

Waiko Industrial Investment, LLC

LAND USE COMMISSION
STATE OF HAWAII

September 2, 2016

2016 SEP -7 A 9:44 AM

Daniel E. Orodener, Executive Officer
Land Use Commission
Department of Business, Economic Development & Tourism
State of Hawaii
P.O. Box 2359
Honolulu, HI 96804-2359

Re: 2016 Annual Report - Docket No.: A12-796 – Waiko Light Industrial

Dear Mr. Orodener:

Waiko Industrial Investments, LLC ("Waiko") hereby submits the 2016 Annual Report in accordance with Condition 23 of the State Land Use Commission Findings of Fact, Conclusions of Law and Decision and Order, dated, filed and effective on May 3, 2013, in Docket No.: A12-796, to report on the status of the development of the light industrial subdivision (the "Project"). The enclosed matrix outlines Waiko's compliance with each of the 26 conditions of approval under said Decision and Order.

Waiko has been diligently pursuing design and development of the Project. Subdivision construction plans were submitted to the County of Maui, Maui Electric Company and the State Department of Transportation in June, 2015. We intend to continue processing the final subdivision and construction permits in the coming year.

We trust that the foregoing and enclosed satisfies the annual reporting requirement of the subject Docket. Please feel free to contact me at (808) 270-5946 any time should you have any questions or require any additional information. Thank you for your attention.

Sincerely,

Waiko Industrial Investment, LLC



Ryan Churchill
Its Authorized Signer

c: Leo R. Asuncion Jr., AICP, Director, State Office of Planning
William Spence, Director, County of Maui, Planning Department

**WAIKO INDUSTRIAL INVESTMENT, LLC
WAIKO LIGHT INDUSTRIAL
DOCKET A12-796**

State Land Use Commission Condition Status

No.	Condition	Status	Comments
1	<p>Highway and Road Improvements. The Petitioner shall abide by, complete and/or submit the following:</p> <p>a. The TIAR shall be revised and resubmitted to the DOT Highways Division for review and acceptance prior to zone change approval.</p> <p>b. Petitioner shall fund, construct and implement the Project's local/direct access improvements recommended in the TIAR accepted by the DOT for the Waiko Road intersections with Honoapiilani Highway and Kuihelani Highway.</p> <p>c. Petitioner shall provide its fair share contribution to the cost of regional improvements to State highways. These improvements could be on Honoapiilani Highway and/or on Kuihelani Highway.</p> <p>d. The revised TIAR shall be updated every three (3) years until build out. If the Project is delayed beyond 2015, trips generated by A&B Properties, Inc.'s development and any other committed developments in the vicinity that are developed before the build out of the Project shall be included as background traffic in the updated TIAR.</p> <p>e. Petitioner shall include a provision in each of its sales, lease, and conveyance documents, whereby each person who may from time to time own the Petition Area, any portion thereof, or hold any other interest therein or occupy any improvements thereon, makes the same acknowledgement and the following agreements in favor of the State of Hawaii: (a) such person assumes complete risk of and forever releases the State of Hawaii from all claims for damages and nuisances occurring on the Petition Area and arising out of or related highway traffic noise from Kuihelani Highway and (b) such person waives any right to (i) require the State of Hawaii to take any action to eliminate or abate any highway traffic noise from Kuihelani Highway; and (ii) file any suit or claim against the State of Hawaii for injunction or abatement of any highway traffic noise from Kuihelani Highway and for any damages or other claims related to or arising therefrom. The provision shall be incorporated into the appropriate title documents and recorded at the Bureau of Conveyances.</p>	<p>Will be satisfied with construction.</p>	<p>a. A final TIAR was approved by DOT on June 13, 2014.</p> <p>b. Plans for the required improvements at Waiko/Kuihelani have been submitted to DOT on June 15, 2015 for approval.</p> <p>c. Improvements are included in the plans submitted June 14, 2015 for approval.</p> <p>d. The final TIAR was approved on June 13, 2014</p> <p>e. Petitioner will include these provisions in its conveyance documents.</p> <p>Transportation improvements at Mokulele Hwy are included with the subdivision construction plans and will be bonded and constructed with the subdivision</p>
2	<p>Notification of Proximity to Kahului Airport. Petitioner and all subsequent owners shall notify and disclose to all prospective developers, purchasers, and/or lessees within the Project, as part of any conveyance document (deed, leases, etc.) required for the sale or transfer of real property or any interest in real property, of the potential adverse impacts of aircraft activity at and from Kahului Airport such as noise, right of flight, emissions, vibrations, and other incidences of aircraft</p>	<p>Satisfied</p>	<p>This language will be included in the conveyance documents of the property.</p>

