

KULA NEI PARTNERS LLC
2697 Waiomao Road
Honolulu, HI 96816
73-4529 Kohanaiki Road #8
Kailua-Kona, HI 96740

LAND USE COMMISSION
STATE OF HAWAII

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February 8, 2019

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

SUBJECT: ANNUAL PROGRESS REPORTS AND REQUEST TO REACTIVATE
LAND USE COMMISSION AGENDA OF JANUARY 24, 2018
AGENDA ITEM IV HEARING AND ACTION
THE SHOPOFF GROUP DBA KULA NEI PARTNERS LLC
DOCKET NO. A06-770

Dear Mr. Orodener,

By letter dated January 18, 2018, Kula Nei Partners LLC ("KNP") requested the continuance of the above referenced agenda item in order to provide additional information on the subject as requested by the Office of State Planning (OP) and the Hawaii County Planning Department. KNP realized that our request for the Land Use Commission's ("the Commission") consideration to revert the petitioned area from the Urban district to the Agricultural or more appropriate district based primarily on KNP's financial inability to comply with various conditions imposed upon the former petitioner, the Shopoff Group, was perhaps overly simplified in our letter to the Commission dated December 8, 2017.

As KNP sought to provide the necessary justification to all the involved parties, it came to our attention that the record was deficient in two areas; one, no formal notice of a change in ownership was provided pursuant to condition 24, and two, there were no annual reports provided to the Commission pursuant to condition 25 of the D&O.

With regard to a notice of change of ownership, KNP was unaware of this requirement when KNP acquired the property from Central Pacific Bank in December, 2014. As we became more familiar with the requirements of the conditions of approval, KNP wrote a letter to the Commission dated September 22, 2017 providing the Commission with formal notice of a change of ownership. We just recently discovered that this letter was inadvertently missing from the docket file, and working with Riley Hakoda of your office eventually uncovered the subject letter and it is now included in the record. This letter, along with KNP's letters of December 4 and December 8, 2017, also provides some insight that KNP would not be going forward with the proposed development as represented by the Shopoff Group to the Commission in 2006. The Lee 'ohana, which had owned the subject property through their Kahananui family lineage since the 1920s, sold the property to the Shopoff Group prior to its 2006 Petition to reclassify the land to the Urban Land Use District. Upon re-acquisition of the property in 2014, the Lee 'ohana via KNP, is now fully committed to developing the property

themselves in a very low density manner, creating twenty-six (26) agricultural/rural lots of varying sizes to provide for the next generation of their extended 'ohana, through internal density transfers via a Planned Unit Development (PUD) to further isolate and buffer the multitude of cultural and archeological features on the property.

Concerning annual reports, KNP is now aware that the last annual report was filed in 2013. KNP acquired the property at the end of 2014, and has not pursued any compliance with any of the performance conditions of Docket No. A02-770. Given that KNP has not and will not pursue the development program as represented by the former landowner, KNP has nevertheless enclosed herewith consolidated annual reports for the years 2014 through 2018 depicting what KNP has been pursuing since the petitioned area was re-acquired. These initiatives by KNP, as the new property owner, included: (1) consolidation of an adjoining 1-acre parcel into one of the mauka 40-acre lots to provide mauka roadway access instead of the access from an extension of Holo Holo Street as had been proposed by the Shopoff Group, the former Petitioner, and (2) preparation of a draft Planned Unit Development (PUD) permit application to the County Planning Department. That draft application is to be finalized in accordance with the Commission's decision on this reversion request.

KNP believes that the record is now complete and thus justifies and supports KNP's request to have the Commission favorably consider reverting the petitioned area from the Urban district to its original or more appropriate designation. KNP's development vision for the property can be implemented by a reversion to either the Agricultural or the Rural designation, whichever is more supportable by the consulting agencies.

KNP would appreciate the Commission's scheduling of a hearing at its earliest convenience to consider action on continued agenda item IV from the January 24, 2018 Commission's agenda.

Please feel free to contact me if there are any further questions.

Sincerely,



Robert E. Lee
Co-Manager, Kula Nei Partners LLC

cc Kula Nei Partners LLC (Honolulu)
Hawaii County Planning Department ATTN: Jeff Darrow
State Office of Planning ATTN: Loreene Maki
Deputy Attorney General: Dawn Apuna

Enclosures