, to the extent the dwelling's roof might be visible from taro farms or roads on the Hanalei Valley floor (Ohiki Road and the Kuhio Highway), the choice of building materials and surrounding native plantings would result in the dwelling largely blending into its surrounding environment. A detailed discussion of the visual impacts of the proposed project, along with corresponding mitigation measures, is discussed in sections 4.6 and 4.7 of this document.

Requires substantial energy consumption. The proposed single-family residence will not consume substantial or undue amounts of energy.