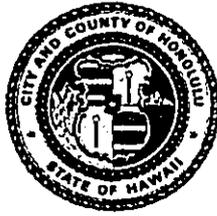


DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET
HONOLULU, HAWAII 96813 • (808) 523-4432

RECEIVED

FRANK F. FASI
MAYOR



'93 MAR 17 AM 11:16

DONALD A. CLEGG
DIRECTOR

OFFICE OF ENVIRONMENTAL
QUALITY CONTROL
LORETTA K.C. CHEE
DEPUTY DIRECTOR

92-05683 (ASK)

March 16, 1993

Mr. Brian J. J. Choy, Director
Office of Environmental Quality Control
(OEQC)
220 S. King Street, 4th Floor
Honolulu, Hawaii 96813

CHAPTER 343, HRS
Environmental Assessment/Determination
Negative Declaration

Recorded Owner	:	Beatrice Leong Trust
Applicant	:	KVR Incorporated
Agent	:	Tyrone T. Kusao, Inc.
Location	:	2426 Kuhio Avenue, Waikiki
Tax Map Key	:	2-6-24: 16
Proposal	:	To Allow Existing and New Floor Area Within an Existing Twenty- one story Nonconforming Hotel
Request	:	Zoning Variance Within The Waikiki Special District
Determination	:	A Negative Declaration Is Issued

Attached and incorporated by reference is the environmental assessment prepared by the applicant for the project. Based on the significance criteria outlined in Chapter 200, State Administrative Rules, we have determined that preparation of an Environmental Impact Statement is not required.

Approved Donald A. Clegg
DONALD A. CLEGG
Director of Land Utilization

DAC:ak

cc: Zoning Adjustments Branch

1993-04-08-0A-FA-Continental Surf Hotel Addition

APR - 8 1993

Final ENVIRONMENTAL ASSESSMENT

**Continental Surf Hotel
2426 Kuhio Avenue, Waikiki, Oahu, Hawaii
TMK: 2-6-24:16**

**Applicant
KVR Incorporated
201 Merchant Street, Suite 201
Honolulu, Hawaii 96813**

**Agent
Tyrone T. Kusao, Inc.
1188 Bishop Street, Suite 2202
Honolulu, Hawaii 96813**

DECEMBER, 1992

TYRONE T. KUSAO, INC.
Planning and Zoning Consultant

1188 BISHOP STREET, SUITE 2202
HONOLULU, HAWAII 96813

BUS. (808) 538-6652
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December 31, 1992

Mr. Donald A. Clegg
Director
Department of Land Utilization
City and County of Honolulu
650 So. King Street, 7th Floor
Honolulu, Hawaii 96813

Dear Mr. Clegg:

Subject: Draft Environmental Assessment for the Continental
Surf Hotel, 2426 Kuhio Avenue,
Waikiki, Oahu, Hawaii - TMK: 2-6-24: 16

On behalf of the applicant, KVR Incorporated, I am submitting a Draft Environmental Assessment to meet requirements of Chapter 343 Hawaii Revised Statutes and Chapter 200 of Title 11, Administrative Rules - Environmental Impact Statement Rules. The action that triggers this assessment is the proposed variance within the Waikiki-Diamond Head area of Oahu.

The applicant has submitted an application for variances from Section 3.120 C.1 of the General Provisions of the Land Use Ordinance (LUO) and Sections 7.80-3 C.2 and 7.80-4 C.1 of the LUO pertaining to regulations within the Waikiki Special District.

Based on the enclosed Draft Environmental Assessment, the applicant is requesting a negative declaration for the project. The project's impact on the environment and neighboring properties will be negligible.

Your expeditious and favorable consideration of this matter is appreciated. If you should have questions, or wish additional information, please feel free to contact me.

