

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAI'I



In the Matter of the Petition of) DOCKET NO. A07-772
)
A&B PROPERTIES, INC.) MOTION FOR ORDER GRANTING
) TIME EXTENSION
)
To Amend the Agricultural Land)
Use District Boundary into the)
Urban District for approximately)
94.352 acres at Waiakoa, Island)
and County of Maui, State of)
Hawai'i, TMK: 3-8-04: portion of)
2, portion of 22 and portion of)
30)
_____)

MOTION FOR ORDER GRANTING TIME EXTENSION;
DECLARATION OF NATALIE I. KIEHM;
EXHIBITS "1" THROUGH "8"
AND
CERTIFICATE OF SERVICE

BENJAMIN M. MATSUBARA, #993-0
CURTIS T. TABATA, #5607-0
Matsubara, Kotake & Tabata
888 Mililani Street, Suite 308
Honolulu, Hawai'i 96813

Attorneys for Petitioner
A & B PROPERTIES HAWAII, LLC,
SERIES T

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

In the Matter of the Petition of)	DOCKET NO. A07-772
)	
A&B PROPERTIES, INC.)	MOTION FOR ORDER GRANTING
)	TIME EXTENSION
To Amend the Agricultural Land)	
Use District Boundary into the)	
Urban District for approximately)	
94.352 acres at Waiakoa, Island)	
and County of Maui, State of)	
Hawai'i, TMK: 3-8-04: portion of)	
2, portion of 22 and portion of)	
30)	
_____)	

MOTION FOR ORDER GRANTING TIME EXTENSION

TO THE HONORABLE LAND USE COMMISSION OF THE STATE OF HAWAI'I:

A & B PROPERTIES HAWAII, LLC, SERIES T ("Petitioner" or "A&B") by and through its attorneys, MATSUBARA, KOTAKE & TABATA, respectfully moves the Land Use Commission of the State of Hawai'i ("Commission") pursuant to § 15-15-70 and § 15-15-94 of the Commission's Rules for an Order: 1) recognizing A & B PROPERTIES HAWAII, LLC, SERIES T's standing to seek and obtain the relief requested herein; and 2) amending the Decision and Order filed February 20, 2009 ("2009 Decision and Order") relating to Conditions 22 and 23 as specified herein.

In support of this Motion For Order Granting Time Extension ("Motion"), Petitioner alleges as follows:

I. INTRODUCTION

By letter dated January 22, 2020, the Department of Planning, County of Maui ("Planning Department") informed Petitioner that it is required to seek an extension of the 10 year infrastructure deadline in condition 22 of the Commission's order. This Motion is being filed to comply with the Planning Department's directive. The January 22, 2020 Planning Department letter is attached hereto and incorporated herein by reference as Exhibit "1".

II. BACKGROUND

By its Decision and Order dated February 20, 2009, the Commission granted approval of Petitioner's petition to reclassify approximately 94.352 acres from the "Agricultural" to the "Urban" land use district at Waiakoa, Maui. The petition was to allow the development of a residential community now known as Kamalani ("Project"). The Findings of Fact, Conclusions of Law and Decision and Order dated February 20, 2009 ("D&O") is attached hereto and incorporated herein by reference as Exhibit "2".

Additional land use approvals, including a community plan amendment and change in zoning from the County of Maui were required for the Project. In deference to the County of Maui Planning Department's January 10, 2008 policy of not supporting applications for community plan amendment while the Maui General Plan Update process was ongoing, Petitioner withheld the filing of County land use applications after the Commission's approval in February 2009. However, on November 24, 2009, the

Planning Department rescinded this policy, citing in part the progress made regarding the Maui General Plan Update. As a result of this change in policy, Project applications for community plan amendment and change in zoning were filed with the County of Maui in April 2010. The applications were subsequently processed for agency and public review. The applications received the support of the Maui Planning Department who recommended approval. On December 14, 2010, the Maui Planning Commission conducted a public hearing on the applications and after due deliberation voted to recommend the Maui County Council's approval of the community plan amendment and change in zoning applications. The applications and recommendation of the Maui Planning Commission were forwarded to the Maui County Council by the Planning Department in March 2011. In December 2012, after years of review and public comment, the County of Maui adopted the Maui Island Plan. As a result, the subject property was now appropriately situated within the Maui Island Plan's designated urban growth boundary. Petitioner's 2020 Annual Status Letter dated October 22, 2020, page 1, attached hereto and incorporated herein by reference as Exhibit "3".

Public hearings on the applications were conducted by the Maui County Council's Land Use Committee on December 18, 2013, February 5, 2014, March 19, 2014 and July 2, 2014. The applications subsequently passed first reading before the Maui County Council on July 22, 2014. Second/final reading and approval of Mayor Arakawa was attained on

August 1, 2014. The receipt of community plan and zoning approval came nearly five and one half years after the Commission's approval. Exhibit "3", page 2.

Since the receipt of zoning approval in August 2014, Petitioner proceeded with the design, engineering and construction of the Project. Subdivision and building plans for the initial increment were prepared and approved by the County. The initial increment included affordable residential units as prescribed by the County's residential workforce housing policy (Maui County Code, Chapter 2.96). The overall Project master plan seeks to provide a range of housing types to meet a range of price points and market segments, all geared toward primary housing for Maui families. The plan includes a mix of multi family attached and single family detached units, including stacked flats, townhomes, motor court homes and single family detached homes under condominium ownership. Exhibit "3", page 2.

Construction of Kamalani commenced in March 2016, with site grading and infrastructure improvements. Vertical construction of the initial increment commenced in February 2017 and the first home deliveries occurred in October 2017. To date, 170 homes (along with related backbone infrastructure) have been constructed and sold at an estimated cost of construction and development of approximately \$64 million. Exhibit "3", pages 2-3. The Kamalani Project's Location Map, Site Plan and Photographs are attached hereto and incorporated herein as Exhibit "4".

III. DISCUSSION

Petitioner's Motion seeks: 1) to recognize A & B Properties Hawaii, LLC, Series T's standing to seek and obtain the relief requested herein; and 2) to amend the timeframe for completion of the Project's backbone infrastructure as provided in Condition 22 of the 2009 Decision and Order.

The original petitioner, A&B Properties, Inc., was converted to A & B Properties Hawaii, LLC, Series T effective December 21, 2016, with Series T being established effective December 31, 2016. The land owner of the Petition Area when the D&O was entered was Alexander & Baldwin, Inc. Alexander & Baldwin, Inc. has since converted to Alexander & Baldwin, LLC, and the Petition Area has been conveyed to Kamalani Ventures LLC. Exhibit "3", pages 11-12.

The current landowner of the Petition Area, Kamalani Ventures LLC, has authorized its Manager, A & B Properties Hawaii, LLC, Series T, to file this motion and seek the approval requested herein. The land owner letter authorizing this motion and request is attached hereto and incorporated herein by reference as Exhibit "5".

Condition 22 of the 2009 Decision and Order states:

Infrastructure Deadline. Petitioner shall complete construction of the proposed backbone infrastructure, including the primary roadways and access point, residential internal roadways, and water supply, sewage and electrical infrastructure within ten years from the date of the decision and order.

Petitioner seeks an amendment to Condition 22 as follows:

Infrastructure Deadline. Petitioner shall complete construction of the proposed backbone infrastructure, including the primary roadways and access point, residential internal roadways, and water supply, sewage and electrical infrastructure by February 20, 2029.

The effects of the COVID Pandemic are anticipated to significantly impact the timing of buildout of the remaining homes at Kamalani. Sales for the initial increment of Kamalani points to many of the buyers employed in tourism related jobs. Tourism, as an employment center, is measured by the Accommodations & Food Service sector. Tourism is the largest employer in Maui County and has experienced the largest number of job losses from the COVID Pandemic. The impact to primary home sales at Kamalani is expected to be significant. At this point in time it is not possible to accurately determine how long the actual recovery will take. Exhibit "3", page 3.

The economic impact of the pandemic has been extreme for Maui. Data from the Department of Business and Economic Development ("DBEDT") shows that total wages and salaries from the Accommodation industry has declined 63.6% in 2020, and Food Services and Drinking Places has declined 56.7%. DBEDT 2020 Quarterly Economic Indicators: Maui County is attached hereto and incorporated herein by reference as Exhibit "6".

Combined, Accommodation and Food Service accounts for nearly one-third of the entire employment in Maui County. Maui County Employment by Industry is attached hereto and incorporated herein by reference as Exhibit "7".

The UHERO state forecast dated September 25, 2020 reports on economic changes between 2018 and 2019, and economic forecasts between 2020 and 2023. The UHERO report indicates that 2019 total visitor arrivals to Maui exceeded 3.1 million visitors. The forecast for 2023 indicates that Maui will not be fully recovered, with total visitor arrivals to reach just under 2.6 million visitors. UHERO state forecast dated September 25, 2020 is attached hereto and incorporated herein by reference as Exhibit "8".

As noted herein, it took approximately 5 and one half years after the Commission's approval to attain County zoning for the Project. Petitioner's efforts during that time were focused on the attainment of community plan and zoning approvals from the County of Maui. These approvals took significantly longer than anticipated and adversely impacted Petitioner's ability to comply with this condition. Nonetheless, Petitioner proceeded as expeditiously as possible with the design, engineering and subdivision processes necessary to commence construction of the Project. Petitioner commenced construction of the Project in March 2016 and has completed the construction and sale of 170 homes at the Project, including all related backbone infrastructure for these homes. The status and progress of the Project has been provided to the Commission on an annual basis since the Commission's approval in 2009 through annual reports submitted by the Petitioner.

Completion of the remaining backbone infrastructure is essentially tied to the development of the remaining (approximately 460) homes within the Project. The timing

of the development of these remaining homes will in turn be dependent upon the demand for and speed of sale of these homes over time. A key anticipated factor will be the financial capability of the buyers to purchase the homes. Sales for the initial increment of Kamalani indicate many of the buyers were employed directly or indirectly in tourism related jobs, where the impact of the COVID Pandemic has been hardest hit. As tourism is a major employer on Maui, this impact is likely island wide. Various indicators point to a 4 to 6 year recovery period. At this point in time we can only speculate as to how long the actual recovery will take. This request is for an additional 10 year period to February 20, 2029. See Declaration of Natalie Kiehm, attached hereto and incorporated herein by reference.

Petitioner additionally requests an amendment to Condition 23 of the 2009 Decision and Order, as it also references the timeframe specified in Condition 22.

Condition 23 states:

Order to Show Cause. If Petitioner fails to complete proposed backbone infrastructure within ten years from the date of the decision and order, the Commission may issue and serve upon Petitioner an Order to Show Cause and the Petitioner shall appear before the Commission to explain why the Petition Area should not revert to its previous State Land Use Agricultural District classification or be changed to a more appropriate classification.

To be consistent with the caselaw and HRS Section 205-4(g), Petitioner seeks an amendment to Condition 23 as follows:

Order to Show Cause. If Petitioner fails to substantially commence use of the land in accordance with representation made to the commission, the Commission may issue and serve upon Petitioner an Order to Show Cause and the Petitioner shall appear before the Commission to explain why the Petition Area should not revert to its

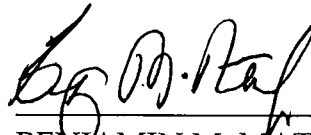
previous State Land Use Agricultural District classification or be changed to a more appropriate classification.

III. CONCLUSION

Based upon the foregoing, Petitioner respectfully requests that the Commission grant this motion after a hearing which Petitioner hereby requests pursuant to HAR § 15-15-70(i).

DATED: Honolulu, Hawai'i, November 17, 2020.

Of Counsel:
MATSUBARA, KOTAKE & TABATA
A Law Corporation



BENJAMIN M. MATSUBARA
CURTIS T. TABATA
Attorneys for Petitioner
A & B PROPERTIES HAWAII, LLC, SERIES T

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAI'I

In the Matter of the Petition of)	DOCKET NO. A07-772
)	
A&B PROPERTIES, INC.)	DECLARATION OF NATALIE I.
)	KIEHM
To Amend the Agricultural Land)	
Use District Boundary into the)	
Urban District for approximately)	
94.352 acres at Waiakoa, Island)	
and County of Maui, State of)	
Hawai'i, TMK: 3-8-04: portion of)	
2, portion of 22 and portion of)	
30)	
_____)	

DECLARATION OF NATALIE I. KIEHM

Natalie I. Kiehm states as follows:

1. I am over 18 years of age, and I am Vice President of A & B Properties Hawaii, LLC, Series T. I have personal knowledge of the matters set forth in this Declaration, and, if called upon to testify, I could and would competently testify thereto.

2. On February 20, 2009, the Land Use Commission ("Commission") reclassified approximately 94.352 acres from the "Agricultural" to the "Urban" land use district at Waiakoa, Maui, for the development of a residential community now known as Kamalani.

3. On August 1, 2014, the County of Maui approved the community plan amendment and change in zoning required for Kamalani.

4. Construction of Kamalani commenced in March 2016, with site grading and infrastructure improvements. Vertical construction of the initial increment commenced in February 2017 and the first home deliveries occurred in October 2017.

5. To date, 170 homes (along with related backbone infrastructure) have been constructed and sold at an estimated cost of construction and development of approximately \$64 million. All 170 homes were sold under the County of Maui's residential workforce housing policy (Maui County Code, Chapter 2.96).

6. Due to the configuration of the site, completion of the remaining backbone infrastructure at Kamalani is essentially tied to the development of the remaining approximately 460 homes planned within Kamalani. The timing of the development of these remaining homes are in turn dependent upon the demand for and speed of sale of these homes over time. A key factor is the financial capability of the buyers to purchase the homes.

7. Sales for the initial increment of Kamalani points to many buyers employed in tourism jobs, where the impact of the COVID Pandemic has been hardest hit. Tourism, as an employment center, is measured by the Accommodations & Food Service sector. Tourism is the largest employer in Maui County and has experienced the largest number of job losses from the COVID Pandemic. The impact to primary home sales at Kamalani is expected to be significant. At this point in time we can only speculate as to how long the actual recovery

will take. We currently estimate that the development of the remainder of Kamalani will take a minimum of 10 years.

8. Attached to the Motion for Order Granting Time Extension ("Motion") as Exhibit "1" is a true and correct copy of the January 22, 2020 Planning Department letter.

9. Attached to the Motion as Exhibit "2" is a true and correct copy of Findings of Fact, Conclusions of Law and Decision and Order dated February 20, 2009.

10. Attached to the Motion as Exhibit "3" is a true and correct copy of the 2020 Annual Status Letter dated October 22, 2020.

11. Attached to the Motion as Exhibit "4" is a true and correct copy of the Kamalani Project's Location Map, Site Plan and Photographs.

12. Attached to the Motion as Exhibit "5" is a true and correct copy of the land owner letter authorizing the Motion.

13. Attached to the Motion as Exhibit "6" is a true and correct copy of the DBEDT 2020 Quarterly Economic Indicators: Maui County.

14. Attached to the Motion as Exhibit "7" is a true and correct copy of the Maui County Employment by Industry prepared by the County of Maui.

15. Attached to the Motion as Exhibit "8" is a true and correct copy of the UHERO state forecast dated September 25, 2020.

I declare under penalty of law that the foregoing is true and correct.

Executed this 17th day of November 2020.

DocuSigned by:

Natalie I. Kiehm

6302E4D56DB93459...

NATALIE I. KIEHM

MICHAEL P. VICTORINO
Mayor

MICHELE CHOUTEAU MCLEAN, AICP
Director

JORDAN E. HART
Deputy Director



DEPARTMENT OF PLANNING
COUNTY OF MAUI
ONE MAIN PLAZA
2200 MAIN STREET, SUITE 315
WAILUKU, MAUI, HAWAII 96793

January 22, 2020

Mr. Daniel E. Orodener
Executive Officer
State Land Use Commission
P. O. Box 2359
Honolulu, Hawaii 96804

Dear Mr. Orodener:

SUBJECT: 2019 ANNUAL REPORT FOR THE STATE LAND USE COMMISSION – DOCKET NO. A07-772/A&B PROPERTIES, INC., KAMALANI (FORMERLY KIHEI RESIDENTIAL) (A07-772)

The Department of Planning (Department) has reviewed the 2019 Annual Report (Report) dated October 22, 2019, for the A&B Properties, Inc., Kihei Residential Project, Docket No. A 07-772. The Department acknowledges this Report as continuing fulfillment of Condition No. 25 Annual Reports.

The Department again notes that substantial project work has been completed with the construction and occupancy of homes in Increment One along with completion of some internal roadways, water and sewer facilities, and other infrastructure. Further work on the project requires the completion of additional agreements especially concerning water supply and the Department looks forward to working with A&B Properties to continue work in Increment Two as these issues are resolved. The Department acknowledges the lengthy entitlement process for the community plan and zoning approvals from the County of Maui impacting A&B Properties' ability to comply with backbone infrastructure timelines. The Department also acknowledges A&B Properties' request that the State Land Use Commission recognizes the material facts regarding lengthy project review and approval processes and construction.

However, Condition No. 22 is specific in its timeline for the completion of the backbone infrastructure as it states "*Petitioner shall complete construction of the proposed backbone infrastructure, including the primary roadways and access point, residential internal roadways, and water supply, sewage and electrical infrastructure within ten years from the date of the decision and order.*" As the date of the Decision and Order was February 20, 2009, the Applicant

EXHIBIT "1"

Mr. Daniel E. Orodener
January 22, 2020
Page 2

has been made aware of the need to work with the County of Maui and the State Land Use Commission during 2020 in order to schedule a meeting requesting an amendment to Condition No. 22 to reflect the realities and timeframe of further project infrastructure development.

Thank you for the opportunity to review. Should further comment be necessary, please contact Staff Planner Kurt Wollenhaupt by email at kurt.wollenhaupt@mauicounty.gov or by phone at (808) 270-1789.

Sincerely,



MICHELE MCLEAN, AICP
Planning Director

xc: Clayton I. Yoshida, AICP, Planning Program Administrator (PDF)
John S. Rapacz, Planning Program Administrator (PDF)
Kurt F. Wollenhaupt, Staff Planner (PDF)
Department of Public Works
State Office of Planning
Riley K. Hokoda, Land Use Commission (PDF)
Rasmi Agrahari, Land Use Commission (PDF)
Daniel Y. Yasui, AICP, Vice President, A&B Properties, Inc. (PDF)
Project File

MCM:KFW:lk

K:\WP_DOCS\Planning\A\2007772_A&BpropertiesKiheiRes\2019_Annual_Report_LandUseCommission.docx



BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In The Matter Of The Petition Of) DOCKET NO. A07-772
)
A&B PROPERTIES, INC.) FINDINGS OF FACT, CONCLUSIONS OF
) LAW, AND DECISION AND ORDER
To Amend The Agricultural Land Use)
District Boundary Into The Urban Land)
Use District For Approximately 94.352)
Acres Of Land Situated In Waiakoa,)
Island And County Of Maui, State Of)
Hawai'i, Tax Map Key: 3-8-04: Portion)
Of 2, Portion Of 22, And Portion Of 30)
_____)

FINDINGS OF FACT, CONCLUSIONS OF LAW,
AND DECISION AND ORDER

THIS IS TO CERTIFY THAT THIS IS A TRUE AND CORRECT
COPY OF THE DOCUMENT ON FILE IN THE OFFICE OF THE
STATE LAND USE COMMISSION, HONOLULU, HAWAII.

2/20/09

BY

Executive Officer

EXHIBIT "2"



BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In The Matter Of The Petition Of) DOCKET NO. A07-772
A&B PROPERTIES, INC.)
To Amend The Agricultural Land Use) FINDINGS OF FACT, CONCLUSIONS OF
District Boundary Into The Urban Land) LAW, AND DECISION AND ORDER
Use District For Approximately 94.352)
Acres Of Land Situated In Waiakoa,)
Island And County Of Maui, State Of)
Hawai'i, Tax Map Key: 3-8-04: Portion)
Of 2, Portion Of 22, And Portion Of 30)
_____)

FINDINGS OF FACT, CONCLUSIONS OF LAW,
AND DECISION AND ORDER

A&B PROPERTIES, INC. ("Petitioner"), filed a Petition For Land Use District Boundary Amendment on March 2, 2007 (the Petition as so amended is referred to as "Petition"), pursuant to Hawai'i Revised Statutes ("HRS") section 205-4, and Hawai'i Administrative Rules ("HAR") chapter 15-15, to amend the land use district boundary to reclassify approximately 94.352 acres of land, situated in Waiakoa, Island and County of Maui, State of Hawai'i, Tax Map Key: 3-8-04: portion of 2, portion of 22, and portion of 30 ("Petition Area"), from the State Land Use Agricultural District to the State Land Use Urban District to allow for the development of the Kihei Residential

Project ("Project"), a mix of single-family and multi-family residential units, a small commercial site, parks, and open space.

