

RICHARD T. BISSEN, JR.
Mayor

MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director



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June 26, 2025

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Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Richard T. Bissen, Jr. 6-30-25
Mayor Date

For Transmittal to:

Honorable Tom Cook, Chair
and Members of the Water and Infrastructure Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Cook and Members:

SUBJECT: RESOLUTION 25-129, ACQUISITION OF 1.724 ACRES IDENTIFIED AS TAX MAP KEYS (2) 4-6-027:027, 029, 030 AND 041; (2) 4-6-027:026, 028, 033 AND 040; AND (2) 4-6-016:041, LAHAINA, HAWAII (WAI-13)

Pursuant to the email dated June 24, 2025, regarding the above-referenced matter, the appraisal is attached as requested.

Should you have any questions, please feel free to contact me or Deputy Director Maria Zielinski at ext. 7722.

Sincerely,

A blue ink signature of Marcy Martin.

MARCY MARTIN
Director of Finance

MM:slv

cc: Guy Hironaka, Real Property Management Specialist V

MARKET VALUE APPRAISAL REPORT IN COMPLIANCE WITH USPAP STANDARD 2-2

Subject:

Appraisal report of the as is fee simple interest of:
9 parcels near the intersection of Dickenson Street and Mill Street, Lahaina:
Assessor's Parcel Numbers:
246027 Parcels 26, 27, 28, 29, 30, 33, 40, 41 & 2460160410000



Prepared For:

Marcy Martin, Director of Finance
Department of Finance, County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793
C/O: Guy.Hironaka@co.maui.hi.us

Prepared By:

R.J. Kirchner SRA
Paradise Appraisals LLC
79-7266 Mamalahoa Hwy, #9
Kealahou, HI 96750
Phone: (808) 322-0999



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SECTION 1 - SUMMARY OF ASSIGNMENT

Summary of Salient Facts

Value Conclusions

Aerial Property Photo

Appraisal Problem Defined

Scope of Work Used to Solve the Appraisal Problem



Summary of Salient Facts

Our File Number	M25032&33(246-16-41&246-27-26ti30,33,40,41)
Subject Property	<p>The subject is comprised of 9 separate parcels:</p> <p>2460270400000- This is a 12,153 sq. ft. vacant parcel located at the northeast corner of Dickenson Street and Mill Street, in Lahaina. It is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.</p> <p>2460270410000- This parcel is located adjacent to the northern boundary of Parcel 40. It has no street frontage. It contains 5,750 sq. ft. and is zoned M-2 Heavy Industrial.</p> <p>2460270330000- This parcel is located adjacent to the northern boundary of Parcel 41 and has a narrow sliver of land between Parcel 41 and Mill Street. It contains 26,310 sq. ft. It is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.</p> <p>2460270280000- This is a small triangular parcel containing 1,307 sq. ft. that separates part of Parcel 33 from Mill Street. It is zoned M-2 Heavy Industrial.</p> <p>2460270300000- This is a small triangular parcel containing 392 sq. ft. that is adjacent to the northern boundary of Parcel 28 on Front Street. It is zoned M-2 Heavy Industrial.</p> <p>2460270270000- This parcel is adjacent to the eastern boundary of Parcel 30 and contains 2,875 sq. ft. It has no road frontage. It is zoned M-2 Heavy Industrial.</p> <p>2460270290000- This is a 10,542 sq. ft. site located adjacent to Parcel 27's eastern boundary. It has no street frontage and is oddly shaped. It is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.</p> <p>2460270260000- This parcel is located adjacent to the northern boundary of Parcel 29. It contains 6,839 sq. ft. and is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.</p> <p>2460160410000- This parcel is separated from the other parcels, physically. It contains 8,756 sq. ft. and is zoned Agricultural. Its access is via an easement to Mill Street along what appears to be the old Dickenson Street, which is owned by the current owner of Parcel 41.</p>
Current Use As Valued Use	Undeveloped land and equipment storage. Agricultural use.
Client	County of Maui.
Intended Users Intended Use	The client is the only intended user. To determine the as is market value to assist the client in determining the correct acquisition cost for the properties.



Interest Valued

Fee simple market value as is.

Market Value is defined as:

The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.¹

Fee Simple Title is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.²

Effective Date of Value
Date of Report (report signed)
Date of Inspection

5/28/2025
6/4/2025
5/28/2025

Type of Appraisal Report

A compliant "Appraisal Report" under the standards outlined in the Uniform Standards of Professional Appraisal Practice 2-2

¹ United States v. Cartwright, 411 U. S. 546, 93 S. Ct. 1713, 1716-17, 36 L. Ed. 2d 528, 73-1 U.S. Tax Cas. (CCH) ¶ 12,926 (1973)

² Appraisal Institute's Dictionary of Real Estate Appraisal, Fifth Edition



Value Conclusions

The direct sales comparison approach is the only credible valuation method used and has been given all the weight for both valuations. No other approach was found to have enough relevant market data to lead to credible valuation results.

The direct sales comparison approach had a few similar sales that could reasonably be used as direct comparisons. The sales indicate a narrow range of value.

Parcel 246-16-41 has an indicated market value as of 5/28/2025 of:

**THREE HUNDRED FIVE THOUSAND DOLLARS
(\$305,000)**

Parcels 246-27-26, 27, 28, 29, 30, 33, 40 and 41 were found to have a cojoined interim highest and best use and a market value conclusion as of 5/28/2025 of:

**ONE MILLION TWO HUNDRED THIRTY FIVE THOUSAND DOLLARS
(\$1,235,000)**

The exposure and marketing time associated with this value is 3 to 6 months to close.

Aerial Photo





Appraisal Problem Defined

The Reason for this Valuation:	The client is considering acquiring the properties in a voluntary acquisition. The appraisal is needed to determine the market value to use in support of the acquisition price of the property as if it were subdivided. The assignment is not intended to be used in a federally regulated loan transaction and the client does not intend to use its power of eminent domain in the acquisition.
Appraisal Problem:	This analysis is an appraisal of the fee simple market value of the as if subdivided property.
Hypothetical Condition:	<p>That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:</p> <ul style="list-style-type: none">• Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;• Use of the hypothetical condition results in a credible analysis; and• The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.³
Hypothetical Conditions Used:	The subject has been valued as is. No hypothetical conditions have been used.
Extraordinary Assumption:	An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. ⁴
Extraordinary Assumptions Used:	<ol style="list-style-type: none">1. The appraiser assumes the property has no hidden physical or functional deficiencies.2. The appraiser assumes the property is not subject to any unknown leases that may make it more or less valuable. Unless stated in this report, the appraiser is unaware of any other contracts that might affect this property.

³ Uniform Standards of Professional Appraisal Practice 2020-21+.

⁴ Uniform Standards of Professional Appraisal Practice 2020-21+.



3. The appraiser assumes the subject is not affected by any contamination or environmental hazard that has not been cleaned up by the Army Corps of Engineers as part of its Lahaina Fire project.

4. Beyond the fire debris, the subject appears to have been used as part of the Lahaina Sugar Mill in the past. The appraiser assumes this past use did not create an environmental hazard, as arsenic and asbestos contamination are not unusual in former mill sites.

5. The appraiser assumes the parcel has clear and marketable title.

If any of these assumptions are found to be false, it could impact the conclusions found in this report.



Scope of Work Used to Solve the Appraisal Problem

In preparing this report, the appraiser has:

- Visited the subject property and made an inspection of the property on 5/28/2028. The appraiser was not accompanied during the inspection.
- Reviewed any and all documents provided to the appraiser.
- Interviewed County of Maui personnel about the timeline for fire cleanup and repairs to public infrastructure in the area.
- Reviewed publicly available descriptions of the subject property from the County Tax Office, County Planning Office, County Building Department, County Department of Environmental Management, and FEMA Flood Maps.
- Analyzed local market trends, demographics, market activity, surrounding uses, and proposed development.
- Researched sales and leases of similar properties in the market area.
- Formed a conclusion of the highest and best use of the subject property.
- If sufficient market data was found to arrive at credible valuation results, the appraiser completed a Direct Sales Comparison Approach by:
 1. Researching similar recent sales and listings of similar properties in the market area.
 2. Attempting to make a purely qualitative analysis of the subject's market value by bracketing the subject with rents that are obviously superior and obviously inferior to narrow the market value range even before applying any adjustments.
 3. Comparing the most similar sales directly to the subject property, making adjustments to the sale prices to reflect the differences between the comparison and the subject property.
 4. Reconciling the quality and quantity of data found to determine if a credible conclusion of market value could be developed by this approach.
 5. Developing an opinion of the market value of the subject property through the use of a Direct Sales Comparison Approach.
- If sufficient market data was found to arrive at credible valuation results, the appraiser completed a Direct Capitalization Approach to arrive at an indication of market rent by:
 1. Researching rentals of similar land in the market area to use as direct rental comparisons to estimate the market rent of the fee simple interest in the subject land.
 2. Analyzing the differences between rents to arrive at supportable adjustments for differences in characteristics in the properties.
 3. Using the most similar rentals found as direct comparisons to the subject to arrive at an indication of the market rent of the fee simple land of the subject.
 4. Analyzing similar properties that had been leased in arms-length transactions to arrive at an estimate of the land capitalization rate that can be supported in this market.
 5. Using the algebraic formula of $\text{Value} = \text{Rent} / \text{Rate}$ to arrive at a supportable conclusion of market value for the subject.

- If sufficient market data was found to arrive at credible valuation results, the appraiser utilized a Subdivision Cost Approach to land value. This approach tends to mimic an investor who is looking at improving the property. The appraiser completes the method by:
 1. Determining the most likely anticipated development of the subject.
 2. Determining what the likely sale prices of each of the development lots would be.
 3. Determining the likely cost of developing the proposed lots.
 4. Determining the likely construction time and anticipated absorption of the developed lots.
 5. Determining the market's desired rate of profit from developing the project.
 6. Creating a discounted cash flow, which mimics the likely buyer's decision-making process in determining how much can be paid for the raw land to develop and sell out the lots and provide the profit incentive needed to undertake the effort.
- Considered if it was possible to develop a credible opinion of market value from any other appraisal methods available to the appraiser.
- Reconciled the quality and quantity of data and analysis from the valuation methods utilized to arrive at a final value estimate for the subject.
- Completed this report which sets forth the research and analysis that shows how the appraiser arrived at the conclusions. The report meets the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) for what USPAP terms an "appraisal report." Additionally, the report meets the current requirements and standards of the Appraisal Institute. The report is subject to review by any duly authorized committee of the Appraisal Institute related to peer review.



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SECTION 2 – CERTIFICATION AND LIMITING CONDITIONS

Appraiser's Certification

General Assumptions and Limiting Conditions of Appraisal



Appraiser's Certification

I certify to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, as well as the requirements of the State of Hawaii relating to review by its duly authorized representatives. This report also conforms to the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- R.J. Kirchner has completed the requirements of the continuing education program of the Appraisal Institute.
- R.J. Kirchner has made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this report.
- R.J. Kirchner has extensive experience in the appraisal/review of similar property types.
- R.J. Kirchner is currently certified in the state where the subject is located and has completed the continuing education requirements set forth with the State of Hawaii.
- Although other appraisers may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy are maintained at all times with regard to this assignment without conflict of interest.
- R.J. Kirchner is in compliance with the Competency Provision in the USPAP as adopted in FIRREA 1989 and has sufficient education and experience to perform the appraisal of the subject property.
- R.J. Kirchner has not provided prior services on this property in the last three years to this same client.

R.J. Kirchner, SRA

Managing Partner, Paradise Appraisals LLC
HI CGA-275 Expiration: December 31, 2025



General Assumptions & Limiting Conditions of Appraisal

Information Used:

No responsibility is assumed for accuracy of information furnished by others or from others, including the client, its officers and employees, or public records. We are not liable for such information or for the work of contractors, subcontractors, and engineers. The comparable data relied upon in this appraisal has been confirmed with one or more parties familiar with the transaction unless otherwise noted; all are considered appropriate for inclusion to the best of my factual judgment and knowledge.

Certain information upon which the opinions and values are based may have been gathered by research staff working with the appraiser. Names, professional qualifications, and extent of their participation can be furnished to the client upon request.

Legal, Engineering, Financial, Structural or Mechanical Nature, Hidden Components, Soil:

No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the legal nature or condition of the title to the property, which is presumed to be good and marketable. The property is appraised assuming it is free and clear of all mortgages, liens, or encumbrances, unless otherwise stated in particular parts of this report.

The legal description is presumed to be correct, but I have not confirmed it by survey or otherwise. I assume no responsibility for the survey, any encroachments, or overlapping or other discrepancies that might be revealed thereby.

I have inspected, as far as possible by observation, the land and improvements thereon; however, it was not possible to personally observe conditions beneath the soil or hidden structural or other components, or any mechanical components within the improvement; as a result, no representation is made herein as to such matters unless otherwise specifically stated. The estimated market value assumes that no such conditions exist that would cause a loss of value. I do not warrant against the occurrence of problems arising from any of these conditions. It is assumed that there are no hidden or unapparent conditions to the property, soil, subsoil or structures, which would render them more or less valuable. No responsibility is assumed for any such conditions or for any expense or engineering to discover them. All mechanical components are assumed to be in operating condition standard for the properties of the subject's type. The condition of the heating, cooling, ventilation, electric, and plumbing equipment is considered to be commensurate with the condition of the balance of the



improvements, unless otherwise stated. No judgment is made as to the adequacy of insulation, engineering or energy efficiency of the improvements or equipment.

Information relating to the location or existence of public utilities has been obtained through verbal inquiry to the appropriate utility authority, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capacities of public utility systems. Subsurface oil, gas, or mineral rights were not considered in this report unless otherwise stated.

Legality of Use:

The appraisal is based on the premise that there is or will be full compliance with all applicable Federal, State, and local environmental regulations and laws, unless otherwise stated in the report; and that all appropriate zoning, building, and use regulations and restrictions of all types have been or will be complied with and required licenses, consent, permits, or other authority, whether local, State, Federal, and/or private, have been or can be obtained or renewed for the use intended and considered in the value estimate.

Component Values:

The distribution of the total valuation of this report between land and improvements applies only under the proposed program of utilization. The separate valuations of land and buildings must not be used in conjunction with any other appraisal, and are invalid if so used.

A report related to an estate that is less than the whole fee simple estate applies only to the fractional interest involved. The value of this fractional interest, plus the value of all other fractional interests, may or may not equal the value of the entire fee simple estate considered as a whole. A report relating to the geographic portion of a larger property applies only to such geographic portion and should not be considered as applying with equal validity to other portions of the larger property or tract. The value for such geographic portions, plus the value of all other geographic portions, may or may not equal the value of the entire property or tract considered as a single entity.

All valuations in the report are applicable only under the estimated program of the highest and best use and are not necessarily appropriate under other programs of use.

Auxiliary and Related Studies:

No environmental or impact studies, special market study or analysis, highest and best use analysis study, or feasibility study has been requested or made by us unless otherwise specified in this report or in my agreement for services. I reserve the unlimited right to alter, amend, revise or rescind any of these statements,



findings, opinions, values, estimates, or conclusions upon any subsequent study or analysis or previous study or analysis that subsequently becomes available to us.

Dollar Values, Purchasing Power:

The value estimates and the costs used herein are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the United States dollar as of the date of value estimate.

Inclusions:

Furnishings and equipment or business operations, except as otherwise specifically indicated, have been disregarded, with only the real estate being considered.

Proposed Improvements Conditioned Value:

For the purpose of this appraisal, on or off-site improvements proposed, if any, as well as any repairs required, are considered to be completed in a good and workmanlike manner according to information submitted and/or considered by us. In cases of proposed construction, the report is subject to change upon inspection of the property after construction is complete. The estimate of value, as proposed, is as of the date shown, as if completed and operating at levels shown and projected.

Value Change, Dynamic Market Influences:

The estimated value is subject to change with market changes over time. Value is highly related to interest rates, exposure, time, promotional effort, supply and demand, terms of sale, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property both physically and economically in the marketplace.

The estimate of value in this report is not based in whole or in part upon race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

In the event this appraisal includes the capitalization of income, the estimate of value is a reflection of such benefits and my interpretation of income and yields and other factors which were derived from general and specific market information. Such estimates are made as of the date of the estimate of value. As a result, they are subject to change, as the market is dynamic and may naturally change over time. The date upon which the value estimate applies is only as of the date of valuation, as stated in the letter of transmittal. The appraisal assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinion stated herein.



An appraisal is the product of a professionally trained person, but nevertheless is an opinion only, and not a provable fact. As a personal opinion, a valuation may vary between appraisers based upon the same facts. Thus, the appraiser warrants only that the value conclusions are his best estimate as of the date of valuation. There are no guaranties, either written or implied, that the property would sell for the expressed estimate of value.

Sales History:

Unless otherwise stated, the appraiser has not reviewed an abstract of title relating to the subject property. No title search has been made, and the reader should consult an attorney or title company for information and data relative to the property ownership and legal description. It is assumed that the subject title is marketable, but the title should be reviewed by legal counsel. Any information given by the appraiser as to a sales history is information that the appraiser has researched; to the best of my knowledge, this information is accurate, but not warranted.

Management of the Property:

It is assumed that the property, which is the subject of this report, will be under prudent and competent ownership and management over the entire life of the property. If prudent and competent management and ownership were not provided, this would have an adverse effect upon the value of the property appraised.

Confidentiality:

We are not entitled to divulge the material (evaluation or valuation) content of this report and analytical findings or conclusions, or give a copy of this report to anyone other than the client or his designee, as specified in writing, except as may be required by the Appraisal Institute, as they may request in confidence for ethic enforcement, or by a court of law with the power of subpoena.

All conclusions and opinions concerning the analyses as set forth herein are prepared by the appraisers whose signatures appear. No change of any item in the report shall be made by anyone other than the appraiser, and the firm shall have no responsibility if any such unauthorized change is made.

Whenever our opinion herein with respect to the existence or absence of fact is qualified by the phrase or phrases "to the best of our knowledge", "it appears", or "indicated", it is intended to indicate that, during the course of our review and investigation of the property, no information has come to our attention which would give us actual knowledge of the existence or absence of such facts.

