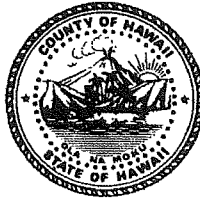


William P. Kenoi
Mayor



Duane Kanuha
Director

Joaquin Gamiao-Kunkel
Deputy Director

West Hawai'i Office
74-5044 Ane Keohokalole Hwy
Kailua-Kona, Hawai'i 96740
Phone (808) 323-4770
Fax (808) 327-3563

County of Hawai'i
PLANNING DEPARTMENT

East Hawai'i Office
101 Pauahi Street, Suite 3
Hilo, Hawai'i 96720
Phone (808) 961-8288
Fax (808) 961-8742

March 9, 2016

Mr. Roger Harris
Palamanui Global Holdings, LLC
68-1087 Ke Kailani Drive
Kamuela, HI 96743

Dear Mr. Harris:

Change of Zone Ordinance No. 09-131 (REZ 09-000094)
Project District Ordinance No. 09-132 (REZ 05-000010)
Land Use Commission Docket No. A03-744 (SLU 03-014)
Applicant: Palamanui Global Holdings, LLC
Subject: 2015 Annual Progress Reports
Tax Map Key: (3) 7-2-005:001

LAND USE COMMISSION
STATE OF HAWAII
2016 MAR 11 A 7:34

This is to acknowledge receipt of the annual progress reports submitted by email dated January 20, 2016, for LUC Docket No. A03-744, Ord. No. 09-131 and Ord. No. 09-132.

The annual progress reports adequately address the status of development and compliance with conditions of approval at this time. Please provide to the Planning Department and State Land Use Commission a copy of the "Regulating Plan" referred to in your response to Condition 24 of LUC Docket No. A03-744.

If you have any questions, please feel free to contact Maija Jackson at (808) 961-8159.

Sincerely,

DUANE KANUHA
Planning Director

MJJ:mad
P:\wpwin60\Maija\Letters\Annual Reports\LHarris-2015 APR's- Palamanui.doc

cc w/reports: State Land Use Commission
State Department of Statewide Transportation Planning Office
Department of Water Supply
Department of Public Works
Kona Planning Department (COR 16-103227, 16-103228, 16-103230)

Camero, Tracie-Lee

2016 JAN 22 PM 3 05

PLANNING DEPARTMENT
COUNTY OF HAWAII

From: Jackson, Maija
Sent: Wednesday, January 20, 2016 5:21 PM
To: Camero, Tracie-Lee
Cc: Arai, Daryn
Subject: FW: First Scan
Attachments: January 15, 2015 D. Kanuha Annual Report.pdf

Please intake attachment only for REZ 05-000010.

From: Roger Harris [mailto:rharris@dtnhawaii.net]
Sent: Wednesday, January 20, 2016 2:11 PM
To: Jackson, Maija <Maija.Jackson@hawaiicounty.gov>; Arai, Daryn <Daryn.Arai@hawaiicounty.gov>
Cc: Sid Fuke <sidfuke@hawaiiantel.net>
Subject: FW: First Scan

Hi , Current annual reports , (2 more coming) Roger .

From: Kris Martin [mailto:kris.martin@kekailani.com]
Sent: Wednesday, January 20, 2016 1:50 PM
To: Roger Harris <rharris@dtnhawaii.net>
Subject: First Scan

Hi Roger,

Per your request, the first of three scans.

Aloha,
Kris


Kris Martin, R(B) | General Manager

KE KAILANI

68-1087 Ke Kailani Drive | Kamuela, Hawaii | 96743
Mobile: 808-295-8382

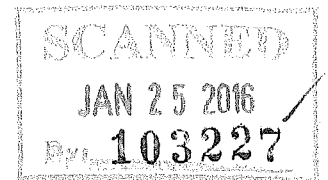
Kris.Martin@kekailani.com

www.kekailani.com

 www.huntcompanies.com

DEVELOP. INVEST. MANAGE.

 : Please consider the environment before printing this e-mail



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January 15, 2015

Mr. Duane Kanuha, Director
Planning Department
County of Hawai'i
101 Pauahi Street, Suite 3
Hilo, HI 96720

Re: Project District Ordinance No. 09-132 (Palamanui)
Palamanui Global Holdings, LLC
Ka'u, North Kona, Hawai'i, TMK: (3) 7-2-5-1 (por.)

Dear Mr. Kanuha,

Pursuant to Condition QQ of Ordinance No. 09-132 (Project District), landowner Palamanui Global Holdings, LLC submits this Annual Report.

- A. The applicant, successors or assigns shall be responsible for complying with all of the stated conditions of approval.**

Applicant has complied and will continue to comply with all stated conditions of approval.

- B. The applicant shall comply with all conditions of approval of the State Land Use Commission's Decision and Order (Docket No. A03-744) dated May 19, 2005.**

Applicant has complied and will continue to comply with this condition.

- C. The applicant shall comply with the conditions as set forth in the Water Agreement between K-W Ka'u, LLC and the Water Commission of the County of Hawaii dated June 15, 1999.**

The 1999 water agreement has been amended three times over the past 14 years. The County Water Board recently approved the latest amended and restated agreement on July 23, 2013.

Pursuant to the agreement, as amended, substantial progress has been made by Applicant on planning and constructing the agreed-upon public water system which will bring water through the Palamanui project site, deliver water to the new UH-West Hawaii campus, and connect to the County Department of Water Supply's existing water system which currently terminates just mauka of the Kona International Airport. This new water system is complete and available to put in service. The water system constructed by Applicant creates a much needed "loop" for the North Kona regional water system, effectively connecting the well sources up mauka along Mamalahoa Highway with the storage reservoirs and

103227.

Mr. Duane Kanuha, Director
Planning Department
County of Hawai'i
January 15, 2015
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transmission lines now serving the Airport and uses along Queen Kaahumanu Hwy.

Before commencing construction on the water system improvements described above, Applicant's engineers at substantial cost prepared and submitted detailed engineering and construction plans. These have been reviewed and approved by the Department of Water Supply. Palamanui is now working with the Department and the County of Hawaii Corporation Counsel to dedicate portions of the water system improvements to the County. Palamanui is also working with the State of Hawaii Department of Land & Natural Resources, and the State of Hawaii Department of Hawaiian Homelands, to obtain permanent easements for those sections of the water system lines that pass through State of Hawaii land.

Finally, Applicant has purchased an additional parcel of land south of Matsuyama Store on the mauka side of Mamalahoa Highway. The Department of Water Supply has approved this site for a future drinking water well should there be a need for Applicant to bring on an additional water source sometime in the future.

Applicant has already invested more than \$11.55 million to design and construct these water facilities, to serve both the project and the UH-West Hawaii campus. Applicant will continue to comply with the requirements of this condition.

- D. The project shall consist of a maximum of ~~[725.2]~~ 695.282 acres for single-family and multi-family residential, commercial uses, hotel, university and public school facilities, dry forest preserve, archaeological and cave preserve areas, active and passive parks, a trail system and supporting infrastructure.**

Applicant will comply with this condition.

- E. The maximum number of residential units allowed shall be 1,116 units, including the on-site affordable housing units.**

Applicant will comply with this condition.

- F. The maximum number of hotel rooms shall be 120.**

Applicant will comply with this condition.

Mr. Duane Kanuha, Director
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- G. Commercial spaces for medical, office, retail, classrooms and health related uses and hotel shall be limited to ~~[102]~~ 72.08 acres.**

Applicant will comply with this condition.

- H. Active and passive parks (Open, Park and Preservation) shall be developed on a minimum of 177.8 acres. A "Constraints Area" which includes the approximately 55-acre dry forest preserve, archaeological sites/cave and park areas, shall be set aside in the project area.**

Applicant will comply with this condition.

- I. The uses allowed in the Project District shall be all permitted uses allowed by right in the RS, RM, CN and CV zoned districts, and a golf course and related facilities. Uses allowed by Use Permit in the CV district may be allowed.**

Applicant will comply with this condition.

- J. A detailed Master Plan of the Project District, which includes the location and number of residential lots and units, hotel, commercial uses, parking, golf course, open space and recreational areas and other related improvements on the property, shall be submitted to the Planning Director within two (2) years from the effective date of the Project District Ordinance or prior to submission of plans for plan approval or subdivision approval, whichever occurs first.**

This condition has been complied with. A detailed Master Plan of the Project District was submitted in 2006. This Master Plan was approved by the Planning Director by letter dated November 29, 2006.

- K. Substantial construction of the proposed development shall commence within five (5) years from the effective date of the Project District Ordinance. "Substantial construction" means the actual start of construction of project infrastructure under a bona fide contract of not less than ten million dollars (\$10,000,000.00). Prior to construction, the applicant, successors or assigns shall secure Final Plan Approval for the proposed development from the Planning Director in accordance with Section 25-2-70, Chapter 25 (Zoning Code), Hawai'i County Code. Plans shall identify proposed structures, fire**

Mr. Duane Kanuha, Director
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protection measures, paved accesses and parking stalls, and other improvements associated with the proposed uses.

The Applicant has complied with this condition by grading most of the major project roadways in accordance with plans approved by the Department of Public Works, County of Hawaii. Additionally, grading work in the Town Center and future Trade Center areas has been started. Additionally, Applicant contributed \$4.4 million to the University of Hawaii in 2012. This money was used by the U.H. to select a contractor and build Road 3A, under the Kona Community Development Plan, from Kaiminani Drive to the new U.H.—West Hawaii campus site on the State land just adjacent to the planned Palamanui University Town Center. (This road, originally known as the Kamanu street extension, is now named part of Ane Keohokalole Highway. It will eventually be connected to Hina Lani Drive). Road 3A was completed on May 31, 2012.