The Land Use Commission ("Commission"), having heard and examined the testimony, evidence, and argument of counsel presented during the hearings, together with the pleadings filed by the respective parties thereafter, hereby makes the following Findings of Fact, Conclusions of Law, and Decision and Order.

FINDINGS OF FACT

PROCEDURAL MATTERS

1. On March 2, 2007, Petitioner filed the Petition, Exhibits "1" through "7" of the Petition, and an Environmental Impact Statement Preparation Notice.
2. On March 16, 2007, the Commission agreed to be the accepting authority under HRS chapter 343 and determined that the action may have a significant impact upon the environment to warrant the preparation of an Environmental Impact Statement ("EIS"). The Commission issued its written Order and served it upon Petitioner, the State Office of Planning ("OP"), and the County of Maui Department of Planning ("DP") on March 29, 2007.
3. On May 15, 2008, and by Findings Of Fact, Conclusions Of Law, And Decision And Order Accepting A Final Environmental Impact Statement dated June 10, 2008, the Commission accepted Petitioner's Final EIS pursuant to HRS chapter 343 and HAR chapter 11-200.

4. On June 3, 2008, Petitioner filed the First Amendment To Petition For Land Use District Boundary Amendment, Verification, and Exhibits "8" and "9."

5. On June 6, 2008, the Executive Officer of the Commission deemed the Petition a proper filing and accepted it for processing as of June 3, 2008.

6. On July 14, 2008, Petitioner filed the Affidavit of Mailing Notice Of Hearing and the Affidavit Of Service Of Notice Of Hearing.

7. On July 15, 2008, Petitioner filed the Affidavit Of Filing Notice Of Hearing With Lieutenant Governor's Office.

8. On July 25, 2008, Petitioner filed Affidavit Of Publication Of Notice Of Hearing.¹

9. On August 6, 2008, the Executive Officer of the Commission conducted a prehearing conference at the Commission's Conference Room 405 in Honolulu, Hawai'i. At the prehearing, the parties filed with the Commission and served to the other parties the following: OP's List Of Witnesses, List Of Exhibits, Exhibits "1" through "8"; DP's Position Statement, List Of Witnesses, List Of Exhibits, and Exhibits "1" through "4"; and Petitioner's List Of Witnesses, List Of Exhibits, and Exhibits "9a," "9b," "10a," "10b," "10c," "10d," "11a," "11b," and "12."

10. On August 18, 2008, Petitioner filed First Amended List Of Exhibits and Exhibits "13" through "16."

¹ The Notice Of Hearing was published in 1) the *Honolulu Star-Bulletin* on July 14, 2008; 2) the *Hawai'i Tribune-Herald* on July 17, 2008; 3) *West Hawaii Today* on July 17, 2008; 4) *The Maui News* on July 15, 2008; and 5) *The Garden Island* on July 13, 2008.

11. On August 19, 2008, OP filed First Amended List Of Witnesses, First Amended List Of Exhibits, and Exhibits "1a" and "9" through "12."

12. The Commission held evidentiary hearings in this docket on August 21, 2008; August 22, 2008; September 12, 2008²; and October 16, 2008, in Mākena, Maui, Hawai'i.

13. On October 16, 2008, the Commission closed the evidentiary portion of the proceedings.

DESCRIPTION OF THE PETITION AREA

14. The Petition Area consists of approximately 94.352 acres of land, situated in Waiakoa, Island and County of Maui, State of Hawai'i, Tax Map Key: 3-8-04: portion of 2, portion of 22, and portion of 30.

15. The Petition Area is owned in fee simple by Alexander & Baldwin, Inc., which provided its written authorization to Petitioner to file the Petition.

16. The Petition Area is located at the northern gateway to the Kīhei-Mākena region, and is bordered by Waiakoa Gulch and agricultural lands to the north and residential uses to the south. Pi'ilani Highway borders the Petition Area on the west. Hale Pi'ilani, a single-family subdivision, is located to the immediate south, while Kīhei Villages, a multi-family residential project, lies to the southwest.

² At the Commission's September 12, 2008, hearing, the DP filed Exhibit "5."

17. The lands to the south and southwest of the Petition Area are generally within the State Urban Land Use District and lands to the north of the Petition Area are within the State Agricultural Land Use District.

18. The Petition Area was formerly cultivated in sugarcane, but those operations ceased in the mid-1980s. The makai portion of the Petition Area, covering approximately 38 acres, is currently utilized by Monsanto Company under a lease agreement to cultivate seed corn. Approximately 12 acres in the central portion of the Petition Area was previously farmed by an independent farmer. The mauka portion of the Petition Area has been fallow since the cultivation of sugarcane ended in the mid-1980s.

19. The Petition Area is gently sloping in a westerly direction with an average slope of approximately 3 percent.

20. The Petition Area is located within one of the drier areas of southwest Maui. Annual temperatures in the region, including the Petition Area, average in the mid to high 70s. June through August are historically the warmer months of the year, while the cooler months are January through March. During the summer months, average daily temperatures in the region typically range from the low 70s to the high 80s. Northeast tradewinds prevail approximately 80 to 85 percent of the time. Tradewinds originating from the northeast average 10 to 15 miles per hour during afternoons, with slightly lighter winds during mornings and nights. Between October and April, the southerly winds of Kona storms may be experienced.

21. The majority of the Petition Area is designated as Zone C, areas of minimal flooding, by the Federal Emergency Management Agency ("FEMA"). Other FEMA flood designations within the Petition Area are Zone B (areas of 100-year flooding with flood depths of less than one foot) within the lower reaches of the Petition Area; and Zone A2 (areas of 100-year flooding with base flood elevations shown which have been determined by detailed methods).

PROPOSAL FOR RECLASSIFICATION

22. Petitioner proposes a total of approximately 600 market and affordable residential units in addition to a small 1.4-acre neighborhood commercial site at the western (makai) end. Approximately 200 multi-family attached units are proposed at the western portion of the Petition Area. The central portion of the Petition Area is planned for approximately 100 single-family detached units on subdivided lots of approximately 6,000 square feet. The eastern (mauka) portion of the Petition Area is planned for approximately 300 single-family detached residential units that would not be subdivided, but clustered and offered under condominium ownership.

23. The Project will also include park and open space areas which will provide for a network of trails and bike paths that will connect to existing parks and open space areas.

24. The primary planned vehicular access points at the makai end of the Project include a planned right-turn in and right-turn out off of Pi'ilani Highway, as

well as access off of Kaiwahine Street. Within the mauka portion of the Petition Area,

several access points to adjacent properties are planned. The makai entrance to the Project from Kaiwahine Street will be situated as far mauka as feasible from Pi'ilani Highway to reduce the potential for vehicle queuing on Pi'ilani Highway.

25. An approximately 1.4-acre site is proposed for commercial use. Located at the southwest corner of the Petition Area, along Pi'ilani Highway, the proposed commercial area will allow for neighborhood business uses, which will provide services for the convenience of the surrounding neighborhoods.

26. The Project's estimated construction cost of onsite/offsite infrastructure and site work is approximately \$59,000,000 (2007 dollars). Building construction cost is estimated at approximately \$92,000,000 (2007 dollars).

27. It is estimated that the Project's entitlement process will take approximately two years to complete, followed by approximately two years for the design and the approval of construction plans. Construction of the proposed backbone infrastructure, including the primary roadways and access point, residential internal roadways, and water supply, sewage, and electrical infrastructure will be completed within ten years from the date of the decision and order in this docket. Site construction is estimated to be initiated in 2011, with buildout of the Project estimated over a five-year period until approximately 2016.

PETITIONER'S FINANCIAL CAPABILITY TO UNDERTAKE THE PROJECT

28. Petitioner is a wholly-owned subsidiary of Alexander & Baldwin,

reflect total assets of \$2,479,000,000, total liabilities of \$1,349,000,000, total shareholder's equity of \$1,130,000,000, and net income of \$142,000,000. Development of the Project is intended to be financed through internally generated funds.

STATE AND COUNTY PLANS AND PROGRAMS

29. The Petition Area is designated within the State Land Use Agricultural District. The Petition has been filed to amend the Petition Area to the State Land Use Urban District.

30. The Petition Area is located within the County's Urban Growth Boundary as identified on the Draft Maui Island Plan prepared by the DP. The Draft Maui Island Plan is part of the County's ongoing General Plan update process.

31. The Petition Area is designated as Agriculture by the Kihei-Mākena Community Plan. A community plan amendment to establish the proposed Multi-Family, Single-Family, and Commercial community planning designations will be required for the Petition Area.

32. The Petition Area is zoned Agricultural by the County. A change in zoning to establish the proposed Residential, Apartment, and Community Business District zoning designations will be required for the Petition Area.

33. The Petition Area is located outside of the County's Special Management Area.

NEED FOR THE PROJECT

34. Maui County is experiencing a housing crisis.

35. The Project will provide affordable housing in accordance with applicable provisions of the Maui Residential Workforce Housing Policy ("MRWHP"), Maui County Code Chapter 2.96.

36. ACM Consultants, Inc., under the direction of Glenn K. Kunihiha, prepared a report titled *Market Study & Economic Impact Analysis of the Proposed Kihei Residential Project, Kihei, Island of Maui, Hawaii*, dated January 3, 2007.

37. The Kihei residential market is expected to appreciate in the long term while undergoing sequences of highs and lows of a typical real estate cycle. The Project will introduce housing products to the market at the low end as far as pricing is concerned, and demand for these units should exist in all phases of the real estate cycle.

ECONOMIC IMPACTS

38. The per capita expenditure for the State as a result of the Project is estimated at approximately \$4,700 per person. The per capita expenditure for the County is estimated at approximately \$1,800 per person. The total estimated cost of providing State and County services for the new residents is between \$585,000 and \$1,170,000.

39. On a short-term basis, the Project will support construction and construction-related employment. Construction-related wages resulting from the Project is estimated at approximately \$60.4 million (2007 dollars), and State general excise taxes in the amount of approximately \$6.3 million are estimated over the development and construction period.

40. The annual real property tax base for the Project is estimated at approximately \$341,000. It is anticipated that real property taxes generated by residents of the Project will support any increase in regional public service demands over time.

SOCIAL IMPACTS

41. The Project will provide resident housing opportunities in both the near and long term. A range of housing types will serve to meet the varied housing needs of the region. The Project will provide a significant community benefit by offering residents new opportunities to secure affordable and market-priced housing.

42. The Project will be in compliance with the MRWHP. As required under the MRWHP, a minimum of 40 percent of the Project's units, or approximately 240 units, must be priced for households earning between 80 percent and 160 percent of the median household income. The MRWHP specifies the proportionate allocation of the affordable units among the various income groups, which include 30 percent (72 units) priced for below-moderate income households (earning between 80 percent and 100 percent of median income), 30 percent (72 units) priced for moderate income households (earning between 100 percent and 120 percent of median income), 20 percent (48 units) priced for above-moderate income households (earning between 120 percent and 140 percent of median income), and 20 percent (48 units) priced for gap income households (earning between 140 percent and 160 percent of median income).

43. It has been represented that the affordable units will consist of a mix of both multi-family and single-family units, and that the affordable units will be developed concurrently with the market units.

44. The Project will result in a slight increase in the population of the region. Based on the 2006 County average of three persons per household, approximately 1,800 persons are anticipated to occupy the 600 proposed units at full buildout of the Project. Based on the size and nature of the commercial site, the amount of resulting employees is anticipated to be minimal.

45. The proportion of residents at the Project anticipated to be new in-migrants to Maui is expected to be modest, given the pent-up demand for housing on Maui and that the MRWHP requires residency within the County as a qualification criterion. Accordingly, it is estimated that there will be an in-migrant population of between 5 percent and 10 percent. Based on this estimate, between approximately 90 persons (30 households at an average of three persons per household) and 180 persons (60 households at an average of three persons per household) would be new residents to Maui County.

IMPACTS UPON RESOURCES OF THE AREA

Agricultural Resources

46. The Petition Area soil conditions are as follows:

Agricultural Lands of Importance to the State of Hawai'i ("ALISH").

Approximately 45 acres of the western (makai) end of the Petition Area has been

designated as "Prime" agricultural lands while the remainder of the Petition Area, or approximately 49 acres, is "Unclassified."

Land Study Bureau ("LSB"). The western (makai) portion of the Petition Area is designated as "B72i," which generally involves the same area as the "Prime" agricultural lands under the ALISH classification system. Machine tillability is moderate in this soil type, which is also considered to be stony, moderately fine textured, and well drained. The eastern (mauka) portion of the Petition Area is designated "E77," which constitutes an area similar to the "Unclassified" lands according to the ALISH classification system. These lands have the lowest productivity rating by the LSB. Machine tillability is very poor, thus grazing is the typical use for this type of soil. The soil is moderately fine and well drained with complex nonstony, stony, and rocky lands.

Soil Series and Classification. The soil types underlying the Petition Area include Pūlehu Silt Loam (PpA), 'Alae Sandy Loam (AaB), Waiakoa Very Stony Silty Clay Loam (WgB), and Waiakoa Extremely Stony Silty Clay Loam (W1D2). Pūlehu Silt Loam has historically been used for sugarcane. 'Alae Sandy Loam and Waiakoa Very Stony Silty Clay Loam are used for sugarcane and pasture. All soil types except the Waiakoa Extremely Stony Silty Clay Loam generally exhibit slow runoff and low erosion hazard. Waiakoa Extremely Stony Silty Clay Loam commonly exhibits medium runoff and severe erosion hazard. The western (makai) portion of the Petition Area

consists of Pūlehu Silt Loam, 'Alae Sandy Loam, and Waiakoa Very Stony Silty Clay

Loam. The eastern (mauka) portion of the Petition Area consists of Waiakoa Very Stony Silty Clay Loam and Waiakoa Extremely Stony Silty Clay Loam.

47. Although approximately half of the Petition Area is designated as "Prime" agricultural lands, Waiakoa Gulch effectively isolates these lands from other "Prime" lands farther north. The geometry of the Petition Area, with its relatively narrow north/south configuration defined by Waiakoa Gulch to the north and the Hale Pi'ilani Subdivision to the south, poses logistical and compatibility challenges to long-term productive agricultural use. With the Project, Waiakoa Gulch would become the natural buffer between agricultural lands to the north and the Project and existing residential development to the south.

48. In anticipation of the Project and the potential removal of 38 acres from seed corn cultivation, 485 acres of replacement lands have been leased to Monsanto Company for a period of ten years to assure that relocated agricultural activities continue in the future. These lands are situated in the near vicinity and proximate to Monsanto Company's headquarters near the intersection of Pi'ilani Highway and North Kihei Road.

49. Reclassification and development of the Petition Area will not have an adverse impact on agricultural resources in the region or in the State.

50. Residual pesticides on the Petition Area as a result of the historical agricultural use could pose potential risks to human health and the environment. As

("DOH, HEER"), recommended that soils be tested for residual pesticide contamination and that the presence of potential hazards be evaluated.

Fauna

51. Robert Hobby, Environmental Consultant, conducted botanical and faunal surveys of the Petition Area in August 2005.

52. Avifauna and mammals common to the Petition Area and surrounding areas are typical of species found near other developed areas in Kīhei. Feral mammals found within the Petition Area included dogs, cats, and mongoose. There was evidence of axis deer on the upper part of the Petition Area; however, no deer were actually seen. Non-native birds were observed and very active in this area due to the sizable insect population, the abundance of plant seeds, and the dry conditions. There were no known threatened or endangered mammal, bird, or insect species identified throughout the course of the survey. However, due to the threatened and endangered seabirds whose flight corridor includes the Petition Area, Petitioner will implement Best Management Practices ("BMPs") as recommended by the U. S. Fish and Wildlife Service ("USFWS").

53. Reclassification and development of the Petition Area with implementation of BMPs will not have an adverse impact on native fauna on the Petition Area.

Flora

54. At the time of the surveys, the lower half of the Petition Area was recently plowed and consisted of bare soil except along the field margins and roads. The middle portion of the Petition Area had a diverse array of vegetable crops and the upper portion of the Petition Area was predominantly populated with buffelgrass, along with scattered kiawe trees and koa haole shrubs.

55. Buffelgrass was the only species listed as abundant in the Petition Area and best defined the character of the upper portion of the Petition Area. Three native plants, `ilima, `uhaloa, and koali awahia, were found within the upper (mauka) 40 or so acres of the Petition Area, but all are common indigenous plants that are widespread on Maui. The vegetation throughout the Petition Area was dominated by non-native species. No endangered or threatened plant species were identified in the Petition Area.

56. Reclassification and development of the Petition Area will not have an adverse impact on botanical resources on the Petition Area.

Archaeological and Historical Resources

57. Cultural Surveys Hawai'i, Inc., under the direction of Hallett H. Hammatt, completed an archaeological inventory survey ("AIS") report for the Petition Area and adjacent portions of Waiakoa Gulch in February 2006.

58. During the field inspections, two historic sites related to the former use of the Petition Area for sugarcane cultivation were identified. These two sites were then further examined according to the accepted State and Federal significance

evaluations. No burial features or human remains were identified during pedestrian surveys or subsurface testing at the Petition Area.

59. The first historic site noted, identified as SIHP 50-50-09-5744 and located on the northern boundary of the Petition Area, contained remnants of a possible former railway crossing that had been modified for agricultural water control. The structure consisted of two features, an irrigation flume and a concrete bridge structure. Based on the construction method and materials, in addition to documentary research, the structure is estimated to have been built between 1900-1920 by either Kihei Plantation or Hawaiian Commercial & Sugar Company.

60. The second historic site noted, identified as SIHP 50-50-09-5745 and located in the easternmost portion of the Petition Area, contained a crude, hand-dug well. The probable water source for this well ran through an underground shaft that is oriented in a northwest to southeast direction. The final depth of the well is unknown due to fallen debris and rocks. Given the rather crude construction of the well, it is possible that this well was associated with either early water prospecting or what remains of one of the original wells dug for Kihei Plantation.

61. Both of the historic sites identified during the archaeological inventory survey are considered significant due to their potential to yield information important for understanding the history of the region. Information for these sites has been recorded as part of the inventory survey investigation through location

oblique view renderings. Based on these findings, the report recommendation is, and the Commission finds, that no historic properties will be affected by the reclassification and development of the Petition Area. The AIS report was submitted to the State Department of Land and Natural Resources, State Historic Preservation Division ("DLNR, SHPD"), for review. The DLNR, SHPD, concurred with the report's findings and recommendations and accepted the report in a letter dated June 7, 2006.

Cultural Resources

62. Cultural Surveys Hawai'i, Inc., under the direction of Hallett H. Hammatt, completed a cultural impact assessment for the Petition Area and adjacent portions of Waiakoa Gulch in June 2006.

63. The report was based on a variety of sources, including agency consultation, archival research, and consultation with lineal descendants of long-time area residents. Some of the agencies consulted include the Office of Hawaiian Affairs, the Maui/Lāna'i Island Burial Council, the DP's Cultural Resource Planner, and the Hui Malama I Na Kupuna O Hawai'i Nei.

64. The Petition Area is situated along the southern edge of Waiakoa Gulch, in what was considered the transitional area between the mauka (inland) and makai (coastal) settlement areas. Based on the settlement pattern in adjacent ahupua'a and the knowledge shared by those interviewed and consulted during the course of the cultural assessment, it appears that the Petition Area may have sustained a small,

seasonal population during traditional Hawaiian times.

65. The waters of Waiakoa Gulch, although only seasonably available, may have supported limited freshwater aquatic resources, as well as limited agriculture during the rainy season. As a whole, however, the primary resources would have come from the abundant marine resources of the coastal region, in addition to agricultural crops from the mauka region of the ahupua`a. Decades of continuous historic and modern agriculture and ranch activities have heavily modified stream flow and consequently left no evidence of traditional cultural practices within the Petition Area.

66. As part of the cultural assessment, two interviews were conducted to gain an understanding of likely cultural practices which occurred in the vicinity. The interviewees were not aware of cultural practices in the present day, outside of the use of coastal fishing grounds, nor of the existence of heiau (temples) or ahu (shrines) in the area. While canoe club-related activities in the last few decades have occurred to the west of the Petition Area along the shoreline, no significant cultural practices were identified in the direction of the Petition Area from the shoreline area. Concern was raised over the periodic flooding of Waiakoa Gulch and potential runoff impacting coastal and nearshore fishing grounds. To address this concern of runoff impacts to coastal areas, Petitioner will implement erosion and soil control measures.

