

APPENDIX M

Market Study



August 11, 2011

11-9079A

CMBY 2011 Investment, LLC
c/o Ms. Blanca Lafolette, Project Coordinator
Pacific Rim Land, Inc.
1300 North Halapona Street, Suite 201
P.O. Box 220
Kihel, Hawaii 96753

Re: Market Study, Economic Impact Analysis and Public Costs/Benefits Assessment for the
proposed Puunene Heavy Industrial Subdivision in Wailuku, Island and County of Maui

Tax Map Key: (2) 3-8-08-019

Dear Ms. Lafolette:

In accordance with your request, we have inspected the above-referenced property in order to provide a defined scope market study, economic impact analysis and public costs/benefits assessment for the proposed Puunene Heavy Industrial Subdivision ("Proposed Project") in Wailuku, Island and County of Maui. This counseling report and the conclusions herein are based on the on-site inspection of the property, a study of current political and economic conditions, and a historical review of the real estate market in Central Maui and on Maui overall. The effective date of this report is July 1, 2011.

The subject parcel, which consists of approximately 86,030 acres of land, has a State Land Use designation of Agricultural and is zoned for Agricultural District uses by the County of Maui. Although situated within the District of Wailuku, the subject parcel is classified for Agriculture (AG) by the Kihel-Makena Community Plan. As presently envisioned, the Proposed Project, which is still in its preliminary planning stage, will consist of 28 heavy industrial lots east of Mokulele Highway, in an area that currently contains primarily agricultural uses, specifically sugar cane production.

The Maui Raceway Park is located to the west of the subject parcel, within Project District 10. The park provides a wide variety of recreational uses including: drag racing, auto cross racing, go kart racing, dirt oval track racing, radio controlled model aircraft flying and dirt bike racing. Additional nearby uses include a quarry for Hawaiian Cement and the Maui Consolidated Facility for the Hawaii Army National Guard.

The assignment included the following:

Market Analysis – The Consultant has provided a market analysis for this proposed project by (1) defining and delineating the market area; (2) identifying and analyzing the current

PREPARED FOR: CMBY 2011 INVESTMENT, LLC

C/O MS. BLANCA LAFOLETTE
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EFFECTIVE DATE: July 1, 2011

A COUNSELING REPORT FOR THE PROPOSED PUUNENE HEAVY INDUSTRIAL SUBDIVISION,
WAILUKU, ISLAND OF MAUI, HAWAII



supply and demand conditions that comprise the specific real estate market segment; (3) identifying, measuring and forecasting the effect of anticipated developments or other changes on future supply of each market segment.

Economic Impact Analysis and Public Costs/Benefits Assessment – The Consultant has provided an economic impact analysis and public costs/benefits assessment estimating the general and specific economic effects arising from the development of the proposed subdivision. This report has addressed estimated construction costs for the land, the sale of individual lots, and costs for building construction, employment creation, and ongoing business operation. It has also identified and analyzed potential public costs/benefits with regard to the project.

The following report presents a narrative review of the study and our analysis of data along with other pertinent materials on which this report is predicated. It contains data and exhibits gathered in our investigations, and will include a description of the analytical process and our conclusions, as of July 1, 2011.

Thank you for allowing us the opportunity to work on this interesting assignment.

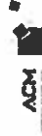
Respectfully submitted,
ACM Consultants, Inc.


Gladys K. Kuthita, MAI, CRE
Certified General Appraiser,
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Expiration: December 31, 2011


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PART I – INTRODUCTION**A. EXECUTIVE SUMMARY****Background**

The proposed Puunene Heavy Industrial Subdivision ("Proposed Project") is envisioned as a 28-lot heavy industrial subdivision to be developed on approximately 86,030 acres east of Makulele Highway, District of Wailuku, Island and County of Maui. As shown on the State of Hawaii Tax Maps, the subject parcel is within the District of Wailuku, Island and County of Maui. As of the effective date, the subject site is designated for agricultural uses by State Land Use Law, County of Maui zoning and the Kihel-Makana Community Plan. The subject parcel also lies within the proposed Urban Growth Boundary set forth by the (draft) Maui Island Plan (December 2010).

The heavy industrial zoning district provides for a minimum lot size of 10,000 square feet. The sizes of lots in the proposed heavy industrial subdivision shall be determined by the types of uses proposed and the market demand projected approximately six months before the application for subdivision approval is filed with the Development Services Administration, County of Maui. Currently, the plan is to provide ten (10) lots ranging in size from one-half (0.5) acre to one (1) acre; five (5) lots ranging from over one (1) acre to two (2) acres and the balance ranging from over two (2) acres to twenty (20) acres for a total of twenty eight (28) lots. The Proposed Project will feature interior roads as well as drainage facilities consistent with County requirements.

Study Objectives

ACM Consultants, Inc. has been retained by CMBY 2011 Investment, LLC to analyze the Central Maui heavy industrial market as it relates to this proposed project. In particular, we studied economic trends and demographics, and supply and demand factors for industrial property. In the process, we have gathered as much information as possible on heavy industrial real estate sales on Maui and, more specifically, in the Wailuku-Kahului region. Specific attention has been paid to industrial land ownership, the availability of vacant parcels, and the future supply of additional heavy industrial land.

The objectives of our study were as follows: (1) to define and delineate the market area; (2) to identify and analyze the current supply and demand conditions specific to the subject's market; (3) identify, measure and forecast the effect of anticipated developments or other factors on future supply; and (4) forecast the effect of anticipated economic or other factors on future demand.

Key Supply Factors

The following points summarize the supply for heavy industrial real estate in the Central Maui region at this time:

- ✕ When compared to the light industrial market segment, there is very little developable heavy industrial land in Central Maui;
- ✕ Available vacant land is located in areas that are not conducive to heavy industrial use, due to the proximity of residential and commercial developments;
- ✕ Supply has diminished because of continued conversion to higher-order commercial retail/office uses allowed by the M-2 Heavy Industrial District's "stacked" zoning;
- ✕ Other than the Proposed Project, there are no other heavy industrial projects planned for Central Maui.

Key Demand Factors

The following points summarize the demand for heavy industrial real estate in the Central Maui region at this time:

- ✕ The growth of Maui's population has led to a greater need for light industrial goods and services providers; however, there has not been a coinciding creation of heavy industrial facilities to support light industrial users;
- ✕ Mortgage interest rates continue to be at all-time lows, which typically makes real estate more affordable; however, there are few choices currently available within the heavy industrial market;
- ✕ The pent-up demand from heavy industrial users is expected to generate good interest for the proposed product;
- ✕ Potential businesses within the Proposed Project are expected to be those that fabricate, process and manufacture materials needed by light industrial users and the general populace.

B. PURPOSE OF THE REPORT

The purpose of this report, as of July 1, 2011, is to generate a market study, economic impact analysis and public costs/benefits assessment in support of land use entitlement requests for the Proposed Project.

C. INTENDED USE OF THE REPORT

The intended use or function of this report is to provide real property information and real estate market data in support of an Environmental Assessment, a State Land Use District Boundary Amendment (Agricultural to Urban), Community Plan Amendment

(Agriculture to Heavy Industrial), and a Change in Zoning (Agricultural District to M-2 or M-3 Heavy Industrial District).

D. INTENDED USER OF THE REPORT

The intended users of this report are CM8Y 2011 Investment, LLC and the appropriate State and County agencies involved in the proposed land use changes.

E. SCOPE OF THE REPORT

The Consultant has provided a current market study of this project by (1) defining and delineating the market area; (2) identifying and analyzing the current supply and demand conditions that make up the specific real estate market; (3) identifying, measuring and forecasting the effect of anticipated developments or other changes on future supply; and (4) to the extent possible, forecasting the effect of anticipated economic or other changes on future demand. The market study was developed and prepared in conformity with, and subject to, the requirements of the Code of Professional Ethics and the Standards of Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice.

Furthermore, the Consultant provided an economic impact analysis and public costs/benefits assessment estimating the general and specific economic effects arising from the development of the proposed subdivision.

F. STATEMENT OF COMPETENCY

ACM Consultants, Inc. has been actively involved in the real estate appraisal research and consulting business since 1982. Our business emphasis has focused mainly on the counseling and valuation of residential and commercial properties located within the State of Hawaii. The company considers itself competent to conduct a market study for a proposed heavy industrial project in Waikuku, Island and County of Maui.

G. EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

1. As of July 1, 2011, the Proposed Project was still in the preliminary stages of planning. A Proposed Land Development Plan, prepared by Otomo Engineering, Inc., was provided by the client and offered a visual indication of the proposed layout of the development. The consultant is not liable for any changes in the project plan past this date, nor

for information that has not been developed, released or communicated to the Consultant.

2. The Consultant has no control over economic conditions and other international events that could have an effect upon Hawaii's economy and the Maui real estate market. As a result, this report has not made any assumptions regarding potential conflicts with other nations, or external factors affecting economic conditions here.
3. The counseling report is also subject to standard "Limiting and Contingent Conditions" located in the Addenda.

H. CONFIDENTIALITY PROVISION

The contents of this market study, economic impact analysis, and public costs/benefits assessment are confidential. Release of this counseling report by ACM Consultants, Inc. is limited to you for the intended uses stated above. Any further release of this report, or portions herein, is strictly prohibited and you shall accept the risk and liability for any such release without the previous written consent of ACM Consultants, Inc. Further, you shall indemnify and defend ACM Consultants, Inc., and its individual consultants/appraisers, from any claims arising out of any such unauthorized disclosure.

I. CERTIFICATION

The undersigned does hereby certify that except as otherwise noted in this consulting report:

1. The Consultant's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
2. The Consultant has no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved. Any "Estimate(s) of Market Value" in the consulting report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the properties in the vicinity of the property appraised.
3. The Consultant has personally inspected the property, and is a signatory of this Certification.
4. To the best of the Consultant's knowledge and belief, all statements of fact and information in this report are true and correct, and the Consultant(s) have not knowingly withheld any significant information.
5. No one provided significant professional assistance to the person(s) signing this report.
6. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and the Consultant's personal unbiased professional analyses, opinions and conclusions.
7. All analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Appraisal Practice.
8. This counseling report is subject to and in conformance with the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. The analyses, opinions and conclusions of this counseling report have been made in conformity with, and are subject to, the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP).
9. This counseling report is to be used only in its entirety and no part is to be used without the whole report. All conclusions and

opinions concerning the real estate are set forth in the counseling report were prepared by the Consultant(s) whose signature(s) appears on the counseling report. No change of any item in the counseling report shall be made by anyone other than the Consultant, and the Consultant shall have no responsibility for any such unauthorized change.

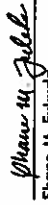
10. The Appraisal Institute, of which this Consultant is a member, has a legal right to review this report.

11. The qualifications of this Consultant, including completed educational requirements of his/her candidacy are located in the Addendum to this report. Any member signing the report has completed the requirements of the Appraisal Institute's continuing education program.

12. The Consultant has performed a previous appraisal of the subject property within the three years prior to this assignment.

ACM Consultants, Inc.

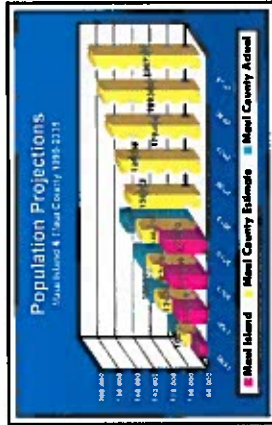

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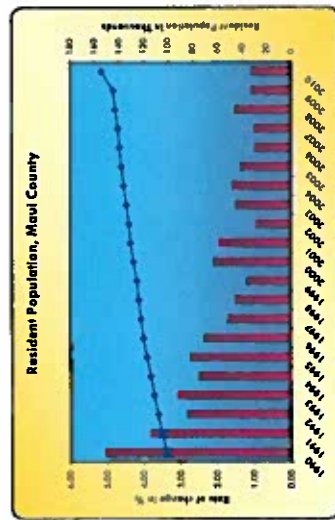
PART II – FACTUAL DATA

A. REGIONAL DATA – MAUI COUNTY

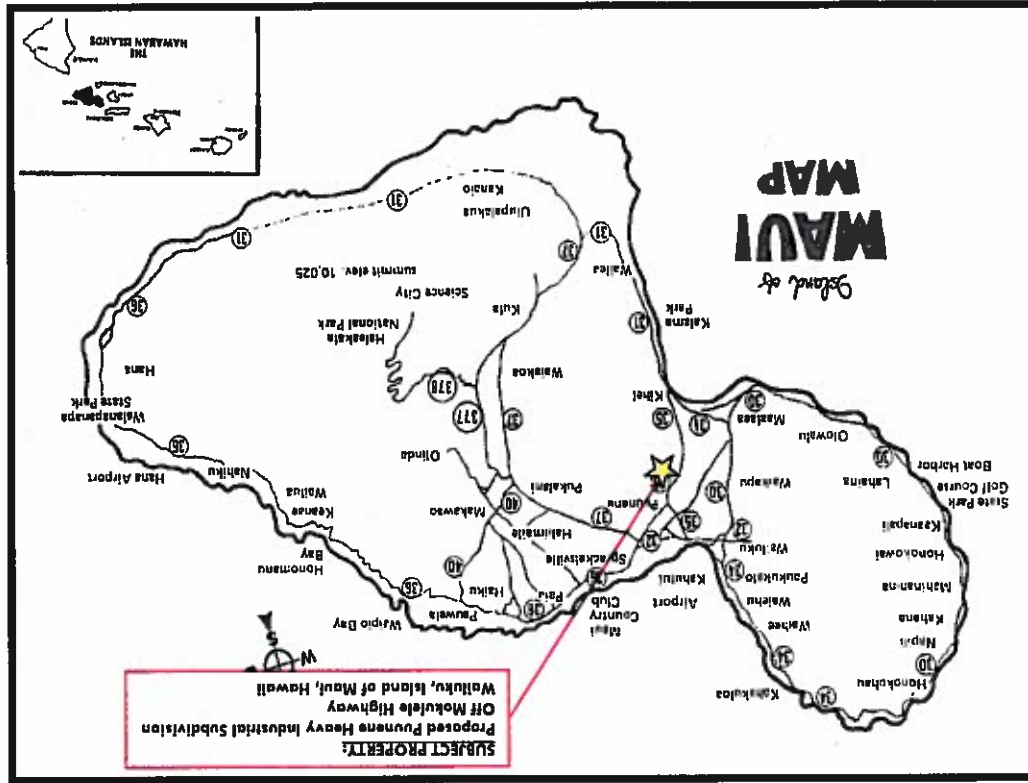
Maui County is the third most populous of the four counties of Hawaii, with a total resident population of 154,834 (2010 Census); a change of 20.12 percent from 2000 and 52.23 percent since 1990. Maui County consists of the islands of Maui, Molokai, Lanai, and Kahoolawe. Ninety percent (90%) of County residents live on Maui Island. The island of Maui consists of a total of 734.5 square miles, or 470,080 acres. Population projections for Maui County and the island Maui are illustrated on the table below.



The following graph illustrates the resident population change in Maui County from 1990 through 2010. The graph indicates that although Maui's population has been steadily growing, it now appears to be rising at a decreasing rate.



Source: UHERR Economic Information Service



Like all the Hawaiian Islands, Maui, Molokai and Lanai are blessed by warm air temperatures year-round, and ocean waters that range from 72-77°F in winter to 77-81°F in summer. The islands' distance from other continents, the moderating effects of the surrounding water and the tropical location combine to create this pleasant climate. Hawaii's topography, particularly the mountains and valleys and location of each island, contributes to the great variety of microclimates within very small areas. On Maui, the West Maui Mountains and Haleakala are the primary geological features affecting the weather. Due in part to the above geographical factors, Maui, for sixteen out of the last seventeen years, was selected "Best Island in the World" by readers of Condé Nast Traveler magazine.

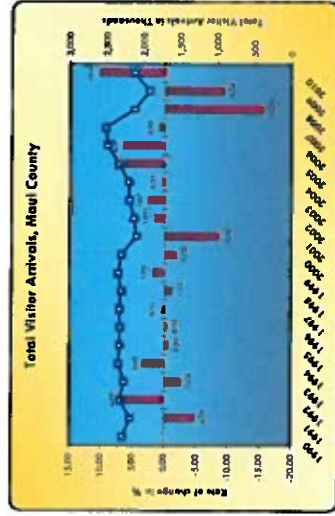
Visitor Industry

Historically, Maui hotel occupancies typically exceeded any area in the state with the exception of Waikiki. Its high rating is due to a number of factors. First, Maui receives the good fortune of location and climate. Second, Maui has the infrastructure in place to move tourists to a diverse variety of activities with a minimum of inconvenience and down time. The accommodations on Maui are another reason. Maui resort hotels have consistently ranked above other Hawaii resort destinations. In the Condé Nast Traveler magazine, nine of the "Top 20 Hawaii Resorts" for 2010 were Maui County resorts. The Four Seasons Resort Maui at Wailea topped the list, while other Maui County resorts garnering honors included: Hotel Hana Maui and Honua Spa (2nd); Four Seasons Resort Lanai at Manele Bay (4th); Four Seasons Resort Lanai, The Lodge at Koele (5th); Fairmont Kea Lani (9th); Grand Wailea (11th); Ritz-Carlton Kapalua (tied 15th); Hyatt Regency Maui Resort & Spa (tied 15th); and Westin Maui Resort & Spa (tied 20th).

With the possible exception of Kauai, Maui is more dependent on tourism than any of Hawaii's four counties. That sector is not treating Maui very well today. For years, Maui has worked very hard at cultivating a worldwide image as a premier, upscale tropical island destination. In fact, it is the only county government in Hawaii that spends money to support tourism. In the wake of the current financial crisis, Maui's tourism counts and hotel occupancy have fallen significantly. Even the upscale and affluent markets, it appears, have curtailed their spending on trips to the Valley Isle.

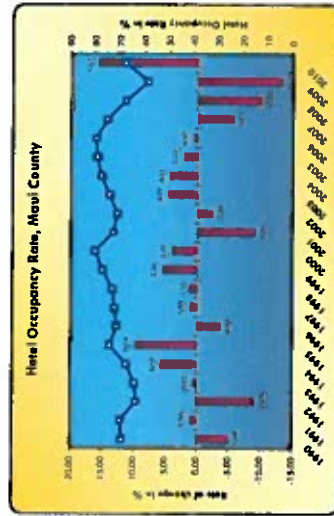
Tracking the tourism counts during this decade begins with the effects of the September 11, 2001 terrorist attacks on this country which had a drastic impact on the tourism industry. The final Maui visitor count for 2001 was 2,104,480. In 2002, the visitor count rebounded slightly to 2,139,427 as the visitors slowly returned during the mid to latter part of the year. Visitor totals from 2003 to 2007 indicate positive increases. As a result of the dismal economic conditions in 2008 and 2009, total visitor arrivals declined by 15.58 percent (2,129,040) and 9.24 percent (1,932,360), respectively, in those

years. The lowest visitor arrival in Hawaii and many other visitor destinations worldwide were severely impacted by the national and global economic recession. However, in 2010 the visitor count rebounded with a 10.38 percent jump to 2,132,860, as the economic conditions began to show signs of stability.



Source: UNBEO Economic Information Service

In 2010, Maui County had the second highest occupancy rate of all the Hawaii counties at just 68.2 percent, behind Oahu at 78.25 percent. Meanwhile, Kauai showed occupancy of 59.11 percent and Big Island at 56.44 percent. Maui's occupancy rate increased by 15.71 percent from 2009 to 2010; the first increase witnessed in several years. The hotel occupancy rate generally follows the trend of total visitor arrivals.



Source: UNBEO Economic Information Service

Visitor shopping opportunities have increased in recent years with the opening of The Maui Marketplace, a 275,000 square foot shopping complex, modeled after Oahu's successful Waikiki Center. The Maui Marketplace is now home to such retail superstores like Lowe's Hardware, Pier One Imports, Sports Authority, Starbucks Coffee, and Office Max, as well as many small local retailers and restaurants. Also opening in the same Kahului area were Home Depot, Wal-Mart, Big K and Costco. In addition, the Shops at Wailea opened in December 2000 and added approximately 150,000 square feet of high-end retail space in the Wailea Resort. At about the same time, the 150,000 square foot Pillar Shopping Center opened in Kihei with Safeway as its anchor tenant. The latest entry into the retail sector is the Lahaina Gateway, which opened in 2007. Dubbed a "lifestyle center", Lahaina Gateway, offers almost 1,370,000 square feet of gross leasable area. Tenants include Barnes and Noble, Foodland Farms, Office Max, Outback Steakhouse, Melling Pot, Central Pacific Bank and many other smaller retail shops.

Maui offers more than any other Neighbor Island in the way of proven vacation experiences. It has a larger tourism activities industry relative to the size of its economy than any other county. Such activities include ocean recreation, helicopter tours, biking down Haleakala, zip lining, and golfing, among numerous other activities. Maui's well-developed ocean recreation industry ranges from windsurfing to snorkeling, scuba diving and sailing cruises which leave regularly from Lahaina and Ma'alaea Harbors.

Maui also has theme destinations, such as the Maui Tropical Plantation, Maui Nui Botanical Gardens, Alii Kula Lavender Farm, and Surfing Goat Dairy. But the premier theme destination on the island is the Maui Ocean Center. This center, featuring the marine environment of the Hawaiian Islands, is modeled after five other aquarium parks developed elsewhere in the world by Coral World International. This ocean center is located just behind the Ma'alaea Boat Harbor, and is easily accessible from Kahului/Waialua, and the resort areas of Lahaina/Kaanapali and Kihei/Wailea. The Maui Ocean Center anchors the 18-acre Ma'alaea Harbor Village, which also includes a retail strip shopping center, restaurants and other services.

When the United States and the world in general recover from the current economic crisis, it is anticipated that Maui will continue to be a strongly favored destination for Mainland tourists. The island has a large share of condominiums available for families and groups on a budget. The California recovery in the early 2000's fueled higher demand for condominium rentals and this may possibly happen again in the next decade.

Hotels have not been adding much in the way of jobs, in fact, many hotel and other tourism-related industries have cut back their work

force. Even when tourism numbers were growing steadily, job creation in the visitor industry was not matching that growth. Today, with tourism waning, the work force is noticeably decreasing. While tourism still dominates the labor force, the profitability problems of the large resorts have led managers to refine their operations.

Real Estate

Residential real estate can be divided into three broad categories (single-family homes, condominiums and residential lots) and four important geographic regions. With a variety of property types in each of the regions, the market has proven capable of moving up and down with relatively little correlation amongst regions.

All of the neighborhoods have single-family housing and residential lots. However, several neighborhoods such as Kapalua, Kaanapali, and Wailea are virtually comprised solely of luxury housing. Areas such as Kahului have no luxury housing and Waialua has very little. All other areas have a mix.

With respect to condominium units, Upcountry and East Maui have virtually no condominium properties. All other areas have condominium units. When looking at leasehold versus fee simple projects, South Maui and Central Maui have very few leasehold condominiums. Only West Maui has a mixture of both types.

Areas such as Upcountry and East Maui are made up primarily of agricultural and rural properties. All other areas are limited in this property type.

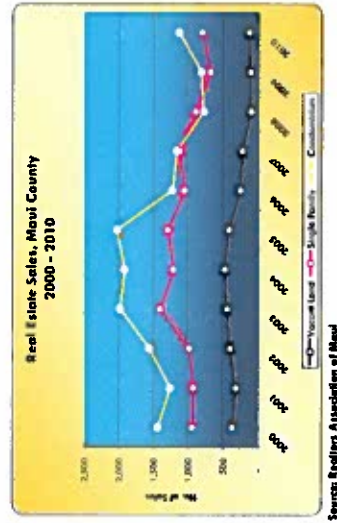
Owner-occupied housing on Maui runs about 56 percent of all occupied housing units. The total housing stock has been growing at a rate of about 1,000 units a year in the 1980's. The total accelerated to 1,500-2,000 new units in the late 1980's, well short of demand. The Maui population has expanded tremendously for the past 10 to 12 years, but housing was not being built at the same pace as the 1980's. As a result, demand for housing during that period outpaced supply and home prices and rents rose dramatically. The median single-family home price on Maui averaged \$462,821 in 2010, which is a drop of 7.2 percent from 2009's average of \$498,708. Median sales price for a single family home was \$574,760 in 2008, \$627,887 in 2007, \$697,450 in 2006, and \$678,321 in 2005. Years 2005, 2006, and 2007 are considered the height of the real estate market.

Since then, the real estate market has changed direction, with a less stable economy and more stringent lending practices. In 2010, interest rates averaged 4.69 percent, down from the previous year's average of 5.04 percent. Average annual interest rates have been on a steady decline since 2006 when the average interest rate was 6.41 percent. The 2010 average interest rate represented the lowest

annual average since 1971. While interest rates remain relatively stable, the current economic recession and tightened lending continues to stifle Maui real estate.

The following summarizes a sales volume history for Maui County from 1990 to 2010, which includes resales and new project sales.

Year	Vacant Land	Single Family	Condominium
1990	298	560	1,459
1991	116	430	593
1992	120	382	496
1993	121	361	461
1994	148	404	592
1995	118	331	495
1996	126	451	577
1997	182	507	812
1998	276	641	999
1999	408	965	1,348
2000	372	951	1,456
2001	318	938	1,274
2002	402	997	1,578
2003	447	1,420	2,001
2004	477	1,228	1,935
2005	421	1,311	2,041
2006	255	1,066	1,247
2007	226	1,138	1,179
2008	97	907	788
2009	110	693	826
2010	127	814	1,147

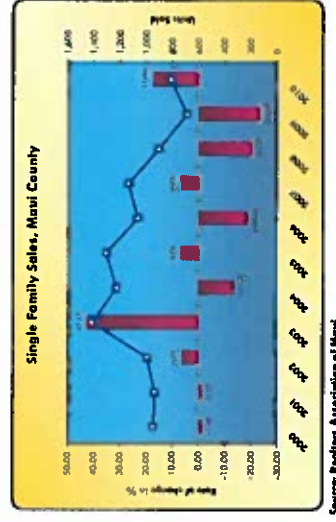


The real estate market increased significantly between 2002 and 2006. Single-family sales saw noteworthy increases in 2003, where the number of single-family sales leaped upwards of 42 percent.