The Planning Director, in a letter dated June 7, 2012, stated: "We confirm timely compliance of this condition with the commencement of mass-grading activities for the Palamanui Town Center, Trade Center, Business Park and backbone infrastructure and the on-going construction of the Kamanu Street (Mid-Level Road), that combined have committed more than \$10 million in construction costs."

L. The following design standards shall apply:

- 1. Landscaping for the development shall comply with the Planning Department's Rule No.17, Landscaping Requirements. Landscaping rules, such as the screening of single-family residential from commercial areas, shall be applied according to the actual uses.**
- 2. The height limit for structures within the project area shall not exceed the following:**
 - a. Single-family residential development: 35 feet**
 - b. Multiple-family residential and hotel developments: 45 feet**
 - c. Office and retail commercial development (not more than 3 stories): 45 feet.**

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3. **The minimum off-street parking and loading space requirements of Chapter 25, Hawaii County Code shall be complied with, including compliance with the American Disabilities Act (ADA) requirements.**

Applicant will comply with all requirements of this condition or as modified pursuant to the Kona Community Development Plan.

- M. **The variances from Chapters 23 (Subdivision) and 25 (Zoning), Hawaii County Code, as presented in Planning Department Exhibit 2 (Applicant's November 21, 2005 letter with attached Tables pages 1 to 6 related to Variance Requested from Sections in Subdivision and Zoning Codes, and Applicant's Figure 2 - Conceptual Character of Town Center/Residential Village Center, Figure 3a- Residential Village Center Alternative: 4,000 SF Lot, Figure 3b - Residential Village Center Alternatives: 6,000 SF Lot, Figure 4a - Conceptual Plan: Roadway Concepts - Dedicable, Figure 4b - Conceptual Plan: Roadway Concepts - Nondedicable, and Figure 5 - Residential Village Center Alternatives: Zone Lot Line Concepts) shall be allowed under the Project District. The applicant shall submit detailed plans to the Planning Director showing street designs and cross-sections, and adjacent building designs, with the Master Plan. The Planning Director may require modifications to the street sections to provide sufficient on-street parking where the plans do not provide adequate off-street parking (such as the 4,000-square foot lots with a one-car garage and insufficient setbacks to allow parking in driveways), and may require further changes necessary for public safety and convenience. All roads built with the variances allowed under this condition will be non-dedicable. With regard to the requested zero line building setbacks, the applicant shall conform to the current Hawaii County Building Code requirements. As part of the Master Plan, the applicant shall submit plans for pedestrian movement through the project district, which shall identify areas where sidewalks will be included to permit safe pedestrian access to the Town Center and other important points in the development.**

On September 10, 2008, Applicant was granted a variance by the Planning Director covering many items including those listed in Condition M. However, Applicant now intends to use the design criteria outlined in the KCDP and at this time does not intend to utilize those variances as to Condition M.

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[O.]N. The permitted hotel, designated as the "University Inn and Conference Center," shall function as a business hotel and in conjunction with University operations. It shall not be operated under a time-share plan or other arrangement that provides for shared ownership of individual units on the basis of time intervals, or club membership allowing periodic use.

Applicant will comply with this condition.

[P.]O. Occupancy of the hotel shall not be granted until the construction of the Queen Kaahumanu Highway, Phase II widening improvements to four lanes from Kealakehe Parkway to the Kona International Airport at Keahole has been secured by the State entering into a construction contract for the improvements, or until construction has commenced on the 20,000 square foot University building, or the building's completion has been assured by bond or other security acceptable to the Planning Director, whichever comes first.

Applicant will comply with this condition.

P. To ensure that the commercial development corresponds with the applicant's representations regarding neighborhood-scale commercial development, no single retail establishment shall have more than 45,000 square feet of development area under roof.

Applicant will comply with this condition.

Q. Total retail space (not including restaurants) shall not exceed 75,000 square feet under roof until the construction of the Queen Kaahumanu Highway, Phase II widening improvements to four lanes from Kealakehe Parkway to the Kona International Airport at Keahole has been secured by the state entering into a construction contract for the improvements. The square footage of improvements leased or given to the University of Hawaii shall not count against this limit.

Applicant will comply with this condition.

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[F.]R. The applicant shall set aside a "Constraints Area" including the approximately 55-acre dry forest preserve, archaeological sites/cave and park areas on the project site.

Applicant is complying with this condition. The Constraints Area features have been inventoried, surveyed, mapped, and marked in the field for interim and permanent protection. Applicant has adopted an "Integrated Natural Cultural Resource Management Plan" which guides preservation, protection, and management of most of the open space resources at Palamanui. (See condition HH below). A fence has been installed and a firebreak has been created to protect the 55 acre Dry Forest Preserve. This dryland forest preserve is being regularly maintained by the Hawaii Forest Institute, at Applicant's expense. Applicant also has worked in good faith with the U.S. Fish & Wildlife Service on a pending Memorandum of Understanding ("MOU") to protect Critical Habitat Species on the Palamanui property. Under the pending MOU, Applicant would provide an additional approximate 19 acres of its land as an Additional Preserve Area. Together with the existing Preserve, that will provide a total of approximately 74.5 acres of contiguous land for propagation and protection of dry forest species. In addition to the dry forest preserve areas, there are many other areas of open space on the Palamanui Master Plan: Parks, Greenbelts, Trails, Civic Spaces, and Squares or Plazas, which will be part of the Constraints Area concept.

[U.]S. The Applicant shall develop one 20-acre park site prior to the issuance of the building permit for the 101st single-family or multi-family residence within the Project. The 20-acre active park site shall include:

(1) One Pony Plus League baseball-softball field including:

- (a) A regulation backstop;**
- (b) A regulation dugout for each side of the field;**
- (c) Portable bleachers to seat a minimum of 50 persons in each bleacher – one bleacher for each of the sidelines;**
- (d) Appropriate fencing to protect the spectators;**
- (e) Appropriate fencing to protect the teams;**
- (f) Fencing for the perimeter of the baseball field;**
- (g) ADA accessible pathways to reach the baseball-softball field from the parking area;**
- (h) Placement of grass for appropriate areas of the field; and**

- (i) An irrigation system installed for the playing field.
- (2) **One Little League baseball-softball field including:**
- (a) A regulation backstop;
 - (b) A regulation dugout for each side of the field;
 - (c) Portable bleachers to seat a minimum of 50 persons in each bleacher – one bleacher for each of the sidelines;
 - (d) Appropriate fencing to protect the spectators;
 - (e) Appropriate fencing to protect the teams;
 - (f) Fencing for the perimeter of the baseball field;
 - (g) ADA accessible pathways to reach the baseball-softball field from the parking area;
 - (h) Placement of grass for appropriate areas of the field; and
 - (i) An irrigation system installed for the playing field.
- (3) **One regulation adult/high school soccer field that shall include:**
- (a) Portable bleachers to seat a minimum of 50 persons in each bleacher – one bleacher for each of the sidelines;
 - (b) ADA accessible pathways to reach the soccer field from the parking area;
 - (c) Placement of grass for appropriate areas of the field; and
 - (d) An irrigation system installed for the soccer field.
- (4) **One standard size dog park.**
- (5) **One comfort station, 30 x 60 feet with lighting, water, and ADA compliant restroom facilities and ADA accessible pathways from the parking area, constructed to specifications and placed in locations to be determined by the department of parks and recreation.**
- (6) **One paved parking lot with 56 full size parking stalls and 4 van-accessible ADA parking stalls for a total of 60 paved parking stalls connected by ADA accessible pathways to all activity areas of the park, hardened with fencing and a gate so that unauthorized vehicles cannot access the park after hours.**

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Applicant will work with the County of Hawaii Parks and Recreation Department to develop a park plan that best suits the community's needs, and consistent with the County's desire to have parks that can be efficiently and cost-effectively maintained.

- T. There shall be an 800-foot setback from the Queen Kaahumanu Highway. No structures, other than those allowed under Condition No. 7 of the Land Use Commission's Decision and Order, shall be allowed within the 800-foot setback area. A copy of the metes and bounds description for this open space area, and proposed covenant(s) shall be submitted to the Planning Director for review and approval prior to receipt of Final Plan Approval or land alteration activities, whichever occurs first. The approved covenant(s) shall be recorded in the Bureau of Conveyances prior to the issuance of Final Plan Approval, or land alteration activities, whichever occurs first. A copy of the recorded covenant(s) shall be provided to the Planning Department.**

Applicant has recorded the 800-foot setback in the Bureau of Conveyances as Document No. 2007-006828, in compliance with this condition.

- U. All project utilities shall be underground.**

Applicant will comply with this condition. The only pre-existing overhead lines will be HELCO line which HELCO installed before the Project began, and a temporary HELCO line required to service the initial phase of the University Buildings.

- V. Road Condition: The applicant shall construct the following roads and improvements within and outside of its property as identified in the Hawai'i County General Plan and the Kona Community Development Plan (CDP) Official Concurrency Map, Figure 4-3, adopted as Ordinance No. 08-131 effective September 25, 2008:**

- 1. University Drive (Road 2- Kona CDP Map, Figure 4-3) within the property from the Queen Ka'ahumanu Highway to Makalei Drive:**
 - a. From the Queen Ka'ahumanu Highway intersection to the proposed Ane Keohokalole Highway (Road 6A - Kona CDP**

Mr. Duane Kanuha, Director
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Map, Figure 4-3), University Drive (2) shall consist of an 88-foot right-of-way with two lanes constructed to County-dedicable standards. This roadway shall be dedicated to the County upon its completion. The section of this roadway from the Queen Ka'ahumanu Highway to approximately 800 feet mauka of Kamanu Street (Road 3A – Kona CDP) intersection with University Drive shall be completed simultaneous to the opening of the first building constructed on the State land for the University of Hawai'i or before July 31, 2012, whichever occurs first. The remaining section of this roadway from the Kamanu Street (3A) to Makalei Drive shall be constructed and dedicated to the County upon its completion.