67. Based on the information gathered during the cultural assessment, residential expansion into the lands comprising the Petition Area will have minimal impact upon Native Hawaiian cultural resources within the immediate vicinity.

Groundwater Resources

68. The Petition Area is situated over the Pā`ia Aquifer (State Aquifer No. 60302), which has an estimated sustainable yield of 8 million gallons per day ("mgd"). The Pā`ia Aquifer extends from Pā`ia to north Kīhei, within Central Maui, just east of the Kahului Aquifer. The Petition Area is located in the southern portion of the aquifer, in an area of underlying brackish water (chlorides in excess of 250 parts per million). Wells in this portion of the aquifer are generally used for irrigation purposes. Based on available well information from the DLNR, Commission on Water Resource Management, there are approximately 30 registered wells (excluding wells not in use or for observation) within the Pā`ia Aquifer. The majority of the wells are used for irrigation purposes, including those in the vicinity of the Petition Area. The underlying brackish water extends well beyond the Petition Area (mauka/east). Fresh drinking water begins to occur in the basalt lava flows at approximately elevation 1,200 feet above mean sea level ("amsl"), far beyond the Petition Area's maximum elevation of approximately 230 feet amsl. The only listed domestic wells in the Pā`ia Aquifer are on the northern end of the aquifer, in the vicinity of Spreckelsville and Māliko Gulch. Due to the Project's relative proximity to the ocean, it is not situated upgradient of any known drinking water wells. Based on these factors, the Project is not anticipated to have significant adverse impact upon drinking water resources.

69. The Project will connect to the County wastewater system and

residential refuse collection service. Impacts to groundwater resources attributable to hazardous materials usage are not anticipated since uses typically associated with such materials (e.g., industrial use) are not planned at the Project.

70. The reclassification and development of the Petition Area is not anticipated to have a significant adverse impact upon groundwater resources.

Recreational Resources

71. Petitioner has been in coordination with the County Department of Parks and Recreation to ensure satisfactory compliance with parks and playgrounds assessment requirements. It is estimated that the park assessment would amount to just under seven acres for a 600-unit residential subdivision in South Maui.

72. The Project will include landscaped open space areas and pocket parks linked by a path and trail system. The path and trail system will promote connectivity within the Project, as well as with adjacent neighborhoods. The adjacent Waiakoa Gulch will provide a natural Project buffer and opportunities for passive recreation. These features will serve to improve the visual landscape, promote connectivity within the Project, as well as to offsite locations, and create recreational opportunities for Project residents.

Scenic Resources

73. The Petition Area is located mauka of Pi'ilani Highway at the northern portion of the Kihei urban area. The slopes of Haleakalā are visible from the

Petition Area, with the West Maui Mountains visible to the northwest. The Petition

Area is not located within a scenic view corridor, nor is it a part of a valuable open space resource area.

74. The Project will be developed as an architecturally integrated master-planned area with low-rise residential structures. Landscaping will be installed as part of the development improvements to ensure visual buffering and softening of the built landscape. Adverse impacts to scenic or open space resources resulting from the Project are not anticipated. While the Petition Area abuts the existing Hale Pi'ilani Subdivision, the Petition Area is situated at a lower grade than the existing subdivision (averaging approximately ten feet lower in grade). This, in combination with a landscape buffer within the Petition Area, will provide a vertical as well as horizontal separation to mitigate visual impacts of the Project. The Project will also incorporate park and open space areas that will provide view corridors. The Petition Area is not visible from offsite shoreline locations in Kihei.

ENVIRONMENTAL QUALITY

Noise

75. Development of the Project will entail typical construction activities including excavation, grading, and the use of construction equipment. Existing residences to the south may be impacted by construction noise due to their close proximity to the Petition Area. Noise from such construction activities would be short term and must comply with the DOH noise regulations. Should noise during the construction phase of the Project exceed the maximum allowable levels, a noise permit

may be required. After the completion of construction, noise generated by stationary mechanical equipment (e.g., compressors and HVAC equipment) that are typically associated with commercial facilities must meet applicable noise standards.

76. The planning and design of the Project will take into account means to attenuate noise from such facilities through proper placement and design. Given the limited commercial use planned at the Project, the potential for such adverse impacts is anticipated to be minimal.

77. A landscaped buffer planned within the Petition Area between the existing residences in the Hale Pi'ilani Subdivision and the proposed new collector road should mitigate potential noise associated with the road and Project.

Air Quality

78. The major potential short-term air quality impact of the Project will occur from the emission of fugitive dust during construction. In addition to regular watering and sprinkling, the following measures will be implemented by Petitioner's contractor during construction activities to minimize the proliferation of fugitive dust: 1) using wind screens and/or limiting the area that is disturbed at any given time to contain fugitive dust emissions; 2) covering trucks hauling soil material to mitigate dust; 3) routine road cleaning and tire washing to reduce fugitive dust emissions from trucks/vehicles tracking dirt onto nearby paved roadways; and 4) installing landscaping early in the construction schedule to control dust.

79. During the construction phase, emissions from engine exhaust will occur from onsite construction equipment and other construction-related vehicles. Increased vehicular emissions due to traffic disruptions by construction equipment or vehicles entering/exiting the Petition Area can be mitigated by moving equipment during off-peak hours. Construction-related emissions would be limited to the construction period of the Project. After the Project is completed, carbon monoxide concentrations at the Petition Area are anticipated to remain within acceptable air quality standards.

Water Quality

80. The Project will connect to the County wastewater system and household refuse will be collected on a regular basis. In addition, no industrial uses are planned so hazardous wastes typically associated with such uses are not anticipated. Petitioner will implement BMPs during construction to minimize impacts on coastal ecosystems. The drainage system serving the Project, including the use of drainage basins, will be designed in accordance with applicable regulatory standards to mitigate potential adverse impacts to coastal waters.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Highway and Roadway Facilities

81. Austin Tsutsumi & Associates, under the direction of Keith Niiya, completed a traffic impact analysis report ("TIAR") for the Project in May 2007.

82. The TIAR examined traffic operations for three scenarios: 1) existing traffic conditions - how the study intersections were operating at the time of the traffic counts; 2) Base Year traffic conditions - how the study intersections would be expected to operate in the future with other known future developments near the Project but without the Project (mitigative measures to improve base year traffic operating conditions were identified); and 3) Future Year traffic conditions - how the study intersections would operate when traffic generated by the Project is added to the Base Year volumes (improvements to reduce or eliminate adverse impacts resulting from traffic generated by the Project are recommended).

83. The study intersections were identified as follows: 1) North Kihei Road/South Kihei Road/Pi'ilani Highway; 2) South Kihei Road/Uwapo Road; 3) Pi'ilani Highway/Mokulele Highway; 4) Pi'ilani Highway/Uwapo Road/Kaiwahine Street; and 5) South Kihei Road/Mokulele Highway. At the time the TIAR was prepared, three of the five study intersections were found to be near or at capacity. However, the recently completed Mokulele Highway widening project has since addressed these capacity issues. As part of the Mokulele Highway widening project, the following improvements were made: 1) Mokulele Highway was widened to four lanes; 2) the intersection of Mokulele Highway and Pi'ilani Highway was realigned to eliminate the need for any turns for through traffic traveling between Kahului and Kihei/Wailea; 3) the North Kihei Road/South Kihei Road/Pi'ilani Highway intersection was improved with a traffic signal and additional turning lanes; and 4) the South Kihei Road/Mokulele

Highway intersection was eliminated. Also, traffic signals along Pi'ilani Highway were coordinated to facilitate the flow of through traffic in the peak direction to reduce the "stop and go" effect that drivers experience on uncoordinated systems.

84. As a result of the assumed defacto growth rate of 2 percent and the assumed future developments, traffic along Pi'ilani Highway is projected to double by Base Year 2016. This is expected to result in over capacity conditions on Pi'ilani Highway, even without the Project. To address these conditions, the following mitigative measures are recommended: 1) provide an additional eastbound through lane at the North Kihei Road/South Kihei Road/Pi'ilani Highway intersection; 2) implement transportation demand management ("TDM") measures on a regional or County-wide basis. TDM measures could include incentive programs for carpooling by employers and increasing bus ridership through improvements in the frequency and capacity of bus routes; and 3) construct the Kihei-Upcountry Bypass that will divert approximately 25 to 30 percent of the traffic off of Pi'ilani Highway fronting the Petition Area and pursue development of a north-south roadway parallel to Pi'ilani Highway.

85. Analysis of conditions for Year 2016 with the Project indicates that traffic will operate similarly to Base Year 2016 with the mitigative measures. In addition to the provision of the new right-turn in/right-turn out connection to Pi'ilani Highway, the following improvements are recommended at the Pi'ilani Highway/Uwapo Road/Kaiwahine Street intersection: 1) provide two southbound left turn lanes

on Pi'ilani Highway; 2) provide an exclusive left-turn and through lane eastbound

Uwapo Street approach; and 3) provide two exclusive left-turn lanes, a through lane, and an exclusive westbound right-turn lane westbound Kaiwahine Street approach. In concert with these geometric modifications, the traffic signal system at this intersection should be modified to provide an 8-phase signal timing configuration.

86. Petitioner will update the TIAR to the satisfaction of the State Department of Transportation ("DOT").

87. Petitioner will work with the DOT to implement appropriate traffic improvements and mitigation measures.

88. Petitioner will provide accommodations to support public bus transportation services (bus stop) and a network of bicycle paths in the Project subject to County approval.

Water Service

89. R. M. Towill Corporation prepared a preliminary engineering report that addressed the water service requirements of the Project in May 2007.

90. The average daily water demand of the Project is estimated at 0.53 mgd, while the maximum daily demand is projected at 0.79 mgd. The peak hour demand is estimated at 1.58 mgd.

91. Based on preliminary consultation with the County Department of Water Supply ("DWS"), DWS requires Petitioner to develop a long-term drinking water source and storage facilities to serve the Project. These facilities would be connected to the existing DWS system and dedicated to the County of Maui.

Petitioner is exploring several potential source opportunities, including surface water treatment and new well sources in Central Maui. A primary focus has been the development of a surface water treatment plant utilizing water from the West Maui ditch system. Engineering design of the plant is well underway, as well as the preparation of other needed regulatory documents. Over the past three years, in excess of \$850,000 has been spent on the engineering design and preparation of regulatory documents needed for the plant to proceed. The plant is now about 80 percent designed and other environmental and engineering documents are also nearing completion. Petitioner is also pursuing other potential sources, including a new drinking water well in the Kahului Aquifer. Potential well sites have been identified and a test well was drilled. The results of the well's pump test indicate a sustainable capacity of approximately 0.648 mgd.

The timing of completion of the source development projects will, in large part, determine the particular water source for the Project. Petitioner acknowledges that both source alternatives will require further discussion, review, and approval by applicable governmental agencies and expects to continue discussions as the planning and design for the Project proceeds. Nonetheless, Petitioner is committed to develop source, storage, and transmission facilities to serve this Project.

92. To meet the water storage needs of the Project, an 800,000-gallon tank at a ground elevation of 345 feet is planned. Petitioner is in discussions with

neighboring landowners concerning the location of such a tank, as well as potential

joint development opportunities. The Makai Heights Reservoir has an estimated remaining capacity of 339,000 gallons which could be used to service a portion of the Project. However, further consultation will be undertaken with the DWS during the design phase to determine whether any of this storage capacity would be available for the Project.

93. In order to interconnect with the DWS system, a pressure reducing valve would be required. Petitioner will continue to work closely with the DWS to ensure that the development of the water system is in accordance with County standards.

94. In order to increase the efficiency of water usage, Petitioner will provide rain sensors on all automated irrigation controllers in common landscaped areas and a regular maintenance program to check and reset the automated irrigation controls. Plumbing fixtures will be installed in accordance with Maui County Code Section 16.20A.680, which requires the utilization of low-flow fixtures and devices in an effort to conserve water. BMPs; the use of endemic, indigenous, and drought-tolerant plants and turf; and the utilization of R-1 recycled water where feasible will be incorporated into the Project.

Solid Waste Disposal

95. The single-family residential units located in the Project will be served by the County's solid waste disposal facilities. An estimate of the amount of

solid waste attributable to the Project at full buildout is 5.67 tons per day, which is based on a factor of approximately 6.3 lbs/person/day for 1,800 persons.

96. The commercial area, as well as the multi-family areas, will be served by private waste collection companies.

97. The Project is not anticipated to affect the service capabilities of residential or commercial waste collection operations. It is projected that the Central Maui Landfill would have adequate capacity to accommodate commercial and residential waste through 2020, with a surplus of approximately one million cubic yards of landfill space.

Wastewater Disposal

98. R. M. Towill prepared a preliminary engineering report that addressed the wastewater disposal requirements of the Project in May 2007.

99. The Kihei region is currently serviced by a wastewater collection, treatment, and disposal system owned and operated by the County Department of Environmental Management, Wastewater Reclamation Division ("DEM, WWRD"). The system consists of a number of pump stations and forced mains which convey wastewater through the County's transmission lines. The Kihei Wastewater Reclamation Facility ("KWRF") processes the wastewater for the South Maui area.

100. The KWRF is located mauka (east) of Pi'ilani Highway and south of the Elleair Maui Golf Club. The KWRF provides treatment for the South Maui region to produce recycled water at the R-1 level by the DOH standards. R-1 recycled water is

the highest quality of recycled water. The cumulative allocated capacity of the KWRF is approximately 6.6 mgd and the current dry weather flow into the plant is approximately 4.7 mgd. The KWRF is currently operating at approximately 71 percent of its capacity.

101. Wastewater from the existing Hale Pi'ilani Subdivision adjacent to the Project is transported via a 12-inch polyvinyl chloride gravity sewerline across Pi'ilani Highway and along Uwapo Road to Pump Station No. 2, located on South Kihei Road. The 12-inch line currently only carries flows generated by the Hale Pi'ilani Subdivision. Based on estimated flows from the subdivision, there is approximately 1.86 mgd of remaining available capacity in the existing 12-inch line.

102. Pump Station Nos. 2 to 5 convey flows from North Kihei to Pump Station No. 6, which is adjacent to the Kihei Fire Station and Kalama Park on South Kihei Road. Of these pump stations, only Pump Station No. 2 at 51.3 percent operates at above 50 percent of capacity. The combined flows from these pump stations are transported to the KWRF.

103. The Project is estimated to generate a baseflow of 0.191 mgd, an average dry weather flow of 0.203 mgd, a maximum dry weather flow of 0.818 mgd, and a peak wet weather flow of 0.935 mgd.

104. The estimated 1.86 mgd of available capacity in the existing 12-inch gravity sewer line is sufficient to accommodate the peak wet weather flow of 0.935 mgd

from the Project without a need for an upgrade. However, since Pump Station No. 2 is

at just over 50 percent of capacity, the DEM, WWRD, will initiate a capacity analysis for expansion of that pump station. Petitioner anticipates further discussions with the DEM, WWRD, in determining its appropriate participation in such improvements.

Drainage

105. R. M. Towill prepared a preliminary drainage and erosion control report that addressed the drainage requirements of the Project in May 2007.

106. The estimated peak rate and volume runoff from the existing undeveloped Petition Area are approximately 93 cubic feet per second ("cfs") and 62 acre-feet, respectively. In comparison, the estimated peak rate and volume of runoff from the developed Petition Area are approximately 189 cfs and 67 acre-feet, respectively, resulting in a net increase in runoff volume of 5 acre-feet.

107. The proposed drainage improvements are intended to reduce the post-development peak runoff through the creation of several detention basins. These detention basins will accommodate the increased, post-development runoff volume, thereby limiting the peak rate of runoff.

108. During construction, recommended BMPs will be implemented for erosion and sedimentation control as listed in the Final EIS.

Schools

109. Based on the proposed 600 residential units, the Project is estimated to generate approximately 134 elementary school students, 71 middle school students, and 58 high school students when the Project has reached maturity and enrollment

stabilizes. Kihei Elementary School has sufficient capacity to accommodate the Project's estimated enrollment. Enrollment at both Kamali'i Elementary and Lokelani Intermediate Schools are also below capacity. However, Maui High School is over its facility capacity, and the State Department of Education ("DOE") is undertaking site selection and planning studies for a new high school in Kihei to satisfy future capacity needs.

Police and Fire Protection

110. The Maui Police Department's Kihei Patrol, which covers the Kihei-Mākena region, operates from a substation located at the Kihei Town Center, about 3.5 miles south of the Petition Area.

111. Fire prevention, protection, and suppression services are provided by the County's Department of Fire and Public Safety. The Kihei Fire Station, which services the Kihei-Mākena region, is situated on South Kihei Road near Kalama Park, approximately three miles south of the Petition Area. The Wailea Fire Station is located about four miles to the south of the Petition Area. The Wailea Station services the area from Kama'ole Beach Park II to Mākena and provides back-up support for the Kihei Station when required.

112. The Project will create a need for additional police and fire protection services. At this time, neither the Police Department nor the Department of Fire and Public Safety have voiced a need for substation sites within the Petition Area.

Petitioner will continue to coordinate with these agencies as the Project progresses in the event their facility requirements should change.

Civil Defense

113. The State Civil Defense is in the process of installing a solar-powered omni-directional sound properties siren with a minimum 121-decibel sound level rating in Hale Pi'ilani Park adjacent to the Petition Area. This siren will cover the entire subdivision.

Emergency/Medical Services

114. The only major medical facility on the island is Maui Memorial Medical Center, which is located in Wailuku about eight miles from the Petition Area. The 231-bed facility provides general, acute, and emergency care services. Clinics and offices are situated throughout the Kihei and Wailea areas; however, these offer medical services on a lesser scale. Such clinics include Kihei Clinic and Wailea Medical Services, Kihei Pediatric Clinic, Kihei Physicians, the Kihei-Wailea Medical Center, Maui Medical Group, and Kaiser Permanente. The Project is not anticipated to affect the service capabilities of emergency medical or general care operations.

Electrical and Telephone Service

115. Electrical power, telephone, and cable television services to the region are provided by Maui Electric Company ("MECO"), Hawaiian Telcom, and Oceanic Time Warner Cable of Hawai'i ("Oceanic"), respectively. Electrical facilities and cable lines are located along Pi'ilani Highway.

116. MECO will require an electrical line extension, access, and easements in order to provide service to the Project.

117. Coordination with MECO, Hawaiian Telcom, and Oceanic will continue to ensure that systems planning and design can be programmed in concert with the Project's development schedule.

Energy Conservation

118. Energy conservation measures will be incorporated to the extent feasible and practicable as part of the Project design phase of development and further coordination with MECO will occur at that time.

119. Petitioner will implement the following demand side management measures to conserve natural resources and to promote energy efficiency: 1) site buildings to take advantage of natural features and maximize their beneficial effects by providing for solar access, daylighting, and natural cooling; 2) design south, east, and west shading devices to minimize solar heat gain; 3) consolidate utility and infrastructure in common corridors to minimize site degradation and cost, improve efficiency, and reduce impermeable surfaces; and 4) provide tenant sub-metering to encourage utility use accountability.

120. Leadership in Energy and Environmental Design ("LEED") is a national third-party certification system that recognizes leadership in green building. It is developed by consensus process by volunteer members of the U. S. Green Building Council ("USGBC") who contribute their expertise to its technical development.

121. The USGBC is a private non-profit organization that does the approval and certification of LEED projects.

122. LEED is a voluntary rating system of the USGBC. All LEED programs are continuously changing and the LEED for Homes program is always being evaluated and evolving. LEED certification standards existing today may not be the applicable standards in the future.

123. For residential developments, LEED costs to the builder, among other costs, are generally passed directly onto the homeowner. Although LEED certification may increase initial costs, the savings in reduced monthly electricity expenses, reduced energy consumption and oil dependence, reduced release of greenhouse gases, and reduced drinking water use over the life of the building may offset these costs.

124. There are other programs in addition to LEED that are designed to produce buildings with greater energy efficiency and water conservation and to reduce the amount of material that is sent to the landfill. These programs include Energy Star for Homes, Hawai'i Built Green, and Green Communities.

COMMITMENT OF STATE FUNDS AND RESOURCES

125. All requisite infrastructure systems for the Project will be provided. Petitioner will fund site work and construction of onsite and offsite infrastructure, including applicable roadways, drinking water source, drainage basins, and utilities.

The development of the Project will not necessitate an unreasonable investment in public infrastructure or support systems.

