

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

2019 FEB 11 A 9:06

SUBJECT: ANNUAL REPORT 2017
THE SHOPOFF GROUP DBA KULA NEI PARTNERS LLC
DOCKET NO. A06-770

DEVELOPMENT STATUS OF THE PETITIONED AREA

KNP spent this reporting period gaining a better understanding of what the implications of the D&O were and in particular, condition 1 (Order to Show Cause). KNP had been operating as if since they were not going to develop the petitioned area as represented to the Commission, that the petitioned area automatically reverted to the original Agriculture designation and all the conditions of approval would become moot.

This was evidenced by KNP's November 20, 2017 submission of a Planned Unit Development (PUD) Application for eight (8) lots, ranging in size from +/-2 acres to +/-3.5 acres in size on one of the mauka parcels of the petitioned area to the Hawaii County Planning Department. That PUD application was returned by letter dated December 11, 2017 based in part that the petitioned area was still in the SLU Urban designation and still subject to all the conditions of approval which were recorded on the title. The department also noted that KNP had communicated with the Commission via letters dated December 4 and 8, respectively, which informed the Commission that KNP did not have the financial capability and did not intend to go forward with the project as represented to the Commission, and therefore requested that the petitioned area be reverted back to its initial designation and that the PUD application could not be accepted until that process was decided by the Commission.

The department also noted that recent changes to the PUD rules and codes required additional information to also be provided in the re-submittal.

COMPLIANCE WITH CONDITIONS

KNP has made efforts to initiate compliance with condition 1 (Order to Show Cause).

Sincerely,



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

Cc: Kula Nei Partners LLC (Honolulu)