- b. From the proposed Ane Keohokalole Highway (6A) to Makalei Drive, the road shall be constructed to County-dedicable standards as a minor street, except that design standards shall be varied to permit the connection with Makalei Drive without encroaching into the lowland Dry Forest Preserve. The connection with Makalei Drive shall be designed to not encroach into the Lowland Dry Forest Preserve. The grade shall not exceed ten (10) percent, except near the connection with Makalei Drive.
- c. At the Queen Ka'ahumanu Highway, the intersection shall be improved in accordance with one of the following two options:
 - 1) If a grade separated interchange is available to connect to Queen Ka'ahumanu Highway when the applicant is ready to construct the lower section of University Drive (2), the applicant will connect to such interchange and in such case, applicant will contribute \$1,500,000 to the Department of Transportation.
 - 2) If a grade separated interchange is not available to connect to University Drive (2) to Queen Ka'ahumanu Highway when the applicant is ready to make the connection, applicant shall improve the intersection at its expense as required by the Department of Transportation, but shall include, at a minimum, a

Mr. Duane Kanuha, Director
Planning Department
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Page 11

deceleration and an acceleration lane on Queen Ka'ahumanu Highway, a left-turn lane on Queen Ka'ahumanu Highway, and a dedicated right-turn and left-turn lane from University Drive (2) to Queen Ka'ahumanu Highway. If warranted, at the request of the Department of Transportation, the applicant shall install traffic signals and a second left-turn lane from University Drive (2) to the Queen Ka'ahumanu Highway.

- 3) The intersection improvements with the Queen Ka'ahumanu Highway shall be completed prior to the opening of the first building constructed on the State land for the University of Hawai'i or before a Certificate of Occupancy is issued for any portion of the subject property or the completion of any single-family residential homes, whichever occurs first.

2. Kamanu Street (Road 3A – Kona CDP) from University Drive (2) to Kaiminani Drive:

The applicant shall construct the mauka half-section of a 120-foot wide right-of-way to County-dedicable standards as a two-lane road. The applicant shall construct the intersection at Kaiminani Drive meeting with the approval of the Department of Public Works. The intersection shall include a left-turn lane on Kaiminani Drive. The intersection at the northern and southern end of this road shall have illumination. This road shall also be provided with a utility trench suitable for installation of future street lights by the Department of Public Works or the State Department of Transportation when such illumination is determined to be necessary. The construction of this roadway shall be completed simultaneous to the opening of the first building on the State land for the University of Hawai'i or before July 31, 2012, whichever occurs first.

This roadway (Road 3A of the Kona CDP) has been completed using \$4.4 million payment by the Applicant. The Planning Director's letter of June 7, 2012 stated:

Mr. Duane Kanuha, Director
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Page 12

"We confirm compliance with Condition V(2) with an agreement with the University of Hawaii for the construction of the Kamanu Street as detailed above and secured by \$4.4 million reimbursement to the University upon its completion, funds currently held in escrow."

In accordance with the Kona Community Development Plan Official Concurrence Map, Figure 4-3, Applicant has made the following substantial work and expenditures towards roadway infrastructure for the project:

1. Commenced construction on University Drive (Road 2-Kona CDP, figure 4-3, from the Queen Kaahumanu Highway to Makalei Drive). Applicant has graded the entire mauka-makai right-of-way for this planned road.
2. Constructed Road 3A (by providing the \$4.4 million funding) connecting the Palamanui Village Center and the new college campus to Kaiminani Drive, including the required channelized intersection at the point of connection to Kaiminani Drive. This 1.2 mile road was completed on May 31, 2012. The County has named this road Ane Keohokalole Highway and has future plans to extend it south from Kaiminani Drive to Hina Lani Drive where Ane Keohokalole is already connected from the south.
3. Queen Kahumanu Highway intersection at University Drive: Applicant has graded in the right-of-way for this connection in accordance with construction plans for the future intersection approved by the State of Hawaii Department of Transportation Highways Division. Plans call for the installation of traffic signals and a fully channelized intersection. The timing for construction of this intersection has not yet been determined.
4. Road 6A— Ane Keohokalole Highway within the Palamanui Property: Applicant has planned for the required 120-foot right-of-way for this road and has graded about half of it to date. Applicant will comply with all the requirements of this condition. This road and others will be dedicated to the County after construction is completed.

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5. Road 1: New Connector Road (Road 1-Kona CDP). Applicant has conducted flora and fauna, archaeological, and engineering and economic feasibility studies on possible alignments for this future regional road which would provide a future connection to Mamalahoa Highway. As noted below, Applicant is seeking to amend this condition in the subject Ordinance.
 6. Kealakaa Street Extension (Road 7-Kona CDP). Applicant has reserved a right-of-way for this future road on its plans and will construct and dedicate the portion of it on Palamanui property when the southern connection is ready to be opened up. Applicant will comply with the requirement to have preliminary engineering studies done for this road alignment to confirm that the agreed upon road alignment will be technically feasible to construct.
3. **Ane Keohokalole Highway (Road 6A – Kona CDP)**
- The Portion of Ane Keohokalole Highway (6) within the property shall have a right-of-way width of 120 feet. The applicant shall construct a half-section, two-lane road, within this 120-foot right-of-way to County-dedicable standards. This roadway shall be designed to function as a portion of a future road (Road 1 – Kona CDP) connection Highway 190 with University Drive and the Queen Ka’ahumanu Highway. The applicant shall construct the intersection of University Drive and the Ane Keohokalole Highway meeting with the approval of the Department of Public Works. This roadway shall be dedicated to the County when the County requires it to connect with Road 1 (Kona CDP). Ane Keohokalole Highway (6A), which is dead-ended for future connections, shall have preliminary engineering for technical feasibility and environmentally cleared for construction, a minimum of 500 feet from the subject property boundary into the adjacent properties.**
4. **New Connector Road (Road 1 – Kona CDP):**
- The right-of-way of Road 1 within the State lands shall be 120 feet. The section of Road 1 from the State property to Highway 190 within the private properties shall have a right-of-way width of 88 feet. Applicant shall construct Road 1 at its sole expense as a two-lane**

Mr. Duane Kanuha, Director
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County-dedicable collector road, including shoulders and swales. The final design and maximum grade of Road 1 shall be determined by the Director of Public Works after consultation with the Planning Director. The applicant shall continue preparatory work for the design of Road 1. Including working with the County of Hawai'i to secure the right-of-way for Road 1 across State of Hawai'i lands and providing information necessary for the County of Hawai'i to arrange their right-of-way over privately owned lands. Applicant shall not be required to install utilities or streetlights, except that streetlights shall be installed by the applicant at the intersection with Highway 190. The County shall obtain the necessary right-of-way outside of applicant's property. Completion of Road 1 will be secured by bond or other security meeting the approval of the Planning Director to guarantee that improvements will be completed by the deadline specified in this condition. The bond or other security shall be provided prior to the granting of final subdivision approval on the property containing single family lots. The applicant shall complete Road 1 no later than six (6) years after the entire right-of-way is acquired.

The time extension provision of Condition RR shall also apply to Road 1.

5. Kealakaa Street Extension (Road 7 on Kona CDP):

The applicant shall reserve an 88-foot right-of-way for the Kealakaa Street Extension with its property for future use as a County road. The applicant shall construct the road to County-dedicable standards as a minor collector road at its sole expense and dedicate it to the County of Hawai'i when a connection at the southerly boundary of the project is opened. Kealakaa Street (7), which is dead-ended for future connections, shall have preliminary engineering for technical feasibility and environmentally cleared for construction, a minimum of 500 feet from the subject property boundary into the adjacent property.

6. At the western (makai) end of Makalei Drive, the applicant shall provide safety improvements necessary to make a safe transition to University Drive (2), which may include, but not limited to, rumble

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strips and establishing super-elevation for the curve, as required by the Department of Public Works.

Makalei Drive is a "minor road" and will not be open to the public as a through street until Road 1 is opened for public use.

Applicant has already spent multiple millions of dollars to comply with these road conditions, and will continue to make its best efforts to comply with all roadway obligations that are necessary for the traffic demands created by the Palamanui Project.

Applicant is submitting an application requesting that Condition V.4 be amended from the subject Ordinance. As stated in more detail in the application, attached report, and Traffic Impact Analysis Report, Applicant respectfully believes it is appropriate to amend the Road 1 condition because (1) Road 1 is not deemed critical to the development of the University Village under the concurrency maps and roads in the Kona Community Development Plan; (2) Based upon the updated TIAR, Road 1 is not necessary to satisfy transportation and traffic demand generated by the Palamanui project; (3) There is no proportionate nexus between the Road 1 obligation and its cost and the traffic needs generated by the Palamanui project; and (4) The Road 1 obligation will have a seriously negative effect on Palamanui's ability to obtain additional capital and/or long-term financing needed to proceed with the project, and assist with the future development of the University Village and the University of Hawaii—West Hawaii campus.

Applicant's request to amend Project District Ordinance 09-132 also includes a request to modify the timing of completion of Road 2/University Drive and the Queen Kaahumanu intersection, so those improvements are completed "on or before a Certificate of Occupancy is issued for any portion of the subject property or the completion of any single-family residential homes, whichever comes first." As detailed in the report accompanying the amendment request, the changes are necessary to enable financing for construction of those roadway improvements. The changes also should not negatively impact any transportation or traffic demand created by the Palamanui project, as no traffic other than construction vehicles will be going into or out of the project until a Certificate of Occupancy is issued or any residential homes are completed.

[X.]W. There shall be no direct access from individual lots to collector streets.

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Applicant will comply with this condition.

~~[Z.]~~**X.** Construction vehicles shall not utilize the existing section of [Makalei] Makālei Drive for ingress from Highway 190 to the applicant's Project District or egress from the applicant's Project District to Highway 190, except for construction work within Makālei Estates on the water system (wells, mains, and tanks).