CONFORMANCE WITH URBAN DISTRICT STANDARDS

126. The proposed reclassification of the Petition Area is in general conformance to HAR section 15-15-18, standards for determining "U" Urban District boundaries as follows:

Criterion No. 1. The Petition Area is adjacent to the existing Hale Pi'ilani Subdivision and other residential subdivisions to the south and southwest, which are located on lands classified as "Urban." Infrastructure systems implemented in conjunction with the Project will serve all areas within the limits of the Petition Area. The Project will include city-like concentrations of people in a community which will include single-family homes and apartments. An internal road network, a commercial area, and park/open space will serve the needs of the community.

Criterion No. 2A. The Petition Area is proximately located to existing commercial and employment centers in Kihei. Numerous employment opportunities exist in the retail, resort, and service industries in the Kihei/Wailea area, while Wailuku and Kahului serve as the central business districts of the island. Additionally, Federal, State, and County government offices and courts are located in Wailuku.

Criterion No. 2B. Domestic water supply, wastewater service, and solid waste collection for the Project will be coordinated with the DWS and the County

close proximity to major roadways, such as Pi'ilani Highway, Mokulele Highway, and North Kihei Road. Three DOE schools are located in the Kihei area in addition to a charter high school. Health care facilities as well as police and fire protection services are available in Kihei.

Criterion No. 2C. A significant increase in housing supply will be needed to accommodate the region's anticipated growth. The Project will provide resident housing opportunities in both the short and long term, which in turn is anticipated to result in a more balanced housing market. The Project involves the development of a master-planned community involving a range of different housing types, including both single-family and multi-family product varieties. Completion of the Project is expected to partially address the shortage of housing currently being experienced in Maui County.

Criterion No. 3. The Petition Area has an average slope of approximately 3 percent and is suitable for the planned uses. The majority of the Petition Area is situated within Zone C, areas of minimal flooding. The Petition Area is not situated within any tsunami inundation zone. Drainage improvements will be designed in consultation with applicable governmental agencies to mitigate potential runoff and adverse environmental impacts. No foreseeable adverse environmental effects are anticipated in conjunction with the Project.

Criterion No. 4. The Petition Area is contiguous with Urban District lands to the south. Additionally, the Kihei-Mākena Community Plan designates adjacent

lands for multi-family, business/commercial, light industrial and public/quasi-public land uses.

Criterion No. 5. The Petition Area is designated Agriculture by the Kīhei-Mākena Community Plan. The Petition Area is in the vicinity of the residential land uses of the Hale Pi'ilani Subdivision. The Kīhei-Mākena Community Plan also designates lands adjacent to the Petition Area for business and commercial uses and for future residential development within Project District 2. The Petition Area is located within an area suitable for new urban growth as evidenced by the existing urban uses and land reserved for future residential development in the vicinity of the Petition Area.

Criterion No. 6, 7, and 8. The Petition Area is located adjacent to areas of existing urban development. Existing designated urban lands lie to the south and include the Hale Pi'ilani Subdivision and various condominiums and single-family residences to the south and west. The development of the Project will not necessitate an unreasonable investment in public infrastructure or support systems. All requisite infrastructure systems for the Project will be provided. The Petition Area has an average slope of approximately 3 percent and is suitable for the planned uses. Governmental regulations will be followed to ensure the protection of public health, safety, and welfare.

CONFORMANCE WITH THE GOALS, OBJECTIVES, AND POLICIES OF THE
HAWAII STATE PLAN; RELATIONSHIP WITH APPLICABLE PRIORITY
GUIDELINES AND FUNCTIONAL PLANS

127. HRS chapter 226, also known as the Hawai'i State Plan, is a long-range comprehensive plan which serves as a guide for the future long-term development of the State by identifying goals, objectives, policies, and priorities, as well as implementation mechanisms. State objectives and policies relevant to the proposed Project are as follows:

Section 226-05, Objectives and policies for population. To achieve this objective, it shall be the State policy to: a) Promote increased opportunities for Hawai'i's people to pursue their socio-economic aspirations throughout the islands; and b) Plan the development and availability of land and water resources in a coordinated manner so as to provide for the desired levels of growth in each geographic area.

Section 226-13, Objectives and policies for physical environment-land, air, and water quality. To achieve this objective, it shall be the State policy to: a) Promote effective measures to achieve desired quality in Hawai'i's surface, ground, and coastal waters; b) Reduce the threat to life and property from erosion, flooding, tsunamis, hurricanes, earthquakes, volcanic eruptions, and other natural or man-induced hazards and disasters; c) Encourage design and construction practices that enhance the physical qualities of Hawai'i's communities; and d) Encourage urban developments in close proximity to existing service and facilities.

Section 226-14, Objectives and policies for facility systems-in general. To achieve the general facility systems objective, it shall be the policy of the State to: a) Accommodate the needs of Hawai'i's people through coordination of facility systems and capital improvements in consonance with State and County plans; b) Encourage flexibility in the design and development of facility systems to promote prudent use of resources and accommodate changing public demands and priorities; and c) Ensure that required facility systems can be supported within resource capacities and at reasonable cost to the user.

Section 226-15, Objectives and policies for facility systems-solid and liquid wastes. To achieve the solid and liquid waste objectives, it shall be the policy of the State to: a) Encourage the adequate development of sewage facilities that complement planned growth; and b) Promote re-use and recycling to reduce solid and liquid wastes and employ a conservation ethic.

Section 226-16, Objectives and policies for facility systems-water. To achieve the facilities systems water objectives, it shall be the policy of the State to: a) Coordinate development of land use activities with existing and potential water supply; b) Support research and development alternative methods to meet future water requirements well in advance of anticipated needs; c) Reclaim and encourage the productive use of runoff water and wastewater discharges; d) Assist in improving the quality, efficiency, service, and storage capabilities of water systems for domestic and agricultural use; and e) Promote water conservation programs and practices in

government, private industry, and the general public to help ensure adequate water to meet long-term needs.

Section 226-17, Objectives and policies for facility systems-transportation.

To achieve the facilities systems transportation objective, it shall be the policy of the State to: a) Encourage a reasonable distribution of financial responsibilities for transportation among participating government and private parties; and b) Encourage transportation systems that serve to accommodate present and future development needs of communities.

Section 226-19, Objectives and policies for socio-cultural advancement –

housing. To achieve the housing objectives, it shall be the policy of the State to: a) Effectively accommodate the housing needs of Hawai'i's people; b) Stimulate and promote feasible approaches that increase housing choices for low-income, moderate-income, and gap-group households; and c) Increase homeownership and rental opportunities and choices in terms of quality, location, cost, densities, style, and size of housing.

Section 226-104, Population growth and land resources priority

guidelines. Priority guidelines to effect desired statewide growth and distribution: a) Encourage planning and resource management to insure that population growth rates throughout the State are consistent with available and planned resource capacities and reflect the needs and desires of Hawai'i's people; and b) Ensure that adequate support

services and facilities are provided to accommodate the desired distribution of future

growth throughout the State. Priority guidelines for regional growth distribution and land resource utilization: a) Encourage urban growth primarily to existing urban areas where adequate public facilities are already available or can be provided with reasonable public expenditures, and away from areas where other important benefits are present, such as protection of important agricultural land or preservation of lifestyles; b) Make available marginal or nonessential agricultural lands for appropriate urban uses while maintaining agricultural lands of importance in the agricultural district; and c) Utilize Hawai'i's limited land resources wisely, providing adequate land to accommodate projected population and economic growth needs while ensuring the protection of the environment and the availability of the shoreline, conservation lands, and other limited resources for future generations.

Section 226-106, Affordable housing. Priority guidelines for the provision of affordable housing: a) Seek to use marginal or nonessential agricultural land and public land to meet housing needs of low- and moderate-income and gap-group households; and b) Give higher priority to the provision of quality housing that is affordable for Hawai'i's residents and less priority to development of housing intended primarily for individuals outside of Hawai'i.

The Project is located in close proximity to existing public services and infrastructure. The Project will provide a range of housing types which will serve to meet the varied housing needs of the region at an attractive and central location in

North Kihei that poses logistical and compatibility challenges to long-term productive

agricultural use. Existing agricultural uses on the Petition Area will be relocated to a larger parcel of land in the region, ensuring that agricultural activities continue in the future. Additional housing choices will provide healthy competition and allow for a more balanced housing market. Petitioner is exploring potential water source opportunities and offsite storage facilities with neighboring landowners, as well as the availability of non-drinking water sources to reduce the demand on the drinking water supply. Petitioner will participate in transportation network improvements to alleviate the increased demands on area roadways. To this end, the Project is in conformance with the above-noted objectives and policies of the Hawai'i State Plan.

128. The State Functional Plans define actions for implementation of the Hawai'i State Plan through the identification of needs, problems and issues, and recommendations on policies and priority actions which address the identified areas of concern. The proposed reclassification request is consistent with the following State Functional Plans:

State Agricultural Functional Plan: The Project involves the reclassification of approximately 94.352 acres of land from the State Land Use Agricultural District to the State Land Use Urban District. While the Petition Area was formerly used for sugarcane cultivation, approximately half of it is now fallow and the remaining balance is used for seed corn cultivation. The proximity of the Petition Area to existing and planned urban land uses provides a reasonable nexus and an

appropriate foundation for the proposed reclassification request, particularly in the context of meeting affordable housing needs of the community.

State Housing Functional Plan: The growing public demand for affordable housing indicates a current shortage of single-family and multi-family housing units on Maui. The proposed 600 residential units within the Project will help address a critical community need.

State Recreational Functional Plan: Outdoor recreation is recognized by the Hawai'i State Plan as an important part of life for Hawai'i's residents. As the population rises and residential land uses increase, creating areas dedicated to outdoor recreation becomes increasingly vital. The State Functional Plan for Recreation urges the improvement and expansion of recreational facilities in urban areas and local communities. The Project will address recreational needs through the provision of park/open space lands and walking trails.

State Transportation Functional Plan: The Hawai'i State Plan addresses the vital role of transportation, particularly in light of population increases and community growth. The State Functional Plan for transportation calls for a statewide transportation system consistent with planned growth objectives throughout the State. The Project's roadway system will be developed in consultation with the DOT and the DPW to insure consistency with the objectives of the State Transportation Functional Plan. Internal subdivision roads will be constructed to applicable County of Maui

design standards.

State Historic Preservation Functional Plan: The State Historic

Preservation Functional Plan deals with the preservation of historic properties, the collection and preservation of historic records, artifacts and oral histories, and the provision of public information and education on the ethnic and cultural heritages and history of Hawai'i. Cultural Surveys Hawai'i, Inc., completed the AIS report for the Petition Area and adjacent portions of Waiakoa Gulch in compliance with applicable historic preservation requirements. The AIS report has been reviewed and approved by the DLNR, SHPD. The Project is, therefore, consistent with the objectives outlined under the State Historic Preservation Functional Plan.

CONFORMANCE WITH THE COASTAL ZONE MANAGEMENT PROGRAM

129. The Project is generally in conformance with the objectives and policies of the Coastal Zone Management Program under HRS chapter 205A pertaining to the provision of recreational resources, the preservation of natural and historic resources, the preservation of scenic and open space resources, the protection of coastal ecosystems, the provision of improvements important to the State's economy, the reduction of hazards to life and property, the improvement of the development process, the stimulation of public participation, the protection of public beaches, and the protection of marine resources.

CONFORMANCE WITH THE COUNTY GENERAL PLAN

130. The Maui County General Plan advances five major themes that focus on the overall goals of the plan. The Project responds to the following General Plan themes:

Theme Number 2: Prepare a Directed and Managed Growth Plan:

Amendments to the General Plan will preserve a desired quality of life where areas of urban settlement must be managed and directed within a framework that consistently and concurrently balances growth demands against human service needs and physical infrastructure supply.

Theme Number 5: Provide for Needed Resident Housing: Amendments to the General Plan will address the development of resident housing as a major social need in our community.

The proposed action is in keeping with the following General Plan objectives and policies:

Population:

Objective: To plan the growth of resident and visitor population through a directed and managed growth plan so as to avoid social, economic, and environmental disruptions.

Policy: Balance population growth by achieving concurrency between the resident employee work force, the job inventory created by new industries,

affordable resident/employee housing, constraints on the environment and its natural

resources, public and private infrastructure, and essential social services such as schools, hospitals, etc.

Land Use:

Objectives: 1) To preserve for present and future generations existing geographic, cultural, and traditional community lifestyles by limiting and managing growth through environmentally sensitive and effective use of land in accordance with the individual character of the various communities and regions of the County; and 2) To use the land within the County for the social and economic benefit of all the County's residents.

Policies: 1) Provide and maintain a range of land use districts sufficient to meet the social, physical, environmental, and economic needs of the community; 2) Encourage land use methods that will provide a continuous balanced inventory of housing types in all price ranges; and 3) Encourage programs to stabilize affordable land and housing prices.

Housing:

Objective: To provide a choice of attractive, sanitary and affordable homes for all our residents.

Policies: 1) Encourage the construction of housing in a variety of price ranges and geographic locations; and 2) Ensure that each community plan region contains its fair share of affordable housing.

Urban Design:

Objective: To encourage developments which reflect the character and the culture of Maui County's people.

Policy: Encourage community design which establishes a cohesive identity.

Recreation and Open Space:

Objective: To provide high-quality recreational facilities to meet the present and future needs of our residents of all ages and physical ability.

Policy: Develop facilities that will meet the different recreational needs of the various communities.

The Project consists of approximately 600 residential units in an area that is an urban growth location, between an existing residential area and a natural feature (Waiakoa Gulch). Necessary infrastructure systems and services are within close proximity, or can be reasonably provided to serve the Project. Recreational needs of the Project are anticipated to be addressed through the provision of parks, open space, and walking trails. The Project is in conformance with the above-noted objectives and policies of the Maui County General Plan.

The County of Maui is currently in the process of updating the General Plan and Community Plans as mandated by Chapter 2.80B, General Plan and Community Plans. Part of the General Plan Update Process includes the development of a Maui Island Plan. The intent of the Maui Island Plan is to provide direction as to

where growth should take place in the County of Maui. The Petition Area is currently

located within the County's Urban Growth Boundary (Kihei Makai) as identified on the Draft Maui Island Plan prepared by the DP.

The Maui General Plan Update Process was initiated in 2006 with the appointment of members to the General Plan Advisory Committee ("GPAC"). GPAC has 180 days to complete its review of the draft plan, subject to extensions. After GPAC completes its review, the results are sent to the Planning Director and then to the Planning Commission with the Director's report. The Planning Commission then has 180 days to complete its review, subject to extensions. Once the Planning Commission completes its review, the draft plan is sent to the County Council and the Council has one year to review the draft plan. The entire process is estimated to take until the end of 2010.

The Petition Area's inclusion in the Urban Growth Boundaries of the Draft Maui Island Plan is based on the area's suitable topography, being outside of the Tsunami Inundation Zone, low agricultural suitability, proximity to job centers, and roadways connections.

CONFORMANCE TO THE KĪHEI-MĀKENA COMMUNITY PLAN

131. The Petition Area is designated as Agriculture by the Kīhei-Mākena Community Plan. A community plan amendment will be required to change the Petition Area's designation to Multi-Family, Single-Family, and Commercial to allow for the Project. The Project is consistent with the goals and objectives of the Kīhei-

Mākena Community Plan as follows:

Docket No. A07-772 A&B Properties, Inc.
Findings Of Fact, Conclusions Of Law, And Decision And Order

Land Use:

Goal: A well-planned community with land use and development patterns designed to achieve the efficient and timely provision of infrastructural and community needs while preserving and enhancing the unique character of Mā`alaea, Kīhei, Wailea and Mākena as well as the region's natural environment, marine resources and traditional shoreline uses.

Objectives and Policies: 1) Identify priority growth areas to focus public and private efforts on the provision of infrastructure and amenities to serve existing residents and to accommodate new growth; 2) Encourage the establishment of single-family and multi-family land use designations which provide affordable housing opportunities for areas which are in close proximity to infrastructure systems and other urban services; and 3) Limit commercial services to neighborhood business uses or other low-key business activities with a residential scale on those properties which abut single-family residential uses.

Housing and Urban Design:

Goal: A variety of attractive, sanitary, safe and affordable homes for Kīhei's residents, especially for families earning less than the median income for families within the County. Also, a built environment which provides complementary and aesthetically pleasing physical and visual linkages with the natural environment.

Objectives and Policies: 1) Provide an adequate variety of housing choices and range of prices for the needs of Kīhei's residents, especially for families earning less

than the median income for families within the County, through the project district approach and other related programs. Choices can be increased through public/private sector cooperation and coordinated development of necessary support facilities and services; and 2) Require a mix of affordable and market-priced housing in all major residential projects, unless the project is to be developed exclusively as an affordable housing project.

Physical and Social Infrastructure:

Goal: Provision of facility systems, public services, and capital improvement projects in an efficient, reliable, cost effective, and environmentally sensitive manner which accommodates the needs of the Kihei-Mākena community, and fully support present and planned land uses, especially in the case of project district implementation. Allow no development for which infrastructure may not be available concurrent with the development's impacts.

Objectives and Policies: 1) Undertake transportation system improvements concurrently with planned growth of the Kihei-Mākena region. Require adequate inter-regional highway capacity, including the widening of Pi'ilani and Mokulele Highways to four (4) lanes, prior to the construction of major projects south of Kilohana Road or mauka of Pi'ilani Highway; 2) Provide for appropriate water source and transmission improvements concurrent with planned growth of the Kihei-Mākena region; 3) Provide efficient, safe, and environmentally sound systems for the reuse, recycling, and disposal of liquid and solid wastes; 4) Minimize the increase of discharge

of stormwater runoff to coastal waters by preserving flood storage capacity in low-lying areas, and encouraging infiltration of runoff; 5) Encourage the provision of public utilities which will meet community needs in a timely manner; and 6) Provide high-quality recreational facilities to meet the present and future needs of residents of all ages and physical ability.

The Project consists of approximately 600 residential units in an area that is an urban growth location, between an existing residential area and a natural feature (Waiakoa Gulch). Necessary infrastructure systems and services are within close proximity, or can be reasonably provided to serve the Project. Recreational needs of the Project are anticipated to be addressed through the provision of parks, open space, and walking trails. The Project is in conformance with the aforementioned goals, objectives, and policies of the Kīhei-Mākena Community Plan.

RULINGS ON PROPOSED FINDINGS OF FACT

Any of the findings of fact submitted by Petitioner or other parties not already ruled upon by the Commission by adoption herein, or rejected by clearly contrary findings of fact herein, are hereby denied and rejected.

Any conclusion of law herein improperly designated as a finding of fact should be deemed or construed as a conclusion of law; any finding of fact herein improperly designated as a conclusion of law should be deemed or construed as a finding of fact.

CONCLUSIONS OF LAW

1. Pursuant to HRS chapter 205 and the Commission rules under HAR chapter 15-15, and upon consideration of the Commission decision-making criteria under HRS section 205-17, the Commission finds upon the clear preponderance of the evidence that the reclassification of the Petition Area, consisting of approximately 94,352 acres of land in the State Land Use Agricultural District situated in Waiakoa, Island and County of Maui, State of Hawai'i, Tax Map Key: 3-8-04: portion of 2, portion of 22, and portion of 30 to the State Land Use Urban District, and subject to the conditions stated in the Order below, conforms to the standards for establishing the boundaries of the State Land Use Urban District, is reasonable, not violative of HRS section 205-2 and is consistent with the policies and criteria established pursuant to HRS sections 205-16, 205-17, and 205A-2.

2. Article XII, section 7, of the Hawai'i State Constitution requires the Commission to protect Native Hawaiian traditional and customary rights. The State of Hawai'i reaffirms and shall protect all rights, customarily and traditionally exercised for subsistence, cultural, and religious purposes and possessed by *ahupua'a* tenants who are descendants of Native Hawaiians who inhabited the Hawaiian Islands prior to 1778, subject to the right of the State to regulate such rights. The State and its agencies are obligated to protect the reasonable exercise of customarily and traditionally exercised Native Hawaiian rights to the extent feasible. *Public Access Shoreline Hawai'i v. Hawai'i*

County Planning Commission, 79 Hawai'i 425, 903 P.2d 1246, *certiorari denied*, 517 U. S. 1163, 116 S.Ct. 1559, 134 L.Ed.2d 660 (1996).

3. The Commission is empowered to preserve and protect customary and traditional rights of Native Hawaiians. *Ka Pa`akai O Ka `Aina v. Land Use Commission*, 94 Hawai'i 31, 7 P.3d 1068 (2000).

4. There is no evidence to suggest that any Native Hawaiian traditional and customary rights are currently being exercised within the Petition Area.

