



LAND USE COMMISSION
STATE OF HAWAII

2018 JAN 23 P 2: 27

January 22, 2018
2017-59-0300 / 18E-019

Mr. Daniel E. Orodnenker
Executive Officer
State Land Use Commission
State Office Tower
235 So. Beretania Street, 4th Floor
Honolulu, HI 96813

Dear Mr. Orodnenker:

**Mauna Kea Resort
Annual Report on Land Use Commission
Docket No. A84-574**

On behalf of Mauna Kea Resort Services LLC, we are submitting the following annual report on the status of the above captioned project, and on the progress in complying with the conditions imposed. This submittal is pursuant to Condition No. 3 of the Decision and Order for Docket No. A84-574 dated December 6, 1994.

2017 ANNUAL REPORT

1. BACKGROUND AND GENERAL PROGRESS OF THE PROJECT

The property that is the subject of Land Use Commission (LUC) Docket No. A84-574 consists of approximately 399 acres of land at Ouli 1, South Kohala, Hawai'i. The project is a portion of the former 539-acre South Kohala Resort, also formerly known as the Hapuna Beach Resort, and is being developed as a golf course/residential community. The Uplands at Mauna Kea is now part of the overall Mauna Kea Resort.

The property originally consisted of ten large development parcels, eight residential, one commercial, and one recreational (tennis). The ten parcels were subsequently consolidated and re-subdivided into eight parcels, see Figure 1, *Development Parcels A-G/H*, enclosed.

Parcel A remains in ownership of Mauna Kea and is currently vacant. It is being quietly marketed.

Parcel B is the site of a single-family residential project named Moani Heights at The Uplands. Development of this parcel has been completed and there was one resale in 2017.

Parcel C includes 'Apa'apa'a Heights at The Uplands, a single-family residential project; and The Kumulani at The Uplands, a condominium project. Both projects are sold out. There were four resales in The Kumulani, and one resale in 'Apa'apa'a Heights in 2017.

Parcel D is being developed by AG-WP Mauna Kea Owner, L.L.C. Final subdivision approval, creating six bulk lots on the parcel, was received on March 24, 2017. Mass grading of the Parcel D is on-grading, with the work scheduled to be completed at the end of January 2018.

Subdivision filings for two of the bulk lots, Parcel D1, County of Hawai'i (County) designated Lot 5-F, tax map key (TMK) 6-9-021: 006, and Parcel D4, Lot 5-B, TMK: 6-9-021: 002 have been undertaken. Both parcels received tentative subdivision approval on September 25, 2017. Parcel D1 is being subdivided into 10 single-family lots and one roadway lot, Amaui Nani Court. Parcel D4 is being subdivided into 12 single-family lots and a roadway lot, Amaui Lani Way. Amaui Lani Way will also provide access for Parcels D3 and D6. Construction plans for Parcels D1 and D4 have been prepared as part of the conditions for final subdivision approval, and are with the County for review. Construction of improvements on Parcels D1 and D4 is scheduled to start as soon as plan approval is obtained which is expected to be in January 2018.

Parcels D2 (Lot 5-E) and D5 (Lot 5-A) are being marketed as bulk lots for condominium property regime developments. Parcel D6 (Lot 5-D) is being developed by AG-WP Mauna Kea Owner, LLC as the amenity center for the Parcel D and Parcel E homeowners and residents. Building permit submittal for the amenity center improvements was made in September 2017, and plan review is on-going. Construction on the improvements will start as soon as plan approval is obtained, which is schedule for April 2018.

Parcel E, being developed by AG-WP Mauna Kea Owner, LLC, as Amaui Estates at Mauna Kea Resort, Phase I, received final approval of the 11-single-family lot subdivision on December 29, 2016. Construction of the subdivision improvements was done in 2017, with final landscaping being installed this month. The only outstanding work on the parcel is installation of the electrical power service, which is pending receipt of a transformer from Hawai'i Electric Light. The electrical system energizing and all construction will be complete in the first quarter of 2018. Marketing of the lots is ongoing.

Parcel F remains undeveloped and owed by MK Parcel F, LLC and it continues to be actively marketed. The Site Development Preliminary Plan Review with Mauna Kea Resort Services LLC was completed in July 2014. The project's Planned Unit Development application received approval from the County on November 26, 2014 (PUD-14-000027), and Tentative Approval of the subdivision (SUB-14-001397) was granted December 8, 2014.

Parcels G and H, Wai'ula'ula at Mauna Kea Resort, are comprised of single family, duplex, and multi-family units under a condominium property regime. There were five resales in Wai'ula'ula during 2017. D R Horton - Schuler Homes sold 8 more of the 24 units they completed in 2013; making a total of 21 out of the 24 units developed being sold.

2. PROGRESS IN COMPLYING WITH THE CONDITIONS IMPOSED

According to the Land Use Commission's Decision and Order dated Dec. 6, 1994 ("Decision and Order") and Order Granting Motion for Clarification of Land Use Commission's Findings

of Fact, Conclusions of Law and Decision and Order and for Extension of Time, and Motion for Waiver of Hawaii Administrative Rule Section 15-15-92(2), dated February 13, 1995 ("Order Granting Motion"),¹ the Petitioner must comply with six conditions. These conditions are listed below, each numbered as identified in the Decision and Order and Order Granting Motion, and each followed by a status report on the Petitioner's efforts to comply with the condition.

Condition No. 1:

- "1. Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification."

Status: The Petitioner is following its plan to develop the property, as presented to the Commission. The first part of this report summarized progress made as of December 10, 2017.

Condition No. 2:

- "2. 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 Property, prior to development of the Property."

Status: As noted above only resales of individually owned units have occurred in 2017. Marketing of the large lot Parcels A and F continues.