Applicant will comply with this condition.

~~[A.A.]~~**Y.** ~~[No vehicular security gate shall be installed with sixty (60) feet of any proposed county road and a turnaround gate shall be provided within the private road or property on the county road side of the gate.] The Kona Community Development Plan discourages gated communities and cul de sacs. Gates will be prohibited across new roadways identified to service the local transportation network. Roads shall be designed to connect to adjoin properties unless construction of a through street is found to be impracticable. Where cul de sacs or dead end streets are allowed, they shall meet the prevailing standards in the Chapter 23 Subdivision Code.~~

Applicant will comply with this condition.

~~[B.B.]~~**Z.** All development generated runoff shall be disposed of on-site and shall not be directed toward any adjacent properties. A drainage study shall be prepared and submitted to the Department of Public Works prior to issuance of any construction permit. Drainage improvements shall be constructed, meeting with approval of the Department of Public Works, prior to issuance of the certificate of occupancy for any buildings, or final subdivision approval for any subdivision creating single-family residential lots.

Applicant has submitted and received approval of a project wide drainage plan.

~~[C.C.]~~**AA.** Solid Waste Management Plan shall be prepared and submitted for approval to the Department of Environmental Management prior to submitting plans for Plan Approval review. Approved recommendations and mitigation measures shall be implemented in a manner meeting with the approval of the Department of Environmental Management.

Applicant will comply with this condition. Applicant has submitted a plan which was approved by the County of Hawaii by letter dated August 29, 2008.

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County of Hawai'i
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~~DD~~, **BB**. A wastewater treatment system shall be constructed, meeting the approval of the State Department of Health and/or Department of Environmental Management, whichever is applicable. All wastewater shall be treated at an approved wastewater treatment plant, to a minimum of secondary treatment, with R-1 effluent, unless a greater level of treatment is required by the Department of Health. Wastewater shall be used for irrigation of landscaping or other beneficial reuse to the maximum extent feasible. Applicant shall comply with HAR 11-62-27, recycled water systems, in its entirety, and specifically with HAR 11-62-27(i), as amended or replaced.

Applicant will obtain approval from the State of Hawaii Department of Health for the design and construction of a new sewer treatment plant for the project in the near future. This plant will be privately owned and operated.

~~EE~~, **CC**. University of Hawai'i Condition. Applicant shall provide the following to relocate the University of Hawai'i operations:

1. ~~[Connectivity with]~~ **Provide connection of roads and all utilities into the University of Hawai'i 500-acre site for connection to the first University building.** Applicant shall allow the University of Hawai'i to connect electrical and telecommunication systems to facilities installed within the project. These connectivity sites shall be to the University's satisfaction and located along its northern boundary on ~~[Road "1"]~~ **University Drive (Road section 2A – Kona CDP).**
2. **Build Applicant's wastewater treatment system to handle the wastewater from the initial University of Hawai'i building and design the wastewater treatment system to accommodate future expansion for wastewater from future expansion of the University of Hawai'i operations.**
3. **Design and construct an initial classroom and administration building of 20,000 square feet, with associated parking, at Applicant's expense. If the University of Hawai'i design results in the cost of design and construction of the building and associated parking exceeding \$5,000,000, Applicant shall be responsible for the first \$5,000,000 and the University shall be responsible for the balance.**

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Applicant has complied with this condition as confirmed by the Planning Director's June 7, 2012 letter:

"We confirm compliance with this condition by the University of Hawai'i's acceptance of \$5.2 million for the balance of design and construction of this facility, for which the University has accepted all design and construction responsibilities."

- (a) **The building shall be constructed on the State land designated for University use.**
- (b) **Construction ~~of~~ of the building shall commence as soon as the University has the required ~~the~~ necessary consents and approvals. If the necessary consents and approvals cannot be obtained by the State, the University shall have the right to lease from Applicant appropriate space to house University of Hawai'i at West Hawai'i until the necessary consent and approvals are obtained at comparable lease rates now being paid by the University of Hawai'i until the 20,000 square foot building can be constructed on the State land at Applicant's expense.**
- (c) **Applicant shall commence construction of the building, or assure its construction by a bond or other security accepted by the Planning Director and the Chancellor of Hawai'i Community College, before the issuance of a certificate of occupancy for any building, other than the DOE building, or final subdivision approval for any subdivision creating single-family residential lots.**
- (d) **Applicant shall complete construction of the University building no later than two (2) years after the issuance of a certificate of occupancy for any building, other than the DOE building, or November 1, 2012, or final subdivision approval for any subdivision creating single-family residential lots, whichever occurs first. The location and design of the building (interior and exterior) and related improvements will be on terms determined by the University of Hawai'i. The University of Hawai'i shall consult on design of said building with Applicant.**

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County of Hawai'i
January 15, 2015
Page 19

4. **Immediately upon completion of the University of Hawai'i conditions CC. (1), (2), and (3) above, all improvements shall become the property of the University of Hawai'i.**

Applicant is constructing required infrastructure to support the UH-West Hawaii campus, and all such improvements located on State of Hawaii land for the benefit of the UH-West Hawaii have or will become the property of the University of Hawaii.

~~FF~~**DD**. Applicant shall enter into an agreement with the DOE, in accordance with the terms of the State Land Use Decision and Order (Docket No. A03-744) dated May 19, 2005. ~~If the Applicant's agreement with the DOE is later amended, the Applicant shall file a copy of such amendment with the Planning Department and shall comply with the terms of the amended agreement. The applicant shall contribute to the DOE an 8,000 square-foot building within the project site to use for a period of twenty (20) years, subject to the following conditions:~~

1. **No rent or common area maintenance fees will be charged to the DOE.**
2. **The building will be used as instructional and office space for the school complexes located in West Hawai'i.**
3. **The building will meet DOE facility standards, with finished classrooms, workshops and offices.**
4. **The Applicant will collaborate with the DOE on the requirements of the building in order to develop building plan subject to DOE approval.**
 1. **The finished building will be available to the DOE within two (2) years of the issuance of a certificate of occupancy for any multifamily residential building, or within two (2) years from the completion of any single-family residential building within the development, whichever comes first.**

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2. **Following the initial twenty (20) year period when the building will be made available to the DOE, the building will be made available to the DOE for additional years, at the prevailing rental rates.**
7. **If the DOE and the Applicant determine that despite good efforts, a building cannot be provided, or DOE no longer needs the facility and its design has not been completed, the Applicant will make an equivalent school fair-share cash contribution in an amount to be determined by the DOE. This cash contribution shall be expressly reserved for use within the Kealakehe complex of schools.**
8. **The value of the building and its use is meant to be credited against any DOE requirements under the State Land Use Decision and Order.**

Applicant has entered into an agreement with the DOE and will comply with all of the requirements of this agreement.

~~[GG.]~~[EE]. An Emergency Response Plan shall be submitted to the Civil Defense Agency for review and approval, prior to the issuance of a certificate of occupancy.

Applicant will comply with this condition. The Emergency Response Plan was approved by the State of Hawaii Civil Defense Department by letter dated August 26, 2008.

~~[HH.]~~[FF]. To ensure that the Goals and Policies of the Housing Element of the General Plan are implemented, the applicant shall comply with the requirements of Chapter 11, Article 1, Hawaii County Code, relating to Affordable Housing Policy. This requirement shall be approved by the Administrator of the Office of Housing and Community Development prior to receipt of Final Plan Approval and/or Final Subdivision Approval for any subdivision creating single-family residential lots, whichever occurs first. The reduction in minimum lot sizes and the increase in density permitted by Section 11-8, Hawaii County Code, for affordable housing built on-site shall not apply to this project district because the reduction in minimum lot sizes has already been

Mr. Duane Kanuha, Director
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incorporated into the conditions of this project district zoning, and the limit on residential units stated is meant to include affordable units built on-site. Applicant shall satisfy its affordable housing requirements by on-site construction of units, and not utilize any affordable housing credits generated off-site.

Applicant will comply with this condition.

[H.]GG. Should any unidentified sites or remains such as artifacts, shell, bone, or charcoal deposits, human burials, rock or coral alignments, pavings or walls be encountered, work in the immediate area shall cease and the Department of Land and Natural Resources-Historic Preservation Division (DLNR-HPD) shall be immediately notified. Subsequent work shall proceed upon an archaeological clearance from the DLNR-HPD when it is found that sufficient mitigation measures have been taken.

Applicant will comply with this condition.

[JJ.]HH. The applicant shall implement the Integrated Natural Cultural Resource Management Plan (INCRMP) dated May 19, 2005, for the Lowland Dry Forest Preserve (Exhibit "D" and "F" to the INCRMP). Preservation actions, with fire control as a priority, shall begin no later than six months after the effective date of this ordinance.

Applicant will comply with this condition. All preservation areas have been inventoried and fenced. A fire break and fence around the dry forest preserve has been established and is being maintained.

The data recovery plan was approved by the State Historic Preservation Division. The Preservation Plan received interim approval from the division.

The Palamanui Dry Forest Working Group has been formed and is composed of Dr. Pat Hart, Lisa Hadway of DLNR, Roger Harris, and Susan Cordell. This group meets periodically. This group has also had discussions with the North Kona Dry Land Forest group about cooperative efforts to preserve the native dry land forest.

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~~[KK.]~~II. The applicant shall protect all uhiuhi and 'alea trees, and shall use best efforts to preserve the major stands of wiliwili trees.

These trees have been fenced and protected.

~~[LL.]~~JJ. The applicant shall implement the INCRMP for the cave area (Exhibit "E: to the INCRMP).

Applicant will comply with this condition.

~~[MM.]~~KK. The applicant shall implement the Archaeological Preservation Plan (Exhibit "C" to the INCRMP), along with any amendments and modifications thereto as approved by the State Historic Preservation Division.