5. Article XI, section 1, of the Hawai'i State Constitution requires the State to conserve and protect Hawai'i's natural beauty and all natural resources, including land, water, air, minerals, and energy sources, and to promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State.

6. There are no floral or faunal species that are threatened, endangered, or of concern under State or Federal law in the Petition Area. However, there are threatened and endangered seabirds whose flight corridor includes the Petition Area.

7. Air quality of the Petition Area will be impacted in the short term by fugitive dust and exhaust emissions from stationary and mobile equipment during construction of the Project.

8. The long-term impacts to air quality that will result from the development of the Petition Area are minimal and no mitigation measures are necessary.

9. Article XI, section 3, of the Hawai'i State Constitution requires the State to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands.

10. The Petition Area is not classified as Important Agricultural Land under Part III of HRS chapter 205.

11. Reclassification of the Petition Area will not have an adverse impact on agricultural resources in the region or in the State.

12. Article XI, section 7, of the Hawai'i State Constitution states that the State has an obligation to protect, control, and regulate the use of Hawai'i's water resources for the benefit of its people.

DECISION AND ORDER

IT IS HEREBY ORDERED that the Petition Area, consisting of approximately 94.352 acres of land in the State Land Use Agricultural District situated in Waiakoa, Island and County of Maui, State of Hawai'i, Tax Map Key: 3-8-04: portion of 2, portion of 22, and portion of 30, and shown approximately on Exhibit "A," attached hereto and incorporated by reference herein, shall be and is hereby reclassified

to the State Land Use Urban District, and the State Land Use District boundaries shall be amended accordingly.

Based upon the findings of fact and conclusions of law stated herein, it is hereby determined that the reclassification of the Petition Area will not significantly affect or impair the preservation or maintenance of natural systems and habitats or the valued cultural, historical, agricultural, and natural resources of the area.

IT IS FURTHER ORDERED that the reclassification of the Petition Area from the State Land Use Agricultural District to the State Land Use Urban District shall be subject to the following conditions:

1. **Affordable Housing.** Petitioner shall provide affordable housing opportunities for residents of the State of Hawai'i in accordance with the applicable affordable housing requirements of the County of Maui. The location and distribution of the affordable housing or other provisions for affordable housing shall be under such terms as may be mutually agreeable between Petitioner and the County of Maui.

2. **Notification of Potential Nuisances.** Petitioner shall disclose to all prospective buyers of the Petition Area that potential odor, noise, and dust pollution may result from agricultural uses on adjacent lands or noise from general aviation overflights in the vicinity.

3. **Provisions of the Hawai'i Right to Farm Act.** Petitioner shall notify all prospective buyers of the Petition Area that the Hawai'i Right to Farm Act,

be deemed a nuisance if there are any lands in the Agricultural District adjacent to the Petition Area.

4. **Integrated Solid Waste Management Plan.** Petitioner shall cooperate with the DOH and the County of Maui to conform to the program goals and objectives of HRS chapter 342G, and the County of Maui's approved integrated solid waste management plan in accordance with a schedule and timeframe satisfactory to the DOH. Petitioner shall, in coordination with appropriate State and County government agencies, assist in the planning and promotion of solid waste recycling facilities, including recycling bins in public places, such as schools and parks, if any, within the proposed development.

5. **Water Resources Allocation.** Petitioner shall provide a long-term drinking water source, storage, and transmission facilities and improvements to accommodate development of the Petition Area to the satisfaction of the DWS and other applicable State and County agencies.

6. **Water Conservation Measures.** Petitioner shall implement water conservation measures and BMPs, such as use of endemic, indigenous and drought-tolerant plants and turf, and incorporate such measures into the landscape planting. Petitioner shall also coordinate with Maui County in the utilization of R-1 recycled water and other non-drinking water sources, where feasible.

7. **Wastewater.** Petitioner shall develop a wastewater collection and transmission system and other sewer improvements in the Petition Area, as required by

the DOH and the DEM. Petitioner shall also pay a fair-share contribution to fund improvements to wastewater treatment facilities to serve the Petition Area as determined by the County of Maui.

8. Soil Analysis. Petitioner, in consultation with the DOH, HEER, shall undertake a soil analysis study of the Petition Area to determine the impact to the Project from fertilizer and pesticide residue that may be present on the Petition Area and undertake reasonable measures to abate and/or remove hazardous materials identified.

9. Civil Defense. Petitioner shall, on a fair-share basis, fund and construct adequate solar-powered civil defense measures serving the Petition Area if required by and as determined by the State of Hawai'i, Department of Defense, Office of Civil Defense, and the County Of Maui, Civil Defense Agency.

10. Air Quality. Petitioner will comply with and implement all required and applicable statutes, ordinances, rules, and regulations to mitigate the effects of fugitive dust and exhaust emissions. In addition, Petitioner shall participate in an air quality monitoring program if required by the DOH.

11. Drainage. Petitioner shall fund the design and construction of drainage system improvements based on applicable standards, to prevent runoff resulting from the development of the Petition Area from adversely affecting State and County highway and roadway facilities to the satisfaction of applicable State and

County agencies.

12. **Highways.** Petitioner shall implement traffic improvements and mitigation measures as recommended or required by the TIAR and as approved by the DOT. Petitioner shall not proceed with the development of the Project until the DOT reviews and agrees with the proposed traffic improvements and mitigation measures, including any modifications to the existing bikeway along Pi'ilani Highway. Petitioner shall contribute its fair share of the cost of State highway planned improvements and/or traffic mitigation measures that will alleviate the impacts generated by the proposed development and uses, as agreed to by Petitioner and the DOT, in accordance with the findings of the TIAR and any required updates. Within the Petition Area, bike paths and accommodations to support public bus transportation services (bus stop) shall be provided as determined by the applicable governmental agencies.

13. **TDM Plan.** Petitioner shall submit a TDM plan to the County of Maui together with any future land use applications, including but not limited to any application for a Community Plan Amendment and/or Change in Zoning.

14. **Public School Facilities.** Petitioner shall contribute to the development, funding and/or construction of school facilities, on a fair-share basis on the market units only, as determined by, and to the satisfaction of, the DOE. Terms of any contribution shall be agreed upon in writing by Petitioner and the education agency.

15. **Previously Unidentified Burials and Archaeological/Historic**

and lava blisters/bubbles are identified during the construction activities, all work shall cease in the immediate vicinity of the find, the find needs to be protected from additional disturbance, and the DLNR, SHPD, shall be contacted immediately. Without any limitation to any other condition found herein, if any burials or archaeological or historic sites, such as artifacts, marine shell concentrations, charcoal deposits, stone platforms, pavings, and walls not previously identified in studies referred to herein, are discovered during the course of construction of the Project, Petitioner shall comply with all applicable statutes and rules of the DLNR, SHPD. In addition, all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological clearance from the DLNR, SHPD, that mitigative measures have been implemented to its satisfaction.

16. **Established Access Rights Protected.** Petitioner shall preserve any established access rights of Native Hawaiians who have customarily and traditionally used the Petition Area to exercise subsistence, cultural, and religious practices, or for access to other areas.

17. **Recreational Facilities.** Petitioner shall comply with the Park Dedication requirements of the County of Maui as approved by the Director of Parks and Recreation.

18. **BMPs.** Petitioner shall implement BMPs applicable to each proposed land use in order to minimize infiltration and runoff from construction and vehicle operations, reduce or eliminate soil erosion and groundwater pollution, and

formulate dust control measures to be implemented during and after the development process in accordance with the DOH guidelines.

19. **Seabirds**. Petitioner shall implement BMPs as recommended by the USFWS during construction of the Project to mitigate potential impacts to threatened and endangered seabirds whose flight corridor includes the Petition Area.

20. **Energy Conservation Measures**. Petitioner shall implement to the extent feasible and practicable measures to promote energy conservation, sustainable design, and environmental stewardship, such as the use of solar energy and solar heating, consistent with the standards and guidelines promulgated by the Building Industry Association of Hawai'i, the USGBC, the Hawai'i Commercial Building Guidelines for Energy Star, and Green Communities into the design and construction of the Project and the structures within the Petition Area. Petitioner shall also provide information to home purchasers regarding energy conservation measures that may be undertaken by the individual homeowner.

21. **Compliance with Representations to the Commission**. Petitioner shall develop the Petition Area in substantial compliance with the representations made to the Commission. Failure to so develop the Petition Area may result in reversion of the Petition Area to its former classification, or change to a more appropriate classification.

22. **Infrastructure Deadline**. Petitioner shall complete construction of the proposed backbone infrastructure, including the primary roadways and access

point, residential internal roadways, and water supply, sewage and electrical infrastructure within ten years from the date of the decision and order.

23. **Order to Show Cause.** If Petitioner fails to complete proposed backbone infrastructure within ten years from the date of the decision and order, the Commission may issue and serve upon Petitioner an Order to Show Cause and the Petitioner shall appear before the Commission to explain why the Petition Area should not revert to its previous State Land Use Agricultural District classification or be changed to a more appropriate classification.

24. **Notice of Change of Ownership.** Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Petition Area, at any time prior to completion of development of the Petition Area.

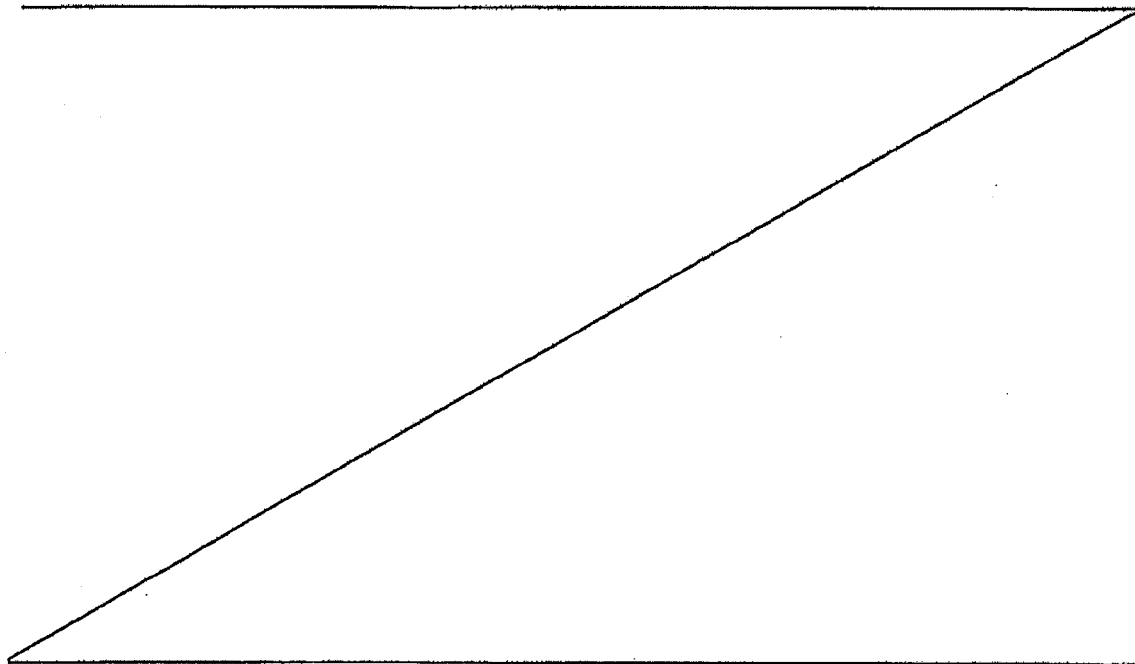
25. **Annual Reports.** Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP, and the County, and their respective successors, in connection with the status of the development of the Petition Area and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission.

26. **Release of Conditions.** The Commission may fully or partially release the conditions provided herein as to all or any portion of the Petition Area upon

timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner or its successors and assigns.

27. Notice of Imposition of Conditions. Within seven days of issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances of the State of Hawai'i a statement that the Petition Area is subject to the conditions imposed herein by the Commission in the reclassification of the Petition Area; and (b) file a copy of such recorded statement with the Commission.

28. Recordation of Conditions. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to HAR section 15-15-92.



ADOPTION OF ORDER

The undersigned Commissioners, being familiar with the record and proceedings, hereby adopt and approve the foregoing ORDER this 6th day of February, 2009. This ORDER may be executed in counterparts. This ORDER and its ADOPTION shall take effect upon the date this ORDER is certified and filed by this Commission.

Done at Honolulu, Hawai'i, this 6th day of February, 2009, per motion on January 22, 2009.

APPROVED AS TO FORM

Deane Crockett
Deputy Attorney General

LAND USE COMMISSION
STATE OF HAWAII

By Dwane Kanuha
DWANE KANUHA
Chairperson and Commissioner

By _____
VLADIMIR PAUL DEVENS
Vice-Chairperson and Commissioner

By Ransom Piltz
RANSOM PILTZ
Vice-Chairperson and Commissioner

By Kyle Chock
KYLE CHOCK
Commissioner

ADOPTION OF ORDER

The undersigned Commissioners, being familiar with the record and proceedings, hereby adopt and approve the foregoing ORDER this 6th day of February, 2009. This ORDER may be executed in counterparts. This ORDER and its ADOPTION shall take effect upon the date this ORDER is certified and filed by this Commission.

Done at Honolulu, Hawai'i, this 6th day of February, 2009, per motion on January 22, 2009.

APPROVED AS TO FORM

Deane Gruesz
Deputy Attorney General

LAND USE COMMISSION
STATE OF HAWAII

By Duane Kanuha
DUANE KANUHA
Chairperson and Commissioner

By Vladimir Paul Devens
VLADIMIR PAUL DEVENS
Vice-Chairperson and Commissioner

By Ransom Piltz
RANSOM PILTZ
Vice-Chairperson and Commissioner

By Kyle Chock
KYLE CHOCK
Commissioner

By _____
THOMAS CONTRADES
Commissioner

By _____
LISA JUDGE
Commissioner

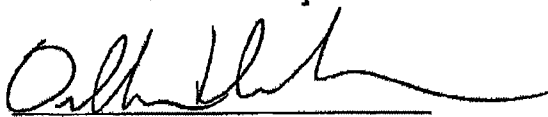
By _____
NORMAND LEZY
Commissioner

By _____
NICHOLAS W. TEVES, JR.
Commissioner

Filed and effective on:
FEB 20 2009

By _____
VOTED "NO"
REUBEN S.F. WONG
Commissioner

Certified by:



ORLANDO DAVIDSON
Executive Officer

By _____
THOMAS CONTRADES
Commissioner

By Lisa Judge
LISA JUDGE
Commissioner

By _____
NORMAND LEZY
Commissioner

By Nicholas W. Teves, Jr.
NICHOLAS W. TEVES, JR.
Commissioner

Filed and effective on:

Certified by:

By VOTED "NO"
REUBEN S.F. WONG
Commissioner

ORLANDO DAVIDSON
Executive Officer

By Thomas Contrades
THOMAS CONTRADES
Commissioner

By _____
LISA JUDGE
Commissioner

By _____
NORMAND LEZY
Commissioner

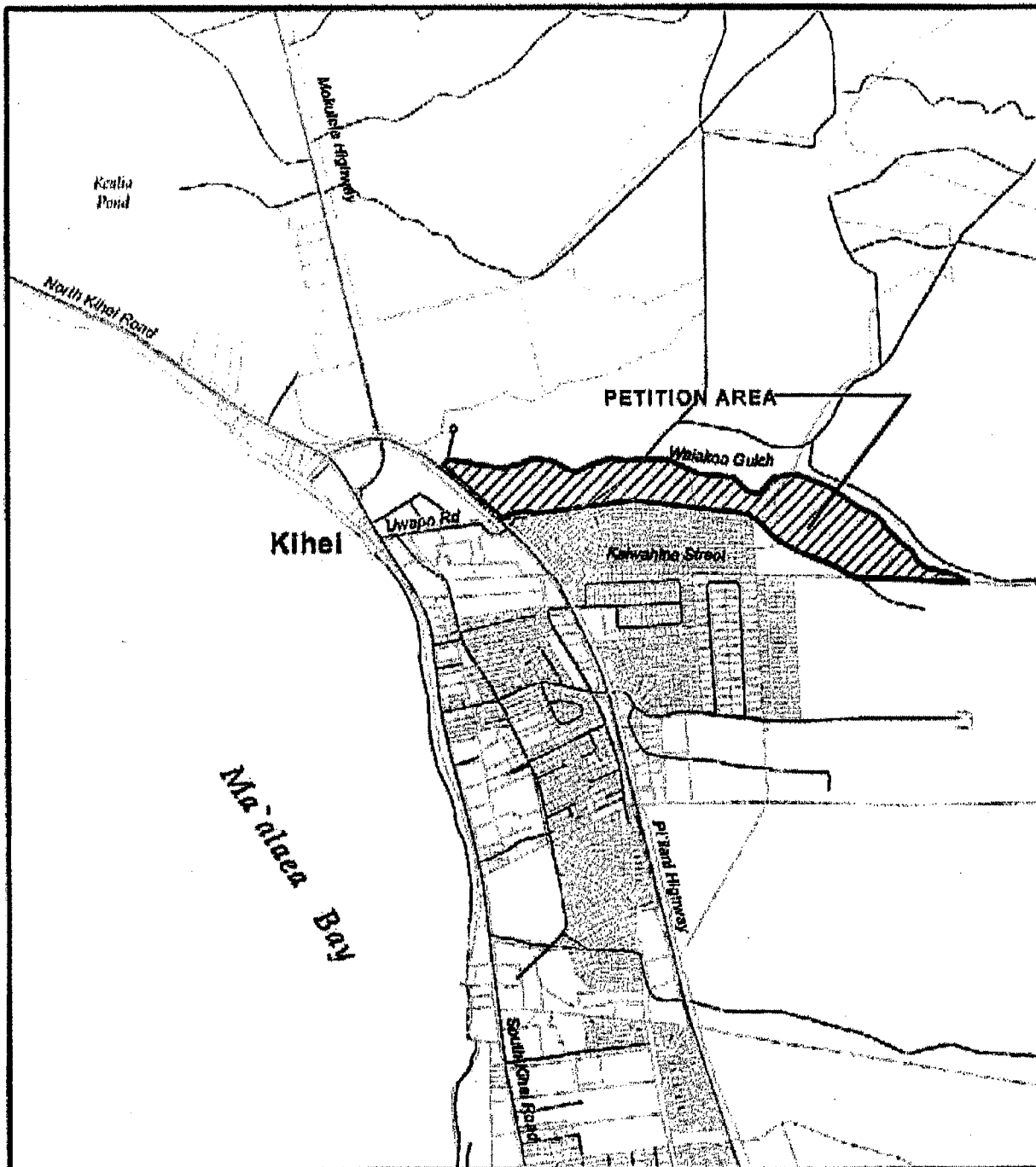
By Nicholas W. Teves, Jr.
NICHOLAS W. TEVES, JR.
Commissioner

Filed and effective on:

By VOTED "NO"
REUBEN S.F. WONG
Commissioner

Certified by:

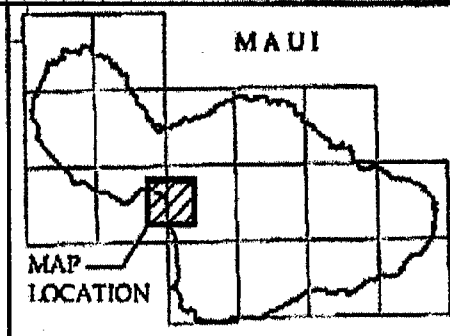
ORLANDO DAVIDSON
Executive Officer



**A07-772 A&B PROPERTIES, INC.
LOCATION MAP**

Tax Map Key: 3-8-04: por. 2, por. 22, & por. 30,
Waiakoa, Kihai, Maui, Hawai'i
Scale: 1" = 2,000 ft.

EXHIBIT "A"

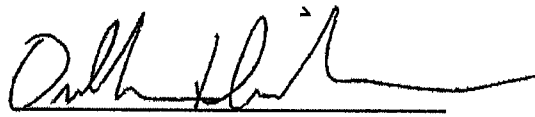


REGULAR
MAIL: JEFFREY S. HUNT, Director
County of Maui, Planning Department
250 South High Street
Wailuku, Hawaii 96793

REGULAR
MAIL: BRIAN MOTO, Esq.
JANE LOVELL, Esq.
Corporation Counsel
County of Maui
250 South High Street
Wailuku, Hawaii 96793
ATTORNEY FOR COUNTY OF MAUI
DEPARTMENT OF PLANNING

CERTIFIED
MAIL: BENJAMIN M. MATSUBARA, Esq.
Matsubara - Kotake
888 Mililani Street, Eighth Floor
Honolulu, Hawaii 96813
ATTORNEY FOR PETITIONER

Dated: Honolulu, Hawaii, FEB 20 2009.



