EMMANUEL LUTHERAN CHURCH OF MAUI

520 West One Street Kahului, Maui, Hawaii 96732

August 15, 2023

Mr. Daniel E. Orodenker – Executive Officer State of Hawaii Land Use Commission Department of Business, Economic Development & Tourism P.O. Box 2359 Honolulu, Hawaii 96804-2359



Phone: (808) 873-6334

RE: EMMANUEL LUTHERAN PROJECT STATUS UPDATE

Dear Mr. Orodenker:

Thank you for working with Emmanuel Lutheran Church of Maui over the years in pursuit of relocating the Emmanuel Lutheran campus to our parcel in Waikapu. This letter is in response to your June 27, 2023 letter requesting further information in advance of our October 4, 2023 Continuation of our 2023 Status Report meeting.

In the early 2000's ELC purchased roughly 25 acres from Wailuku Ag and worked through rezoning the property from Agriculture to Public Quasi Public, which the LUC granted in 2008. In the time since and for various reasons our relocation efforts have stalled. As you are aware, in 2018 we entered into a contract to sell roughly half of the property to Waikapu Development Ventures in an effort to move our project forward.

The details of this transaction are a bit complex. We essentially sold the property to Waikapu Development Ventures, who would subdivide the project into two properties, and after the subdivision was complete would deed back to us our half of the property. Currently, ELC is still waiting for this subdivision to be complete.

In the meantime, ELC has regularly met to progress our planning to a point where the project can move forward when the property is deeded back. Concrete steps include:

- 1. We have engaged preliminary financing review with the Lutheran Church Extension Fund. The LCEF has reviewed our project concept and has begun review of our financials. They are prepared to offer us a construction loan and long term financing after construction is complete.
- 2. We have contracted with GRO Development, an architectural planning company, to develop project scope and massing culminating in materials ELC can use in a capital campaign.

These efforts we hope to complete within six months, to be followed concurrently by design & permitting and a capital campaign. We would like to break ground in 2025 and anticipate a phase one construction duration of 2 years.

Regarding our responsibilities for the conditions of the 2018 and 2008 Decision and Order, my belief is ELC will comply with the spirit of each of the conditions. Some questions were raised regarding condition 5 Highways and Roads, which states we must complete a revised TIAR after the school opens. Further it states ELC will participate in mitigative improvements to State roads. In WDV's previous submittal they excused themselves from this condition.

Taking a step back, it seems this condition could put unbearable consequences on any project. I could see how WDV, providing affordable housing to the community, could feel like this potential unlimited cost would make their project untenable. Similarly, Emmanuel Lutheran's main mission is a school that serves 220 students from preschool to grade 8. Ten of these students attend our Church, meaning the school is serving the community, not simply our parish. This condition could have the same negative impact on our project, and since it is not evaluated until opening the school, it is impossible to account for.

However, carefully reading the verbiage it says State roads. While we abut Honoapiilani Highway, we intend to access the school site from Waiale Road, which is a County Road. Further, during morning and evening peak traffic flows the intersection at Waiale Road and Kuikahi is already overwhelmed. If the intent of this condition is for ELC to update the TIAR once the school opens, I believe we are prepared to do that. If we are expected to remedy deficiencies this condition alone will probably mothball our project.

Currently ELC is enjoying healthy enrollment and is debt free. About 15 years ago our current campus was appraised at \$4,000,000. The Lutheran Church Extension Fund has expressed agreement on lending for our project. We will need to go through a healthy capital campaign as well to make it all work.

Regarding go – no go decisions, ELC is confined in our current location. Enrollment is strong, and to meet demand we need to relocate and increase the enrollment offered in our preschool and early elementary grades. Currently, other than large, unforeseeable off site costs being assigned to ELC (like potentially condition 5 as stated above), the only no go decision would be some catastrophic change in enrollment (like the 2008 great recession?). Otherwise, the leadership at ELC is committed to move forward.

If you have any questions or require further information, please feel free call me at 808-280-0119 or email at leifs@goodfellowbros.com. Thank you for your continued support of our project!

Sincerely,

EMMANUEL LUTHERAN CHURCH OF MAUI

Leif Sjostrand President