Applicant will comply with this condition.

~~[NN.]~~LL. The Planning Director may approve modifications to the INCRMP conforming to the general purpose of the INCRMP, after consultation with the DLNR-DOFAW.

Applicant will comply with this condition.

~~[OO.]~~MM. To ensure that the property will be developed as an integrated project, the applicant shall establish covenants to all deeds to any parcels, except parcels to be conveyed to individual residents, that require a master association to administer the development of the project district in accordance with the conditions of land use approvals. The covenants shall give notice that the various parcels are subject to an overall zoning that requires coordinated development. Until the master association is formed, the applicant shall be responsible for ongoing duties such as the management of the Dry Forest Preserve Area and other stewardship duties, and for contingent project responsibilities. After the formation of the master association, those responsibilities, except for offsite infrastructure requirements, shall be transferred to the master association.

Applicant will comply with this condition.

~~PP-]NN.~~ The applicant shall make its fair contribution to mitigate the potential regional impacts of the property with respect to parks and recreation, fire, police, solid waste disposal facilities and roads. The fair share contribution shall become due and payable on the sale or lease of residential units subject to such contribution. The fair share contribution shall have a maximum combined value of ~~[\$6,411.25]~~ \$7,383.36 per multiple family residential unit (~~[\$9,991.20]~~ \$11,506.13 per single family residential unit). The total amount shall be determined with the actual number of units according to the calculation and payment provisions set forth in this condition. The fair share contribution per multiple family residential unit (single family residential unit) shall be allocated as follows:

1. ~~[\$3,162.49]~~ \$3,642.00 per multiple family residential unit (~~[\$4,817.93]~~ \$5,548.46 per single family residential unit) to the County to support park and recreational improvements and facilities;
2. ~~[\$99.95]~~ \$115.11 per multiple family residential unit (~~[\$232.42]~~ \$267.66 per single family residential unit) to the County to support police facilities;
3. ~~[\$307.46]~~ \$354.08 per multiple family residential unit (~~[\$459.06]~~ \$528.66 per single family residential unit) to the County to support fire facilities;
4. ~~[\$137.04]~~ \$157.81 per multiple family residential unit (~~[\$200.98]~~ \$231.45 per single family residential unit) to the County to support solid waste facilities; and
5. ~~[\$2,704.31]~~ \$3,114.36 per multiple family residential unit (~~[\$4,280.82]~~ \$4,929.90 per single family residential unit) to the County to support road and traffic improvements.

The fair share contribution shall be waived for the affordable housing units. In lieu of paying the fair share contribution, the applicant may contribute land and/or construct improvements/facilities related to fire, police, and solid waste disposal facilities within the region impacted by the proposed development, subject to the review and recommendation

Mr. Duane Kanuha, Director
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of the Planning Director, upon consultation with the appropriate agencies and approval of the County Council. With respect to the fair share contribution for parks and recreation, that contribution for all residential units will be satisfied when Applicant completes and offers for dedication all of the land facilities for the active use park described in Condition ["U"] "S" above. The fair share contribution for roads will be satisfied upon completion of the [~~Mid-Level Road (Road "2"), Road "3", Road "5" and Road "4"~~] University Drive (Road sections 2A, 2B, and 2C), Kamanu Street Extension (Road 3A), Ane Keohokālole Highway (Road 6A), Kealaka`a Street Extension (Road 7), and Road 1 and their associated intersections.

Applicant will comply with this condition.

~~[QQ.]~~**QQ.** Should the Council adopt a Unified Impact Fees Ordinance setting forth criteria for imposition of exactions or the assessment impact fees, conditions included herein shall be credited towards the requirements of the Unified Impact Fees Ordinance.

Applicant will comply with this condition.

~~[RR.]~~**PP.** Comply with all other applicable County, State and Federal laws, rules, regulations and requirements.

Applicant will comply with this condition.

~~[SS.]~~**QQ.** An annual progress report shall be submitted to the Planning Director prior to the anniversary date of the approval of this Project District Ordinance. The report shall include, but not be limited to, the status of the development, [~~and~~] the bond status including the premium payments, and the extent to which the conditions of approval are being satisfied. This condition shall remain in effect until all of the conditions of approval have been satisfied and approved by the appropriate departments and the Director acknowledges that further reports are not required.

Applicant will comply with this condition. This Annual Report is submitted per condition QQ.

Mr. Duane Kanuha, Director
Planning Department
County of Hawai'i
January 15, 2015
Page 25

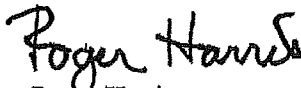
~~[FF.]RR.~~ An initial extension of time for the performance of conditions within the ordinance, ~~[except for the six year time limit in condition X.10,]~~ may be granted by the Planning Director upon the following circumstances:

1. The non-performance is the result of conditions that could not have been foreseen or are beyond the control of the applicant, successors or assigns, and that are not the result of their fault or negligence.
2. Granting of the time extension would not be contrary to the General Plan or Zoning Code.
3. Granting of the time extension would not be contrary to the original reasons for the granting of the Project District.
4. The time extension granted shall be for a period not to exceed the period originally granted for performance (i.e., a condition to be performed within one year may be extended for up to one additional year).
5. If the applicant should require an additional extension of time the Planning Department shall submit the applicant's request to the County Council for appropriate action.

Should any of the conditions not be met or substantially complied with in a timely fashion, the Planning Director may initiate rezoning of the subject area to its original or more appropriate designation.

Applicant understands this condition.

Very truly yours,



Roger Harris
Director of Governmental Affairs
Palamanui Global Holdings, LLC

Camero, Tracie-Lee

2016 JAN 22 PM 3 00

PLANNING DEPARTMENT
COUNTY OF HAWAII

From: Jackson, Maija
Sent: Wednesday, January 20, 2016 5:22 PM
To: Camero, Tracie-Lee
Cc: Arai, Daryn
Subject: FW: Second Scan
Attachments: January 15, 2015 D. Kanuha ZO No. 09-131.pdf

Please intake attachment only for REZ 09-94. Thanks!

From: Roger Harris [mailto:rharris@dtnhawaii.net]
Sent: Wednesday, January 20, 2016 2:11 PM
To: Jackson, Maija <Maija.Jackson@hawaiicounty.gov>; Arai, Daryn <Daryn.Arai@hawaiicounty.gov>
Cc: Sid Fuke <sidfuke@hawaiiantel.net>
Subject: FW: Second Scan

Annual report

From: Kris Martin [mailto:kris.martin@kekailani.com]
Sent: Wednesday, January 20, 2016 1:52 PM
To: Roger Harris <rharris@dtnhawaii.net>
Subject: Second Scan

Aloha Roger,

Here is the second scan.

Aloha,
Kris

Kris Martin, R(B) | General Manager

KE KAILANI

68-1087 Ke Kailani Drive | Kamuela, Hawaii | 96743

Mobile: 808-295-8382

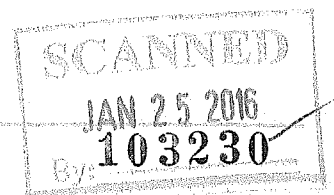
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January 15, 2015

Mr. Duane Kanuha
Planning Director, County of Hawaii
Aupuni Center-101 Pauahi Street, Suite 3
Hilo, Hawaii 96720

Re: Zoning Ordinance No. 09-131
Palamanui Project, North Kona, HI
TMK: 7-2-05:01 (Portion)
Annual Report: 2013

Dear Director Kanuha,

Pursuant to Condition Q of Ordinance No. 09-131, owner Palamanui Global Holdings, LLC submits this Annual Report. Ordinance 09-131 relates to 29.92 acres of the Palamanui mixed use project, and creates an MCX district for future development as primarily distribution and wholesaling commercial uses to support Palamanui and the surrounding region:

Condition A: Compliance with conditions of ORD. 09-131:

Applicant has complied and will continue to comply with all stated conditions of approval.

Condition B: Compliance with LUC conditions:

Applicant has complied and will continue to comply with this condition.

Condition C: Compliance with applicable conditions of County Zoning Ordinance No. 06-105 and any applicable amendments:

As described in detail in the Annual Report for Project District Ordinance No. 09-132, Applicant has complied and will continue to comply with this condition.

Condition D: Water Master Plan submittal and Approval:

The County Department of Water Supply has reviewed and approved Applicant's Water Master Plan prepared by Tom Nance Water Resources Engineering.

Condition E: Secure Final Subdivision Approval within five years:

This condition requires Applicant to obtain final subdivision approval of the 29.92 acres within five years from November 4, 2009, which would make the deadline November 14, 2014. Applicant has submitted a request to the Planning Director for a five-year administrative extension of this deadline. Applicant is making good progress with development of the Palamanui project. It has already invested more than \$20 million to help construct the planned 500-acre University of Hawaii, West Hawaii Center ("UH-West Hawaii") and related infrastructure in a cooperative undertaking with the University of Hawaii. That investment includes an \$11.5 million water system, which has been completed and is available to put in service, and will supply water to UH-West Hawaii and the Palamanui project. Applicant has an agreement with the County Department of Water Supply ("DWS") that was approved by the County Water Board on July 23, 2013. Under that agreement, after the water system is completed and put in service, DWS could require a "trial operation period" of up to three years before confirming how much usable water is being produced by Palamanui's initial well. Because of those requirements under the County Water Agreement, Applicant could not obtain final subdivision approval prior to the original November 4, 2014 date. Applicant therefore has requested an administrative extension of Condition E, in compliance with the requirements of Condition R.

Condition F: Secure Final Plan Approval prior to construction:

Applicant will comply with this condition.

