

822 Bishop Street Honolulu, Hawaii 96813 P.O. Box 3440 Honolulu, Hawaii 96801-3440 www.abprop.com STATE OF HAWA Fax (808) 525-6611 STATE OF HAWA Fax (808) 525-8447

November 7, 2016

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Mr. Daniel E. Orodenker Executive Officer Land Use Commission State of Hawaii P. O. Box 2359 Honolulu, HI 96804-2359

Subject:Supplemental Report to the State Land Use CommissionDocket No. A07-772/A&B Properties, Inc.- Kihei Residential

Dear Mr. Orodenker:

Thank you for taking the time to meet on November 7, 2016, to discuss our Kihei Residential project ("Project"). As discussed, this report is being provided to update you regarding specific development plans relating to the subject Project.

Project Background and Status

By its Decision and Order dated February 20, 2009, the State Land Use Commission (SLUC) granted approval of A&B Properties, Inc.'s ("A&B") petition to reclassify approximately 94.352 acres from the "Agricultural" to the "Urban" land use district at Waiakoa, Maui. Approval of the petition was subject to 28 conditions. The development of the subject property is for a planned residential community.

Since receiving County community plan and zoning approval for the Project from the County of Maui in August 2014, A&B has proceeded with the design, engineering and construction of the Project. Plans for the Project's initial increment include affordable residential units as prescribed by the County's residential workforce housing policy. The master plan seeks to provide a range of housing types to meet a range of price points and market segments, all geared toward primary housing for Maui families. Toward that end, the plan includes a mix of multi-family attached and single-family detached units, including stacked flats, townhomes, motor court homes and single-family detached homes under condominium ownership. To provide for that mix of housing types within the R-1 zoned area, A&B sought and received a Cluster Housing permit from the County of Maui in 2015. This permit allows for a mix of single family detached housing types to meet a wider range of market segments and price points.

Construction of the Project commenced in March 2016, with site grading and infrastructure improvements. To date, A&B has invested approximately \$13 million in the project. The Project has also been given a new name and is now referred to as "Kamalani".

Compliance with Representations to the Commission

Pursuant to recent discussions with the Maui Planning Department and Director Will Spence, it was felt appropriate to provide you this update concerning compliance with one of the conditions of approval imposed on the Project. Condition No. 21 relates to the compliance with representations made to the SLUC and reads as follows:

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

The decision and order under Docket No. A07-772 included finding of fact no. 22 which described the Project as envisioned at that time and which reads as follows:

Petitioner proposes a total of approximately 600 market and affordable residential units in addition to a small 1.4-acre neighborhood commercial site at the western (makai) end. Approximately 200 multi-family attached units are proposed at the western portion of the Petition Area. The central portion of the Petition Area is planned for approximately 100 single-family detached units on subdivided lots of approximately 6,000 square feet. The eastern (mauka) portion of the Petition Area is planned for approximately 300 singlefamily detached residential units that would not be subdivided, but clustered and offered under condominium ownership.

As indicated in prior annual reports, A&B firmly believes the Project is being developed in substantial compliance with representations to the Commission. Toward that end, described below are details of the Project as planned to date.

Consistent with prior representations, the western (makai) end of the Project is being developed with approximately 170 multi-family attached units, including stacked flats and townhomes. (See attached conceptual plan.) These homes are being developed pursuant to and in fulfillment of the County of Maui's Residential Workforce Housing Policy. Also included in this area is the small 1.4-acre commercial site. As reported in our 2013 annual report, the State Department of Transportation advised in 2012 that the planned right-in/right-out access onto Piilani Highway from the Project would not be permitted. This planned right-in/right-out access was adjacent to and provided direct access to the commercial site. As a result of this action, traffic circulation within the Project had to be redesigned and optimal use of the commercial site was effectively diminished. This area is now planned as a community center to serve the Project. The center is planned to include recreational and meeting facilities, as well as venues for other potential neighborhood services (e.g. daycare). Also, as part of the Project redesign due to the removal of the right-in/right-out access, a small portion of the multi-family area has now been incorporated into the commercial area (Note that multi-family use is permitted in the B-2 zoned commercial area.).