There was a 13 percent dip in 2004, followed by a rebound of almost 7 percent in 2005. For 2006, there was a decrease of 18 percent, with a subsequent upward bounce of almost 7 percent in 2007. Then, with the eroding economic conditions and financial crisis in 2008 and 2009, Maui County experienced a 20 and 23 percent drop in sales in each of the respective years. This was the biggest decline in sales since 1991, when sales of single-family homes dropped by 25 percent.

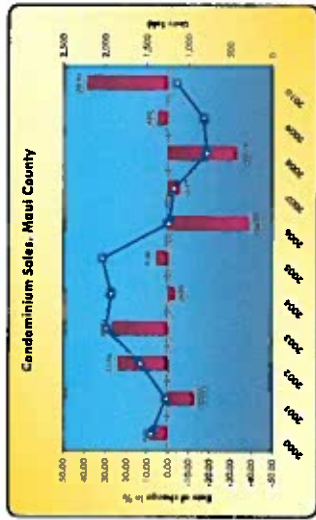
In 2010, however, there was a significant increase in the number of single family sales. This is attributed to the low property prices which have attracted market participants. The market for single family homes has experienced a price depreciation of about 30 percent since the peak of the market in 2006 and 2007.

The following graph further illustrates the single-family sales volume history for Maui County from 2000 to 2010.



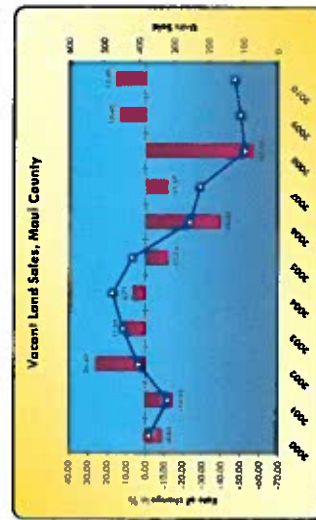
Similarly, condominium sales had experienced significant increases since 1999 in terms of units sold, achieving a new high in 2002 and a slight decrease in 2003. In 1999, 1,348 condominium units were sold, registering a 3.4 percent increase from the prior year. In 2001, the number of sales fell slightly, but rebounded significantly in 2002. In 2003, however, total condominium sales skyrocketed to 2,001, fell slightly to 1,935 units in 2004 and then jumped to 2,041 units in 2005. It appears that 2006 was the turning point for sales volume, as condominium sales plunged over 38 percent, followed by another 5 percent fall in 2007. For 2008, sales volume dived 33 percent. This was however off set by a 38 percent increase in 2010. Again, this is due to the falling unit prices which have attracted market participants.

The following graph further illustrates the condominium sales volume history for Maui County from 2000 to 2010.



Land sales increased steadily between 2001 and 2004, but dropped 11 percent in 2005 with only 421 sales, then another 39 percent to 255 sales in 2006. This trend continued in 2007, with an 11 percent slide to 226 sales, surpassed by a huge 57 percent plunge in 2008. The first increase in four years was witnessed in 2009, as vacant land sales volume increased by 13 percent and again increased in 2010 by 15 percent. Many developers, realtors and lenders consider the passage of the Workforce Housing Ordinance (December 2006; revised 2010) and the Water Availability Ordinance (December 2007; revised 2011) to have had a significant contribution to the severe decline of sales of vacant land.

The following graph further illustrates the vacant land sales volume history for Maui County from 2000 to 2010.



Median prices continued to rise until 2006 for all categories of real estate. The average monthly median prices in 2006, for land parcels,

single-family homes and condominium units, increased 29 percent, 2 percent and 33 percent, respectively. In 2007, average monthly median prices for land and single-family property decreased 19 percent and 10 percent, respectively, while the average median price for a condominium increased 6 percent. It should be noted that the average condominium median price were heavily influenced upward by December closings in Hanua Kai, a luxury oceanfront property. For 2008, the average monthly median prices for single-family homes retreated by approximately 8 percent. Vacant land saw a gain of about 4 percent over 2007, while condominiums decreased by 6 percent. In 2009, vacant land median price again increased by little over 3 percent. However, single-family and condominium properties decreased by 13 and 12 percent, respectively. As the economic recession continued into 2010, the median sales price for all property types declined. Vacant land showed the largest drop of 33 percent from 2009 levels, and single family and condominium properties decreased by 7 and 16 percent, respectively.

Construction and Development

The construction industry, in the mid part of this decade, benefitted from a robust economy and building climate.

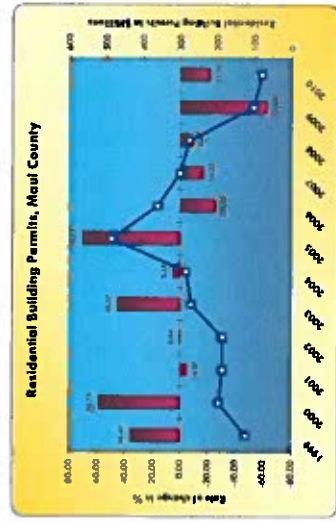
Three new commercial centers were built in 2000. The Wailea Shopping Village had been demolished and was replaced with The Shops at Wailea, which includes 150,000 square feet of upscale retail and restaurant space. Also, the 150,000 square foot Pillar Village shopping center was built at the same time and is anchored by a 55,000 square foot Safeway store, one of the largest Safeway in the state. The Ma'alaea Harbor Village shopping complex, where the premier Maui Ocean Center presently stands, was also built during the same period; however, since then, no other project has been attempted and the majority of the lots in this commercial subdivision sit vacant. As previously discussed, the Lahaina Gateway was completed in 2008 and injected an additional 137,000 square feet of retail space.

The effects of the late-2008 financial crisis and subsequent economic recession are still clearly visible across the island, as many new commercial and industrial projects completed during this period remain empty, or are having difficulty selling off or leasing units.

Construction of single-family and condominium properties has fallen significantly, as developers have curtailed building to meet their anticipated sales levels. As mentioned earlier, the single-family and condominium real estate markets have softened, with median prices decreasing as well as an increase in marketing days. Although the economic recession has played a big part in the decrease of construction of residential properties, the enactment of two ordinances—the Workforce Housing Ordinance (2006; revised 2010)

and the Water Availability Ordinance (2007; revised 2011), which have forced stringent requirements on developers, has also greatly affected construction on Maui.

The following graph illustrates the trend of residential building permits (in dollars) in Maui County from 1999 through 2010. As shown in the following graph, residential permits peaked in 2005 at the height of the real estate market. As previously discussed, many feel that the passage of County ordinances relating to development in 2006 and 2007, coupled with increased construction costs and poor economic conditions, have severely lessened the ability to feasibly create new housing projects.



Source: UNITED Economic Information Service

In Central Maui, the majority of the residential construction is within the Kealahani and Maui Lani project districts, which are being developed with several new subdivisions and condominium projects. Situated in the Kealahani district are Koa, which offers both house lots and single-family homes; Akolea and Cottages, both consisting of house and lot packages; Villas at Kealahani and Milla Court, which are townhouse condominium developments. Presently, there are four ongoing projects at Maui Lani. They include Na Hoku and Traditions (single-family homes), Sand Hills Estates (house lots), and Parkway (both house lots and single-family homes).

The demand for housing in the Central Maui area had been extremely strong up to mid-2006, with projects usually sold out prior to completion of construction. Due to the more recent downward trend of the economy and residential real estate market, developers are now finding themselves holding inventory and most new construction has ceased.

Meanwhile, Spencer Homes completed construction of a 410-unit affordable project in 2008, called Walkapu Gardens. Approximately half of the houses met County affordable housing pricing requirements. This project was welcomed by the community as "affordable" prices were stated to be below \$300,000. This project gained approval by the Maui Nui Affordable Housing Taskforce which was set up in response to the growing need for affordable housing on Maui.

Up to 2006, Kihel had also seen an upswing in residential development brought upon by ongoing residential projects including Ke Ahi'i Ocean Villas (townhouse condominiums) and Moana Estates (single-family homes) by Towne Development, Kamali'i Alayna (single-family homes) by Besill Brothers, Inc., and Signature Homes' Hakalani Golf Villas (residential condominiums). Other current South Maui projects are Kihohana Woena (house lots) and Kai Ani (townhouse condominiums). Similar to Central Maui, the developers of ongoing projects have slowed construction while continuing to market their units; whereas, previous Kihel developments were often sold out prior to construction completion.

In Wailea, the Shops at Wailea and Wailea Town Center are the only established commercial developments. Both centers target the high-end residents of this resort community and Wailea's upscale visitors. Phase I of Wailea Town Center was completed in 2006 while Phase II was completed in 2007. It contains neighborhood services which include retail and office owner-occupants. The second phase included more commercial condominium units and residential units on the second floor. Current condo owners in this project include Coldwell Banker and First Hawaiian Bank. This development was met with high demand as all of the units have already sold and some have even resold. Another commercial retail/office project, Wailea Gateway Center, was completed in 2009.

Retailing

In retail, the most significant addition to Maui is the Lahaina Gateway situated along Honoapiʻilani Highway across from the Lahaina Cannery Mall. It was dubbed as a "lifestyle center" with specialty retail shops, services and restaurants. Opened in late 2007, this 137,000 square foot center includes anchor tenants such as Office Max, Barnes & Noble, Outback Steakhouse, The Melling Pot, and Lahaina Farms, a supermarket owned by Foodland's Sullivan family.

Prior to Lahaina Gateway, Maui Marketplace on Dairy Road was the last large retail development to be built, at 275,000 square feet. This center contains the likes of Lowe's Hardware, Office Max, Sports Authority, Old Navy, Peico, Pier One Imports, Burger King and Starbucks Coffee.

Wai-Mart and Home Depot are also located on Dairy Road, immediately west of the Maui Marketplace. These outlets joined earlier arrivals Costco and Kmart, as well as Alexander & Baldwin's neighboring Triangle Square, in carving up the Maui retail pie. However, the local malls are answering the challenge with more food and entertainment, and retailers that can compete in their niche. Maui's largest mall, Queen Kaahumanu Center in Kahului, has been challenged by the presence of these large box retailers and vacancies are very noticeable.

In Kaanapali, Whalers Village has taken a turn toward the luxury market popular with the Japanese. After completing a \$3 million renovation and a change in its tenant mix, this oceanfront center now aims far both westbound and eastbound visitors. Japanese visitors are targeted with Duty Free Shoppers, Louis Vuitton, Prada, Loewe and other high-end shops.

The 150,000-square foot Shops at Wailea opened in 2000, offering upscale shopping in its high-end retail shops. Tenants include Louis Vuitton, Coach, Bally, Fendi, Tiffany & Co., Banana Republic, and Georgiou. Restaurants in this mall include Ruth Chris Steak House, Tommy Bahama Café and Emporium, and Lough's. Other retailers include Crazy Shirts, Hot Topic, Gap, Wolf Camera, and Whalers General Store.

Agriculture

Agriculture on Maui is dominated by larger operations like Halliwell Pineapple Company and Alexander & Baldwin's Hawaii Commercial and Sugar (HC&S).

Pineapple now confronts more foreign competition from places like Thailand. In 2007, Maui Land & Pineapple Company shut down the conning portion of its operation to rely solely on the more profitable fresh fruit segment. Downsizing of the plantation occurred in 2008, which resulted in a reduction of over 200 employees. In December 2009, Maui Land & Pineapple Company announced that it would be shutting down its agricultural arm, citing continued annual losses. However, a new company, Halliwell Pineapple Company, was formed the following week and was able to take over a portion of the pineapple operations.

HC&S survives as Hawaii's only remaining sugar operation due in part to its economies of scale, its land configuration (a relatively compact and contiguous area in the isthmus of the Valley Isle), and its commitment and ability over the years to reinvest and upgrade plant and equipment. But the last active sugar plantation in the state is facing other hardships, namely water. There had been drought conditions on Maui between 2007 and 2009, contributing to low yields. According to HC&S, future viability is heavily dependent on continued stream diversion; however, there have been opposition to

this continued practice. HC&S continues to re-evaluate its operations to remain viable, including consideration of potential biofuels and other energy alternatives.

Another of Maui's sugar operation casualties, Pioneer Mill in West Maui, is missed visibly. For years, proponents of maintaining and sustaining Hawaii's sugar industry argued that growing sugarcane imparted to this economy an important, if underestimated, non-pecuniary benefit; sugar kept the land green and attractive, for tourists and locals alike, and its cultivation contributed to the recharge of groundwater resources. Economists call this situation an "externality," an activity that affects others for better or worse, without those others paying or being compensated for activity.

Anyone who doubts that logic now has only to drive the West Maui coast from Olawalu to Kaanapali and look mauka, at an entire mountain side of dry brush and unused fields. As with many cases where sugar plantations have shut down, most diversified agriculture crops are just not land intensive enough to utilize all the vacant land. Coffee and seed corn operations are possibilities, but they make only a small dent.

In addition to sugar and pineapple cultivation, Maui also offers rich opportunities for agricultural diversification by small farmers and large agribusinesses. Top among new agricultural products are: papaya, cut flowers, coffee, Kula onions and strawberries, and Chinese cabbage from Kula. Molokai offers its sweet potatoes, lettuce and alfalfa, as well as taro.

High-Tech

Maui's contribution to Hawaii's fledgling high-tech industry remains pre-eminent in the state. It also represents genuine diversification of the economy. The Maui Research and Technology Park in Kihali has all of its infrastructure in place, and has completed three major building projects. Most important, it houses one of the country's most powerful supercomputers. The park now hosts over 30 companies and over 300 employees on 41.5 acres.

With access to one of the most powerful supercomputers in the world, funded by the U.S. Air Force, the Maui Research and Technology Park is continuing its efforts to diversify the Maui economy into something fundamentally different from what exists in the county or anywhere else in the state.

An office building was developed by the Maui Economic Development Board in 2006, and contains approximately 31,500 square feet of rentable area on a 2.8-acre site. Another completed project is Park Plaza, a 26-unit commercial office condominium building developed by Goodfellow Brothers and Beistill Brothers. Since its completion in 2008, sales have been very sluggish.

The Park is sticking to its long-run strategic plan to capitalize on its location at the center of the Pacific Basin. Its extensive fiber-optic network to the U.S. Mainland makes it one of the most fiber-rich environments in the world, greater than many facilities actually located on the Mainland.

County Government

Maui County is unique in having several inhabited islands in its jurisdiction: Maui, Molokai, as well as Lanai, and the uninhabited island of Kahoolawe.

Maui County has an elected Mayor and County Council, and the Liquor Control Commission is semi-autonomous with appointed directors. Although all courts are conducted by the State, the County is responsible for prosecution and the Mayor appoints the prosecutor. The council has nine members, each residing in one of nine districts; however, voters cast ballots for all nine seats. Unlike other states, Hawaii has only two layers of government: State and County. The State is responsible for many functions that elsewhere come under the jurisdiction of municipalities, such as schools, hospitals, and airports. Also, unlike other states, Hawaii has statewide zoning implemented by the State Land Use Commission. The County has zoning authority within the boundaries established by the commission.

The lack of affordable housing continues to be a concern within the County of Maui. Maui is one of the most expensive counties for single-family home buyers. A record high median price of \$780,000 was set in July 2006 for a single-family home. Since then, the median single-family price has continued to fall, with an average monthly median sales price of \$462,821 in 2010, down from \$498,708 in 2009, \$574,760 in 2008 and \$627,137 in 2007. According to the latest State of Hawaii Data Book, 8 percent of the houses are overcrowded on Maui and 41.4 percent of the households pay more than the recommended limit of 30 percent of their income on housing. In fact, 27.1 percent pay more than 40 percent on housing.

This heightened effort by the County resulted in the passage of Ordinance 3418 on December 5, 2006, under which all proposed developments are subject to review if they are to contain five or more units or lots. Under this ordinance, if the average sales price is projected to be less than \$600,000, 40 percent of the total units must be priced to meet the various affordable categories. If the average sales price in the project is \$600,000 or more, then 50 percent of the units must be affordably priced. An alternative to providing the affordable units is to pay an in-lieu fee equal to 30 percent of the average projected sales price of the market rate units multiplied by the number of affordable units required in the development. Or, the owner may elect to provide land which is equal in value to the in-lieu fee. This ordinance has had a profound effect on residential development since its passage. The subsequent reduction in proposed

projects had many in the building and real estate industries questioning whether the ordinance created too much of an obstacle for developers.

In an effort to stimulate residential construction, the ordinance was revised by the County Council as Ordinance No. 3719, effective February 26, 2010, reducing the amount of required affordable housing units built on site to 25 percent, provided the average sales price of the market units is projected to be less than \$600,000. If the average sales price in the project is \$600,000 or more, then 50 percent of the units must be affordably priced. The new law also clarified the calculation of required affordable units built off site; based on 50 percent of the total number of on-site market units, regardless of their projected average sales price.

The water availability ordinance is another law that has made an impact on the development community. On December 14, 2007, the County of Maui passed into law Ordinance 3502. As a result, the Department of Water Supply (DWS) is presently restricting the issuance of meters for all uses in the central and south Maui service areas and this bill restricts issuance of any building permits until the DWS can issue a meter consistent with the provisions of the bill. In order to do so, the DWS director needs to provide verifiable, long-term supply of water to the property. Landowners and professionals in the development community have been openly critical of the ordinance, some calling it a de facto moratorium on housing. Not surprisingly, sales of vacant development lands have been impacted.

The ordinance was revised by the County Council as Ordinance No. 3818, effective April 5, 2011, exempting infill development (10 residential dwellings or less) within areas already developed and having consistent land use; residential workforce housing units built by a qualified housing provider; residential development projects with 100 percent affordable units; and public or quasi-public development projects. The exemptions are only applicable within areas serviced by the Water Department's Central or West Maui water systems. Time will tell if the latest versions of both ordinances will help to achieve their intended goals.

B. NEIGHBORHOOD DESCRIPTION

The Proposed Project is designated by the Kihel-Makena Community Plan, but is considered to be in the Wailuku District by the State of Hawaii. Furthermore, its primary industrial market is expected to originate from Central Maui. As such, the following neighborhood description describes the Central Maui Region.

Since real estate is fixed in location, its marketability and rentability are strongly influenced by economic and social trends in its immediate environment. The continuing attractiveness of this neighborhood environment to potential users and tenants, and its competitive relation to those of substitute properties, must therefore be evaluated and forecast by the consultant. In particular, perceived neighborhood trends affect both the quality and quantity of the revenues the subject property can reasonably be expected to generate.

A neighborhood of income-producing properties is a geographic area characterized by similarity of uses and/or users, within which any change has a direct and immediate effect on the subject property and its value.

The geographic area surrounding the subject property is defined by physical and man-made boundaries, and encompasses an area known as Wailuku-Kahului. This region is located on the north shore of the island of Maui and encompasses the civic and business centers of Wailuku and Kahului. The island's major seaport and primary airport are also contained within the boundaries of this region. The surrounding agricultural land of Central Maui, and the eastern half of the West Maui Mountains, is also within the Wailuku-Kahului neighborhood. The boundaries of the Wailuku-Kahului region are the northern shoreline from Poelua Bay to Baldwin Park on the north, Kailua Gulch and Lowrie Ditch on the east, Spanth Road to Waikapu Road to Hanalei Highway to Pihakea Gulch on the south, and the Wailuku Judicial District boundary on the west.

Population is concentrated in the urban centers of the region. Wailuku has maintained its role as the civic-financial-cultural center while Kahului has strengthened its role in recent years as the business and industrial center. In addition to the urban centers of Wailuku-Kahului, the region also includes the more rural settlements of Wahee to the north and Waikapu and Puunene to the southeast. Agricultural lands are adjacent on the lower slopes of the West Maui Mountains and in the central plain south and east of Kahului. This green border is a significant part of the settlement pattern because of its open space and economic value. Kahului Harbor and Airport are major land users along the Kahului shoreline. As major ports of entry for people and goods, they serve as an important center of jobs and economic activity.



NEIGHBORHOOD MAP

The major thoroughfares through Kahului and Wailuku are Kaunamau Avenue which begins in Kahului and provides primary access to Wailuku as well as Lahaina and Kihei; Hana Highway, which is actually a continuation of Kaunamau Avenue, leads from Kahului to the eastern or "upcountry" portions of the island; and Puunene Avenue which provides access to all major areas in Kahului and ultimately leads to Kulihelani Highway which provides by-pass access to Lahaina and Kihei. The Kaunamau Avenue also runs into Main Street, and via secondary access, runs into Waihehu Beach Road and Lower Main Street.

Kahului, adjacent to Wailuku, is situated on the northwest portion of the island of Maui, and is the central commercial, industrial and residential area of Maui. Kahului Town contains Maui's major shopping centers, centralized industrial areas, financial institutions, medical office facilities and business offices. Additionally, the Kahului Airport and Kahului Harbor are located in Kahului proper and houses the majority of firms providing various goods and services throughout the island, as well as to Lanai and Molokai. Consistent with its central location, post office facilities, community library, parks, schools (elementary, intermediate, high school and a community college), churches of various denominations, entertainment facilities, food outlets and a fire station are located in Kahului.

Wailuku, at one time, was the heart of Maui's business activities. Decentralization of business to nearby Kahului and lack of maintenance and modernization of buildings to keep up with the new shopping habits brought about a gradual decline. However, since the creation of the municipal parking area in Wailuku, several new buildings have been built or renovated and a rejuvenation of the Wailuku Town is being experienced. The current Community Plan envisions Wailuku as the "governmental, cultural and professional center of Maui". Located in Wailuku are the various government agencies, courts, hospital, major recreational facilities and police station.

Wailuku's Fire Station sits in the heart of Wailuku Town, and until the opening of the Kahului Fire Station, was the only one in Central Maui. Kahului Fire Station is a 21,300 square foot facility that includes two main buildings and is situated on Dairy Road.

The Maui Memorial Medical Center, which is Maui's primary facility of medical and emergency service, is located between the connecting boundaries of Kahului and Wailuku. In 2006, work was completed on a new wing for the hospital. The Police Station is also conveniently located nearby.

Numerous preschools, elementary, intermediate and high schools are located throughout Kahului and Wailuku, with the University of Hawaii Maui College also located on Kaunamau Avenue, in Kahului.

In order to fully understand and appreciate Kahului and Wailuku's potential for expansion, as well as factors that could limit the growth of this region, a brief summary of recent or proposed developments in these Central Maui districts along with a few important issues facing future development are in order.

RESIDENTIAL

The residential districts surrounding these two centers are significantly different in character. Wailuku Town is comprised of older residential areas, intermixed with business uses, varying lot sizes, and a more haphazard street pattern representative of older subdivisions. Surrounding Wailuku Town are more modern residential subdivisions, primarily within the Kahalaui Project District. The residential areas in Kahului are also varied. The older projects feature wide curvilinear streets and larger lots; where as the newer subdivisions, primarily within the Maui Lani Project District, features smaller lots, narrow roadways, and some zero lot line development. There are also several gated communities with golf-course frontage.

Kahului

In Kahului, the major residential area is represented by Alexander & Baldwin, Inc.'s Kahului Town Development. This subdivision consists of 14 increments that were built between 1951 and 1981. There are a total of 3,400 lots within the 14 increments. Kahului Town is distinguished as the first planned "new town" in Hawaii to provide quality housing at affordable prices.

Today, Kahului Town is a bustling residential community. The ongoing Maui Lani Project District development will include up to 3,000 new residential units, ranging from executive golf homes to affordable units and span 1,000 acres on the south side of Kahului and east side of Wailuku. In addition to single-family and multi-family residential units, the Maui Lani development includes a golf course, churches, a school and a recreational center. Already, several phases have been constructed and sold over the past several years including The Greens, The Grand Fairways, The Bluffs, The Islands, Sandhills Estates, Legends Phase I and II and Na Hoku. New developments in Maui Lani include Traditions, a 153 house-and-lot single-family subdivision and the proposed Parkways at Maui Lani, a 210-lot single-family subdivision.

Wailuku

In Wailuku, the older residential homes are mixed with small businesses throughout central Wailuku Town. There are three primary residential subdivisions on the outskirts of the town including Wailuku Heights, Waihehu Terrace, Waihehu Heights and Leisure Estates.

The older Wailuku Heights area was extended by two exclusive and prestigious phases. The first extension offers 270 lots while the second phase offers an additional 130 lots to the subdivision. Once verdant pastureland, Wailuku Heights is nestled in the West Maui Mountains and offers underground utilities, scenic views and a landscaped park.

Directly below the Wailuku Heights neighborhood is the Kehalani Project District. Single-family residential developments in this area include the Ohia and Maunalea subdivisions. These projects, by Towne Development and Stanford Carr Development, were sold strictly as house-and-lot packages. Kehalani Gardens and Ilihi at Kehalani, both condominium projects, were also built by the same developers and were completed shortly after in 2005.

Two other single-family projects were then constructed in Kehalani 2006 and 2007. These included Koa at Kehalani (72 residential lots) and Akolea at Kehalani (97-unit house and lot subdivision), developed by Towne Development. In 2008, Stanford Carr Development developed the Cottages at Kehalani (114-unit house and lot subdivision).