ORLANDO DAVIDSON
Executive Officer



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

October 22, 2020

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

Subject: 2020 Annual Report for the State Land Use Commission
Docket No. A07-772/A&B Properties, Inc.- Kihei Residential

Dear Mr. Orodener:

A & B Properties Hawaii, LLC, Series T ("A&B" or "Petitioner") as manager of Kamalani Ventures LLC, submits this 2020 annual report for the subject Kihei Residential project ("Project").

Project Background and Status

By its Decision and Order dated February 20, 2009, the State Land Use Commission (SLUC) granted approval of A&B's petition to reclassify approximately 94.352 acres from the "Agricultural" to the "Urban" land use district at Waiakoa, Maui. Approval of the petition was subject to 28 conditions. The development of the subject property is for a planned residential community.

As noted in the petition, additional land use approvals, including a community plan amendment and change in zoning from the County of Maui were required for the Project. In deference to the County of Maui Planning Department's January 10, 2008 policy of not supporting applications for community plan amendment while the Maui General Plan Update process was ongoing, A&B withheld the filing of County land use applications after the SLUC's approval in February 2009. However, on November 24, 2009, the Planning Department rescinded this policy, citing in part the progress made regarding the Maui General Plan Update. As a result of this change in policy, Project applications for community plan amendment and change in zoning were filed with the County of Maui in April 2010. The applications were subsequently processed for agency and public review. The applications received the support of the Maui Planning Department who recommended approval with conditions. On December 14, 2010, the Maui Planning Commission conducted a public hearing on the applications and after

EXHIBIT "3"



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

due deliberation voted to recommend the Maui County Council's approval of the community plan amendment and change in zoning applications with conditions. The applications and recommendation of the Maui Planning Commission were forwarded to the Maui County Council by the Planning Department in March 2011. In December 2012, after years of review and public comment, the County of Maui adopted the Maui Island Plan. As a result, the subject property is now appropriately situated within the Maui Island Plan's designated urban growth boundary.

Public hearings on the applications were conducted by the Maui County Council's Land Use Committee on December 18, 2013, February 5, 2014, March 19, 2014 and July 2, 2014. The applications subsequently passed first reading before the Maui County Council on July 22, 2014. Second/final reading and approval of Mayor Arakawa was attained on August 1, 2014. Zoning for the Project was granted subject to 16 conditions. Copies of both ordinances were provided in a prior annual report. The receipt of community plan and zoning approval came nearly five and one half years after SLUC approval.

Since the receipt of zoning approval in August 2014, Petitioner has proceeded with the design, engineering and construction of the Project, now known as Kamalani. Subdivision and building plans for the initial increment of Kamalani have been approved by the County. Plans for Kamalani's initial increment include affordable residential units as prescribed by the County's residential workforce housing policy. The overall master plan seeks to provide a range of housing types to meet a range of price points and market segments, all geared toward primary housing for Maui families. Toward that end the plan includes a mix of multi family attached and single family detached units, including stacked flats, townhomes, motor court homes and single family detached homes under condominium ownership. To provide for that mix of housing types within the R-1 zoned area, the Petitioner sought and received a Cluster Housing permit from the County of Maui. This permit allows for a mix of single family detached housing types to meet a wider range of market segments and price points.

Construction of Kamalani commenced in March 2016, with site grading and infrastructure improvements. Vertical construction of the initial increment of Kamalani commenced in February 2017 and the first home deliveries occurred in October 2017. To date, 170 homes (along with related backbone infrastructure) have been constructed and sold at an estimated cost of construction and development of approximately \$64 million. Construction plans for the next increment of Kamalani are in process.



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

The effects of the COVID Pandemic are anticipated to significantly impact the timing of buildout of the remaining homes at Kamalani. Sales for the initial increment of Kamalani points to many of the buyers employed directly or indirectly in tourism related jobs. Tourism, as an employment center, is measured by the Accommodations & Food Service sector. Tourism is the largest employer in Maui County and has experienced the largest number of job losses from the COVID Pandemic. At this point in time it is not possible to accurately determine how long the actual recovery will take.

STATUS OF ACTIVITIES RELATING TO IMPOSED CONDITIONS

Listed below are each of the conditions imposed under the Decision and Order and the status of activities pertaining to each respective condition.

1. *Affordable Housing.* Petitioner shall provide affordable housing opportunities for residents of the State of Hawai'i in accordance with the applicable affordable housing requirements of the County of Maui. The location and distribution of the affordable housing or other provisions for affordable housing shall be under such terms as may be mutually agreeable between Petitioner and the County of Maui.

In compliance with the County's Residential Workforce Housing Policy, the Petitioner has executed an affordable housing agreement with the County of Maui. A copy of that agreement was provided with the 2016 annual report. The housing units completed to date have met the requisite affordable housing requirements for the entire Project.

2. *Notification of Potential Nuisances.* Petitioner shall disclose to all prospective buyers of the Petition Area that potential odor, noise, and dust pollution may result from agricultural uses on adjacent lands or noise from general aviation overflights in the vicinity.

Petitioner has incorporated disclosures into applicable sales materials and legal documents.

3. *Provisions of the Hawai'i Right to Farm Act.* Petitioner shall notify all prospective buyers of the Petition Area that the Hawai'i Right to Farm Act, HRS chapter 165, limits the circumstances under which pre-existing farm



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

activities may be deemed a nuisance if there are any lands in the Agricultural District adjacent to the Petition Area.

Petitioner has incorporated this notice into all applicable legal documents.

- 4. Integrated Solid Waste Management Plan. Petitioner shall cooperate with the DOH and the County of Maui to conform to the program goals and objectives of HRS chapter 342G, and the County of Maui's approved integrated solid waste management plan in accordance with a schedule and timeframe satisfactory to the DOH. Petitioner shall, in coordination with appropriate State and County government agencies, assist in the planning and promotion of solid waste recycling facilities, including recycling bins in public places, such as schools and parks, if any, within the proposed development.*

Petitioner is complying with this condition as development of the Project progresses.

- 5. Water Resources Allocation. Petitioner shall provide a long-term drinking water source, storage, and transmission facilities and improvements to accommodate development of the Petition Area to the satisfaction of the DWS and other applicable State and County agencies.*

Petitioner is exploring potential water sources to serve the remainder of the Project.

- 6. Water Conservation Measures. Petitioner shall implement water conservation measures and BMPs, such as use of endemic, indigenous and drought-tolerant plants and turf, and incorporate such measures into the landscape planting. Petitioner shall also coordinate with Maui County in the utilization of R-1 recycled water and other non-drinking water sources, where feasible.*

Petitioner has incorporated water conservation measures, including the use of drought tolerant plants, into the Project's landscaping plans.

- 7. Wastewater. Petitioner shall develop a wastewater collection and transmission system and other sewer improvements in the Petition Area, as*



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

required by the DOH and the DEM. Petitioner shall also pay a fair-share contribution to fund improvements to wastewater treatment facilities to serve the Petition Area as determined by the County of Maui.

Petitioner has coordinated its wastewater plans with the DEM.

8. *Soil Analysis. Petitioner, in consultation with the DOH, HEER, shall undertake a soil analysis study of the Petition Area to determine the impact to the Project from fertilizer and pesticide residue that may be present on the Petition Area and undertake reasonable measures to abate and/or remove hazardous materials identified.*

Petitioner commissioned applicable studies of the property in May and June of 2014. Bureau Veritas North America conducted a Phase I Environmental Site Assessment and a Phase II Site Investigation of the property. This analysis included appropriate soil testing of the property in consultation with the State DOH. Analytical testing reported that no detectable concentrations of contaminants were present or that such concentrations were well below the State DOH Tier 1 Environmental Action Levels. These findings and reports were transmitted to the State DOH via letter dated June 20, 2014. The DOH acknowledged the findings of the reports by letter dated April 15, 2015 (a copy was previously transmitted with the 2015 annual report). Subsequently, based on additional submittals and completion of site construction for Increment 1, the DOH issued a No Action Determination for Increment 1 on December 20, 2016. A copy was provided with the 2017 annual report. Petitioner intends to seek a No Action Determination for the balance of the project once site work is complete for each increment.

9. *Civil Defense. Petitioner shall, on a fair-share basis, fund and construct adequate solar-powered civil defense measures serving the Petition Area if required by and as determined by the State of Hawai'i, Department of Defense, Office of Civil Defense, and the County Of Maui, Civil Defense Agency.*

Petitioner met with the County Civil Defense agency and will work with it and other applicable agencies to comply with this condition as development of the Project progresses.



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

10. *Air Quality.* Petitioner will comply with and implement all required and applicable statutes, ordinances, rules, and regulations to mitigate the effects of fugitive dust and exhaust emissions. In addition, Petitioner shall participate in an air quality monitoring program if required by the DOH.

Petitioner's construction plans have incorporated best management practices to mitigate fugitive dust. Any requirements for air quality monitoring will be complied with as development of the Project progresses.

11. *Drainage.* Petitioner shall fund the design and construction of drainage system improvements based on applicable standards, to prevent runoff resulting from the development of the Petition Area from adversely affecting State and County highway and roadway facilities to the satisfaction of applicable State and County agencies.

Petitioner has coordinated its drainage plans with the County DPW is complying with this condition as development of the Project progresses.

12. *Highways.* Petitioner shall implement traffic improvements and mitigation measures as recommended or required by the TIAR and as approved by the DOT. Petitioner shall not proceed with the development of the Project until the DOT reviews and agrees with the proposed traffic improvements and mitigation measures, including any modifications to the existing bikeway along Pi'ilani Highway. Petitioner shall contribute its fair share of the cost of State highway planned improvements and/or traffic mitigation measures that will alleviate the impacts generated by the proposed development and uses, as agreed to by Petitioner and the DOT, in accordance with the findings of the TIAR and any required updates. Within the Petition Area, bike paths and accommodations to support public bus transportation services (bus stop) shall be provided as determined by the applicable governmental agencies.

In August 2014, an updated traffic analysis was submitted to the State DOT for review. This traffic analysis supplemented the Updated/Revised TIAR dated January 22, 2013, which was accepted by the DOT in May 2013. On May 26, 2015, the DOT accepted the updated traffic analysis including the timing of the improvements at



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

the Piilani Highway/Kaiwahine Street intersection. A copy of that letter was included in the 2015 annual report.

Construction plans for the transportation improvements at the intersection of Piilani Highway/Kaiwahine Street/Uwapo Road were completed and submitted to the State DOT for review in July 2016. Initial comments were received and addressed, with revised plans submitted in May 2017. Further plan revisions are currently being made in response to additional comments received from the State DOT.

- 13. TDM Plan. Petitioner shall submit a TDM plan to the County of Maui together with any future land use applications, including but not limited to any application for a Community Plan Amendment and/or Change in Zoning.*

In fulfillment of this condition, the TDM plan was prepared and submitted with the project applications for County community plan amendment and change in zoning in April 2010.

- 14. Public School Facilities. Petitioner shall contribute to the development, funding and/or construction of school facilities, on a fair-share basis on the market units only, as determined by, and to the satisfaction of, the DOE. Terms of any contribution shall be agreed upon in writing by Petitioner and the education agency.*

Petitioner and the DOE have executed an educational contribution agreement for the Project. A copy of the educational contribution agreement, dated December 22, 2014, was provided with the 2015 annual report. To date, Petitioner has paid approximately \$403,070 to the DOE pursuant to the educational contribution agreement.

- 15. Previously Unidentified Burials and Archaeological/Historic Sites. In the event that historic resources, including human skeletal remains, lava tubes, and lava blisters/bubbles are identified during the construction activities, all work shall cease in the immediate vicinity of the find, the find needs to be protected from additional disturbance, and the DLNR, SHPD, shall be contacted immediately. Without any limitation to any other condition found herein, if any burials or archaeological or historic sites, such as artifacts, marine shell concentrations, charcoal deposits, stone platforms, pavings, and walls not previously identified in studies referred to herein, are discovered*



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

during the course of construction of the Project, Petitioner shall comply with all applicable statutes and rules of the DLNR, SHPD. In addition, all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological clearance from the DLNR, SHPD, that mitigative measures have been implemented to its satisfaction.

Petitioner is complying with this condition as development of the Project progresses.

16. *Established Access Rights Protected. Petitioner shall preserve any established access rights of Native Hawaiians who have customarily and traditionally used the Petition Area to exercise subsistence, cultural, and religious practices, or for access to other areas.*

The archaeological inventory survey and cultural impact assessment prepared for the Project disclosed no access or use of the property by Native Hawaiians for subsistence, cultural or religious practices.

17. *Recreational Facilities. Petitioner shall comply with the Park Dedication requirements of the County of Maui as approved by the Director of Parks and Recreation.*

The Project's Park Assessment Agreement specifying the park dedication requirements for the Project was executed in April 2016. Active and passive parks are planned at locations within the Project.

18. *BMPs. Petitioner shall implement BMPs applicable to each proposed land use in order to minimize infiltration and runoff from construction and vehicle operations, reduce or eliminate soil erosion and groundwater pollution, and formulate dust control measures to be implemented during and after the development process in accordance with the DOH guidelines.*

Petitioner has coordinated its plans with applicable governmental agencies and is complying with this condition as development of the Project progresses.

19. *Seabirds. Petitioner shall implement BMPs as recommended by the USFWS during construction of the Project to mitigate potential impacts to threatened and endangered seabirds whose flight corridor includes the Petition Area.*



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

Petitioner is complying with the recommendations of the USFWS as development of the Project progresses.

- 20. Energy Conservation Measures. Petitioner shall implement to the extent feasible and practicable measures to promote energy conservation, sustainable design, and environmental stewardship, such as the use of solar energy and solar heating, consistent with the standards and guidelines promulgated by the Building Industry Association of Hawai'i, the USGBC, the Hawai'i Commercial Building Guidelines for Energy Star, and Green Communities into the design and construction of the Project and the structures within the Petition Area. Petitioner shall also provide information to home purchasers regarding energy conservation measures that may be undertaken by the individual homeowner.*

Petitioner has incorporated energy conservation, such as the use of gas in lieu of electricity for the appropriate appliances and LED lighting, and will continue to comply with this condition as development of the Project progresses.

- 21. Compliance with Representations to the Commission. Petitioner shall develop the Petition Area in substantial compliance with the representations made to the Commission. Failure to so develop the Petition Area may result in reversion of the Petition Area to its former classification, or change to a more appropriate classification.*

Petitioner is proceeding with development of the Project in substantial compliance with representations made to the SLUC. As noted earlier, the Petitioner received a Cluster Housing permit for the R-1 portion of the Project to allow for a mix of single family detached housing types to meet a wider range of market segments and price points.

In 2016, at the request of the Maui Planning Department, Petitioner contacted the Executive Director of the SLUC to discuss certain matters relating to this condition. That discussion resulted in the preparation of a Supplemental Report by the Petitioner dated November 7, 2016 to Mr. Daniel E. Orodener, Executive Officer, SLUC. Subsequently, in February 2017, Petitioner also met with representatives of the State Office of Planning (OP) regarding the



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

matter. That meeting was documented via a letter from the Petitioner dated February 10, 2017 to Mr. Rodney Funakoshi, Planning Program Administrator, OP. In response, the OP provided a letter dated February 14, 2017 to the Petitioner. Based on the information provided, the OP found that the Project was being developed in substantial compliance with the Project's 2009 SLUC decision and order. The OP further noted that the use of a Condominium Property Regime (CPR) in lieu of a subdivision did not cause greater impacts for the Project, given that the planned residential land use and overall residential density remained unchanged. Copies of these referenced correspondences were previously provided to the SLUC, OP and Maui Planning Department. As noted previously, the Petitioner firmly believes it is proceeding with the development of the Project in substantial compliance with representations made to the SLUC and Condition 21.

22. Infrastructure Deadline. Petitioner shall complete construction of the proposed backbone infrastructure, including the primary roadways and access point, residential internal roadways, and water supply, sewage and electrical infrastructure within ten years from the date of the decision and order.

Petitioner has had discussions with the Maui Planning Department, the State Office of Planning and the SLUC staff in regard to this condition. Petitioner is preparing a motion to amend this condition to allow more time to complete the backbone infrastructure for the remainder of the Project. The motion is anticipated to be filed in late 2020/early 2021.

As noted previously, it took approximately 5 and one half years after SLUC approval to attain County zoning for the Project. Petitioner's efforts during that time were focused on the attainment of community plan and zoning approvals from the County of Maui. These approvals took significantly longer than anticipated and have adversely impacted Petitioner's ability to comply with this condition. Nonetheless, Petitioner proceeded as expeditiously as possible with the design, engineering and subdivision processes necessary to commence construction of the Project and to meet the intent of this condition. As a result, Petitioner was able to commence construction of the Project in March 2016 and has completed the construction and



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

sale of 170 homes at the Project (along with related backbone infrastructure) at an estimated cost of construction and development of approximately \$64 million. In addition, Petitioner has advanced over \$5 million to plan and design infrastructure, building improvements and other related development costs for the remainder of the Project. Petitioner requests that the SLUC acknowledge these material facts in any subsequent review of compliance with this condition.

- 23. Order to Show Cause. If Petitioner fails to complete proposed backbone infrastructure within ten years from the date of the decision and order, the Commission may issue and serve upon Petitioner an Order to Show Cause and the Petitioner shall appear before the Commission to explain why the Petition Area should not revert to its previous State Land Use Agricultural District classification or be changed to a more appropriate classification.*

As noted above, Petitioner has had discussions with the Maui Planning Department, the State Office of Planning and the SLUC staff in regard to Condition 22. Petitioner is preparing a motion to amend this condition to allow more time to complete the project, including related backbone infrastructure, for the remainder of the Project. The motion is anticipated to be filed in late 2020/early 2021.

As noted above, the attainment of County community plan and zoning approvals took significantly longer than anticipated. Nonetheless, Petitioner has completed the construction and sale of 170 homes at the Project, including all related backbone infrastructure for these homes. Petitioner requests that the SLUC acknowledge these material facts in any subsequent review of compliance with this condition.

- 24. Notice of Change of Ownership. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Petition Area, at any time prior to completion of development of the Petition Area.*

In 2012 landowner Alexander & Baldwin, Inc. converted from a corporation to a limited liability company, known as Alexander & Baldwin, LLC. Subsequently in 2015, Alexander & Baldwin, LLC transferred ownership of the property to its affiliate Kamalani



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

Ventures LLC, a Hawaii limited liability company. Notices of these transactions were previously provided to the SLUC. In 2016 A & B Properties, Inc. converted from a corporation to a limited liability company known as A & B Properties Hawaii, LLC, and its assets were allocated between two series, Series R and Series T. A & B Properties Hawaii, LLC, Series T is the manager of Kamalani Ventures LLC.

As noted, 170 homes have been constructed and sold, including the affordable homes prescribed by the County's residential workforce housing policy. To facilitate development of the remaining increments of the Project, Petitioner anticipates the future participation of other parties.

- 25. Annual Reports. Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP, and the County, and their respective successors, in connection with the status of the development of the Petition Area and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission.*

This annual report is being submitted in compliance with this condition.

- 26. Release of Conditions. The Commission may fully or partially release the conditions provided herein as to all or any portion of the Petition Area upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner or its successors and assigns.*

This condition is not currently applicable.

- 27. Notice of Imposition of Conditions. Within seven days of issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances of the State of Hawai'i a statement that the Petition Area is subject to the conditions imposed herein by the Commission in the reclassification of the Petition Area; and (b) file a copy of such recorded statement with the Commission.*

This condition has been satisfied. On February 26, 2009 a "Notice of Imposition of Conditions by the Land Use Commission" was recorded



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

with the State Bureau of Conveyances (Document No. 2009-028710) and copies were filed with the SLUC.

28. Recordation of Conditions. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to HAR section 15-15-92.

This condition has been satisfied. On April 6, 2009 the conditions imposed by the SLUC were recorded with the State Bureau of Conveyances under the "Declaration of Conditions" applicable to that petition for district boundary amendment in Docket No. A07-772 of the SLUC (Document No. 2009-051059).

Please contact me should you require any further information regarding this report. An email pdf version of this report will also be transmitted to your office for your use.

Sincerely,

DocuSigned by:

Natalie I. Kiehm

6302E4D5CB93453...