The central portion of the Project continues to be planned for single-family detached units, however, rather than subdivided lots, these are now planned to be developed under condominium ownership. The condominium lots (limited common areas) are anticipated to be approximately 3,000 square feet in size. (See attached conceptual plan.) While single-family detached units on subdivided lots (minimum of 6,000 square feet) were analyzed, the current plan was preferred due to lower per unit costs and the ability to meet a wider range of price points and target market segments. This plan required a Cluster Housing permit from the County of Maui and was described in our 2015 annual report (copy attached). While detailed plans for the eastern (mauka) portion of the Project have yet to be finalized, market demand will dictate specific product types and is anticipated to be a combination of single family and multi-family units. As development progresses in this area, this will be disclosed in future annual reports.

The conceptual master plan presented to the SLUC in 2007 sought to provide a range of housing types to meet a range of price points and market segments, all geared toward primary housing for Maui families. This remains the intent of the Project today. The conceptual master plan has continued to evolve over the years as the project continued through the County entitlement process (CPA & CIZ approval processes) and through more detailed engineering and architectural design phases. This is part of the normal review and approval process, wherein the Project undergoes additional agency review and the master plan is further refined.

We firmly believe that the Project is being developed in substantial compliance with prior representations. With regard to the specific area defined by our Cluster Permit, the area continues to be proposed for single-family residential use consistent with prior representations. Subsequent to the SLUC's approval, more detailed planning, engineering and architectural design has been undertaken to determine the siting of home sites while accounting for topography, drainage, roadway and utility system improvements. The resulting cluster housing plan reflects this.

Further, the overall Project remains consistent in two primary regards. The planned residential use remains unchanged, with a mixture of single-family and multi-family product types. The overall project residential density remains at approximately 600 units as previously represented. While unit counts in some of the above described areas may differ, the overall Project unit count remains as represented. As described above, the small commercial site is planned for a community center. The use of the commercial site for a community center is expected to have less traffic impacts than commercial use. Since the overall Project uses and density have not materially changed, impacts to infrastructure and resources remain consistent.

For the above reasons, we believe that development of the Project is substantially compliant with representations made to the SLUC and condition no. 21. We welcome your comments, if any, concerning our compliance and thank you for your consideration of this matter.

