

**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, Hawai'i; Tax Map Key Nos. 2-2-02:por.
of 15 and 3-9-01:16

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LAND USE COMMISSION
STATE OF HAWAII

**SIXTEENTH ANNUAL REPORT OF PIILANI PROMENADE
SOUTH, LLC AND PIILANI PROMENADE NORTH, LLC,
SUCCESSOR PETITIONERS TO KAONOULU RANCH (2011)**

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

COMES NOW Piilani Promenade South, LLC and Piilani Promenade North, LLC
(the "Successor Petitioners") successors in interest to MAUI INDUSTRIAL PARTNERS, LLC,
(the "Successor Petitioner" to the "Original Petitioner") in regards to the real property which is
the subject matter of Docket No. A94-706, as referenced above, 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 submits its Sixteenth annual report¹ of compliance with the

¹ This Sixteenth Annual Report is submitted to replace what was previously entitled "Fifteenth Annual Report of Kaonoulu Ranch Light Industrial" that was submitted by Douglas B. Gray on behalf of Successor Petitioners in 2011. 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 Maui Industrial Partners, LLC, which was the owner of the Petition Area during the year 2009. Rather, in 2010, a report was filed entitled "Fourteenth Annual Report." Successor Petitioners therefore, of even date herewith, have submitted a Fourteenth Annual Report to cover the year 2009. In order to correct the numbering of the subsequent Annual Reports, Successor Petitioners are therefore submitting replacement Annual Reports for 2010 through 2012, with the correct numbering (Fifteenth through Seventeenth). The information contained herein is identical to that previously submitted, and Successor Petitioner represents that the information contained herein has been verified by Charles Jencks, who was the owner's representative of Successor Petitioner during the period covered by this Sixteenth Annual Report.

conditions established by said approval, for the year 2011, as follows:

General Progress of the Project

The Original Petitioner obtained its Community Plan Amendment and Change in Zoning. Since then, it considered developing the real property either with or without a partner experienced in the development of a light industrial complex. On May 12, 2005, Maui Industrial Partners completed its purchase of the fee simple interest in the property, together with all of the interests contained with the subject land and its entitlements.

Maui Industrial Partners, LLC (MIP) actively engaged a consulting team to implement the project as approved in the D&O. MIP also engaged the County of Maui, as well as the State Department of Transportation in this effort. Subdivision of the parcel was applied for in September of 2003 with civil construction plans submitted in May of 2005 addressing all preliminary subdivision approval requirements. Final bonded subdivision approval was received on August 14, 2009 for both a large lot subdivision within the subject property and a required parcel for development of county water system improvements necessary for the project. A copy of the subdivision approval letter and associated map are attached hereto as **Exhibit "A"** for reference. Subsequent to the finalization of the large lot subdivision, Piilani Promenade South, LLC (PPS) and Piilani Promenade North, LLC (PPN), the Successor Petitioners, purchased from MIP Lot 2A (by PPN), and Lots C & D (by PPS) as shown on **Exhibit "A"**. This Sixteenth Annual Report addresses compliance with the conditions of approval for those parcels.

Report on Compliance with Conditions Imposed by Commission

The following states whether the conditions in the approval have been met:

- 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 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 understand their obligation to contribute its 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 understand their obligation 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.

Successor Petitioners understand their obligation to comply with this condition and in fact has received approval of the civil construction plans for the project from all of the above referenced agencies. This approval was received in August 2009 after over four years of agency review and comment.

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 understand their obligation to fund and construct adequate potable and non-potable water source, storage, and transmission facilities and improvements to accommodate the proposed project. The approved civil construction plans for the project include improvements addressing both potable, non-potable and waste water collection systems within and outside the project area.

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 understand their obligation to comply with this condition.

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 understand their obligation to comply with this condition.

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 understand their obligation to comply with this condition.

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 understand their obligation 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 understand their obligation 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 understand their obligation 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.

The Successor Petitioners understand their obligation to comply with this condition.

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 understand their 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 understand their obligation 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 understand their obligation 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 understand their obligation 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 Petitioners understand that the Commission may fully or partially release the conditions provided herein.

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

Dated: Honolulu, Hawaii, August 28, 2013.

A handwritten signature in black ink, appearing to read 'Clifford J. Miller', written over a horizontal line.

