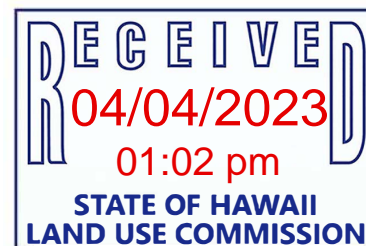


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Attorney for Petitioner
RCFC KALOKO HEIGHTS, LLC,
KALOKO HEIGHTS B1A HOLDINGS, LLC, and
KALOKO HEIGHTS INVESTORS, LLC

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of

Y-O LIMITED PARTNERSHIP

To Amend the Agricultural Land Use District Boundary to the Urban Land Use District for Approximately 408.719 Acres of Land at Kaloko and Kohanaiki, North Kona, Hawaii, Hawaii TMK Nos.: (3) 7-3-09:19, 20 and 57 to 62.

DOCKET NO. A81-525

**PETITIONER'S REPLY
MEMORANDUM TO OFFICE OF
PLANNING AND SUSTAINABLE
DEVELOPMENT'S RESPONSE TO
MOTION FOR EXTENSION OF TIME
TO APPLY FOR REDISTRICTING OF
PHASE II; DECLARATION OF MARK
MEYER; CERTIFICATE OF SERVICE**

**PETITIONER'S REPLY MEMORANDUM TO OFFICE OF PLANNING AND
SUSTAINABLE DEVELOPMENT'S RESPONSE TO MOTION FOR EXTENSION OF
TIME TO APPLY FOR REDISTRICTING OF PHASE II**

RCFC KALOKO HEIGHTS, LLC, a Delaware limited liability company, KALOKO HEIGHTS B1A HOLDINGS, LLC, a Delaware limited liability company, and KALOKO HEIGHTS INVESTORS, LLC, a Delaware limited liability company, Successor Petitioner ("Petitioner") to Y-O Limited Partnership ("Y-O") in the above-captioned docket, by and through its attorneys Dentons US LLP, submits this Reply Memorandum in Response to Office of Planning and Sustainable Development's Response to Motion for Extension of Time to

Apply for Redistricting of Phase II, to address Office of Planning and Sustainable Development's ("OPSD") recommendation for a three year time extension to January 20, 2026.

On November 22, 2022, Petitioner filed a Motion for Extension of Time to Apply for Redistricting of Phase II with the State of Hawaii Land Use Commission ("Commission") to extend the time for Petitioner to request redistricting of approximately 195.246 acres, immediately across Hina Lani Street now identified as Hawaii TMK (3) 7-3-09:19, comprising Phase II of the Kaloko Heights Project (the "Project") from January 20, 2023, to January 20, 2033. On January 4, 2023, January 6, 2023 and January 31, 2023, Petitioner filed First, Second and Third Supplemental Memoranda in Support of Motion for Extension of Time to Apply for Redistricting of Phase II, to present additional information and documents to describe Petitioner's development progress and schedule for future development.

Since Petitioner filed the Third Supplemental Memorandum, OSPD filed a response recommending a three year extension rather than a ten year extension of time to substantially complete development of Phase 1 of the Project. While Petitioner expects to complete all required offsite improvements within OSPD's suggested three-year period, Petitioner submits that a ten year time extension to substantially complete the onsite improvements in Phase I of the Project may be more appropriate than a three year extension under the circumstances.

The Land Use Commission's Decision and Order provides in pertinent part:

. . . redistricting from the Agricultural to the Urban classification will be granted upon receipt of an application by Petitioner for redistricting of this second phase upon a prima facie showing that Petitioner has made substantial completion of the onsite and offsite improvements within Phase I and in accordance with the Petitioner's development plan . . . within five years of the date of this order, including but not limited to partial satisfaction of condition A, to the extent of the number of lots to be created in Phase I and conditions D and E, to the extent possible, and full satisfactions of conditions B and C, below.

OSPD acknowledges that Petitioner and its predecessors have made significant progress in satisfying condition A, have fully satisfied conditions B and C, and that conditions D and E are continuing conditions that will not be satisfied until development of the Project has been completed. Petitioner expects to complete construction of the wastewater transmission line – the final offsite infrastructure required for the full development of the Project within OSPD’s suggested three -year extension period.

