

Developer petitions for land use change Ooma wants to reclassify 181 acres to clear way for 1,000-home project

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Developer Ooma Beachside Village LLC petitioned the state Monday to reclassify 181 acres of Kona coastline from conservation district to urban district, bringing a proposed 1,000-home residential community one step closer to construction.

The decision to petition the state Land Use Commission 10 months after completion of the project's final environmental impact statement was not influenced by the developer's chances of having traffic mitigation requirements reduced or eliminated during a down economy, said Dennis Moresco, the company's controlling partner.

"It was time, and we didn't see any reason to wait any longer," Moresco said, noting the developer still plans to construct its portion of a road that will run parallel to Queen Kaahumanu Highway to help ameliorate traffic in the area. "We are optimistic we won't be in a down economy forever and when the economy turns around, we'll have this place ready to go."

Construction of the proposed development, located makai of Queen Kaahumanu Highway and south of the Natural Energy Laboratory Hawaii Authority, is expected to begin in 2011 and will cost between \$114 million and \$116 million to complete.

Plans for the area include 950 to 1,200 homes, mixed shopping areas, an 18-acre beach park, a charter school and a shoreline setback of about 1,000 feet, according to the project's final environmental impact statement released in January.

Moresco said the next step, should the commission approve the petition and reclassify the area, is for the developer to seek a county Special Management Area Use Permit and a state Conservation District Use Permit. From there, plans can be drawn and the necessary infrastructure development permits can be obtained.

Should the commission deny the petition, Moresco said the developer will at that time assess whether it will appeal the decision.

While development of the area has sparked controversy in the past, Moresco said his company during the last three years has taken community input -- and spoken to descendants of Native Hawaiians who lived in the area -- to address issues and concerns that plagued past developers.

"What's happened in the past reflects the past and the path that we've taken differs," Moresco said. "It's fair to say that we're very proud of the plan that we've put together and we believe it reflects the community's values -- it's going to be a very successful plan."

The property, formally known as Ooma II, was once controlled by Cliff Morris, of Clifto's Kona Coast, whose plans for a 400-room "commuter hotel," 240 apartments, and a shopping center in 2003-04 were rejected by the Hawaii County Council on the grounds that area infrastructure couldn't support the project. Moresco purchased the entire area, which includes an 83-acre mauka parcel and a 217-acre makai parcel, in 2005 for nearly \$35 million.

A 1984 attempt by Kahala Capital to develop a 600-room hotel, 300 condominium units, an 18-hole golf course, a Sea World-type water park and ocean science center in the area initially received approval from the county and the Office of State Planning, but was halted in 1993 when the state Land Use Commission denied the developer's petition to urbanize the property. Kahala Capital appealed the ruling, but the commission's findings were upheld in 1994 by 3rd Circuit Court Judge Ronald Ibarra.

Upon acceptance of the filed petition for the most recent project, the commission must hold a hearing on the Big Island between 60 and 180 days after the petition's filing. Amendment of the district boundary requires approval of at six of nine commissioners.

A hearing on the petition had not been scheduled as of press time Tuesday, according to the state Land Use Commission.