

HASEKO ROYAL KUNIA, LLC

January 3, 2022

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



Re: Royal Kunia Phase II
Docket No. A92-683: Compliance with Amended
and New Condition No. 2 Imposed on Petition Area

Dear Mr. Orodener:

Haseko Royal Kunia, LLC ("Haseko") is the owner of approximately 211 acres of land at Royal Kunia II identified by TMK Nos. (1) 9-4-002:070, (1) 9-4-002:071 and (1) 9-4-002:078 which it acquired on August 12, 2020. On November 1, 2021, the Land Use Commission granted Ho`ohana Solar 1, LLC's Motion for Modification and Time Extension (the "2021 Order"). The 2021 Order required all landowners within the Petition Area to submit revised master plan(s) and schedule(s) for the development of their respective Increments 1, 2 and 3, comprising the Royal Kunia Phase II project to the Commission no later than December 31, 2021.

Submitted herewith is Haseko's revised master plan and schedules dated December 30, 2021 for the development of the lands it recently acquired. If you have any questions or require further information, please feel free to call me at (808) 689-7772.

Sincerely,

Haseko Royal Kunia, LLC
By Haseko Development, Inc.
Its Manager

A handwritten signature in black ink, appearing to read "Raymond S. Kanna". The signature is written over the typed name and title below it.

Raymond S. Kanna
Executive Vice President

Enclosure

cc with enclosure
AM Pacific Group LLP

{00156893-1}

91-1001 Kaimalie Street, Suite 205 • Ewa Beach, Hawaii 96706-6250
Telephone: (808) 689-7772 • Fax (808) 689-5757

EXHIBIT "3"

REVISED MASTER PLANS AND SCHEDULE
FOR
DEVELOPMENT OF INCREMENTS 1 (POR.) AND 2
OF
ROYAL KUNIA PHASE II

DATED DECEMBER 30, 2021

SUBMITTED BY HASEKO ROYAL KUNIA, LLC

TO

THE LAND USE COMMISSION OF THE STATE OF HAWAII,

IN COMPLIANCE WITH
AMENDED AND NEW CONDITION 2
IMPOSED ON THE PETITION AREA

IN

AMENDED ORDER GRANTING
SUCCESSOR PETITIONER (AS TO PARCEL 52) HO'OHANA SOLAR I, LLC'S MOTION FOR
MODIFICATION AND EXTENSION FILED NOVEMBER 1, 2021

DOCKET A92-683

BACKGROUND

Haseko Royal Kunia, LLC (“Haseko”) is the successor petitioner as to a portion of Increment 1 (Oahu TMKs 9-4-002: 070, 071 (por.) and 078), and all of Increment 2 (the remainder of Oahu TMK 9-4-002:071 (“Parcel 71”). See Figure 1 below for a depiction of the lands owned by Haseko.