	operations.		
3	Hazardous Wildlife Attractants on or Near Kahului Airport. As deemed necessary by the DOT to minimize the hazards to aircraft operations from Kahului Airport, Petitioner shall fund and implement a program to control any birds nesting or occupation and any insect, pest, or wildlife infestation, in any hazardous wildlife attractants (open swales, storm drains, retention and detention basins, wastewater treatment facilities, or associated settling ponds) serving the Project. Petitioner shall enter into a Memorandum of Agreement with the DOT to document hazardous wildlife attractant mitigation prior to the granting of tentative subdivision approval.	Ongoing	Petitioner has been in discussion with DOT Airports and is completing an agreement with DOT.
4	Water Conservation. Petitioner shall implement water conservation measures, including the use of endemic, indigenous, and drought-tolerant plants and turf, and incorporate such measures into the Petition Area's site design and landscaping.	Will be satisfied with construction.	Water conservation measures have been integrated into the landscape design which has been submitted to the County of Maui for approval.
5	Wastewater System and Facilities. Petitioner shall comply with chapter 11-62, HAR, entitled "Wastewater Systems" and any IWS shall be approved by the DOH. Petitioner shall construct internal sewer lines in accordance with County of Maui standards and provide stub outs for future sewer connection as may be required by the County.	Will be satisfied with construction.	Petitioner will comply with 11-62. Construction plans for internal sewer lines were submitted to the County of Maui on June 15, 2015 for approval. Improvements are included with the subdivision construction plans and will be bonded and constructed with the subdivision.
6	Stormwater Management and Drainage. Petitioner shall construct and maintain stormwater and drainage system improvements as designed in compliance with applicable federal, State, and County laws and rules. To the extent feasible, Petitioner shall implement BMPs and incorporate Low Impact Development practices for onsite stormwater capture and reuse into the Petition Area's site design and landscaping to control water quality and mitigate nonpoint sources of pollution.	Will be satisfied with construction.	Plans were submitted to the County of Maui on June 15, 2015 for approval. Improvements at Mokulele Hwy are included with the subdivision construction plans and will be bonded and constructed with the subdivision.
7	Civil Defense. Petitioner shall fund and install one (1) civil defense warning siren as specified by and in a location approved by the SCD and County of Maui Civil Defense Agency.	Will be satisfied with construction.	Petitioner has identified the location of the siren with Civil Defense and is completing the license agreement and easement with Civil Defense. Improvements are included with the subdivision construction plans and will be bonded and constructed with the subdivision.
8	Archaeological and Historic Preservation. Petitioner shall comply with mitigation measures recommended by the DLNR, SHPD. Archaeological monitoring shall be conducted during all ground disturbing activities on the Petition Area and a report of monitoring activities shall be submitted to the SHPD upon the	Satisfied during construction.	Petitioner has an archaeological monitoring plan approved by SHPD on May 31, 2012 and will comply with the Plan.