The client shall notify the appraiser of any error, omission, or invalid data herein within 10 days of receipt and return of the report, along with all copies, to the appraiser for corrections prior to any use



whatsoever. Neither our name nor this report may be used in connection with any financing plans that would be classified as a public offering under State or Federal Security Laws.

Copies, Publication, Distribution, Use of Report:

Possession of this report, or any copy thereof, does not carry with it the right of publication, nor may it be used for other than its intended use. The physical report remains the property of the firm for the use of the client, with the fee being for the analytical services only. This report may not be used for any purpose by any person or corporation other than the client or the party to whom the report is addressed. Additional copies may not be made without the written consent of an officer of the firm, and then only in its entirety.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations effort, news, sales or other media without my prior written consent and approval of the client.

It has been assumed that the client or representative thereof, if soliciting funds for his project, has furnished to the user of this report complete plans, specifications, surveys, and photographs of land and improvements, along with all other information which might be deemed necessary to correctly analyze and appraise the subject property.

Trade Secrets:

This appraisal was obtained from Paradise Appraisals LLC or related companies and/or its individuals and consists of "trade secrets and commercial or financial information" which is privileged and confidential. Notify the appraisers signing the report or an officer of Paradise Appraisals LLC of any request to reproduce this report in whole or in part.

Authentic Copies:

Any copy that does not have an original appraiser's signature is unauthorized and may have been altered and, therefore, is considered invalid.

Testimony, Consultation, Completion of Contract for Appraisal Services:

A contract for appraisal, consultation, or analytical services is fulfilled and the total fee payable upon completion of the report. The appraisers or those assisting in the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part, nor will they be asked or required to engage in post appraisal consultation with client or third parties except under separate and special arrangement and at an additional fee.



Any subsequent copies of this appraisal report will be furnished on a cost plus expenses basis, to be negotiated at the time of request.

Limit of Liability:

Liability of the firm and the associates is limited to the fee collected for preparation of the appraisal. There is no accountability or liability to any third party.

Fee:

The fee for this appraisal or study is for the service rendered, and not for time spent on the physical report. The acceptance of the report by the client takes with it the agreement and acknowledgement that the client will pay the negotiated fee, whether said agreement was verbal or written. The fee is in no way contingent on the value estimated.



SECTION 3 – SUMMARY OF SUBJECT INFORMATION

Property Identification

Property Details Summary

Assessment and Taxes

Parcel Map

Property Inspection

Sales and Listing History



Property Identification

Property Details Summary:

The subject is comprised of 9 separate parcels:

2460270400000- This is a 12,153 sq. ft. vacant parcel located at the northeast corner of Dickenson Street and Mill Street, in Lahaina. It is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.

2460270410000- This parcel is located adjacent to the northern boundary of Parcel 40. It has no street frontage. It contains 5,750 sq. ft. and is zoned M-2 Heavy Industrial.

2460270330000- This parcel is located adjacent to the northern boundary of Parcel 41 and has a narrow sliver of land between Parcel 41 and Mill Street. It contains 26,310 sq. ft. It is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.

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2460270300000- This is a small triangular parcel containing 392 sq. ft. that is adjacent to the northern boundary of Parcel 28 on Front Street. It is zoned M-2 Heavy Industrial.

2460270270000- This parcel is adjacent to the eastern boundary of Parcel 30 and contains 2,875 sq. ft. It has no road frontage. It is zoned M-2 Heavy Industrial.

2460270290000- This is a 10,542 sq. ft. site located adjacent to Parcel 27's eastern boundary. It has no street frontage and is oddly shaped. It is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.

2460270260000- This parcel is located adjacent to the northern boundary of Parcel 29. It contains 6,839 sq. ft. and is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.

2460160410000- This parcel is separated from the other parcels, physically. It contains 8,756 sq. ft. and is zoned Agricultural. Its access is via an easement to Mill Street along what appears to be the old Dickenson Street, which is owned by the current owner of Parcel 41.

Assessments and Taxes:

TMK	Sq. ft.	Zoning	2023 Assessed Value	2023 Tax
246-16-41	8756 Ag		\$ 94,400.00	\$ 541.86
Adjoining				
246-27-40	12153 M-2 & Ag		\$ 118,200.00	\$ 678.47
246-27-41	5750 M-2		\$ 71,200.00	\$ 408.69
246-27-33	26310 M-2 & Ag		\$ 198,900.00	\$ 1,141.69
246-27-28	1307 M-2		\$ 26,100.00	\$ 300.00
346-27-30	392 M-2		\$ 4,000.00	\$ 300.00
246-27-27	2875 M-2		\$ 44,500.00	\$ 300.00
246--27-29	10542 M-2 & Ag		\$ 107,000.00	\$ 614.18
246-27-26	6839 M-2 & Ag		\$ 79,900.00	\$ 458.63
Total Adjacent	66168		\$ 649,800.00	\$ 4,201.66

Parcel Map:



Property Inspection:

The property was inspected on 5/28/2025. The appraiser was not accompanied.

Sales and Listing History of Subject Property:

The subject parcels have not traded hands or been offered for sale in the last 5 years according to sources (MLS & County) available to the appraiser.



SECTION 4 – PRESENTATION OF DATA COLLECTED

General Market Area Economic Conditions

Subject Property Detailed Description

Flood Zone and Topography

Zoning Description

Existing Lots of Record

Survey Maps and Supporting Documents

Subject Photos

General Market Area Economic Conditions

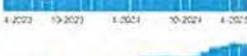
Maui County as of June, 2025

The Maui housing market's demand continues to cool and supply is growing. However, the growth in supply has not yet brought the market to equilibrium as prices continue to climb, although at a more modest pace.

Single Family Market Overview

Key metrics by report month and for year-to-date (YTD) starting from the first of the year (Single Family properties only)



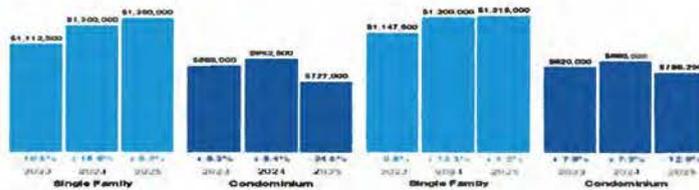
Key Metrics	Historical Sparkbars	4-2024	4-2025	% Change	YTD 2024	YTD 2025	% Change
New Listings		100	91	- 9.0%	410	405	- 1.2%
Pending Sales		75	62	- 17.3%	282	227	- 19.5%
Closed Sales		72	69	- 4.2%	267	225	- 15.7%
Days on Market Until Sale		101	128	+ 26.7%	125	125	0.0%
Median Sales Price		\$1,300,000	\$1,380,000	+ 6.2%	\$1,300,000	\$1,315,000	+ 1.2%
Average Sales Price		\$1,826,145	\$1,850,681	+ 1.3%	\$1,770,144	\$1,898,024	+ 7.3%
Percent of List Price Received		98.0%	95.6%	- 2.2%	97.5%	96.2%	- 1.3%
Housing Affordability Index		30	29	- 3.3%	30	30	0.0%
Inventory of Homes for Sale		282	430	+ 52.5%	—	—	—
Months Supply of Inventory		4.4	7.7	+ 75.0%	—	—	—

Median Sales Price

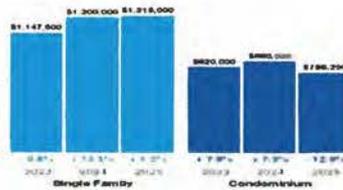
Total sales from last 12 months sold for more and less sold for less. All adjusting for seller concessions in a given month.



April



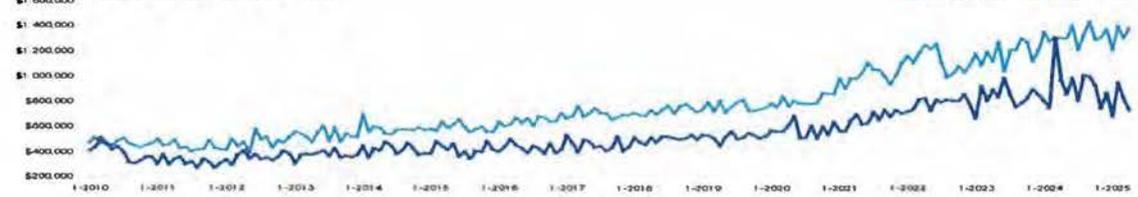
Year to Date



Median Sales Price	Single Family	Year Over Year Change	Condominium	Year Over Year Change
May-2024	\$1,295,000	+1.6%	\$650,000	+2.4%
Jun-2024	\$1,395,000	+35.2%	\$980,000	+0.0%
Jul-2024	\$1,200,000	0.0%	\$799,000	-5.4%
Aug-2024	\$1,325,000	+10.4%	\$1,000,000	+33.3%
Sep-2024	\$1,426,894	+10.4%	\$990,000	+27.1%
Oct-2024	\$1,285,000	+1.3%	\$920,000	+12.6%
Nov-2024	\$1,300,000	+10.9%	\$735,000	-17.4%
Dec-2024	\$1,386,738	+13.9%	\$800,000	+1.2%
Jan-2025	\$1,200,000	-10.6%	\$675,000	-15.6%
Feb-2025	\$1,395,319	+9.7%	\$945,000	+27.7%
Mar-2025	\$1,296,000	0.3%	\$820,000	-37.0%
Apr-2025	\$1,380,000	+6.2%	\$727,000	+24.5%

12-Month Avg: \$1,313,500 +5.9% | \$658,000 +0.0%

Historical Median Sales Price by Month

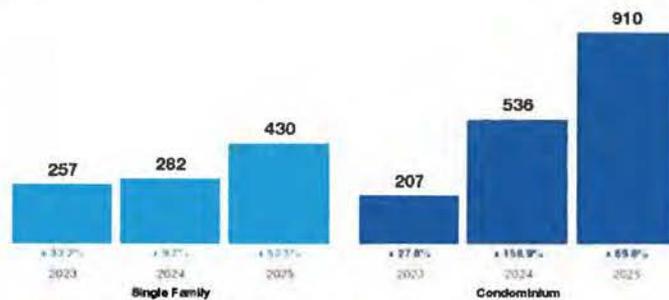


Inventory of Homes for Sale

The number of properties available for sale in active status at the end of a given month.



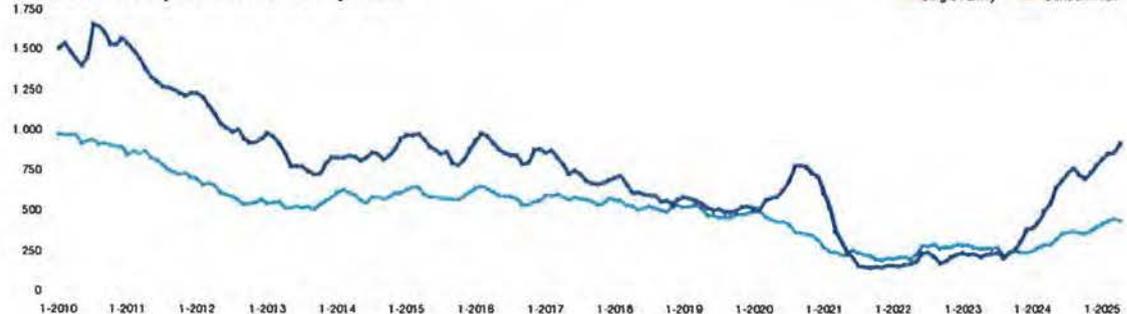
April



Homes for Sale	Single Family	Year Over Year Change	Condominium	Year Over Year Change
May-2024	314	+21.2%	638	+188.7%
Jun-2024	351	+36.6%	680	+203.6%
Jul-2024	358	+34.6%	726	+214.3%
Aug-2024	364	+75.0%	757	+282.3%
Sep-2024	356	+53.4%	716	+210.0%
Oct-2024	350	+43.4%	692	+172.4%
Nov-2024	368	+57.9%	729	+139.8%
Dec-2024	392	+69.0%	776	+106.4%
Jan-2025	410	+69.4%	814	+110.9%
Feb-2025	428	+61.5%	848	+99.1%
Mar-2025	443	+58.8%	854	+73.9%
Apr-2025	430	+52.5%	910	+69.8%

12-Month Avg: 390 +57.0% | 707 +135.9%

Historical Inventory of Homes for Sale by Month



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Single Family Sales – Year to Date April 2025 YTD



Area Name	Number of Sales				Average Sales Price				Median Sales Price				Total Dollar Volume			
	Apr-25 YTD Sales	Apr-24 YTD Sales	Unit Change	Percent Change	Apr-25 YTD Average	Apr-24 YTD Average	Dollar Change	Percent Change	Apr-25 YTD Median	Apr-24 YTD Median	Dollar Change	Percent Change	Apr-25 YTD Volume	Apr-24 YTD Volume	Dollar Change	Percent Change
Haku	21	20	+1	+5.0%	\$1,666,100	\$1,889,400	-\$323,300	-16.3%	\$1,700,000	\$1,425,000	+\$275,000	+19.3%	\$34,988,100	\$39,798,000	-\$4,799,900	-12.1%
Hana	5	3	+2	+66.7%	\$1,549,500	\$1,089,333	+\$460,167	+42.2%	\$997,500	\$1,125,000	-\$127,500	-11.3%	\$7,747,500	\$3,268,000	+\$4,479,500	+137.1%
Honokohau	0	0	0	--	--	--	--	--	--	--	--	--	\$0	\$0	\$0	--
Kaanapali	8	4	+4	+100.0%	\$4,724,375	\$2,637,500	+\$2,086,875	+79.1%	\$4,600,000	\$2,650,000	+\$1,950,000	+73.6%	\$37,795,000	\$10,550,000	+\$27,245,000	+258.2%
Kahakua	1	1	0	0.0%	\$1,100,000	\$1,415,000	-\$315,000	-22.3%	\$1,100,000	\$1,415,000	-\$315,000	-22.3%	\$1,100,000	\$1,415,000	-\$315,000	-22.3%
Kahului	24	27	-3	-11.1%	\$1,070,417	\$1,192,467	-\$122,051	-10.2%	\$1,082,500	\$1,150,000	-\$67,500	-5.9%	\$25,890,000	\$32,196,620	-\$6,506,620	-20.2%
Kapaa	4	1	+3	+300.0%	\$6,393,750	\$3,150,000	+\$3,243,750	+103.0%	\$6,812,500	\$3,150,000	+\$3,662,500	+116.3%	\$25,575,000	\$3,150,000	+\$22,425,000	+711.9%
Keapo	0	0	0	--	--	--	--	--	--	--	--	--	\$0	\$0	\$0	--
Keenae	0	0	0	--	--	--	--	--	--	--	--	--	\$0	\$0	\$0	--
Kihui	30	39	-9	-23.1%	\$1,563,783	\$1,501,731	+\$62,052	+30.8%	\$1,361,500	\$1,300,000	+\$61,500	+4.7%	\$58,913,480	\$58,567,500	+\$345,980	+0.6%
Kipahulu	0	0	0	--	--	--	--	--	--	--	--	--	\$0	\$0	\$0	--
Kula/Hupahou/Kanaloa	13	14	-1	-7.1%	\$1,726,615	\$1,643,413	+\$83,203	+5.1%	\$1,500,000	\$1,312,500	+\$187,500	+14.3%	\$22,446,000	\$23,007,775	-\$561,775	-2.4%
Lahaina	4	10	-6	-60.0%	\$3,312,000	\$2,830,525	+\$481,475	+17.0%	\$3,230,000	\$3,041,000	+\$189,000	+6.2%	\$13,248,000	\$28,305,250	-\$15,057,250	-53.2%
Maunaloa	0	1	-1	-100.0%	--	\$2,933,008	--	--	--	\$2,933,008	--	--	\$0	\$2,933,008	-\$2,933,008	-100.0%
Makawao/Olinda/Hatimale	26	30	-4	-13.3%	\$1,438,138	\$1,487,558	-\$49,419	-2.0%	\$1,297,550	\$1,090,000	+\$207,550	+19.0%	\$37,391,800	\$44,026,725	-\$6,635,125	-15.1%
Maui Meadows	10	5	+5	+100.0%	\$2,019,289	\$2,302,000	-\$282,711	-12.3%	\$1,962,500	\$2,200,000	-\$237,500	-10.8%	\$20,192,888	\$11,510,000	+\$8,682,888	+75.4%
Nahku	0	0	0	--	--	--	--	--	--	--	--	--	\$0	\$0	\$0	--
Napili/Kahana/Honokowili	9	12	-3	-25.0%	\$1,568,333	\$1,548,101	+\$20,232	+1.3%	\$1,500,000	\$1,652,500	-\$152,500	-9.2%	\$14,115,000	\$18,577,216	-\$4,462,216	-24.0%
Olowalu	0	0	0	--	--	--	--	--	--	--	--	--	\$0	\$0	\$0	--
Puukalani	11	5	+6	+120.0%	\$1,074,091	\$1,105,000	-\$30,909	-7.8%	\$1,075,000	\$905,000	+\$170,000	+18.8%	\$11,815,000	\$5,825,000	+\$5,990,000	+102.8%
Spreckelsville/Pasa/Kuuu	5	9	-4	-44.4%	\$3,487,000	\$3,614,867	-\$127,867	-3.5%	\$1,410,000	\$3,100,000	-\$1,690,000	-54.5%	\$17,435,000	\$32,532,000	-\$15,097,000	-46.4%
Wailea/Makena	5	13	-8	-61.5%	\$9,132,000	\$6,156,765	+\$2,975,235	+48.3%	\$6,900,000	\$4,700,000	+\$2,200,000	+46.8%	\$45,660,000	\$80,037,950	-\$34,377,950	-43.0%
Waikapu	40	55	-15	-27.3%	\$1,212,669	\$1,201,437	+\$11,233	+0.9%	\$1,261,250	\$1,260,000	+\$1,250	+0.1%	\$48,506,752	\$66,079,008	-\$17,572,246	-26.6%
Lanai	3	4	-1	-25.0%	\$568,333	\$726,750	-\$188,417	-22.0%	\$525,000	\$897,500	-\$372,500	-42.7%	\$1,705,000	\$2,915,000	-\$1,210,000	-41.5%
Molokai	8	14	-8	-57.1%	\$492,667	\$567,461	-\$74,794	-13.2%	\$525,000	\$448,500	+\$76,500	+17.1%	\$2,956,000	\$7,944,450	-\$4,988,450	-62.8%
TOTALS	225	262	-43	-18.7%	\$1,899,034	\$1,770,744	+\$128,290	+7.3%	\$1,319,000	\$1,500,000	-\$181,000	-12%	\$37,280,130	\$172,028,500	-\$134,748,370	-78.0%



Industrial Market:

The industrial real estate market in Maui has seen rapid growth in rents and prices, as the available space on the island was diminished by the fires at the same time space was already becoming scarce. The result has been very low vacancies and rising rents, which has resulted in rising prices. Examples of this upward price trend is demonstrated by the following sales and re-sales:

TMK	Land Sq. ft.	Zoning	GBA Sq. ft.	Sale Price	Date
245-10-10	34926	M-1	0	\$ 2,600,000.00	7/26/2024
245-10-10	34926	M-1	0	\$ 1,525,000.00	3/24/2021
Change				70.49%	
% / Month				1.76%	

And,

TMK	Land Sq. ft.	Zoning	GBA Sq. ft.	Sale Price	Date
238-80-12	29229	M-1	12546	\$ 4,650,000.00	5/20/2024
238-80-12	29229	M-1	12546	\$ 3,800,000.00	10/31/2022
Change				22.37%	
% / Month				1.18%	

Rents for space are also showing similar rates of increase.



