

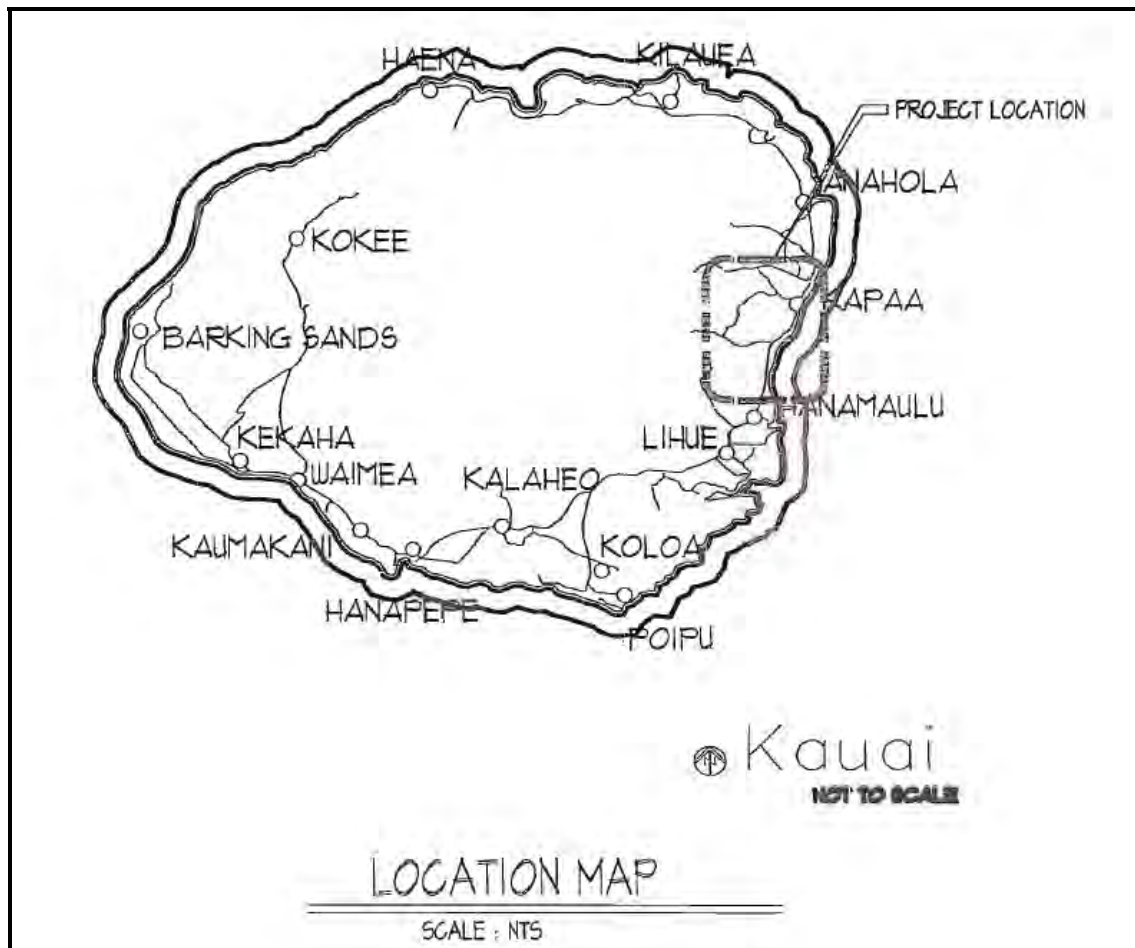
Chapter 2 - Project Description

This chapter gives a general description of the project, its location and proposed actions.

2.1 Project Location

The Kapa'a-Wailua area is located on the eastern plain of the island of Kaua'i, State of Hawai'i. Kaua'i is the northernmost and geologically the oldest of the main Hawaiian Islands. It comprises 549-square miles of land area and 90 miles of coastline, and is the fourth largest in size and population.

Kaua'i is generally circular in shape with an average diametric width of 30-miles. The higher central mountainous sector is dominated by Mount Wai'ale'ale, with a peak elevation slightly more than 5,000 feet. Except for about 10 miles of sea cliffs along the northwesterly Nāpali Coast, the overall terrain rises gently inland from the relatively flat coastal plains to the farmlands and agricultural belt, then toward the grassy uplands, rolling foothills and forest reserves before ascending the hinterlands and the rugged slopes of Mount Wai'ale'ale.