Natalie I. Kiehm

Vice President

A & B Properties Hawaii, LLC, Series T

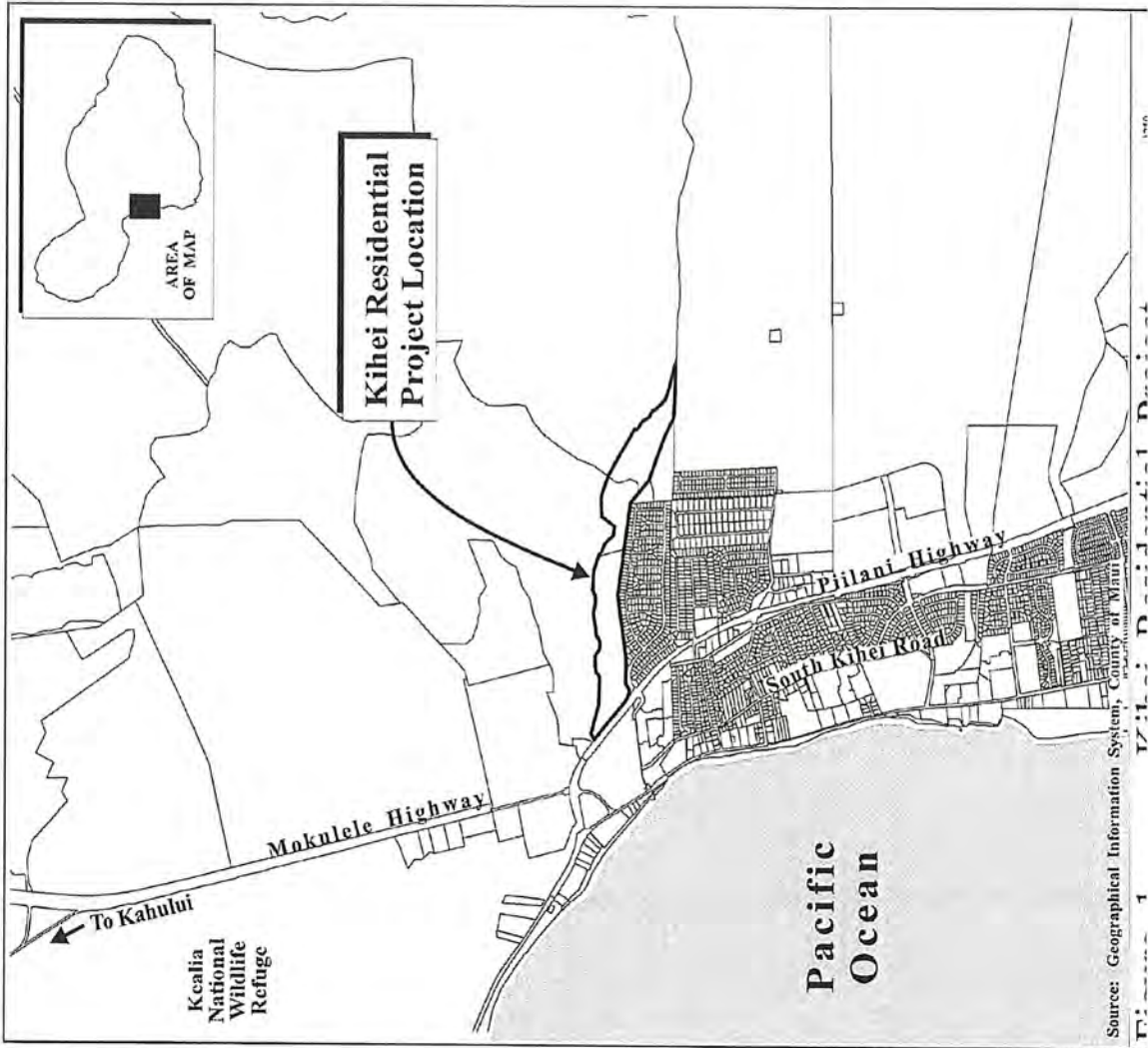
cc: State Office of Planning
County of Maui Planning Department



KAMALANI
LIVE TOGETHER. GROW TOGETHER.

LOCATION MAP

EXHIBIT "4"

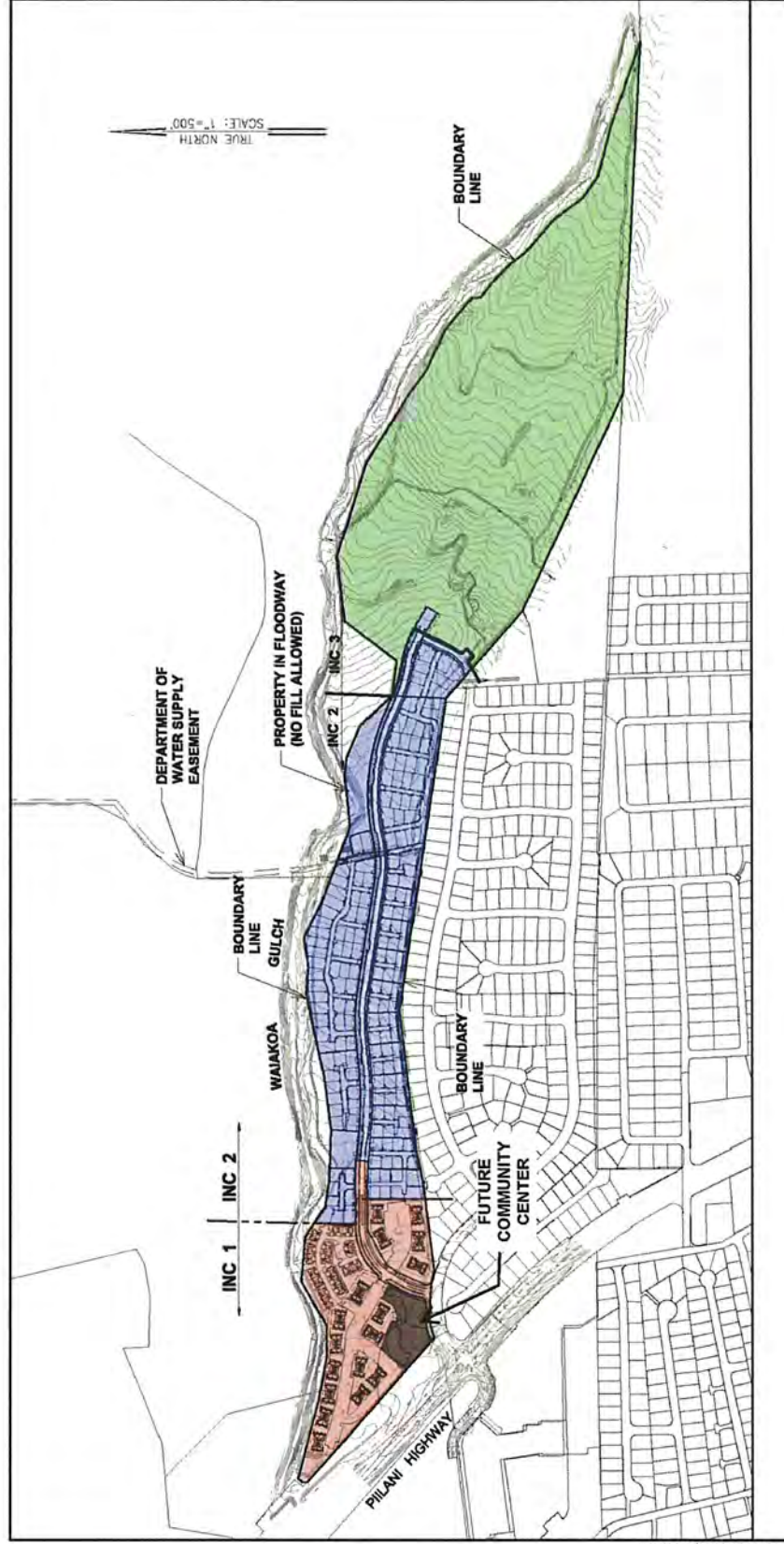




KAMALANI

LIVE TOGETHER. GROW TOGETHER.

SITE PLAN

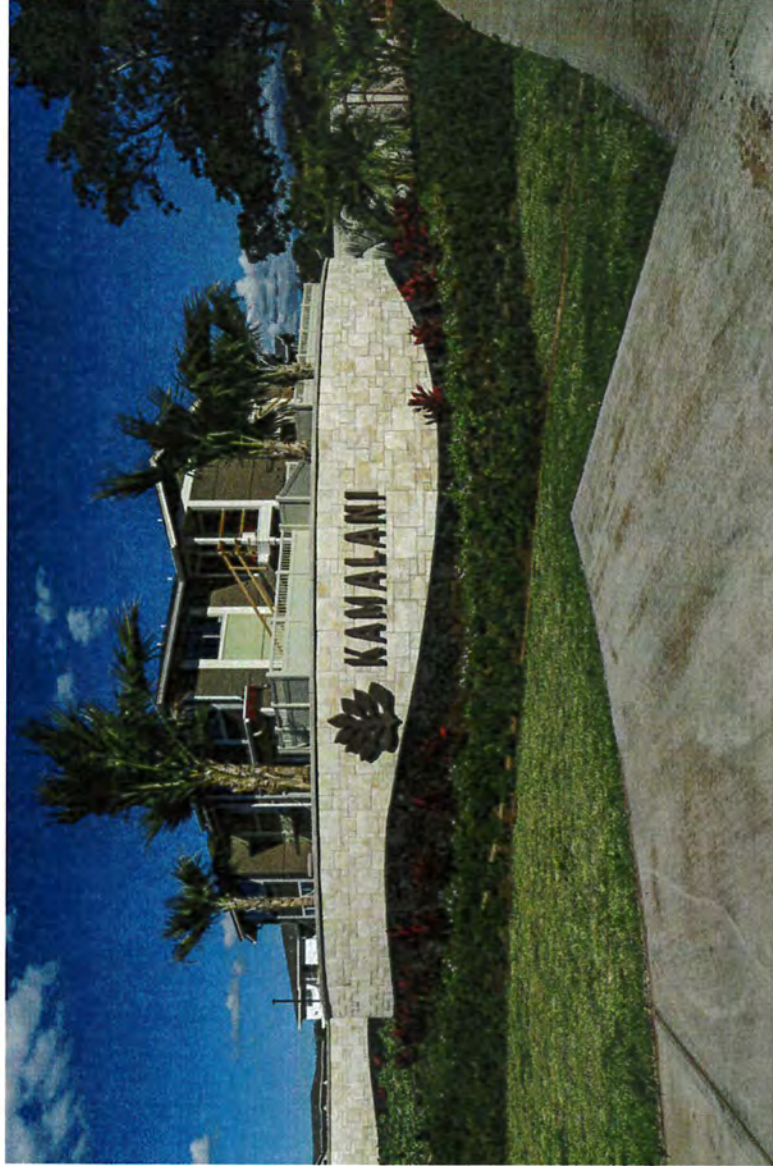




KAMALANI

LIVE TOGETHER. GROW TOGETHER.

PROJECT ENTRY

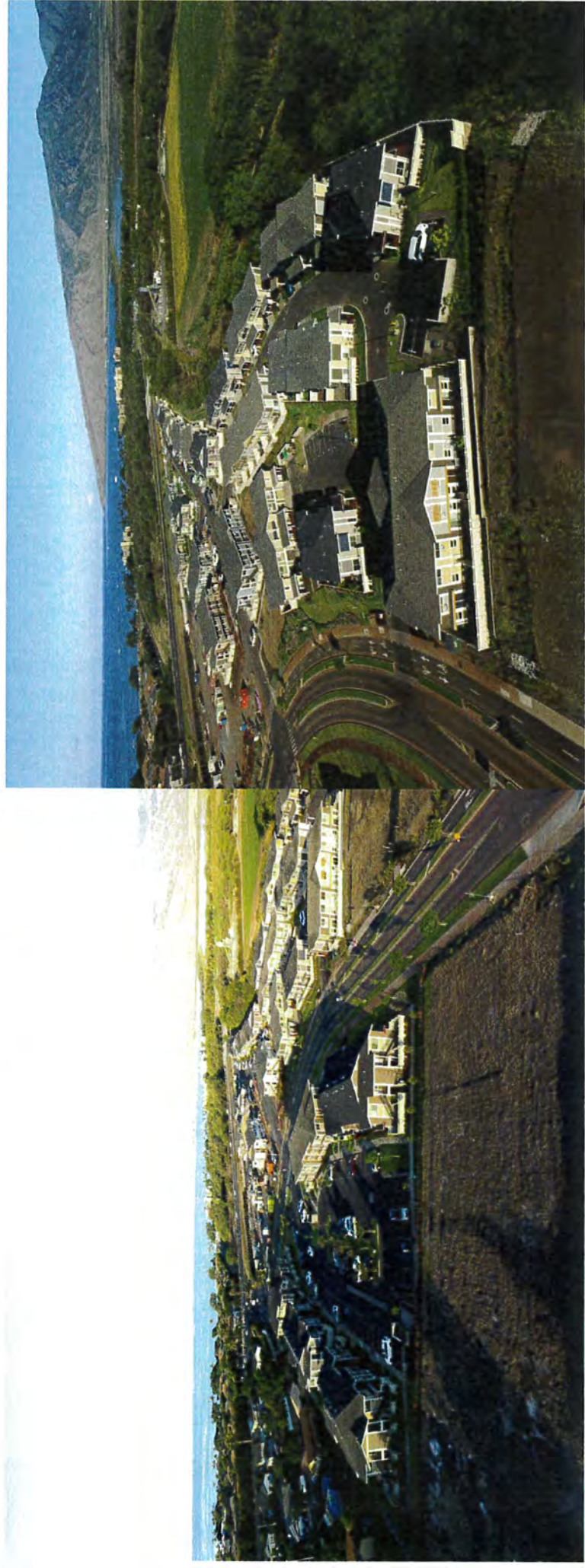




KAMALANI

LIVE TOGETHER. GROW TOGETHER.

INCREMENT 1 AERIAL





KAMALANI

LIVE TOGETHER. GROW TOGETHER.

INCREMENT 1 EXTERIORS





KAMALANI

LIVE TOGETHER. GROW TOGETHER.

INCREMENT 1 INTERIORS





KAMALANI

LIVE TOGETHER. GROW TOGETHER.

INCREMENT 1 PATIO/YARD FOR EVERY HOME





KAMALANI

LIVE TOGETHER. GROW TOGETHER.

BIKE PATH THROUGH ENTIRE COMMUNITY





KAMALANI

LIVE TOGETHER. GROW TOGETHER.

KAMAHIWA PARKWAY TO INCREMENTS 2 & 3





November 12, 2020

Land Use Commission
State of Hawaii
P. O. Box 2359
Honolulu, HI 96804-2359

Re: State Land Use Commission Docket No. A07-772
Motion for Order for Time Extension

Ladies and Gentlemen:

By its Decision and Order dated February 20, 2009, the State Land Use Commission approved reclassification of approximately 94.352 acres from the "Agricultural" to the "Urban" land use district at Waiakoa, Maui, Hawaii. Kamalani Ventures LLC is the owner in fee simple of the property.

Kamalani Ventures LLC hereby authorizes its Manager, A & B Properties Hawaii, LLC, Series T, and its agents to prepare, file, process and obtain all necessary approvals relating to the subject Motion for Order for Time Extension.

Sincerely,

KAMALANI VENTURES LLC
By A & B Properties Hawaii, LLC, Series T
Its Manager

DocuSigned by:
By: Natalie I. Kiehm November 12, 2020
6302E4D8C893463
Natalie I. Kiehm
Its Vice President

EXHIBIT "5"

Table 4. 2020 QUARTERLY ECONOMIC INDICATORS: MAUI COUNTY

SERIES	2nd QUARTER			YEAR-TO-DATE		
	2019	2020	% CHANGE YEAR AGO	2019	2020	% CHANGE YEAR AGO
Civilian labor force, NSA (persons) 1/	86,500	84,500	-2.3	86,700	85,750	-1.1
Civilian employed	84,150	58,650	-30.3	84,350	71,750	-14.9
Civilian unemployed	2,300	25,900	1,026.1	2,350	14,050	497.9
Unemployment rate, NSA (%) 1/ 2/	2.7	30.4	27.7	2.7	16.5	13.8
Total wage and salary jobs	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total non-agric. wage & salary jobs	79,900	57,900	-27.5	80,200	68,900	-14.1
Nat. Resources, Mining, Constr.	4,300	4,100	-4.7	4,200	4,100	-2.4
Manufacturing	1,200	1,100	-8.3	1,200	1,100	-8.3
Wholesale Trade	1,600	1,500	-6.3	1,600	1,600	0.0
Retail Trade	9,800	9,000	-8.2	9,900	9,500	-4.0
Transp., Warehousing, Util.	4,600	3,400	-26.1	4,600	4,100	-10.9
Information	600	400	-33.3	600	500	-16.7
Financial Activities	3,100	2,900	-6.5	3,100	3,000	-3.2
Professional & Business Services	7,200	6,300	-12.5	7,300	6,800	-6.8
Educational Services	1,200	1,000	-16.7	1,200	1,100	-8.3
Health Care & Social Assistance	8,000	7,700	-3.8	8,100	8,000	-1.2
Arts, Entertainment & Recreation	2,300	300	-87.0	2,300	1,200	-47.8
Accommodation	12,900	4,700	-63.6	12,900	8,800	-31.8
Food Services & Drinking Places	10,400	4,500	-56.7	10,500	7,500	-28.6
Other Services	3,400	2,700	-20.6	3,400	3,000	-11.8
Government	9,300	8,300	-10.8	9,300	8,800	-5.4
Federal	900	800	-11.1	900	900	0.0
State	5,700	4,900	-14.0	5,700	5,300	-7.0
Local	2,700	2,600	-3.7	2,700	2,600	-3.7
Agriculture wage and salary jobs	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
General excise & use tax rev. (\$1,000)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Income-individual	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Declaration estimated taxes	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Payment with returns	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Withholding tax on wages	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Refunds	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Transient accommodations tax	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Honolulu County Surcharge 3/	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Private Building Permits (\$1,000)	132,538	133,619	0.8	213,621	279,264	30.7
Residential	83,492	76,287	-8.6	132,677	107,560	-18.9
Commercial & industrial	19,944	25,896	29.8	30,675	102,113	232.9
Additions & alterations	29,102	31,437	8.0	50,268	69,591	38.4
Visitor Days - by air	6,175,191	101,464	-98.4	12,522,352	5,454,077	-56.4
Domestic visitor days - by air	5,557,017	101,434	-98.2	10,596,355	4,570,766	-56.9
International visitor days - by air	618,174	30	-100.0	1,925,996	883,311	-54.1
Visitor arrivals by air - by air	807,482	3,787	-99.5	1,548,226	618,482	-60.1
Domestic flight visitors - by air	707,492	3,772	-99.5	1,293,743	520,133	-59.8
International flight visitors - by air	99,990	15	-100.0	254,483	98,349	-61.4
Visitor expenditures - by air (\$1,000)	1,314,434	(NA)	(NA)	2,685,089	(NA)	(NA)
Hotel occupancy rates 2/	78.6	10.3	-68.3	78.5	49.2	-29.3

NA Not available.

1/ Labor force and jobs are Hawaii DLIR monthly and annual data. Quarterly averages computed by the Hawaii DBEDT.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ 0.5% added to the general excise tax to pay for O'ahu's mass transit system and took effect January 1, 2007.

Includes taxpayers who have business activities on Oahu but whose businesses are located outside Oahu.

Source: Hawaii State Department of Business, Economic Development, & Tourism <<http://www.hawaii.gov/dbedt/inf/>>.

Hawaii State Department of Labor & Industrial Relations <<http://www.hiwi.org/cgi/dataanalysis/?PAGEID=94>>;

Hawaii State Department of Taxation <http://www.hawaii.gov/tax/a5_3txcolrpt.htm> and Hospitality Advisors, LLC.