Subject Properties Detailed Description

2460270400000- This is a 12,153 sq. ft. vacant parcel located at the northeast corner of Dickenson Street and Mill Street, in Lahaina. It is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.

2460270410000- This parcel is located adjacent to the northern boundary of Parcel 40. It has no street frontage. It contains 5,750 sq. ft. and is zoned M-2 Heavy Industrial.

2460270330000- This parcel is located adjacent to the northern boundary of Parcel 41 and has a narrow sliver of land between Parcel 41 and Mill Street. It contains 26,310 sq. ft. It is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.

2460270280000- This is a small triangular parcel containing 1,307 sq. ft. that separates part of Parcel 33 from Mill Street. It is zoned M-2 Heavy Industrial.

2460270300000- This is a small triangular parcel containing 392 sq. ft. that is adjacent to the northern boundary of Parcel 28 on Front Street. It is zoned M-2 Heavy Industrial.

2460270270000- This parcel is adjacent to the eastern boundary of Parcel 30 and contains 2,875 sq. ft. It has no road frontage. It is zoned M-2 Heavy Industrial.

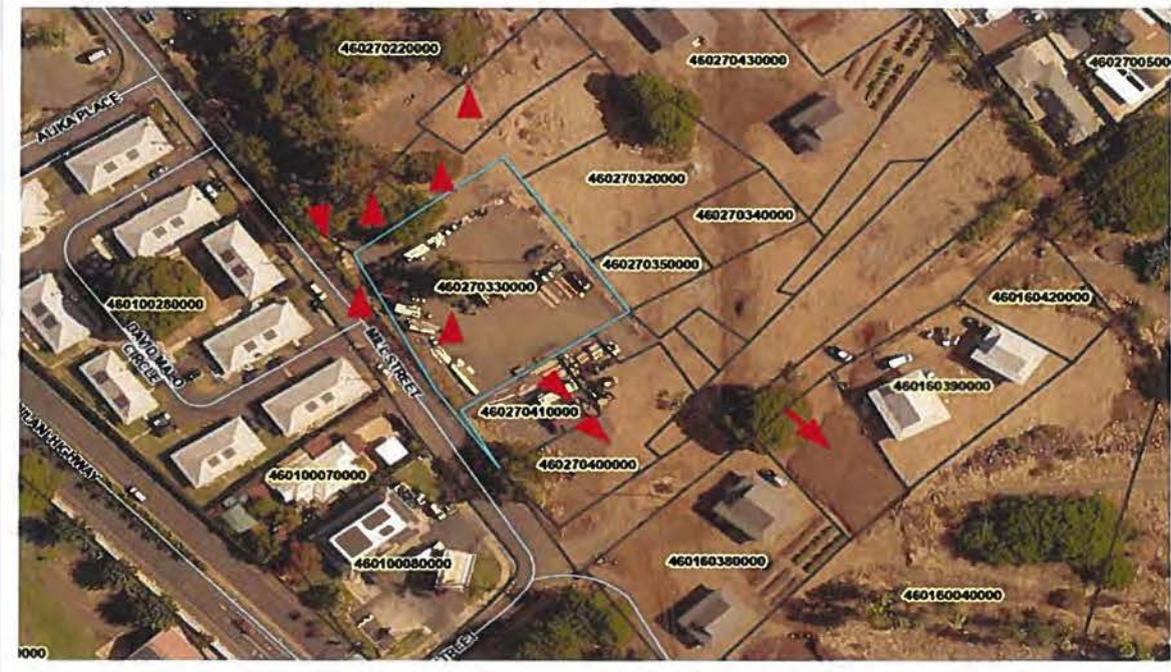
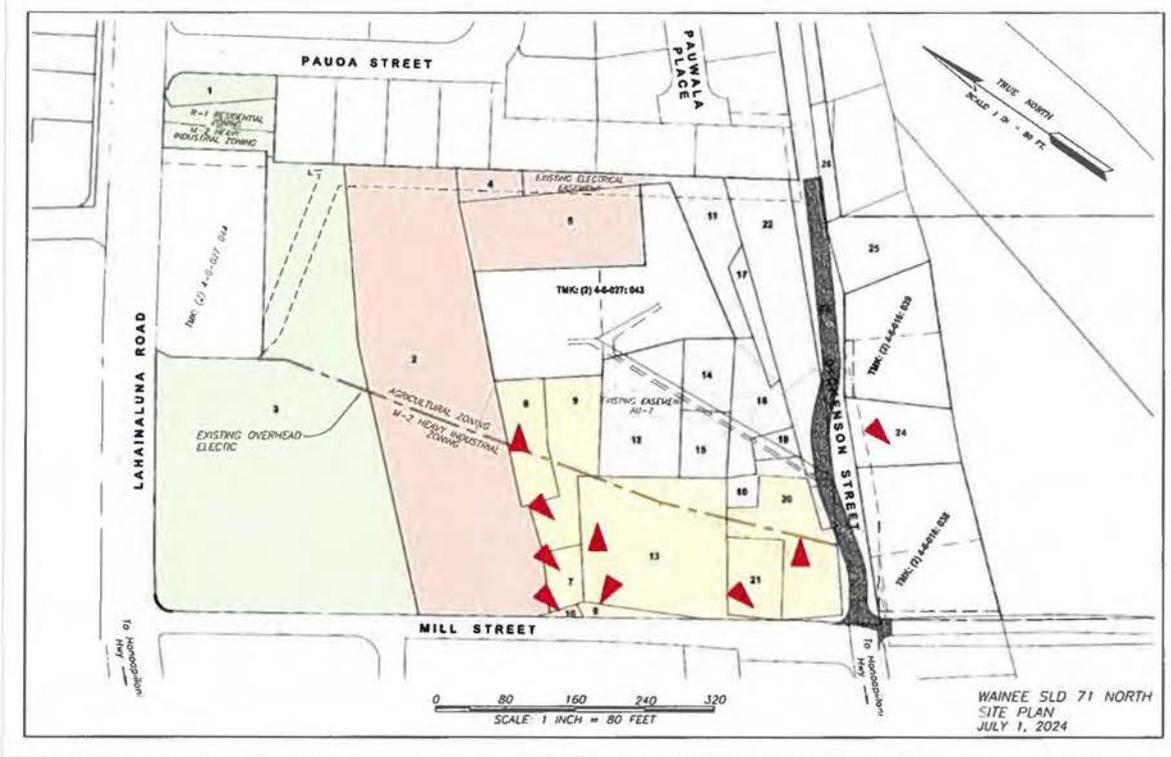
2460270290000- This is a 10,542 sq. ft. site located adjacent to Parcel 27's eastern boundary. It has no street frontage and is oddly shaped. It is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.

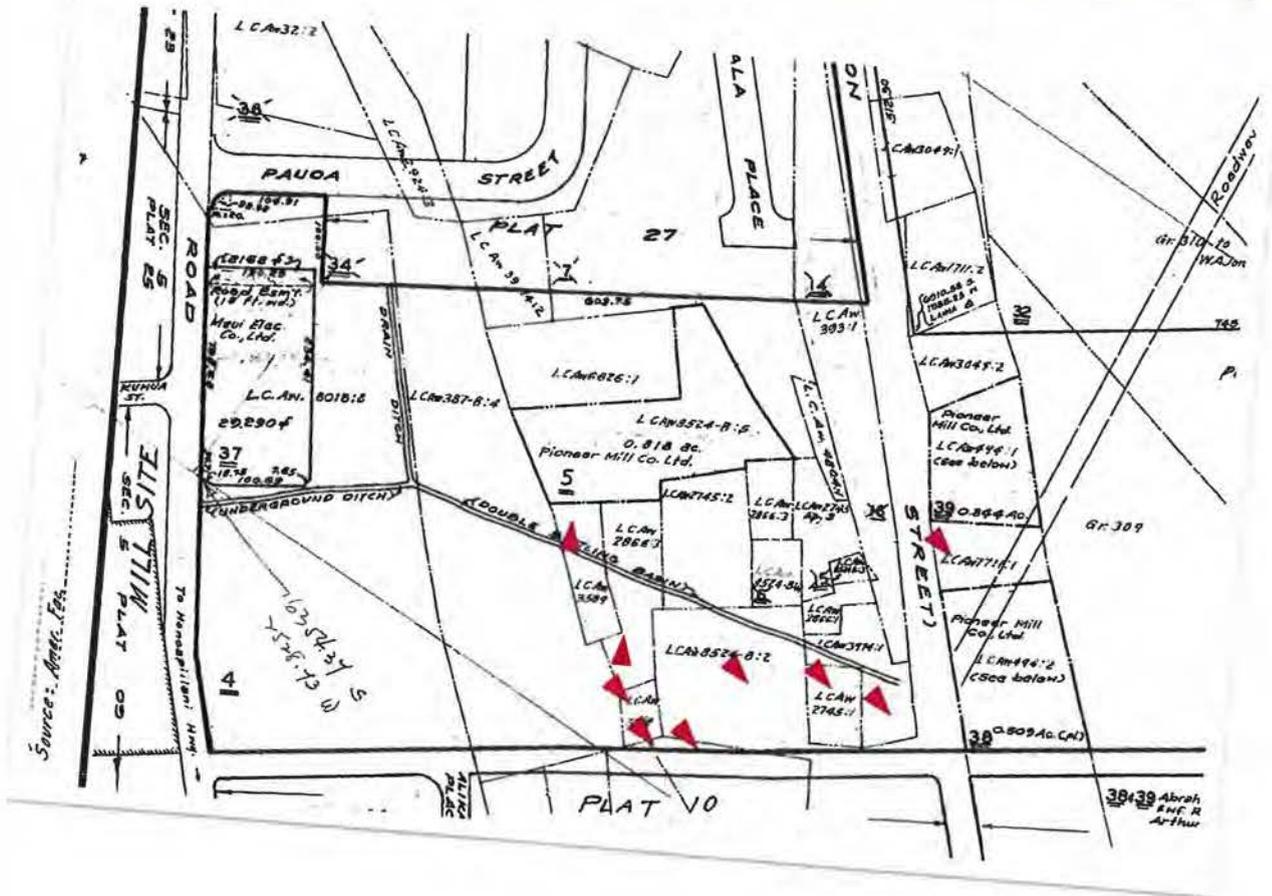
2460270260000- This parcel is located adjacent to the northern boundary of Parcel 29. It contains 6,839 sq. ft. and is partially zoned M-2 Heavy Industrial and partially zoned Agricultural.

2460160410000- This parcel is separated from the other parcels, physically. It contains 8,756 sq. ft. and is zoned Agricultural. Its access is via an easement to Mill Street along what appears to be the old Dickenson Street, which is owned by the current owner of Parcel 41.

The following page contains a map depicting the location of these properties and relationship between them.

Maps depicting the location of these properties and relationship between them:





Zoning: As can be seen above, Parcels 41, 30, 28 and 27 are entirely zoned M-2, with a minimum land area requirement of 10,000 sq. ft. TMK 246-16-41 is entirely zoned agricultural, requiring a 2-acre minimum site. The remaining sites are mixed M-2 and Agricultural zoning.

Access: TMK's 246-27-26, 27, 28, 29, 30, 33, 40, & 41 only apparent access is Mill Road, which is a gravel rough road running along much of the western boundary of parcels 33, 40, 28, 30. TMK 246-16-41 has easement access for utilities, and ingress and egress on the Old Dickenson Road which fronts the property and appears to be privately owned. Any subdivision of the subject sites are likely to trigger a need to pay to improve Mill Street in this area.

Utilities: According to the Department of Water Supply, there is only water availability in the West Maui region for 100% affordable housing, work force housing or properties which already have water commitments. Other properties in the area are in the process of permit applications for buildings which would require water. It is not entirely clear how these properties are anticipated to gain water meters. Given the lack of current water availability, the appraiser believes the typical investor would not anticipate gain water meters anytime within a near future (3 years or less). There is a water main in the area. Electrical service is available in this area. Sewer is available nearby.



View: The subject has no special views or traffic visibility.

Archeology:

The appraiser has not been provided an archeology study and, as part of this valuation, assumes that no archeology exists on these sites that would alter their highest and best use. The appraiser recommends an archeology inventory study be obtained to verify.

Flood Zone and Topography

The area has a slight upward slope from Millstreet up to the east.

Flood Map:



Drainage: According to FIRM map 1500030362F, the subject parcels are all located in a non-special flood hazard area X.

There is a former ditch on the map.

Zoning Description

Part of the subjects are zoned Agricultural, which requires a minimum site size of two acres:

19.30A.030 - District standards.

Except as otherwise provided in this chapter, the following district standards shall apply for uses, facilities and structures in the agricultural district:

- A. Minimum lot area: two acres;
- B. Minimum lot width: two hundred feet;
- C. Minimum yard setbacks: front yards, twenty-five feet; side and rear yards, fifteen feet;
- D. Maximum developable area: ten percent of the total lot area. This restriction shall apply to farm dwellings, but shall not apply to any structure or portion thereof which is used to support agriculture, including but not limited to storage facilities, barns, silos, greenhouses, farm labor dwellings, and stables, and shall not apply to utility facilities as permitted by this chapter;
- E. Maximum height limit: Unless otherwise provided for in this chapter, the maximum height of any dwelling shall be thirty feet, except that vent pipes, fans, chimneys, antennae and solar collectors on roofs shall not exceed forty feet. Any nondwelling structure such as a barn or silo that is over thirty-five feet in height shall be set back one additional foot for each foot in structure height;
- F. Maximum wall height: Walls shall not exceed four feet within the yard setback area as measured from the finished or existing grade, whichever is lower, to the top of the wall as defined herein, except for one utility wall per lot; utility walls shall not exceed seven feet in height and seven feet in width, and shall not obstruct sight distance for roadways or driveways. This does not preclude constructing fences on the top of the wall for safety purposes. The director of public works may permit greater heights of walls as needed to retain earth, water, or both for health and safety purposes;
- G. The maximum number of lots that may be created from a lot, or portion thereof, that is in the agricultural district shall be based on the gross area of the subject lot, which for the purposes of this subsection shall be the tax map key parcel as certified by the real property tax division on March 1998, as follows:

Agricultural District				
Area of lot (in acres)	Maximum number of permitted lots:			
	2-acre minimum lot size	15-acre-minimum lot size	25-acre minimum lot size	40-acre minimum lot size
At least 2 but less than 31	7			
At least 31 but less than 61	7, plus one additional lot for each 10 acres above 31 acres			
At least 61 but less than 92	10, plus one additional lot for each 15 acres; plus †	1		
92+	12, plus one additional lot for each 40 acres above 92 acres (not to exceed 14 lots); plus †	2, plus one additional lot for each 60 acres above 92 acres; plus †	1, plus one additional lot for each 100 acres above 92 acres; plus †	one for each 160 acres above 92 acres

Part of the properties are zoned M-2 Industrial:

19.24.010 - Purpose and intent.

The M-2 Heavy industrial district is designed to contain mostly warehousing and distribution types of activity, and permits most compounding, assembly, or treatment of articles or materials with the exception of heavy manufacturing and processing of raw materials. Residential uses are excluded except for dwelling units located in the same building as any non-dwelling permitted use.

	M-2	Notes and Exceptions
Minimum lot area (square feet)	10,000	
Minimum lot width (in feet)	75	
Maximum building height (in feet) on Maui and Lanai	90	Except that vent pipes, fans, chimneys, antennae, and equipment used for small scale energy or communications systems on roofs shall not exceed 10 feet above the building roof
Maximum building height (in feet) on Molokai	40	Except that vent pipes, fans, chimneys, antennae, and equipment used for small scale energy or communications systems on roofs shall not exceed 10 feet above the building roof
Minimum yard setback (in feet)		
Front	0 or the same as the adjoining zoning category whichever is greater	Where the setback of the adjoining non-industrial zoned parcel is less than 10 feet, a minimum setback of 10 feet shall be applied
Side and rear	0 or the same as the adjoining zoning category whichever is greater	

Those uses which include the manufacture or treatment of goods from raw materials are permitted in the M-2 heavy industrial district. Those uses which are listed under section 19.26.040 cannot be automatically included in the M-2 heavy industrial district because of their hazardous or offensive nature. Provision is made whereby the location and conduct of these uses is subject to review and approval of the commission as conforming to the intent of this title. (Ord. No. 3976, § 1, 2012)

This zoning is designed for more industrial uses, manufacturing, lumber yards, and any use permitted in the B-1, B-2 and B-3 business districts and M-1 light industrial district except single family dwellings, duplexes, bungalow courts, short-term rental homes, transient vacation rentals and apartments.