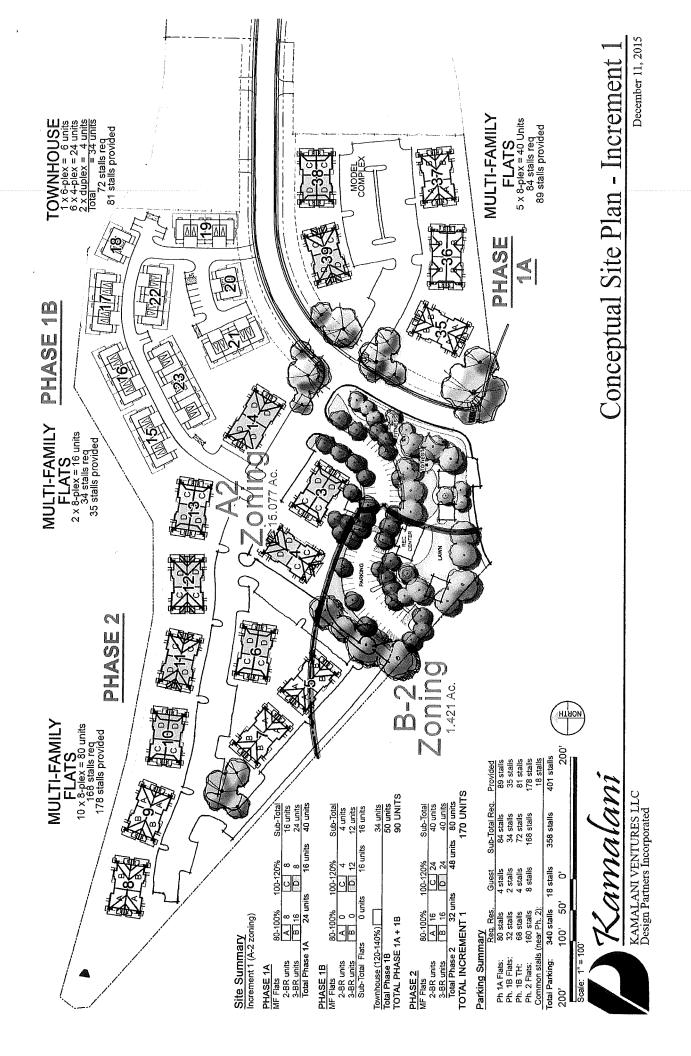
Sincerely,

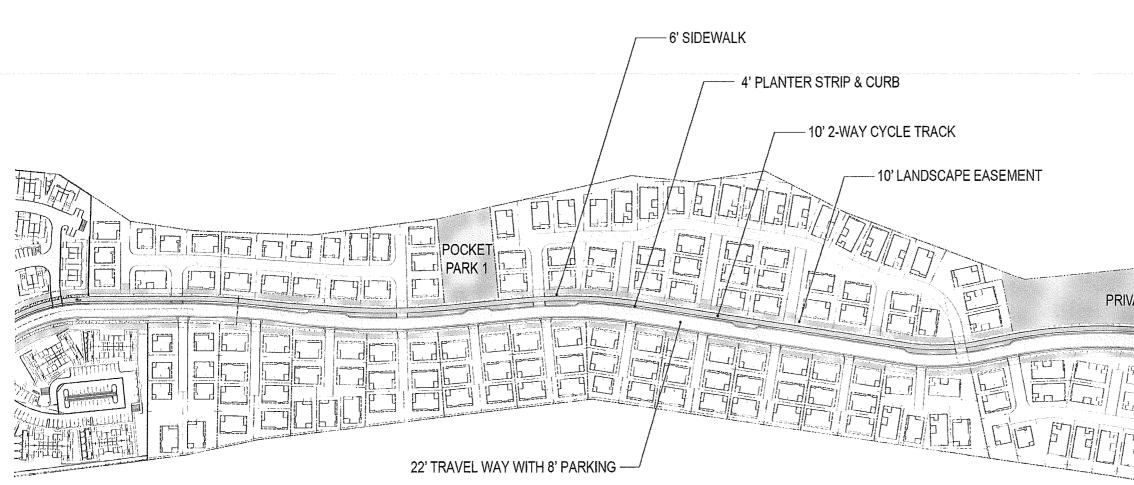
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Daniel Y. Yasu, AICP Vice President

Encl.

cc: Mr. Will Spence, County of Maui Planning Department Mr. Ben Matsubara, Matsubara, Kotake &Tabata State Office of Planning







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April	11, 2016	



822 Bishop Street Honolulu, Hawaii 96813 P.O. Box 3440 Honolulu, Hawaii 96801-3440 www.abprop.com Tel (808) 525-6611 Fax (808) 525-8447

June 22, 2015

Mr. Daniel E. Orodenker Executive Officer Land Use Commission State of Hawaii P. O. Box 2359 Honolulu, HI 96804-2359

Subject: 2015 Annual Report for the State Land Use Commission Docket No. A07-772/A&B Properties, Inc.- Kihei Residential

Dear Mr. Orodenker:

This constitutes A&B Properties, Inc.'s ("A&B" or "Petitioner") 2015 annual report for the subject Kihei Residential project ("Project").

Project Background and Status

By its Decision and Order dated February 20, 2009, the State Land Use Commission (SLUC) granted approval of A&B's petition to reclassify approximately 94.352 acres from the "Agricultural" to the "Urban" land use district at Waiakoa, Maui. Approval of the petition was subject to 28 conditions. The development of the subject property is for a planned residential community.

As noted in the petition, additional land use approvals, including a community plan amendment and change in zoning from the County of Maui were required for the Project. In deference to the County of Maui Planning Department's January 10, 2008 policy of not supporting applications for community plan amendment while the Maui General Plan Update process was ongoing, A&B withheld the filing of County land use applications after the SLUC's approval in February 2009. However, on November 24, 2009, the Planning Department rescinded this policy, citing in part the progress made regarding the Maui General Plan Update. As a result of this change in policy, Project applications for community plan amendment and change in zoning were filed with the County of Maui in April 2010. The applications were subsequently processed for agency and public review. The applications received the support of the Maui Planning Department who recommended approval with conditions. On December 14, 2010, the Maui Planning Commission conducted a public hearing on the applications and after due deliberation voted to recommend the Maui County Council's approval of the community plan amendment and change in zoning applications with conditions. The applications and recommendation of the Maui Planning Commission were forwarded to the Maui County Council by the Planning Department in March 2011. In December 2012, after years of review and public comment, the County of Maui adopted the Maui Island Plan. As a result, the subject property is now appropriately situated within the Maui Island Plan's designated urban growth boundary.

Petitioner will incorporate this disclosure into applicable sales materials and legal documents.

3. <u>Provisions of the Hawai'i Right to Farm Act</u>. Petitioner shall notify all prospective buyers of the Petition Area that the Hawai'i Right to Farm Act, HRS chapter 165, limits the circumstances under which pre-existing farm activities may be deemed a nuisance if there are any lands in the Agricultural District adjacent to the Petition Area.

