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May 21, 2018

Mr. Arnold Wong, Chair  
State of Hawai'i Land Use Commission  
Department of Business, Economic Development & Tourism  
P.O. Box 2359  
Honolulu, Hawai'i 96804-2359

**VIA EMAIL to: [luc@dbedt.hawaii.gov](mailto:luc@dbedt.hawaii.gov)**

Project: Kamakana Senior and Kamakana Family Affordable Rentals  
Subject: Land Use Commission Meeting dated May 23, 2018  
Status Update for Docket No. A10-788  
HHFDC & Forest City – Kamakana Villages at Keahuolu (Hawai'i)

Aloha Chair and Commissioners:

Kamakana Senior and Kamakana Family affordable rental housing provides 170 new, affordable rentals to seniors and families whose household income is at or 60% of the Area Median Income. As a provider of affordable rental communities for families and seniors nationwide, Michaels is proud to deliver the first residential development completed in Kamakana Villages at Keahuolu.

The development team is mindful of its responsibility and stewardship as the first internal development in Kamakana Villages and is aware of the precedence that this decision may set for future developments in the 272-acre master planned region. Therefore, we appreciate the opportunity to address the concerns raised by the National Park Service (NPS) at the LUC meeting on January 24, 2018.

As previously discussed and presented, the project's current system was designed in accordance with current storm drainage rules and the construction plans were subsequently approved by the County of Hawai'i. We maintain that the best management practices provided for the projects meet Condition 13 from the 2010 Decision & Order (D&O), which is stated as follows:

"To the extent practicable and consistent with applicable laws, Petitioner shall implement landscaped areas, such as grassed or vegetative swales, grass filter strips, vegetated open space areas, check dams, or other comparable BMPs engineered to treat the first flush runoff volume including the removal of suspended solids and oils and greases from all streets and parking lots".

However, Michaels is sensitive to the desire of the NPS to preserve and protect the cultural and natural resources in the Kailua-Kona region. As such, subsequent to the LUC meeting, Michaels conferred with its civil engineer to do additional research on how best to reassure the NPS with respect to Condition 13.

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The development team then proposed to the NPS installation of Flexstorm filters in the existing drain inlets (DI) located in the asphalt paved parking lots of the Project.

This product will provide a viable means of treating the first flush runoff including the removal of suspended solids and oils and greases from the paved driveways and parking lots of the Senior and Family Rental Housing at Kamakana, pursuant to Condition 13. According to the manufacturer's specifications, the Flexstorm inlet filters were tested for removal of Total Petroleum Hydrocarbons (TPH) and Total Suspended Solids (TSS). Third party results report 97% removal of TPH and 99% removal of TSS. So, while the current storm water surface runoff and quality controls in place at the project meet Condition 13 of the D&O, the additional inlet filters proposed by Michaels would enhance the constructed system already in place at the project site.

Via email dated April 11, 2018, the NPS informed Michaels of a memorandum of agreement (MOA) with Federal Highways. According to the NPS, filters provided as part of the widening of the State Department of Transportation's (DOT) Queen Kaahumanu Highway will also remove 95% copper, 93% lead and 95% zinc. On May 15, 2018, NPS notified Michaels that the proposed Flexstorm filter "would not do as adequate a job" in meeting Condition 13 of the 2010 D&O. No specific reason was provided in the correspondence. Based on their correspondence, it appears that the NPS will be satisfied when our affordable residential rental projects meet the same performance standard for removal of petrochemicals, suspended solids and metals that are being required for the DOT's heavily traveled Queen Kaahumanu Highway.

If required by the LUC as advised by the NPS, the affordable rental development would be subject to the same condition imposed upon the DOT; Michaels will then install the same filters currently being used in the State DOT's highway widening project subject. In doing so, Michaels anticipates the cost to be approximately three times the originally proposed filters and will comply with the understanding that this requirement will likely apply to other future developments in Kamakana Villages, increasing the costs of housing for the residents of the County of Hawaii.

Thank you for allowing us the opportunity to provide an update on this matter.

Warm Regards,



Karen Seddon  
Regional Vice President

Copy to: Mr. Craig K. Hirai - Executive Director, HHFDC (via email)  
Mr. Richard K. Prahler – Development Branch Chief, HHFDC (via email)  
Mr. Stanley S. Fujimoto – Project Manager, HHFDC (via email)