Existing Lots of Record

Maui county has a zoning provision for consolidation and re-subdivision of lots:

C. The requirements of this title shall not apply to a consolidation/resubdivision of two or more developable lots resulting in the same or fewer number of developable lots that existed before the consolidation/resubdivision action or to the establishment of easements for ingress and egress where no new developable lots are created together with the establishment of the easement subject to the following conditions:

1. Compliance with title 19 of this code or chapter 205, Hawaii Revised Statutes or both;
2. Compliance with chapter 18.08 of this title except for section 18.08.090;
3. Compliance with chapter 18.12 of this title except for section 18.12.070; and
4. Compliance with chapter 18.24 of this title.

D. Parcels that have undergone consolidation/resubdivision under this subsection shall not qualify for this exception with respect to any subsequent consolidation/resubdivision of any of the parcels.

E. If the director finds that the subdivision will have a significant or substantial impact upon public facilities or infrastructure, the director may impose those requirements in title 18 that are appropriate.

F. Except for family subdivisions as described in section 18.20.280 of this code, a consolidation and a concurrent resubdivision that does not create additional developable lots, road widening lots, utility lots, and easements for access or utility purposes, the director shall not approve any subdivision unless the subdivider provides written verification of a long term, reliable supply of water issued by the director of the department of water supply as set forth in section 14.12.040 of this code...

The mixed zoning and agricultural zoning make consolidation and re-subdivision problematic.



Survey Maps and Supporting Documents

The survey maps are extensive and have been included in the map pages of the addendum.

Subject Photos

Parcel 246-16-41



Parcel 246-16-41 - Street



Parcel 246-27-33



Parcel 246-27-33 – Rear



Mill Street



Parcels 246-27-26 to 30





SECTION 5 – HIGHEST AND BEST USE ANALYSIS

Summary of Highest and Best Use Definition

Subject's Highest and Best Use



Summary of Highest and Best Use Definition

The principal of highest and best use is defined as: That reasonably probable use and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.⁵

The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

- Permissible Use (Legal) - what uses are permitted by zoning and deed restrictions on the site in question?
- Possible Use - to what uses is it physically possible to put the site in question?
- Feasible Use - which possible and permissible uses will produce any net return to the owner of the site?
- Highest and Best Use - among the feasible uses, which use will produce the highest net return or the highest present worth?

The highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact, to be found.

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be most profitable use.

The highest and best use for the unimproved property may be different from the highest and best use of the improved property. This will be true when the improvement is not an appropriate use and yet makes a contribution to total property value in excess of the value of the site.

⁵The Appraisal of Real Estate, 12th edition, The Appraisal Institute, Chicago, Illinois, (U.S. 2001), page 305.

Subject's Highest and Best Use

Physically Possible Uses:

The sites have numerous physical limitations:

- There is a lack of water availability in the area.
- Mill Road is a gravel roadway and would likely need to be upgraded if a subdivision development were planned.
- Parcels 30 and 28 are exceedingly small and narrow.
- Parcels 26, 27, 29 and 41 have no street frontage.
- The shape of some of the parcels makes their full utilization difficult.

Legally Permissible Uses:

Parcels 41, 30, 28 and 27 are entirely zoned M-2 with a minimum land area requirement of 7,500 sq. ft. TMK 246-16-41 is entirely zoned agricultural, requiring a 2 acre minimum site. The remaining sites are mixed M-2 and Agricultural zoning. The mixed-use properties make any consolidation and re-subdivision problematic.

Those uses that are physically possible and legally permitted that lead to a return:

The lack of water availability, the fact that Mill Street is a gravel roadway, the mixed zoning, and the odd shapes and sizes of the sites makes their utilization problematic. The potential uses include:

- Parcel 246-16-41 is a separate use as a stand-alone agricultural lot.
- The remaining contiguous lots could be held together for yard space and a future development hold.
- The remaining contiguous lots could be divided into combinations whereby the zoning uses can be maximized. For instance, Parcels 30 and 28 could be combined with any combination of other similarly zoned adjacent parcels, such as Parcel 33 or Parcel 27.

The Highest Net Return:

Because Parcel 246-16-41 is not contiguous to the other lots, its highest and best use is on its own as a single agricultural zoned lot with likely no access to public water at this time.

The remaining parcels have a likely shared highest and best use as interim yard space with a long-term hold for development once the water situation of the area is resolved.



SECTION 6 – VALUATION OF THE SUBJECT

Valuation Process Summary

Direct Sales Comparison Approach - Parcel 246-16-41

Sales Comparison Adjustment Charts

Conclusion of Sales Comparison Approach - Parcel 246-16-41

Direct Sales Comparison Approach - Parcels 246-27-26, 27, 28, 29, 30, 33, 40, & 41

Sales Comparison Adjustment Charts

Discussion of Comparable Sales

Conclusion of Sales Comparison Approach - Parcels 246-27-26, 27, 28, 29, 30, 33, 40, & 41



Valuation Process Summary

Valuation process is defined as:

"The systematic set of procedures an appraiser follows to provide answers to a client's questions about real property value."⁶

Valuation is a term used interchangeably with appraisal. Real estate markets are a function of the location in which they are located. The overall market environment can have a profound effect on the manner in which buyers and sellers perform the act of transferring property rights. Considerations made by the participants are generally based on certain fundamental principles. Those principles and their definitions are as follows:

Anticipation: The perception that value is created by the expectation of benefits to be derived in the future. Value is created by the anticipation of future benefits.

Change: The result of the cause and effect relationship among the forces that influence real property value.

Supply and Demand: In economic theory, the principle of supply and demand states that the price of a commodity, good, or service varies directly, but not necessarily proportionately, with demand and inversely, but not necessarily proportionately with supply. Thus, an increase in the supply of an item or decrease in the demand for an item tends to reduce the equilibrium price; the opposite conditions produce an opposite effect. The relationship between supply and demand may not be directly proportional, but the interaction of these forces is fundamental to economic theory. The interaction of suppliers and demanders, or sellers and buyers, constitutes a market.

Competition: Between purchasers or tenants, the interactive efforts of two or more potential buyers or tenants to make a sale or secure a lease; between sellers or landlords, the interactive efforts of two or more potential sellers or landlords to complete a sale or lease; among competitive properties, the level of productivity and amenities or benefits characteristic of each property considering the advantageous or disadvantageous position of the property relative to the competitors.

Substitution: The appraisal principle that states that when several similar or commensurate commodities, goods, or services are available, the one with the lowest price attracts the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.

Balance: The principle that real property value is created and sustained when contrasting, opposing, or interacting elements are in a state of equilibrium.

Contribution: The concept that the value of a particular component is measured in terms of its contribution to the value of the whole property or as the amount that its absence would detract from the value of the whole.

Surplus Productivity: The net income that remains after the cost of various agents of production have been paid.

⁶ The Appraisal of Real Estate, 12th edition, The Appraisal Institute, Chicago, Illinois (U.S., 2001), page 49

Conformity: The appraisal principal that real property value is created and sustained when the characteristics of a property conform to the demands of its market.

Externalities: The principle economies outside a property have a positive effect on its value while diseconomies outside a property have a negative effect upon its value.”⁷

The valuation of the subject property is made on the basis of the real estate, consisting of land and improvements. Both the market participants as well as the real estate appraiser take the effects of the fundamental principles listed above into consideration.

The appraiser looked at six basic methods which could be utilized to arrive at an estimate of market value, in this case:

1. **The Direct Market Sales Comparison** approach looks at similar properties and what they have sold for in the recent past. By adjusting for differences between these recent sales and the subject, the appraiser can arrive at an adjusted price from each comparison to support an estimate of market value for the subject. The main difficulty in utilizing this methodology is to find sales comparisons that have essentially the same characteristics and the same motivations that a potential buyer would have when considering purchasing the subject at the definition of market value.
2. **The Income Approach through Direct Capitalization** of the market value of the land arrives at an indication of the market value for the subject by first determining the market rent of the subject's fee simple land interest. The appraiser then establishes what the rate of return is for similar land leases in the market. By dividing the market rent for the subject by the market rate of return, the market value for the subject can be arrived at. The weakness to this approach occurs when there are no similar land rentals in the area or when sales of leased similar properties do not exist from which a rate of return can be extracted.
3. **The Land Residual** method estimates what the total market value potential for the subject property is as if improved with the most likely highest and best use improvements. The appraiser then estimates how much of that improved market value is attributable to the buildings and how much remains for the land. This approach is only credible if the likely improvements are easily determined, can be measured for value adequately with a cost approach or other approach to value, and can be supported with other market sales.
4. **The Extraction Method** takes actual improved property sales and extracts out the value attributable to the land from the total sales price by determining the price attributable to the depreciated value of the building improvements. This methodology is difficult to apply when improvements become older or suffer from obsolescence.
5. **The Allocation Method** of valuation takes a ratio for site value to overall property value that is extracted from comparable sales in competitive locations. This approach is only

⁷ The Appraisal of Real Estate, 12th edition, The Appraisal Institute, Chicago, Illinois (U.S., 2001), p. 34-42.

credible when there are sufficient sales of both improved and unimproved similar properties in the area.

6. **The Subdivision OR Developmental Cost Approach Method** of valuation measures value much in the same way the discounted cash flow of the income approach would be utilized. First, the number of units that should be developed upon the property must be estimated as measured by physical limitations to the site, legal restrictions placed on the site, and the market's desires in an area. Then the appraiser must measure all the costs of creating the development (road costs, utilities, planning, surveying, buildings, and management are estimated). Next, the rental value of the units created are estimated and the time that is needed to lease these units is estimated. Then, the costs associated with leasing the units are estimated (lease commissions, carrying cost). Once these figures are established, the total project is placed in a time line that begins at the start of the development process and continues through to stabilized occupancy where a reversion value can be estimated. This time line discounts the annual cash flows to a present value by using a discount rate established from the market.

The appraiser has found that only the first approach had sufficient market data to lead to credible results, and that even this approach had limited data available.



Direct Sales Comparison Approach - Parcel 246-16-41

The Sales Comparison Approach involves the direct comparison of sales and listings of similar properties, adjustments for variances, and correlation of the results into a property value indication. Adjustments to the sale prices of competitive properties selected for comparison are considered as they relate to the subject and to the various dissimilar investment features.

The application of this approach produces an estimate of value for a property by comparing it with similar properties that have been sold or are currently offered for sale in the same or competing areas. Procedures used to estimate the degree of comparability between two properties involve sound judgment decisions concerning their similarity with respect to any value factors such as location, construction, age and condition, layout, equipment, design, utility, and desirability.

The appraiser found a list of similar sales in the subject's immediate development and competing area.

Sales and listings discovered include:

TMK	Sq. ft.	Zoning	Utilities	Access	Sale Price	Date	\$/Sq. ft.
246-16-42	7536	Ag	Elec.	Gravel Esmt	\$ 275,000.00	2/15/2024	\$ 36.49
246-16-38-1	12158	Ag	H2O, elec	Gravel Esmt	\$ 350,000.00	5/24/2024	\$ 28.79
245-26-55-2	6207	R-1	H2O, elec	Paved	\$ 425,000.00	6/3/2024	\$ 68.47
245-30-109	6175	R-1	H2O, elec	Paved	\$ 425,000.00	10/17/2024	\$ 68.83
246-27-42	19907	Ag	Elec.	Gravel Esmt	\$ 250,000.00	12/16/2024	\$ 12.56
246-27-35	4312	Ag	Elec.	Easement	\$ 400,000.00	6/4/2025	\$ 92.76
245-24-62	5066	R-1	H2O, elec	Paved	\$ 575,000.00	Listing	\$ 113.50

Major adjustments have been supported with the sales shown.

Market Conditions:

TMK	Land Sq. Ft.	GLA	Sale Price	Date
243-21-78	7327	1800	\$ 1,805,000.00	1/30/2025
243-21-78	7327	1800	\$ 1,625,000.00	3/29/2023
Change			11.08%	
%/Month			0.50%	

And,

TMK	Land Sq. Ft.	GLA	Sale Price	Date
243-21-24	7027	0	\$ 500,000.00	4/15/2025
243-21-24	7027	0	\$ 418,000.00	4/13/2022
Change			19.62%	
%/Month			0.54%	



Utilities:

TMK	Sq. ft.	Zoning	Utilities	Access	Sale Price	Date
246-16-38-1	12158	Ag	H2O, elec	Gravel Esmt	\$ 350,000.00	5/24/2024
246-16-42	7536	Ag	Elec.	Gravel Esmt	\$ 275,000.00	2/15/2024
Difference	4622		H2O		\$ 75,000.00	
Adjust size					\$ (36,976.00)	
H2O					\$ 38,024.00	

The following page contains an adjustment chart showing how the most similar sales found can be used to support a valuation measurement for the subject parcel.



Sales Comparison Adjustment Chart – Parcel 246-16-41

Direct Sale Comparisons 246-16-41					
Item	Subject	Comparison #1	Comparison #2	Comparison #3	Comparison #4
TMK	246-16-41	246-16-42	246-16-38-1	245-30-109	245-26-55-2
Sale Price		\$ 275,000.00	\$ 350,000.00	\$ 425,000.00	\$ 425,000.00
Date		2/15/2024	5/24/2024	10/17/2024	6/3/2024
Sq. Ft.	8756	7536	12158	6175	6207
\$/Sq. ft.		\$ 36.49	\$ 28.79	\$ 68.83	\$ 68.47
		MLS#401227,	MLS#402334,	MLS#403755,	MLS#401128,
		Selling Agent,	Selling Agent,	County, DOC	County, DOC
Verification Sources		DOC 88110362	DOC 89100172	9056000195	89200410
Transaction Adjustments					
Conditions of Sale		\$ 22,000.00	\$ 22,750.00	\$ 17,000.00	\$ 25,500.00
Market Conditions		\$ -	\$ -	\$ -	\$ -
Estimated Current Cash Equivalent Price		\$ 297,000.00	\$ 372,750.00	\$ 442,000.00	\$ 450,500.00
Characteristics					
Location	Lahaina	Wainee	Wainee	Waikuli	Kalawea
View	Average	Average	Average	Average	Average
Access	Gravel Esmt	Gravel Esmt	Gravel Esmt	Paved	Paved
Utilities	Elec.	Elec	Elec & water	Elec & water	Elec & water
Sq. Ft.	8756	7536	12158	6175	6207
Zoning	Ag.	Ag.	Ag.	R-1	R-1
Other	None	None	CPR	None	CPR
Adjustments					
Location	Lahaina	\$ -	\$ -	\$ (66,300.00)	\$ (67,575.00)
View	Average	\$ -	\$ -	\$ -	\$ -
Access	Gravel Esmt	\$ -	\$ -	\$ (50,000.00)	\$ (50,000.00)
Utilities	Elec.	\$ -	\$ (45,000.00)	\$ (45,000.00)	\$ (45,000.00)
Sq. Ft.	8756	\$ 9,760.00	\$ (27,216.00)	\$ 20,648.00	\$ 20,392.00
Zoning	Ag.	\$ -	\$ -	\$ -	\$ -
Other	None	\$ -	\$ 18,637.50	\$ -	\$ 22,525.00
Total Adjustments		\$ 9,760.00	\$ (53,578.50)	\$ (140,652.00)	\$ (119,658.00)
Adjusted Price		\$ 306,760.00	\$ 319,171.50	\$ 301,348.00	\$ 330,842.00
Average Adjusted		\$ 314,530.38			
Concluded		\$ 305,000.00			

The subject had been available from the owner for a price of \$300,000. It had not been actively listed in MLS. Comparison#1 is the most similar to the subject and has been given the preponderance of weight, with the other sales serving as supporting indicators. As construction in Lahaina ramps up, it appears as if the market is experiencing more demand. The appraiser has concluded on a market value of \$305,000.



Conclusion Of Sales Comparison Approach – Parcel 246-16-41

The sales shown indicate a narrow range of value for the subjects. There is very little data to judge the impact that the fire has had on prices.

The indicated market value as of 5/28/2025 was:

**THREE HUNDRED FIVE THOUSAND DOLLARS
(\$305,000)**



Direct Sales Comparison Approach - Parcels 246-27-26, 27, 28, 29, 30, 33, 40, & 41

The Sales Comparison Approach involves the direct comparison of sales and listings of similar properties, adjustments for variances, and correlation of the results into a property value indication. Adjustments to the sale prices of competitive properties selected for comparison are considered as they relate to the subject and to the various dissimilar investment features.

The application of this approach produces an estimate of value for a property by comparing it with similar properties that have been sold or are currently offered for sale in the same or competing areas. Procedures used to estimate the degree of comparability between two properties involve sound judgment decisions concerning their similarity with respect to any value factors such as location, construction, age and condition, layout, equipment, design, utility, and desirability.

These 8 parcels are contiguous and are best held together in interim for a future use.

The appraiser found a list of similar sales in the subject's immediate development and competing area.