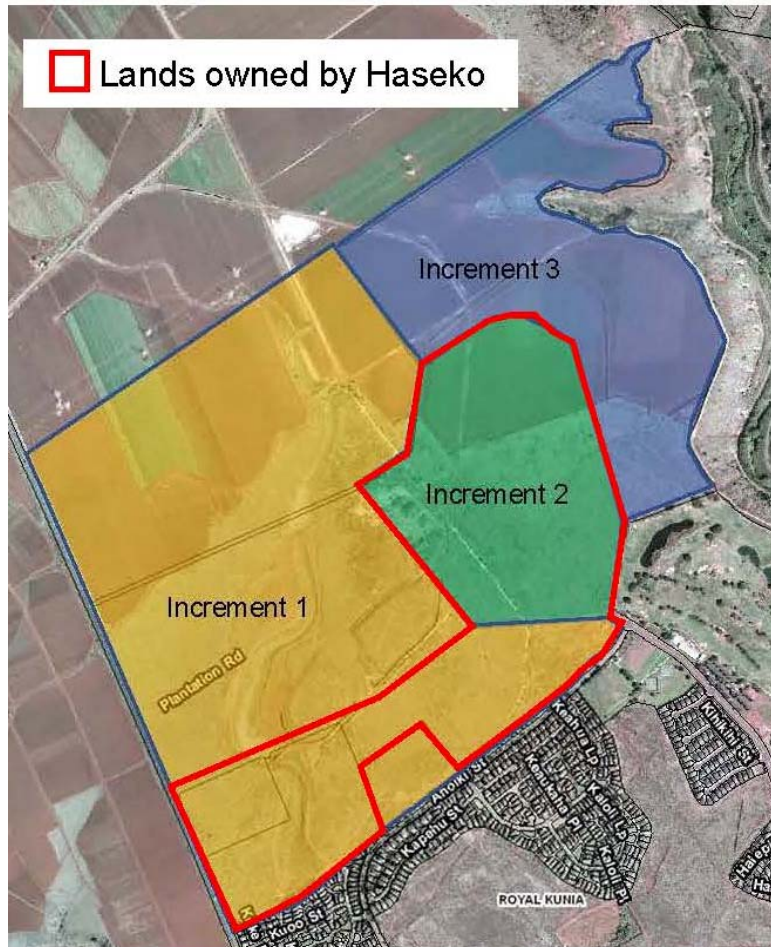


Figure 1 Depiction of Lands Owned by Haseko

As originally envisioned, Royal Kunia Phase II (“RKII”) was to be comprised of three increments and would include single family, two family, and multi-family units, an agricultural park, industrial area, public park, and a public-school site. Its original developer went bankrupt and, just as it was emerging from bankruptcy, the development was buffeted by the 2007/2008 financial crisis. This caused RKII to proceed in fits and starts with different developers and, ultimately, to stall for decades leaving the lands of RKII mostly vacant, overgrown, and undeveloped. Haseko acquired the subject parcels in August 2020 with the intent of developing various residential units to help meet some of the demand for much needed housing on Oahu.

DESCRIPTION

CONCEPTUAL MASTER PLAN. Haseko’s Conceptual Master Plan, attached hereto as Exhibit A, encompasses Haseko-owned lands in Increment 1 and Increment 2. Haseko’s overall

development is planned to have approximately 1,850 single-family and multi-family residences, public parks, roadway improvements and other backbone infrastructure¹ (collectively, the “Project”).

Haseko’s land use plan for the proposed Project is as follows:

<u>LAND USE</u>	<u>ACRES</u>	<u>UNITS²</u>
Single-family	144.328	925
Low-Density Apartments	59.887	925
Public Park	7.110	
TOTAL AREA TO BE DEVELOPED	<u>211.325</u>	<u>1,850</u>

The planned single-family and multi-family units will be offered to people of different income levels and families of various sizes.

INFRASTRUCTURE MASTER PLANS. Updated master plans for backbone infrastructure have been submitted for review as follows:

<u>PLAN</u>	<u>SUBMITTED</u>	<u>APPROVED</u>
RKII Water Master Plan Update prepared by R.M. Towill Corporation (“RMT”) dated June 16, 2021	To the Board of Water Supply, City and County of Honolulu in June 2021.	Pending BWS approval
RKII Sewer Master Plan Updated prepared by RMT dated June 15, 2021	To Department of Environmental Services of the City and County of Honolulu in June 2021	Pending ENV approval
RKII Drainage Master Plan prepared by RMT dated June 11, 2021	To Civil Engineering Branch, Department of Planning and Permitting, City and County of Honolulu (“CEB”) in June 2021	
Updated RKII Drainage Master Plan prepared by RMT dated July 2021	To CEB in July 2021	Approved by CEB on August 11, 2021
Traffic Impact Assessment Report (“TIAR”) prepared by Wilson Okamoto Corporation dated August 2021	To the Department of Transportation Services and the Traffic Review Branch of the Department of Planning and Permitting, City and County of Honolulu on August 23, 2021. DPP/DTS has provided its comments and the TIAR was submitted to the State DOT for its review/approval on December 2, 2021.	Pending State DOT approval

¹ This term encompasses water, wastewater, drainage, electrical, communication and roadway improvements, including signage and traffic control improvements to Kunia Road, serving the Project as well as the planned industrial area and the agricultural park owned by the Department of Agriculture located north of the Project.

² The number of units for each category is subject to change.

SCHEDULE. Haseko is preparing its overall land plan for its Project. The first development being proposed is a cluster housing project to be sited on the R-5 zoned portion of Increment 1 (labeled “Parcel D” on the Conceptual Master Plan) consisting of single-family, duplex, and multi-family units. Subject to obtaining all required permits, Haseko hopes to commence construction of the basic infrastructure to support the cluster housing project on Parcel D sometime in early 2023. Construction of the first residential units in the cluster project would commence sometime in late 2023. Overall, it is anticipated that it will take between 10 – 12 years to complete the overall Project, subject to obtaining all required permits and the potential impact on the supply chain resulting from the continuing pandemic.