More recent construction in the Kehalani Project District included Milo Cauri, a 97-unit duplex-style condominium developed by Towne Development, and the Villas at Kehalani a 103-unit townhouse condominium developed by Stanford Carr Development.

In addition to construction in the Kehalani Project District, residential development spread southerly to the Waikapu a small community in Wailuku proper. Jesse Spencer completed the last home in Waikapu Gardens at the end of 2008, a 410-unit affordable housing project. In 2007, two house lot subdivisions also came to market in Waikapu, Wailani Pkate (37 lots) by KSD Hawaii and Wailani Mauka (105 lots) by Scott Nunokawa. Another unique subdivision that was constructed in the Wailuku area is the Wailuku Country Estates Subdivision, which consisted of 184 agriculture lots located near the Puuhala Camp neighborhood just north of Wailuku Town.

COMMERCIAL

Commercial development in Kahului is concentrated along the major thoroughfares in strip fashion, while Wailuku's main commercial activity is concentrated in the central core of the town. Due to the central location of these communities, there has historically been strong demand for commercial space in Central Maui, and vacancies within established projects in this region tended to be very low. However, the recent downturn has resulted in less demand for commercial spaces and higher vacancies, as well as reduced rental rates.

Kahului

There are four major shopping centers in Kahului. Maui Mall, opened in late 1971 contains a gross leasable area of 181,500 square feet on a 25-acre site. It is anchored by tenants such as Longs Drug Store, and the Maui Mall Megaplex, by Wallace Theater Corporation. Star Market closed its doors in March 2008, but was replaced by a Whole Foods supermarket in 2010. The largest center, Queen Kaohumanu Center, opened in 1973 and had 300,000 square feet of gross leasable area. Extensive renovations were completed in 1995, which included a two-level shopping wing, a six-screen movie theater, expanding the major stores, renovating the existing mall and adding a parking structure and access road. The project expanded the center to 500,000 square feet. It is currently anchored by Macy's and Sears. The Maui Marketplace on Dairy Road is home to a number of big-box retailers including Lowes Hardware, Sports Authority, Office Max, Petco, Pier One Imports, Starbucks Coffee, Jamba Juice, Bank of Hawaii and Burger King. Lastly, Kahului Shopping Center, the oldest major shopping center which opened in 1951, was partially destroyed by fire in 2005 and plans are underway to redevelop the entire block into the Kahului Town Center. This development will consist of retail, office and condominium living.

In addition to these centers, Kahului is home to other large retailers including Costco, Kmart, Home Depot, and Wal-Mart. All of the major financial institutions and the large automobile dealerships are also located in Kahului. The Maui Arts and Cultural Center was built in 1993 and includes a 1,200-seat theater, a 250-seat studio theater, an art gallery, meeting rooms, dance studios, an event lawn, administrative offices and a restaurant/gift shop. In 2011, the original stage that serviced the 5,000 person grass amphitheater was replaced by the \$13 million-dollar, state-of-the-art, Yokauchi Pavilion. The Maui Arts and Cultural Center sits on 12-acres at Keopuolani Park, which is located between the University of Hawaii Maui College and the Maui Botanical Garden.

Wailuku

The hub of commercial activity in Wailuku is concentrated in an area along Market Street and Main Street. Known as Old Wailuku Town, this neighborhood is characterized by older, low-rise buildings consisting of small, individual shops and offices. Civic uses surrounding this area of Wailuku include the State office building, the County office buildings, and the judicial building.

The town is home to numerous professionals in the fields of architecture, engineering, law, financial management, real estate and banking. All of the major financial institutions have branches in Wailuku Town. Notable office buildings in Wailuku include One Main Plaza, Wailuku Executive Center, Maui Realty Suites, the Trask Building, and Wells Professional Plaza. Wailuku's office market is

also feeling the effects of the economic slowdown with evidence of higher vacancies and decreasing rents.

INDUSTRIAL

Vacant industrial land has typically been difficult to acquire due to the lack of inventory in the market. Much of the vacant land in Central Maui's industrial parks is being held by business owners, some of whom are waiting for more ideal conditions to build new facilities. Others may be looking for a turn around in the real estate market before putting their property up for sale. However, the same economic downturn that has significantly impacted demand for commercial space in Central Maui has taken its toll on industrial space. Vacancies have increased, while at the same time warehouse rents and land prices have declined.

Kahului

There are several industrial parks in Kahului, but the largest and most established of them all is the Maui (Kahului) Industrial Park, which is bordered by Hana Highway, Puuene Avenue, Dairy Road and Kamehameha Avenue. It includes low-rise warehouse and commercial uses and is occupied with a mixture of industrial, retail and office tenants.

Maui Business Park, Phases I-A and I-B (7.6 acres), has also attracted commercial, office and industrial users along Dairy Road and Hookele Street. Phase II of Maui Business Park is currently in design and will ultimately add approximately 179 acres of light industrial land surrounding the first phase.

Other existing industrial subdivisions include the Airport Triangle on about 13 acres, the 40-lot Kamehameha Parkway No. 2, and the Central Maui Baseyard on Makulele Highway.

Wailuku

Existing industrial subdivisions in Wailuku include Wailuku Industrial Park, The Millyard, Waiko Baseyard and Consolidated Baseyard. The oldest of which is the Wailuku Industrial Park, an improved light industrial subdivision with 74, fee simple lots off of Lower Main Street in Wailuku. Lots range from 10,106 square feet to a parcel 3.089 acres in size. This subdivision is approximately 95 percent developed and includes the Wailuku Town Center anchored by Sack 'n Save.

The Millyard was developed in 1985 as an improved light industrial subdivision located at the old Wailuku Sugar Mill site. This industrial subdivision contains 57 lots, and is home to the Wailuku Post Office which opened there during the late-1990s. Approximately 84 percent of this subdivision has been developed with a mixture of commercial and light industrial uses. The Millyard Plaza is one of the largest complexes in this subdivision. Also, several dentists and veterinarians have seen fit to build their own free-standing facilities in

The Millyard, which has developed into more of an office park than an industrial center.

Completed in 2006, the Waiko Baseyard in Wailuku consists of 19 lots on approximately 15 acres of land. This subdivision was immediately sold prior to subdivision completion. Consolidated Baseyards, also in Wailuku, was completed in 2007. Built on about 23 acres of land, the 35 lots in this light industrial park saw very strong interest and were sold quickly. The majority of purchasers within both subdivisions were local business owners who intended to relocate their operations. These subdivisions were geared toward true industrial users.

The most recent development in the Wailuku area is the Maui Lani Village Center. This project completed construction in 2009 and features 78 lots zoned Village-Mixed Use Commercial/Residential. This zoning allows for a mixture of commercial, industrial, and residential use on each property. Businesses that intend to occupy this subdivision include Paradise Beverage, Ace Hardware, Menchune Water, 76 Gas Station, Oceanic Time Warner Cable, Times Supermarket, Wolgreens, etc. However, only a handful of transactions have actually closed to date. Absorption in this project is moving at a slow pace, which is directly attributed to the economic recession.

CONCLUSION

All public utilities including electricity, water, telephone, and sewer service are available in Kahului and Wailuku, as is police, fire and ambulance services. Propane gas is not a public utility, however, is available. All charges for public services are standardized for the Island of Maui.

With the increase of public transportation now available on Maui, Kahului and Wailuku are easily accessible from most parts of the island. This and the fact that it is central to airport and harbor facilities, commercial and industrial establishments, properties located in this area are ideal.

Due to this region being the center of County, State and Federal offices, as well as community services, properties in these areas are anticipated to be in greater demand in the years ahead. Based on the desirability of this area and forecasted demand here, property values are expected to continue their appreciation in the long-term.

C. PROJECT DATA**ENVIRONS**

The Puunene Heavy Industrial Subdivision (the "Proposed Project") is a proposed heavy industrial subdivision with up to 28 lots, situated east of Mokulele Highway, District of Wailuku, Island and County of Maui.

Mokulele Highway is the primary roadway connecting Kahului to Kīhei and runs in a generally north-south direction. It is an asphalt-paved four-lane thoroughfare with two lanes in each direction, divided by a median. Mokulele Highway has street lights, as well as overhead and underground utilities. A dedicated bicycle and pedestrian path is situated along the eastern side of the roadway.

Puunene is primarily an agricultural area between the Central Maui and South Maui regions. The majority of the surrounding land is being utilized for commercial sugar cane production. Maui Raceway Park, the Hawaiian Cement quarry, the Maui Army National Guard Armory, and the Maui Humane Society are located nearby. Central Maui Baseyard, a light/heavy industrial yard storage development, is situated approximately one mile to the north. Although the immediate area is unpopulated, the Proposed Project will be conveniently located with respect to its many supporting facilities, such as shopping, schools, employment, residential and recreational areas in both Central Maui and South Maui.

DESCRIPTION OF THE REAL ESTATE:**Property Data:**

Legal Description: A title report was not available for review by the Consultant. The following legal description was excerpted from a copy of a "Limited Warranty Deed with Reservation of Easements, Covenants, Reservations and Restrictions" recorded with the Bureau of Conveyances on March 17, 2011:

All of that certain parcel of land (being portion of the land(s) described in and covered by Land Patent Number 8140, Land Commission Award Number 5230 to Kaeweanaka) situate, lying and being at Pūlehuei, District of Wailuku, Island and County of Maui, State of Hawaii, being LOT 2 of the PUA'A SUBDIVISION, per survey dated March 8, 2011, to wit:

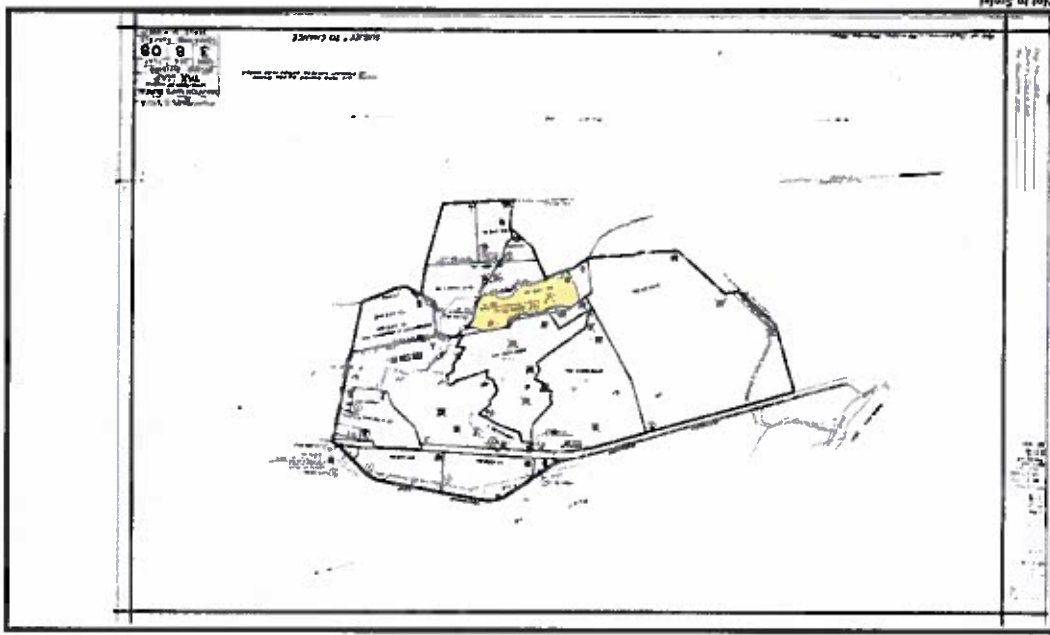
Beginning at a pipe at the northeasterly corner of this lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU HELE" being 2,265.99 feet north and 17,073.08 feet east and running by azimuth measured clockwise from True South:

1. 199° 00' 428.45 feet Lot 3 of the Pua'a Subdivision to a pipe;

2. 179° 00' 180.00 feet along same to a pipe;
3. 260° 00' 50.00 feet along same to a pipe;
4. 315° 00' 200.00 feet along same to a pipe;
5. Thence along same on a curve to the left with a radius of 515.00 feet, the chord azimuth and distance being:
 - 299° 00' 283.91 feet along same to a pipe;
 6. 283° 00' 170.00 feet along Lot 3 of the Pua'a Subdivision to a pipe;
 7. 296° 00' 390.00 feet along same to a pipe;
 8. Thence along same on a curve to the right with a radius of 362.00 feet, the chord azimuth and distance being:
 - 345° 00' 455.63 feet to a pipe;
 9. 24° 00' 240.00 feet along Lot 3 of the Pua'a Subdivision to a pipe;
 10. Thence along same on a curve to the left with a radius of 410.00 feet, the chord azimuth and distance being:
 - 348° 30' 476.18 feet to a pipe;
 11. 313° 00' 225.00 feet along Lot 3 of the Pua'a Subdivision to a pipe;
 12. Thence along same on a curve to the right with a radius of 380.00 feet, the chord azimuth and distance being:
 13. 23° 00' 40.00 feet along same to a pipe;
 14. 289° 00' 70.00 feet along same to a pipe;
 15. 346° 00' 400.00 feet along same to a pipe;
 16. 10° 00' 130.00 feet along same to a pipe;
 17. 320° 00' 130.00 feet along same to a pipe;
 18. 350° 00' 200.00 feet along same to a pipe;
 19. 20° 00' 160.00 feet along same to a pipe;

20. 350'-00' 170.00 feet along same to a pipe;
21. 268'-00' 130.00 feet along same to a pipe;
22. 347'-00' 230.00 feet along same to a pipe;
23. 67'-00' 620.00 feet along same to a pipe;
24. 79'-00' 470.00 feet along same to a pipe;
25. 147'-00' 378.30 feet along Lot 2-8-3 of the subdivision of Lot 2-8 of the Land of Pulehunu to a pipe;
26. 190'-00' 223.81 feet along Lot 1 of the Puu'a Subdivision to a pipe;
27. 179'-00' 470.00 feet along same to a pipe;
28. 140'-00' 185.00 feet along same to a pipe;
29. 167'-00' 220.00 feet along same to a pipe;
30. 179'-00' 157.00 feet along same to a pipe;
31. 164'-00' 236.18 feet along same to a pipe;
32. 189'-00' 220.00 feet along same to a pipe;
33. 168'-00' 340.00 feet along same to a pipe;
34. Thence along same on a curve to the left with a radius of 306.26 feet, the chord azimuth and distance being:
145'-00' 239.33 feet to a pipe;
35. Thence along same on a curve to the right with a radius of 420.00 feet, the chord azimuth and distance being:
139'-19' 250.03 feet to a pipe;
36. 173'-11' 30" 663.31 feet along Lot 2-8-2 of the Subdivision of Lot 2-8 of the Land of Pulehunu to the point of beginning and containing an area of 86.030 acres, more or less.

The State of Hawaii Tax Map further identifies the subject parcel as Division 2, Zone 3, Section 8, Plat 07, Parcel 102.



ACM Consultants, Inc. Puuene Heavy Industrial Subdivision, Waikuku, Maui

TAX MAP

Census Tract: The Proposed Project is identified as being within Census Tract No. 307.01.

Owner of Record: The owner of record, as identified by County of Maui public records, is CMBY 2011 Investment, LLC.

Transaction History: Public records indicate that Proposed Project was conveyed from Alexander & Baldwin, Inc. to CMBY 2011 Investment, LLC for a purchase price of \$3,500,000. This transaction was recorded in the Bureau of Conveyances on March 17, 2011 as Document No. 11-044566. There were no other conveyances of the Proposed Project within three (3) years prior to the effective date of this report.

Subject Offering Information: A search of Maui Multiple Listing Service did not reveal any listing of the subject parcel within three (3) years prior to the effective date of this report.

Real Property Tax Assessments and Taxes: Research at the Maui County Real Property Assessment Division revealed the following assessments and taxes for the subject parcel during the tax periods between 2009 and 2011.

Table 1 – Real Property Tax and Assessments

Year	2011	2010	2009
Land (Market):	\$2,322,800	\$2,580,000	\$2,839,000
Land (Agricultural):	\$43,000	\$43,000	\$43,000
Building:	\$507,400	\$536,300	\$520,600
Exemptions:	\$0	\$0	\$0
Total:	\$550,400	\$579,300	\$583,600
Rate/\$1,000 (Agricultural):	\$5.80	\$5.00	\$4.50
R. P. Taxes:	\$3,192.32	\$2,896.50	\$2,536.20

For 2011-2012, the County of Maui Real Property Tax Division records show the subject parcel's market assessment at \$2,830,200; however, is being taxed at \$550,400, due to its dedicated agricultural use. The tax rate per \$1,000 valuation is \$5.80 for P1H 500 (Agricultural). Based on this rate, the subject's real property tax amounts to \$3,192.32 (\$550,400 ÷ 1,000 x \$5.80). No known special assessments are on record against the subject property.

Land Use Controls: The Proposed Project is located in a State of Hawaii designated Agricultural District and is zoned by the County of Maui as Agricultural District. As shown on the Kihel-Makena Community Plan Map and verified with the Maui County Land Use and Codes Division, the subject property is located in an area classified as Agriculture.

Site Description

Size and Shape: The Proposed Project has a land area of 86.030 acres and has a highly irregular shape.

Topography and Soil Condition: A physical inspection of the property confirmed that topography is generally level to gently sloping. As derived from an USDA Natural Resources Conservation Service online web soil survey, the Proposed Project appears to have primarily Waialeale extremely stony silty clay loam, 3 to 5 percent slopes, eroded (WID2), with some parts of Alae cobbly sandy loam, 3 to 7 percent slopes (Ac8).

The Consultant has not been provided with soil, subsoil or other engineering studies to determine the load-bearing capacity of the subject; however, based on typical construction in the neighborhood and our knowledge of other properties in the immediate vicinity, the project site is presumed to have stable soil conditions and any drainage problems are assumed to be correctable.

Access: As shown on an August 10, 2011 map by R.T. Tonaka Engineers, Inc., "Land of Pulehuni Exhibit Map Showing Proposed Easements B-1, B-2, B-3, B-4, B-5 and B-6", vehicular access to the Proposed Project from Makalele Highway will be via proposed easements over adjacent parcels. The proposed access easements will consist of portions of Kamacina Road, South Firebreak Road and Lower Kihel Road, which are private roadways situated on land owned by the State of Hawaii and Alexander & Baldwin, Inc ("A&B").

Encroaching portions of Kamacina Road, South Firebreak Road and Lower Kihel Road, proposed Easements B-1, B-3, B-4 and B-5 would need to be granted by the State of Hawaii. Should this access not be obtained within the next five (5) years, the Developer has secured an alternate means of access with A&B, via an easement around the northern and eastern sides of Reservoir No. 6.

Easements and Restrictions: According to a copy of a "Limited Warranty Deed with Reservation of Easements, Covenants, Reservations and Restrictions", recorded with the Bureau of Conveyances on March 17, 2011, the Proposed Project is encumbered by a 20-foot wide road easement along its westerly boundary. The document further describes a utility easement in favor of Maui Electric Company Limited and Hawaiian Telcom granting perpetual right and easement over Easement 3 for utility purposes.

Flood Status: Flood Hazard Districts are delineated on Flood Boundary and Floodway Maps and the Federal Insurance Rate Maps prepared by the Federal Insurance Administration and Federal Emergency Management Agency. The subject parcel is situated on Map Number 1500030580E, by the Federal Emergency Management

Agency: revised September 25, 2009, and lies in Flood Zone X. Zone X within Maui County indicates areas determined to be outside of the 0.2 percent annual chance flood plain. Flood insurance is not required for properties within this flood zone.

Utilities: Potable water and sewer service are currently unavailable, while electricity and telephone service are available from overhead lines in the area.

Historic Uses: According to the property owner, the subject property was used as a pig farm since the 1960s and was additionally used as an unpermitted scrap metal storage site since approximately 1995. Prior to the piggy use, the subject property was partly used for cultivation of sugarcane and also as a plantation camp. Prior to that use, the subject property was part of the Puunene Naval Air Station.

Current Use: On the day of inspection, it was noted the subject parcel had been cleared of previously abandoned scrap metal material and the on-site dilapidated structures had been razed. A broadcast antenna was observed on the northern side of the property.

Most Appropriate Use: Under its agricultural zoning, the subject parcel has poor agricultural potential because of unfavorable soil quality. The proposed industrial subdivision is the most appropriate use of this site from a market perspective. The subject parcel has easy access to all urban areas on the island. It is located between Central Maui and South Maui, yet still is easily accessible to the West Maui and the Upcountry regions.

In addition to the support for heavy industrial use established in the following Market Study section, evidence of the appropriateness of the subject parcel's proposed heavy industrial use was found in the December 2010 Draft Maui Island Plan. The subject parcel is recognized by the Plan and has been included in its Urban Growth Boundary.

Furthermore, the current Kihel-Makena Community Plan has classified approximately 561 acres near the subject parcel as Project District 10 "Old Puunene Airport area". The project district suggests "Approximately 125 acres, including and adjacent to the Hawaiian Cement site, should be utilized for heavy industrial use." In this light, the creation of the Proposed Project would be consistent with the County of Maui's long-range planning goals for the area.

Description of the Proposed Project

Land & Improvements: The Proposed Project is envisioned as a 28-lot heavy industrial subdivision to be developed on approximately 86,030 acres east of Mokulele Highway, District of Wailuku, Island

and County of Maui. As shown on the State of Hawaii Tax Maps, the subject parcel is within the District of Wailuku, Island and County of Maui. As of the effective date, the subject site is designated for agricultural uses by State Land Use law, County of Maui zoning and the Kihel-Makena Community Plan. The subject parcel also lies within the proposed Urban Growth Boundary set forth by the (draft) Maui Island Plan (December 2010).

The heavy industrial zoning district provides for a minimum lot size of 10,000 square feet. The sizes of lots in the proposed heavy industrial subdivision shall be determined by the types of uses proposed and the market demand projected approximately six months before the application for subdivision approval is filed with the Development Services Administration, County of Maui. Currently, the plan is to provide ten (10) lots ranging in size from one-half (0.5) acre to one (1) acre; five (5) lots ranging from over one (1) acre to two (2) acres and the balance ranging from over two (2) acres to twenty (20) acres for a total of twenty eight (28) lots. The Proposed Project will feature interior roads as well as drainage facilities consistent with County requirements.

Likely Purchasers or Tenants: In light of its unique location, away from the central business districts, Kahului Harbor and Kahului Airport, the proposed subdivision is expected to attract pure industrial users. These types of users have been displaced from the central areas of Kahului and Wailuku, since Maui's "stacked" zoning allows higher-order business use on industrial land.

Those looking for pure industrial space will likely include businesses that manufacture or treat goods from raw materials, in addition to industrial warehouse users and those seeking secured baseyards. Commercial uses such as retail businesses, professional offices, and service companies are not expected for the Proposed Project, due to its lack of exposure, coupled with the potential for odor, dust, smoke, gas, noise, vibration, etc. from heavy industrial users in the project.

PART III – ANALYSIS AND CONCLUSION

A. MARKET STUDY

For the purpose of estimating the market response to the Proposed Project, a market study was conducted to determine how current supply and demand for industrial properties might be affected by the development of up to 28 heavy industrial lots. The extent of our survey encompassed existing, ongoing (in sales process), and proposed industrial developments on Maui, specifically in the Central Maui region of Wailuku-Kahului.

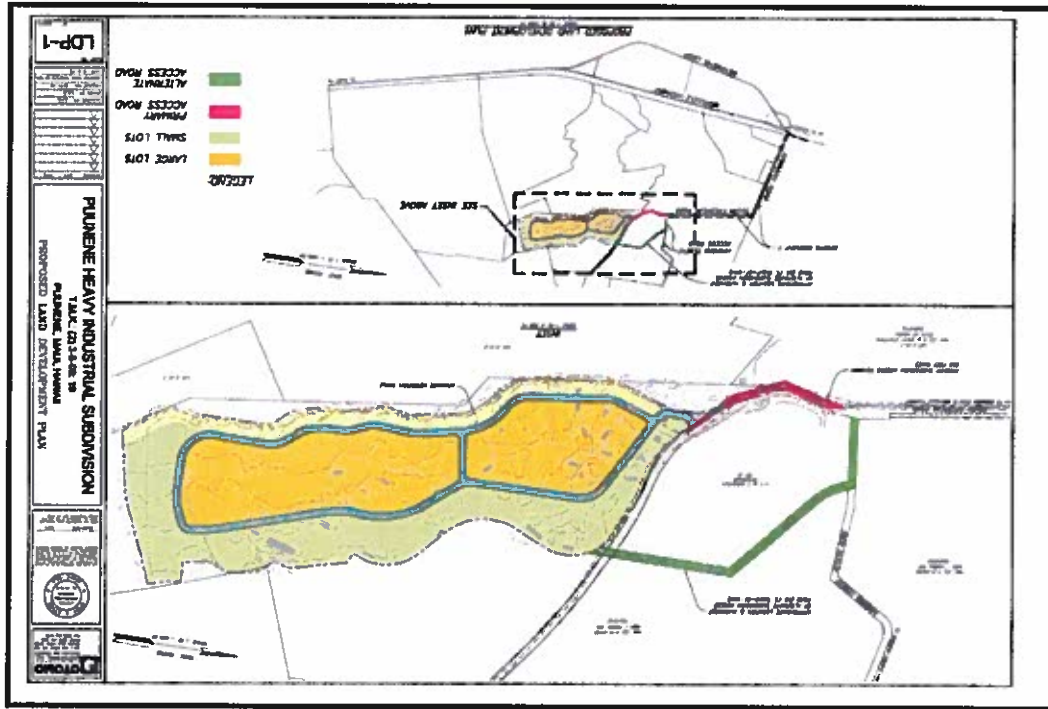
One of the more difficult factors in determining the success of a proposed project is estimating future supply and demand. There are several components, including the design and pricing of the proposed project. This, of course, is well within the developer's control but has not yet been determined. Another is the overall market environment at the time of pre-sale and project completion. This is, obviously, more difficult to define because it involves forecasting such variables as interest rates, overall market conditions, and general and specific sector real estate market conditions.