TMK	Sq. ft.	Zoning	Utilities	Access	Sale Price	Date	\$/Sq. ft.
246-27-21, & 23	113604	M-1, Ag & R-1	H2O, Elec	Paved	\$ 2,450,000.00	9/16/2024	\$21.57
246-27-22, 24, and 25	98509	M-1 & Ag	Elec	Gravel	\$ 1,500,000.00	9/20/2024	\$15.23
246-27-31, 32, 34, 35, 36, 37, 38, 39, 42	63839	Ag.	Elec	Gravel	\$ 600,000.00	12/16/2024	\$ 9.40
246-27-26, 27, 28, 29, 30,33, 40 & 41	66342	M-1 & Ag	Elec	Gravel	\$ 1,650,000.00	Listing	\$24.87

These sales led to the following adjustment chart:



Sales Comparison Adjustment Chart – Parcels 246-27-26, 27, 28, 29, 30, 33, 40, & 41

Direct Comparisons				
Item	Subject	Comparison #1	Comparison #2	Comparison #3
	246-27-26, 27, 28, 29, 30, 33, 40 & 41	246-27-21, & 23	246-27-22, 24, and 25	246-27-31, 32, 34, 35, 36, 37, 38, 39, 42
TMK				
Sale Price		\$ 2,450,000.00	\$ 1,500,000.00	\$ 600,000.00
Date		9/16/2024	9/20/2024	12/16/2024
Sq. Ft.	66168	113604	98509	63839
\$/Sq. Ft.		\$ 21.57	\$ 15.23	\$ 9.40
		Selling agent, Closing	Selling agent, Closing	Selling agent, Closing
Verification Source	Inspection, Surveys	Statements	Statements	Statements
Transaction Adjustments				
Conditions of Sale		\$ -	\$ -	\$ -
Market Conditions		\$ 110,250.00	\$ 67,500.00	\$ 21,000.00
Estimated Current Cash				
Equivalent Price		\$ 2,560,250.00	\$ 1,567,500.00	\$ 621,000.00
\$/Sq. Ft.		\$ 22.54	\$ 15.91	\$ 9.73
Characteristics				
Location	Wainee	Wainee	Wainee	Wainee
Visibility	Average	Good	Average	Average
Access	Paved	Paved	Paved	Gravel
Zoning	M-2 & Ag	M-1, Ag & R-1	M-1 & Ag	Ag.
Sq. ft. M-2 Zoned	46145	81310	34433	0
%	0.697391488	0.71573184	0.349541666	0%
Sq. ft. Ag. Zoned	20023	24541	64076	63839
%	0.302608512	0.216022323	0.650458334	100%
R-1 Zoned Sq. ft.	0	7724	0	0
Utilities	Elec	1 Meter & Elec	Elec	Elec
Other	None	None	None	Access Esmts
Adjustments				
Location	Wainee	0%	0%	0%
Visibility	Average	-15%	0%	0%
Access	Paved	0%	0%	10%
Zoning	M-2 & Ag	0%	0%	0%
Sq. ft. M-2 Zoned	46319	0%	20%	60%
Sq. ft. Ag. Zoned	20023	0%	0%	0%
R-1 Zoned Sq. ft.	None	-2%	0%	0%
Utilities	Elec	-2%	0%	0%
Other	None	0%	0%	20%
Total Adjustments		-19%	20%	90%
Adjusted\$/Sq. Ft.		\$ 18.25	\$ 19.09	\$ 18.48
Adjusted Price		\$ 1,211,050.72	\$ 1,266,780.72	\$ 1,226,161.53
Average Adjusted	\$	1,234,664.32		
Concluded	\$	1,235,000.00		
\$/Sq. ft.	\$	18.62		



Discussion of Comparable Sales

Comparison #1 fronts on Lunapule Road, which is a paved main collector street with good traffic visibility. It had one water meter. According to the agent, this sale involved two sellers who sold to one buyer in a bulk transaction. This sale is superior to the subject because it has much better visibility and one water meter. This sale brackets from the top and the price per sq. ft. should be less than its sale price per sq. ft. of \$21.57.

Comparison #2 is located adjacent to the north boundary of the subject. It is proportionately less industrial and more agricultural than the subject, making it inferior to the subject. There were different sellers (Wainee Land & Homes and Hope Builders), but the price as negotiated based upon a bulk purchase in total. The sale included an exclusive easement over a portion of parcel 31. The subject should be worth more than this sale's price per sq. ft. of \$15.23.

Comparison #3 is located off of the extension of Dickinson Street which is unimproved gravel. The entire purchase is zoned agricultural with no industrial zoning. The bundle of lots have several access easements that cross the ownership which reduce usable land area. There were different sellers and the buyer was a hui of buyers and the lots were vested a LLC and different individuals. The price was negotiated based upon a bulk purchase.

The sales provide very good bracketing:

Superior							
TMK	Sq. ft.	Zoning	Utilities	Access	Sale Price	Date	\$/Sq. ft.
246-27-21, & 23	113604	M-1, Ag & R-1	H2O, Elec	Paved	\$ 2,450,000.00	9/16/2024	\$ 21.57
Inferior							
246-27-22, 24, and 25	98509	M-1 & Ag	Elec	Gravel	\$ 1,500,000.00	9/20/2024	\$ 15.23
246-27-31, 32, 34, 35, 36, 37, 38, 39, 42	63839	Ag.	Elec	Gravel	\$ 600,000.00	12/16/2024	\$ 9.40

The subject should be worth less than \$21.57 per sq. ft., as the first sale noted has superior visibility and a water meter.

The subject should be worth than \$ 15.23 per sq. ft., as the second sale had a lesser proportion of industrial zoned land than the subject has.



Conclusion Of Sales Comparison Approach

The sales shown indicate a narrow range of value for the subjects. There is very little data to judge the impact that the fire has had on prices.

The indicated market value as of 5/28/2025 was:

**ONE MILLION TWO HUNDRED THIRTY FIVE THOUSAND DOLLARS
(\$1,235,000)**



79-7288 Mamalahoa Highway, #9
Kaalakooa, HI 96750
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SECTION 7 – RECONCILIATION OF VALUE

Summary of Value Conclusions



Summary of Value Conclusions

Reconciliation:

The direct sales comparison approach is the only credible valuation method used and has been given all the weight for both valuations. No other approach was found to have enough relevant market data to lead to credible valuation results.

The direct sales comparison approach had a few similar sales that could reasonably be used as direct comparisons. The sales indicate a narrow range of value

Parcel 246-16-41 has an indicated market value as of 5/28/2025 of:

**THREE HUNDRED FIVE THOUSAND DOLLARS
(\$305,000)**

Parcels 246-27-26, 27, 28, 29, 30, 33, 40 and 41 were found to have a cojoined interim highest and best use and a market value conclusion as of 5/28/2025 of:

**ONE MILLION TWO HUNDRED THIRTY FIVE THOUSAND DOLLARS
(\$1,235,000)**

The exposure and marketing time associated with this value is 3 to 6 months to close.



SECTION 8 – ADDENDUM

Appraiser’s Qualifications

Appraiser’s License

Engagement Letter and Notice to Proceed

Survey Maps and Supporting Documents



79-7286 Mamalahoa Highway, #9
Kailua-Kona, HI 96750
Kona@pahawaii.com
Phone 808-322-0999 Fax 808-322-0975

Appraiser's Qualifications



79-7286 Mamalahoa Hwy, Unit 9
Kailua-Kona, HI 96750
kona@pahawaii.com
808-322-0999

Summary of Qualifications Raymond J. Kirchner, SRA

Professional Experience:

R. J. Kirchner is an independent fee appraiser since June 1982 with offices currently in Kailua-Kona, HI. R. J. Kirchner was formerly Vice President and partner in R.W. Kirchner & Associates Appraisal Firm with offices in Stillwater, Mn. He then became a contract appraiser, working primarily for SEVCO Appraisers on the islands of Kauai, Maui and Hawaii from September of 1991 to March of 1992. R. J. Kirchner became the Chief Residential Appraiser of SEVCO in early 1992 and continued in this capacity until he left that firm in May of 1994 to become a principle partner in Royal Pacific Appraisals. R. J. Kirchner started Paradise Appraisals in February of 1997 as its managing partner. R. J. Kirchner is currently the sole proprietor of Paradise Appraisals LLC, completing commercial, industrial, agricultural, and residential assignments throughout the state.

Appraisal Experience:

Over 18,000 appraisals and reviews participated in since 1982. Most of these appraisals were completed in Hawaii, the Minneapolis/St. Paul Metropolitan area and western Wisconsin area. Appraisals include existing and proposed construction, single-family, duplexes, elderly housing projects, condominiums, townhouses, commercial buildings, apartments, industrial properties, farms, condemnation, land lease rental determinations, and partial acquisitions. His most recent appraisal experience has been on all the islands of Hawaii appraising single family, land, small residential income properties, condominiums, subdivisions, office buildings, industrial properties, multi-family complexes, commercial properties, and partial acquisitions.

Professional Courses and Articles Written:

Author of "Land Rent Reset Arbitration in Hawaii: Credibility and Transparency" for the Fall 2014 edition of The Appraisal Journal published by The Appraisal Institute.

Author and instructor for the State of Hawaii approved appraisal course "A Return to the Basics."

R.J. Kirchner, SRA, CGA 275
Specializing in Commercial, Industrial, Luxury, Large Acreage, and Leasehold Property, including Arbitration and Litigation



Qualifications as an Expert Witness:

R. J. Kirchner has been qualified as a professional witness in U.S. Bankruptcy Court, Hawaii Bankruptcy Court, the 3rd District Court of Hawaii, and in the District Court of Washington County, Minnesota. He has also served as an arbitrator and as an expert witness for land rental disputes in both Hawaii County and Honolulu County.

Important Cases R. J. Kirchner, SRA has provided professional witness services in:

1. MALUHIA EIGHT, LLC, MALUHIA ONE, LLC, a/k/a MALUHIA APARTMENT 1, LLC, and MALUHIA NINE, LLC, a/k/a MALUHIA APARTMENT 9, LLC, Debtors. United States Bankruptcy Court, N.D. Texas, Dallas Division. Honorable Harlin DeWayne Hale, Bankruptcy Judge. October 21, 2010.
2. Mapunapuna industrial land rent re-openings. Mr. Kirchner served as the expert witness as to the market rent for the land for 32 industrial lots in Mapunapuna in arbitration hearings. 2012.
3. Served as the third arbitrator for 11 consolidated cases involving land rental re-openings in the Hilo Industrial area where the lessor was the State of Hawaii DLNR. 2010-2012.
4. Served as the expert witness for 17 parcels located throughout the State in the Damien Wong divorce case in front of the Honorable Judge Ibarra. May of 2014.
5. Served as the expert witness for four owners in Hokulia before an arbitration panel regarding damages due to non-disclosure. August 2017.
6. Served as an expert witness for Aina Le'a, Inc., a partially completed 432 unit townhouse development. First Amended Chapter 11 Plan of Reorganization of Aina Le'a Inc., dated February 20, 2019.

Major Clients:

Bank of America (residential & commercial), J. P. Morgan Bank, First Hawaiian Bank (residential & commercial), Morgan Stanley Private Banking, U.S. Bank, Bank of Hawaii (commercial), Goldman Sachs Bank, Lloyds Bank, Wells Fargo, First Republic Bank, Citi Bank (residential & commercial), Finance Factors (residential & commercial), HUD, Central Pacific Bank, Deutsche Bank, Maui County, Hawaii County, U.S. Department of the Interior, The National Park Service, and numerous local banks, appraisal management companies, government agencies, accountants, and attorneys.



Professional Memberships:

- R. J. Kirchner currently holds an SRA Designation - Appraisal Institute, Headquarters located at 225 North Michigan, Chicago, Illinois.
- Certified General Appraiser #275, State of Hawaii (current).
- Former Certified Federal Residential License Real Estate Appraiser - State of Minnesota; License #4001391; 1991.
- Former court appointed Condemnation Commissioner - Washington County, Minnesota.
- Appointed member of the Minnesota Commissioner of Commerce's Task Force to license appraisers; 1987.
- Past lobbyist for all eight major appraisal organizations in Minnesota; 1987 to 1990.
- Past appointed member of the Minnesota appraisers Licensing Board.
- Former Vice President - Washington Development Corporation, a non-profit corporation for the development of low income and elderly housing.
- Appointed member of State of Hawaii DCCA Advisory Committee, since 2007.

Education Background and Training:

- Attended the University of Wisconsin at River Falls, Wisconsin from 1982 through 1987.
- Society of Real Estate Appraiser Course 101 - Foundations of Residential Appraising, completed in 1985.
- American Institute of Real Estate Appraisers Course - Residential Valuation, completed in 1987.
- The Appraisal of Partial Acquisitions - International Right of Way Association, completed in 1987.
- Residential Demonstration Appraisal completed for the Society of Real Estate Appraiser, passed in 1988.
- Society of Real Estate Appraiser Course 101 - Foundations of Residential Appraising, completed in 1985.
- American Institute of Real Estate Appraisers Course - Residential Valuation, completed in 1987.
- The Appraisal of Partial Acquisitions - International Right of Way Association, completed in 1987.
- Residential Demonstration Appraisal completed for the Society of Real Estate Appraiser, passed in 1988.
- Standards of Professional Practice - Society of Real Estate Appraisers, passed in 1989.
- Standards of Professional Practice - University of Hawaii, passed in December 1991.



79-7288 Mamalahoe Highway, #9
Kalaheo, HI 96750
Kona@pahawaii.com
Phone 808-322-0999 Fax 808-322-0575



79-7288 Mamalahoe Highway, #9
Kalaheo, HI 96750
Kona@pahawaii.com
808-322-0999

- Standards of Professional Practice - Appraisal Institute, passed May 1999.
- Basic Income Capitalization Course 510 - Appraisal Institute, passed in August 1993.
- Seminar on new URAR form - Appraisal Institute, 1993.
- Uniform Standards of Professional Practice Parts A&B - Appraisal Institute (Honolulu), passed in April 1994.
- Highest & Best Use and Market Analysis, Appraisal Institute, passed in 1997.
- Advance Sales Comparison & Cost Approaches Course 530 - Appraisal Institute, passed in December 1998.
- Uniform Standards of Professional Practice Part C - Appraisal Institute (Honolulu), passed in 1999 and 2001.
- Appraisal Institute's Course II550 - Advanced Applications (State Code: 01-037), at the University of San Diego, July 2003.
- Appraisal Institute's Course 04-097 - Reappraising, Readdressing, Reassigning: What to Do and Why and What to Include in a Work File. Honolulu, Hawaii October 2004
- Appraisal Institute's Course 04-098 - Scope of Work: Where are we now? Honolulu, Hawaii October 2004
- 7 Hour USPAP Course - Appraisal Institute -October 2004
- Appraisal Institute's Seminar Professional's Guide to the Residential Appl. Report - 773 Maui, Hawaii June 2005
- Appraisal Institute's Course 11420 - Business Practices and Ethics. Honolulu Hawaii October 2005
- Lorman Education Services Eminent Domain Seminar Honolulu, HI May 2006
- Appraisal Institute USPAP Update Seminar. Honolulu, HI June 2006.
- Appraisal Institute -Uniform Appraisal Standards for Federal Land Acquisitions. Chicago, IL July 2007
- Litigation Skills and the Appraiser March 2008.
- Appraisal Institute Hotel Valuation 2010.
- Appraisal Institute's Advanced Income Capitalization, 2016.
- Appraisal Institute's Uniform Appraisal Standards for Federal Land Acquisition June 2017.
- USPAP every two years since 1992.
- Numerous additional courses and seminars.

Email: rj@pahawaii.com
Tax ID #48-1293715

R.J. Kirchner, SRA, CGA 275
Specializing in Commercial, Industrial, Luxury, Large Acreage, and Leasehold Property, including Arbitration and Litigation



79-7266 Mamalahoa Highway, #9
Kealahou, HI 96750
Kono@pahawaii.com
Phone 808-322-0999 Fax 808-322-0975

Appraiser's License

CGA-275

RAYMOND J KIRCHNER
79-7266 MAMALAOA HWY #9
KEALAKEKUA, HI 96750

CERTIFIED GENERAL APPRAISER
NOTICE THIS POCKET ID CARD IDENTIFIES YOU TO THE PUBLIC AS BEING CURRENTLY
LICENSED AND SHOULD BE KEPT IN YOUR POSSESSION AT ALL TIMES.

License Number CGA-275	Expiration date 12/31/2025		CLASSES (ACTIVE):
STATE OF HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS CERTIFIED GENERAL APPRAISER			
RAYMOND J KIRCHNER 79-7266 MAMALAOA HWY #9 KEALAKEKUA, HI 96750			
			
SIGNATURE OF LICENSEE			



Engagement Letter and Notice to Proceed

RICHARD T. BISSEN, JR.
Mayor

MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.maui-county.gov



May 15, 2025

VIA E-MAIL
PARADISE APPRAISALS, LLC
79-7266 MAMALAHOA HIGHWAY, #9
KEALAKEKUA, HAWAII 96750
ATTN: R.J. KIRCHNER

Dear Mr. Kirchner:

SUBJECT: NOTICE TO PROCEED
TMKs: (2) 4-6-027:026 THROUGH 30, 33, 40 & 41 AND (2) 4-6-016:041
SLD 71 – LOTS 6 THROUGH 10, 13, 20 & 21 and LOT 24

Please be advised that the County of Maui has accepted for your appraisal proposal dated May 15, 2025 in the amount of \$9,500.00 plus 4.712% Hawaii State General Excise Tax, total amount \$9,947.64.

Please commence work effective immediately on the appraisal based on the assignment elements and due no later than Close of Business, June 26, 2025.

Please contact Guy Hironaka, Real Property Management Specialist V, at (808) 270-7725 or guy.hironaka@co.maui.hi.us should you have any questions regarding this matter

Sincerely,

MARCY MARTIN
Director of Finance

Attachments

MM/gmh



78-7266 Mamalahua Highway #9
Koolaloakua, HI 96750
Karon@pahawaii.com
Phone 808-322-0999 Fax 808-322-0975



78-7266 Mamalahua Hwy., Unit 9
Koolaloakua HI 96750
Karon.pahawaii.com
808-322-0999

Paradise Appraisals, LLC

May 15, 2025
Marcy Martin
Finance Director
County of Maui
Finance Department
C/O: Guy.Hironaka@co.maui.hi.us

RE: Real Estate Appraisal Assessor's Parcel #: 246027 Parcels 26, 27, 28, 29, 30, 33, 40, 41
& 2460160410000

Dear Ms. Martin,

This letter shall serve as my engagement letter to provide valuation services on the above captioned properties to measure the as is fee simple market value to assist the County of Maui in its decision making purpose for a possible acquisition of the property. The appraiser assumes the County is not utilizing its power of eminent domain in this acquisition and that no federal monies are being used as part of this acquisition. Some of the parcels are exceedingly small. The appraisal problem solution in this case will likely involve a highest and best use determination involving a consolidation and re-subdivision of some of the lots. The lots are owned under two different ownerships and your request includes a valuation of each lot individually. Because some of the lots are only valuable as additional lots of record to the adjoining property and do not have a separate highest and best use from the adjoining properties, there is no readily apparent means valuing the properties individually. I propose answering this portion of the valuation question by providing a proportion of value to the whole based upon size for those parcels with an integrated highest and best use. The following is my brief understanding of the major elements of this assignment:

- The Uniform Standards of Professional Appraisal Practice requires that an appraiser state who the client is for an assignment and that the appraiser keep assignment results confidential to the client. In this case, Maui County is engaging me in this assignment and will be my client.
- The purpose of this appraisal is to determine the as is fee simple market value to assist the County of Maui in determining a potential acquisition price to be paid for this property.
- The intended user of my report shall be the County of Maui. No other intended users or uses are anticipated by me.
- The following definition of Market Value will be used:

The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.¹

Fee: Our fee to provide this valuation shall be \$9,500.00 plus 4.712% GE Tax, for a total fee of \$9,947.64. The fee is due upon delivery of the assignment and is non-refundable. A 10% late fee plus 1% per month will be added to any unpaid balance that ages over 30 days. Appraiser's obligations under this agreement are complete when the appraisal report specified above has been delivered to Client. Appraiser agrees to be reasonably responsive to Client's legitimate inquiries regarding the contents of the report after delivery. The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply do not include meetings with persons other than Client, Client's Personnel or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in

¹ United States v. Cartwright, 411 U.S. 546, 93 S. Ct. 1713, 1716-17, 36 L. Ed. 2d 528, 73-1 U.S. Tax Cas. (CCH) ¶ 12,926 (1973)



this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement or in a separate written agreement.