Very truly yours,

TYRONE T. KUSAO

cc: James H. Kamo, Esq.
Mr. Bob Garrity

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DRAFT ENVIRONMENTAL ASSESSMENT

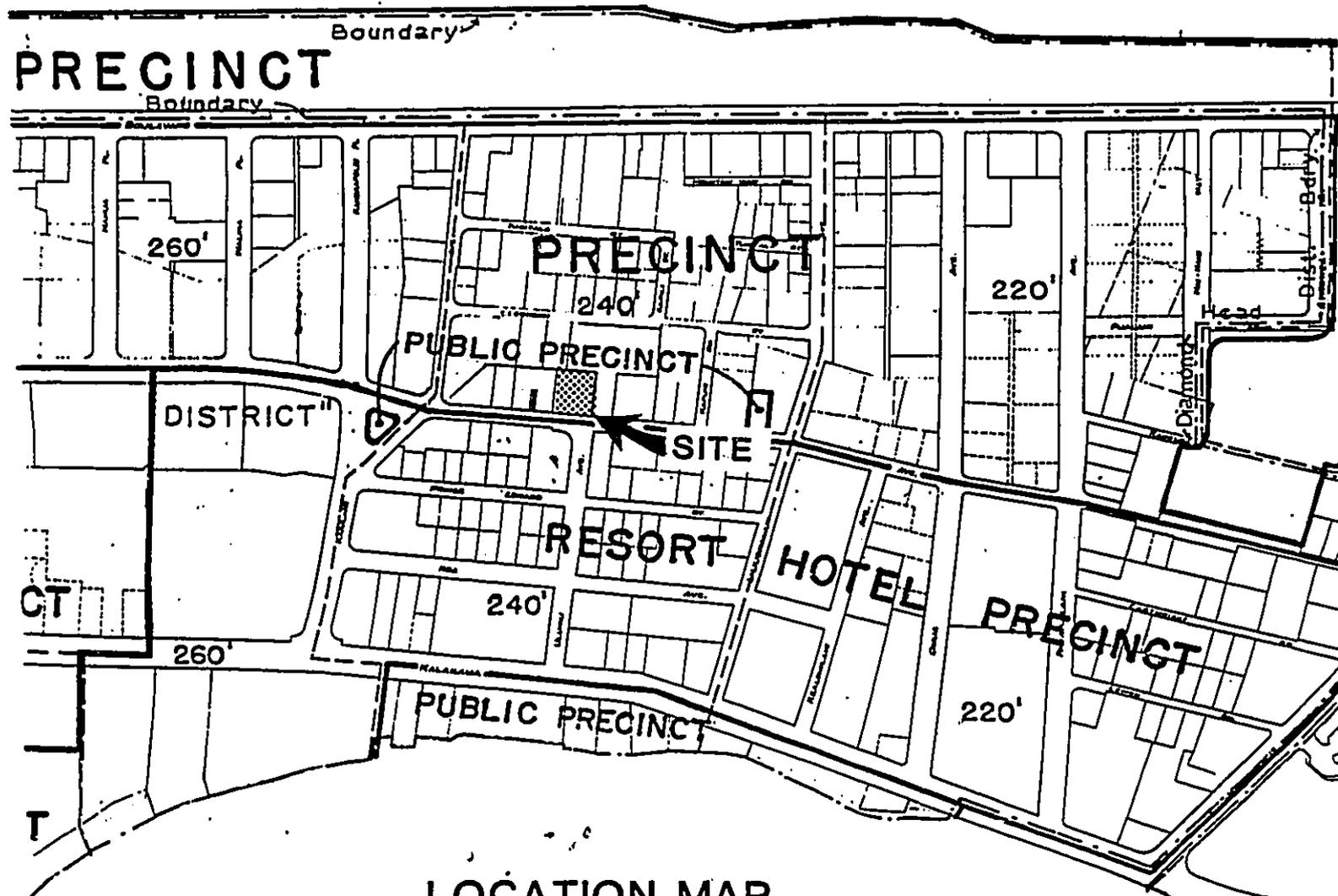
**CONTINENTAL SURF HOTEL
2426 Kuhio Avenue, Waikiki, Oahu, Hawaii
Tax Map Key: 2-6-24: 16**