Petitioner will incorporate this notice into all applicable legal documents.

4. <u>Integrated Solid Waste Management Plan</u>. Petitioner shall cooperate with the DOH and the County of Maui to conform to the program goals and objectives of HRS chapter 342G, and the County of Maui's approved integrated solid waste management plan in accordance with a schedule and timeframe satisfactory to the DOH. Petitioner shall, in coordination with appropriate State and County government agencies, assist in the planning and promotion of solid waste recycling facilities, including recycling bins in public places, such as schools and parks, if any, within the proposed development.

Petitioner will comply with this condition as development of the Project progresses.

5. <u>Water Resources Allocation</u>. Petitioner shall provide a long-term drinking water source, storage, and transmission facilities and improvements to accommodate development of the Petition Area to the satisfaction of the DWS and other applicable State and County agencies.

Petitioner, in partnership with other parties, including the County DWS, is undertaking the development of new potable groundwater wells to serve the project.

6. <u>Water Conservation Measures</u>. Petitioner shall implement water conservation measures and BMPs, such as use of endemic, indigenous and drought-tolerant plants and turf, and incorporate such measures into the landscape planting. Petitioner shall also coordinate with Maui County in the utilization of R-l recycled water and other non-drinking water sources, where feasible.

Petitioner is incorporating water conservation measures, including the use of drought tolerant plants, into the Project's landscaping plans. Petitioner is also pursuing the use of non-potable water for landscape irrigation purposes, which will reduce the use of potable water by the Project.

7. <u>Wastewater</u>. Petitioner shall develop a wastewater collection and transmission system and other sewer improvements in the Petition Area, as required by the DOH and the DEM. Petitioner shall also pay a fair-share contribution to fund improvements to wastewater treatment facilities to serve the Petition Area as determined by the County of Maui. proceed with the development of the Project until the DOT reviews and agrees with the proposed traffic improvements and mitigation measures, including any modifications to the existing bikeway along Pi`ilani Highway. Petitioner shall contribute its fair share of the cost of State highway planned improvements and/or traffic mitigation measures that will alleviate the impacts generated by the proposed development and uses, as agreed to by Petitioner and the DOT, in accordance with the findings of the TIAR and any required updates. Within the Petition Area, bike paths and accommodations to support public bus transportation services (bus stop) shall be provided as determined by the applicable governmental agencies.

In August 2014, an updated traffic analysis was submitted to the State DOT for review. This traffic analysis supplemented the Updated/Revised TIAR dated January 22, 2013, which was accepted by the DOT in May 2013. On May 26, 2015, the DOT accepted the updated traffic analysis including the timing of the improvements at the Piilani Highway/Kaiwahine Street intersection. A copy of that letter is attached (Attachment 4).

13. <u>TDM Plan</u>. Petitioner shall submit a TDM plan to the County of Maui together with any future land use applications, including but not limited to any application for a Community Plan Amendment and/or Change in Zoning.

In fulfillment of this condition, the TDM plan was prepared and submitted with the project applications for County community plan amendment and change in zoning in April 2010.

14. <u>Public School Facilities</u>. Petitioner shall contribute to the development, funding and/or construction of school facilities, on a fair-share basis on the market units only, as determined by, and to the satisfaction of, the DOE. Terms of any contribution shall be agreed upon in writing by Petitioner and the education agency.

Petitioner and the DOE have executed an educational contribution agreement for the Project. A copy of the educational contribution agreement, dated December 22, 2014, is attached. (Attachment 5)

15. <u>Previously Unidentified Burials and Archaeological/Historic Sites</u>. In the event that historic resources, including human skeletal remains, lava tubes, and lava blisters/bubbles are identified during the construction activities, all work shall cease in the immediate vicinity of the find, the find needs to be protected from additional disturbance, and the DLNR, SHPD, shall be contacted immediately. Without any limitation to any other condition found herein, if any burials or archaeological or historic sites, such as artifacts, marine shell concentrations, charcoal deposits, stone platforms, pavings, and walls not previously identified in studies referred to herein, are discovered during the course of construction of the Project, Petitioner shall comply with all applicable statutes and rules of the DLNR, SHPD. In addition, all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological

Petitioner is evaluating various energy conservation measures and will comply with this condition as development of the Project progresses.

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

Petitioner is proceeding with development of the Project in substantial compliance with representations made to the SLUC. As noted earlier, the Petitioner received a Cluster Housing permit for the R-1 portion of the Project to allow for a mix of single family detached housing types to meet a wider range of market segments and price points.