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

Attorneys for Piilani Promenade South, LLC, and
Piilani Promenade North, 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 Orodener Daniel.E.Orodener@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

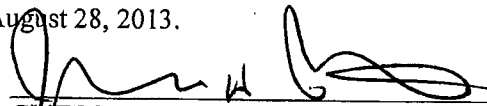
Jesse K. Souki, Director Jesse.K.Souki@dbedt.hawaii.gov
Planning Program Administrator
Office of Planning, Land Use Division
Leiopapa a Kamehameha, Room 600
235 South Beretania Street
Honolulu, Hawai'i 96813

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

Clifford J Miller, Esq. miller@m4law.com
Joel D. Kam, Esq. kam@m4law.com
Jonathan H. Steiner, Esq. steiner@m4law.com
500 Ala Moana Boulevard, 4th Floor
Five Waterfront Plaza
Honolulu, Hawaii 96813

Attorneys for Honua'ula Partners, LLC

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

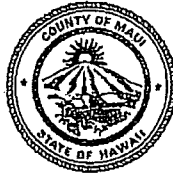

CLIFFORD J. MILLER
JOEL D. KAM
JONATHAN H. STEINER

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

CHARMAINE TAVARES
Mayor

MILTON M. ARAKAWA, A.I.C.P.
Director

MICHAEL M. MIYAMOTO
Deputy Director



RALPH M. NAGAMINE, L.S., P.E.
Development Services Administration

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
DEVELOPMENT SERVICES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

August 14, 2009

Mr. Darren Okimoto, P.E.
WARREN S. UNEMORI ENGINEERING, INC.
2145 Wells Street, Suite 403
Wailuku, Hawaii 96793

SUBJECT: KAONOULU RANCH (LARGE-LOT) SUBDIVISION NO. 2
TMK: (2) 3-9-001:016
SUBDIVISION FILE NO. 2.2795

KAONOULU RANCH-WATER TANK SUBDIVISION
TMK: (2) 2-2-002:015
SUBDIVISION FILE NO. 2.2995

Dear Mr. Okimoto:

Final approval for the subject subdivisions have been granted on August 14, 2009, based upon an "Agreement For Subdivision Approval" and "Subdivision Bond" in the following amounts totaling \$22,058,826.00:

Bond No. SU1102685 (Sitework Improvements)	\$1,256,710.00
Bond No. SU1102686 (East Kaonoulu Street Improvements)	2,299,046.00
Bond No. SU1102687 (Piilani Highway Widening Improvements)	1,411,106.00
Bond No. SU1102688 (Access Road and Swales)	1,771,330.00
Bond No. SU1102689 (Sewer System/Revisions)	712,592.00
Bond No. SU1102690 (Storm Drainage System/Revisions)	2,895,052.00
Bond No. SU1102691 (Onsite Water System)	834,700.00
Bond No. SU1102692 (12" Offsite Water/1MG Water Tank)	4,802,784.00
Bond No. SU1102693 (36" Water Main/Water/Misc. Revisions)	2,444,940.00
Bond No. SU1102694 (Electrical)	885,566.00
Bond No. SU1102695 (Traffic Signal Improvements)	643,000.00
Bond No. SU1102696 (Landscape/Irrigation)	1,202,000.00
Bond No. SU1102697 (CRM Walls)	\$ 900,000.00

The approved final plats and copies of the "Agreement For Subdivision Approval" and "Subdivision Bond" are enclosed for your records.

- Exhibit A -

Mr. Darren Okimoto, P.E.

SUBJECT: **KAONOULU RANCH (LARGE-LOT) SUBDIVISION NO. 2**
SUBDIVISION FILE NO. 2.2795
KAONOULU RANCH-WATER TANK SUBDIVISION
SUBDIVISION FILE NO. 2.2995

August 14, 2009
Page 2 of 2

The "Agreement For Subdivision Approval" and "Subdivision Bond" stipulates that the Subdivider shall complete the required subdivision improvements on or before July 17, 2010.

If you have any questions regarding this letter, please contact Lesli Otani of our Development Services Administration at 270-7252.