I. GENERAL INFORMATION

- A. Applicant : KVR Incorporated
201 Merchant Street, Suite 902
Honolulu, Hawaii 96813
c/o James Kamo, Esq.
- B. Approving Agency : Department of Land Utilization
- C. Recorded Fee Owner : Beatrice Leong Trust
Ruby Yip Trust
Elsie Hoon Yee, Trustee
- D. Lessee : KVR Incorporated
- E. Agent : Tyrone T. Kusao, Inc.
1188 Bishop Street, Suite 2202
Honolulu, Hawaii 96813
- F. Tax Map Key : 2-6-24: 16
- G. Location : 2426 Kuhio Avenue - Waikiki (Exhibit A)
- H. Lot Area : 9,874 sq. ft.
- I. State Land Use : Urban

ALA WAI GOLF COURSE

P-2



LOCATION MAP

EXHIBIT A

- J. Development Plan
- Land Use Map : Medium Density Apartment
- Public Facilities Map : No improvements affecting this site
- K. Zoning : Apartment Precinct
- L. Special District : Waikiki Special District
- M. Existing Use : Hotel - Continental Surf

II. PROPERTY DESCRIPTION

A. Location

The subject property is located on the mauka (north) side of Kuhio Avenue, midblock between Kaiulani Avenue and Kapuni Road in Waikiki.

B. Topography

The subject site is level and rectangular in shape. Located in an urban

setting it contains landscaping along the back half of the perimeter of the hotel structure and along its Kuhio Avenue frontage.

III. TECHNICAL CHARACTERISTICS

This environmental assessment was triggered by an application for variances from Section 3.120 C.1 of the General Provisions of the Land Use Ordinance (LUO) and Sections 7.80-3 C.2 and 7.80-4 C.1 of the LUO pertaining to regulations within the Waikiki Special District.

Section 3.120 C.1

Section 3.120 C.1 states as follows:

"A nonconforming use shall not extend to any part of the structure or lot which was not arranged or designed for such use at the time of adoption of the provisions of this Chapter."

The variance from Section 3.120 C.1 seeks relief from this general LUO provision

which prohibits expansion of floor area of the existing Continental Surf Hotel (Hotel), Exhibit A-1, a nonconforming use, into areas such as the lobby and parking levels. This variance is needed to facilitate City approval of enclosed interior spaces which include the following:

1. Ground Floor Lobby (Exhibit A-2)

Existing Luggage Room - 160 sq. ft. (10 ft. x 16 ft.), in an area adjacent to existing loading space.

2. Second Level Parking Deck (Exhibit A-2)

a. Existing Fire Pump Room - 180 sq. ft. (9 ft. x 20 ft.), required removal of one parking stall. The fire pump room is part of a fire protection system that was required by City ordinance.

b. New floor to ceiling chain link fence with gate - needed to fully enclose an existing fire pump room.

3. Third Level Parking Deck (Exhibit A-3)
 - a. Existing Storage Room - 360 sq. ft. (18 ft. x 20 ft.), required removal of two parking stalls.
 - b. Existing Storage Room - 170 sq. ft. (10 ft. x 17 ft.), required removal of one parking stall.

4. Fourth Level Parking Deck (Exhibit A-4)

Existing Storage Room - 200 sq. ft. (10 ft. x 20 ft.), required removal of one parking stall.

5. Sixth Level Parking Deck (Exhibit A-4)
 - a. Existing Maintenance Room - 380 sq. ft. (19 ft. x 20 ft.), required removal of two parking stalls.

- b. Existing Housekeeping Room - 450 sq. ft. (18 ft. x 25 ft.), required removal of five parking stalls.

The Hotel will continue to provide more than the minimum number of parking stalls required by the LUO. The LUO requires 35 parking stalls (0.25 parking stalls per lodging unit for hotels - 140 units) and the applicant will provide 49 parking stalls. The 49 parking stalls will be provided even with the loss of the 12 parking stalls described above and 10 other stalls shown on the original construction plans which would not be accessible, since they were located in areas needed for maneuvering to negotiate the ramps between the parking levels.

Section 7.80-3 C.2

Section 7.80-3 C.2 states as follows:

"2. Yard Requirements:

- a. An average front yard of 30 feet shall be provided, measured from the existing right-of-way on Kapahulu Avenue, Kalakaua Avenue, Ala Moana and Ala Wai Boulevard, and measured from the street setback line for Kuhio Avenue, as shown on adopted street right-of-way maps, except for zoning lots less than 65 feet in depth (see paragraph b. below) and for

Apartment Precinct zoning lots less than 4,000 square feet in area (see Section 7.80-4.B.1.). The front yard may vary between 20 feet and 30 feet, provided that (1) at least 50 percent of the lot frontage shall have no less than a 30-foot front yard and (2) the undulation of setback line shall result in a design acceptable by the Director (see Figure 16)."