The added complications with most development projects are the time frames and time lags involved. Since most subdivision projects take several years between conception and completion, market and interest rate conditions can change significantly. Thus, a project may commence in a favorable environment and be completed in an unfavorable one (or vice versa). Furthermore, real estate is a cyclical industry and sales activity tends to move in spurts. It is not unusual for a new project to sell half its units in the first year of marketing and require 2 to 3 years (or longer) to sell the remaining half. Thus, the notion of a linear sales rate may be deemed unrealistic for practical purposes, but is a useful and convenient tool for planning.

The area identified as the Central Maui region encompasses the major communities of Kahului and Wailuku. This popular area contains the major business, civic and transportation centers for the entire island of Maui. Many businesses service the entire island from this convenient Central Maui location; and, as a result, demand for industrial space is strong here.

Central Maui has approximately 83 percent of the land in Maui's industrial and commercial subdivisions, with the largest amount situated in Kahului. This is not unusual, considering Kahului is home to the island's primary harbor and airport. Industrial developments in Kahului include the Maui Industrial Park, Kamehameha Parkway Subdivision No. 2, Maui Business Park Phase 1A and 1B; Airport

PROPOSED LAND DEVELOPMENT PLAN



Triangle; Waikoa Industrial Subdivision and Central Maui Baseyard. Waikuku's industrial projects include the Waikuku Industrial Park, The Millyard, Waiko Baseyard, Consolidated Baseyards Subdivision, and the Maui Lani Village Center.

Table 2 - Summary of Commercial and Industrial Development Projects on Maui

Project Name	Location	Gross Project Area In Acres	Primary Users
EXISTING (Central Maui)			
Maui Industrial Park, Hono Highway and Dairy Road Industrial Subdivisions	Kahului	136	Mixed-Use, Light/Heavy Industrial
Koneihohalo Parkway Subdivision	Kahului	62	Commercial, Mixed-use, Light Industrial
Triangle Square Subdivision	Kahului	13	Retail & Commercial
Maui Business Park, Phase 1A & 1-B	Kahului	78	Commercial, Mixed-use, Light Industrial
Waikoa Industrial Subdivision	Kahului	12	Commercial, Mixed-use, Light Industrial
Central Maui Baseyard	Kahului	52	Light/Heavy Industrial
Waikuku Industrial Park	Waikuku	55	Commercial, Mixed-use, Light Industrial
The Millyard Subdivision	Waikuku	30	Commercial, Mixed-use, Light Industrial
Waikoa Baseyard Subdivision	Waikuku	15	Light Industrial
Consolidated Baseyard Subdivision	Waikuku	23	Commercial, Mixed-use, Light Industrial
Maui Lani Village Center	Waikuku	110	Commercial, Mixed-use, Light Industrial
	Total	386	
EXISTING (South Maui)			
Kihui Commercial Center	Kihui	16	Commercial, Mixed-use, Light Industrial
Pihani Business Park	Kihui	7	Commercial, Mixed-use, Light Industrial
Kihui Business Park	Kihui	14	Retail & Commercial
	Total	37	
EXISTING (West Maui)			
WYM Co Industrial Subdivision	Lahaina	37	Commercial, Mixed-use, Light Industrial
Lahaina Business Park (Phases I and II)	Lahaina	41	Mixed-Use, Light Industrial
	Total	78	
PROPOSED			
Punahone Heavy Industrial Park (SUBJECT)	Waikuku	86	Heavy Industrial
Maui Business Park, Phase II	Kahului	179	Commercial, Mixed-Use, Light Industrial
Waikoa Industrial Park	Waikuku	31	Light Industrial
Waialea Master Plan	Kahului	16.3	Mixed-Use, Light Industrial
	Kahului	23	Commercial
Waikopa Light Industrial	Waikuku	9	Light Industrial
Koonole Business Park	Kihui	75	Commercial, Mixed-Use, Light Industrial
	Total	419	

As research was conducted into industrial land in Central Maui, it became very clear that the vast majority of the available, undeveloped land is zoned for light industrial use. Most of the land in Central Maui zoned for heavy industrial use has already been built upon or is being utilized for yard purposes. The minimal amount of vacant land that is available to the market was found in areas considered unsuitable for heavy industrial users, due to its proximity to residential and commercial developments. The sections to follow discuss the supply and demand factors of the heavy industrial market, as well as their potential influence upon the Proposed Project.

HEAVY INDUSTRIAL SUPPLY CHARACTERISTICS

The Central Maui region contains approximately 442 acres of land zoned Heavy Industrial District. The Hawaiian Commercial & Sugar mill in Punahone occupies about 40 acres, while the future power generation plant site for Maui Electric Company was sold to be approximately 65 acres in size. Much of the remaining 337 acres is situated around the Kahului Harbor and Kahului Airport. These lands are utilized in the daily operation of the harbor and airport facilities and were not considered to be available to the market.

Other heavy industrial areas in Central Maui include Waikoa Industrial Subdivision, Airport Industrial Subdivision, as well as portions of The Millyard and Maui (Kahului) Industrial Subdivision. The land underlying Queen Kaahumanu Center, Maui Mall, and the former Maui Land and Pineapple Company canyery is zoned for heavy industrial use, as are the Hobron Avenue area and two adjacent properties at the corner of Kaahumanu Avenue and Kahului Beach Road. Most of these areas have been improved with commercial and light industrial uses or are being held for future development.

Research of the Central Maui heavy industrial market revealed very little vacant land available. The following photographs depict various vacant heavy industrial parcels in Central Maui.



Photograph 1



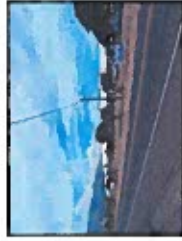
Photograph 2

Photographs 1 and 2 depict two vacant heavy industrial parcels on Imi Kala Street in The Millyard Subdivision that are currently available for sale. The first lot is situated between a commercial retail/office project (at right) and the Waikuku Post Office (at left). The second lot is located on the northern side of the Waikuku Post Office, at the corner of Imi Kala Street and Eha Street.



Photograph 3

The recently conveyed heavy industrial lot depicted in Photograph 3 is located along Kauhuanu Avenue and is temporarily being used as a baseyard. The property is accessed from Wakea Avenue and is situated between Queen Kauhuanu Center (at left) and a gas station (at right).



Photograph 4

Photograph 4 depicts a heavy industrial area on the northern side of Wakea Avenue that is currently being marketed. The property was formerly utilized by Maul Land & Pineapple Company for their cannery operation. Single family residences and senior housing are located across Wakea Avenue, while Queen Kauhuanu Center is to the adjacent north.



Photograph 5

The heavy industrial lot depicted in Photograph 5 is bounded by Haleakala Highway, Koloa Street and Kele Street. Neighboring properties include commercial retail/office projects and car dealerships.



Photograph 6

Photograph 6 depicts an available heavy industrial lot at the corner of Keolani Place and Haleakala Highway. Keolani Place is the entry roadway to the Kahului Airport. A hotel is being constructed on the adjacent parcel and Costco (at right) is located across Haleakala Highway.



Photograph 7

The heavy industrial lot depicted in Photograph 7 was previously listed for sale and is situated along Kahului Beach Road, between the Harbor Lights Condominium project (at right) and a commercial retail/office property. Kahului Harbor is located to the east across Lower Beach Road, while the University of Hawaii Maui College is to the west.

The aforementioned vacant heavy industrial land parcels represent most of the limited supply currently available to the market. However, they are all situated in areas deemed unsuitable for heavy industrial uses. The adjacent residential and commercial developments would likely object to the odor, dust, smoke, gas, noise, vibration, etc. that can be generated by a heavy industrial operation. As such, the highest and best use of these lots would likely be for commercial retail/office use, which is currently allowed by the M-2 Heavy Industrial District zoning. Market evidence has shown that the trend of commercial retail/office projects being built on industrial land has increased. The demand for developable industrial land for commercial use has led to a significant rise in unit prices, in addition to the decrease of an already limited supply.

There have not been any pure heavy industrial projects created in Central Maui for over a decade. During this period the focus has

been on the light industrial market, evidenced the creation of the Maui Business Park, Waiko Baseyard, Consolidated Baseyards and Maui Lani Village Center. The most recent development of heavy industrial land was the Airport Triangle Subdivision; however, this project houses commercial retail/office centers and car dealerships. As of the effective date, the Proposed Project represents the only planned heavy industrial development for the island. Creation of this additional supply will help alleviate the pent-up demand from pure heavy industrial users and allow them the opportunity to acquire suitable land to build new facilities or expand their current operations.

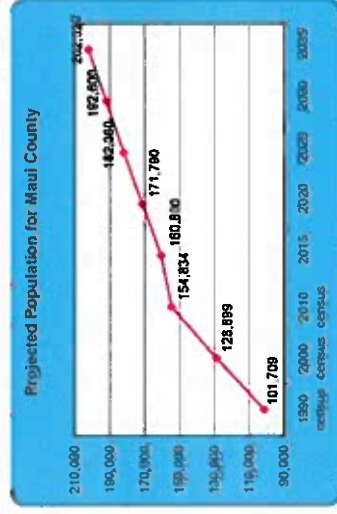
HEAVY INDUSTRIAL DEMAND CHARACTERISTICS

Demand is analyzed from two perspectives: The first is "demographic" demand, the number of units needed for a given market or employment base. Second is "effective" demand, the process which involves looking at the number of buyers who would be qualified and interested in purchasing industrial properties.

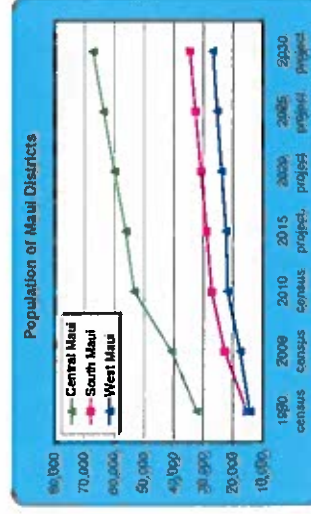
Population

Population growth on Maui over the last past 20 years (1980 to 2000) has been exceptionally high. Overall, population growth for the County of Maui during 1980 to 1990 was 41.67 percent. Meanwhile, the 2000 census figures indicate that population in Maui County increased by 26.73 percent between 1990 and 2000. Maui County was the fastest growing county in the state. With this growth in population came a surge in real estate prices. This increase, driven primarily by foreign and domestic investment and speculation, put the price of homes in Maui County well above the reach of many local residents, and affordable housing became a major concern to everyone. The most recent census data indicates an increase of 20.12 percent in population from 2000 to 2010. Maui County's resident population now stands at 154,834 (2010 census).

According to Population and Economic Projections, Maui County: 2006 to 2035, Maui County Data Book 2009, the projected population of Maui County is expected to be 192,600 by 2030 and 202,520 by the year 2035. The 2030 and 2035 estimates represent 24.4 and 30.8 percent increases over the 2010 census numbers, respectively.



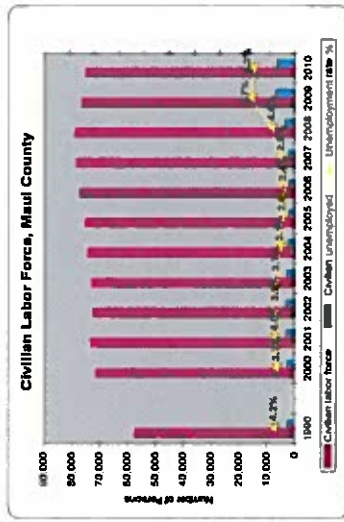
Central Maui's population grew by approximately 26 percent from 32,310 people in the 1990 census to 40,867 people in the 2000 census. The 2010 census showed an increase to 53,456 people, up about 31 percent from the 2000 census. Central Maui has consistently maintained over 30 percent of the total population of Maui County during this period and its proportion of the County's population increased between 2000 and 2010. The population of South Maui and West Maui accounted for approximately 18 and 14 percent of Maui County's population, respectively, in each of the past census counts.



Employment and Household Income

The unemployment rate on Maui had been on a decline since 1992 when unemployment was at 8.0 percent. In 2007, the unemployment

rate was 2.8 percent. For 2008, this rate rose to 4.5 percent, after seeing month-over-month gains beginning May 2008. This trend continued in 2009, with the average unemployment rate jumping to 8.7 percent. The unemployment rate was 8.9 percent in January 2010 and gradually declined throughout the year ending at 7.4 percent in December 2010; the lowest it has been since late 2008. The average unemployment rate for 2010 was 8.3 percent.



Source: State of Hawaii Department of Business, Economic Development & Tourism; Monthly Economic Indicators

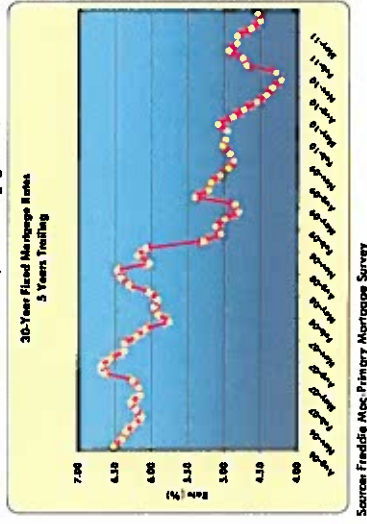
Household income figures have also been increasing. The estimated median annual household income for Maui in 2010 was \$76,000 (Source: U.S. Department of Housing and Urban Development), a rise of approximately 53 percent over the 1999 median household income of \$49,489 (Source: US Census 2000) and a 96 percent increase over the 1989 figure of \$38,771 (Source: US Census 1990). During the 12 year period from 1999 to 2010, this represented an average increase of over 4 percent per year.

Mortgage Interest Rates

From late-1991 to 2002, mortgage rates varied from 6.0 to 9.0 percent. In 2003, mortgage rates for a 30-year fixed rate mortgage fell below 6.0 percent for the first time since Freddie Mac began tracking 30-year mortgage rates in 1971. Over the next six years, the monthly interest rate fluctuated between 5.23 and 6.76 percent. However, due to cuts to the Federal Funds Rate in late 2008, interest rates in 2009 dipped below the 5.0 percent level on numerous occasions. The average interest rate for 2009 was 5.04 percent. Through 2010, the interest rate has averaged 4.69 percent, with the lowest rate seen in October at 4.23 percent. Records that reach back earlier than Freddie Mac's indicate that this rate is below record lows witnessed in the 1940s, during World War II. Mortgage rates have

been generally decreasing over the last four months since February 2011. (See Table 3 below.)

Table 3 – Historical Trend of 30 Year, Fixed Mortgage Rates



Source: Freddie Mac Primary Mortgage Survey

The lower mortgage rates typically mean that real estate becomes more affordable to a larger segment of the population. At the same time, however, prices rise. The rising prices can be driven even higher if developers are restrained from building additional inventory by government restrictions, the unavailability of development land, or unreasonably high land prices.

The aforementioned demographic statistics highlight significant growth for Maui over the past two decades. This has led to a considerable increase of light industrial goods and services providers in the Central Maui region. As discussed previously, light industrial businesses have been accommodated with the creation of the Maui Business Park, Waikua Baseyard Subdivision, Consolidated Baseyards and Maui Lani Village Center.

However, there has not been a coinciding expansion for the heavy industrial businesses that fabricate, process, and manufacture the materials needed by light industrial users. These heavy industrial businesses may include: boiler and steel works; chemical manufacturers; concrete or cement products manufacturers; lumber yards; machine shops; oil storage plants; planing mills; petroleum products manufacturers or wholesale petroleum storage operations; plastic manufacturers; rolling mills; asphalt manufacturers; gas manufacturers; quarry and stone mills; rock, sand, gravel or earth excavation, crushing and distribution facilities; petroleum refinerries; and saw mills.

The Proposed Project will also be attractive to other businesses such as automobile wrecking companies; factories; junkyard operators; soap manufacturers; crematories; fertilizer manufacturers; and slaughterhouses. These types of operations are typically not acceptable for populated areas, due to odor, dust, smoke, gas, noise, vibration, etc.

Other Market Influences

Urban Growth

The Island of Maui has seen significant growth in virtually all aspects (e.g., population, visitor arrivals, economy) of the community through the last 20 years. Most of the industrial development is typically found in Central Maui where industrial land is currently about 83 percent of the island's total. Its proximity to the air and sea ports has resulted in the conglomeration of retail, office, service and industrial uses in the Waikuku-Kahului region. As a result, Central Maui has become the center of commerce for the island of Maui.

Over the past decade, there have been several light industrial subdivisions that have been introduced and have been successfully absorbed by the market until 2006. However, heavy industrial development has not followed suit. Instead, vacant land zoned for heavy industrial use in Central Maui, and on the island as a whole, has become increasingly rare. Much of the entitled land is situated by Kahului Harbor and Kahului Airport and is utilized in their operations. The remaining inventory of heavy industrial land in Central Maui has been depleted to a point where rising land values and industrial rents are making it unfeasible for heavy industrial users to build suitable facilities or expand their current operation.

Stacked Zoning

One of the primary reasons for the reduction of heavy industrial land is the M-2 Heavy Industrial District's stacked zoning. In addition to heavy and light industrial uses, the current zoning structure allows higher-order business uses. Examples of new commercial retail/office developments built on heavy industrial land include the Airport Triangle Subdivision, Costco and Kmart. This has also led to the continued conversion of improved properties for commercial retail/office use. 444 Hana Highway was originally a warehouse situated on heavy industrial land; however, the property was redeveloped and now houses numerous commercial retail/office businesses, as well as Marco's restaurant.

It is becoming increasingly difficult for heavy industrial users to find suitable space for their operations. Recent evidence of this can be seen in the Habran Avenue area, which is zoned for heavy industrial use. The Consultant is aware of a towing and metals recycling business owner that purchased land and relocated his operation to the

area. His property is on interior lot that sits behind a retail strip center, a fuel center/car wash facility and a proposed medical office complex that have frontage along Hana Highway. Although his business is out of character with his neighbors, it is the Consultant's opinion that the lack of suitable land elsewhere in Central Maui was a factor in his purchase.

Other areas, such as along South Wailea Avenue, Kahului Beach Road and near the Millyard, are also zoned Heavy Industrial District. However, the neighboring uses are primarily commercial retail/office in nature. Furthermore, continued urban expansion has led to residential developments nearby. Both of these factors would likely not be supportive of heavy industrial use.

Some heavy industrial users have moved to the Central Maui Baseyard on Mokulele Highway. While this has solved their problem of doing business in an unsuitable environment, the baseyard offers only short-term land rent. There is no stability for the heavy industrial business user, because there are no land ownership opportunities, nor the ability to build permanent improvements on the leased sites.

Economic Climate

The economic downturn being witnessed across the nation has significantly affected Maui, through a drop in visitor counts and the drastic slowdown of construction. These industries are two of the primary employment forces on the island and their decline has had an adverse impact on the local economy. Combined with a more stringent lending environment, the real estate market has been stagnant for the past 4 to 5 years.

However, the real estate market is cyclical. Although the causes and characteristics of these cycles vary, the implications for market participants remain similar in each cycle. On a basic level, when economic activity increases and interest rates rise, real estate becomes less affordable, resulting in decreases in demand and falling prices. Then, as economic activity slows and interest rates decline, properties again become more affordable and, consequently, demand and prices go up repeating the cycle. According to economists, the local economy has begun its recovery with an expected rebound in 2012 and 2013. The real estate market will likely follow suit in the years to follow. As previously stated, the Proposed Project is presently in its planning stage and would require approximately 4 to 5 years to acquire all necessary entitlements and begin construction. The Developers expect the construction phase to be approximately 30 months, followed by the sell-off of the individual lots. Based on this projection, the project may be very well timed with the economic recovery; thus, encountering strong demand from their target market.

Market Absorption of Industrial Land

Due to the lack of development of pure heavy industrial subdivisions on the island, the Consultant has researched the overall industrial market to establish an anticipated absorption rate for the Proposed Project. As discussed previously, recently built subdivisions in Central Maui have catered to the light industrial market. Since many of the products and services needed by light industrial businesses are provided by heavy industrial users, it is reasonable to expect the demand for heavy industrial land to shadow light industrial land absorption.

Recently built subdivisions in Central Maui indicate significantly fast absorption rates. The 11 lots released by the developer of Waikua Baseyard in October 2005 totaled just over five acres and were absorbed within five months. This would indicate an absorption rate of 11.90 acres per year.

Consolidated Baseyards was completed in 2006, with 35 marketable lots totaling approximately 22 acres. There were 27 lots, totaling almost 16 acres, immediately sold between October and December 2006. The remaining eight lots, of approximately 6 acres, were sold in 2007. Overall monthly absorption averaged 1.6 acres, which would translate into about 19 acres per year.

Development of Waikua Baseyard and Consolidated Baseyards occurred during the most recent peak of the market, evidenced by their high absorption rates. Other projects that were brought to market during less robust times have witnessed longer marketing periods. To account for the cyclical nature of the real estate market, the Consultant has researched all commercial/industrial subdivisions constructed and marketed over the last 20 years in Central Maui. There were seven (7) subdivisions developed during this time. With the exception of Maui Lani Village Center, which only began closing lots within the last two years, all other subdivisions have been successfully absorbed by the market. Over the last 20 years, approximately 174.74 acres of industrial land has been absorbed, which reflects a straight-line absorption rate of 8.74 acres per year. (Refer to Table 4)

Table 4 – Absorption of Industrial Land (1991-2011)

Subdivision/Parcel	Tax Map Key	Year Introduced	Absorbed Land Area (Acres)
Kamohamua Flwy	(U) 3-7-Plat 12	1991	19.34
Airport Triangle (incl. Kmart/Costco)	(U) 3-8-Plat 76	1992-1994	42.23
Maui Business Park 1-A	(U) 3-8-Plat 80	1995	39.65
Maui Business Park 1-B	(U) 3-8-Plat 84	2000	31.95
Waikua Baseyard	(U) 3-5-Plat 27	2006	12.50
Consolidated Baseyards	(U) 3-8-Plat 64	2007	19.98
Maui Lani Village Center	(U) 3-8-Plat 97	2009	9.10
Total in Acres:			174.75
Average acres absorbed per year (20 Year Period to Present) =			8.74

Although the number of heavy industrial users is less than light industrial users, many heavy industrial uses can require substantial amounts of land to function efficiently. Examples of this include towing and vehicle storage base yards; industrial fabricators; portable toilet rental companies; septic tank pumping services; metal recycling facilities; and construction waste disposal operations. The current vision for the Proposed Project is to provide ten (10) lots ranging in size from one-half (0.5) acre to one (1) acre; five (5) lots ranging from over one (1) acre to two (2) acres and the balance ranging from over two (2) acres to twenty (20) acres for a total of twenty eight (28) lots. It is expected that the aforementioned potential users, among others, will show strong interest for the Proposed Project's heavy industrial lots.

CONCLUSION

Besides the Proposed Project, there are no other heavy industrial subdivisions currently planned for the island of Maui. Given this limited supply, it is anticipated that there will be significant interest for its heavy industrial product. The location of the Proposed Project is ideal for heavy industrial use. The absence of residential development in the immediate vicinity should discourage any the demand for higher-end commercial retail/office facilities in the project. This was shown to be a recurring issue for other heavy industrial areas in Central Maui. Makulele Highway is expected to adequately accommodate any incremental increase in traffic and the project will be convenient to all of Maui's populated communities.

The Maui Raceway Park is located to the west of the subject parcel, within Project District 10. The park provides a wide variety of recreational uses including: drag racing, auto cross racing, go kart racing, dirt oval track racing, radio controlled model aircraft flying and dirt bike racing. Additional nearby uses include a quarry for Hawaiian Cement, the Maui Consolidated Facility for the Hawaii Army National Guard and commercial sugar cane production for HC&S. Heavy industrial operations are also located at the Central Maui

Baseyard approximately one mile to the north. These users already generate odor, dust, smoke, gas, noise, vibration, etc. from their various operations and are not anticipated to object to similar intrusions from the Proposed Project.

As discussed previously, the Proposed Project is recognized by the December 2010 Draft Maui Island Plan and has been included in its Urban Growth Boundary. Furthermore, the current Kihel-Makena Community Plan has classified approximately 561 acres adjacent to the subject parcel as Project District 10 "Old Puunene Airport area". The project district suggests "Approximately 125 acres, including and adjacent to the Hawaiian Cement site, should be utilized for heavy industrial use." In this light, the creation of the proposed Punene Heavy Industrial Subdivision would be consistent with the County of Maui's long-range planning goals for the area.

In light of the aforementioned supply and demand considerations, as well as other factors currently influencing the heavy industrial real estate market in Central Maui, it is anticipated that the Proposed Project will be well received. The Consultant is of the opinion that the heavy industrial lots within the proposed Punene Heavy Industrial Subdivision can be sold within a 10-year period, which would translate into an absorption rate of approximately 6.6 acres per annum.

B. ECONOMIC IMPACT ANALYSIS AND PUBLIC COST/BENEFIT ASSESSMENT

Assumptions and Conditions

Estimated construction costs, multipliers, tax rates, interest rates, earnings estimates, demographic information and per capita government expenditures were utilized by the Consultant in determining the economic and fiscal impacts of this proposed residential subdivision. These figures and statistics were obtained through conversations with those active in the construction industry, in addition to the review of various construction budget, demographic and governmental reports. This consulting report has been based on the assumption that all information gleaned from third party sources is accurate for analytical purposes.