8/28/2020



Maui County

Lisa Paulson, Office of the Mayor

Community Liaison – Hospitality & Environmental Resource Preservation

EXHIBIT "7"

Maui County Employment by Industry

Industry



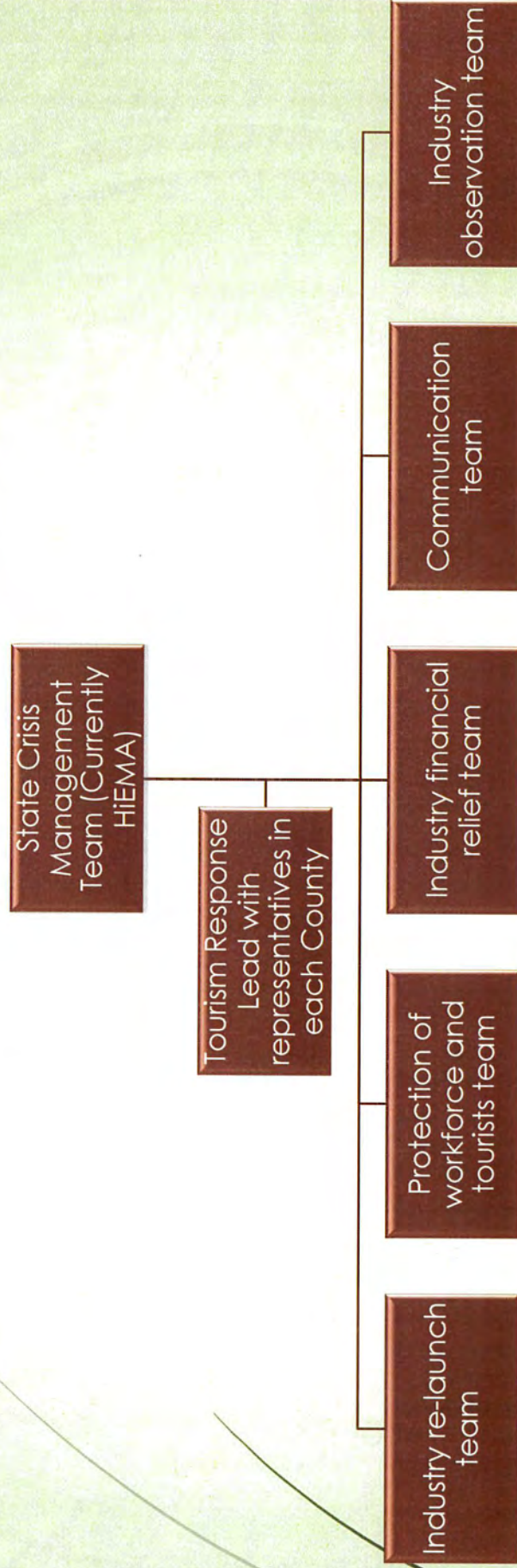
- Accommodation & Food Service
- Professional Services
- Transportation
- Arts, En't and Recreation
- Education Services
- Retail & Wholesale Trade
- Healthcare
- Misc. Services
- Manufacturing
- Agriculture
- Government
- Construction
- Financials Activities
- Information Services

*information from Bureau of Labor Statistics

Maui County Tourism Advisory Committee action items recently presented to the Mayor include:

- Preservation of key sensitive areas throughout Maui County. Developing protocols and or passing ordinances to prevent over-crowding, destruction to areas. Including reservation systems (already in place at Haleakala); limitations of tour vehicles, boats
- Additional support for Agri-Tourism. Current mini-grant program in place with HTA. Maui County office of Agriculture being established. Looking for locations to support a Food Hub (like Seattle's Pike Place Market, San Francisco's Ferry Market)
- Coordinated efforts with Maui Metropolitan Planning Organization (MPO) on reduction of traffic on roads - providing additional resources for visitors including luxury shuttle transport (encouraged use with issuing resort credit for dining/spa), car rental locations at hotel properties for car day use only
- Additional ordinances to help monitor and enforce illegal vacation rentals

Proposed Organization For Tourism Re-launch/Management



*Table information taken from article written by McKinsey & Company



UHERO STATE FORECAST UPDATE

PUBLIC EDITION

UHERO
THE ECONOMIC RESEARCH ORGANIZATION
AT THE UNIVERSITY OF HAWAII

HAWAII IN EARLY STAGES OF RECOVERY, THEN A SETBACK

SEPTEMBER 25, 2020

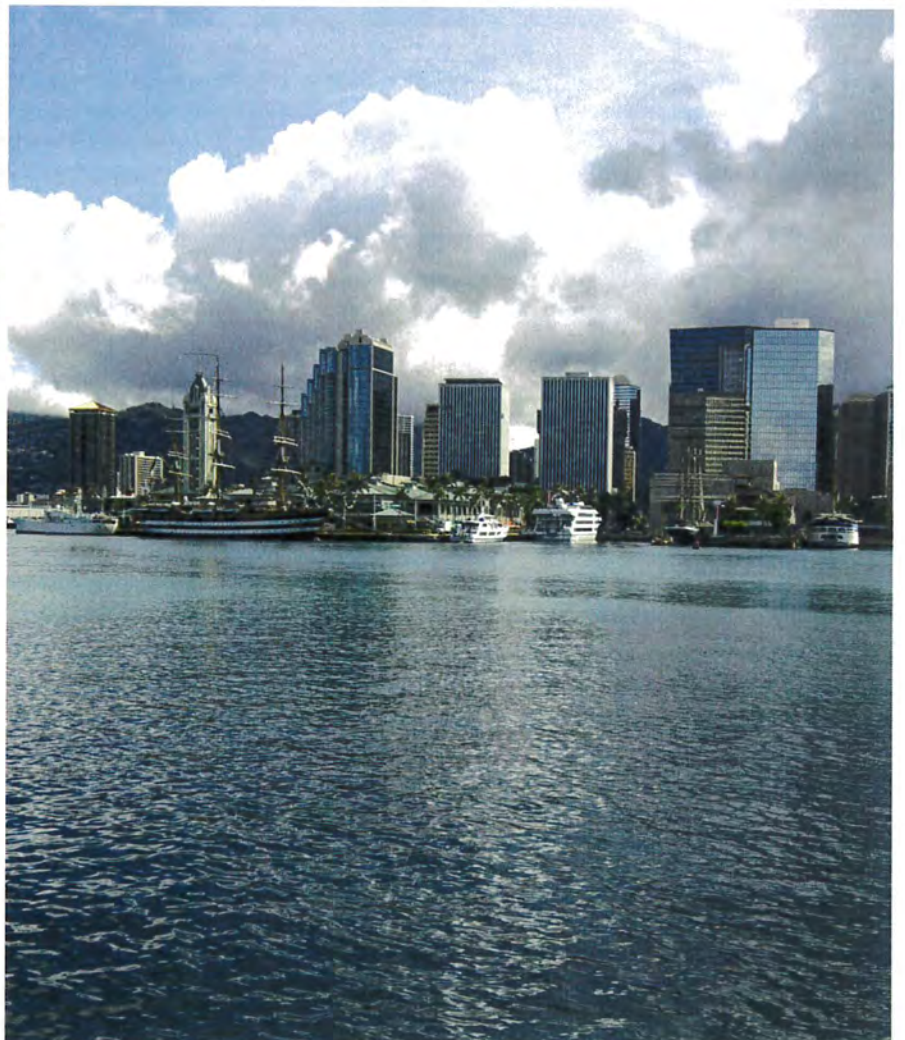


EXHIBIT "8"

UHERO

THE ECONOMIC RESEARCH ORGANIZATION
AT THE UNIVERSITY OF HAWAII

UHERO STATE FORECAST UPDATE

©2020 University of Hawaii Economic Research Organization.
All rights reserved.

Carl S. Bonham, Ph.D.

Executive Director

Byron Gangnes, Ph.D.

Senior Research Fellow

Peter Fuleky, Ph.D.

Economist

Rachel Inafuku

Graduate Research Assistant

Joshua Hu

Undergraduate Research Assistant

Research assistance by:

Victoria Ward

Executive Summary

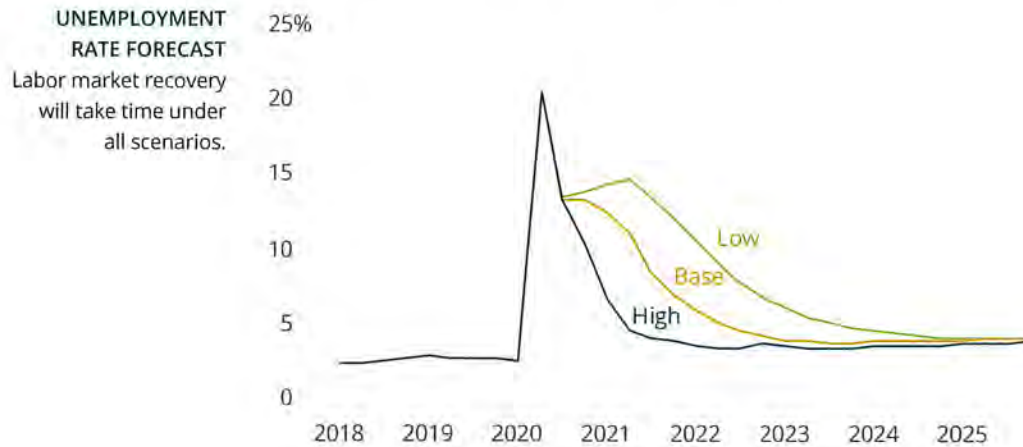
Hawaii's summer COVID-19 resurgence put the brakes on what had been the beginnings of a tentative economic recovery. A second delay of the tourism restart was another setback for our leading industry. And the renewed need for strict social distancing on Oahu has hit the non-tourism economy, too. A likely dearth of additional federal fiscal support will further hamstring the economy. Our baseline forecast now sees meaningful economic recovery delayed until the middle of next year. After that, we continue to anticipate an attenuated recovery period.

Given the considerable epidemiological and economic uncertainty, following recent practice we present baseline, optimistic, and pessimistic scenarios.

- The tourism industry has been effectively shuttered since the end of March. Employment in leisure and hospitality fell 60% early on and remains at less than half its pre-pandemic level. The pandemic has had a significant negative impact on industries associated with tourism, including transportation, retail, and food service.
- Industries outside tourism were not immune, with most experiencing high single-digit percentage declines in employment. And our new weekly *UHERO Economic Pulse* index indicates that Hawaii's first steps toward recovery began to falter in mid-July, just after the expiration of the Paycheck Protection Program and the onset of the second wave of COVID-19 infections.
- Only the construction industry avoided job losses. By midsummer, home resales and private permits had bounced back from earlier declines that had resulted from government restrictions and increased processing times. Government contracts awarded have surged five-fold this year, owing to several large military projects.
- Home prices will be held down by modestly higher supply and weaker demand. Poor economic conditions, high unemployment, and continuing outmigration will offset the demand generated by low interest rates. Nonresidential construction will be hamstrung by low levels of capacity utilization in retail, hospitality, and office space.
- The tourism recovery will be hampered by the public's reluctance to travel and by macroeconomic weakness in all major visitor markets. In our baseline forecast, arrivals will begin to rise after the scheduled launch of the pre-travel testing program on October 15, and as the virus becomes well controlled here. More significant tourism gains will be seen after a vaccine becomes widely available in the second half of 2021.
- Under an optimistic scenario, gains in the availability of rapid virus tests would enable a more rapid recovery in visitor numbers. In our more pessimistic case, a third wave of illness emerges in the fall and winter, and an effective vaccine does not become widely available until late next year, delaying a significant tourism restart. The long-term path of recovery is also slower than in the baseline case.
- Recovery of the broader local economy will depend on conditions in the tourism industry, but also on progress in controlling COVID-19 in Hawaii, as well as state and federal macroeconomic policies. Under the baseline scenario, unemployment will see a much slower pace of improvement than in recent months. Reductions in federal support will also weigh on the economy. Our more optimistic scenario assumes additional federal support for households. Together with the more rapid tourism rebound, this helps support a more robust recovery.
- In our pessimistic scenario, the much slower restart of tourism and continuing need for social distancing would weigh more heavily on demand. Facing larger and more prolonged budget deficits, the State Government would resort to partial furloughs. The aggregate result of all

of this would be persistently weak employment and income, with unemployment remaining above 8% until 2022.

- Hawaii government's failure to take advantage of a nearly-two-month period without COVID-19 cases to prepare for an eventual resurgence is regrettable, to say the least. To avoid a deeper macroeconomic failure, we must maintain the recent progress in bringing this second virus wave under control, and the State and local governments—with the full support of business and the Hawaii community—must execute flexible plans for the safe and expeditious resumption of trans-Pacific travel and the reopening of the broader economy.



Forecast Summary

ECONOMIC INDICATORS, BASELINE FORECAST PUBLIC SUMMARY

	2018	2019	2020	2021	2022	2023
STATE OF HAWAII						
Nonfarm Payrolls (Thou)	658.2	656.1	565.3	575.2	614.7	626.9
% Change	0.5	-0.3	-13.8	1.7	6.9	2.0
Unemployment Rate (%)	2.5	2.7	12.4	9.7	5.0	3.8
Real Personal Income (Mil 2019\$)	80,001.5	81,342.5	77,377.4	75,317.2	78,260.0	80,107.2
% Change	2.1	1.7	-4.9	-2.7	3.9	2.4
Real GDP (Mil 2019\$)	95,323.5	97,281.7	85,820.7	86,851.3	91,599.4	93,259.9
% Change	3.0	2.1	-11.8	1.2	5.5	1.8
Total Visitor Arrivals by Air (Thou)	9,761.4	10,243.2	2,692.8	4,671.8	7,884.4	8,912.6
% Change	5.2	4.9	-73.7	73.5	68.8	13.0
Visitor Days (Thou)	87,724.6	89,692.4	27,726.1	42,840.1	68,630.9	77,848.5
% Change	4.9	2.2	-69.1	54.5	60.2	13.4
Real Visitor Expenditures (Mil 2019\$)	17,748.4	17,694.9	4,836.1	7,145.4	12,138.5	14,316.5
% Change	3.2	-0.3	-72.7	47.8	69.9	17.9
HONOLULU COUNTY						
Nonfarm Payrolls (Thou)	473.2	472.0	414.1	419.7	446.1	453.5
% Change	0.3	-0.3	-12.3	1.3	6.3	1.7
Unemployment Rate (%)	2.4	2.6	10.3	7.7	3.7	2.9
Inflation Rate, Honolulu MSA (%)	1.8	1.6	1.4	0.8	1.0	1.9
Real Personal Income (Mil 2019\$)	59,371.2	60,313.1	57,532.8	56,290.1	58,446.2	59,687.7
% Change	1.9	1.6	-4.6	-2.2	3.8	2.1
Total Visitor Arrivals by Air (Thou)	5,862.4	6,154.2	1,565.5	2,783.9	4,679.5	5,293.0
% Change	3.2	5.0	-74.6	77.8	68.1	13.1
HAWAII COUNTY						
Nonfarm Payrolls (Thou)	71.2	70.7	61.8	63.2	66.2	67.3
% Change	0.6	-0.7	-12.6	2.3	4.7	1.7
Unemployment Rate (%)	3.0	3.5	12.4	9.9	6.7	5.8
Real Personal Income (Mil 2019\$)	8,670.2	8,907.5	8,536.7	8,240.9	8,423.9	8,598.9
% Change	2.7	2.7	-4.2	-3.5	2.2	2.1
Total Visitor Arrivals by Air (Thou)	1,706.2	1,763.9	465.8	811.2	1,388.5	1,580.6
% Change	-3.4	3.4	-73.6	74.2	71.2	13.8
MAUI COUNTY						
Nonfarm Payrolls (Thou)	80.3	80.2	62.8	64.7	72.4	75.1
% Change	1.7	-0.1	-21.7	3.0	11.9	3.7
Unemployment Rate (%)	2.4	2.6	20.0	17.4	8.2	5.4
Real Personal Income (Mil 2019\$)	8,337.5	8,477.3	7,820.0	7,452.7	7,915.8	8,242.5
% Change	2.2	1.7	-7.8	-4.7	6.2	4.1
Total Visitor Arrivals by Air (Thou)	2,963.6	3,119.2	814.4	1,464.8	2,517.5	2,851.3
% Change	5.9	5.3	-73.9	79.9	71.9	13.3
KAUAI COUNTY						
Nonfarm Payrolls (Thou)	32.7	33.2	26.8	27.5	30.1	31.0
% Change	-0.3	1.6	-19.1	2.6	9.2	3.1
Unemployment Rate (%)	2.5	2.7	19.1	16.1	8.8	6.6
Real Personal Income (Mil 2019\$)	3,622.5	3,743.2	3,487.9	3,333.4	3,474.1	3,578.1
% Change	3.6	3.3	-6.8	-4.4	4.2	3.0
Total Visitor Arrivals by Air (Thou)	1,389.3	1,372.7	363.3	633.8	1,086.7	1,230.6
% Change	8.1	-1.2	-73.5	74.5	71.4	13.2

Note: Source is UHERO. Figures for county income for 2019 are UHERO estimates. Figures for 2020-2023 are forecasts.

UHERO

THE ECONOMIC RESEARCH ORGANIZATION
AT THE UNIVERSITY OF HAWAII

UHERO THANKS THE FOLLOWING SUPPORTERS:

KA WĒKIU - THE TOPMOST SUMMIT

Bank of Hawai'i
DGM Group
Hawaii Business Roundtable
Hawai'i Community Foundation
Kamehameha Schools
HMSA

KILOHANA - A LOOKOUT, HIGH POINT

American Savings Bank
Board of Water Supply
DR Horton
First Hawaiian Bank
First Insurance Company of Hawaii, Ltd.
Hawaiian Airlines
Island Holdings, Inc.
Matson Company

KUAHIWI - A HIGH HILL, MOUNTAIN

Architects Hawaii, Ltd.	The Howard Hughes Corporation
Better Homes and Gardens Real Estate Advantage Realty	Kaiser Permanente Hawai'i
Central Pacific Bank	The Hawaii Laborers & Employers Cooperation and Education Trust Fund
Dowling Company	The Natural Energy Laboratory of Hawaii Authority
Halekulani Corporation	The Pacific Resource Partnership
Hawaii Tourism Authority	Servco Pacific, Inc.
Hau'oli Mau Loa	Stanford Carr Development
HGEA	

Kulia I Ka Nuu (literally "Strive for the summit") is the value of achievement, those who pursue personal excellence. This was the motto of Hawaii's Queen Kapiolani. Supporters help UHERO to continually reach for excellence as the premier organization dedicated to economic research relevant to Hawaii and the Asia-Pacific region.

The UHERO Forecast Project is a community-sponsored research program of the University of Hawaii at Manoa. The Forecast Project provides the Hawaii community with analysis on economic, demographic, and business trends in the State and the Asia-Pacific region.

All supporters receive the full schedule of UHERO reports, as well as other benefits that vary with the level of financial commitment. For sponsorship information, browse to <http://www.uhero.hawaii.edu>.

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of) DOCKET NO. A07-772
)
A&B PROPERTIES, INC.) CERTIFICATE OF SERVICE
)
To Amend the Agricultural Land)
Use District Boundary into the)
Urban District for approximately)
94.352 acres at Waiakoa, Island)
and County of Maui, State of)
Hawaii, TMK: 3-8-04: portion of)
2, portion of 22 and portion of)
30)
_____)

CERTIFICATE OF SERVICE

I hereby certify that a file-marked of the foregoing document was duly served upon the following **AS INDICATED BELOW** on November 17, 2020.

MARY ALICE EVANS, DIRECTOR
Office of Planning, State of Hawaii
235 South Beretania Street
Room 600, Leiopapa A Kamehameha Bldg.
Honolulu, Hawaii 96813

CERTIFIED MAIL
RETURN RECEIPT
REQUESTED

DAWN TAKEUCHI-APUNA, ESQ.
Deputy Attorney General
Department of the Attorney General
425 Queen Street
Honolulu, Hawaii 96813

CERTIFIED MAIL
RETURN RECEIPT
REQUESTED

MICHELE CHOUTEAU MCLEAN, PLANNING DIRECTOR
Maui County Planning Department
County of Maui, State of Hawai`i
2200 Main Street
One Main Plaza, Suite 315
Wailuku, Hawai`i 96793

CERTIFIED MAIL
RETURN RECEIPT
REQUESTED

MICHAEL J. HOPPER, ESQ.
Deputy Corporation Counsel
County of Maui, State of Hawai`i
200 South High Street
Wailuku, Hawai`i 96793

CERTIFIED MAIL
RETURN RECEIPT
REQUESTED

A&B Properties, Inc.
822 Bishop Street
Honolulu, Hawai`i 96813

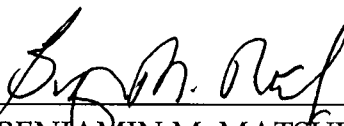
CERTIFIED MAIL
RETURN RECEIPT
REQUESTED

Alexander & Baldwin, Inc.
P.O. Box 156
Kahului, Hawai`i 96732

CERTIFIED MAIL
RETURN RECEIPT
REQUESTED

DATED: Honolulu, Hawai`i, November 17, 2020.

Of Counsel:
MATSUBARA, KOTAKE & TABATA
A Law Corporation



BENJAMIN M. MATSUBARA
CURTIS T. TABATA
Attorneys for Petitioner
A & B PROPERTIES HAWAII, LLC, SERIES T