The existing Maintenance Room on the 6th Level Parking Deck encroaches into the front yard area and its enclosure is considered an increase in the nonconformity of the structure as it relates to the front yard encroachment. Therefore, the applicant is requesting a variance from this section of the LUO to allow continued use of the Maintenance Room.

Section 7.80-4 C.1

Section 7.80-4 C.1 states as follows:

- "1. The determination of the permissible Floor Area Ratio (FAR) in the Apartment Precinct for dwelling use shall be found by the application of the following formula, according to zoning lot size:

Zoning Lot Area
in Square Feet

Formula to Find FAR

Less than 7,500 (lot area) X (.00009) + .08

Greater than or equal
to 7,500
but less than 70,000 (lot area) X (.000009) + .85

Greater than or equal
to 70,000 FAR equals 1.50

In computing the permissible floor area, the FAR may be applied to the zoning lot area, plus one-half the abutting right-of-way area of any public street or alley."

Based on the formula above, the permissible floor area is 12,526 square feet - [9,874 (lot area) x 0.000009 + 0.85] x [9,874 (lot area) + 3,468 (public street allowance)].

The floor area of the original Hotel structure was 33,261 square feet. The floor area of the existing improvements totals 1,900 square feet. The variance request is to allow this additional 1,900 square feet to the nonconforming Hotel structure, which currently exceeds the maximum permissible floor area based on the LUO. All of the additional floor area will occur within the existing Hotel structure, through conversion of parking areas not currently assessed as floor area. As such,

there will be no impact on surrounding properties and the additional floor area will not be detectable from adjoining areas outside of the structure.

The variance from Section 7.80-4 C.1 of the LUO, which establishes floor area limits (density) applicable to properties located in the Waikiki Special District Apartment Precinct, is required because the expansion into former parking areas on four parking level decks and the luggage room in the area adjacent to the loading zone have or will increase even further the Hotel's total floor area which already exceeds the maximum amount of the permissible floor area on the site using the formula described above.

IV. BACKGROUND

A. History and Project Description

When the Waikiki Special District was enacted in the early 1980's, it "downzoned" numerous properties, including the subject property, from a

prior H-2 Hotel District under the Comprehensive Zoning Code to an "Apartment Precinct" under the Waikiki Special District.

The Continental Surf Hotel is located on 9,874 square feet of land on the mauka (north) side of Kuhio Avenue, between Kaiulani Avenue and Kapuni Street in Waikiki, Oahu, Hawaii. The Hotel operates as a nonconforming hotel in the Waikiki Special District Apartment Precinct with: lobby area, lounge area, front desk/office space, administrative offices, restrooms, equipment/utility rooms, and a loading space on the ground floor; 49 off-street parking spaces, maintenance rooms, storage rooms, and a housekeeping room on the 2nd through 5th level parking decks; 140 lodging units on the 7th through 20th floors; and 2 administrative offices on the 21st floor.

The property is located just outside of the Resort Hotel Precinct within an area dominated by a mixture of apartment and hotel developments.

In early 1974, a building permit application for the Continental Surf Hotel was filed based on the site's H-2 Hotel District zoning which permitted hotel use. The structure was built according to revised plans reflected in a building permit approved on January 5, 1979.

B. Chronology (Under Current Owner)

The following chronology describes events, involving the current owner, which ultimately led to this request for a variance:

- April 1988 - The applicant acquired the Continental Surf Hotel (Hotel), which at that time was operated by CSY Inc., a Hong Kong based company that built the Hotel.
- June 1988 - Letter from the Building Department acknowledging that the Hotel is a nonconforming hotel. Letter further stated that alterations were made without obtaining building permits and that permits must be obtained for these alterations.
- June 1988 - Letter to Building Department indicating that KVR Inc. will take necessary action to acquire building permits.

Building permit to install a fire protection (sprinkler) system, as required by City ordinance, approved.

