Harry Kim Mayor

West Hawai'i Office 74-5044 Ane Keohokālole Hwy Kailua-Kona, Hawai'i 96740 Phone (808) 323-4770 Fax (808) 327-3563

March 19, 2018

Ms. Cheryl M. Palesh, P.E., LEED AP Vice-President / Director of Engineering Belt Collins Hawai'i LLC 2153 North King Street, Suite 200 Honolulu, HI 96819-4554

Dear Ms. Palesh:

Subject: Rezoning of Property to a More Appropriate Zoning District Applicant: Newton Family Limited Partnership State Land Use Commission Docket No. A99-729 (SLU 1128) Change of Zone Ordinance No. 06 27 (REZ 05-000017) Tax Map Key: (3) 2-4-008: por. 033

This is to inform you that the Planning Director has initiated procedures to change the zoning of a portion of the subject property to Agricultural – 800 acres (A-800a).

Change of Zone Ordinance No. 06 27, which rezoned an 885.4-acre portion of the property from Unplanned to Agricultural – 80 acres (A-80a), became effective on February 24, 2006. A review of our files indicates that the due date to comply with Condition D (Water Commitments) and Condition E (Final Subdivision Approval) as required by the above referenced change of zone ordinance has lapsed. On January 31, 2011, your office requested an administrative time extension to comply with Condition E. In a letter dated March 7, 2012, we responded that an administrative time extension could not be granted until the water commitment payment was remitted to the Department of Water Supply (DWS).

The applicant has submitted water commitment payments to the DWS in 2006 and 2013, but DWS has returned these payments and has not been able to issue a water commitment because any water system improvements that would comply with DWS's Water System Standards, Rules and Regulations, and other requirements will cause water quality issues due to the small number of lots being served and the total storage volume required.

Director Daryn Arai Deputy Director

Michael Yee

East Hawai'i Office 101 Pauahi Street, Suite 3 Hilo, Hawai'i 96720 Phone (808) 961-8288 Fax (808) 961-8742

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County of Hawai'i

PLANNING DEPARTMENT

Ms. Cheryl M. Palesh, P.E., LEED AP Vice-President / Director of Engineering Belt Collins Hawai'i LLC Page 2 of 2 March 19, 2018

Section 25-2-46 (b) and (m) of the Hawai'i County Code (Concurrency standards), which are applicable to an application for extension of time to perform a condition of zoning amendment, indicates that an application shall not be granted unless the DWS has determined that it can meet the water requirements of the project and issue water commitments using its existing system. In this particular case, the DWS has indicated seven units of water are available, but due to water quality issues they are not able to issue water commitments for these seven units. Thus, the project does not meet the concurrency standards for water supply.

Based on the foregoing and pursuant to Condition P of the ordinance and Section 25-2-44(c) of the Zoning Code, the Director is initiating rezoning of the property to Agricultural- 800 acres (A-800a), due to the applicant's inability to comply with the concurrency standards of the Zoning Code and conditions of Ordinance No. 06 27. The A-800a zoning district would allow for some agriculture and the construction of a farm dwelling with potable water provided by water catchment; however it would not allow for subdivision of the property.

The Director anticipates scheduling this matter at a public hearing before the Windward Planning Commission on May 3, 2018 and will provide an agenda with the exact date, time, and location of the hearing once it has been determined. The Windward Planning Commission will make a recommendation to the County Council for final decision.

If you have any questions, please feel free to contact Jeff Darrow at (808) 961-8158 or Maija Jackson at (808) 961-8159.

Sincerely,

MICHAEL YEE Planning Director

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cc w/ltr:

Newton Family Limited Partnership State Land Use Commission Department of Water Supply Amy Self, Deputy Corporation Counsel