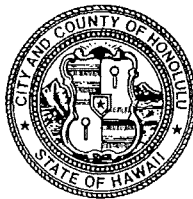


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honoluluapp.org • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



GEORGE I. ATTA
FAICP, LEED AP, CEI
DIRECTOR DESIGNATE

JIRO A. SUMADA
DEPUTY DIRECTOR

2012/ELOG-2249(ry)
2007/SUP-6
2007/CUP-91

February 19, 2013

Mr. Robert M. Creps, Senior Vice President
Grace Pacific Corporation
P. O. Box 78
Honolulu, Hawaii 96810

Dear Mr. Creps:

Subject: Fourth Annual Report
Land Use Commission Docket No. SP73-147 Grace Pacific Corporation
Makakilo Quarry
Tax Map Keys: 9-1-016: 004, 9-2-002:006, 9-2-083: 074 and 082

We have reviewed the fourth Annual Compliance Report (Report), dated November 19, 2012, and provide the following responses:

Special Use Permit (SUP) Conditions

1. Condition No. 1.a, pertaining to Site Plan requirements, is satisfied with the following pages of Appendix B of the subject Report:
 - a. Page No. 003A, relating to the boundary of the approved Special Use Permit area, delineation of the buffer areas; berming, grading and landscaping areas; the existing quarry pit and the excavation expansion area, and the conveyor tunnel easement under the H-1 Interstate Highway.
 - b. Page Nos. 003B and 003D, relating to parking and loading requirements.
 - c. Page Nos. 003E and 003F, relating to existing and proposed structures, provided these structures have building permits or are in the process of obtaining building permits¹.

¹ As of the date of this letter, the following buildings are in the process of obtaining a building permit: Bldg. A Office Trailer (aka OT 3) Application No. A2012-11-0289, Bldg. B1 Connected Office Trailer (aka OT 1) Application No. 2012-11-0290, Bldg. B2 Connected Office Trailer (aka OT 2) Application No. A2012-11-0290, Bldg. C Office Trailer (aka OT 4) Application No. A2012-11-0291, and Bldg. D Office Trailer (aka OT 5) Application No. A2012-11-0292.

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LAND USE COMMISSION
STATE OF HAWAII

Mr. Robert M. Creps, Senior Vice President
February 19, 2013
Page 2

2. Condition No. 1.b, pertaining to a Fire Protection and Control Plan, was previously satisfied. However, please keep the Department of Planning and Permitting (DPP) informed on your progress of establishing fire break zones, including a break zone along H-1 Interstate Highway, as suggested by the Honolulu Fire Department.
3. Condition No. 2, pertaining to a Renaturalization Plan, has **not** been satisfied. It has been a year since the implementation of your proposal to rely on the broadcasting of seeds and natural rainfall to address compliance with this condition. Please provide a status update of the implementation and compliance with this condition.
4. Condition No. 4, pertains to the closure of the processing site on Parcel 4. As you are aware, the State Land Use Commission (LUC) requested that the matter of clarifying the requirements be brought before them (LUC letter of January 7, 2013). Please provide a status update of your efforts to meet the closure deadline.

Also, the Landscape Plan provided in Appendix A of the Report does not completely address our comments of December 27, 2011 (attached). Since the existing improvements and new driveway are not to be retained, they should be deleted from Exhibit 3 (Site Condition After Removal of Quarry Operations). In addition, based on the aerial photo provided in your Report, portions of the site that have been used for processing or maintenance operations appear to be excluded from the area of work on Exhibit 3. Such areas should be addressed, including the following:

- a. Paved areas and structures (laboratory and truck office) at the southwest corner of the property;
- b. Stockpiles and gravel-paved driveways at the southeast corner of the property;
- c. Stockpile area around the existing well;
- d. Materials storage area adjacent to the H-1 Interstate Highway at the mid-section of the property;
- e. Exposed soil area north of the tunnel which appears to be a communications antenna site; and
- f. Maintenance and vehicle storage areas at the northwest portion of the property.

Please provide a status update on your plans to construct the 40-foot high north ridge screening berm and the smaller berms and landscaping along the perimeter of the lower portion of the quarry pit. Your previous berm construction schedule indicates that the north berm was to be constructed by 2012. We understand that berm construction and excavation phasing plans are dependent on market demand for aggregate.

Mr. Robert M. Creps, Senior Vice President
February 19, 2013
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In addition, the proposed monkey pod trees are not native to Hawaii, and should be replaced by another selection (refer to DPP letters of December 27, 2011 and February 2, 2012). As stated in our previous letters, the landscape documents must be stamped by a licensed landscape architect prior to DPP approval.