	completion of the fieldwork.			
9	<p>Previously Unidentified Burials and Archaeological/Historic Sites. In the event that historic resources, including human skeletal remains, are identified during construction activities, all work shall cease in the immediate vicinity of the find, the find shall be protected from additional disturbance, and the DLNR, SHPD, Maui Island Section, 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, paving, and walls not previously identified in studies referred to herein, are discovered during the course of construction of the Project, all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological clearance from the DLNR, SHPD, that mitigation measures have been implemented to its satisfaction.</p>	Ongoing	Petitioner will comply.	
10	<p>Infrastructure Deadline. Petitioner shall complete construction of the proposed backbone infrastructure, which consists of the primary roadways and access points, internal roadways, on- and offsite water and electrical system improvements, and stormwater/drainage and other utility system improvements, within ten (10) years from the date of the Decision and Order granting the requested reclassification.</p>	Will be satisfied during construction.	Construction plans have been submitted to the County of Maui for approval. Work will begin prior to 10 years from the D&O.	
11	<p>County Access to Waikapu Landfill Site. Petitioner will provide continued access to the County of Maui Waikapu Landfill site as shown on the conceptual plan, page 2, of Petitioner's Exhibit "53" ("Access Easement"). Acceptable alternatives for County access are: (a) over existing Easement "C"; (b) over the Project's internal roadways in combination with the proposed temporary access over Lot 12-A; or (c) over permanent roads within A&B Properties, Inc.'s future Waiale master-planned community. With the consent of the County, Easement "C" may be released before the development of an alternate, permanent route provided the proposed temporary access easement is in place or Petitioner has provided alternate access to the County over Lot 1-C to the satisfaction of the DEM.</p>	Will be satisfied during construction.	Petitioner is in discussions with the County of Maui on continued access to their property.	
12	<p>County Conditions Related to Access Easement. Within the Access Easement area, Petitioner shall ensure that: (1) all turning radii in the Access Easement accommodate large vehicles accessing the landfill; (b) the replacement roadway surface in the Access Easement area is sufficient to handle the weight of the large vehicles that access the landfill; (c) the continuity of flow from Waiko Road to the remainder of the landfill Access Easement is preserved; and (d) there is a formal, written easement recorded against the Petition Area to document the Access Easement, the terms of which shall be reviewed and approved by the DEM, Solid Waste Division.</p>	Will be satisfied during construction.	Petitioner is in discussions with the County of Maui on continued access to their property.	

13	Condition Relating to Light Industrial and Commercial Uses. The uses in the area shown on the conceptual plan referenced in the Commission's proceedings as Petitioner's Exhibit "55" will be limited to the uses described in Exhibit "55". No residential or apartment uses are planned or will be built within the Petition Area. Uses within the 8.5-acre portion of the Petition Area fronting Kuihelani Highway as also shown on Petitioner's Exhibit "55" are limited to B-1, B-2, and B-3 zoning district uses except that no apartment uses are allowed.	Satisfied	Encumbrance on the property restricting the uses have been recorded as part of the D&O.
14	Water Service. A private water system shall be developed for the Petition Area which shall be approved by the DOH, Safe Water Drinking Division, and the DLNR for well drilling and pump installation requirements. Petitioner shall construct internal water lines in accordance with County of Maui standards and will include a stub out for future connection should County of Maui water service becomes available to the Petition Area. At such time, Petitioner and/or its successors shall apply to the DWS for connection and service.	Will be satisfied during construction.	Private water system design and engineering is complete and has been submitted to the DOH and County of Maui for approval. Improvements are included with the subdivision construction plans and will be bonded and constructed with the subdivision
15	Solid Waste. Petitioner shall comply with solid waste disposal as required by the DEM.	Ongoing – post construction	Petitioner will comply
16	Dust Control Measures. In addition to the Stormwater Management and Drainage Condition recommended by OP, Petitioner shall use BMPs to implement dust control measures during and after the development process in accordance with the DOH guidelines.	Will be satisfied during construction.	BMPs have been submitted to the County of Maui for approval in accordance with DOH guidelines. Improvements are included with the subdivision construction plans and will be bonded and constructed with the subdivision
17	Hazardous Materials. Storage and/or disposal of hazardous materials shall be approved by the DOH prior to their establishment within the Petition Area.	Ongoing – post construction	Petitioner has complied.
18	Energy Conservation Measures. Petitioner, where feasible, shall implement energy conservation measures such as use of solar energy and solar heating and incorporate such measures into the proposed development.	Ongoing – post construction	Energy conservation measures will be incorporated into the project by the individual building owners.
19	Established Access Right Protected. Pursuant to Article XII, section 7, of the Hawaii State Constitution, Petitioner shall preserve any established access rights of Native Hawaiians who have customarily and traditionally used the Petition Area to exercise subsistence, cultural, and religious practices, or for access to other areas.	Satisfied to date & Ongoing	Petitioner has complied.
20	Compliance with Section 205-3.5 HRS, Related to Agricultural Uses on Adjacent Agricultural Land. For all land in the Petition Area or any portion thereof that is adjacent to land in the State Land Use Agricultural District, Petitioner shall comply with the following: a. Petitioner and its successors and assigns shall not take any action that would interfere with or restrain farming operations conducted in a manner consistent with generally accepted agricultural and management practices on adjacent or contiguous lands in the State Land Use Agricultural District. For the purpose of these conditions, "farming operations" shall have the same meaning as provided in	Ongoing	Petitioner will notify potential purchasers of Hawaii Right to Farm Act.