Petitioner has completed design work and obtained all permits necessary to commence construction of the first 46 lots in Phase I. However Petitioner does not plan to commence construction of the onsite infrastructure or site work to finish the first 46 lots until substantial completion of the wastewater transmission line improvements, to ensure there are no restrictions or limitations on full development of the Project once construction starts. The construction of homes for sale will commence once there is substantial completion of the site work for the lots which is necessary for access and utilities required for residential construction and occupancy of homes.

Petitioner has given its wastewater transmission line contractor Goodfellow Bros. LLC (“**Goodfellow**”) notice to proceed on the construction of the wastewater transmission line. Goodfellow has acquired the necessary pipe material and is presently working with its subcontractor to manufacture the required precast concrete manholes for the wastewater transmission line. Goodfellow will begin installation in mid-2023 once it has assembled a sufficient quantity of precast elements. Goodfellow expects to complete construction of the wastewater transmission line by mid-2024. At that time Petitioner intends to commence construction of onsite infrastructure for Phase I of the Project and development of the first 46 lots. Petitioner expects development of this 46 lot increment to take approximately 24 months

from commencement of construction of the on-site improvements in mid-2024 to substantial completion of the dwelling units in mid-2026.

Hawai'i Island Community Development Corporation (“**HICDC**”) is scheduled to begin construction of the affordable housing project in Phase I in April 2023. Construction will commence with site preparation, and is scheduled to take approximately 18 months. The first affordable rental units are projected to be completed and occupied by October 2024.

Thus by January 20, 2026, Petitioner expects that it will have completed all off site infrastructure, including the wastewater transmission line connecting the Project to the Kealakehe Wastewater Treatment Plant. Petitioner will be engaged in development of the first increment of homesites. HICDC will have completed its affordable rental project.

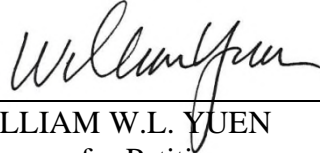
Based on Petitioner's reasonable construction timelines and market absorption projections, Petitioner anticipates an 8 to 12-year development period for full buildout and sale of Phase 1. Petitioner will report its progress in its annual progress reports to the Commission.

As to the affordable housing requirements, upon completion the 100-unit project to be constructed by HICDC will produce 99 affordable rental units and satisfy the Commission's affordable housing requirement for a number of market priced units, well in excess of the 521 market priced finished lots and house and lot packages Petitioner proposes to develop and sell in Phase I. Petitioner will work with the County to satisfy any affordable housing requirement that is not satisfied by credits from the HICDC project over the course of the development of the Phase II lands once the redistricting of those lands occurs.

Petitioner respectfully requests that the Commission recognize that Petitioner and its predecessors have made significant expenditures in planning, permitting, design and infrastructure construction to bring Phase I of the Project to this stage where all offsite infrastructure will soon be in place and construction of the affordable housing units has

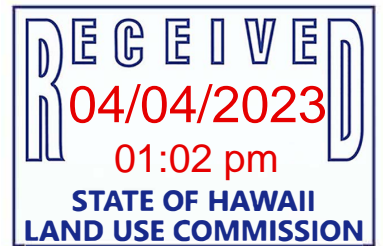
commenced. Petitioner is presenting a reasonably conservative time table for progress. Petitioner submits that a ten year time extension is a more realistic time period to achieve substantial completion of development of Phase I of the Project.

DATED: Honolulu, Hawaii, April 4, 2023.



WILLIAM W.L. YUEN
Attorney for Petitioner
RCFC KALOKO HEIGHTS, LLC,
KALOKO HEIGHTS B1A HOLDINGS,
LLC, and KALOKO HEIGHTS
INVESTORS, LLC

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII



In the Matter of the Petition of
Y-O LIMITED PARTNERSHIP

To Amend the Agricultural Land Use District
Boundary to the Urban Land Use District for
Approximately 408.719 Acres of Land at
Kaloko and Kohanaiki, North Kona, Hawaii,
Hawaii TMK Nos.: 7-3-09:19, 20, 32, and 57 to
62.