Condition G: Access to the property to be approved by the Department of Transportation and Department of Public Works:

Approval by the State Department of Transportation was granted in September 2012, following approvals by the County of Hawaii in 2010 and 2011. In addition, Applicant contributed \$4.4 million to the University of Hawaii in 2012. This money was used by the University of Hawaii to select a contractor and build Road 3A under the Kona Community Development Plan from Kaiminani Drive to the new UH-West Hawaii campus site on the State land just adjacent to the Palamanui University Town Center. (This access road previously was known as the Kamanu street extension, and is now named Ane Keohokalole Highway. It will eventually be connected to Hina Lani Drive). Road 3A was completed on May 31, 2012.

Condition H: Drainage Studies Required:

The County Department of Public Works has approved drainage studies submitted by Applicant. Initial drainage improvements are being constructed along with on-going grading and construction of the \$11.5 million water system to serve UH-West Hawaii and the Palamanui project.

Condition I: Comply with Approved Solid Waste Management Plan.

Applicant has complied and will continue to comply with this condition.

Condition K: Emergency Response Plan:

The County of Hawaii Civil Defense Agency has reviewed and approved Applicant's Emergency Response Plan.

Condition L: Comply with County Housing Elements and Chapter 11 regarding Affordable Housing Policy.

Applicant will comply with this condition.

Condition M: Archeological Sites:

Applicant will comply with this condition. In particular, Applicant will stop work and notify the State Historic Preservation Division if Applicant encounters any unidentified archaeological features or items.

Condition N: Unified Impact Fee Ordinance:

Should this ordinance be adopted and implemented, Applicant will comply with this condition.

Condition O: Total Retail Space limited to 75,000 sq. ft. under roof until the construction of Queen Kahumanu Highway, Phase II is under contract.

Applicant will comply with this condition.

Condition P: Comply with any other applied laws and regulation:

Applicant has complied and will continue to comply with this condition.

Condition Q: Annual Progress Report:

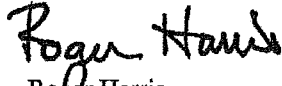
Applicant has complied and will continue to comply with this condition.

Condition R: Extension of Time:

Applicant will comply with this condition if and as applicable.

Please contact me with any questions you may have at 987-5182.

Very truly yours,

Handwritten signature of Roger Harris in black ink.

Roger Harris
Director of Governmental Affairs
Palamanui Global Holdings, LLC

Camero, Tracie-Lee

2016 JAN 22 PM 5:00

From: Jackson, Maija
Sent: Wednesday, January 20, 2016 5:19 PM
To: Camero, Tracie-Lee
Cc: Arai, Daryn
Subject: FW: Third Scan
Attachments: January 15, 2015 Docket No. A03-744.pdf

PLANNING DEPARTMENT
COUNTY OF HAWAII

Tracie,

Please intake the attachment and email for SLU 2003-014 for Palamanui.

Maija

From: Roger Harris [mailto:rharris@dtnhawaii.net]
Sent: Wednesday, January 20, 2016 2:12 PM
To: Jackson, Maija <Maija.Jackson@hawaiicounty.gov>; Arai, Daryn <Daryn.Arai@hawaiicounty.gov>
Cc: Sid Fuke <sidfuke@hawaiiantel.net>
Subject: FW: Third Scan

Annual report

From: Kris Martin [mailto:kris.martin@kekailani.com]
Sent: Wednesday, January 20, 2016 1:55 PM
To: Roger Harris <rharris@dtnhawaii.net>
Subject: Third Scan

Aloha Roger,

Here is the last scan. I will drop the hardcopies back off at your home tonight.

Aloha,
Kris


Kris Martin, R(B) | General Manager

KE KAILANI

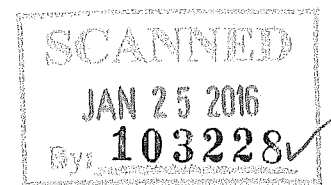
68-1087 Ke Kailani Drive | Kamuela, Hawaii | 96743
Mobile: 808-295-8382

Kris.Martin@kekailani.com

www.kekailani.com

 www.huntcompanies.com

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January 15, 2015

**State of Hawaii Land Use Commission
Docket No. A03-744: Annual Report of
Palamanui Global Holdings, LLC**

PALALMANUI GLOBAL HOLDINGS, LLC, a Hawaii limited liability company, successor in title to HILUHILU DEVELOPMENT, LLC ("Petitioner") submits its Annual Report as required by the Findings of Fact, Conclusions of Law, Decision and Order ("Decision and Order") filed on June 13, 2005 in Docket No. A03-744, for the Petition Area consisting of approximately 725.2 acres of land at Kau, North Kona, Island, County, and State of Hawaii, identified as Tax Map Key No. (3) 7-5-002: 001.

This report quotes each of the conditions in the Decision and Order, and thereafter states the status of compliance.

1. Affordable Housing.

Petitioner shall provide affordable housing opportunities for residents of the State of Hawaii to the satisfaction of the County, acting in accordance with the County's Ordinance No. 05-23, Affordable Housing Policy For the County of Hawaii. Petitioner shall provide no less than 100 onsite affordable units in accordance with the Petitioner's representations to the Commission or whatever number of affordable units is deemed acceptable by the County in accordance with the County's Ordinance No. 05-23, Affordable Housing Policy for the County of Hawaii, whichever is greater. The location and distribution of the affordable housing units or other provisions for affordable housing shall be under such terms as may be mutually agreeable between the Petitioner and County.

Petitioner has been working with the County of Hawaii to satisfy its requirements under Ordinance No. 05-23, which is now codified in Chapter 11 of the Hawaii County Code. Current development plans anticipate that all affordable housing units will be built within the Petition Area. There will be not less than 100 affordable housing units. Petitioner continues to have discussions with the County of Hawaii Office of Housing and Community Development on the scope of the housing agreement for the project. Petitioner anticipates building affordable housing units incrementally in the Petition Area. Once Petitioner determines the appropriate mix of affordable housing units, it will present a draft of a housing agreement to the Office of Housing and Community Development and will address any concerns that the department may have. Thereafter, Petitioner will submit the finalized agreement for approval by the Hawaii County Housing Agency.

2. Public School Facilities.

Petitioner shall contribute to the development, funding and construction of public school facilities as determined by and to the satisfaction of the DOE. Petitioner shall enter into an agreement with the DOE covering the specific terms of such contribution prior to final subdivision approval and file such agreement with the Commission and the County.

An "Educational Contribution Agreement for Palamanui," dated November 14, 2007, was executed with the Hawaii State Department of Education. A copy of that Agreement was provided to the Commission on or about September 25, 2008.

3. Wastewater Facilities.

Petitioner shall design and construct its wastewater disposal system in compliance with the requirement of the County and the DOH.

Petitioner has obtained approval from the Wastewater Division of the Hawaii State Department of Health for the design of the privately owned and operated sewage treatment plant. Construction has not started on this facility. For the opening of the first phase of the University of Hawaii—West Hawaii campus ("UH-West Hawaii") in 2015, wastewater treatment will be provided by a "Living Machine"-type wastewater facility which will be constructed on the UH-West Hawaii site. This system has been approved by the Hawaii State Department of Health. Petitioner contributed \$700,000 to the UH-West Hawaii to cover the cost of this facility. The "Living Machine" is an environmentally superior treatment process, which will help UH-West Hawaii reach its goal of obtaining LEED certification.

Petitioner will construct a project-wide Wastewater Treatment Facility in the future to service commercial and housing uses at Palamanui as development proceeds.

4. Wastewater Agreement For Underground Injection Offsite.

Prior to final subdivision approval, Petitioner shall provide the Commission and the County with a copy of the executed agreement to inject wastewater underground offsite and above the UIC line on the adjacent State-owned land to the south of the Petition Area, or with other such landowner and location as approved by DOH.

Studies determined that the required underground injection wells for the sewage treatment plant could be located within the Petition Area. The Hawaii State Department of Health concurred on locating those underground injection wells in the Petition Area. These injection wells have been constructed, tested and approved for future use. In general, they will be for back-up or overflow use, as the treated effluent is expected to be used for project irrigation.

5. Traffic Impacts and Mitigation.

Petitioner shall fund, design and construct its share of local and regional transportation improvements as determined by the SDOT and the County, which includes but is not limited to:

a. Midlevel connection with Ka'iminani Drive.

Petitioner shall provide at its sole cost and expense a two-lane roadway between the Petition Area and Ka'iminani Drive in an alignment approved by the County and the University and acceptable to any other State agency with a property interest in the land on which the two-lane roadway is located.

This road is designated as "Road 2" on Exhibit B to County of Hawaii Project District Ordinance No. 09-132. After the road's alignment was approved by the State Department of Land and Natural Resources, the road was constructed in 2012 with \$4.4 million contributed by Petitioner. The road is now known as a portion of the Ane Keohokalole Highway, connecting Kaiminani Drive to the UH-West Hawaii campus and the Palamannui project. The road is referred as Road 3A on the Kona Community Development Plan map.

b. Mauka-Makai Connector Road.

A mauka-makai connector road providing public access between Queen Kaahumanu Highway and the Mamalahoa Highway shall be provided at Petitioner's sole cost and expense. Said mauka-makai connector road shall connect through such connector road to Mamalahoa Highway as Petitioner and the County may agree.

Petitioner will comply with this condition, in accordance with all agreements with the County of Hawaii.

c. Right-Of-Way for An Alternative Mauka-Makai Connector Road

Petitioner shall reserve a right-of-way along the east (mauka) portion of the Petition Area to support the possible future connection to the Mamalahoa Highway. Petitioner shall construct at its sole cost and expense all portions of said future road that is within the Petition Area. Any proposed road construction plans and associated utility easements which may impact the Lowland Dry Forest Preserve shall be subject to prior review and approval of the Commission and shall include consultation with the County, such that County engineering standards or other County requirements do not adversely impact the Lowland Dry Forest Preserve.