All conclusions in this counseling report have been stated in 2011 dollars, rounded to the nearest \$1,000. In doing so, the Consultant has assumed that all construction costs, multipliers, tax rates, interest rates, earnings estimates, demographic information and per capita government expenditures will remain constant throughout the overall 12.5-year construction time forecasted for the development of the subdivision and subsequent lot build-out. The Consultant recognizes that the Developer intends to create a lot-only project and that the individual lot buyers may not necessarily build immediately. However for the purposes of this assignment, it has been assumed that building construction would commence in conjunction with the lot sales. Although the cyclical nature of the real estate market would undoubtedly produce varied annual assessments and impacts, for the purposes of this report, they have been reported as unweighted averages.

Economic Impacts Related to Development Activities

Construction of the Subdivision and Lot Build-Out

For the purposes of this analysis, it has been assumed that the entitlement process will take approximately 4 to 5 years, with subdivision construction to begin in 2016. According to the client, subdivision construction costs were estimated to be \$20,000,000. The forecasted construction time is approximately 30 months, with an average construction cost of \$8,000,000 per year.

Based on an average lot size of 102,491 square feet, and an assumed building-to-land ratio of 30 percent, the average building size in this subdivision is estimated to be approximately 31,000 square feet. Assuming site work costs for each lot is about \$307,000 and building construction costs of \$125 per square foot, the average development cost per building is estimated to be \$6,232,000, or \$174,504,000 for the 28 buildings. It was further assumed that the

lot build-out would take approximately 10 years, resulting in an average of \$17,504,000 per year.

For the purposes of this analysis, it has been assumed that the aforementioned costs are inclusive of all site work, roads, utilities and landscaping. It also includes the cost of hiring the civil and electrical engineers, soil engineer, environmental engineer, archaeologist, real estate appraiser, traffic engineer, planner, and other consultants.

Indirect Sales

Development and construction activities will also generate indirect sales, through the supply of goods and services to the various construction companies, in addition to the families of their employees. By the same token, these suppliers and their families will purchase goods and services from other companies. This chain reaction continues over and over, with some of the revenues leaking out of Hawaii's economy with each cycle.

Based on State economic multipliers, off-island indirect sales were estimated at about \$5,920,000 per year during the subdivision construction. Meanwhile, Maui indirect sales were estimated at about \$4,144,000 per year.

For the subsequent lot build-out, off-island indirect sales were estimated at about \$14,348,000 per year. Meanwhile, Maui indirect sales during this period were estimated at about \$10,044,000 per year.

Sale of Individual Heavy Industrial Lots

The 28 lots will have a total net land area of about 65.88 acres or approximately 2,869,733 square feet of heavy industrial zoned land. At a preliminary assumption of \$20.00 per square foot, the sales of these lots are expected to generate gross sales revenue of about \$57,395,000.

Taxable Expenditures and Sales

Final sales generated by the subdivision construction totaled \$2,129,000 per year and were considered to be from the personal consumption expenditures of the construction workers and indirect employees during this period. These are sales that are subject to the State of Hawaii General Excise Tax of 4.166 percent.

Intermediate sales, taxed at 0.5 percent, were determined to be from construction expenditures and indirect sales related to the subdivision construction, less personal consumption expenditures. Thus, the intermediate sales during the subdivision construction were forecasted to be \$15,935,000 per year. When added to the final sales, the taxable expenditures and sales amounted to \$18,064,000 annually.

Final sales generated by the subsequent lot build-out totaled \$10,411,000 per year and were considered to be from the sales of the individual developer lots, plus the personal consumption expenditures of the construction workers and indirect employees during this period. These are sales that are subject to the State of Hawaii General Excise Tax of 4.166 percent.

Intermediate sales, taxed at 0.5 percent, were determined to be from construction expenditures and indirect sales related to the lot build-out, less personal consumption expenditures. Thus, the intermediate sales during the lot build-out were forecasted to be \$34,731,000 per year. When added to the final sales, the taxable expenditures and sales amounted to \$45,142,000 annually.

Profits Realized

The Consultant has forecast profit and risk premium from the subdivision construction to be \$2,206,000 per year, over the 2.5-year period. Meanwhile, the forecasted profit and risk premium from the lot build-out amounted \$5,387,000 per year, over the 10-year period.

It should be noted that these figures considers both direct and indirect sales at all levels of business. For example, in addition to the profit to the Developer, there will be profit expectancies by subcontractors, service vendors, supply companies, and supportive goods and services providers.

Direct and Indirect Employment

New job opportunities created by this development will start with the design and entitlement process, employing architects, engineers, surveyors, and land use planners. Site work, road work and the installation of utility and drainage lines typically utilize heavy equipment operators, tractor-trailer drivers and utility personnel. Vertical construction of the heavy industrial buildings and lot improvements will employ masons, carpenters, sheet metal workers, roofers, drywall installers, plumbers, electricians and painters. Finish work will require cabinet makers, carpet and tile installers, interior decorators, and landscapers.

The increase in construction will also create the need for supplementary companies to strengthen their labor force. These jobs may be from building supply companies, hardware stores, equipment rental companies, and shipping/warehousing companies. In addition, the construction laborers and their families will patronize local goods and services providers. Grocers, restaurants, service stations, auto repair shops, financial institutions, recreational venues, medical facilities and personal care businesses could be considered potential companies that would need to bolster their employee count.

Based on State economic multipliers, direct jobs on Maui were forecasted to average 32 jobs annually, while indirect jobs were forecasted to average 33 jobs annually, resulting in an estimated annual average of 65 Maui jobs directly and indirectly tied to the subdivision construction. Meanwhile, indirect employment on Oahu could possibly add an average 17 jobs per year.

For the lot build-out, 70 direct and 72 indirect Maui jobs were forecasted annually, resulting in an estimated annual average of 142 Maui jobs directly and indirectly tied to the lot build-out. Meanwhile, indirect employment on Oahu could possibly add an average 38 jobs per year.

Direct and Indirect Payroll

Payroll directly related to the subdivision construction was estimated to be \$1,962,000 per annum, based on statistics gleaned from the State of Hawaii Department of Labor and Industrial Relations (DLIR) and job counts determined in the previous section. It should be noted that most construction positions are expected to be filled by Maui laborers. Indirect Maui payroll came out to \$1,206,000 per year, while indirect Oahu payroll was \$703,000 annually. Total direct and indirect payroll attributed to the subdivision construction was forecasted to be \$3,871,000 per year.

Payroll directly related to the lot build-out was estimated to be \$4,292,000 per annum. Again, construction positions are expected to be filled by Maui laborers. Indirect Maui payroll came out to \$2,632,000 per year, while indirect Oahu payroll was \$1,570,000 annually. Total direct and indirect payroll attributed to the lot build-out was forecasted to be \$8,494,000 per year.

Supported Population

Statistical information obtained from the DLIR indicated Maui residents supported by construction jobs attributed to the subdivision construction are expected to be 70 residents per year, while residents supported by indirect jobs amounted to 73 residents per year. Oahu residents supported by indirect jobs created by this development were estimated to be 36 residents per year. In all, 179 residents per year on Maui and Oahu will potentially be supported by the subdivision construction.

Maui residents supported by construction jobs attributed to the lot build-out are expected to be 154 residents per year, while residents supported by indirect jobs amounted to 158 residents per year. Oahu residents supported by indirect jobs created by this development were estimated to be 80 residents per year. In all, 392 residents per year on Maui and Oahu will potentially be supported by the lot build-out.

Supported Households

Statistical information obtained from the DLIR indicated that 24 households per year on Maui are expected to be supported by construction jobs attributed to the subdivision construction, while households annually supported through indirect jobs amounted to 25. Oahu households annually supported through indirect jobs created by the subdivision construction were estimated to be 12. In all, 61 households on Maui and Oahu will potentially be supported annually by the subdivision construction.

52 households per year on Maui are expected to be supported by construction jobs attributed to the lot build-out, while households annually supported through indirect jobs amounted to 54. Oahu households annually supported through indirect jobs created by the lot build-out were estimated to be 26. In all, 132 households on Maui and Oahu will potentially be supported annually by the lot build-out.

It should be noted that this category does not necessarily represent additional housing units needed for direct and indirect employees, but indicates the potential number of households that would be financially linked to monies earned by such workers.

Economic Impacts at Stabilization

Employment and Wages

As discussed previously, the average lot size within the Pumehene Heavy Industrial Subdivision will be 2.353 acres. At a 30 percent floor area-to-lot ratio, the average building size within the subdivision is forecasted to be approximately 31,000 square feet. Assuming a 500 square foot per employee ratio, the subdivision is estimated to have about 1,736 employees upon stabilization. Assuming an average annual wage of \$38,025 per employee, the annual wages of the subdivision workforce is estimated to be \$66,011,000.

Gross Sales Revenue and Profit

Given the heavy industrial uses expected for this project, an assumption of \$250 gross sales revenue per square foot was applied to the total building area of the subdivision. This resulted in estimated annual gross sales revenue of \$217,000,000 for the subdivision. Assuming an average profit margin of 10 percent, the annual profit generated within the subdivision from the gross sales revenue was calculated to be \$21,700,000 per year.

Property Values

Upon stabilization of the subdivision, average property value was assumed to be \$6,232,000, or \$174,504,000 for the entire subdivision.

Public Costs/Benefits Related to Development Activities

County of Maui

Typically, the County accumulates revenue from developments in the form of fees, such as for permits and impacts attributed to the development. However, permit fees are charged to cover the County's cost to provide services like plan review, inspections, etc. Impact fees are more common to residential development; however, even for industrial/commercial developments, the amount of the fees is typically based on an amount that will offset the anticipated additional burden to County facilities. In both cases, no net cost or benefit was considered at the County level.

Cumulative expenditures typically include the County's share of infrastructure and facility improvements, which may include interior roads, water sources, drainage and sewer systems, and recreational areas. In the case of the subject, the Developer will bear the majority of these improvement costs.

State of Hawaii

The majority of the revenues to the State of Hawaii will be recognized through various taxes, including Conveyance Tax, Excise Tax, Corporate Income Tax, and Personal Income Tax. For the purposes of this analysis, a conveyance tax based on \$0.20 per \$100 of value was assumed for the lot sales. With the average lot value being approximately \$2,357,000, the conveyance tax due to the development lot sales is about \$132,000.

Excise tax is based on two rates, 4.166 percent for final sales and 0.5 percent for intermediate sales. Over the course of the subdivision construction and subsequent lot build-out periods, the cumulative tax expectancy for final sales amounted to \$4,559,000, while intermediate sales should equal \$6,495,000.

Corporate Income Tax is realized on profits gained through the subdivision construction and subsequent lot build-out periods, which was estimated to be \$3,801,000. Meanwhile, personal income tax was forecasted to be \$3,974,000. As such, cumulative revenues related to the subdivision construction and subsequent lot build-out periods were \$14,401,000.

Cumulative expenses to the State are not expected. The subject's access point from Makulele Highway, a State roadway, is currently a signalized intersection. Given the heavy commercial vehicles that already operate in the area, it is assumed that there would not be a need to expand traffic control measures on Makulele Highway.

Regardless, it is assumed that the Developer would bear the majority of improvement costs necessary for project development.

Public Costs/Benefits at Stabilization

County of Maui

Upon stabilization, County benefits would primarily be generated in the form of real property taxes. As previously discussed, the net taxable value of the 28 improved properties was determined to be about \$165,895,000. The 2011 tax rate for PITT Code 400 (Industrial) is \$7.00 per \$1,000 of assessed value. Thus, the tax obligation for the 28 improved properties was calculated at \$1,161,000 per year.

The Puunene Heavy Industrial Subdivision is slated to be built on State of Hawaii Tax Map Key: (2) 3-8-08-019. According to the County of Maui Real Property Tax Division, the Developer currently pays approximately \$3,000 per year in property taxes for this parcel. This amount was deducted from the annual revenues at stabilization, as the County will no longer receive this income. The resulting net real property tax revenue at stabilization was estimated to be about \$1,158,000 annually.

County of Maui annual costs at stabilization were considered to be for general services, infrastructure maintenance and public safety. These expenditures are more commonly attributed to the residential aspect of the island populace; however, for the purposes of this analysis, proportionate per-capita annual expenditures were utilized. This was based on the assumption that each employee is also a resident of Maui County. The Consultant acknowledges that in using this methodology, the results represent what is likely the high end of the annual cost expectancy to the County.

On a per-capita basis, the annual cost for services was estimated to be approximately \$2,779 per year, plus debt service of \$226 per year. Assuming that each employee spends approximately 20 percent of their time at their job site, the proportionate annual cost for County services was estimated at \$556, with proportionate annual debt service of \$45. The resulting net cost was estimated to be \$1,043,000.

State of Hawaii

Upon stabilization, State benefits would be through the receipt of Personal Income Tax, Excise Tax, and Corporate Income Tax as a result of the ongoing businesses. On an annual basis, personal income tax from the subdivision employee wages amounted to \$2,772,000, while excise tax on the gross sales revenue of the businesses was estimated to be \$9,040,000 per year. Corporate income tax as a

result of the gross sales revenue of the businesses was forecasted to be \$1,389,000 per year. Total annual revenues at upon stabilization amounted to \$13,201,000.

Annual expenditures to the State were said to be from the services to residents, and debt service attributed to general improvements. Proportionate per-capita annual expenditures were utilized, similar to the County cost analysis. Again, the Consultant acknowledges that in using this methodology, the results represent what is likely the high end of the annual cost expectancy to the State.

On a per-capita basis, the annual cost for services was estimated to be approximately \$7,442 per year, plus debt service of \$359 per year. Assuming that each employee spends approximately 20 percent of their time at their job site, the proportionate annual cost for County services was estimated at \$1,488, with proportionate annual debt service of \$72. The resulting net cost was estimated to be \$2,708,000.

Conclusion

The development of the Punene Heavy Industrial Subdivision is expected to generate significant expenditures by the project developer, as well as by the secondary owners and developers of the 28 heavy industrial lots. These investments are expected to favorably impact the County and State economies on a broad scale, and in a multitude of ways.

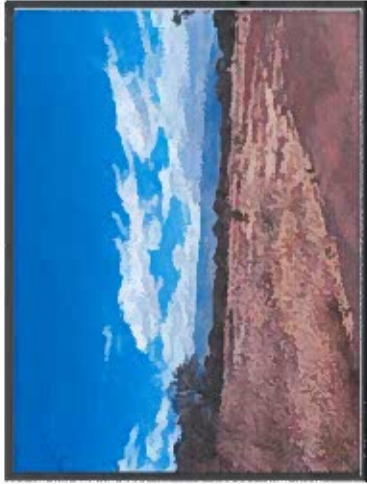
- ☐ Site work and infrastructure construction for this subdivision will immediately infuse capital into the County and State economies. Numerous consultants will be involved in the initial planning stages, and the construction trades will benefit from the job creation of this project.
- ☐ Advertising for the project and marketing of the lots will benefit graphic artists, advertising companies, newspapers, real estate sales agents, escrow companies, etc.
- ☐ Site work and the development of each individual lot (by secondary owners) will again result in additional work for engineers, architects, material suppliers, equipment rentals and sales, landscaping companies, and other related industries.
- ☐ The new buildings (by individual lot owners) will not only attract existing businesses, but it should also stimulate the generation of new businesses and employment growth. This will have an indirect effect on retail businesses, restaurants and service establishments as the expanded workforce purchases goods and services. This should pass through the

entire community, causing a ripple effect and increase the amount of capital flowing through Maui.

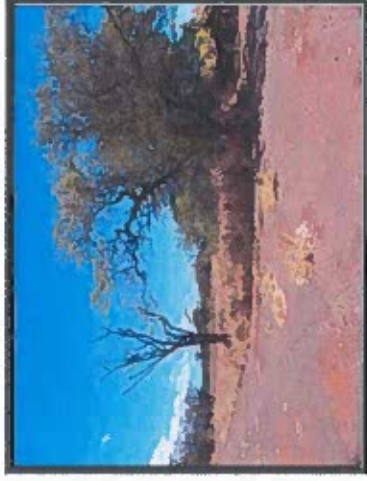
- ☐ Upkeep of this subdivision and the buildings will also translate into work for maintenance companies, painting companies, real estate management and leasing groups, etc.
- ☐ During the development of the Punene Heavy Industrial Subdivision, fiscal benefits to the State of Hawaii will be realized through the receipt of additional income tax, general excise tax, and conveyance tax associated with construction activities. Based on the assessment assumptions contained herein, the cumulative benefits over the course of the development, which includes subdivision construction and subsequent lot build-out, are anticipated to outweigh the public cost to the State.
- ☐ Upon stabilization, fiscal benefits from the ongoing operation of the Punene Heavy Industrial Subdivision will include increases in real estate taxes collected by the County of Maui, as well as additional income tax and general excise tax inflow for the State of Hawaii. Based on the assessment assumptions contain herein, the resulting annual public benefits are expected to consistently outweigh annual public costs, at both the County and State levels.

EXHIBITS

EXHIBIT A
Photographs of the Subject Site



Photograph No. 1
View of northern portion of subject.
The camera is facing southeasterly.



Photograph No. 3
View of easterly portion of subject.
The camera is facing northeasterly.



Photograph No. 2
View of southern portion of subject.
The camera is facing northerly



Photograph No. 4
View of westerly portion of subject.
The camera is facing northwesterly.

PHOTOGRAPHS OF THE SUBJECT

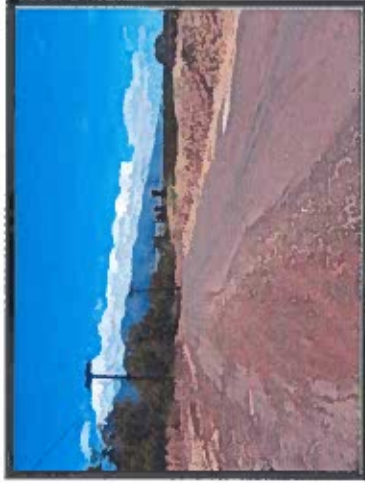
PHOTOGRAPHS OF THE SUBJECT



Photograph No. 3
View of proposed entrance to subdivision. The camera is facing southerly.



Photograph No. 7
View of Kamatina Road, a portion of which will become an access easement in favor of the subject. The camera is facing easterly.



Photograph No. 6
View of Lower Kheel Road and South Fire Break Road, portions of which will become access easements in favor of the subject. The camera is facing northwesterly.



Photograph No. 8
View of intersection of Kamatina Road and Matailele Highway. The camera is facing westerly.

PHOTOGRAPHS OF THE SUBJECT

PHOTOGRAPHS OF THE SUBJECT

EXHIBIT B
Claritas Demographic Data

MAUI COUNTY

Pop-Facts: Demographic Snapshot Report

Country, (see appendix for geographies), aggregate

Description	Total Country
Population	
2015 Projection	153,962
2010 Estimate	146,193
2000 Census	128,094
1990 Census	100,374
Growth 2010-2015	5.31%
Growth 2000-2010	14.13%
Growth 1990-2000	27.62%
2010 Est. Pop. by Single Race Class	146,193
White Alone	54,988 37.61
Black or African American Alone	1,361 0.93
Am. Indian and Alaska Native Alone	731 0.50
Asian Alone	40,388 27.63
Native Hawaiian and Other Pac. Isl. Alone	14,700 10.06
Some Other Race Alone	2,443 1.67
Two or More Races	31,882 21.60
2010 Est. Pop. Hispanic or Latino by Origin	146,193
Not Hispanic or Latino	131,667 90.06
Hispanic or Latino	14,526 9.94
Mexican	5,914 40.71
Puerto Rican	4,581 31.54
Cuban	55 0.38
All Other Hispanic or Latino	3,976 27.37
2010 Est. Hisp or Latino by Single Race Class	14,526
White Alone	3,628 24.98
Black or African American Alone	30 0.21
American Indian and Alaska Native Alone	175 1.20
Asian Alone	1,331 9.16
Native Hawaiian and Other Pacific Islander Alone	804 5.53
Some Other Race Alone	2,224 15.31
Two or More Races	6,334 43.60

Pop-Facts: Demographic Snapshot Report

Country, (see appendix for geographies), aggregate

Description	Total Country
2010 Est. Pop. Asian Amer Race by Cat	40,388
Chinese, except Taiwanese	1,191 2.95
Filipino	22,491 55.69
Japanese	12,829 31.76
Asian Indian	110 0.27
Korean	812 2.01
Vietnamese	332 0.82
Cambodian	10 0.02
Hmong	0 0.00
Laotian	49 0.12
Thai	81 0.20
All Other Asian Races Including 2+ Category	2,483 6.15
2010 Est. Population by Ancestry	146,193
Pop. Arab	145 0.10
Pop. Czech	180 0.12
Pop. Danish	485 0.33
Pop. Dutch	1,000 0.68
Pop. English	6,800 4.65
Pop. Finnish (except Basque)	2,059 1.41
Pop. French Canadian	582 0.40
Pop. German	6,384 4.37
Pop. Greek	123 0.08
Pop. Hungarian	666 0.46
Pop. Irish	5,553 3.80
Pop. Italian	5,796 3.96
Pop. Lithuanian	179 0.12
Pop. United States or American	1,540 1.05
Pop. Norwegian	1,106 0.76
Pop. Polish	1,742 1.19
Pop. Portuguese	4,494 3.07
Pop. Russian	566 0.39
Pop. Scottish	1,801 1.23
Pop. Scotch-Irish	1,353 0.93
Pop. Slovak	13 0.01
Pop. Sub-Saharan African	84 0.06
Pop. Swedish	1,407 0.96
Pop. Swiss	567 0.39
Pop. Ukrainian	65 0.04
Pop. Welsh	857 0.59
Pop. West Indian (exc Hisp groups)	186 0.13
Pop. Other ancestries	93,362 63.86

Pop-Facts: Demographic Snapshot Report

County, (see appendix for geographies), aggregate

Description	Total County	%
2010 Est. Population by Ancestry		
Pop. Ancestry Unclassified	7,098	4.86
2010 Est. Pop. Age 5+ by Language Spoken at Home	136,459	
Speak Only English at Home	109,296	80.09
Speak Asian/Pac Isl. Lang. at Home	20,876	15.30
Speak Indoeuropean Language at Home	2,669	1.96
Speak Spanish at Home	3,585	2.63
Speak Other Language at Home	33	0.02
2010 Est. Population by Sex	146,193	
Male	74,631	51.05
Female	71,562	48.95
2010 Est. Population by Age	146,193	
Age 0 - 4	9,734	6.66
Age 5 - 9	8,979	6.14
Age 10 - 14	8,732	5.97
Age 15 - 17	5,643	3.86
Age 18 - 20	4,645	3.18
Age 21 - 24	6,623	4.53
Age 25 - 34	21,519	14.72
Age 35 - 44	21,211	14.51
Age 45 - 54	22,098	15.12
Age 55 - 64	18,620	12.74
Age 65 - 74	9,895	6.77
Age 75 - 84	5,686	3.89
Age 85 and over	2,808	1.92
Age 16 and over	116,907	79.97
Age 18 and over	113,105	77.37
Age 21 and over	108,460	74.19
Age 65 and over	18,389	12.58
2010 Est. Median Age	38.40	
2010 Est. Average Age	38.60	

Pop-Facts: Demographic Snapshot Report

County, (see appendix for geographies), aggregate

Description	Total County	%
2010 Est. Male Population by Age	74,631	
Age 0 - 4	5,031	6.74
Age 5 - 9	4,610	6.18
Age 10 - 14	4,417	5.92
Age 15 - 17	2,877	3.85
Age 18 - 20	2,416	3.24
Age 21 - 24	3,457	4.63
Age 25 - 34	11,890	15.93
Age 35 - 44	11,278	15.11
Age 45 - 54	10,979	14.71
Age 55 - 64	9,388	12.58
Age 65 - 74	4,740	6.35
Age 75 - 84	2,474	3.31
Age 85 and over	1,074	1.44
2010 Est. Median Age, Male	37.32	
2010 Est. Average Age, Male	37.70	
2010 Est. Female Population by Age	71,562	
Age 0 - 4	4,703	6.57
Age 5 - 9	4,369	6.11
Age 10 - 14	4,315	6.03
Age 15 - 17	2,766	3.87
Age 18 - 20	2,229	3.11
Age 21 - 24	3,166	4.42
Age 25 - 34	9,629	13.46
Age 35 - 44	9,933	13.88
Age 45 - 54	11,119	15.54
Age 55 - 64	9,232	12.90
Age 65 - 74	5,155	7.20
Age 75 - 84	3,212	4.49
Age 85 and over	1,734	2.42
2010 Est. Median Age, Female	39.64	
2010 Est. Average Age, Female	39.50	

Pop-Facts: Demographic Snapshot Report

Country, (see appendix for geographies), aggregate

Description	Total Country
2010 Est. Pop. Age 15+ by Marital Status	118,748
Total, Never Married	37,238 31.36
Males, Never Married	21,914 18.45
Females, Never Married	15,324 12.90
Married, Spouse present	54,591 45.97
Married, Spouse absent	6,861 5.78
Widowed	6,128 5.16
Males Widowed	1,208 1.02
Females Widowed	4,920 4.14
Divorced	13,930 11.73
Males Divorced	6,403 5.39
Females Divorced	7,527 6.34
2010 Est. Pop. Age 25+ by Edn. Attain. Minimum	101,837
Less than 9th grade	5,342 5.25
Some High School, no diploma	6,039 5.93
High School Graduate (or GED)	33,352 32.75
Some College, no degree	22,833 22.42
Associate Degree	9,806 9.63
Bachelor's Degree	16,576 16.28
Master's Degree	5,208 5.11
Professional School Degree	2,101 2.06
Doctorate Degree	580 0.57
2010 Est. Pop. Age 25+ by Edn. Attain. Hispanic/Lat	101,837
Less than 9th grade	269 0.26
Some High School, no diploma	1,258 1.24
High School Graduate (or GED)	3,740 3.67
Some College, no degree	1,409 1.38
Associate Degree	569 0.56
Bachelor's Degree	250 0.25
Master's Degree	292 0.29