Testimony In Court or Other Proceedings: Unless otherwise stated in this Agreement, Client agrees that Appraiser's engagement pursuant to this Agreement does not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

Designation as an Expert Witness: Unless otherwise stated in this Agreement, Client will not designate or disclose Appraiser or any of its Personnel as an expert witness in any court, arbitration or other proceeding without the prior written consent of Appraiser. Any testimony regarding this assignment will be billed at a rate of \$400 per hour plus 4.712% general excise tax and will include all travel time and 4 hours of preparation time.

Liability: Liability of the appraisal firm and the associates is limited to the fee collected for preparation of the appraisal. There is no accountability or liability to any third party.

Completion: I can complete the assignment within 5-6 weeks of your approval to proceed. Appraiser will use Appraiser's best efforts to deliver the appraisal report no later than such date. Appraiser's delivery of the report is contingent on Appraiser's timely receipt of information and documentation from Client and other parties. In the event of a delay beyond that date, Appraiser will inform Client promptly as soon as reasonably practicable. To undertake this assignment I will require the following:

1. Your signed agreement to the conditions of this assignment.
2. A copy of a current survey, if available.
3. A contact to schedule my property inspection.

The report I will provide will meet the current requirements of the Uniform Standards of Professional Appraisal Practice as well as the standards of the Appraisal Institute. The report may be subject to review by any duly authorized committee of the Appraisal Institute related to peer review. The report will also be subject to normal limiting conditions and regular assumptions which will be detailed within the report as well as extraordinary assumptions which may be needed to value the properties if unknown conditions are evident. It should be noted that I have not provided previous valuation services on this property in the last three years.

Thank you for considering me for this interesting assignment. We shall honor this bid proposal for 1 week.

Sincerely,

R. J. Kirchner, SRA, CGA 275

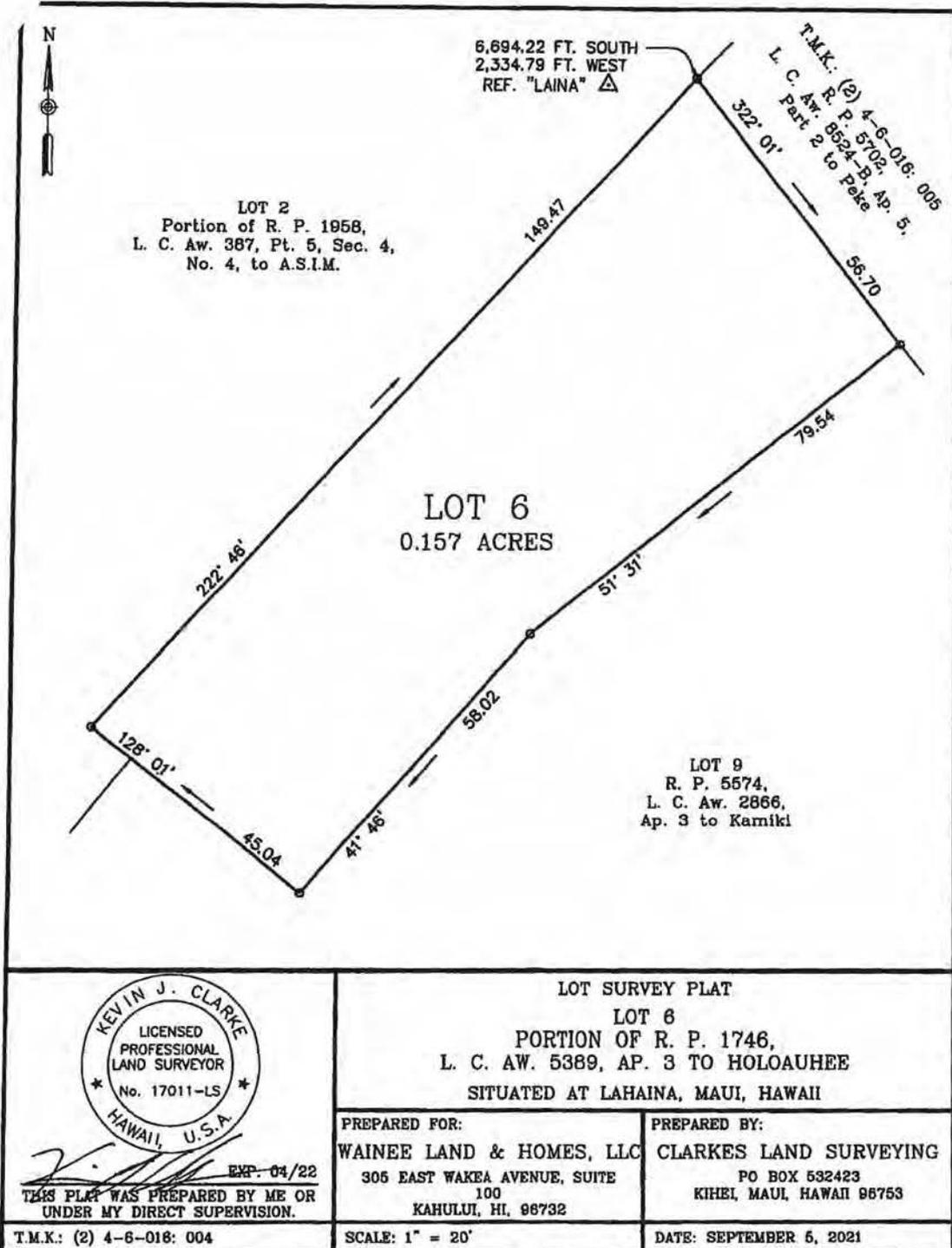
Accepted,

Marcy Martin

05/15/2025

Date

Survey Maps and Supporting Documents



LOT 6

Being a portion of Royal Patent 1746, Land Commission Award 5389, Apana 3, to Holoauhee

at
Lahaina, Maui, Hawaii

Beginning at the Northern corner of this parcel. Also, being the Western corner of Royal Patent 5702, Land Commission 8524-B, Apana 5, part 2 to Peke. The coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 6,694.22 feet South and 2,334.79 feet West and running by azimuths measured clockwise from true South:

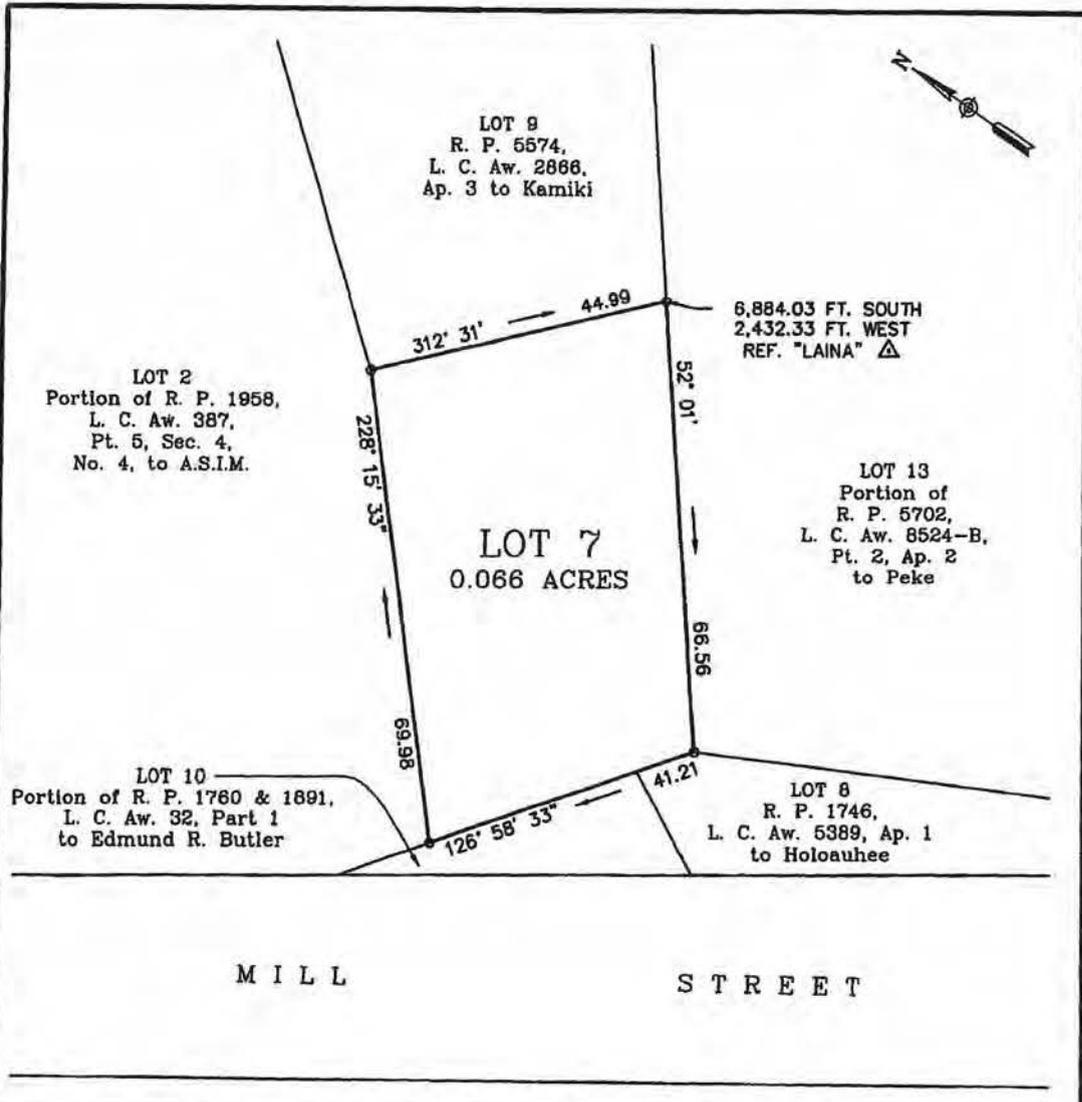
- | | | | |
|----|----------|-------------|--|
| 1. | 322° 01' | 56.70 feet | along Royal Patent 5702, Land Commission 8524-B, Apana 5 part 2, to Peke; |
| 2. | 51° 31' | 79.54 feet | along Lot 9, being Royal Patent 5574, Land Commission Award 2866, Apana 3 to Kamiki; |
| 3. | 41° 46' | 58.02 feet | along the same; |
| 4. | 128° 01' | 45.04 feet | along Lot 9, being Royal Patent 5574 Land Commission Award 2866, Apana 3 to Kamiki and Lot 2, a portion of Royal Patent 1958, Land Commission Award 387, Part 5, Section 4, No. 4 to American Sandwich Island Mission; |
| 5 | 222° 46' | 149.47 feet | along Lot 2, being a portion of, Land Commission Award 7713, Apana 262, to V. Kamamalu. to the point of beginning and containing an area of 0.157 acres. |




Kevin J. Clarke
Licensed Professional Land Surveyor
Certificate No. 17011-LS
Exp. 04/2022

09/05/2021

SLD 71 WML (Lot 6)
20-0517



  EXP. 04/22 THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.	LOT SURVEY PLAT LOT 7 R. P. 1746, L. C. AW. 5389, AP. 2 TO HOLOAUHEE SITUATED AT LAHAINA, MAUI, HAWAII	
	PREPARED FOR: WAINEE LAND & HOMES, LLC 305 EAST WAKEA AVENUE, SUITE 100 KAHULUI, HI, 96732	PREPARED BY: CLARKES LAND SURVEYING PO BOX 532423 KIHAI, MAUI, HAWAII 96753
T.M.K.: (2) 4-6-018: 004	SCALE: 1" = 20'	DATE: SEPTEMBER 5, 2021

LOT 7

Being a portion of Royal Patent 1746, Land Commission Award 5389, Apana 2, to Holoauhee

at
Lahaʻna, Maui, Hawaii

Beginning at the Eastern corner of this parcel. Also, being the Southern corner of Lot 9, being Royal Patent 5574, Land Commission 2866, Apana 3, to Kamiki. The coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 6,884.03 feet South and 2,432.33 feet West and running by azimuths measured clockwise from true South:

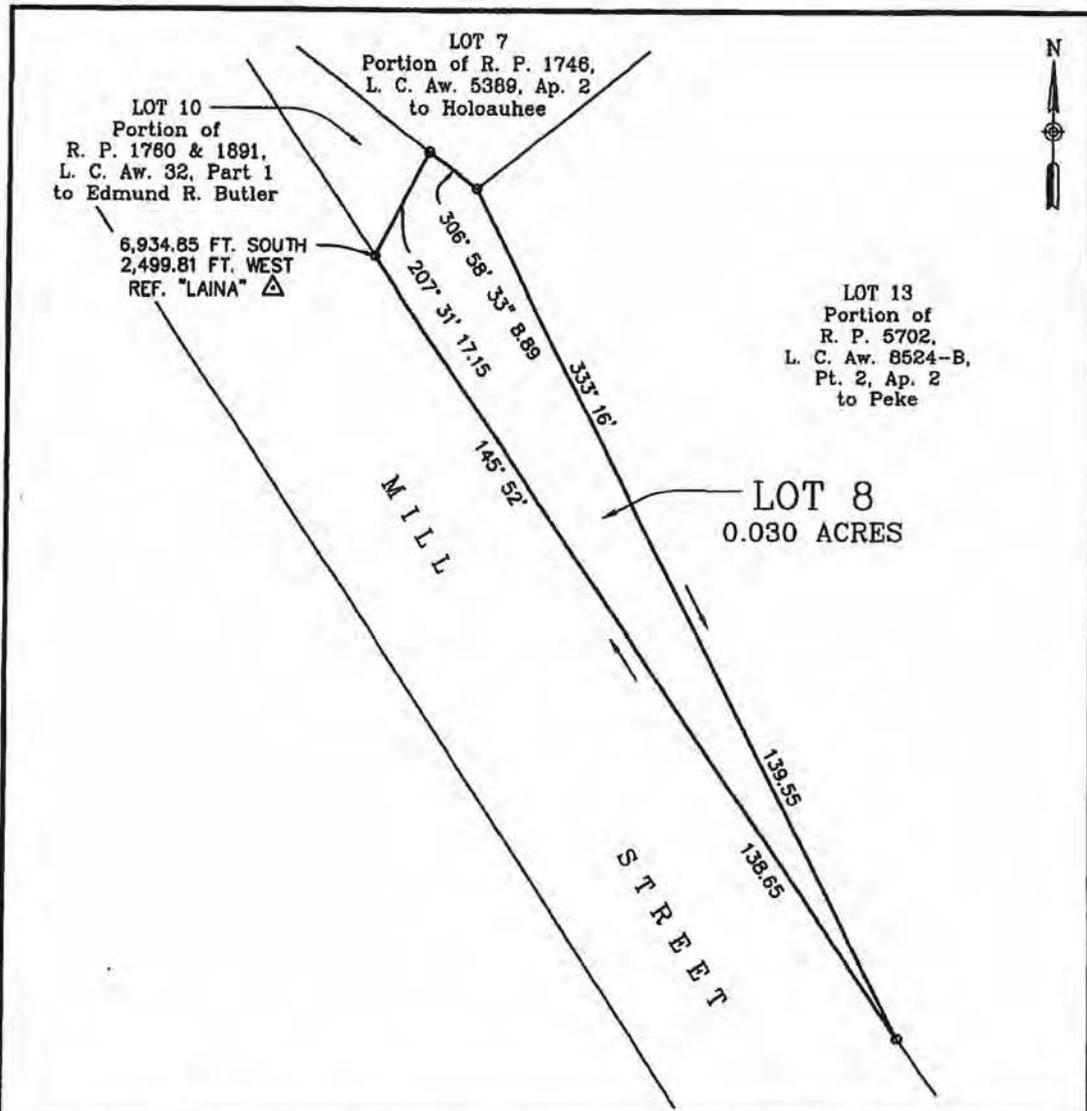
- | | | | |
|----|--------------|------------|--|
| 1. | 52° 01' | 66.56 feet | along Lot 13, being a portion of Land Commission Award 8524-B, Part 2, Apana 2 to Peke; |
| 2. | 126° 58' 33" | 41.21 feet | along Lot 8, being Royal Patent 1746, Land Commission Award 5389, Apana 1 to Holoauhee and Lot 10, being Royal Patent 1760 & 1891, Land commission Award 32, part 1 to Edmund R. Butler; |
| 3. | 228° 15' 33" | 69.98 feet | along Lot 2, being a portion of, Land Commission Award 7713, Apana 262, to V. Kamamalu; |
| 4. | 312° 31' | 45.00 feet | along Lot 9, being Royal Patent 5574, Land Commission Award 2866, Apana 3 to Kamiki to the point of beginning and containing an area of 0.066 acres. |




Kevin J. Clarke
Licensed Professional Land Surveyor
Certificate No. 17011-LS
Exp. 04/2022