The subject property is within the Kawaihau district which extends from the Wailua River north to Moloa'a, including the Kapa'a-Wailua basin, Keālia and Anahola.

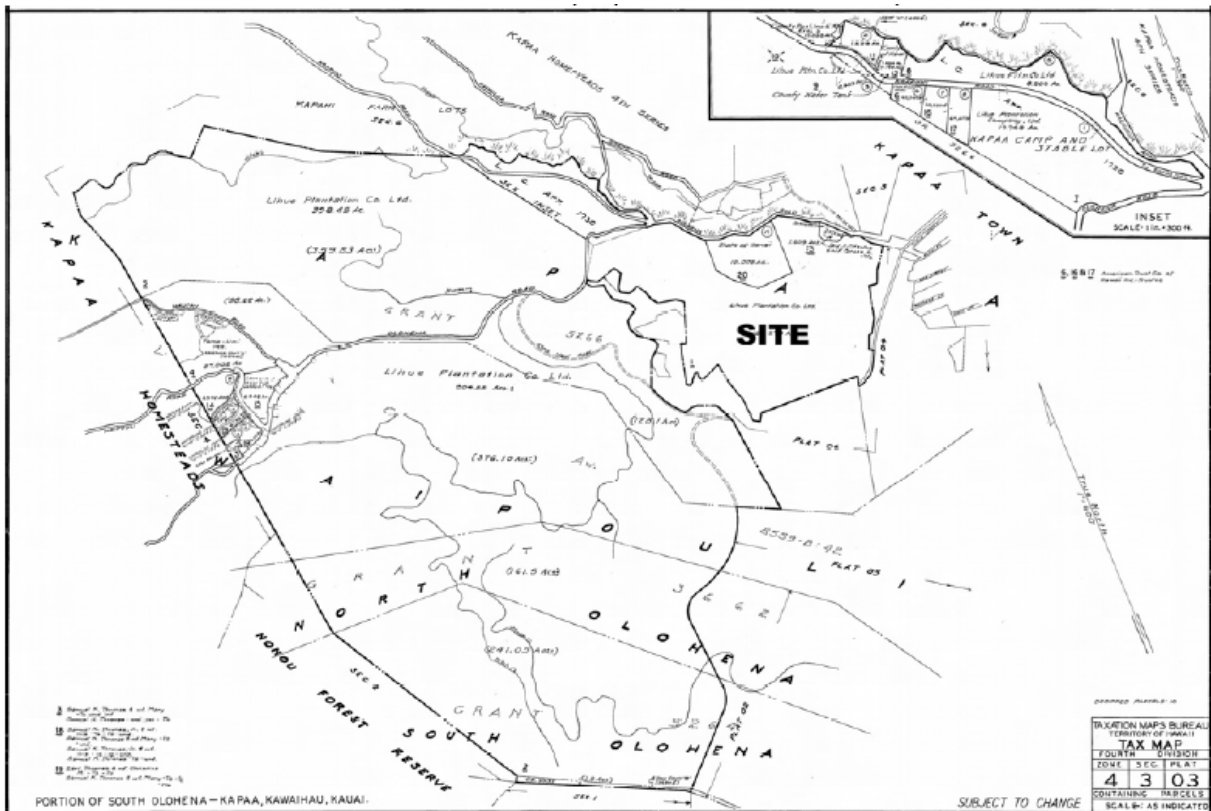
Kapa'a Beach Park is now an open-space "town park," opening up physical and visual access between the town and the beach. While retaining and enhancing its unique historical and architectural heritage, Kapa'a is a town with a vibrant community of businesses and neighbors. Visitors enjoy the "sense of place" and are attracted to return.

The Kapa'a By-Pass Road furnishes an alternate route for those traveling between the North Shore and Līhū'e. Connector roads link the By-Pass to Kūhiō Highway, providing alternatives to reach commercial areas along the coast and improving circulation within the valley. Traffic is minimized and dispersed through the road network.

The subject 97-acres of HoKua Place, is a portion of a larger parcel. The property is located in Kapa'a, Kaua'i, Hawai'i and is identified by Tax Map Key No. (4) 4-3-003:001 (portion). In addition, a portion of the larger parcel will house a well and waterline improvements as necessary.

The Subject Property is located on the north side of Kapa'a town on former cane lands situated on a bluff adjacent to the coastal plain of Kapa'a Town. It is bordered by Olohena Road to the north and the Kapa'a Bypass Road on the south and east sides of the project. Kapa'a Intermediate School is near the middle of the north portion of the property.

