

**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII**

In the Matter of the Petition of

Docket No. A94-706

KAONOULU RANCH To Amend the
Agricultural Land Use District Boundary into
the Urban Land Use District for approximately
88 acres at Kaonoulu, Makawao-Wailuku,
Maui, Hawaii; Tax Map Key Nos. 2-2-02:por.
of 15 and 3-9-01:16

LAND USE COMMISSION
STATE OF HAWAII
2013 AUG 30 A 8:35

FOURTEENTH ANNUAL REPORT OF SUCCESSOR PETITIONERS
(2009)

TO THE HONORABLE LAND USE COMMISSION OF THE STATE OF HAWAII:

COME NOW Piilani Promenade South, LLC (“PPS”), Piilani Promenade North, LLC (“PPN”) and Honua`ula Partners, LLC (“Honua`ula”) (hereinafter collectively the “Successor Petitioners”)¹, successors-in-interest to MAUI INDUSTRIAL PARTNERS, LLC (“MIP”), successor-in-interest to Original Petitioner KAONOULU RANCH, in regards to the real property which is the subject matter of Docket No. A94-706, as referenced above (the “Petition Area”), and pursuant to Condition No. 17 of the Findings of Fact, Conclusions of Law, and Decision and Order issued on February 10, 1995 (the “D&O”), hereby submit the Fourteenth annual report of compliance with the conditions established by said approval as follows.

Successor Petitioners have learned that the files of the Land Use Commission do not contain a copy of any Annual Report for the year 2009, filed by MIP, which was the owner of the Petition

¹ PPS and PPN are Hawaii limited liability companies and the current owners of six of the seven parcels encumbered by the D&O. The parcels owned by Piilani are comprised of the following tax map key parcels: (2) 3-9-001:016 and 170-174, and are referred to collectively hereinafter as the “Piilani Parcels.” Honua`ula is also a Hawaii limited liability company, which owns the seventh parcel encumbered by the D&O. Honua`ula owns tax map key parcel (2) 3-9-001:169, referred to hereinafter as the “Honua`ula Parcel.” At the time period covered by this Fourteenth Annual Report, MIP was the owner of the entire Petition Area.

Area during the year 2009, the year covered by this Fourteenth Annual Report. Successor Petitioners thus submit this Fourteenth Annual Report at this time. Successor Petitioners represent that the information contained herein has been verified by Charles Jencks, who was the owner's representative of MIP during the period covered by this Fourteenth Annual Report:

General Progress of the Project

Kaonoulu Ranch (the "Original Petitioner") obtained a Community Plan Amendment and Change in Zoning for the Petition Area. On May 12, 2005, MIP purchased the fee simple interest in the Petition Area from the Original Petitioner, together with all of the interests in the Petition Area and its entitlements.

MIP actively engaged a consulting team to plan the development of the project consistent with the D&O. MIP also involved the County of Maui and the State of Hawaii Department of Transportation ("SDOT") in this effort. Subdivision of the Petition Area was applied for in September 2003, and civil construction plans for the Petition Area submitted to the County of Maui in May 2005 addressing all requirements for preliminary subdivision approval.

This Fourteenth Annual Report addresses compliance with the conditions of approval in the D&O for the Piilani Parcels.

Report on Compliance with Conditions Imposed by Commission

The following states the status of compliance with the conditions in the D&O as of February 10, 2008:

- 1. The Petitioner shall obtain a Community Plan Amendment and Change in Zoning from the County of Maui.**

The Community Plan Amendment was approved on March 20, 1998, and the Change in Zoning application was approved by the Maui County Council and became effective on May 25, 1999.

2. Petitioner shall cooperate with the State Department of Health and the County of Maui Department of Public Works and Waste Management to conform to the program goals and objectives of the Integrated Solid Waste Management Act, Chapter 342G, Hawaii Revised Statutes.

Successor Petitioners intend to cooperate when applicable with the State Department of Health and the Department of Public Works and Environmental Management, formerly a part of the Department of Public Works and Waste Management.

3. Petitioner shall contribute its pro-rata share to fund and construct adequate wastewater treatment, transmission and disposal facilities, as determined by the State Department of Health and the County of Maui Department of Public Works and Waste Management.

Successor Petitioners intend to contribute their pro-rata share to fund and construct adequate wastewater treatment, transmission and disposal facilities and in fact have included those plans within the civil construction plans approved by the County of Maui.

4. Petitioner shall fund and construct adequate civil defense measures as determined by the State and County Civil Defense agencies.

Successor Petitioners intend to fund and construct adequate civil defense measures.