DOCKET NO. A81-525

DECLARATION OF MARK MEYER

DECLARATION OF MARK MEYER

I, MARK MEYER, hereby declare:

1. I am the Development Manager for Petitioner, RCFC KALOKO HEIGHTS, LLC, KALOKO HEIGHTS INVESTORS, LLC and KALOKO HEIGHTS B1A HOLDINGS, LLC (“**Petitioner**”) in the above-referenced Docket.

2. I make this Declaration upon my personal knowledge and belief, and I am competent to testify to the matters set forth in the Petitioner’s Reply Memorandum to Office of Planning and Sustainable Development’s Response to Motion for Extension of Time to Apply for Redistricting of Phase II.

3. Petitioner has entered into a construction contract with Goodfellow Bros. LLC for the construction of the Sewer Line with a stipulated contract price of \$9,656,566. Petitioner has deposited an amount equal to 15% of the contract price for the construction of the waste water transmission line with the County in accordance with the requirements of the agreement to fund the construction contingency for the waste water transmission line. Petitioner gave its contractor Goodfellow Bros. LLC notice to proceed. Goodfellow Bros. LLC has started work, and its subcontractor is manufacturing the required precast concrete manholes for the wastewater

transmission line. Goodfellow will begin installation in mid-2023 once it has assembled a sufficient quantity of precast elements. Goodfellow expects to complete construction of the wastewater transmission line by mid-2024.

4. Petitioner has completed design work and obtained all permits necessary to commence construction of the first 46 lots in Phase I. Petitioner has also stated that it intends to commence construction of the onsite infrastructure for the first 46 lots when Goodfellow Bros. LLC has substantially completed construction of the wastewater transmission line, to ensure there are no restrictions or limitations on full development of the Project once construction starts. Petitioner expects development and construction of this 46 lot increment to take approximately 24 months from commencement of construction of the on-site improvements in mid-2024 to substantial completion of the dwelling units in mid-2026.

5. Hawai'i Island Community Development Corporation is scheduled to begin construction of the affordable homes in Phase I in April 2023. Construction will commence with site preparation, and is scheduled to take approximately 18 months. The first affordable rental units are projected to be completed and occupied by October 2024.

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

Executed in Menlo Park, California, on April 4, 2023.



MARK MEYER

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII



In the Matter of the Petition of

Y-O LIMITED PARTNERSHIP

DOCKET NO. A81-525

CERTIFICATE OF SERVICE

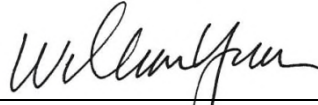
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was duly mailed via U.S. Mail, postage prepaid, or by hand delivery, or by electronic mail to the following:

Lorene Maki, Planner Office of Planning State of Hawaii, Office of Planning 235 South Beretania Street, 6th Floor Honolulu, HI 96813 Email: lorene.k.maki@hawaii.gov	Zendo Kern, Director Planning Department County of Hawaii 101 Pauahi Street, Suite 3 Hilo, HI 96720 Email: planning@hawaiicounty.gov
Alison S. Kato, Esq. Dept. of the Attorney General CED 425 Queen Street Honolulu, HI 96813 Email: alison.s.kato@hawaii.gov	Elizabeth A. Strance Corporation Counsel Office of the Corporation Counsel County of Hawaii 101 Aupuni Street, Unit 325 Hilo, HI 96720 Email: corpcounsel@hawaiicounty.gov
Keith Kato, Executive Director Hawaii Island Community Development Corporation 100 Pauahi Street Suite 204 Hilo, HI 96720 Email: Keith.hicdc@gmail.com	Nakamoto, Okamoto & Yamamoto 187 Kapiolani Street Hilo, HI 96720 Attn: Alan Okamoto Email: alan@noyhawaii.com

Dated: Honolulu, Hawaii, April 4, 2023.



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Attorney for Petitioner
RCFC KALOKO HEIGHTS, LLC,
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LLC, and KALOKO HEIGHTS
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