Condition No. 3:

- "3. Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of State Planning, and the County of Hawai'i Planning Department in connection with the status of the subject project and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission."

Status: A copy of this annual report is being submitted to the State Office of Planning and the County of Hawai'i Planning Department.

Condition No. 4:

- "4. The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner."

¹ The Order amended Condition No. 6 of the LUC's Decision and Order dated December 6, 1994. Order at page 3.

Status: The Petitioner has not filed any motion to date under this condition.

Condition No. 5:

"5. Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed herein by the Land Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission."

Status: The Commission's Decision and Order was issued on December 6, 1994. As stated in annual reports filed in previous years, the Petitioner complied with this condition by filing a copy of the Notice with the Commission on December 14, 1994.

Condition No. 6:

"6. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances within sixty days of the filing of this Decision and Order."

Status: As stated in our previous annual reports, on April 12, 1995, the Petitioner recorded a Declaration of Conditions covering the conditions imposed by the Commission in the Bureau of Conveyances as Document No. 95-049097. By letter dated April 25, 1995, the Petitioner submitted a certified copy of the Declaration of Conditions to the Commission.

The above constitutes the Petitioner's 2017 Annual Report for the property.

Sincerely,

BELT COLLINS HAWAII LLC



Cheryl M. Palesh, P. E., LEED AP
Vice President / Director of Engineering

CMP:hp

Enclosure

cc: Director, State of Hawaii, Office of Planning
Director, Hawaii County Planning Department
e-copy: Donn Takahashi, Prince Resorts Hawaii

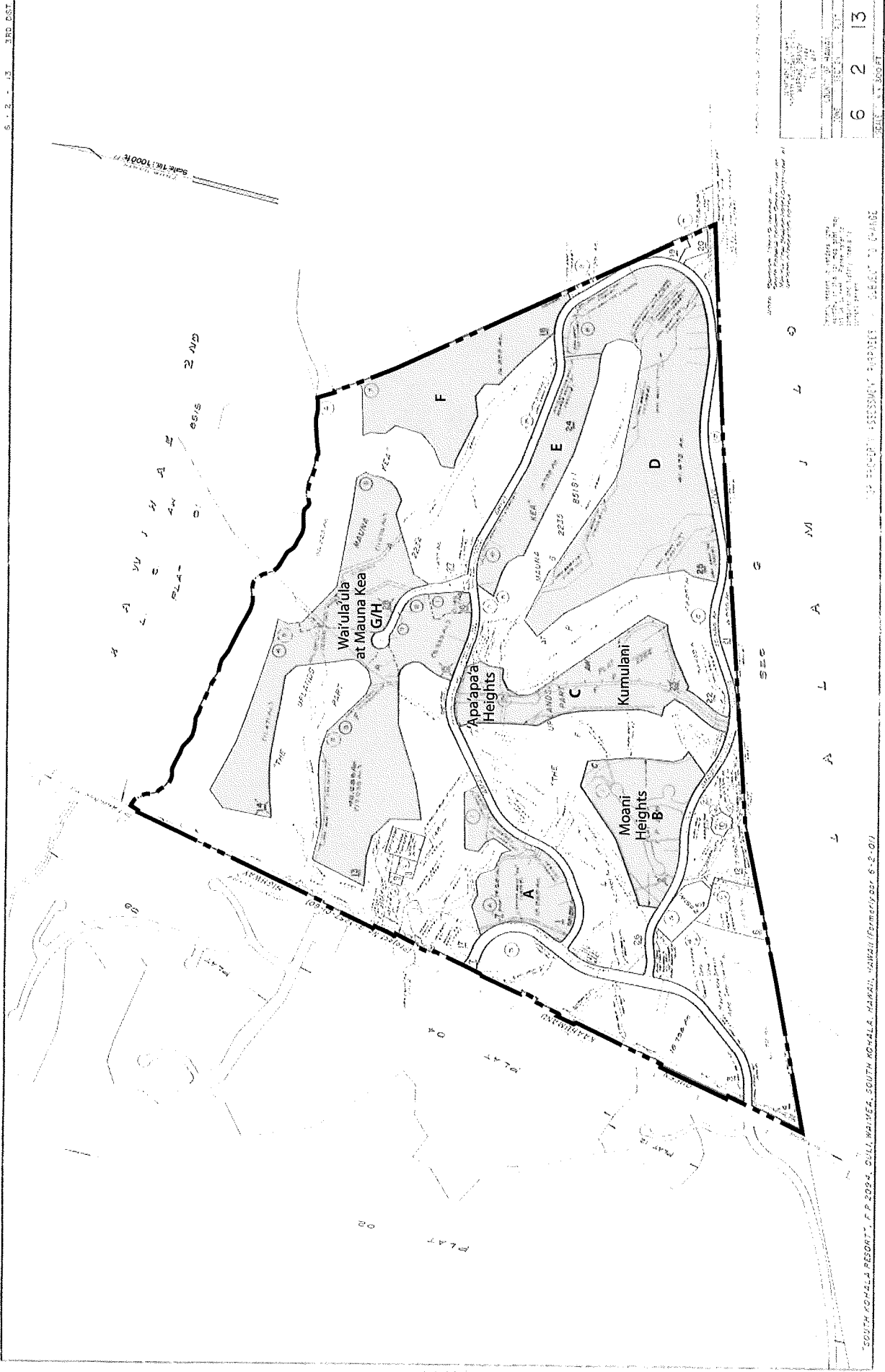


Figure 1
DEVELOPMENT PARCELS A-G/H
 Annual Report on Land Use Commission Docket No. A84-574
 Mauna Kea Resort Services LLC
 2017