5. Petitioner shall fund, design and construct necessary local and regional roadway improvements necessitated by the proposed development in designs and schedules accepted by the State Department of Transportation and the County of Maui. Petitioner shall provide traffic signals at the intersection of Piilani Highway and Kaonoulu Street, and shall submit a warrant study in coordination with the Department of Transportation. Petitioner shall also install a fence and appropriate screening, i.e. landscaping, etc., along the highway right-of-way in coordination with the State Department of Transportation. Petitioner shall provide for a frontage road parallel to Piilani Highway and other connector roads within the Petition Area, in coordination with other developments in the area with the review and approval of the State Department of Transportation and the County of Maui.

Comments on civil engineering plans were received and implemented and further plans were re-submitted to the State Department of Transportation for agency review and approval. Included within this submittal was the Intersection Relocation Request submitted to the

State Department of Transportation formally recognizing the new location for the intersection of the Kihei/Upcountry and Piilani Highway.

6. Petitioner shall fund and construct adequate potable and non-potable water source, storage, and transmission facilities and improvements to accommodate the proposed project. Water transmission facilities and improvements shall be coordinated and approved by the appropriate State and County agencies.

Successor Petitioners intend to fund and construct adequate potable and non-potable water source, storage, and transmission facilities and improvements to accommodate the proposed project. As part of the subdivision application process, direction was provided by Department of Water Supply to design and construct 1 million gallon offsite water tank in satisfaction of this condition. A civil engineer was engaged to design these improvements, and civil engineering plans were submitted to the Department of Water Supply for review and approval. The civil engineering plans had to be re-submitted to the Department of Water Supply on March 12, 2007, as MIP was informed that the Department of Water Supply had misplaced the drawings from the previous submittal.

7. Petitioner shall participate in an air quality monitoring program as determined by the State Department of Health.

Successor Petitioners intend to participate in an air quality monitoring program if required by the Department of Health.

8. Petitioner shall fund the design and construction of its pro-rata share of drainage improvements required as a result of the development of the Property, including oil water separators and other filters as appropriate, and other best management practices as necessary to minimize non-point source pollution into Kulanihakoi Gulch, in coordination with appropriate state and county agencies, such as the following:

a. All cleaning, repairs and maintenance of equipment involving the use of industrial liquids, such as gasoline, diesel, solvent, motor oil, hydraulic oil, gear oil, brake fluid, acidic or caustic liquids, antifreeze, detergents, degreasers, etc., shall be conducted on a concrete floor, where roofed or unroofed. The concrete floor shall be constructed so as to be able to contain any drips or spills and to provide for the recovery of

any spilled liquid. Water drainage from these concrete floors, if necessary, shall pass through a separator sump before being discharged.

The Successor Petitioners intend to comply with this condition. A civil engineer was engaged by MIP to develop drainage improvements per State and County standards, and plans were submitted to the Department of Public Works and the State Department of Transportation for review and comment. Further comments continued to be received and plans were adjusted and resubmitted for further review and approval.

b. All employees shall be instructed to immediately collect and contain any industrial liquid spills on the concrete floor and should be informed against discharging or spilling any industrial liquids. Employees shall be instructed to prevent any industrial liquid spills onto the bare ground.

The Successor Petitioners intend to comply with this condition. See Section 8.a., supra.

c. Barrels for the temporary storage of used oil or other industrial liquids shall be kept on a concrete surface. The surface shall be bermed to prevent the loss of liquid in the event of spills or leaks. The barrels shall be sealed and kept under shelter from the rain. (The Department of Labor and Industrial Relations' Occupational Safety and Health regulations, sections titled, "Housekeeping Standards" and "Storage of Flammable or Combustible Liquids," shall be followed, along with the local fire code.)

The Successor Petitioners intend to comply with this condition. See Section 8.a., supra.

9. Should any human burials or any historic artifacts, charcoal deposits, or stone platforms, pavings or walls be founds, the Petitioner shall stop work in the immediate vicinity and contact the State Historic Preservation District. The significance of these finds shall then be determined and approved by the Division, and an acceptable mitigation plan shall be approved by the Division. The Division must verify that the fieldwork portion of the mitigation plan has been successfully executed prior to work proceeding in the immediate vicinity of the find. Burials must be treated under specific provisions of Chapter 6E, Hawaii Revised Statutes.

The Successor Petitioners intend to comply with this condition.

10. A long term preservation plan for the petroglyph stone (Site 50-10-3746) that was removed from the project area shall be reviewed and approved by the State Historic Preservation Division. Long term preservation measures shall be implemented within 60 days after final approval of the preservation plan.

As stated in the Fifth Annual Report, the Petitioner prepared a long term preservation plan which has been approved by the State Historic Preservation Division, Department of Land and Natural Resources, State of Hawaii, a copy of which was transmitted to the Land Use Commission.

11. Petitioner shall contribute its pro-rata share to a nearshore water quality monitoring program as determined by the State Department of Health and the State Division of Aquatic Resources, Department of Land and Natural Resources.