Pop-Facts: Demographic Snapshot Report

Country, (see appendix for geographies), aggregate

Description	Total Country
Households	
2015 Projection	54,018
2010 Estimate	50,880
2000 Census	43,507
1990 Census	33,145
Growth 2010-2015	6.17%
Growth 2000-2010	16.09%
Growth 1990-2000	31.26%
2010 Est. Households by Household Type	50,880
Family Households	34,948 68.69
Nuclear Family Households	15,932 31.31
2010 Est. Group-Quarters Population	1,608
2010 HHs by Ethnicity, Hispanic/Latino	3,585 7.05
2010 Est. HHs by HH Income	50,880
Income Less than \$15,000	4,374 8.60
Income \$15,000 - \$24,999	3,869 7.60
Income \$25,000 - \$34,999	4,201 8.26
Income \$35,000 - \$49,999	6,485 12.75
Income \$50,000 - \$74,999	9,847 19.35
Income \$75,000 - \$99,999	8,241 16.20
Income \$100,000 - \$124,999	4,520 8.88
Income \$125,000 - \$149,999	3,216 6.32
Income \$150,000 - \$199,999	3,251 6.39
Income \$200,000 - \$499,999	2,340 4.60
Income \$500,000 and more	536 1.05
2010 Est. Average Household Income	\$85,521
2010 Est. Median Household Income	\$66,530
2010 Est. Per Capita Income	\$30,004

Pop-Facts: Demographic Snapshot Report

County, (see appendix for geographies), aggregate

Description	Total County
2010 Median HH Inc by Single Race Class, or Ethn	
White Alone	67,201
Black or African American Alone	57,839
American Indian and Alaska Native Alone	55,000
Asian Alone	73,355
Native Hawaiian and Other Pacific Islander Alone	57,608
Some Other Race Alone	47,914
Two or More Races	62,030
Hispanic or Latino	53,365
Not Hispanic or Latino	67,580
2010 Est. Families (HH) Type, Presence Own Children	
Married-Couple Family, own children	34,948
Married-Couple Family, no own children	11,017 31.52
Male Householder, own children	14,837 42.45
Male Householder, no own children	1,152 3.30
Female Householder, own children	1,686 4.82
Female Householder, no own children	3,127 8.95
Female Householder, no own children	3,129 8.95
2010 Est. Households by Household Size	
1-person household	50,880
2-person household	11,722 23.04
3-person household	15,854 31.16
4-person household	8,725 17.15
5-person household	6,925 13.61
6-person household	3,722 7.32
7 or more person household	1,988 3.91
2010 Est. Average Household Size	1.944 3.82
	2.84

Pop-Facts: Demographic Snapshot Report

County, (see appendix for geographies), aggregate

Description	Total County
2010 Est. Households by Presence of People	
Households with 1 or more people under Age 18:	50,880
Married-Couple Family	17,967 35.31
Other Family, Male Householder	12,183 23.94
Other Family, Female Householder	1,657 3.26
Nonfamily, Male Householder	4,089 8.04
Nonfamily, Female Householder	24 0.05
Nonfamily, Female Householder	14 0.03
Households no People under Age 18:	
Married-Couple Family	32,913 64.69
Other Family, Male Householder	12,978 25.51
Other Family, Female Householder	1,105 2.17
Nonfamily, Male Householder	1,996 3.92
Nonfamily, Female Householder	8,770 17.24
Nonfamily, Female Householder	8,064 15.85
2010 Est. Households by Number of Vehicles	
No Vehicles	50,880
1 Vehicle	2,629 5.17
2 Vehicles	15,744 30.94
3 Vehicles	19,766 38.85
4 Vehicles	7,584 14.91
5 or more Vehicles	3,316 6.52
2010 Est. Average Number of Vehicles	1.841 3.62
	2.01
Family Households	
2015 Projection	37,102
2010 Estimate	34,948
2000 Census	29,899
1990 Census	23,537
Growth 2010-2015	6.16%
Growth 2000-2010	16.89%
Growth 1990-2000	27.03%
2010 Est. Families by Poverty Status	
2010 Families at or Above Poverty	34,948
2010 Families at or Above Poverty with Children	33,167 94.90
2010 Families Below Poverty	16,990 48.62
2010 Families Below Poverty with Children	1,781 5.10
2010 Families Below Poverty with Children	1,345 3.85

Pop-Facts: Demographic Snapshot Report

County, (see appendix for geographies), aggregate

Description	Total County	%
2010 Est. Pop. Age 16+ by Employment Status	116,907	
In Armed Forces	396	0.34
Civilian - Employed	77,635	66.41
Civilian - Unemployed	3,734	3.19
Not in Labor Force	35,142	30.06
2010 Est. Civ. 16+ Employed Pop. 16+ by Class of Worker	74,231	
For-Profit Private Workers	50,672	68.26
Non-Profit Private Workers	4,052	5.46
Local Government Workers	2,815	3.79
State Government Workers	6,815	9.18
Federal Government Workers	1,363	1.84
Self Emp Workers	8,207	11.06
Unpaid Family Workers	307	0.41
2010 Est. Civ. 16+ Employed Pop. 16+ by Occupation	74,231	
Architect/Engineer	958	1.29
Arts/Entertain/Spots	2,212	2.98
Building Grounds Maint	5,559	7.49
Business/Financial Ops	1,742	2.35
Community/Soc Svcs	1,249	1.68
Computer/Mathematical	501	0.67
Construction/Extraction	6,380	8.59
Edu/Training/Library	4,083	5.50
Farm/Fish/Forestry	880	1.19
Food Prep/Servng	6,904	9.42
Health Practitioner/Tec	2,753	3.71
Healthcare Support	1,620	2.18
Maintenance Repair	2,864	3.86
Legal	539	0.73
Life/Phys/Soc Science	518	0.70
Management	6,545	8.82
Office/Admin Support	8,824	11.89
Production	2,145	2.89
Protective Svcs	2,472	3.33
Sales/Related	8,881	11.96
Personal Care/Svc	2,800	3.77
Transportation/Moving	3,712	5.00

Pop-Facts: Demographic Snapshot Report

County, (see appendix for geographies), aggregate

Description	Total County	%
2010 Est. Pop. 16+ by Occupation Classification	74,231	
Blue Collar	15,101	20.34
White Collar	38,805	52.28
Service and Farm	20,325	27.38
2010 Est. Workers Age 16+, Transp. To Work	72,261	
Drove Alone	50,850	70.37
Car Pooled	10,971	15.18
Public Transportation	1,361	1.88
Walked	1,986	2.75
Bicycle	461	0.64
Other Means	1,541	2.13
Worked at Home	5,091	7.05
2010 Est. Workers Age 16+ by Travel Time to Work	72,261	
Less than 15 Minutes	26,723	36.98
15 - 29 Minutes	21,220	29.37
30 - 44 Minutes	12,554	17.37
45 - 59 Minutes	4,816	6.75
60 or more Minutes	3,324	4.60
2010 Est. Avg. Travel Time to Work in Minutes	22.72	
2010 Est. Tenure of Occupied Housing Units	50,880	
Owner Occupied	29,265	57.52
Renter Occupied	21,615	42.48
2010 Owner Occ. HUs: Avg. Length of Residence	17	
2010 Renter Occ. HUs: Avg. Length of Residence	8	

Pop-Facts: Demographic Snapshot Report

Country (see appendix for geographies), aggregate

Description	Total Country
2010 Est. All Owner-Occupied Housing Values	29,265
Value Less than \$20,000	67 0.23
Value \$20,000 - \$39,999	53 0.18
Value \$40,000 - \$59,999	130 0.44
Value \$60,000 - \$79,999	66 0.23
Value \$80,000 - \$99,999	82 0.28
Value \$100,000 - \$149,999	300 1.03
Value \$150,000 - \$199,999	625 2.14
Value \$200,000 - \$299,999	2,989 10.21
Value \$300,000 - \$399,999	3,835 13.10
Value \$400,000 - \$499,999	4,622 15.79
Value \$500,000 - \$749,999	8,863 30.29
Value \$750,000 - \$999,999	3,625 12.39
Value \$1,000,000 or more	4,008 13.70
2010 Est. Median All Owner-Occupied Housing Value	\$552,572
2010 Est. Housing Units by Units in Structure	66,980
1 Unit Attached	2,868 4.28
1 Unit Detached	37,488 55.97
2 Units	3,871 5.78
3 or 4 Units	2,482 3.71
5 to 19 Units	8,881 13.26
20 to 49 Units	4,302 6.42
50 or More Units	7,024 10.49
Mobile Home or Trailer	64 0.10
Boat, RV, Van, etc	0 0.00
2010 Est. Housing Units by Year Structure Built	66,980
Housing Unit Built 2000 or later	11,064 16.52
Housing Unit Built 1990 to 1999	13,092 19.55
Housing Unit Built 1980 to 1989	14,033 20.95
Housing Unit Built 1970 to 1979	16,550 24.71
Housing Unit Built 1960 to 1969	5,562 8.30
Housing Unit Built 1950 to 1959	2,756 4.11
Housing Unit Built 1940 to 1949	1,645 2.46
Housing Unit Built 1939 or Earlier	2,278 3.40
2010 Est. Median Year Structure Built **	1983

** 1939 will appear when at least half of the Housing Units in this reports area were built in 1939 or earlier

Pop-Facts: Demographic Snapshot Report

Appendix: Area Listing

Area Name:			
Type: List - County	Reporting Detail: Aggregate	Reporting Level: County	
<u>Geography Code</u>	<u>Geography Name</u>	<u>Geography Code</u>	<u>Geography Name</u>
15009	Main County, HI		
Project Information:			
Site: 1			
Order Number: 969072959			

Pop-Facts: Demographic Snapshot 2010 Report

Place: (see appendix for geographies), aggregate

Description		Total Place
Population		
2013 Projection		49,269
2010 Estimate		46,795
2000 Census		40,867
1990 Census		32,310
Growth		
Growth 2010-2015		5.29%
Growth 2000-2010		14.51%
Growth 1990-2000		26.48%
2010 Est. Pop. by Single Race Class		
White Alone		46,795
Black or African American Alone		7,916 16.92
Amer. Indian and Alaska Native Alone		241 0.52
Asian Alone		203 0.43
Native Hawaiian and Other Pac. Isl. Alone		20,346 43.48
Some Other Race Alone		5,222 11.16
Two or More Races		686 1.47
2010 Est. Pop. Hisp. or Latino by Origin		
Not Hispanic or Latino		46,795
Hispanic or Latino		41,668 89.04
Mexican		5,127 10.96
Puerto Rican		1,499 29.24
Cuban		2,135 41.64
All Other Hispanic or Latino		7 0.14
2010 Est. Hisp. or Latino by Single Race Class		
White Alone		5,127
Black or African American Alone		880 17.16
American Indian and Alaska Native Alone		6 0.12
Asian Alone		66 1.29
Native Hawaiian and Other Pacific Islander Alone		580 11.31
Some Other Race Alone		307 5.99
Two or More Races		632 12.33
		2,656 51.80

CENTRAL MAUI



Prepared On: Tue Aug 31, 2010 Page: 1 OF 12

Prepared By:

Nickson Solutions Center 1 800 846 6511

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CLARITAS
MARKETPLACE

Pop-Facts: Demographic Snapshot 2010 Report

Place, (see appendix for geographies), aggregate

Description	Total Place	%
2010 Est. Pop. Asian Alone Race by Cat	20,346	
Chinese, except Taiwanese	472	2.32
Filipino	10,764	52.90
Japanese	7,319	35.97
Asian Indian	26	0.13
Korean	451	2.22
Vietnamese	131	0.64
Cambodian	3	0.01
Hmong	0	0.00
Laotian	23	0.11
Thai	23	0.11
All Other Asian Races Including 2+ Category	1,135	5.58
2010 Est. Population by Ancestry	46,795	
Pop. Arab	38	0.08
Pop. Czech	25	0.05
Pop. Danish	14	0.03
Pop. Dutch	73	0.16
Pop. English	814	1.74
Pop. French (except Basque)	284	0.61
Pop. French Canadian	145	0.31
Pop. German	801	1.71
Pop. Greek	1	0.00
Pop. Hungarian	76	0.16
Pop. Irish	712	1.52
Pop. Italian	669	1.43
Pop. Lithuanian	14	0.03
Pop. United States or American	209	0.45
Pop. Norwegian	152	0.32
Pop. Polish	183	0.39
Pop. Portuguese	1,514	3.24
Pop. Russian	36	0.08
Pop. Scottish	165	0.35
Pop. Scotch-Irish	156	0.33
Pop. Slovak	1	0.00
Pop. Sub-Saharan African	19	0.04
Pop. Swedish	187	0.40
Pop. Swiss	18	0.04
Pop. Ukrainian	1	0.00
Pop. Welsh	80	0.17
Pop. West Indian (exc Hisp groups)	41	0.09
Pop. Other ancestries	38,217	81.67

Pop-Facts: Demographic Snapshot 2010 Report

Place, (see appendix for geographies), aggregate

Description	Total Place	%
2010 Est. Population by Ancestry	2,150	4.59
Pop. Ancestry Unclassified		
2010 Est. Pop. Age 54 by Language Spoken at Home	43,428	
Speak Only English at Home	32,768	75.45
Speak Asian/Pac Isl. Lang. at Home	9,355	21.54
Speak Indo-European Language at Home	385	0.89
Speak Spanish at Home	913	2.10
Speak Other Language at Home	7	0.02
2010 Est. Population by Sex	46,795	
Male	23,694	50.63
Female	23,101	49.37
2010 Est. Population by Age	46,795	
Age 0 - 4	3,367	7.20
Age 5 - 9	2,954	6.31
Age 10 - 14	2,937	6.28
Age 15 - 17	1,840	3.93
Age 18 - 20	1,548	3.31
Age 21 - 24	2,157	4.61
Age 25 - 34	7,335	15.67
Age 35 - 44	6,462	13.81
Age 45 - 54	6,062	12.95
Age 55 - 64	5,352	11.44
Age 65 - 74	3,171	6.78
Age 75 - 84	2,419	5.17
Age 85 and over	1,191	2.55
Age 16 and over	36,937	78.93
Age 18 and over	35,697	76.28
Age 21 and over	34,149	72.98
Age 65 and over	6,781	14.49
2010 Est. Median Age	36.95	
2010 Est. Average Age	38.40	

Pop-Facts: Demographic Snapshot 2010 Report

Place (see appendix for geographies), aggregate

Description		Total Place
2010 Est. Male Population by Age		23,694
Age 0 - 4	1,747	7.37
Age 5 - 9	1,517	6.40
Age 10 - 14	1,485	6.27
Age 15 - 17	937	3.95
Age 18 - 20	856	3.61
Age 21 - 24	1,125	4.75
Age 25 - 34	4,061	17.14
Age 35 - 44	3,425	14.46
Age 45 - 54	3,021	12.75
Age 55 - 64	2,646	11.17
Age 65 - 74	1,423	6.01
Age 75 - 84	1,016	4.29
Age 85 and over	435	1.84
2010 Est. Median Age, Male		35.35
2010 Est. Average Age, Male		37.10
2010 Est. Female Population by Age		23,101
Age 0 - 4	1,620	7.01
Age 5 - 9	1,437	6.22
Age 10 - 14	1,452	6.29
Age 15 - 17	903	3.91
Age 18 - 20	692	3.00
Age 21 - 24	1,032	4.47
Age 25 - 34	3,274	14.17
Age 35 - 44	3,037	13.15
Age 45 - 54	3,041	13.16
Age 55 - 64	2,706	11.71
Age 65 - 74	1,748	7.57
Age 75 - 84	1,403	6.07
Age 85 and over	756	3.27
2010 Est. Median Age, Female		38.76
2010 Est. Average Age, Female		39.80

Pop-Facts: Demographic Snapshot 2010 Report

Place (see appendix for geographies), aggregate

Description		Total Place
2010 Est. Pop. Age 15+ by Marital Status		37,537
Total, Never Married		11,963 31.87
Males, Never Married		6,997 18.64
Females, Never Married		4,966 13.23
Married, Spouse present		16,993 45.27
Married, Spouse absent		2,676 7.13
Widowed		2,447 6.52
Males Widowed		490 1.31
Females Widowed		1,957 5.21
Divorced		3,458 9.21
Males Divorced		1,569 4.18
Females Divorced		1,889 5.03
2010 Est. Pop. Age 25+ by Edn. Attainment		31,992
Less than 9th grade		2,757 8.62
Some High School, no diploma		2,365 7.39
High School Graduate (or GED)		11,515 35.99
Some College, no degree		6,245 19.52
Associate Degree		3,065 9.58
Bachelor's Degree		4,389 13.72
Master's Degree		1,127 3.52
Professional School Degree		491 1.53
Doctorate Degree		38 0.12
2010 Est. Pop. Age 25+ by Edn. Attainment, High School Grad		2,684
Less than 9th grade		99 3.69
Some High School, no diploma		364 13.56
High School Graduate (or GED)		1,360 50.67
Some College, no degree		444 16.54
Associate Degree		196 7.30
Bachelor's Degree		111 4.14
Graduate or Professional Degree		110 4.10

Pop-Facts: Demographic Snapshot 2010 Report

Place (see appendix for geographies), aggregate

Description	Total Place
Households	
2015 Projection	15,593
2010 Estimate	14,735
2000 Census	12,626
1990 Census	9,953
Growth 2010-2015	5.82%
Growth 2000-2010	16.70%
Growth 1990-2000	26.86%
2010 Est. Households, by Household Type	14,735
Family Households	10,971 74.12
Nonfamily Households	3,814 25.88
2010 Est. Group-Quarters Population	937
2010 HHS, by Ethnicity, Hispanic/Latino	1,186 8.05
2010 Est. HHS, by HHI Income	14,735
Income Less than \$15,000	1,351 9.17
Income \$15,000 - \$24,999	1,288 8.74
Income \$25,000 - \$34,999	1,150 7.80
Income \$35,000 - \$49,999	1,797 12.20
Income \$50,000 - \$74,999	2,955 20.05
Income \$75,000 - \$99,999	2,328 15.80
Income \$100,000 - \$124,999	1,388 9.42
Income \$125,000 - \$149,999	928 6.30
Income \$150,000 - \$199,999	888 6.03
Income \$200,000 - \$499,999	553 3.75
Income \$500,000 and more	109 0.74
2010 Est. Average Household Income	\$81,332
2010 Est. Median Household Income	\$65,071
2010 Est. Per Capita Income	\$25,887

Pop-Facts: Demographic Snapshot 2010 Report

Place (see appendix for geographies), aggregate

Description	Total Place
2010 Median HHI, by Single Race Class, or Ethnic	
White Alone	57,933
Black or African American Alone	50,466
American Indian and Alaska Native Alone	60,417
Asian Alone	73,339
Native Hawaiian and Other Pacific Islander Alone	57,698
Some Other Race Alone	73,877
Two or More Races	61,999
Hispanic or Latino	44,619
Not Hispanic or Latino	66,688
2010 Est. Family HHI, by Presence Own Children	10,921
Married-Couple Family, own children	3,524 32.27
Married-Couple Family, no own children	4,280 39.19
Male Householder, own children	309 2.83
Male Householder, no own children	572 5.24
Female Householder, own children	1,008 9.23
Female Householder, no own children	1,228 11.24
2010 Est. Households, by Household Size	14,735
1-person household	3,078 20.89
2-person household	3,908 26.52
3-person household	2,610 17.71
4-person household	2,252 15.28
5-person household	1,340 9.09
6-person household	723 4.91
7 or more person household	824 5.59
2010 Est. Average Household Size	3.11

Pop-Facts: Demographic Snapshot 2010 Report

Place, (see appendix for geographies), aggregate

Description	Total Place
2010 Est. Households by Presence of People	14,735
Households with 1 or more People under Age 18:	
Married-Couple Family	5,877 39.88
Other Family, Male Householder	4,009 68.22
Other Family, Female Householder	472 8.03
Nonfamily, Male Householder	1,388 23.62
Nonfamily, Female Householder	3 0.05
Households no People under Age 18:	
Married-Couple Family	8,858 60.12
Other Family, Male Householder	3,664 41.36
Other Family, Female Householder	378 4.27
Nonfamily, Male Householder	785 8.86
Nonfamily, Female Householder	1,890 21.34
2010 Est. Households by Number of Vehicles	14,735
No Vehicles	1,015 6.89
1 Vehicle	4,451 30.21
2 Vehicles	5,283 35.85
3 Vehicles	2,300 15.61
4 Vehicles	1,070 7.26
5 or more Vehicles	616 4.18
2010 Est. Average Number of Vehicles	2.03
Family Households	
2015 Projection	11,589
2010 Estimate	10,921
2000 Census	9,312
1990 Census	7,549
Growth 2010-2015	6.12%
Growth 2000-2010	17.28%
Growth 1990-2000	23.35%
2010 Est. Families by Poverty Status	10,921
2010 Families at or Above Poverty	10,291 94.23
2010 Families at or Above Poverty with Children	5,416 49.59
2010 Families Below Poverty	630 5.77
2010 Families Below Poverty with Children	499 4.57

Pop-Facts: Demographic Snapshot 2010 Report

Place, (see appendix for geographies), aggregate

Description	Total Place
2010 Est. Pop Age 16+ by Employment Status	36,937
In Armed Forces	150 0.41
Civilian - Employed	22,730 61.54
Civilian - Unemployed	1,221 3.31
Not in Labor Force	12,836 34.75
2010 Est. Civ. Employed Pop. by Class of Worker	21,397
For-Profit Private Workers	14,966 69.94
Non-Profit Private Workers	1,252 5.85
Local Government Workers	1,170 5.47
State Government Workers	2,324 10.86
Federal Government Workers	401 1.87
Self-Emp Workers	1,205 5.63
Unpaid Family Workers	79 0.37
2010 Est. Civ. Employed Pop. by Occupation	21,397
Architect/Engineer	382 1.79
Arts/Entertain/Sports	324 1.51
Building Grounds Maint	1,888 8.82
Business/Financial Ops	498 2.33
Community/Soc Svcs	293 1.37
Computer/Mathematical	110 0.51
Construction/Extraction	1,519 7.10
Edu/Training/Library	1,016 4.75
Farm/Fish/Forestry	315 1.47
Food Prep/Serving	1,478 6.91
Health Practitioner/Tec	807 3.77
Healthcare Support	564 2.64
Maintenance/Repair	1,085 5.07
Legal	186 0.87
Life/Phys/Soc Science	146 0.68
Management	1,355 6.33
Office/Admin Support	3,012 14.08
Production	826 3.86
Protective Svcs	807 3.77
Sales/Related	2,824 13.20
Personal Care/Svc	617 2.88
Transportation/Moving	1,345 6.29

Pop-Facts: Demographic Snapshot 2010 Report

Place (see appendix for geographies), aggregate

Description	Total Place	%
2010 Est. Pop. by Occupational Classification	21,397	
Blue Collar	4,775	22.32
White Collar	10,953	51.19
Service and Farm	5,669	26.49
2010 Est. Workers Age 16+, Transp. To Work	20,957	
Drove Alone	15,014	71.64
Car Pooled	3,830	18.28
Public Transportation	474	2.26
Walked	400	1.91
Bicycle	59	0.28
Other Means	464	2.21
Worked at Home	716	3.42
2010 Est. Workers Age 16+, Travel Time to Work *		
Less than 15 Minutes	9,000	
15 - 29 Minutes	5,176	
30 - 44 Minutes	3,622	
45 - 59 Minutes	1,772	
60 or more Minutes	889	
2010 Est. Avg. Travel Time to Work in Minutes	22.96	
2010 Est. Tenure of Occupied Housing Units	14,735	
Owner Occupied	9,000	61.08
Renter Occupied	5,735	38.92
2010 Owner Occ. HUs: Avg. Length of Residence	19	
2010 Renter Occ. HUs: Avg. Length of Residence	9	

Pop-Facts: Demographic Snapshot 2010 Report

Place (see appendix for geographies), aggregate

Description	Total Place	%
2010 Est. All Owner-Occupied Housing Values	9,000	
Value Less than \$20,000	1	0.01
Value \$20,000 - \$39,999	26	0.29
Value \$40,000 - \$59,999	74	0.82
Value \$60,000 - \$79,999	35	0.39
Value \$80,000 - \$99,999	38	0.42
Value \$100,000 - \$149,999	60	0.67
Value \$150,000 - \$199,999	214	2.38
Value \$200,000 - \$299,999	878	9.76
Value \$300,000 - \$399,999	1,430	15.89
Value \$400,000 - \$499,999	1,927	21.41
Value \$500,000 - \$749,999	3,104	34.49
Value \$750,000 - \$999,999	814	9.04
Value \$1,000,000 or more	399	4.43
2010 Est. Median All Owner-Occupied Housing Value	\$490,482	
2010 Est. Housing Units by Units in Structure	15,348	
1 Unit Attached	984	6.41
1 Unit Detached	10,542	68.69
2 Units	490	3.19
3 or 4 Units	545	3.55
5 to 19 Units	1,892	12.33
20 to 49 Units	468	3.05
50 or More Units	399	2.60
Mobile Home or Trailer	28	0.18
Boat, RV, Van, etc.	0	0.00
2010 Est. Housing Units by Year Structure Built	15,348	
Housing Unit Built 2000 or later	2,402	15.65
Housing Unit Built 1990 to 1999	3,146	20.50
Housing Unit Built 1980 to 1989	2,377	15.49
Housing Unit Built 1970 to 1979	2,586	16.85
Housing Unit Built 1960 to 1969	2,305	15.02
Housing Unit Built 1950 to 1959	1,367	8.91
Housing Unit Built 1940 to 1949	497	3.24
Housing Unit Built 1939 or Earlier	668	4.35
2010 Est. Median Year Structure Built **	1981	

*This row intentionally left blank. No total category data is available.