Petitioner will comply with this condition.

d. Request to Limit Vehicle Traffic on Portions of Makalei Drive.

In the event that the mauka-makai road connector road utilizes Makalei Drive, then to promote greater traffic safety, Petitioner shall prior to final subdivision approval, use reasonable efforts to petition the County to limit motor vehicle traffic on Makalei Drive as a through street, as it transverses Makalei Estates, to only those vehicles that have a gross vehicle weight of less than 10,000 pounds.

Petitioner will comply with this condition.

6. **Integrated Natural Cultural Resource Management Plan (INCRMP).**

Petitioner shall implement the revised INCRMP including completion of all plans (with appropriate approvals), covenants and easements required under the revised INCRMP. Such implementation shall include, but not be limited to the following:

Petitioner has been implementing this condition. Petitioner has drafted and recorded Master Covenants that apply to the entire Petition area. The covenants include the provisions described in the Integrated Natural Cultural Resource Management Plan ("INCRMP"). Petitioner also drafted and recorded Master Design Guidelines which apply to development within the entire Petition area. Among other matters, the design guidelines cover preservation of culturally significant views, use of native vegetation for landscaping and preservation of certain landforms. Copies of the recorded Master Covenants and Master Design Guidelines have been previously provided to the Commission and the County of Hawaii Planning Department. An inventory map showing all preservation sites has been finalized. All preservation areas have been fenced so they are clearly visible. Petitioner finished the fire break area and fencing around the dry land forest and continues to maintain and monitor it.

Petitioner has retained Walter Andrade as cultural monitor on the project:

a. **Preservation of Significant Historic, Cultural and Natural Resources**

Petitioner shall preserve all of the identified significant historic, cultural, and natural resources on the Petition Area as represented by the Petitioner to the Commission.

Petitioner will comply with this condition. These sites have been identified and marked. They will also be shown on the project's Inventory Map.

b. **Historic Preservation Mitigation Plan.**

Petitioner shall submit data recovery plans and preservation plans to the SHPD and obtain approval of those plans within one year of the issuance of this Decision and Order. If said plans as approved vary from those

incorporated into the revised INCRMP, Petitioner shall amend the revised INCRMP to reflect SHPD's recommendations and submit the amended revised INCRMP to the Commission for its approval prior to final subdivision approval.

The State Historic Preservation Division has approved the Data Recovery Plan, and the data recovery work has been completed. The State of Hawaii Historic Preservation Division approved Petitioner's proposed Preservation Plan on May 16, 2014.

c. Preservation of Lowland Dry Forest.

Petitioner shall permanently protect the Lowland Dry Forest Preserve. Any proposed road construction plans, irrigation well sites and proposed access and utility easements which may impact the Lowland Dry Forest Preserve shall be subject to prior review and approval of the Commission.

Petitioner will comply with this condition.

A fire break and protective fence around the perimeter of the dryland forest has been established and is being maintained, creating a 55.7-acre Dry Forest Preserve. This dryland forest preserve is being regularly maintained by the Hawaii Forest Institute, at Petitioner's expense. Petitioner also has worked in good faith with the U.S. Fish & Wildlife Service on a pending Memorandum of Understanding ("MOU") to protect Critical Habitat Species on the Palamanui property. Under the pending MOU, Petitioner would provide an additional approximate 19 acres of its land as an Additional Preserve Area. Together with the existing Preserve, that will provide a total of approximately 74.5 acres of contiguous land for propagation and protection of dry forest species

d. Coordination of Lowland Dry Forest Preservation Efforts.

Petitioner shall use reasonable efforts to coordinate its preservation of the Lowland Dry Forest Preserve with the State of Hawai'i Department of Land and Natural Resources as the Lowland Dry Forest Preserve extends in some places onto the neighboring state-owned property. Such coordination shall include, but not be limited to: sharing information regarding updated biological surveys; coordinating the development of a fire prevention plan; establishing appropriate firebreaks; and exploring contingencies for using the Project's irrigation systems to control brush fires.

Petitioner has complied and will continue to comply with this condition. The Palamanui Dry Forest Working Group meets regularly. The group's members include Dr. Pat Hart, Lisa Hadway from the State Department of Land and Natural Resources, Susan Cordell, and Roger Harris (who works with Petitioner). Discussions continue with the North Kona Dry Land Forest Group and other groups about cooperative efforts to preserve the native dry land forests on the Palamanui land and adjacent State of Hawaii land.

e. **Preservation of Flora Outside of Lowland Dry Forest.**

Petitioner shall preserve all floras that are federally listed as Endangered Species throughout the Petition Area. Petitioner shall to the extent practicable, preserve flora identified as non-endangered indigenous and Species of Concern by incorporating such plants into the Project's landscaping and exclusionary fenced areas.

Petitioner will comply with this condition. Individual trees that are federally listed as endangered species have been fenced and currently appear healthy.

f. **Unidentified Archaeological Finds.**

If any burials, archaeological or historic sites such as artifacts, marine shell concentrations, charcoal deposits, or stone platforms, pavings or walls are discovered during the course of construction of the Project, then all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological clearance from the SHPD that mitigative measures have been implemented to its satisfaction.

Petitioner will comply with this condition.

g. **Preservation of Native Hawaiian Gathering and Access Rights.**

Petitioner shall preserve and protect any established Native Hawai'ian traditional and customary rights exercised for subsistence, cultural and religious practices on the Petition Area.

Petitioner will comply with this condition.

h. **Updated Biological Survey.**

Petitioner shall submit an updated biological survey of the Petition Area to the Commission before construction of the Project begins. The updated biological survey shall include but not be limited to, detailed information pertaining to any significant invertebrates and Hawai'ian Hoary Bats within the Petition Area.

Petitioner has complied with this condition.

i. **Cultural Monitor for Grubbing and Grading Activities.**

Petitioner shall retain the services of an appropriate number of qualified cultural monitors such that all grubbing and grading activities within the Petition Area are duly monitored.

Petitioner will comply with this condition. Walter Andrade will serve as cultural monitor during construction activities within the Petition Area.

7. **Open Space Buffer.**

Petitioner shall maintain an open space buffer on the Petition Area along Queen Kaahumanu Highway with a minimum width of 800 feet. The only man-made structures allowed in this open space buffer shall be the Northern Project Access Road, the Project's wastewater treatment plant, limited portions of the Project's golf course, and a groundwater monitoring well - as represented by the Petitioner to the Commission. Petitioner shall appropriately screen such uses to maintain the visual continuity of such buffer.

Petitioner has complied with this condition. A notice of Open Space Buffer has been recorded in the State of Hawaii Bureau of Conveyances as Document No. 2007-006828.

8. **Civil Defense.**

Petitioner shall, on a fair-share basis, fund and construct adequate civil defense measures as determined by the State and County Civil Defense Agencies.

Petitioner will comply with this condition. By letter dated August 26, 2008, the County of Hawaii Civil Defense Agency approved an Emergency Response Plan submitted by Petitioner.

9. **Air Quality Monitoring.**

Petitioner shall participate in an air quality-monitoring program as specified by the DOH.

Petitioner will comply with this condition.

10. **Noise and Avigation Easement.**

Petitioner shall notify all prospective buyers and future occupants of the Petition Area or portions of the Petition Area that over flights can occur from aircraft using KOA Airport. Petitioner shall grant to the State an avigation (right of flight) and noise easement in the form prescribed by the SDOT on any portion of the Petition Area subject to noise levels exceeding 55 Ldn.

Petitioner will comply with this condition.

11. **Notification of Potential Nuisances-Agricultural.**

Petitioner shall notify all prospective buyers and future occupants of the Petition Area or portions of the Petition Area of potential odor, noise and dust pollution if there are any lands in the Agricultural District surrounding the Petition Area.

Petitioner will comply with this condition. Documents for this purpose will be developed in conjunction with Petitioner's sales and leasing documents.

12. **Notification of Potential Nuisances -HELCO.**

Petitioner shall notify all prospective buyers and future occupants of the Petition Area or portions of the Petition Area of the potential noise and air quality impacts associated with the existing use and proposed improvements to Hawaii Electric Light Company, Inc.'s Keahole Generating Station and Airport Substation.

Petitioner will comply with this condition. Documents for this purpose will be developed in conjunction with Petitioner's sales and leasing documents.

13. **Hawai'i Right to Farm Act.**

Petitioner shall notify all prospective buyers and future occupants of the Petition Area or portions of the Petition Area that the Hawai'i Right to Farm Act, Chapter 165, HRS, limits the circumstances under which pre-existing farm activities may be deemed a nuisance if there are any lands in the Agricultural District surrounding the Petition Area.

Petitioner will comply with this condition.

14. **Drainage Improvements.**

Petitioner shall fund the design and construction of drainage improvements required as a result of the development of the Petition Area to the satisfaction of the appropriate State and County agencies.

Petitioner will comply with this condition. Drainage studies have been completed, and the County of Hawaii Department of Public Works has approved a project-wide drainage plan.

15. **Integrated Solid Waste Management Plan.**

Petitioner shall cooperate with the DOH and the County to conform to the program goals and objectives of Chapter 342G, HRS, and the County's approved integrated solid waste management plans in accordance with a schedule and timeframe satisfactory to the DOH. Petitioner shall, in coordination with appropriate State and County government agencies, assist in the planning and promotion of solid waste recycling facilities for the Project. This condition shall be included in the Project's CC&Rs.

Petitioner will comply with this condition. A Solid Waste Management Plan has been approved by the County of Hawaii Department of Environmental Management, Solid Waste Division, by letter dated August 29, 2008.

16. Groundwater and Near Shore Water Monitoring.

Petitioner shall participate in the coastal water-monitoring program with the SDOT Airports Division. Petitioner shall conduct groundwater monitoring from a monitoring well to be located at the makai end of the Petition Area. Monitoring programs and mitigation measures shall be approved by the DOH.