Sincerely,

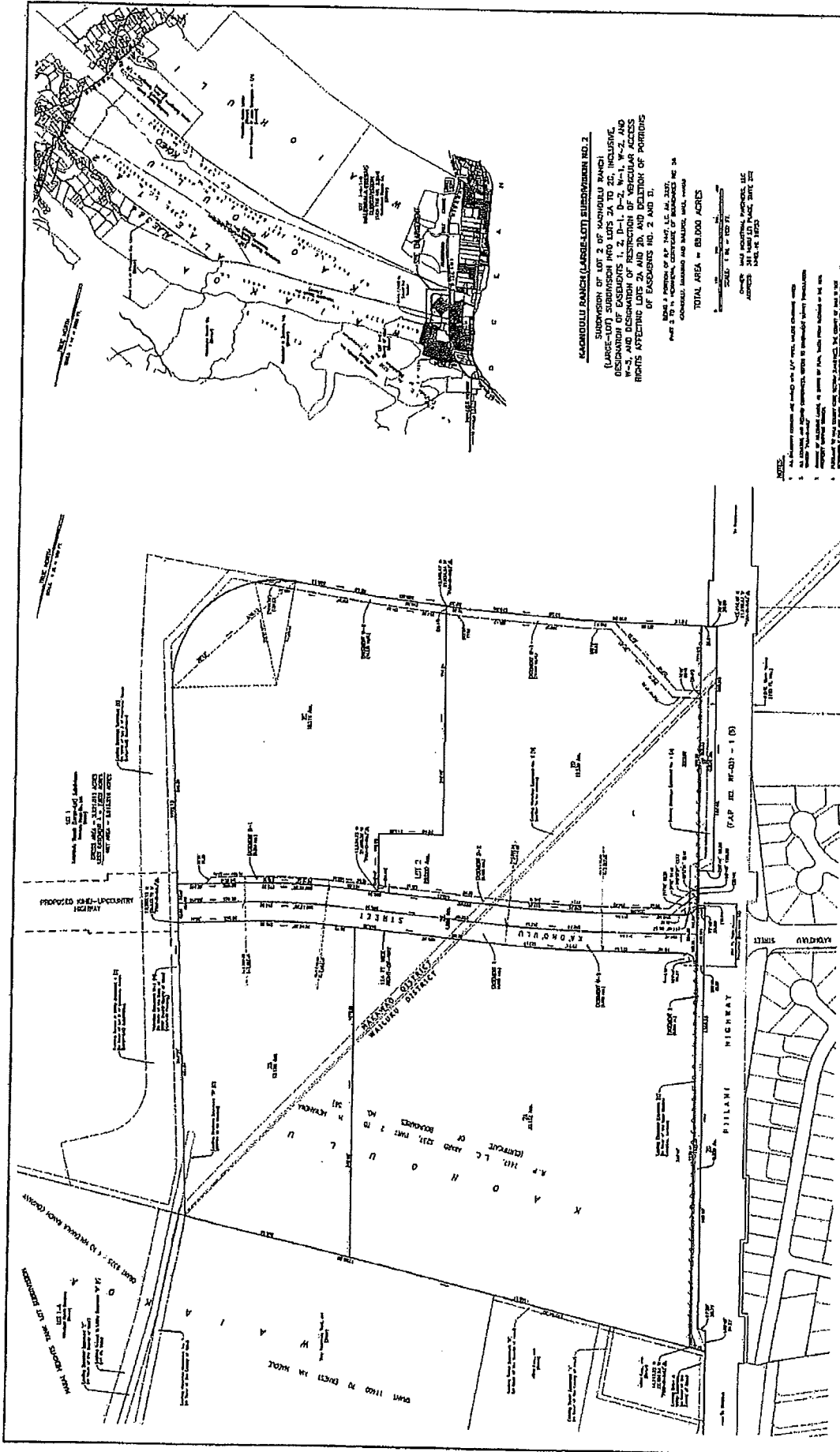


MILTON M. ARAKAWA, A.I.C.P.
Director of Public Works

Enclosures: Final Plats
Agreement For Subdivision Approval
Subdivision Bond (Bond Nos. SU1102685 thru SU1102697)

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c: Dept. of Finance, Accounts Division w/final plats, agreement, & bonds
Dept. of Finance, Real Property Tax Division w/final plats
Dept. of Finance, Tax Map Division w/final plats
Building Permit Section w/final plats
Engineering Division w/final plats
Dept. of Environmental Management, WWRD w/final plats
Dept. of Planning w/final plats
Dept. of Water Supply, SD 03-90 & 06-106 w/final plats
Police Dept. w/final plats
Dept. of Parks and Recreation w/final plats
State Department of Health w/final plats
DOT, Highways Division w/final plats
Maui Electric Co. w/final plats



KAGNIDULU RANCH (LARGELOTT) SUBDIVISION NO. 2
 SUBDIVISION OF LOT 2 OF KAGNIDULU RANCH
 (LARGE-LOT) SUBDIVISION INTO LOTS 2A TO 2C, INCLUSIVE,
 DESIGNATION OF EASEMENTS 1, 2, D-1, D-2, W-1, W-2, AND
 W-3, AND DESIGNATION OF RESTRICTION OF VEHICULAR ACCESS
 RIGHTS APPLICABLE TO LOTS 2A AND 2B, AND DELETION OF PORTIONS
 OF EASEMENTS NO. 2 AND 3.

THIS PLAN IS A REVISION OF THE PLAN OF SUBDIVISION NO. 24
 CONVEYED, MAINTAINED AND VALID, IN ALL RESPECTS,
 TOTAL AREA = 83,000 ACRES

PREPARED BY: [Signature]
 DATE: [Date]

NOTICE

1. All easements are shown with 10' wide, unless otherwise noted.
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[Signature]
 [Date]

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