**1939 will appear when at least half of the Housing Units in this reports area were built in 1939 or earlier

Pop-Facts: Demographic Snapshot 2010 Report

Appendix: Area Listing

Area Name:					
Type:	List - Place	Reporting Detail	Aggregate	Reporting Level	Place
<u>Geography Code</u>		<u>Geography Name</u>		<u>Geography Code</u>	<u>Geography Name</u>
1522700	Kahului CDP		1573510	Wahee-Waehu CDP	
1575950	Waikapu CDP		1577450	Wailuku CDP	
Project Information:					
Site: 1					
Order Number: 96914179					

Chapter 19.26

M-2 HEAVY INDUSTRIAL DISTRICT

Sections:

- 19.26.010 Generally
- 19.26.020 Use regulations
- 19.26.030 Height regulations
- 19.26.040 Area regulations
- 19.26.050 Yards

19.26.010 Generally.

Those uses which include the manufacture or treatment of goods from raw materials are permitted in the M-2 heavy industrial district. Those uses which are listed under subsection 28 of Section 19.26.020 cannot be automatically included in the heavy industrial district because of their hazardous or offensive nature. Provision is made whereby the location and conduct of these uses is subject to review and approval of the commission and council of the county of Maui as conforming to the intent of this title. (Prior code § 8-1.13(a))

19.26.020 Use regulations.

Within the M-2 district, no building, structure or premises shall be used and no building or structure hereafter erected, structurally altered, replaced, or enlarged except for one or more of the following uses:

1. Any use permitted in the B-1, B-2 and B-3 business districts and M-1 district; provided, however, that no building, structure or portion thereof shall be hereafter erected, converted, or moved onto any lot in an M-2 district for dwelling purposes, including hotels and motels, except living quarters used by watchmen or custodians of industrially used property;
2. Alcohol manufacture;
3. Automobile wrecking, if conducted within a building;
4. Brick, tile or terra cotta manufacture;
5. Boiler and steel works;
6. Canneries, except fish canneries;
7. Chemical manufacture;
8. Concrete or cement products manufacture;
9. Factories;
10. Foundries;
11. Freight classification yard (railroad);
12. Junk establishment used for storing, depositing, or keeping junk or similar goods for business purposes, provided such establishment shall not be nearer than eight feet from any other property line for the storage of the junk or similar goods except in buildings entirely enclosed with walls;
13. Lime kilns which do not emit noxious and offensive fumes;
14. Lumber yard;
15. Machine shops;
16. Oil storage plants;
17. Oilcloth or linoleum manufacture;
18. Paint, oil (including linseed), shellac, turpentine, lacquer, or varnish manufacture;
19. Petroleum products manufacture or wholesale storage of petroleum;
20. Planing mill;
21. Plastic manufacture;

22. Railroad repair shops;

23. Rolling mills;

24. Ship works;

25. Soap manufacture;

26. Sugar mills and refineries;

27. In general those uses which may be obnoxious or offensive by reason of emission of odor, dust, smoke, gas, noise, vibration and the like and not allowed in any other district; provided, however, that any use not specified in this section shall be approved by the commission as conforming to the intent of this title;

28. All of the following uses are declared to be special uses and a use permit shall be obtained from the commission with approval of the council of the county for the location and operation thereof in the M-2 district:

- a. Acetylene gas manufacture or bulk storage,
 - b. Acid manufacture,
 - c. Ammonia, bleaching powder or chlorine manufacture,
 - d. Asphalt manufacture of refueling and asphaltic concrete plant,
 - e. Blast furnace or coke oven,
 - f. Cement, lime, gypsum, or plaster of paris manufacture,
 - g. Crematories,
 - h. Creosote treatment plants,
 - i. Explosives manufacture or storage,
 - j. Fertilizer manufacture,
 - k. Fish canneries,
 - l. Garbage, offal or dead animals reduction or dumping,
 - m. Gas manufacture,
 - n. Glue manufacture,
 - o. Quarry or stone mill,
 - p. Rock, sand or gravel or earth excavation, crushing or distribution,
 - q. Petroleum refinery,
 - r. Saw mill,
 - s. Slaughter of animals,
 - t. Stock yard or deeding pens,
 - u. Tannery or the curing or storage of raw hides.
- (Prior code § 8-1.13(b))

19.26.030 Height regulations.

No building or structure, and no enlargement of any building or structure, except smoke stacks or chimneys, shall be hereafter erected or maintained so as to exceed six stories. (Prior code § 8-1.13(c))

19.26.040 Area regulations.

Every lot within an M-2 district shall have a minimum lot area of not less than ten thousand square feet with a minimum lot width of seventy-five feet. (Prior code § 8-1.13(d))

19.26.050 Yards.

A. Front Yard. There shall be a front yard of not less than ten feet from any setback line for street widening purposes; and if no such line exists, then from the main street or front boundary.

B. Side Yard.

1. Where the side or rear of the lot in an M-2 district abuts upon the side or rear of a lot of any residential, duplex, apartment, hotel, agricultural or farming districts, there shall be a side yard of ten feet.
2. In all other cases, a side yard for a heavy industrial building shall not be required.

C. Rear yard.

No rear yard spacing shall be required except where the M-2 district abuts upon an agricultural, farming, residential, duplex, apartment or hotel district, in which case there shall be a rear yard of not less than fifteen feet. (Prior code § 8-1.12(e))

Chapter 19.24

M-1 LIGHT INDUSTRIAL DISTRICT

Sections:

- 19.24.010 Generally
- 19.24.020 Use regulations
- 19.24.030 Height regulations
- 19.24.040 Area regulations
- 19.24.050 Yards

19.24.010 Generally.

The M-1 light industrial district is designed to contain mostly warehousing and distribution types of activity, and permits most compounding, assembly, or treatment of articles or materials with the exception of heavy manufacturing and processing of raw materials. Residential uses are excluded from this district. (Prior code § 8-1.12(a))

19.24.020 Use regulations.

A. Within the M-1 district, no building, structure or premises shall be used and no building or structure hereafter erected, structurally altered, replaced, or enlarged except for one or more of the following uses:

1. Any use permitted in a B-1, B-2, or B-3 district; provided, however, that no building, structure or portion thereof shall be hereafter erected, converted, or moved onto any lot in an M-1 district for dwelling purposes, including hotels and motels, except living quarters used by watchmen or custodians of industrially used property;

2. Animal kennels;

3. Carpet cleaning plants;

4. Cold storage plants;

5. Commercial laundries;

6. Craft, cabinet and furniture manufacturing;

7. Assembly of electrical appliances, radios and phonographs including the manufacture of small parts such as coils, condensers, crystal holders and the like;

8. Farm implement sales and service;

9. General food, fruit and vegetable processing and manufacturing plants;

10. Ice cream and milk producing, manufacturing and storage;

11. Laboratories—experimental, photo or motion picture, film or testing;

12. Light and heavy equipment and product display rooms, storage and service;

13. Machine shop or other metal working shop;

14. The manufacture, compounding or treatment of articles or merchandise from the following previously prepared materials; aluminum, bone, cellophane, canvas, cloth, cork, feathers, felt, fibre, fur, glass, hair, horn, leather, plastics, precious or semi-precious metals or stones, shell, tobacco and wood;

15. The manufacture, compounding, processing, packing or treatment of such products as candy, cosmetics, drugs, perfumes, pharmaceutical, toiletries, and food products except the rendering or refining of fats and oils;

16. The manufacture, dyeing and printing of cloth fabrics and wearing apparel;

17. The manufacture of musical instruments, toys, novelties and rubber and metal stamps;

18. Manufacture of pottery and figurines or other similar ceramic products;

19. Milk bottling or central distribution stations;

20. Plumbing shops having more than five employees;

Chapter 19.20

B-3 CENTRAL BUSINESS DISTRICT

Sections:

- 19.20.010 Generally
- 19.20.020 Permitted uses
- 19.20.030 Height regulations
- 19.20.040 Area regulations
- 19.20.050 Yards

19.20.010 Generally.

This district is applied to the central business district and permits general business enterprises, particularly financial, governmental, commercial and professional activities. Its distinguishing feature is the greater height limit permitted in the area. Manufacturing and nuisance industries are excluded from the zone. (Prior code § 8-1.10(a))

19.20.020 Permitted uses.

Within the B-3 district, there shall be permitted any use permitted in a B-1 district and B-2 community business district, with the following exceptions:

- A. Living or sleeping quarters in any detached accessory building or structure on the same lot;
- B. Automobile repair shops and garages;
- C. Automobile painting or steam cleaning;
- D. Automobile upholstery shops;
- E. Awning or canvas stores;
- F. Equipment rental and sales yards;
- G. Hairdries;
- H. Lumber yards;
- I. Machine shops;
- J. Plumbing shops;
- K. Storage buildings and warehouses (separate from main building);
- L. Storage yards;
- M. Trucking and truck storage;
- N. Used car lots. (Prior code § 8-1.10(b))

19.20.030 Height regulations.

No building or structure nor the enlargement of any building or structure shall be erected or maintained to exceed four stories or forty-eight feet in height; provided, however, that the height of such building or structure shall not exceed one and one-half times the width of the widest street which it fronts. (Prior code § 8-1.12(c))

19.20.040 Area regulations.

The minimum lot area shall be six thousand square feet and the minimum lot frontage shall be sixty feet. (Prior code § 8-1.10(c))

- 21. Poultry or rabbit slaughter incidental to a retail business on the same premises;
 - 22. Radio transmitting and television stations; provided, that towers are of the self-sustaining type without guys;
 - 23. Replating shop;
 - 24. Retail lumber yard including mill and saw work, except that mill and saw work shall be conducted within a completely enclosed building;
 - 25. Small boat building;
 - 26. Soda water and soft drink bottling and distribution plants;
 - 27. The repair operation including recapping and retreading;
 - 28. Vocational and trade schools giving general instruction as prescribed by the State Department of Education;
 - 29. Warehouse, storage and loft buildings;
 - 30. Wearing apparel manufacturing;
 - 31. Wholesale business, storage buildings, nonexplosive goods and warehouses;
 - 32. Apartment houses.
- B. The above uses are to be conducted wholly within a completely enclosed building, or within an area enclosed on all sides except the front of the lot, by a solid fence or wall or cyclone fence at least six feet in height. (Prior code § 8-1.12(b))

19.24.030 Height regulations.

No building or structure nor the enlargement of any building or structure shall be erected or maintained to exceed four stories or forty-eight feet in height; provided, however, that the height of such building or structure shall not exceed one and one-half times the width of the widest street which it fronts. (Prior code § 8-1.12(c))

19.24.040 Area regulations.

Every lot within an M-1 district shall have a minimum lot area of not less than seven thousand five hundred square feet, having an average lot width of sixty-five feet. (Prior code § 8-1.12(d))

19.24.050 Yards.

A. Front Yard.

- 1. Where all the frontage between intersecting streets is located within business districts or industrial districts, no front yard shall be required.
- 2. Where the frontage is located abutting the residential district, there shall be a front yard of not less than ten feet from any setback line for street widening purposes; and if no such line exists, then from the main street or front boundary.

B. Side Yard.

- 1. Where the side of a lot in an M-1 district abuts upon the side or rear of a lot in an agricultural, farming, hotel, apartment, duplex or any type of residential district, there shall be a side yard of not less than ten feet.

- 2. In all other cases a side yard for light industrial building shall not be required.

C. Rear Yard.

- 1. In the case where the rear lot in an M-1 district abuts upon the side or rear of a lot in any residential, agricultural, farming, hotel, apartment or duplex district, there shall be a rear yard of not less than ten feet.
- 2. In all other cases a rear yard for M-1 building shall not be required.
- 3. No accessory building or buildings shall be allowed in the required rear yard of any lot occupied by any building containing light industrial business use except for off-street parking purposes. (Prior code § 8-1.12(e))

19.20.050 Yards.

A. Front Yard.

1. Where all the frontage between intersecting streets is located within business districts or industrial districts, no front yard shall be required.
2. Where the frontage is located abutting the residential district, there shall be a front yard of not less than ten feet from any setback line for street widening purposes; and if no such line exists, then from the main street or front boundary.

B. Side Yard.

1. Where the side of a lot in an M-1 district abuts upon the side or rear of a lot in an agricultural, farming, hotel, apartment, duplex or any type of residential district, there shall be a side yard of not less than ten feet.

2. In all other cases a side yard for light industrial building shall not be required.

C. Rear Yard.

1. In the case where the rear lot in an M-1 district abuts upon the side or rear of a lot in any residential, agricultural, farming, hotel, apartment or duplex district, there shall be a rear yard of not less than ten feet.

2. In all other cases a rear yard for M-1 building shall not be required.

3. No accessory building or buildings shall be allowed in the required rear yard of any lot occupied by any building containing light industrial business use except for off-street parking purposes. (Prior code § 8-1.12(e))

Chapter 19.18

B-2 COMMUNITY BUSINESS DISTRICT

Sections:

- 19.18.010 Generally
- 19.18.020 Permitted uses
- 19.18.030 Area regulations
- 19.18.040 Height regulations
- 19.18.050 Yards

19.18.010 Generally.

A community business district is intended to provide all types of goods and services for the community, with the exception of those uses more generally associated with industrial district, but at a lower intensity of use than in the central business district. (Prior code § 8-1.9(a))

19.18.020 Permitted uses.

Within the B-2 district, the following uses shall be permitted:

1. Any use permitted in a B-1 neighborhood business district; however, no living or sleeping quarters shall be permitted in any detached accessory building or structure on the same lot;
2. Amusement enterprises, including billiard or pool halls;
3. Antique shops;
4. Apartments;
5. Art galleries;
6. Auctioneer establishments;
7. Auditoriums and theaters;
8. Automobile parking lots and/or buildings;
9. Automobile parts stores;
10. Automobile service stations, with or without auto repairing; provided all auto repairing or operations are conducted in enclosed buildings; and provided further, that the rebuilding or battery manufacturing shall not be permitted within this district;
11. Automobile upholstery shops;
12. Awning or canvas shops;
13. Banks;
14. Baseball or football stadiums and other sport activities and amusements;
15. Bath houses, commercial (plunge);
16. Baths, Turkish and the like, including masseurs;
17. Book-printing establishments;
18. Bowling alleys;
19. Business offices and agencies;
20. Catering establishments employing not more than five persons;
21. Charity relief organizations;
22. Clinics, medical or dental;
23. Custom dressmaking or millinery shops;
24. Dancehalls;
25. Dancing and hula studios;
26. Dressmaking shops;
27. Dry goods and/or department stores;
28. Equipment rental and sales yards;
29. Feed stores;
30. Gymnasiums;

31. Haberdasheries and women's apparel shops;

32. Hardware and garden supply stores;

33. Ice cream and milk manufacturing plants employing not more than twenty-five persons;

34. Jewelry stores or fine art shops, including interior decorating;

35. Libraries;

36. Marinas;

37. Miniature golf courses;

38. Museums;

39. Music conservatories or music studios;

40. News and magazine stands;

41. Nurseries (flower or plants); provided, that all incidental equipment and supplies, including fertilizers and empty cans, are kept within enclosed buildings;

42. Nursing and convalescent homes;

43. Parcel delivery stations;

44. Pet shops, not involving the treatment or boarding of animals;

45. Photo studios;

46. Physical culture studios;

47. Plumbing shops within wholly enclosed buildings and employing not more than five persons;

48. Printing, lithography or publishing shops;

49. Private clubs or fraternal organizations;

50. Private schools or business colleges;

51. Professional and financial buildings;

52. Public parking areas;

53. Radio and television stations;

54. Religious, benevolent, and philanthropic societies;

55. Restaurants, cafes or bars, including drive-ins;

56. Sanitariums;

57. Shoe stores;

58. Sign-painting shops within wholly enclosed buildings and employing not more than five persons;

59. Skating shops;

60. Teller shops;

61. Trade schools;

62. Used car lots; provided all repair and maintenance is conducted within a wholly enclosed building;

63. Mortuaries, subject to the approval of the commission;

64. Warehouses and yards which are adjunct to, and part of, the operation of the permitted uses listed above may be permitted by the commission, provided such uses are determined to conform to the intent of this article, and subject to such terms and conditions as may be warranted. Such uses shall be conducted wholly within a completely enclosed building or within an area enclosed on all sides by a solid fence or wall at least six feet in height; and provided, that no goods, materials, or objects shall be stacked higher than the fence or walls so erected;

65. Bed and breakfast homes, subject to the restrictions and standards of section 19.64.030 of this title;

66. Any other retail businesses or commercial enterprises which are similar in character of rendering sales of commodities or performance of services to the community and not detrimental to the welfare of the surrounding area; provided, however, that such uses shall be approved by the commission as conforming to the intent of this article. (Ord. 2609 § 6, 1997;

Ord. 1960 § 1, 1990; prior code § 8-1.9(b))

19.18.030 Area regulations.

The minimum lot area shall be six thousand square feet and the minimum lot frontage shall be sixty feet. (Prior code § 8-1.9(c))

19.18.040 Height regulations.

The maximum height of any building shall be limited by the total floor area which shall not exceed in square feet two hundred percent of the total lot area; and provided further, that no building be more than six stories in height. (Prior code § 8-1.9(d))

19.18.050 Yards.

No yard spacing shall be required, except such areas that shall be required for off-street parking; with the exception that where the side or rear of a lot in a B-2 community business district abuts a lot in any residential, apartment house or hotel district, the abutting side or rear yard shall have the same yard spacing as that required in the abutting residential, apartment house or hotel district, respectively; and provided further, that any apartment shall provide yard space in accordance with the requirements of the apartment district. (Ord. 1960 § 2, 1990; prior code § 8-1.9(e))

Chapter 19.16

B-1 NEIGHBORHOOD BUSINESS DISTRICT

Sections:

- 19.16.010 Generally.
- 19.16.020 Permitted uses.
- 19.16.030 Required conditions.
- 19.16.040 Area regulations.
- 19.16.050 Height regulations.
- 19.16.060 Yards

19.16.010 Generally.

A neighborhood business district is one wherein retail businesses or service establishments supply commodities or perform services to meet the daily needs of the neighborhood. (Prior code § 8-1.8(c))

19.16.020 Permitted uses.

Within the B-1 district, the following uses shall be permitted:

- A. Barber or beauty shops;
- B. Baker goods stores;
- C. Book, stationery or gift stores;
- D. Candy stores;
- E. Churches;
- F. Day care centers and nurseries;
- G. Delicatessen stores;
- H. Drugstores;
- I. Florist shops;
- J. Grocery stores and meat markets;
- K. Ice cream or snack counters;
- L. Laundromats;
- M. Liquor stores (package only);
- N. Gasoline retailing, provided it is owned and operated as an adjunct to a neighborhood store; and provided further, that no servicing, repairing, storing, washing, or maintenance of vehicles will be permitted on the premises;
- O. Other similar retail businesses or service establishments which supply commodities or perform services primarily for residents of the surrounding neighborhood; provided, however, such uses shall be approved by the commission as conforming to the intent of this title;
- P. One single-family dwelling per lot, provided the lot is sufficiently large to provide a lot area six thousand square feet for the dwelling after the area for the business, parking and other accessory areas for the business have been subtracted; or living and sleeping quarters for a single family constructed above the ground floor of the business building.
- Q. Bed and breakfast homes, subject to the restrictions and standards of section 19.64.030 of this title; and
- R. Home occupations in single-family dwellings permitted pursuant to subsection P, (Ord. 3622 § 5, 2009; Ord. 2609 § 5, 1997; prior code § 8-1.8(b))

19.16.030 Required conditions.

- A. All business, services, or processing shall be conducted wholly within completely enclosed buildings except for day care centers, nurseries, automobile parking, and/or off-street loading.
- B. All goods produced on the premises, whether primary or incidental, shall be sold at retail and only on the premises where produced. (Prior code § 8-1.8(c))

19.16.040 Area regulations.

The minimum lot area shall be six thousand square feet and the minimum lot frontage shall be sixty feet. (Prior code § 8-1.8(d))

19.16.050 Height regulations.

No building shall exceed two stories and thirty feet in height. (Prior code § 8-1.8(e))

19.16.060 Yards.

There shall be a front yard of fifteen feet, side yard of six feet, and a rear yard of six feet; except that for any two-story building, a side yard of ten feet, and a rear yard of ten feet shall be required. (Prior code § 8-1.8(f))

ORDINANCE NO. _____
DRAFT 3/3/11

BILL NO. _____ (2010)

A BILL FOR AN ORDINANCE ESTABLISHING TITLE 19.25, MAUI COUNTY CODE,
RELATING TO M-3 INDUSTRIAL DISTRICT

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Chapter 19.25, Maui County Code, is amended to read as follows:

*Chapter 19.25

M-3 INDUSTRIAL DISTRICT

19.25.010 Purpose and Intent
19.25.020 Permitted uses.
19.25.030 Accessory uses and structures
19.25.040 Special Uses
19.25.050 Development Standards
19.25.060 Rule making authority

19.25.010 Purpose and Intent

Those uses which include the manufacture, processing, storage or treatment of goods from raw materials are permitted in the M-3 industrial district. The district is intended to include manufacturing and nuisance industries. General retail and office is specifically excluded from this district.

19.25.020 Permitted uses

Within the M-3 district, no building, structure or premises shall be used and no building or structure hereafter erected, structurally altered, replaced, or enlarged except for one or more of the following uses:

Use	Notes and exceptions
Acetylene gas manufacture or bulk storage.	
Acid manufacture.	
Alcohol manufacture;	
Ammonia, bleaching powder or chlorine manufacture.	

EXHIBIT D
Draft Bill for Proposed County of Maui
M-3 Industrial District

Asphalt manufacture of refueling and asphaltic concrete plant.	
Automobile wrecking.	
Blast furnace or coke oven.	
Boiler and steel works.	
Brick, tile or terra cotta manufacture.	
Canneries.	
Cement, lime, gypsum, or plaster of paris manufacture.	
Chemical manufacture.	
Concrete or cement products manufacture.	
Crematories, morgues.	
Energy systems, power plants, substations, and utility facilities, major.	
Explosives manufacture or storage.	
Factories.	
Fertilizer manufacture.	
Fish canneries.	
Foundries.	
Freight classification yard (railroad); Garbage, offal or dead animals reduction or dumping.	
Gas manufacture.	
Glue manufacture.	
Heavy equipment storage, servicing, and sales.	
Junk establishment used for storing, depositing, keeping junk or similar goods for business purposes.	
Land fill, solid waste processing and disposal.	
Lime kilns.	
Lumber yard and wood treatment facilities.	
Machine shops.	
Oil storage plants.	
Oilcloth or linoleum manufacture.	
Paint, oil (including linseed), shellac, turpentine, lacquer, or varnish manufacture.	
Petroleum or bio fuel product manufacturing or wholesale storage of petroleum or bio fuels.	
Petroleum refinery.	
Planing mill.	
Plastic manufacture.	
Quarry or stone mill.	
Railroad repair shops.	
Recycling processing facilities.	
Rock, sand or gravel or earth excavation, crushing or distribution.	
Rolling mills.	
Saw mill.	
Ship works.	

Slaughter of animals.	
Soap manufacture.	
Stock yard or feeding pens.	
Sugar mills and refineries.	
Tannery or the curing or storage of raw hides.	
Telecommunication towers, antenna and equipment.	
Wood treatment plants.	
In general those uses which may be obnoxious or offensive by reason of emission of odor, dust, smoke, gas, noise, vibration and the like and not allowed in any other district;	provided, however, that any use not specified in this section shall be approved by the director as conforming to the intent of this title.