22. <u>Infrastructure Deadline</u>. Petitioner shall complete construction of the proposed backbone infrastructure, including the primary roadways and access point, residential internal roadways, and water supply, sewage and electrical infrastructure within ten years from the date of the decision and order.

As noted previously, it took approximately 5 and one half years after SLUC approval to attain County zoning for the Project. Petitioner's efforts during that time were focused on the attainment of community plan and zoning approvals from the County of Maui. These approvals took significantly longer than anticipated and have potentially adversely impacted Petitioner's ability to comply with this condition. Nonetheless, Petitioner is proceeding as quickly as possible with the design, engineering and subdivision processes necessary to commence construction of the Project and to meet the requirements of this condition. Petitioner requests that the SLUC acknowledge this material fact in any subsequent review of compliance with this condition.

23. <u>Order to Show Cause</u>. If Petitioner fails to complete proposed backbone infrastructure within ten years from the date of the decision and order, the Commission may issue and serve upon Petitioner an Order to Show Cause and the Petitioner shall appear before the Commission to explain why the Petition Area should not revert to its previous State Land Use Agricultural District classification or be changed to a more appropriate classification.

Petitioner acknowledges this condition, however, as noted above, the attainment of County community plan and zoning approvals took significantly longer than anticipated. Nonetheless, Petitioner is moving ahead with the design, engineering and subdivision processes necessary to commence construction of the Project and to meet the requirements of this condition. Petitioner requests that the SLUC acknowledge this material fact in any subsequent review of compliance with this condition. Sincerely,

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Daniel Y. Yasyi, AICP Vice President

cc: State Office of Planning County of Maui Planning Department Ms. Marisa Fujimoto, Senior Associate May 27, 2015 Page 2

Thank you for your cooperation. If additional clarification is required, please contact Staff Planner Kurt Wollenhaupt at <u>kurt.wollenhaupt@mauicounty.gov</u> or at (808) 270-1789.

Sincerely, Sincerely, -MMn/Mm

WILLIAM SPENCE Planning Director

 XC: Clayton I. Yoshida, AICP, Planning Program Administrator (PDF) John S. Rapacz, Planning Program Administrator (PDF) Kurt F. Wollenhaupt, Staff Planner (PDF) State Land Use Commission Department of Public Works Project File General File
 WRS:KFW:nt K:WP_DOCS\PLANNING\CL1\2015\0001_Kihel_Residential_Cluster\Approval.doc

Attachment 3

DAVID Y. KIE COVERHOR OF HAWAN



VIRGINIA PRESSLER, M.D. Director of Health

STATE OF HAWAII DEPARTMENT OF HEALTH P. O. BOX 3378 HONOLULU, HI 96801-3378

April 15, 2015

In reply, please refer to: File: 15-162-uP

Sean O'Keefe, Director, Environmental Affairs Alexander & Baldwin, Inc. PO Box 266 Pu'unēnē, Maui, HI 96784 sokeefe@hcsugar.com

- Facility/Site: A&B Properties Former Agricultural Land, Kihei, Maui, TMK (2)-3-8-004: Parcel 030, Parcel 002 (portion) and Parcel 022(portion).
- Subject: General Agreement with Recommendations of Phase II Site Investigation, former agricultural land, 92 acres, Kihei, Maui, TMK (2)-3-8-004: Parcel 030, Parcel 002 (portion), and Parcel 022 (portion).

Dear Mr. O'Keefe:

The Hawai'i Department of Health (HDOH) Hazard Evaluation and Emergency Response Office (HEER Office) has reviewed the Phase II Site Investigation for the Subject site prepared by Bureau Veritas North America, dated June 20, 2014. Based on review of the soil sampling testing information for metals, organochlorine pesticides, and organophosphorous pesticides, the HEER Office is in general agreement with the findings that it appears the site has not been significantly impacted by historical agricultural land use.

The chemical residue data collected from 15 decision units that ranged from 3-9 acres in size across this 92-acre parcel showed that all contaminants examined, with the exception of heptachlor expoxide in 5 of the 15 Decision Units, were either below lab reporting limits or so far below applicable HEER Office Environmental Action Levels (EALs) that they were not a significant potential exposure concern. The levels of heptachlor epoxide in 5 of the 15 decision units were also low, just 2 to 11% of the EAL, and based on additional rationale regarding both how the samples were collected and how this chemical was likely to have been used on the site in the past, the HEER Office agrees it is unlikely that heptachlor epoxide would exceed the EALs, even if tested on a statistical proportion of the actual residential lots sizes that may be located on the property in the future (e.g. tested on a number of 5000 sq. ft. lots).

