

August 30, 2022
2020-59-0100 / 22P-018R1

Mr. Daniel E. Orondenker
Executive Officer
State Land Use Commission
State Office Tower
235 S. Beretania Street, 4th Floor
Honolulu, HI 96813



Dear Mr. Orondenker:

**Mauna Kea Resort
Annual Report on Land Use Commission
Docket No. A84-574**

On behalf of Mauna Kea Resort Services LLC, we are submitting the following annual report for 2021 on the status of the above-captioned project, and on the progress in complying with the conditions imposed. This submittal is pursuant to Condition No. 3 of the Decision and Order for Docket No. A84-574, dated December 6, 1994.

2021 ANNUAL REPORT

1. **BACKGROUND AND GENERAL PROGRESS OF THE PROJECT**

The property that is the subject of Land Use Commission (LUC) Docket No. A84-574 consists of approximately 399 acres of land at Ouli 1, South Kohala, Hawai'i. The project is a portion of the former 539-acre South Kohala Resort, also formerly known as The Hapuna Beach Resort, and is being developed as a golf course/residential community. The Uplands at Mauna Kea is now part of the overall Mauna Kea Resort.

The property originally consisted of ten large development parcels, eight residential, one commercial, and one recreational (tennis). The ten parcels were subsequently consolidated and re-subdivided into eight parcels, see Figure 1, *Development Parcels A-G/H*, enclosed.

Parcel A is the sole parcel remaining in Mauna Kea Resort Services LLC ownership and is currently vacant. It is available for sale and marketing of it is being considered.

Parcel B is the site of a single-family residential project named Moani Heights at The Uplands. The development of this parcel is complete and sold out. There was one resale in 2021.

Parcel C includes 'Apa'apa'a Heights at The Uplands, a single-family residential project; and The Kumulani at The Uplands, a condominium project. Both projects are complete and sold out. There were six resales in The Kumulani and no resales in 'Apa'apa'a Heights in 2021.

Parcel D is intended to be developed by one of the members of the current landowner, AG-WP Mauna Kea Owner, L.L.C. Subdivision improvements for Parcel D1, County of Hawai'i (County) designated Lot 5-F, former tax map key (TMK) 6-2-021: 006, and Parcel D4, Lot 5-B, former TMK: 6-2-021: 002 with 12 single-family lots and a road lot were completed in 2019. Development of spec houses and/or custom homes is planned for both parcels.

Parcel D2, Lot 5-E, TMK: 6-2-021:005, was sold to a third-party developer in 2015. A Plan Approval for plan number PLA-20-001801 was received on November 17, 2020 and was completed on March 12, 2021. The most current plan was for the development of 64 multiple-family units. Development design is in progress.

Parcel D3, Lot 5-C TMK: 6-9-021:003 received Plan Approval on May 18, 2020, for the development of 12 one-story single-family units and three two-story single-family units for a total of 18 units in a condominium property regime. Construction started in January 2022.

Parcel D5, Lot 5-A, TMK: 6-2-021:001 received Plan Approval on April 14, 2020 for a multiple-family residential development containing nine one-story duplex buildings, a total of 18 dwelling units. Sale of the duplexes is expected to close by Q1 2022.

Parcel D6, Lot 5-D is being developed by AG-WP Mauna Kea Owner, L.L.C. as an Amenity Center for the Parcel D and Parcel E residents. Construction of the Amenity Center is substantially completed and is in the process of closing the building permits.

Parcel E, developed by AG-WP Mauna Kea Owner, LLC, as 'Amaui Estates at Mauna Kea Resort, Phase I, received final approval of the 11-single-family lot subdivision on December 29, 2016, TMK: 6-2-20: 001 through 011. Construction of spec homes is ongoing on lots 007, 008 and 009. All lots were sold or currently in escrow.

Parcel F, TMK: 6-2-13:018, remains undeveloped and owned by MK Parcel F, LLC. It is being considered by the owner for single-family residences. The project's Planned Unit Development application received approval from the County on November 26, 2014 (PUD-14-000027), and Tentative Approval of the subdivision (SUB-14-001397) was granted December 8, 2014. Development design is in progress. According to a County of Hawai'i Electronic Processing and Information Center (EPIC) search there are no permit applications open as of February 4, 2022.

Parcels G and H, Wai'ula'ula at Mauna Kea Resort, are comprised of single-family, duplex, and multi-family units under a condominium property regime. There were seventeen resales in Wai'ula'ula during 2021.

2. PROGRESS IN COMPLYING WITH THE CONDITIONS IMPOSED

According to the Land Use Commission's Decision and Order dated December 6, 1994 ("Decision and Order") and Order Granting Motion for Clarification of Land Use Commission's Findings of Fact, Conclusions of Law and Decision and Order and for Extension of Time, and Motion for Waiver of Hawaii Administrative Rule Section 15-15-92(2), dated February 13, 1995 ("Order Granting Motion"),¹ the Petitioner must comply with six conditions. These conditions are listed below, each numbered as identified in the

¹ The Order amended Condition No. 6 of the LUC's Decision and Order dated December 6, 1994. Order at page 3.

Decision and Order and Order Granting Motion, and each followed by a status report on the Petitioner's efforts to comply with the condition.

Condition No. 1:

- "1. Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification or change to a more appropriate classification."

Status: The Petitioner is following its plan to develop the property, as presented to the Commission. The first part of this report summarized progress made as of December 31, 2021.

Condition No. 2:

- "2. 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 Property, prior to development of the Property."

Status: Parcel A is on the market for sale. Parcels D2 and D3 will be marketed for sale upon completion of their design. Parcel D5 duplex sales are ongoing. All other parcels subject to this report have already transferred ownership interest to another party or has no current plans for sale, lease, assignment, or other transfer of ownership interests. There were no parcels sold to homebuilders or developers in 2021.

Condition No. 3:

- "3. Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of State Planning, and the County of Hawai'i Planning Department in connection with the status of the subject project 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."

Status: A copy of this annual report is being submitted to the State Office of Planning and the County of Hawai'i Planning Department.

Condition No. 4:

- "4. The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner."

Status: The Petitioner has not filed any motion to date under this condition.

Condition No. 5:

- "5. Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed herein by the Land Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission."

Status: The Commission's Decision and Order was issued on December 6, 1994. As stated in annual reports filed in previous years, the Petitioner complied with this condition by filing a copy of the Notice with the Commission on December 14, 1994.

Condition No. 6:

"6. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances within sixty days of the filing of this Decision and Order."

Status: As stated in our previous annual reports, on April 12, 1995, the Petitioner recorded a Declaration of Conditions covering the conditions imposed by the Commission in the Bureau of Conveyances as Document No. 95-049097. By letter dated April 25, 1995, the Petitioner submitted a certified copy of the Declaration of Conditions to the Commission.

The above constitutes the Petitioner's 2021 Annual Report for the property.

Sincerely,

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

Matthew Kodama
Project Manager

MK:VL:kc
Enclosure

cc: Director, State of Hawaii, Office of Planning
Director, Hawaii County Planning Department

e-copy: Gerick Shinsato, Mauna Kea Resort