Petitioner will comply with this condition. An Agreement has been reached with the State Department of Transportation Airports Division to have monitoring done along with the division's monitoring of the other airport monitoring wells. The monitoring well required by this condition has been constructed at Petitioner's cost, on State lands near the Kona International Airport at Keahole, and is being monitored twice a year as part of the Airports Division monitoring program. Petitioner pays the cost of the water quality sampling and monitoring of this well. All the monitoring reports are submitted to the State DOT — Airports Division and the Hawaii State Department of Health. To date, no variation in water quality has been detected.

17. Water Service.

Petitioner shall fund and construct adequate water source, storage, and transmission facilities and improvements as represented to the Commission and as required by the County Department of Water Supply to accommodate the Project.

Petitioner will comply with this condition.

The 1999 water agreement has been amended three times over the past 14 years. The County of Hawaii Water Board recently approved the latest amended and restated agreement on July 23, 2013.

Pursuant to the agreement, as amended, substantial progress has been made by Petitioner on planning and constructing the agreed-upon public water system which will bring water through the Palamanui project site, deliver water to the new UH-West Hawaii campus, and connect to the County Department of Water Supply's existing water system which

currently terminates just mauka of the Kona International Airport. This new water system is now complete and available to put in service. This will create a much needed "loop" for the North Kona regional water system, effectively connecting the well sources up mauka along Mamalahoa Highway with the storage reservoirs and transmission lines now serving the Airport and uses along Queen Kaahumanu Hwy.

Before commencing construction on the water system improvements described above, Petitioner's engineers at substantial cost prepared and submitted detailed engineering and construction plans. These have been reviewed and approved by the County of Hawaii Department of Water Supply.

Finally, Petitioner has purchased an additional parcel of land south of Matsuyama Store on the mauka side of Mamalahoa Highway. The Department of Water Supply has approved this site for a future drinking water well should there be a need for Petitioner to bring on an additional water source sometime in the future.

Petitioner has invested more than \$11.55 million to design and construct these water facilities, to serve both the project and the UH-West Hawaii campus. Petitioner will continue to comply with the requirements of this condition.

18. Best Management Practices.

Petitioner shall implement best management practices to reduce or eliminate soil erosion and groundwater pollution and implement dust control measures during the development process in accordance with DOH guidelines.

Petitioner will comply with this condition.

19. Water Conservation Measures.

Petitioner shall implement water conservation measures and best management practices, such as use of indigenous and drought tolerant plants and to the extent possible, use Species of Concern and Endangered Species, and incorporate such measures into common areas landscape planning, and shall incorporate low flow fixtures into the construction of all residential and commercial units.

Petitioner will comply with this condition.

20. Energy Conservation Measures.

Petitioner shall incorporate solar energy and energy conservation techniques where feasible into design of all residential and commercial units.

Petitioner will comply with this condition.

21. Hazardous Materials.

Storage and/or disposal of hazardous materials on the Petition Area shall comply with all applicable DOH requirements and all necessary permits shall be obtained.

Petitioner will comply with this condition.

22. Golf Course.

Petitioner shall comply with the principles of the DOH's "Guidelines Applicable to Golf Courses in Hawai'i" (July 2002, Version 6). Petitioner shall develop and maintain the golf course in accordance with the Audubon International's Signature Silver Program standard. To the extent practicable, the Petitioner will utilize R-1 recycled wastewater to irrigate the golf course.

During the County of Hawaii rezoning process, Petitioner revised the project and agreed not to construct a golf course.

23. University Inn and Conference Center.

As represented before the Commission, the Project shall include an approximate 120-unit University Inn and Conference Center, which shall serve as a business hotel and provide accommodations in conjunction with University operations. The University Inn and Conference Center shall not be designed and operated as resort-type hotel or be used for time-share purposes.

Petitioner will comply with this condition.

24. Compliance with Representations to the Commission.

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

Petitioner will comply with this condition.

In 2008 the County of Hawaii by ordinance adopted a new regional development plan known as the Kona Community Development Plan ("KCDP"). Petitioner has had numerous meetings with the County of Hawaii Design Center, as required by the KCDP, and as a result of those meetings has created a revised master plan that Petitioner understands has been recommended for approval by the Design Center. Petitioner has already invested more than \$20 million to help construct the UH-West Hawaii and related infrastructure in a cooperative

undertaking with the University of Hawaii. This public-private partnership has refocused Petitioner around the planned "University Village" Regional Center located on both UH-West Hawaii and Petitioner's lands. The University Village Regional Center, as proposed in the KCDP, is in substantial conformity with Petitioner's presentations to the Land Use Commission in 2004 and 2005. Petitioner's revised master plan in compliance with the KCDP still contains a maximum of 1,116 dwelling units including affordable housing, a small hotel, mixed commercial and open space uses, as described in prior annual reports. The planned infrastructure systems are similar to the prior plans and conform to the maps and requirements of the KCDP. Traffic will ultimately access the project site from Queen Kaahumanu Highway, the new road connecting to Kaiminani Drive (known as Road 3A on the KCDP), and a future connection to Mamalahoa Highway. Attached to this report is a copy of the "Regulating Plan" (the name of the master plan in accordance with the KCDP) for the Palamanui project.

25. Notice of Change of Ownership.

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

Petitioner will comply with this condition. The original Petitioner transferred ownership of the Petition Area to Palamanui Global Holdings, LLC.

26. Annual Reports.

Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP and the County in connection with the status of the subject Project proposed for the reclassification area, and Petitioner's progress in complying with the conditions imposed. The annual report shall be submitted in a form prescribed by the executive officer of the Commission. The annual report shall be due prior to or on the anniversary date of the approval of the Petition.

This report is being submitted in compliance with this Condition.

27. Release of Conditions.

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

Petitioner understands and will comply with this condition, as appropriate.

28. Notice of Imposition of Conditions.

Within seven days of the approval date of the Petition, the Petitioner shall (a) Record with the Bureau of Conveyances a statement that the Petition Area is subject to conditions imposed herein by the Commission; and (b) File a copy of such recorded statement with the Commission.

The Notice of Imposition of Conditions was recorded in the State of Hawaii Bureau of Conveyances on June 23, 2005, as Document No. 2005-123996.

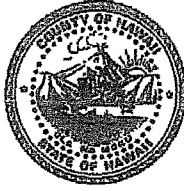
29. Recordation of Conditions.

Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances within sixty days after the receipt of the Decision and Order pursuant to Section 15-15-92, HAR.

The Conditions contained in the Decision and Order were recorded in the State of Hawaii Bureau of Conveyances on September 7, 2005, as Document No. 2005-178780.

Cc: State of Hawaii Office of Planning
County of Hawaii Planning Director

Harry Kim
Mayor



Christopher J. Yuen
Director
Brad Kurokawa, ASLA
LEED® AP
Deputy Director

County of Hawaii
PLANNING DEPARTMENT
101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720-4224
(808) 961-8288 • FAX (808) 961-8742

November 19, 2008

Lino Kamakau
82-5849 Mamalahoa Highway
Captain Cook, Hawai'i 96704

Dear Mr. Kamakau:

Lots of Record Determination
Kahauloa-Iki, South Kona, Island of Hawai'i, Hawai'i
TMK: 8-2-009:003 & 039

This is in response to your letter dated July 31, 2008, and accompanying attachments requesting a determination of pre-existing lots for the above-described properties. Please accept our apology for the length of time taken to reply.

We have reviewed the documents submitted, our department records and those of the Department of Finance-Real Property Tax Division (RPT) in accordance with Article 11 (Pre-existing Lots) of the Subdivision Code (Sections 23-117 through 23-120).

Our review of the records has found the following:

1. Grant 1180 to Elemakule, August 30, 1853;
2. Old Government Road as shown in registered map 1613, dated December 1891 and highlighted on the attached TMK map bisects the property;
3. State of Hawaii road project FAP 8-G, dated April 22, 1940, created Road Remnant C (CSF 16350, TMK: 8-2-009:039) and sliver between Road Remnant C and Mamalahoa Highway; and
4. We do not have any record of these lots being consolidated with each other or any other lot adjoining them.

Lino Kamakau
Page 2
November 19, 2008

In view of the above, we confirm that Parcels 003 and 039, currently described as two (2) Tax Map Key parcels, are indeed, composed of the following five (5) separate legal lots of record:

1. Sliver between Road Remnant C and Mamalahoa Highway, area of 0.059 acres;
2. Road Remnant C, area of 0.363 acres (TMK 8-2-9:039);
3. Lot north of the Old Government Road, no area given;
4. Portion of the Old Government Road, no area given; and
5. Lot south of the Old Government Road, no area given.

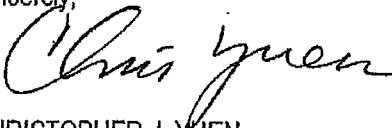
The portion of the Old Government Road and Remnant Lot C would not count toward the creation of buildable lots. Only three (3) buildable lots could be created in a Section 23-7 consolidation and resubdivision action. If consolidation and resubdivision is not the intent, you may want to have a modern metes and bounds survey be conducted for a more accurate and current land area determination and that a map reflecting this information may be submitted for certification.

Although a determination by Na Ala Hele, dated November 6, 2008, would qualify the Old Government Road under the 1892 Highways Act, the status of said road is still in question. The County of Hawaii makes no claim as to the current ownership, condition, location and use of this road.

A written request for separate tax map key parcel numbers should be addressed to our Tax Maps and Records Section for appropriate action.

Should you have any questions, please feel free to contact Hans Santiago or Daryn Arai of this department.

Sincerely,



CHRISTOPHER J. YUEN
Planning Director

HKS:lnm

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Att.: TMK map

xc: ~~Tax Maps and Records Supervisor~~
Real Property Tax Division-Kona
Manager, DWS
Director, DPW