

S & F LAND COMPANY

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January 16, 2018

LAND USE COMMISSION
STATE OF HAWAII

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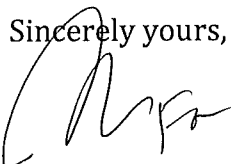
Mr. Daniel Orodener
Executive Officer
Land Use Commission
P O Box 2359
Honolulu, HI 96804-2359

Dear Daniel:

Enclosed herewith are two copies of sections 1 and 2 of the 2017 reports on General Progress and Specific Conditions of Docket #A96-717 for Central Maui Baseyard on Maui. We have concurrently copied the landowner Alexander and Baldwin, Inc., together with the others whom you have previously requested we provide copies.

Those receiving copies and the amount of copies forwarded are set forth at the bottom of the page. Should you have any questions regarding this report please advise us and we will try to respond as quickly as possible.

Sincerely yours,



Robert Stoner

RS/tlo

Enclosure

CC: Jason Koga (1)
luc@dbedt.hawaii.gov
Riley Hakoda (1)
Clayton Yoshida (1)
Scott Derrickson (1)

SECTION 1

LAND USE COMMISSION
STATE OF HAWAII

Report on General Progress of S & F Land Company, Inc. 9: 24
On Docket #A96-717 for Calendar 2017

As stated in previous reports, development has been completed on the entire Baseyard, which includes lots 1A, 1B, and 1C and totals approximately 50 acres of combined M1 and M2 Industrial zoned property. All improvements to the baseyard necessary for 100% occupancy have been completed. This includes paved roadways, fire and potable water service, landscaping, all onsite grading and drainage improvements, perimeter and internal lot fencing, and any related offsite work such as water service lines, highway frontage improvements, etc.

The project has been complete since 2011 and our occupancy is 100%, showing continued improvement with the State's economy. Our tenant count at the end of 2016 was approximately 115. We do expect to see some tenant loss in the coming year with new industrial developments coming to market.

Having completed the development, we petitioned the Commission in 2011 to remove all of the conditions placed upon the property and were successful in having a number of the conditions removed. Those that remain are reported on in Section Two.

This constitutes the general progress on the subject docket during calendar year 2017.

SECTION 2

Specific Conditions of Docket #A96-717 and Progress on Said Conditions During calendar year 2017

7. Petitioner shall require its tenants who utilize such materials to establish appropriate systems to contain spills and prevent materials associated with light industrial usage (such as petroleum products, chemicals or other pollutants) from leaching or draining into above ground or subsurface storm drainage collection areas. Petitioner will use and/or cause to be used best management practices to minimize non-point source pollution into the irrigation ditches and Pulehu Gulch. Petitioner shall consult with the State Department of Health and County of Maui, Public Works and Waste Management and obtain any permits required or construct improvements required for storm water discharge on the property.

Petitioner has completed all surface drainage as reported in previous reports. This includes a number of catch basins and drainage lines on the property. All grading of property is complete.

For tenants that deal with potential pollutants, we have strict rules at Central Maui Baseyard that require paved catchment areas that retain potential run off of any materials that may be spilled or spread by storm waters.

8. Petitioner shall require all tenants of the property to implement best management practices to minimize possible subsurface and ground water contamination from activities on the property. This shall include all activity including delivery, removal, storage, use and handling of industrial agents on tenant or common areas of the property.

All tenant activities are controlled by our tenant lease. Please see attached sections of our lease from our 2011 report (sections 6 , 7 , 9 and 11). 2011 Annual Report can be provided if it is not on file. Further as stated in section 12 of our lease we do annual environmental inspections of the property. This annual inspection is required by our landlord and creditors.

10. Petitioner and/or landowner shall limit disturbance of the natural drainage features of Pulehu Gulch, and shall consult with the Army Corps of Engineers should any activity be proposed that would impact Pulehu Gulch.

As reported previously, all work along Pulehu gulch has been completed. The perimeter that abuts the gulch is fully fenced or blockaded. There has been no disturbance of Pulehu gulch. Since the inception of our original lease with A&B for the Baseyard property any areas that were developed along the north perimeter of Pulehu Stream which abuts the Baseyard property was fenced or barricaded off so that access or dumping was impossible. For this reason, the streambed area has remained undisturbed for the entire

term of our lease. Any unnatural debris or material within the streambed is either from upstream runoff during flooding or prior tenant activity from 1950 forward.

12. Petitioner shall maintain a buffer of undisturbed kiawe and vegetative cover on the property along Pulehu Gulch to minimize disturbance to native bird habitat provided by Pulehu Gulch.

There has been no disturbance of Pulehu gulch. We regularly monitor our perimeter to assure there are no disturbances. Further it is not accessible from tenant lots due to security fencing. Please see #10 also.

13. Petitioner shall fund and construct adequate civil defense measures as may be required by the State Civil Defense and County Civil Defense Agencies.

As noted elsewhere in this report, A&B has ceased agricultural operations in the baseyard region. This opened the door for locating the required Civil Defense warning siren to a more central location where it would be better heard by all tenants throughout the baseyard present and future development areas. Negotiations pending such a move are underway at this time. We are currently having discussions with Civil Defense.

16. Petitioner shall ensure that the proposed project will not negatively impact the use of cane haul roads and irrigation ditches or otherwise interfere with continued agricultural operation of adjoining sugar cane cultivation areas.

As you are aware HC&S has ceased its sugar operation. We continue to work with HC&S as they pursue other agriculture opportunities.

19. Petitioner shall inform prospective tenants and shall include in all tenant license agreements language informing tenants of possible odor, noise, and dust pollution resulting from surrounding Agricultural District lands, and the Hawaii Right-to-Farm Act, Chapter 165, Hawaii Revised Statutes, limits the circumstances under which pre-existing farming activities may be deemed a nuisance.

Subject to A&B pursuing other agricultural activities we will continue to provide protection in all tenant leases that we enter into. However should they opt to not proceed in agricultural practices in this particular region this may become moot.

23. Petitioner shall provide without any prior notice, annual reports to the Commission, the Office of Planning, and the County of Maui 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 include any supporting documentation from State and/or County agencies relating to progress in complying with said conditions. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission.

This is the annual report for the calendar year 2017.

26. The Commission may fully or partially release these conditions as to all or any portion of the property upon timely motion, and upon the provisions of adequate assurance of satisfaction of these conditions by the Petitioner and/or landowner.

Petitioner petitioned for release of certain conditions in 2011. Said petition resulted in the release of the conditions that were omitted from this report.

This completes section 2.