The Kapa'a By-Pass Road separates the town and the Property. The subject property is surrounded by remnant sugar lands and residential uses. A Solar farm is located on HoKua Farm Lots (formerly known as Kapa'a Highlands I) and is producing 1.18 megawatts of energy which is feeding into the Kaua'i electric distribution grid. Across Olohena Road are single family residential neighborhoods as well as commercial areas.



2.2 Project Description

The proposed development, HoKua Place, will utilize 97-acres of land for single-family and multi-family residential, commercial uses and assorted infrastructure. Development of the Property will address a portion of the significant demand for affordable housing in the County of Kaua'i, without significantly affecting reserve areas for foreseeable urban growth.

The approximate 97-acres proposed for development will be subdivided into single family lots ranging from 7,500 to 10,000 square feet and multi-family lots from 1-acre to 5-acre parcels.

A total of 683-multi-family units and 86-single family lots and homes are planned. Open space encompassing 14.3 acres will be developed.

A 3.1 acre park is proposed adjacent to the existing Kapa'a Middle School. The park will have an area for the county's proposed relocation of the Kapa'a county swimming pool. A 1.4-acre parcel is proposed for commercial use. A country type store and small personal service types of use are anticipated.

One acre on the Makai side of the Kapa'a Bypass road (southwest corner of Olohena and the bypass road) is proposed for future commercial use or for sub-stations for the police and fire departments.

The proposed main, multi-modal roadway through the development will include bus stops, sidewalks and a bike and walking path connecting from Kapa'a Middle School down through the development to the round-about and facilitating green travel to and from Kapa'a's town core.

Subdivision improvements, including roads, water system, wastewater, utilities and others improvements, are anticipated to commence upon the securing of all necessary land entitlements and building permits. The estimated cost for the subdivision improvements is \$22 million.

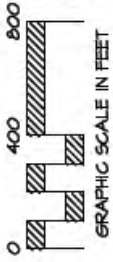
It is the intent of the proposed project to develop a sustainable community. To date, the site has already been developed with an operational 1.18 MW, four-acre solar facility on the Phase I proposed uses on the overall parcel. Additional sustainable connectivity concepts including bikeways and walkways to and from the pool, neighborhood commercial areas, the middle school and Kapa'a's town core are planned.

HoKua Place will be a sustainable community and will incorporate the following elements found within the HoKua Place (formerly known as Kapa'a Highlands II) Sustainability Plan (Exhibit B).