Successor Petitioners intend to contribute its pro-rata share to a nearshore water quality monitoring program as it is determined.

12. Petitioner shall implement effective soil erosion and dust control methods during construction in compliance with the rules and regulations of the State Department of Health and the County of Maui.

Successor Petitioners intend to implement effective soil erosion and dust control methods during construction.

13. Petitioner shall create a buffer zone between lands designated as SF (Single-Family) by the County's Kihei-Makena Community Plan and industrial uses on the Property to mitigate impacts between future residential activities and the proposed industrial development.

As shown on the 1985 Kihei/Makena Community Plan ("KMCP"), the 1985 KMCP provided for Single Family and Light Industrial uses for the area immediately adjacent to the northern boundary of the Petition Area. The current 1998 KMCP designates both the area north of the boundary and the Petition Area as Light Industrial (LI). The Successor Petitioners understand their obligations to comply with this condition, but because both the Petition Area and the adjacent parcels are designated Light Industrial, the condition appears to no longer be

applicable.

14. In the event Petitioner sells its interest in the Project, Petitioner shall subject the Property to deed restrictions to run with the land which shall require the successors and assigns to comply with the terms and conditions set forth in the Commission's Decision and Order.

Successor Petitioners intend to comply with the terms and conditions if the Commission's Decision and Order, and understands its obligation to comply with this condition.

15. Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification.

Successor Petitioners intend to comply with this condition.

16. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property.

Successor Petitioners intend to comply with this condition.

17. Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of Planning, and the County of Maui Planning Department in connection with the status of the subject Project and Petitioner's progress in complying with the conditions imposed herein. The annual report shall include written documentation from each State and County agency responsible, indicating that the terms of the condition(s) are progressing satisfactorily or have been completed to the satisfaction of the agency. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission.

Successor Petitioners intend to comply with this condition, and submits this annual report in compliance therewith.

18. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to Section 15-15-92 Hawaii Administrative Rules.

Petitioner has recorded a Notice of Imposition of Conditions with the Bureau of Conveyances of the State of Hawaii pursuant to Section 15-15-92 Hawaii Administrative Rules.

19. Within seven (7) days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed herein by the Land Use Commission in the reclassification of the Property; and (b) shall file a copy of such recorded statement with the Commission.

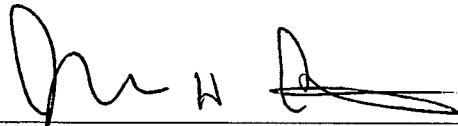
Petitioner has recorded a Document Listing Conditions to Reclassification of Land with the Bureau of Conveyances of the State of Hawaii and has filed a copy of the recorded document with the Commission.

20. The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by the Petitioner.

The Successor Petitioner acknowledges that the Commission may fully or partially release the conditions provided herein.

Except as stated above, the responses in the Thirteenth annual report are still correct and remain unchanged.

Dated: Honolulu, Hawaii, August 28, 2013.



CLIFFORD J. MILLER
JOEL D. KAM
JONATHAN H. STEINER

Attorneys for Piilani Promenade South, LLC,
Piilani Promenade North, LLC, and Honua'ula
Partners, LLC

CERTIFICATE OF SERVICE

THE UNDERSIGNED HEREBY CERTIFIES that on this date a true and correct copy of the foregoing document was duly served upon the following parties at their last known address via U.S. Mail and electronic mail:

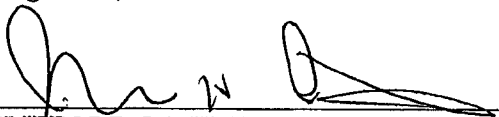
Daniel Orodenker Daniel.E.Orodenker@dbedt.hawaii.gov
Director
Office of Planning, Land Use Commission
235 South Beretania Street, Room 406
Honolulu, Hawai'i 96813

Bryan C. Yee Bryan.C.Yee@hawaii.gov
Deputy Attorney General
Department of the Attorney General
Commerce & Economic Development Division
425 Queen Street
Honolulu, Hawai'i 96813

Jesse K. Souki, Director Jesse.K.Souki@dbedt.hawaii.gov
Planning Program Administrator
Office of Planning, Land Use Division
Leiopapa a Kamehameha, Room 600
235 South Beretania Street
Honolulu, Hawai'i 96813

William Spence, Director William.Spence@co.maui.hi.us
Director, Planning Department
County of Maui
250 S. High Street
Kalana Pakui Building, Suite 200
Wailuku, Hawai'i 96793

DATED: Honolulu, Hawai'i, August 28, 2013.



CLIFFORD J. MILLER
JOEL D. KAM
JONATHAN H. STEINER

Attorneys for Piilani Promenade South, LLC,
Piilani Promenade North, LLC, and Honua'ula
Partners, LLC