

# MCCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

JONATHAN H. STEINER

DIRECT #S:  
PHONE - (808) 529-7330  
FAX - (808) 524-8293  
E-MAIL - STEINER@M4LAW.COM

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## Via Hand-Delivery

Land Use Commission  
Department of Business, Economic  
Development and Tourism, State of Hawaii  
235 South Beretania Street, Suite 406  
Honolulu, Hawai'i 96813

2014 JAN 15 P 2:23  
LAND USE COMMISSION  
STATE OF HAWAII

Re: In the Matter of the Petition of Kaonoulu Ranch, Docket No. A94-706

Dear Land Use Commissioners and Chair:

I represent Petitioners, Piilani Promenade South, LLC (“PPS”) and Piilani Promenade North, LLC (“PPN”) (collectively “Piilani”), owners of Tax Map Key Numbers (2) 3-9-001:016 and 170-174, comprising approximately 74 acres of land (collectively, the “Piilani Parcels”), which are six of seven parcels covered by the Finding of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995, filed in In the Matter of the Petition of Kaonoulu Ranch, Docket No. A94-706 (the “1995 Decision and Order”).

Please allow this letter to serve as a status update with regards to the above referenced matter. As some Commissioners may recall, following an evidentiary hearing on Phase I<sup>1</sup> of an Order to Show Cause proceeding, a majority of the Commissioners determined by oral vote that Piilani’s proposed use of the Piilani Parcels would violate certain conditions of the 1995 Decision and Order. On April 18, 2013, Piilani filed a Motion to Stay Phase II of the Order to Show Cause Proceeding. Piilani represented in said Motion that Piilani intended to file a motion to amend the 1995 Decision and Order to allow Piilani to develop a project different from that originally presented to the Commission when the 1995 Decision and Order was issued. Piilani requested that the Commission stay Phase II to allow the Commission to consider this Motion to Amend. On June 27, 2013, the Commission granted the Motion to Stay Phase II of the Order to Show Cause Proceeding, and ordered that Phase II would be stayed on the condition that Piilani

<sup>1</sup> On September 11, 2012, the Commission entered a Prehearing Order, wherein it is stated that the Commission would first hold hearings to consider whether the Petitioners had violated the 1995 Decision and Order (“Phase I”). If it were determined in Phase I that a violation occurred, thereafter the Commission would hold hearings to determine whether the appropriate remedy for such violation is to revert the land use designation of the Original Petition Property to Agricultural use or to a different designation (“Phase II”).

file this Motion to Amend before December 31, 2013, and that no construction on the Property occur during the stay.

Thereafter, on September 10, 2013, the Commission entered an Order determining that the proposed Piilani Project may have a significant impact upon the environment that warrants the preparation of an Environmental Impact Statement, and agreeing that the Commission would be the accepting authority pursuant to Hawaii Revised Statutes (“HRS”) Chapter 343 of that Environmental Impact Statement (“EIS”). The Piilani Project is subject to the environmental review process pursuant to HRS §343-5(a)(1), and Hawaii Administrative Rules (“HAR”) §11-200-6(b)(1)(A) because it proposes to use State land for roadway widening purposes. Following the entry of said Order, on September 23, 2013, the Piilani Promenade Environmental Impact Statement Preparation Notice (“EISPN”) was published by the Office of Environmental Quality Control.

On December 31, 2013, Piilani timely filed the Motion to Amend. Therein, in brief, Piilani proposes to develop a mix of Light Industrial and Business/Commercial uses with approximately 226 apartment units on the Piilani Parcels (“the Piilani Project”). However, as of the date of the filing of the Motion to Amend, the EIS for the Piilani Project has not been completed. Piilani anticipates that a draft EIS (the “Draft EIS”) will be ready for submission to the Commission by the end of February 2014. Piilani will then request that the Commission accept and transfer the Draft EIS to the Office of Environmental Quality Control (“OEQC”) for publication. A forty-five (45) day period for public comment follows publication. Piilani will modify the Draft EIS to address or respond to any and all public comments, as needed. Thereafter, a Final EIS will be submitted to the Commission for acceptance (the “Final EIS”). It is anticipated that submission of the Final EIS will take place in the summer of 2014.

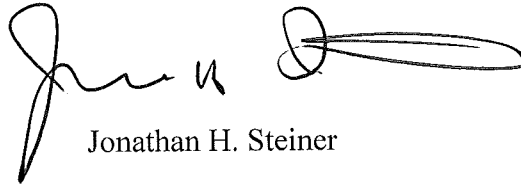
Because the Final EIS has not been completed, some of the information necessary to the Motion to Amend and to properly evaluate the relief requested therein is not yet available. Therefore, Piilani plans to supplement this Motion to Amend as such information becomes available, and at the latest following acceptance by the Commission of the Final EIS. Piilani anticipates that once it has submitted all information required for the Motion to Amend, including the Final EIS, then the Motion to Amend will be set for hearing, with the opportunity for all interested parties and the public to respond to the Motion to Amend and to the proposed Piilani Project. The Office of Planning of the State of Hawaii, the Department of Planning and Permitting, County of Maui, and Intervenors Maui Tomorrow Foundation, Inc., South Maui Citizens for Responsible Growth, and Daniel Kanahale have all been made aware of this circumstance through their counsel, and have not indicated any objection to this procedure.

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Thank you for your attention to this matter. If the Commission has any questions or concerns about this process or anticipated timeline, Piilani would welcome the opportunity to have its representatives meet with the Commission or the Land Use Commission staff.

Very truly yours,

McCORRISTON MILLER MUKAI MACKINNON LLP

A handwritten signature in black ink, appearing to read 'Jonathan H. Steiner', with a large, stylized flourish extending to the right.

Jonathan H. Steiner

JHS:eh

cc: Daniel Orodener  
Bryan Yee  
Michael Hopper  
Tom Pierce