- March 1989 - Hired a building permit consultant to process building permits.
- April 1989 - Letter to the Department of Land Utilization (DLU) noting the intention of the applicant to resolve outstanding building permit violations and requesting assistance in determining required permits.
- June 1990 - Acceptance Notice from DLU, application for variance accepted, however applicant must provide justification statements addressing the three conditions of hardship.
- July 1990 - Letter to DLU addressing three conditions of hardship.
- Jan. 1991 - Letter to DLU requesting that variance process be suspended for two to three months to allow the applicant to incorporate additions and changes to the original variance request.
- Jan. 1991 - Letter to the Building Department requesting confirmation that withdrawal of the variance application would not jeopardize their business license to operate as a hotel.
- Jan. 1991 - Letter from DLU granting a three month extension from January 31, 1991 to submit revised plans describing more extensive renovations planned.
- Feb. 1991 - Letter from the Building Department indicating that suspension of processing of the variance application will not jeopardize the Hotel's business license.
- May 1991 - Letter from DLU confirming and approving a telephone request for withdrawal of applicant's variance request.

- May 1992 - Notice of Violation (NOV) from the Building Department citing the applicant for addition and alteration work done without a building permit.
- June 1992 - 30-day extension of time granted to resolve issues raised in the NOV.
- July 1992 - 60-day extension of time granted to resolve issues raised in the NOV.

The applicant acquired the property in 1988 and except for the installation of a sprinkler system with a fire pump room (done in accordance with an approved building permit), the applicant has not done any other renovation or improvement to the site which would require building permits.

The existing improvements, which were done without building permits, were constructed by the previous owner.

The applicant has been working toward a resolution of the outstanding NOV and has submitted this variance application to allow building permits to be approved for additions and alterations necessary to allow hotel operations to continue.

V. SOCIO-ECONOMIC CHARACTERISTICS

A. Existing Use and Surrounding Uses

The site is in an urban setting surrounded by other hotel and apartment structures.

The proposed use of interior spaces for maintenance, general storage, luggage storage, fire pump equipment, and housekeeping facilities, completely out of the public's view and located within enclosed spaces within the Hotel's existing parking structure, will not impact on the locality or affect its essential character.

B. Employment

There will be no change in the existing hotel operation or employees.

VI. ENVIRONMENTAL CHARACTERISTICS

The modest floor area expansion of the existing 140-room Hotel will have negligible environmental impact on the building or the surrounding area. There would be no increase in the cubic content of the existing structure or the footprint (building area) since all improvements occur in existing interior spaces (parking areas). Therefore there will be no impact on the bulk, height or external appearance of the Hotel. Viewed from the outside there will be no recognizable change in the structure.

The additional 1,900 square feet of floor area proposed in the variance application is modest when considering the needs of a 140-room hotel in the context of today's hotel design standards.

Approval of the variance for enclosing interior parking areas will not create any deficiency in the required number of parking stalls for the Hotel. Based on the applicable LUO on-site parking formula for calculating the Hotel's parking requirements (0.25 stalls per lodging unit), 35 parking stalls are required within

the 140-room hotel structure. A total of 49 parking stalls will remain available, even after approval of the floor area expansion proposed.

VII. AFFECTED ENVIRONMENT

The affected environment is an urban area which is fully developed. There is no endangered flora, fauna or significant habitats in this urban area. Since the area is fully developed and no additional site work will be done on the subject lot, the project will not impact on historical/archaeological and cultural sites.

The Ala Wai Canal is located approximately 700 feet mauka (north) of the subject lot. The Pacific Ocean (Waikiki Beach) is located approximately 800 feet makai (south) of the subject lot. The project will not have any effect on these two bodies of water.

VIII. MAJOR IMPACTS AND ALTERNATIVES CONSIDERED

As discussed throughout this report, the modest floor area expansion of the

existing 140-room Hotel will have negligible environmental or other impact on the building or the surrounding area. There would be no increase in the cubic content of the existing structure or the footprint (building area) since all improvements occur in existing interior spaces (parking areas). Therefore there will be no impact on the bulk, height or external appearance of the Hotel. Viewed from the outside there will be no recognizable change in the structure.