That said, please note that the level (scale) of testing conducted to date does not meet current HEER Office Technical Guidance for issuance of a No Further Action (NFA) letter for unrestricted use, though it does provide assurance of no shallow surface soil contamination over HDOH EALs at the "neighborhood" scale, and as noted the likelihood that there are significant heptachlor epoxide soil contamination issues on a portion of the property at the smaller

Attachment 4

DAVID Y IGE GOVERNOR



STATE OF HAWAII DEPARTMENT OF TRANSPORTATION 869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

May 26, 2015

FORD N. FUCHIGAMI DIRECTOR

Deputy Directors JADE T BUTAY ROSS M HIGASHI EDWIN H. SNIFFEN DARRELL T YOUNG

IN REPLY REPER TO: HWY-PS 2.9934

The Honorable Robert Carroll Chairman Land Use Committee Maui County Council 200 S. High Street Wailuku, Maui, Hawaii 96793

Dear Councilmember Carroll:

Subject: Community Plan Amendment and Change in Zoning for a Residential Community Project for A & B Properties, Inc. (LLU-7) Kihei Residential Development Piilani Highway/Kaiwahine Street Intersection Improvements Kihei, Maui, Hawaii, TMK: (2) 3-8-004: portions of 002, 022, and 030

The State Department of Transportation has reviewed additional information provided by A & B Properties, Inc. (A & B) on August 18, 2014 to update the previously accepted January 22, 2013 Traffic Impact Analysis Report and is agreeable to allow A & B to: 1) submit design plans, and 2) construct the Piilani Highway/Kaiwahine Street Intersection improvements prior to the certificate of occupancy for the 175th and 275th dwelling units in the Kihei Residential Development, respectively.

If there are any questions, please contact Ken Tatsuguchi, Engineering Program Manager, Highways Division, Planning Branch at (808) 587-1830. Please reference file review number PS 2013-039B in all contacts and correspondence regarding these comments.

Sincerely,

FORD N. FUCHIGAMY

Director of Transportation

c: Mr. David Goode, Maui County Department of Public Works Mr. Alan K. Arakawa, A & B Properties, Inc.

- The amount of the fee shall be adjusted from the effective date of this b. agreement to the date it is paid, so that it is always equal to the Central Maui District Impact Fee that is in effect at the time of payment. ...
- С. The total estimated cash contribution for Kihei based on a total of 600 residential units, including an estimated 400 single family units and estimated 200 multi family units, is approximately \$2,623,400. However, the actual total cash contribution for Kihei will be based on the actual number of single family and multi family units developed.
- This Agreement shall be binding upon DOE and A&B, or its successor in interest. 2.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement the day and year first above written.

A&B PROPERTIES, INC.	
ByAAAA [Name of Individual] PALILW, HALLIN Its EXECUTIVE VICE PRESIDENT	Date: <u>12/01/2014</u>
By [Name of Individual] GHARLES W. LOOMIS Its ASST. SECRETARY	Date: 12/01/2014
DEPARTMENT OF EDUCATION	DEC 2 2 2014
By Carlulla	Date:

[Name of Superintendent]

STATE OF HAWAII) CITY AND COUNTY OF HONOLULU) The attached document: dated, which consist of me by on this Circuit of the State of Hawaii by	ss. Please see notary page attached page(s), was subscribed and sworn to in the First
[Notary Signature] Printed Name: My commission expires:	• •
STATE OF HAWAII CITY AND COUNTY OF HONOLULU The attached document: Educational Contribution Agreement for K dated undered D notany, which consist of 5 me by Kathingh S. Matayoshi on this 27 Circuit of the State of Hawaii'by Shavon K.M.	page(s), was subscribed and sworn to
Printed Name: <u>Sharon K. M. Tong</u> My commission expires: <u>Movember 27 2018</u> L.S.	Undaled Doc. Date. <u>a) notary</u> # Pages: <u>5</u> Notary Name: <u>Stieron K.M. Tong</u> 1 ^e Circuit Doc. Description: <u>Edu Contribution Agrint</u> <u>Fo-Lihei Resolentrel</u> , <u>Project</u> <u>ERAJON</u> <u>Kui Tong</u> <u>13/23/2014</u> <u>Date</u> NOTARY CERTIFICATION <u>L</u> S

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