09/05/2021

SLD 71 WML (Lot 7)
20-0517



  EXP. 04/22 THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.	LOT SURVEY PLAT LOT 8 PORTION OF R. P. 1746, L. C. AW. 5389, AP. 1 TO HOLOAUHEE SITUATED AT LAHAINA, MAUI, HAWAII	
	PREPARED FOR: WAINEE LAND & HOMES, LLC 305 EAST WAKEA AVENUE, SUITE 100 KAHULUI, HI, 96732	PREPARED BY: CLARKES LAND SURVEYING PO BOX 532423 KIHUI, MAUI, HAWAII 96753
T.M.K.: (2) 4-8-018: 004	SCALE: 1" = 20'	DATE: SEPTEMBER 5, 2021

LOT 8

Being a portion of Royal Patent 1746, Land Commission Award 5389, Apana 1 to Holoauhee
Lahaina, Maui, Hawaii

Beginning at the Western corner of this parcel. Also, being the Southern corner of Lot 10, being a portion of Royal Patent 1760 & 1891, Land Commission Award 32, Apana 1 to Edmund R. P. Butler. The coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being South 6,934.85 feet and 2,499.81 feet West and running by azimuths measured clockwise from true South:

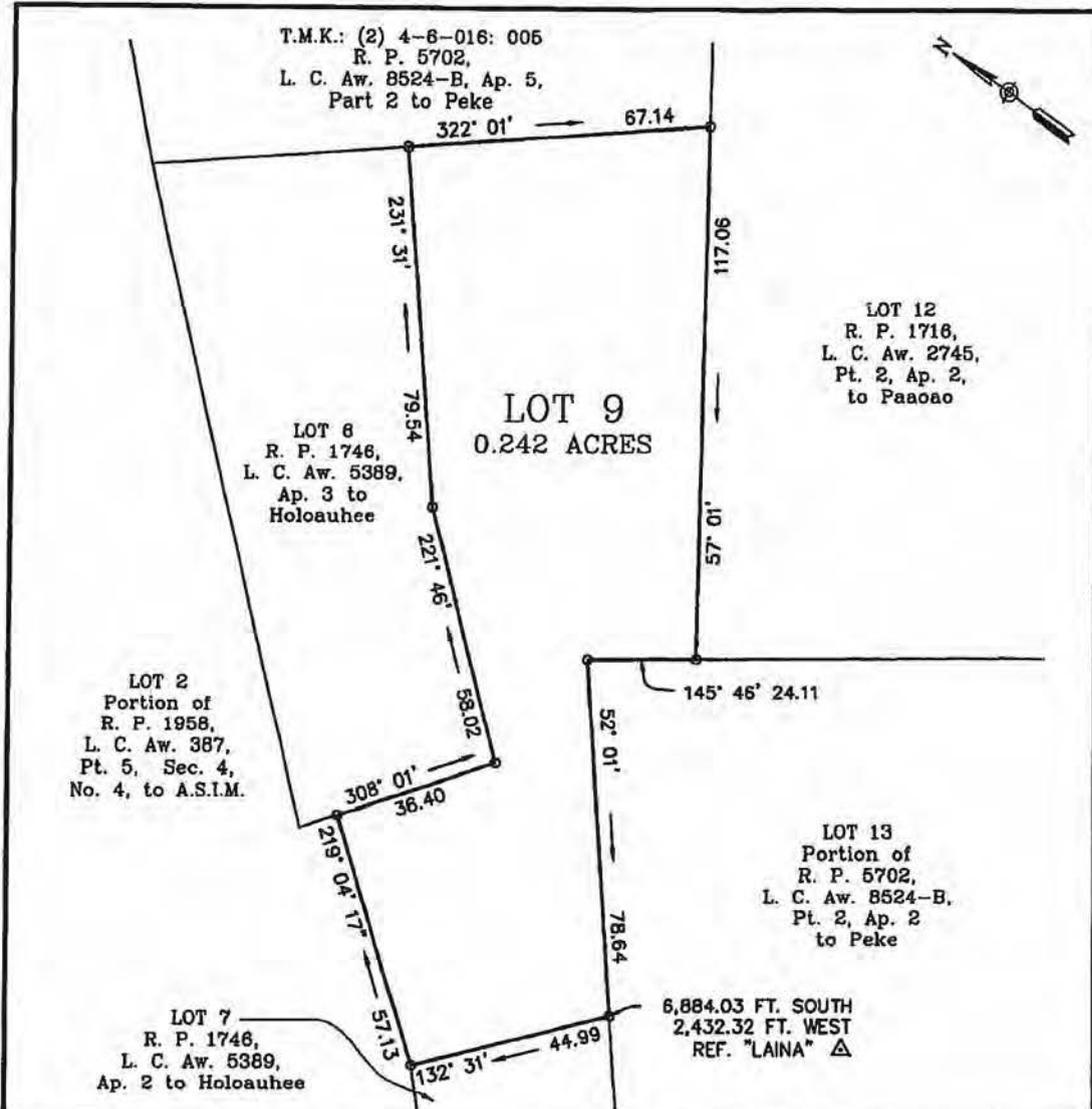
- | | | | |
|----|-------------|-------------|--|
| 1. | 207° 31' | 17.15 feet | along Lot 10, being a portion of Royal Patent 1760 & 1891, Land Commission Award 32, Apana 1 to Edmund R. P. Butler; |
| 2. | 306° 58'33" | 8.89 feet | along Lot 7, being a portion of Royal Patent 1746, Land Commission Award 5389, Apana 2 to Holoauhee; |
| 3. | 333°16' | 139.55 feet | along Lot 13, being a portion of Land Commission Award 8524-B, Part 2, Apana 2 to Peke; |
| 4. | 145° 52' | 138.65 feet | along the East side of Mill Street to the point of beginning and containing an area of 0.030 acres. |




Kevin J. Clarke
Licensed Professional Land Surveyor
Certificate No. 17011-LS
Exp. 04/2022

09/05/2021

SLD 71 WML (Lot 8)
20-0517



 <p>EXP. 04/22 THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.</p>	LOT SURVEY PLAT LOT 9 R. P. 5574, L. C. AW. 2866, AP. 3 TO KAMIKI SITUATED AT LAHAINA, MAUI, HAWAII	
	PREPARED FOR: WAINEE LAND & HOMES, LLC 305 EAST WAKEA AVENUE, SUITE 100 KAHULUI, HI, 96732	PREPARED BY: CLARKES LAND SURVEYING PO BOX 632423 KIHU, MAUI HAWAII 96753
T.M.K.: (2) 4-8-016: 004	SCALE: 1" = 30'	DATE: SEPTEMBER 5, 2021

LOT 9

Being Royal Patent 5574, Land Commission Award 2866, Apana 3 to Kamiki

at
Lahaina, Maui, Hawaii

Beginning at the Southern corner of this parcel. Also, being the Eastern corner of Lot 7, being Royal Patent 1746, Land Commission Award 5389, Apana 2, to Holoauhee the coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 6,884.03 feet South and 2,432.32 feet West and running by azimuths measured clockwise from true South:

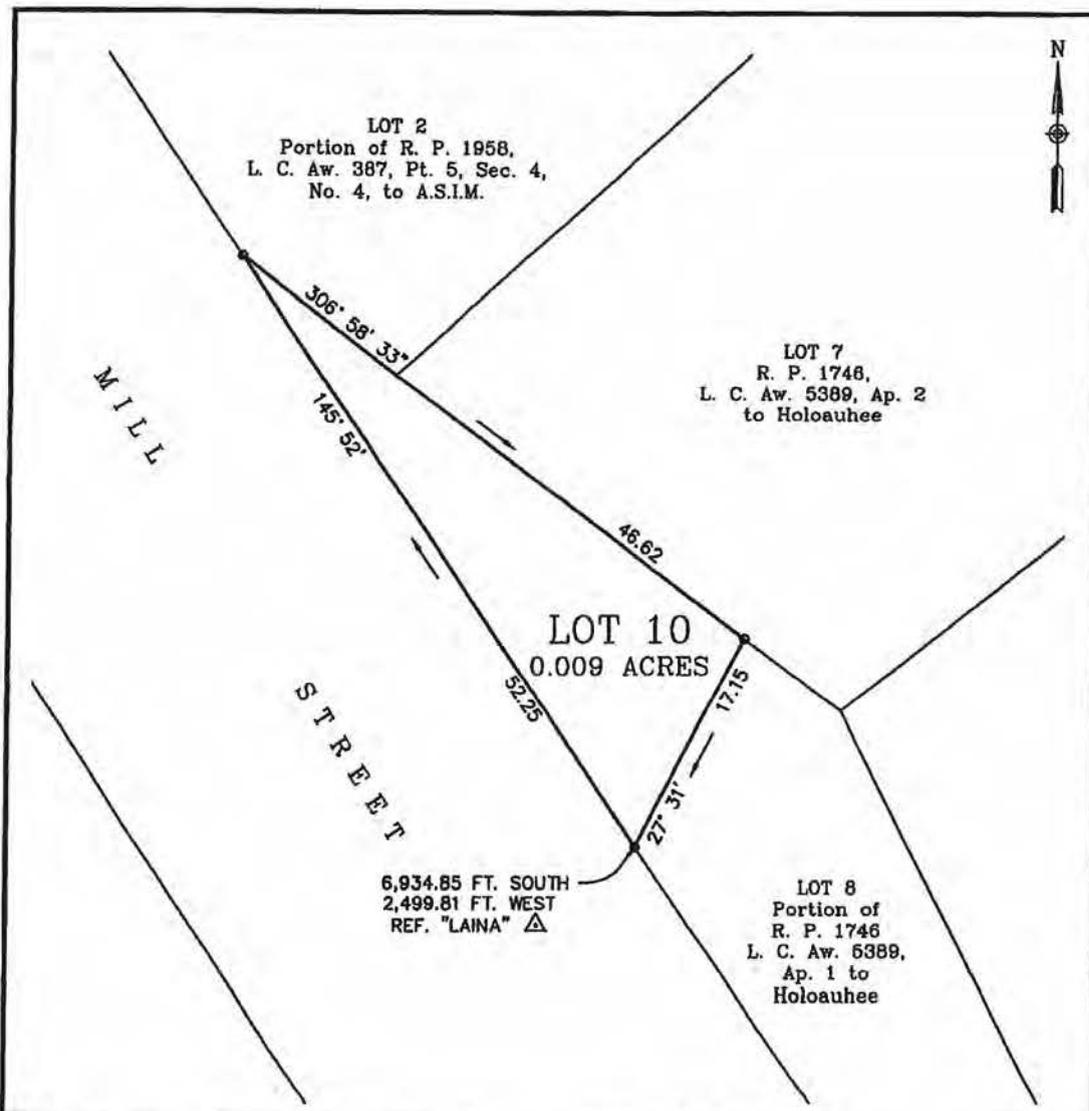
- | | | | |
|----|--------------|-------------|---|
| 1. | 132° 31' | 44.99 feet | along Lot 7, being Royal Patent 1746, Land Commission Award 5389, Apana 2 to Holoauhee; |
| 2. | 219° 04' 17" | 57.13 feet | along Lot 2, being a portion of Royal Patent 1958, Land Commission Award 387, Part 5, Section 4, No. 4 to American Sandwich Island Mission; |
| 3. | 308° 01' | 36.40 feet | along Lot 6, being Royal Patent 1746, Land Commission Award 5389, Apana 3 to Holoauhee; |
| 4. | 221° 46' | 58.02 feet | along the same; |
| 5. | 231° 31' | 79.54 feet | along the same; |
| 6. | 322° 01' | 67.14 feet | along Royal Patent 5702, Land Commission Award 8524-B Apana 5, Part 2 to Peke; |
| 7. | 57° 01' | 117.06 feet | along Lot 12, being Royal Patent 1716, Land Commission Award 2745, Part 2, Apana 2 to Paaooa; |
| 8. | 145° 46' | 24.11 feet | along Lot 13, being a portion of Land Commission Award 8524-B, Part 2, Apana 2 to Peke; |
| 9. | 52° 01' | 78.64 feet | along the same to the point of beginning and containing an area of 0.242 acres. |



Kevin J. Clarke
Licensed Professional Land
Surveyor
Certificate No. 17011-LS
Exp. 04/2022

09/05/2021

SLD 71 WML (Lot 9)
20-0517



 <p>KEVIN J. CLARKE LICENSED PROFESSIONAL LAND SURVEYOR No. 17011-LS HAWAII, U.S.A.</p> <p><i>[Signature]</i> EXP. 04/22 THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.</p>	<p>LOT SURVEY PLAT LOT 10 PORTION OF R. P. 1760 & 1891, L. C. AW. 32, PART 1 TO EDMUND R. BUTLER SITUATED AT LAHAINA, MAUI, HAWAII</p>	
	<p>PREPARED FOR: WAINEE LAND & HOMES, LLC 305 EAST WAKEA AVENUE, SUITE 100 KAHULUI, HI. 96732</p>	<p>PREPARED BY: CLARKES LAND SURVEYING PO BOX 532423 KIHUI, MAUI, HAWAII 96753</p>
<p>T.M.K.: (2) 4-6-016: 004</p>	<p>SCALE: 1" = 10'</p>	<p>DATE: AUGUST 20, 2021</p>

LOT 10

Being a portion of Royal Patent 1760 & 1891, Land Commission Award 32, Apana 1 to Edmund R. Butler
Lahāina, Maui, Hawaii

Beginning at the Southern corner of this parcel. Also, being the Western corner of Lot 8, being a portion
of Royal Patent 1746, Land Commission Award 5389, Apana 1 to Holoauhee. The coordinates of said
point of beginning referred to Government Survey Triangulation Station "LAINA" being 6,934.85 feet
South and 2,499.81 feet West and running by azimuths measured clockwise from true South:

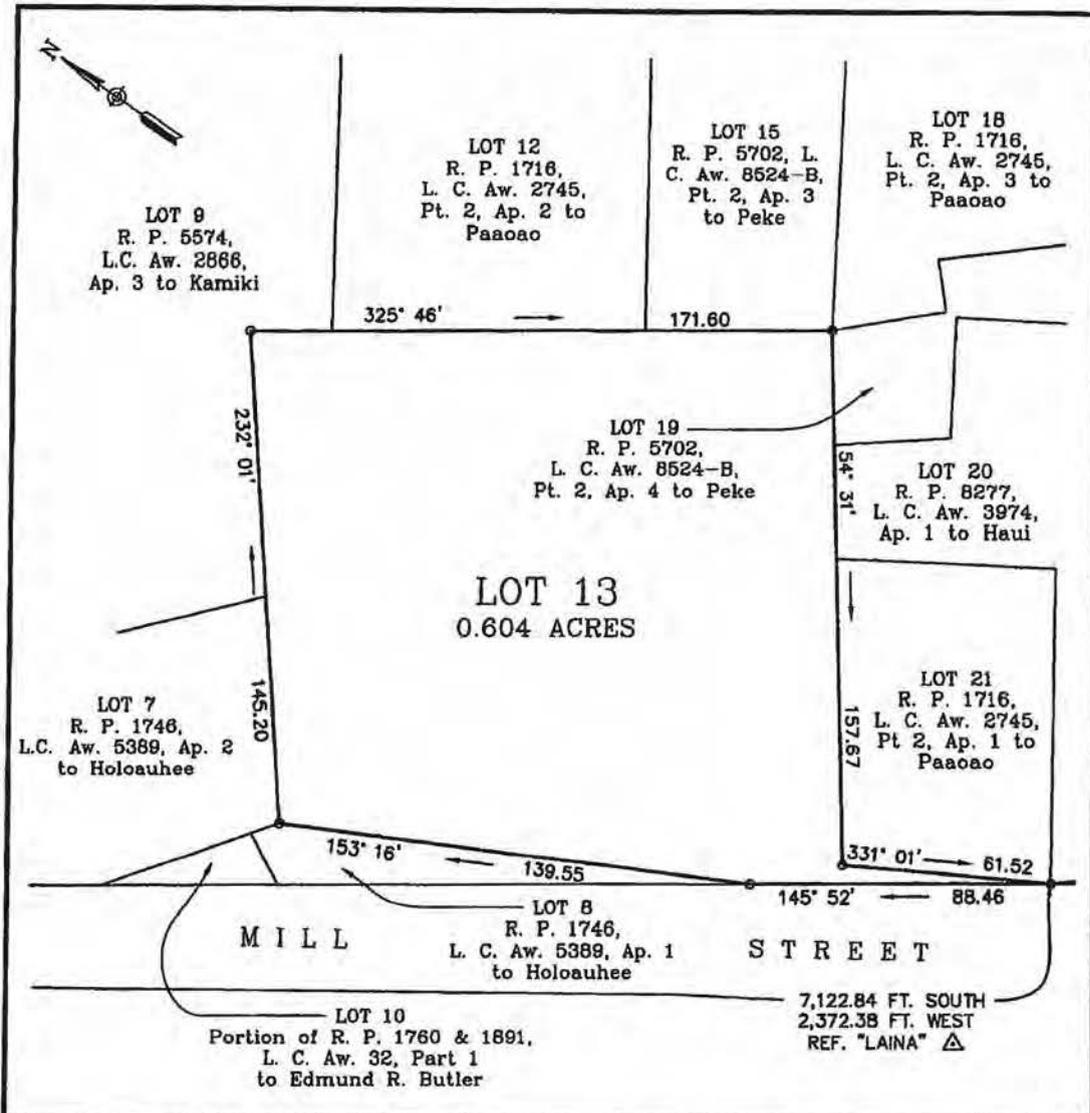
1. 145° 52' 52.25 feet along the East side of Mill Street;
2. 306° 58' 33" 46.62 feet along Lot 2, being a portion of Land Commission Award
8524-B, Part 2, Apana 2 to Peke and Lot 7, being a
portion of Royal Patent 1746, Land Commission Award
5389, Apana 2 to Holoauhee;
3. 27° 31' 17.15 feet along Lot 8, being a portion of Royal Patent 1746, Land
Commission Award 5389, Apana 1 to Holoauhee to the
point of beginning and containing an area of 0.009
acres.