The only alternative considered was a no action alternative which would leave the Hotel without support services commonly found in hotels. The Hotel was developed about 13 years ago and little or no floor area was provided for support services such as maintenance, general storage, luggage storage, fire pump equipment, and housekeeping. Changes in industry standards provided the impetus for modernization of this existing older hotel structure to accommodate these changing needs.

The addition of floor area for maintenance, general storage, luggage storage, fire pump equipment, and housekeeping facilities is not unreasonable and the applicant would suffer a hardship if not allowed to upgrade the Hotel in keeping with

industry standards. The applicant must proceed with the proposed modest expansion of hotel services.

IX. MITIGATION MEASURES

Since impacts of the proposed modest expansion of floor area, within the existing structure, are negligible, no mitigation measures are planned.

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET
HONOLULU, HAWAII 96813 • (808) 523-4432



FRANK F. FASI
MAYOR

DONALD A. CLEGG
DIRECTOR

LORETTA K. C. CHEE
DEPUTY DIRECTOR

92-05683

January 8, 1993

Mr. Tyrone Kusao
1188 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Kusao:

Draft Environmental Assessment for the Continental
Surf Hotel, 2426 Kuhio Avenue
Tax Map Key: 2-6-24:16

We have reviewed the Draft Environmental Assessment (EA) for the
above project and have the following comments. Pursuant to Title
11, Chapter 200 of the Administrative Rules Section 11-200-10,
please include the following information:

-Identification of agencies (as well as community groups)
consulted in making the assessment,

Should you have questions regarding the above, please contact Ardis
Shaw-Kim of our staff at 527-5349.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Donald A. Clegg".

Be DONALD A. CLEGG
Director of Land Utilization

A:cont.as3

93-00281

TYRONE T. KUSAO, INC.
Planning and Zoning Consultant

1188 BISHOP STREET, SUITE 2202
HONOLULU, HAWAII 96813

'93 JAN 19 AM 9 36

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DEPT OF LAND UTILIZATION
CITY & COUNTY OF HONOLULU

January 15, 1993

Mr. Donald A. Clegg
Director
Department of Land Utilization
City and County of Honolulu
650 So. King Street, 7th Floor
Honolulu, Hawaii 96813

Dear Mr. Clegg:

Subject : Draft Environmental Assessment for the Continental
Surf Hotel, 2426 Kuhio Avenue
Tax Map Key: 2-6-24: 16

This is in response to your letter dated January 8, 1993, concerning the draft environmental assessment for the Continental Surf Hotel and more specifically, agency consultation. Since the modest floor area expansion of the existing 140-room Hotel will have negligible, if any, environmental impact on the building or the surrounding area, the only agency consulted in making the draft environmental assessment was the Department of Land Utilization (DLU).

Interior alterations such as proposed would normally fall under DLU's Environmental Assessment, Exemption Class #1 and no environmental assessment would be required, however, since the modest expansion requires a variance related to density, an environmental assessment is required.

There will be no increase in the cubic content of the existing structure or the footprint (building area) since all improvements occur in existing interior spaces (parking areas). Therefore there will be no impact on the bulk, height or external appearance of the Hotel structure. Viewed from the outside there will be no recognizable change in the structure. In fact the reduction in parking stalls, a loss of 12 parking spaces, will have a positive impact of reducing the number of vehicles that could park at the hotel.

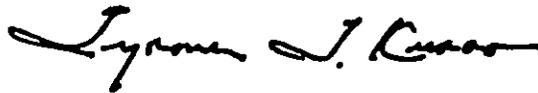
The affected environment is an urban area which is fully developed. There is no endangered flora, fauna or significant habitats in this urban area. Since the area is fully developed and no additional site work will be done on the subject lot, the project will not impact on historical/archaeological and cultural sites.

The Ala Wai Canal is located approximately 700 feet mauka (north) of the subject lot. The Pacific Ocean (Waikiki Beach) is located approximately 800 feet makai (south) of the subject lot. The project will not have any effect on these two bodies of water.

On this basis, only DLU was consulted in preparing the draft environmental assessment.

Should there be questions, please contact me.

Very truly yours,



Tyrone T. Kusao

cc: James Kamo, Esq.
Mr. Chris Scully