

Harry Kim
Mayor



Michael Yee
Director

Daryn Arai
Deputy Director

West Hawai'i Office
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Kailua-Kona, Hawai'i 96740
Phone (808) 323-4770
Fax (808) 327-3563

County of Hawai'i
PLANNING DEPARTMENT

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

March 14, 2018

Mr. Chuck C. Choi
Choi & Ito, Attorneys at Law
Topa Financial Center, Bishop Street Tower
700 Bishop Street, Suite 1107
Honolulu, HI 96813

2018 MAR 20 A 8:33
LAND USE COMMISSION
STATE OF HAWAII

Dear Mr. Choi:

SUBJECT: 'Āina Le'a Inc.

Tax Map Keys: (3) 6-8-001:025, 036, 038, 039, and 069

This is in response to your letter dated December 15, 2017 requesting this office to confirm that an accepted Environmental Impact Statement (EIS) will not be required prior to the submission of a Project District change of zone application for the subject properties as contemplated by applicant.


Furthermore, you also request that the cease and desist order directed to 'Āina Le'a Inc. be withdrawn. This response will affirm our positions as detailed in our letters dated May 16, 2017, October 13, 2017 and February 7, 2018, where we explained to 'Āina Le'a Inc. how to proceed with securing County planning entitlements in order to lift the cease and desist order and to allow for the commencement of construction activities within its property. These letters are enclosed for your information.

The lands owned by 'Āina Le'a Inc. are subject to the conditions of Zoning Ordinance 96-153 and therefore it is 'Āina Le'a Inc.'s responsibility to comply with the conditions in a timely manner as they relate to the development of lands covered by the ordinance. It is also the responsibility of 'Āina Le'a Inc. to comply with Hawai'i Revised Statutes (HRS) Chapter 343 related to Environmental Impacts Statements before work may commence on the property.

Mr. Chuck C. Choi
Choi & Ito, Attorneys at Law
Page 2
March 14, 2018

If you have any questions, please feel free to contact Daryn Arai at (808) 961-8142 or Maija Jackson at (808) 961-8159.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Yee", with a stylized flourish at the end.

MICHAEL YEE
Planning Director

MJJ:mad
P:\wpwin60\Maija\Letters\Acknowledge\LChoi for AinaLea-REZ734.doc

Enc: May 16, 2017 letter, October 13, 2017 letter and February 7, 2018 letter

cc: Kona Planning Office
Amy Self, Deputy Corporation Counsel
REZ 734, LUC 692, SUB 11-001070
✓ State Land Use Commission
Cades Schutte

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February 7, 2018

Ms. Joanne E. Hiramatsu
Belt Collins Hawai'i LLC
2153 North King Street, Suite 200
Honolulu, HI 96819-4554

Dear Ms. Hiramatsu:

Subject: Correction to October 13, 2017 letter regarding a Preparation Notice for a Supplemental Environmental Impact Statement (SEIS)
Project: Combined Lands of Bridge 'Āina Le'a LLC and 'Āina Le'a Inc.
Tax Map Keys: (3) 6-8-001:025, 036, 037, 038, 039, 040, and 069, Waikoloa, South Kohala

2018 FEB -9 A 9:58
LAND USE COMMISSION
STATE OF HAWAII

The purpose of this letter is to clarify and correct our letter dated October 13, 2017, and respond to your email dated November 8, 2017 related to the Project's compliance with Hawai'i Revised Statutes, Chapter 343 (Environmental Impact Statements). We initially indicated that the County of Hawai'i would not be the accepting authority for the subject SEIS because a State Land Use District Boundary Amendment is being sought and approval of the boundary amendment, as defined in HRS Chapter 343-2, will be required from the State Land Use Commission (LUC) before the project/action can be implemented. The boundary amendment is being sought for about 2,000 acres of the 3,000-acre Project site. Your emails clarified the timing and phasing of the Project, specifically that development of the approximately 1,000-acre portion situated in the Urban district would precede development of the 2,000-acre portion of the Project by an as yet undetermined period of time.