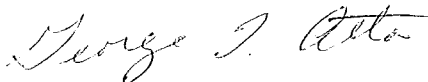
5. Condition No. 10, Beneficial Re-use Plan. This requirement is to be satisfied by November 7, 2013. Please keep us informed as to the status of the Beneficial Re-use Plan submittal, and note that the required plan is to be prepared by a professional qualified in re-use planning and contain objectives, implementation and funding strategies for reclamation of the pit area.

Conditional Use Permit Conditions

1. Condition No. 4.c, pertaining to an Outdoor Lighting Plan, has **not** been approved. As an interim measure until an Outdoor Lighting Plan is approved, DPP agreed to the use of a timer to ensure that the unauthorized exterior lighting would not be functioning during evening hours. Unfortunately, however, our staff has observed the exterior lights on during evening hours. Please provide a status report of your efforts to comply with exterior lighting requirements.

Please submit the material referenced above as soon as possible, and no later than March 15, 2013. If you have any questions, please contact Raymond Young of our staff at 768-8049.

Very truly yours,



George I. Atta, FAICP, LEED AP, CEI
Director Designate
Department of Planning and Permitting

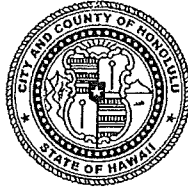
Attachment

GIA:bkg
1014341

cc: State Land Use Commission
Watanabe Ing LLP/D. Ing
Honolulu Fire Department
D. R. Horton – Schuler Homes, LLC
Kusao & Kurahashi

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PETER B. CARLISLE
MAYOR

DAVID K. TANOUE
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

2011/ELOG-2143(ry)

December 27, 2011

Mr. Glen T. Koyama, Project Manager
Belt Collins Hawaii, Ltd.
2153 North King Street, Suite 200
Honolulu, Hawaii 96819-4554

Dear Mr. Koyama:

Subject: Lower Makakilo Quarry Landscape Plan
File No. 2007/SUP-6 (Land Use Commission Docket No. SP73-147
Grace Pacific Corporation)
Tax Map Keys: 9-1-016: 004 and 007, and Portion of H-1 Interstate Highway

We have reviewed the landscape plan for the lower quarry site submitted on June 13, 2011 and have the following comment:

As the overall landscape plan, Exhibit 3 must clearly show the location and area of new planting and landscape materials. It should also indicate locations of landscape buffers and berms. The addition of clusters of native trees along portions of the sloped areas would mitigate the barren appearance of the proposed groundcover. We suggest drought tolerant native trees observed within the surrounding area. Other examples of drought tolerant native Hawaiian plants can be found at the University of Hawaii College of Tropical Agriculture and Human Resources' webpage as follows:

http://www.ctahr.hawaii.edu/rnre/native_plants_water_conservation.asp#shrubs

We understand you propose to retain the existing office and related infrastructure, utility and communication lines to support the upper quarry operations, and the existing electrical substation onsite. In addition, you propose the construction of a new driveway to the existing office. Although these uses and structures support upper quarry operations and security needs of the lower quarry site, the Land Use Commission's (LUC) Decision and Order does not provide for their continuation beyond December 31, 2012, or new construction. Unless you can produce records indicating that the LUC permitted the retention of these uses and new construction on the lower quarry, they must be removed. In the alternative, you may request an amendment to the requirements of the LUC decision. Any request to amend the LUC decision must begin at the Planning Commission and is processed as a new SUP application.

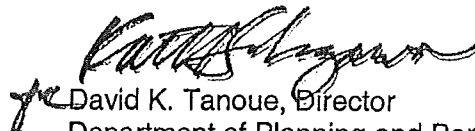
Mr. Glen T. Koyama, Project Manager
Belt Collins Hawaii, Ltd.
December 27, 2011
Page 2

You indicate that Grace Pacific is undergoing a voluntary response program in coordination with the State Department of Health's, Hazard Evaluation and Emergency Response Office, and that affected portions of the site would be released for landscaping upon completion of response efforts. We wish to be kept apprised of on-site remediation efforts and related schedules as it may impact on the LUC's landscaping requirements. Please note that in accordance with the LUC's Decision and Order, landscaping of the lower quarry must be completed by November 6, 2014.

We note that a portion of the interstate highway right-of-way and a portion of the U. S. Navy property to the east were used for lower quarry operations. We suggest that these two areas also be renaturalized after removal of any improvements.

Please submit a revised landscape plan, prepared by a licensed landscape architect, addressing the above comments for review. If you have any questions, please contact Raymond Young of our staff at 768-8049.

Very truly yours,


David K. Tanoue, Director
Department of Planning and Permitting

DKT:js
879541

cc: Land Use Commission
Grace Pacific Corporation
United States Department of the Navy
Department of Transportation
Department of Health, HEER Branch