	<p>section 165-2, HRS; and</p> <p>b. Petitioner shall notify all prospective developers or purchasers of land or interest in land in the Petition Area, and provide or require subsequent notice to lessees or tenants of the land, that farming operations and practices on adjacent or contiguous land in the State Land Use Agricultural District are protected under chapter 165, HRS, the Hawaii Right to Farm Act. The notice shall disclose to all prospective buyers, tenants, or lessees of the Petition Area that potential nuisances from noise, odors, dust, fumes, spray, smoke, or vibration may result from agricultural uses on adjacent lands. The notice shall be included in any disclosure required for the sale or transfer of real property or any interest in real property.</p>		
21	<p>Compliance with Representations to the Commission. Petitioner shall develop the Petition Area in substantial compliance with representations made to the Commission as reflected in this Decision and Order. Failure to so develop the Petition Area may result in reversion of the Petition to its former classification, or change to a more appropriate classification.</p>	Satisfied – Ongoing	The subdivision and construction plans are consistent with what was represented to the Commission.
22	<p>Notice of Change of Ownership. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust or otherwise voluntarily alter the ownership interests in the Petition Area at any time, prior to completion of development of the Petition Area.</p>	Complied	There has been no change of ownership.
23	<p>Annual Reports. Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP, and the DP, and their respective successors, in connection with the status of the development of the Petition Area and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be in a form prescribed by the Executive Officer of the Commission. The annual report shall be due on or before the anniversary date of the Decision and Order for the reclassification of the Petition Area.</p>	Satisfied	Petitioner is submitting this annual report to comply.
24	<p>Release of Conditions. The Commission may fully or partially release the conditions provided herein as to all or any portion of the Petition Area upon timely motion and upon provision of adequate assurance of satisfaction of these conditions by Petitioner or its successors or assigns.</p>	Satisfied	
25	<p>Notice of Imposition of Conditions. Within seven days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances of the State of Hawai'i a statement that the Petition Area is subject to conditions imposed herein by the Commission in the reclassification of the Petition Area; and (b) file a copy of such recorded statement with the Commission.</p>	Satisfied	The D&O was recorded on July 18, 2013 and filed with the commission.
26	<p>Recordation of Conditions. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to Section 15-15-92,</p>	Satisfied	The D&O was recorded on July 18, 2013 and filed with the commission.

	<p>HAR. The limitations, restrictions, covenants and conditions of this Declaration shall continue and remain in full force and effect at all times with respect to the Reclassified Area included in this Declaration until such time that the Commission removes or releases the conditions relating to the Reclassified Area established through its Decision and Order filed May 3, 2013, as amended, in Docket No. A 12-796.</p>		
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