Based upon this information and upon consultation with the Office of Environmental Quality Control (OEQC) and LUC, we have determined that a new EIS is needed and the County will be the accepting authority for the new EIS. A new EIS covering the 3,000-acre Project site is needed, rather than a supplemental EIS (SEIS), because the scope of the action (project) considered in the 2010 final EIS has significantly changed due to modifications in the *Conceptual Master Plan for the Villages of 'Āina Le'a dated October 12, 2010* and the new proposal to reclassify 2,000 acres of land to the State Land Use Rural District within the Project.

Ms. Joanne E. Hiramatsu
Belt Collins Hawai'i LLC
Page 2
February 7, 2018

We look forward to reviewing an EIS preparation notice that addresses the other comments listed as items #1 through #9 of our October 13, 2017 letter.

Should you have questions, please contact Maija Jackson at (808) 961-8159.

Sincerely,



MICHAEL YEE
Planning Director

MJJ:mad

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Enc: October 13, 2017 letter from Planning to Belt Collins Hawai'i, LLC
 November 8, 2017 email from Joanne Hiramatsu

cc w/enc: ✓ State Land Use Commission
 Office of Environmental Quality Control
 Robert Wessels, Aina Lea Inc.
 John Baldwin, Manager, Bridge Aina Lea, LLC
 Chuck C. Choi, Esq., Choi & Ito Attorneys at Law
 Roy A. Vitousek III for Cades Schutte for Mauna Lani Resort Association

Harry Kim
Mayor



Michael Yee
Director

Daryn Arai
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October 13, 2017

Ms. Joanne E. Hiramatsu
Belt Collins Hawai'i LLC
2153 North King Street, Suite 200
Honolulu, HI 96819-4554

Dear Ms. Hiramatsu:

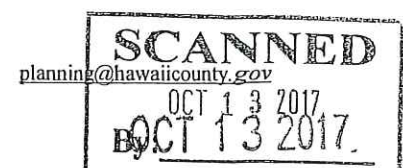
Subject: Preparation Notice for a Supplemental Environmental Impact Statement (SEIS)
Project: Combined Lands of Bridge 'Āina Le'a LLC and 'Āina Le'a Inc.
Tax Map Keys: (3) 6-8-001:025, 036, 037, 038, 039, 040, and 069, Waikoloa, South Kohala

We have reviewed the SEIS preparation notice for the subject project. First, we must inform you that the County of Hawai'i will not be the accepting authority for the subject SEIS because a State Land Use District Boundary Amendment is being sought and approval, as defined in HRS Chapter 343-2, of the boundary amendment will be required from the State Land Use Commission (LUC) before the project/action can be implemented.

Upon acceptance by the LUC of the Final EIS, the FEIS can be used to satisfy the March 28, 2013 Order for Civil No. 11-01-005K related to the need for a Supplemental EIS (SEIS) since the Court determined the 2010 FEIS prepared for a Project District zoning change by DW 'Āina Le'a Development LLC did not adequately identify the project area as the entire 3,000-acre property and did not fully analyze cumulative impacts.

Additionally, we have the following comments related to the content of the Preparation Notice:

1. The EIS should provide an overview of the existing development that has occurred on the property.
2. The EIS should identify the need for the project and timing given that it has taken about 50 years for Waikoloa Village to be developed and over half of the land area in Waikoloa Village zoned for residential use is still undeveloped. The proposed State Land Use



district boundary amendment to the Rural District would increase the current density from about 860 residential-agricultural lots zoned RA-1a to the proposed 2,265 single-family half-acre home sites on parcels 37 and 40. This would be in addition to the approximately 2,200 residential units proposed in the Urban District. Provide the basis for warranting such a density increase.