CONCLUSION. Despite RKII’s long and difficult history, through Haseko’s experience and know-how, the much-delayed development of RKII will soon move forward and help meet some of the demand for housing in Hawaii.

HASEKO DEVELOPMENT - CONCEPTUAL MASTER PLAN

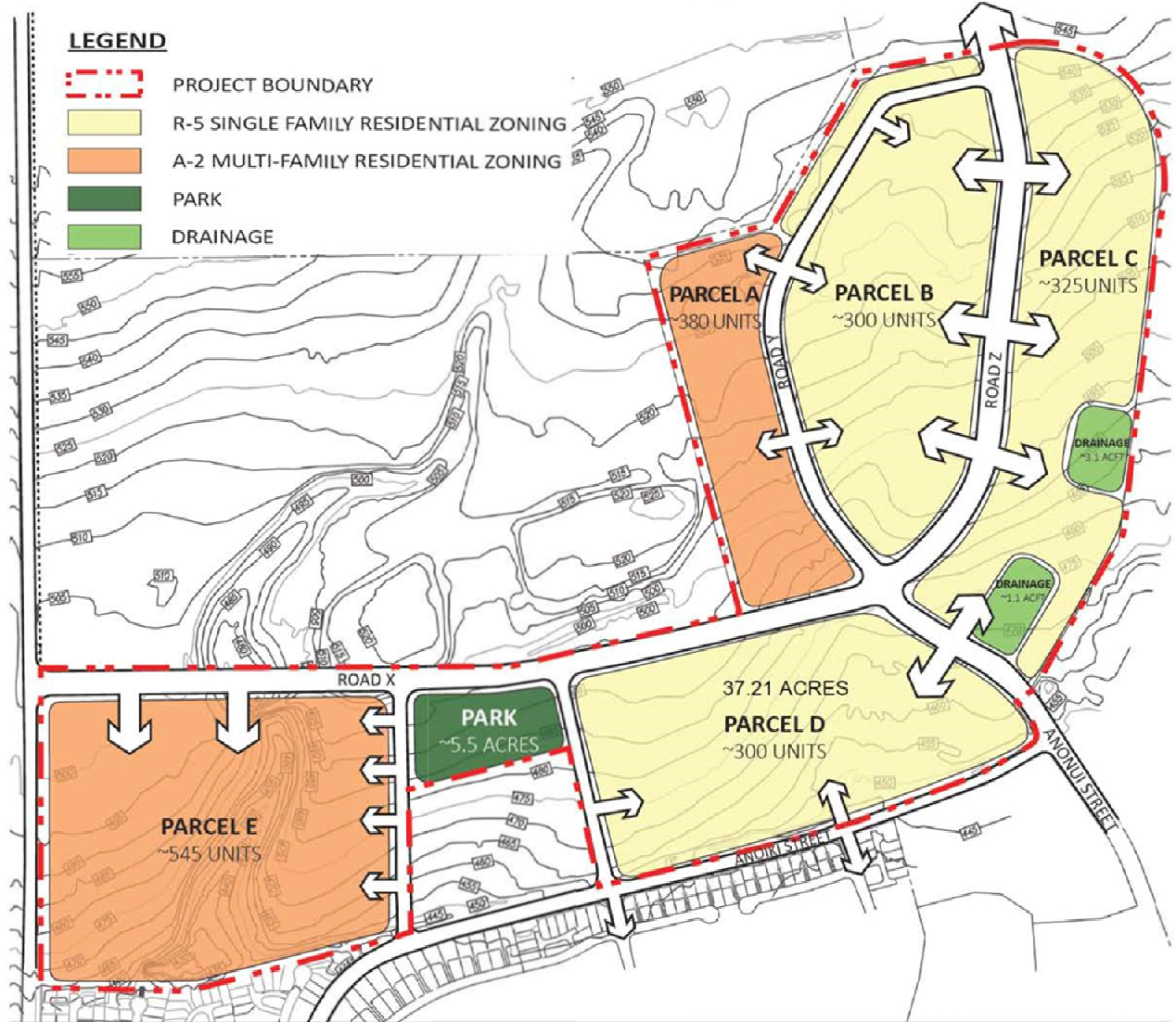


EXHIBIT A
CONCEPTUAL MASTER PLAN