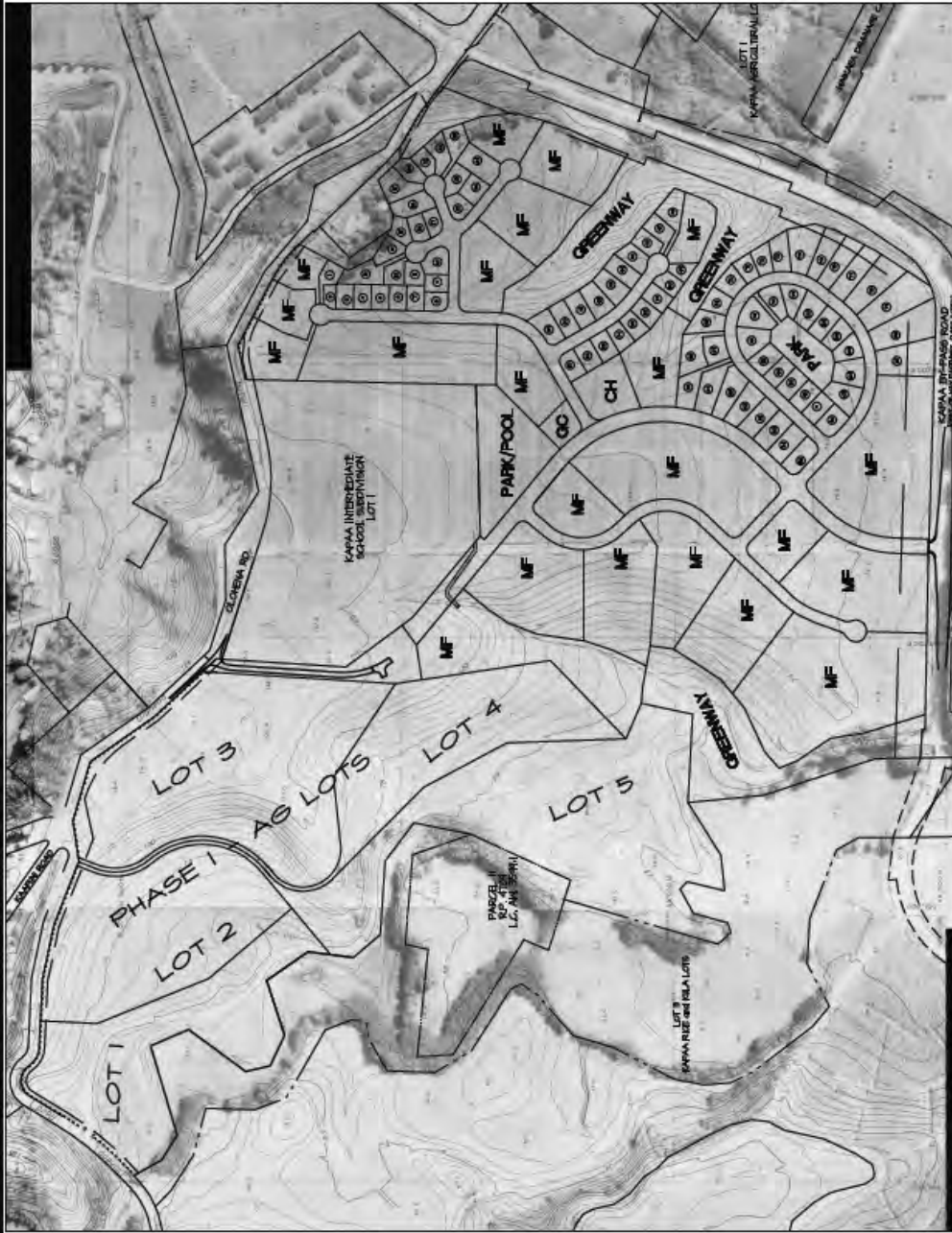
Sustainability Programs and Plans: HoKua Place will incorporate the core principles of the various sustainability programs and plans.

Natural and Cultural Resources: No archaeological sites are known to exist on the property. Should any archaeologically significant artifacts, bones, or other indicators be uncovered during construction, HoKua Place is committed to strict compliance with State laws and rules.

Land Use: HoKua Place is consistent with local land use plans including the General Plan of the County of Kaua'i, the Kapa'a Town Development Plan and the Kapa'a-Wailua Basin Community Plan.



PHASE 2 BREAKDOWN
SINGLE FAMILY R6/R8 - 86 UNITS
MULTI FAMILY R14 - 683 UNITS
PARKS - 3.1 ACRES
GREENWAYS - 14.3 ACRES
ROADS - 15.2 ACRES



KAPAA HIGHLANDS PHASE II

SCALE: 1 INCH = 400 FEET
 CONCEPT PLAN FEB. 2, 2009

Design Features: HoKua Place will include sustainable design features including strategies to reduce solar heat gain through roofs, walls and windows; using site planning and landscaping to improve natural ventilation; daylighting design; and energy efficient light fixtures.

Transportation: HoKua Place will incorporate bus stops into its road system; multi-modal interconnected roads; and complete streets design.

Economic Opportunities: HoKua Place proposes two areas for commercial uses which will provide a variety of job opportunities; construction and construction-related employment will have direct beneficial impact on the local economy during construction.

Open Space and Parks: HoKua Place proposes open space and open greenway areas encompassing 14.3-acres including a 3.1-acre park for the proposed relocation of the Kapa'a county swimming pool.

Water Management: HoKua Place will install water efficient fixtures, appliances and high efficiency toilets to reduce indoor water use.

Energy Management: HoKua Place will incorporate energy conservation and efficiency measures; solar energy for water heating; encourage photovoltaic systems and other renewable energy sources.

Health: HoKua Place's layout and design will create an opportunity for both residents and the community to have a positive effect on their health through walkable and bikable transportation options.

Education: HoKua Place will coordinate with the DOE to ensure that the facility assessment policy is addressed. In addition, a 3.1-acre park will be included in the plan and the Kapa'a county swimming pool will be relocated within the park.

Housing: HoKua Place conforms to the Kaua'i County Affordable Housing Ordinance No. 860 and offers a variety of housing types that will address a portion of the housing needs of the island.

Social: HoKua Place promotes social sustainability through socially-focused actions that will support quality of life, sense of place and community livability for all residents and the community.