19.25.030 Accessory uses and buildings. The following uses

and structures, located on the same lot, are deemed accessory, customary, incidental, usual, and necessary to the above permitted uses in the district:

Uses	Notes and exceptions
A. Energy systems, small-scale;	
B. Fences, walls, patios, decks, and other landscape features;	
C. Garages, porte-cochere, mail boxes, ground signs, and trash enclosures;	
D. Subordinate uses and structures which are determined by the director of planning to be clearly incidental and customary to the permitted uses listed herein;	
E. Office, retail, or indoor product display area.	Limited to 20 % of gross floor area not to exceed 1,000 sq.ft.
F. Security/watchman or custodian outbuildings	

19.25.040 Special uses.

Reserved

19.25.050 Development Standards

	M-3	Notes and exceptions
Minimum Lot Area (Square feet)	10,000	
Minimum Lot Width (in feet)	75	
Maximum Building Height	90	Except that vent pipes, fans,

(in feet)		chimneys, antennae, and equipment on roofs shall not exceed 199 feet.
Minimum Yard Setback (in feet)		
Front	none	
Side and Rear	0 or the same as the adjoining zoning category which ever is greater	
Side and Rear above 15 feet	0 or the same as the adjoining zoning category which ever is greater	
Free standing antenna or wind turbine structures height and setback	Maximum height of 199 feet and shall be set back 1 foot for every foot in height from all property lines	
Accessory structures within Setback Area	Mail boxes, trash enclosures, boundary walls, and ground signs	

19.25.060 Rule making authority. The planning director may adopt rules to clarify and implement this chapter.

1	custodians of industrially used property;	
2	2. Alcohol manufacture;	
3	3. Automobile wrecking, if conducted within a	
4	building;	
5	4. Brick, tile or terra cotta manufacture;	
6	5. Boiler and steel works;	
7	6. Canneries, except fish canneries;	
8	7. Chemical manufacture;	
9	8. Concrete or cement products manufacture;	
10	9. Factories;	
11	10. Foundries;	
12	11. Freight classification yard (railroad);	
13	12. Junk establishment used for storing,	such establishment shall not be nearer
14	depositing, or keeping junk or similar goods for	than eight feet from any other property
15	business purposes;	line for the storage of the junk or
16		similar goods except in buildings
17	13. Lime kilns which do not emit noxious and	entirely enclosed with walls;
18	offensive fumes;	
19	14. Lumber yard;	
20	15. Machine shops;	
21	16. Oil storage plants;	
22	17. Oilcloth or linoleum manufacture;	
23	18. Paint, oil (including linseed), shellac,	
24	turpentine, lacquer, or varnish manufacture;	
25	19. Petroleum products manufacture or	
26	wholesale storage of petroleum;	
27	20. Planing mill;	
28	21. Plastic manufacture;	
29	22. Railroad repair shops;	
30	23. Rolling mills;	
31	24. Ship works;	
32	25. Soap manufacture;	
33	26. Sugar mills and refineries;	
34	27. In general those uses which may be	
35	obnoxious or offensive by reason of emission	
36	of odor, dust, smoke, gas, noise, vibration and	
37	the like and not allowed in any other district;	
38	provided, however, that any use not specified	
39	in this section shall be approved by the director	
40	as conforming to the intent of this title.	
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4. Any use permitted in the B-1, B-2 and B-3 business districts and M-1 district; provided, however, that no building, structure or portion thereof shall be hereafter erected, converted, or moved onto any lot in an M-2 district for dwelling purposes, including hotels and motels, except living quarters used by watchmen or custodians of industrially used property;

ORDINANCE NO. _____
DRAFT April 6, 2011
BILL NO. _____ (2011)

A BILL FOR AN ORDINANCE ESTABLISHING TITLE 19.26, MAUI COUNTY CODE,
RELATING TO M-2 HEAVY INDUSTRIAL DISTRICT

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Chapter 19.26, Maui County Code, is amended to read as follows:

*Chapter 19.26

M-2 LIGHT INDUSTRIAL DISTRICT

19.26.010 General Purpose and Intent
19.26.020 Use-regulations Permitted uses.
19.26.030 Height-regulations Accessory uses and structures
19.26.040 Area-regulation Special Uses
19.26.050 Yards Development Standards
19.26.060 Rule making authority

19.26.010 Generally Purpose and Intent
Those uses which include the manufacture or treatment of goods from raw materials are permitted in the M-2 heavy industrial district. Those uses which are listed under subsection 28 of Section 19.26.020 cannot be automatically included in the heavy industrial district because of their hazardous or offensive nature. Provision is made whereby the location and conduct of these uses is subject to review and approval of the commission and council of the county of Maui as conforming to the intent of this title. (Prior code § 8-1 13(a))

19.26.020 Use-regulations Permitted uses.

Within the M-2 district, no building, structure or premises shall be used and no building or structure hereafter erected, structurally altered, replaced, or enlarged except for one or more of the following uses

Use	Notes and Exceptions
1. Any use permitted in the B-1, B-2 and B-3 business districts and M-1 district; provided, however, that no building, structure or portion thereof shall be hereafter erected, converted or moved onto any lot in an M-2 district for dwelling purposes, including hotels and motels, except living quarters used by watchmen or	

1 2. Alcohol manufacture;
2 3. Automobile wrecking, if conducted within a building;
3 4. Brick, tile or terra cotta manufacture;
4 5. Boiler and steel works;
5 6. Canneries, except fish canneries;
6 7. Chemical manufacture;
7 8. Concrete or cement products manufacture;
8 9. Factories;
9 10. Foundries;
10 11. Freight classification yard (railroad);
11 12. Junk establishment used for storing, depositing or keeping junk or similar goods for
12 business purposes; provided such establishment shall not be nearer than eight feet from
13 any other property line for the storage of the junk or similar goods except in buildings
14 entirely enclosed with walls;
15 13. Lime kilns which do not emit noxious and offensive fumes;
16 14. Lumber yard;
17 15. Machine shops;
18 16. Oil storage plants;
19 17. Oilcloth or linoleum manufacture;
20 18. Paint, oil (including linseed), shellac, turpentine, lacquer, or varnish manufacture;
21 19. Petroleum products manufacture or wholesale storage of petroleum;
22 20. Planing mill;
23 21. Plastic manufacture;
24 22. Railroad repair shops;
25 23. Rolling mills;
26 24. Ship works;
27 25. Soap manufacture;
28 26. Sugar mills and refineries;
29 27. In general those uses which may be obnoxious or offensive by reason of emission of
30 odor, dust, smoke, gas, noise, vibration and the like and not allowed in any other district;
31 provided, however, that any use not specified in this section shall be approved by the
32 commission as conforming to the intent of this title;
33 28. All of the following uses are declared to be special uses and a use permit shall be
34 obtained from the commission with approval of the council of the county for the location
35 and operation thereof in the M-2 district:
36 a. Acetylene gas manufacture or bulk storage;
37 b. Acid manufacture;
38 c. Ammonia, bleaching powder or chlorine manufacture;
39 d. Asphalt manufacture of refueling and asphaltic concrete plant;
40 e. Blast furnace or coke oven;
41 f. Cement, lime, gypsum, or plaster of paris manufacture;
42 g. Creosote;
43 h. Creosote treatment plants;
44 i. Explosives manufacture or storage;
45 j. Fertilizer manufacture;
46 k. Fish canneries;
47 l. Garbage, offal or dead animal reduction or dumping;
48 m. Gas manufacture;
49 n. Glue manufacture;
50 o. Quarry or stone mill;
51 p. Rock, sand or gravel or earth excavation, crushing or distribution;

1 q. Petroleum refinery;
2 r. Saw mill;
3 s. Slaughter of animals;
4 t. Stock yard or feeding pens;
5 u. Tannery or the curing or storage of raw hides;
6
7
8 9.26.030 Accessory uses and structures Height regulations:
9 No building or structure, and no enlargement of any building or structure, except smoke
10 stacks or chimneys, shall be hereafter erected or maintained so as to exceed six stories;
11 (Prior code § 8-1.13(c))
12
13 The following uses and structures, located on the same lot, are deemed accessory,
14 customary, incidental, usual, and necessary to the above permitted uses in the district:
15

Uses		Notes and exceptions
A.	Energy systems, small-scale:	
B.	Fences, walls, patios, decks, and other landscape features.	
C.	Garages, porte-cochères, mail boxes, ground signs, and trash enclosures.	
D.	Subordinate uses and structures which are determined by the director of planning to be clearly incidental and customary to the permitted uses listed herein.	
E.	Security/watchman or custodian outbuildings	

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17
18 19.26.040 Special Uses Area regulations:
19 Every lot within an M-2 district shall have a minimum lot area of not less than ten
20 thousand square feet with a minimum lot width of seventy-five feet.
21 (Prior code § 8-1.13(d))
22

Special Uses	
a.	Acetylene gas manufacture or bulk storage.
b.	Acid manufacture.
c.	Ammonia, bleaching powder or chlorine manufacture.
d.	Asphalt manufacture of refueling and asphaltic concrete plant.
e.	Blast furnace or coke oven.
f.	Cement, lime, gypsum, or plaster of paris manufacture.
g.	Creosotes.
h.	Creosote treatment plants.
i.	Explosives manufacture or storage.
j.	Fertilizer manufacture.

k. Fish canneries.	
l. Garbage, offal or dead animals reduction or dumping.	
m. Gas manufacture.	
n. Glue manufacture.	
o. Quarry or stone mill.	
p. Rock, sand or gravel or earth excavation, crushing or distribution.	
q. Petroleum refinery.	
r. Saw mill.	
s. Slaughter of animals.	
t. Stock yard or deeding pens.	
u. Tannery or the curing or storage of raw hides.	

(Prior code § 8-1.13(b))

19.26.050 Yards-Development Standards.

M-2		Notes and exceptions
Minimum Lot Area (Square feet)	10,000	
Minimum Lot Width (in feet)	75	
Maximum Building Height (in feet)	90	Except that vent pipes, fans, chimneys, antennae, and equipment on roofs shall not exceed 149 feet.
Minimum Yard Setback (in feet)		
Front	0 or the same as the adjoining zoning category which ever is greater	Where the set back of the adjoining non-industrial zoned parcel is less than 15 feet, a minim set back of 15 feet shall be applied.
Side and Rear	0 or the same as the adjoining zoning category which ever is greater	
Side and Rear above 15 feet	0 or the same as the adjoining zoning category which ever is greater	
Free standing antenna or wind turbine structures height and setback	Maximum height of 90 feet and shall be set back 1 foot for every foot in height from all property lines.	

A. Front Yard-There shall be a front yard of not less than ten feet from any setback line for street widening purposes, and if no such line exists, then from the main street or front boundary.

B. Side Yard.

4. Where the side or rear of the lot in an M-2 district abuts upon the side or rear of a lot of any residential duplex, apartment, hotel, agricultural or farming districts, there shall be a side yard of ten feet.

2. In all other cases, a side yard for a heavy industrial building shall not be required.

C. Rear yard.

No rear yard spacing shall be required except where the M-2 district abuts upon an agricultural, farming, residential duplex, apartment or hotel district, in which case there shall be a rear yard of not less than fifteen feet.

(Prior code § 8-1.12(e))

19.26.060 Rule making authority. The planning director may adopt rules to clarify and implement this chapter.

19.26.070 Permits issued prior to the enactment of this ordinance.

Any dwelling structure that was constructed with a building permit that was approved prior to the enactment of said ordinance need not acquire a County special use permit, conditional permit or variance and may be reconstructed as permitted by the original building permit(s).

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DEFINITIONS

The purpose of this Glossary is to assist the reader in understanding specific terminology used in this report.

Appraisal

(noun) the act or process of developing an opinion of value; an opinion of value (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

Cash Equivalent

A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts.

Counseling

Providing competent, disinterested, and unbiased advice and guidance on diverse problems in the broad field of real estate; may involve any or all aspects of the business such as merchandising, leasing, management, acquisition/disposition planning, financing, development, cost-benefit studies, feasibility analysis, and similar services. Counseling services are often associated with evaluation, but they are beyond the scope of appraisal.

Discounting

A procedure used to convert periodic incomes, cash flows, and reversions into present value; based on the assumption that benefits received in the future are worth less than the same benefits received now.

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

Fair Value

The cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell-, i.e., other than in a forced or liquidation sale. The appraiser should estimate the cash price that might be received upon exposure to the open market for a reasonable time, considering the property type and local market conditions. *When a current sale is unlikely, it is unlikely that the sale can be completed within 12 months-the appraiser must discount all cash flows generated by the property to obtain the estimate of fair value.* These cash flows include, but are not limited to, those arising from ownership, development, operating, and sale of the property. The discount applied shall reflect the appraiser's judgment of what a prudent, knowledgeable purchaser under a necessity to buy would be willing to pay to purchase the property in a current sale.

ADDENDA

Fee Simple Estate

Absolute ownership encumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Hawaiian Terms

The Hawaiian words "mauka" and "makai" are commonly used in the islands as indicators of direction. The word "mauka" means toward the mountain, and "makai" means toward the ocean.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Hypothetical Condition

That which is contrary to what exists, but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions

Leased Fee Interest

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

Leasehold Interest

The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses,

use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract;
- The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

Market Value

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. Continual refinement is essential to the growth of the appraisal profession.

The most widely accepted components of market value are incorporated in the following definition:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Market value is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows:

"A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal."

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:"

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Prospective Market Value Upon Completion of Construction

The prospective future value of a property on the date that construction is completed, based upon market conditions forecast to exist as of the completion date.

Prospective Value Opinion

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

Report

Any communication, written or oral, of an appraisal, appraisal review, or appraisal consulting service that is transmitted to the client upon completion of an assignment. The types of written reports listed below apply to real property appraisals:

Self-Contained Appraisal Report: A written appraisal report prepared under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. A self-contained appraisal report sets forth the data considered, the appraisal procedures followed, and the reasoning employed in the appraisal, addressing each item in the depth and detail required by its significance to the appraisal and providing sufficient information so that the client and the users of the report will understand the appraisal and not be misled or confused.

Summary Appraisal Report: A written report prepared under Standards Rule 2-2(b) or 8-2(b). A summary appraisal report contains a summary of all information significant to the solution of the appraisal problem. The essential difference between a self-contained appraisal report and a summary appraisal report is the level of detail of presentation.

Restricted Appraisal Report: A written report prepared under Standards Rule 2-2(c), 8-2(c), or 10-2(b). A restricted use appraisal report is for client use only. The restricted use appraisal report should contain a brief statement of information significant to the solution of the appraisal problem.

Uniform Standards of Professional Appraisal Practice

Current standards of the appraisal profession, developed for appraisers and the users of appraisal services by the Appraisal Standards Board of The Appraisal Foundation. The Uniform Standards set forth the procedures to be followed in developing an appraisal, analysis, or opinion and the manner in which an appraisal, analysis, or opinion is communicated. They are endorsed by the Appraisal Institute and by other professional appraisal organizations.

LIMITING AND CONTINGENT CONDITIONS ACM Consultants, Inc.

- This is a Consulting Report which is intended to comply with the reporting requirements set forth under Standards Rule 5 of the Uniform Standards of Professional Appraisal Practice for a Consulting Report. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The Consultant is not responsible for unauthorized use of this report.
- This report has not been prepared for federally-related mortgage financing purposes, and has not been prepared in compliance with the requirements of Title 31 of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989.
- No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- The property analyzed is free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. Any plot plan and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, adjacent, or involves that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in this consulting report.
- It is assumed that all required permits, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Measurements found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
- The Consultant is not qualified to detect hazardous waste and/or toxic materials. Any comment by the Consultant that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such detection is the responsibility of a qualified environmental consultant. The field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, other potentially hazardous materials, or radon may affect the value of the property. The Consultant's value estimate is predicated on the assumption that there is no such material on or in the property, and that the Consultant has no knowledge or information to the contrary. No responsibility is assumed for any environmental conditions, or for any expertise or knowledge required to discover them. The Consultant's descriptions and resulting comments are the result of the routine observations made during the analysis process.
- Unless otherwise stated in this report, the subject property is evaluated without a specific compliance survey having been conducted to determine if the property is, or is not, in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communication barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
- Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specification.
- The distribution of any of the total valuation in this report but upon land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the consultant, and in any event, only with property written qualification and only in its entirety.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the Consultant, or the firm with which the Consultant is connected) shall be disseminated to the public through advertising, public relations, news talks, or other media without prior written consent and approval of the Consultant.

ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ACM CONSULTANTS, INC. CONDITIONS, LIMITING AND CONTINGENT CONDITIONS. CONSULTANT LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS OF ANY TYPE, and the total liability of Consultant(s) and firm is limited to the amount of fee received by Consultant.

PROFESSIONAL QUALIFICATIONS

Glenn K. Kunthien, MAI, CRE

STATE LICENSING

State Certified General Appraiser,
State of Hawaii, License No. CGA 39, July 17, 1991
Expiration: December 31, 2011



PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute, MAI Designation, Hawaii Chapter No. 67
Member, The Counselors of Real Estate, CRE Designation, Hawaii Chapter
Member, International Right of Way Association
Member, National Association of Realtors, Maui Board of Realtors

PROFESSIONAL INVOLVEMENT

Past President – Hawaii Chapter of the Appraisal Institute – 2009
Vice Chairperson – Hawaii Chapter of The Counselors of Real Estate - 2010
Education Chairperson – Hawaii Chapter of the Appraisal Institute – 2004 and 2005
Former Multiple Listing Service (MLS) Committee Member – Realtors Association of Maui

COMMUNITY AFFILIATIONS

St. Anthony Parish School Board
Board Member 1995 to 2008
Board President 1997 and 1998
Aloha Community Care, Inc. – A non-profit health care corporation
Board Member 2004 to 2006

EMPLOYMENT

President
ACM Consultants, Inc.
May, 1997 to present

Previously associated with the following:
ACM, Real Estate Appraisers, Inc. - 1986 to 1997
A&B Commercial Company, a division of Alexander & Baldwin, Inc. - 1979 to 1985
Bank of Hawaii - 1976 to 1979

GENERAL EDUCATION

University of Hawaii at Manoa
Master of Business Administration (MBA) - Executive MBA Program V, 1988
Bachelor of Business Administration (BBA), 1976
Iolani School, 1971

LEGAL & CONSULTING

Qualified as an expert witness in the Second Circuit Court of the State of Hawaii
Qualified as an expert in testimony to the State Land Use Commission
Experienced in real estate arbitration assignments in the State of Hawaii

APPRAISAL EDUCATION

Appraisal Institute
Seminar
Appraisal Curriculum Overview (2-day general)
Honolulu, Hawaii – July 2010

Professional Qualifications

Page 2

Seminar	Online Valuation of Green Residential Properties Chicago, Illinois – July 2010
Seminar	Hotel Valuation Honolulu, Hawaii – February 2010
Seminar	Online Small Hotel/Motel Valuation Chicago, Illinois – November 2009
Seminar	Business Practices and Ethics Honolulu, Hawaii – September 2009
Seminar	Hawaii Lands, Historical Review Lihue, Hawaii – August 2009
Seminar	Appraisal Challenges: Declining Markets and Sales Concessions Cambria, California – October 2008
Course	7-Hour National USPAP Update Course Honolulu, Hawaii – September 2008
Course	Online 7-Hour National USPAP Equivalent Course Chicago, Illinois – October 2007
Course	Valuation of Conservation Easements Denver, Colorado – October 2007
Seminar	Uniform Standards for Federal Land Acquisitions ("Yellow Book") Practical Applications for Fee Appraisers Honolulu, Hawaii – December 2006
Seminar	California Conservation Easements Sacramento, California – November 2005
Course 400	7-Hour National USPAP Update Course Honolulu, Hawaii – October 2005
Seminar	Case Studies in Limited Partnership and Partial Interest Valuation Honolulu, Hawaii – May 2005
Seminar	Appraisal Consulting: A Solutions Approach for Professionals Honolulu, Hawaii – February 2005
Seminar	Real Estate Finance, Value and Investment Performance Honolulu, Hawaii – February 2005
Seminar	Forensic Real Estate Presentation Honolulu, Hawaii – July 2004
Seminar	Subdivision Analysis Chicago, Illinois – August 2003
Seminar	Supporting Capitalization Rates Chicago, Illinois – August 2003
Seminar	The Technology Assisted Appraiser Chicago, Illinois – August 2003
Seminar	Scope of Work: Expanding Your Range of Services Chicago, Illinois – August 2003
Course 400	National Uniform Standards of Professional Practice Honolulu, Hawaii – May 2003
Course 420	Business Practices and Ethics Honolulu, Hawaii – May 2003
Seminar	The Private Conservation Market Honolulu, Hawaii – July 2002
Seminar	Finance Reporting Valuations Parts I and II Honolulu, Hawaii – July 2002
Seminar	Future of Appraisal Profession from a Global Perspective Honolulu, Hawaii – July 2002

Seminar	Appraisal Office Management Honolulu, Hawaii - July 2002
Course 540	Report Writing Denver, Colorado - December 2000
Seminar	Partial Interests: Theory and Case Law Las Vegas, Nevada - July 2000
Seminar	Easement Valuation Las Vegas, Nevada - July 2000
Seminar	Bridging the Gap: Marketability Discounts for Real Estate Interests Las Vegas, Nevada - July 2000
Course 430	Standards of Professional Practice, Part C Honolulu, Hawaii - September 1999
Seminar	Litigation Skills for the Appraiser: An Overview Honolulu, Hawaii - May 1998
Seminar	Special Purpose Properties Honolulu, Hawaii - September 1997
Seminar	Highest and Best Use Applications Honolulu, Hawaii - September 1997
Seminar	Debt/Incentive Conditions Honolulu, Hawaii - July 1997
Seminar	The Appraiser As Expert Witness Honolulu, Hawaii - August, 1995
Seminar	How to Appraise FHA-Insured Property Los Angeles, California - January, 1995
Seminar	Understanding Limited Appraisals and Reporting Options Honolulu, Hawaii - August, 1994
Seminar	Valuation of Leasehold Interests Honolulu, Hawaii - May, 1993
Seminar	Valuation of Leased Fee Interests Honolulu, Hawaii - May, 1993
Seminar	Valuation Considerations: Appraising Non-Profits Boston, Massachusetts - July, 1992
Seminar	Americans With Disabilities Act Boston, Massachusetts - July, 1992
Seminar	Valuation in Today's Capital and Financing Markets Honolulu, Hawaii - June 1992
Seminar	Arbitration Principles, Procedures and Pitfalls Honolulu, Hawaii - June, 1992
Seminar	Institutional Real Estate in the 1990's Honolulu, Hawaii - June, 1992
Seminar	FIRREA and its Impact on Appraisers Honolulu, Hawaii - June, 1992
Course 410/420	Standards of Professional Practice, Parts A & B Honolulu, Hawaii - April, 1991
Seminar	The American Society of Farm Managers and Rural Appraisers, Inc. Agricultural Lease Valuation Honolulu, Hawaii - March 2006

Seminar	Maui Coastal Land Trust Understanding the New Tax Incentives: Conservation Easements & Other Charitable Contributions Waialuku, Hawaii - June 2007
Society of Real Estate Appraisers	
Course 101	Introduction to Appraising Real Property Dallas, Texas - 1987
Course 102	Applied Residential Property Valuation Honolulu, Hawaii - July 1990
Course 201	Principles of Income Property Appraising Chicago, Illinois, 1987
Course 202	Applied Income Property Valuation San Diego, California - 1988
Seminar	Professional Practice and the Society of Real Estate Appraisers Honolulu, Hawaii - 1988
Seminar	Appraisal Standards Seminar - Federal Home Loan Bank Board Guidelines, Regulations and Policies Honolulu, Hawaii - April, 1988
Seminar	Appraisal Standards Seminar - Federal Home Loan Bank Board Guidelines, Regulations and Policies Honolulu, Hawaii - April, 1988
American Institute of Real Estate Appraisers	
Seminar	Rates, Ratios and Reasonableness Honolulu, Hawaii - 1989
Seminar	Discounted Cash Flow Analysis Honolulu, Hawaii - 1989
Seminar	Highest and Best Use Honolulu, Hawaii - 1989
Seminar	Capitalization Overview - Part A Honolulu, Hawaii - 1990
Seminar	Capitalization Overview - Part B Honolulu, Hawaii - 1990
Seminar	Accrued Depreciation Honolulu, Hawaii - 1990
International Right of Way Association	
Course 101	Appraisal Las Vegas, Nevada - October, 1998
Course 101	Negotiation Las Vegas, Nevada - October 1998
National Business Institute, Inc.	
Seminar	Commercial Real Estate Leasing In Hawaii Honolulu, Hawaii - 1989
American Arbitration Association	
Seminar	Real Estate Dispute Resolution - Mediation and Arbitration Kahului, Maui, Hawaii - October, 1990

PROFESSIONAL QUALIFICATIONS

Shane M. Fukuda

STATE LICENSING

State Certified General Appraiser
State of Hawaii, License No. CGA-B10, July 1, 2007
Expiration: December 31, 2011

PROFESSIONAL AFFILIATIONS

Shane Fukuda is a general Associate Member of the Appraisal Institute

EMPLOYMENT

ACM Consultants, Inc.
November 2009 to Present
Vice President – Commercial Division
July 2007 to October 2009
Staff Appraiser
October 2004 to June 2007
Appraiser Assistant; Appraiser Trainee

Previously associated with the following:

Dollar Thrifty Automotive Group, Inc.
1994 to 2004
Rental Agent; Lead Rental Agent; Station Manager; Senior Station Manager

GENERAL EDUCATION

Hawai Community College, 1989-1990
Henry Perrine Baldwin High School, 1989

APPRAISAL EDUCATION

Appraisal Institute

Course 501GD Advanced Income Capitalization
San Diego, California – June 2011

Seminar
Hotel Valuation
Honolulu, Hawaii – February 2010

Seminar
Online Subdivision Valuation
Chicago, Illinois – December 2009

Course
Online Business Practices and Ethics
Chicago, Illinois – December 2009

Seminar
Online Small Hotel/Motel Valuation
Chicago, Illinois – December 2009

Professional Qualifications Page 2

Course
Online 7 Hour National USPAP Equivalent
Chicago, Illinois – December 2009

Seminar
Hawaii Lands, Historical Review
Kahului, Hawaii – September 2009

Course 320
General Applications
San Diego, California – July 2006

Course 310
Basic Income Capitalization
San Diego, California – July 2006

Course 101
Basic Appraisal Procedures
Denver, Colorado – April 2005

Course 100
Basic Appraisal Principles
Denver, Colorado – April 2005

Lincoln Graduate Center

Course 405
Residential Sales Comparison & Income Approaches
Honolulu, Hawaii – November 2006

Course 404
Residential Appraiser Site Valuation & Cost Approach
Honolulu, Hawaii – November 2006

Course 403
Residential Market Analysis & Highest & Best Use
Honolulu, Hawaii – November 2006

Course 772
National USPAP Course
Honolulu, Hawaii – October 2006

Course 772
National USPAP Course
Honolulu, Hawaii – January 2005

MISCELLANEOUS EDUCATION

REALM Business Solutions

Course
Argus 12.0
Honolulu, Hawaii – July 2005