3. Paragraph 4 on page 13 indicates that some of the findings and recommendations in previous technical studies completed during the DW project will be incorporated into the new EIS as appropriate. Some of these studies will need to be revised to account for the density increase of the proposed reclassification to the Rural District.
4. The residential unit numbers do not add up on page 15, Section 4.3.1.
5. Page 18, Section 4.4.1 'No Action Alternative' indicates that under the no action alternative, the land in the Agricultural District would remain unused and unproductive. However, the current RA-1 and Open zoning allows for the development of up to approximately 860 agricultural-residential lots.
6. The proposal for a 300-foot wide buffer along Queen Kaahumanu Highway for lands in the Agricultural District is listed as an 'Alternative Considered' on page 18, Section 4.4.2. This buffer is listed as part of the 'Proposed Action' on page 33. Please clarify if this buffer is part of the proposed project or only being considered as an alternative.
7. Page 16, Section 4.3.6.1 should explain to what extent potable and non-potable water from Hawai'i Water Service is or will be used for the Proposed Action.
8. The Preparation Notice indicates that the applicants will apply to the County for an amendment to Rezone Ordinance No. 96-153, a Project District zoning for lands in the Urban District, and a Project District zoning for lands in the Agricultural district if they are successfully reclassified to the Rural District. Explain why the applicants are seeking to amend Ord. 96-153 rather than have the new Project District ordinances replace this ordinance. Additionally, the EIS should address the enclosed letter provided by the Planning Department to the landowners on May 16, 2017.
9. The EIS should include the information required in Section 25-2-46 of the Hawai'i County Zoning Code related to concurrency standards for roads, water supply and civil defense sirens.

Ms. Joanne E. Hiramatsu
Belt Collins Hawai'i LLC
Page 3
October 13, 2017

10. The County Department of Parks and Recreation and DLNR's Land Division and Na Ala Hele Program should be included on the EIS distribution list.

Finally, we would appreciate the opportunity to review the EIS for this project. Please provide this office with a copy of the EIS upon its publication.

Should you have questions, please contact Maija Jackson at (808) 961-8159.

Sincerely,



MICHAEL YEE
Planning Director

MJJ:mad

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Enclosure: Copy Planning Department May 16, 2017 letter

cc w/SEISPN: State Land Use Commission

cc w/o SEISPN: Director, Office of Environmental Quality Control

Jackson, Maija

From: Joanne Hiramatsu <jhiramatsu@bchdesign.com>
Sent: Wednesday, November 08, 2017 8:12 AM
To: Jackson, Maija
Cc: Arai, Daryn; Jim Baldwin; Robert Wessels
Subject: Aina Lea Project

Good Morning Maija:

As discussed yesterday the 'Āina Lea Project will be the first to get entitlements and permitting done so that the project can resume construction. The Supplemental Environmental Impact Statement (SEIS) we are preparing will be used to pursue the Project District Zoning amendment for the 'Āina Lea Project currently being proposed by 'Āina Lea Inc. Once the SEIS is approved construction will resume on the affordable housing project, approvals for the intersection with Queen Ka'ahumanu Highway will resume, Project District zoning will be sought for the 'Āina Lea Inc. project and off-site infrastructure plans to bring the utilities to the site will start. The Bridge 'Āina Lea parcels will seek the State Land Use District Boundary Amendment to change the Agricultural district to the Rural district after progress is made on the access to the property and infrastructure to the site.

The SEIS will address the entire 3,000-acre project and will include a section on phasing with the 'Āina Lea Inc. project moving first and the Bridge 'Āina Lea project starting after approvals of the 'Āina Lea Inc. project have been received.

Based on the above and discussions with the Office of Environmental Quality Control, the County of Hawai'i has determined that they will be the approving agency for the SEIS for the entire 3,000-acre project.

Please let me know if you have any questions or concerns.

Thank you,
Joanne

Joanne E. Hiramatsu | Senior Associate | Director of Planning
Belt Collins Hawaii LLC
2153 North King Street, Suite 200 | Honolulu, HI 96819-4554 USA
T: 808.521.5361 | Direct: 808.846-3309 | F: 808.538.7819 | www.beltcollins.com

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