Kevin J. Clarke
Licensed Professional Land Surveyor
Certificate No. 17011-LS
Exp. 04/2022

09/05/2021

SLD 71 WML (Lot 10)
20-0517



 EXP. 04/22 THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.	LOT SURVEY PLAT LOT 13 PORTION OF R. P. 5702, L. C. AW. 8524-B, PT. 2, AP. 2 TO PEKE SITUATED AT LAHAINA, MAUI, HAWAII	
	PREPARED FOR: WAINEE LAND & HOMES, LLC 305 EAST WAKEA AVENUE, SUITE 100 KAHULUI, HI, 96732	PREPARED BY: CLARKES LAND SURVEYING PO BOX 532423 KIHEI, MAUI, HAWAII 96753
T.M.K.: (2) 4-6-016: 004	SCALE: 1" = 40'	DATE: SEPTEMBER 5, 2021

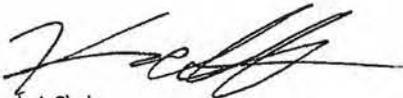
LOT 13

Being Portion of Royal Patent 5702 Land Commission Award 8524-B, Part 2, Apana 2 to Peke

**at
Lahalna, Maui, Hawaii**

Beginning at the Southern corner of this parcel. Also, being the Southern corner of Lot 21, being Royal Patent 1716 Land Commission Award 2745, Apana 3 to Paaao the coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 7,122.84 feet South and 2,372.38 feet West and running by azimuths measured clockwise from true South:

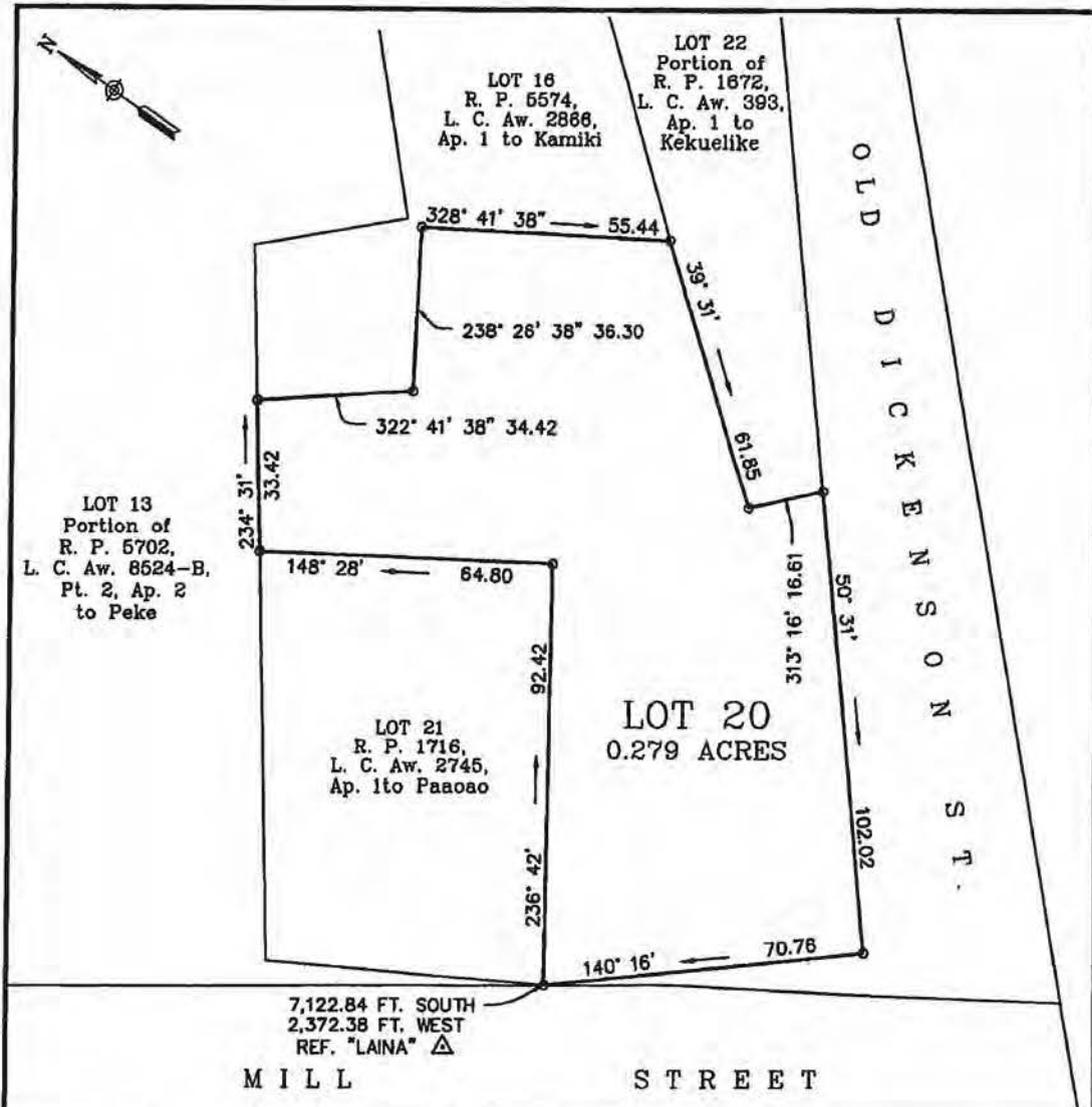
- | | | | |
|----|----------|-------------|---|
| 1. | 145° 52' | 88.46 feet | along the East side of Mill Street; |
| 2. | 153° 16' | 139.55 feet | along Lot 8, being Royal Patent 1746, Land commission Award 5389, Apana 1 to Holoauhee; |
| 3. | 232° 01' | 145.20 feet | along Lot 7, being Royal Patent 1746, Land commission Award 5389, Apana 2 to Holoauhee and Lot 9, being Royal Patent 5574, Land Commission Award 2866, Apana 3 to Kamiki; |
| 4. | 325° 46' | 171.60 feet | along Lot 9, being Royal Patent 5574, Land Commission Award 2866, Apana 3 to Kamiki, Lot 12, being Royal Patent 1716, Land Commission Award 2745, Part 2, Apana 2 to Paaao and Lot 15, being Royal Patent 5702 Land Commission Award 8524-B, Part 2, Apana 3 to Peke; |
| 5. | 54° 31' | 157.67 feet | along Lot 19, being Royal Patent 5702 Land Commission Award 8524-B, Part 2, Apana 4 to Peke, Lot 20, being Royal Patent 8277, Land Commission Award 3974, Apana 1 to Haui and Lot 21, being Royal Patent 1716, Land Commission Award 2745, Part 2, Apana 1 to Paaao; |
| 6. | 331° 01' | 61.52 feet | along Lot 21, being Royal Patent 1716, Land Commission Award 2745, Part 2, Apana 1 to Paaao to the point of beginning and containing an area of 0.604 acres. |



Kevin J. Clarke
Licensed Professional Land Surveyor
Certificate No. 17011-LS
Exp. 04/2022

09/05/2021

SLD 71 WML (Lot 13)
20-0517



 EXP. 04/22 THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.	LOT SURVEY PLAT LOT 20 R. P. 8277, L. C. AW. 3974, AP. 1 TO HAUI SITUATED AT LAHAINA, MAUI, HAWAII	
	PREPARED FOR: WAINEE LAND & HOMES, LLC 305 EAST WAKEA AVENUE, SUITE 100 KAHULUI, HI 96732	PREPARED BY: CLARKES LAND SURVEYING PO BOX 532423 KIHAI, MAUI, HAWAII 96763
T.M.K.: (2) 4-6-016: 004	SCALE: 1" = 30'	DATE: AUGUST 22, 2021



LOT 20

Being Royal Patent 8277, Land Commission Award 3974, Apana 1 to Haui

**at
Lahaina, Maui, Hawaii**

Beginning at the Southwestern corner of this parcel. Also, being the Southern corner of Lot 21, being Royal Patent 1716, Land Commission Award 2745, Apana 1 to Paaaoa. The coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 7,122.84 feet South and 2,372.38 feet West and running by azimuths measured clockwise from true South:

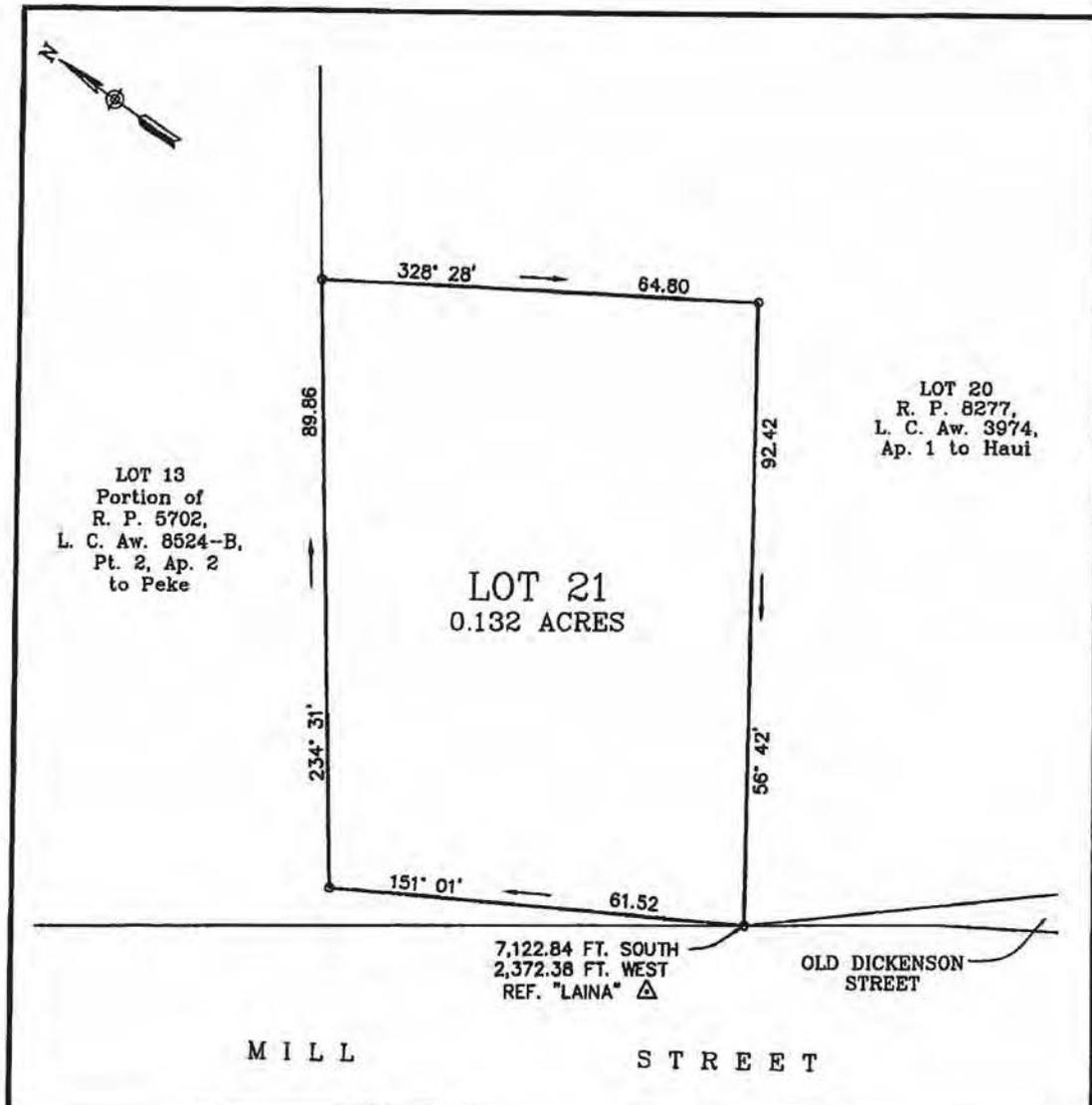
- | | | | |
|-----|--------------|---------------|---|
| 1. | 236° 42' | 92.42 feet | along Lot 21, being Royal Patent 1716, Land Commission Award 2745, Apana 1 to Paaaoa; |
| 2. | 148° 28' | 64.80 feet | along the same; |
| 3. | 234° 31' | 33.42 feet | along Lot 13, being Royal Patent 5702, Land Commission Award 8524-b, Part 2, Apana 2 to Peke; |
| 4. | 322° 41' 38" | 34.42 feet | along Lot 16, being Royal Patent 5574, Land Commission Award 2866, Apana 1 to Kamiki; |
| 5. | 238° 26' 38" | 36.30 feet | along the same; |
| 6. | 328° 41' 38" | 55.44 feet | along the same; |
| 7. | 39° 31' | 61.85 feet | along Lot 22, being Royal Patent 1672, Land Commission Award 393, Apana 1 to Kekuelike; |
| 8. | 313° 16' | 16.61 feet | along the same |
| 9. | 50° 31' | 102.02 street | along the North side of Old Dickenson Street |
| 10. | 140° 16' | 70.76 feet | along the same and to the point of beginning and containing an area of 0.279 acres. |



Kevin J. Clarke
Licensed Professional Land Surveyor
Certificate No. 17011-LS
Exp. 04/2022

06/17/2021

SLD 71 WML (Lot 20)
20-0517



 <p>EXP. 04/22</p> <p>THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.</p>	<p>LOT SURVEY PLAT</p> <p>LOT 21</p> <p>R. P. 1716, L. C. AW. 2745, PT. 2, AP. 1 TO PAOAO</p> <p>SITUATED AT LAHAINA, MAUI, HAWAII</p>	
	<p>PREPARED FOR:</p> <p>WAINEE LAND & HOMES, LLC 305 EAST WAKEA AVENUE, SUITE 100 KAHULUI, HI 96732</p>	<p>PREPARED BY:</p> <p>CLARKES LAND SURVEYING PO BOX 532423 KIHEI, MAUI, HAWAII 96753</p>
<p>T.M.K.: (2) 4-6-016: 004</p>	<p>SCALE: 1" = 20'</p>	<p>DATE: SEPTEMBER 5, 2021</p>

LOT 21

Being Royal Patent 1716, Land Commission Award 2745, Part 2 Apana 1 to Paoao

at
Lahaina, Maui, Hawaii

Beginning at the Southern corner of this parcel. Also, being the Southwestern corner of Lot 20, being Royal Patent 8277, Land Commission Award 3974, Apana 1 to Haui, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 7,122.84 feet South and 2,372.38 feet West and running by azimuths measured clockwise from true South:

1. 151° 01' 61.52 feet along Lot 13, being Royal Patent 5702, Land Commission Award 8524-B, Part 2, Apana 2 to Peke
2. 234° 31' 89.86 feet along the same;
3. 328° 28' 64.80 feet along Lot 20, being Royal Patent 8277, Land Commission Award 3974, Apana 1 to Haui;
4. 56° 42' 92.42 feet along the same, to the point of beginning and containing an area of 0.132 acres.



Kevin J. Clarke
Licensed Professional Land Surveyor
Certificate No. 17011-LS
Exp. 04/2022

09/06/2021

SLD 71 WML (Lot 21)
20-0517



 <p>EXP. 04/22</p> <p>THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.</p>	<p>LOT SURVEY PLAT</p> <p>LOT 24</p> <p>R. P. 3582, L. C. AW. 7711, AP. 1 TO KAIHEEKAI</p> <p>SITUATED AT LAHAINA, MAUI, HAWAII</p>	
	<p>PREPARED FOR:</p> <p>WAINEE LAND & HOMES, LLC</p> <p>305 EAST WAKEA AVENUE, SUITE 100</p> <p>KAHULUI, HI 96732</p>	<p>PREPARED BY:</p> <p>CLARKES LAND SURVEYING</p> <p>PO BOX 532423</p> <p>KIHEI, MAUI, HAWAII 96753</p>
<p>T.M.K.: (2) 4-6-016: 004</p>	<p>SCALE: 1" = 20'</p>	<p>DATE: AUGUST 23, 2021</p>

LOT 24

Being a portion of Royal patent 3582, Land commission award 7711, Apana 1 to Kaiheekai

at
Lahaina, Maui, Hawaii

Beginning at the Southern corner of this parcel. Also, being the Eastern corner of Royal Patent 3536, Land Commission Award 494, Apana 1 to Lono. The coordinates of said point of beginning referred to Government Survey Triangulation Station "LAINA" being 7,188.49 feet South and 2,105.09 feet West and running by azimuths measured clockwise from true South:

1. 142° 33' 121.12 feet along Royal Patent 3536, Land Commission Award 494, Apana 1 to Lono;
2. 225° 23' 82.89 feet along the South side of Old Dickenson Road;
3. 331° 33' 124.16 feet along Royal Patent 3536, Land Commission Award 494, Apana 2 to Lono;
4. 44° 33' 63.44 feet along Lot 31, being a portion of Grant 309 to Kekauai, to the point of beginning and containing an area of 0.201 acres.



Kevin J. Clarke
Licensed Professional Land Surveyor
Certificate No. 17011-LS
Exp. 04/2022

09/06/2021

SLD 71 WML (Lot 24)
20-0517

Amendments to Title 16, Chapter 201,
Rules Relating to Water Service

1. Section 16-201-03, Rules Relating to Water Service, is amended to read as follows:

§16-201-03 Definitions. For purposes of these rules, unless it is plainly evident from the context that a different meaning is intended, certain words and phrases are defined as follows:

"Applicant" means any person or entity applying for new or additional water service, including subdivision water service.

"Large quantities of water" means:

(a) In a department potable water system where the estimated three year forecast for water usage is within 98 percent to 100 percent of the department's maximum reliable capacity, an applicant's request for water service from the department for new or additional uses is more than 1,200 gallons per day.

(b) In a department potable water system where the estimated three year forecast for water usage is within 93 percent to 97.9 percent of the department's maximum reliable capacity, an applicant's request for water service from the department for new or additional uses is more than 3,000 gallons per day.

(c) In a department potable water system where the estimated three year forecast for water usage is within 88 percent to 92.9 percent of the department's maximum reliable capacity, an applicant's request for water service from the department for new or additional uses is more than 5,400 gallons per day.

(d) In a department potable water system where the estimated three year forecast for water usage is below 88 percent of the department's maximum reliable capacity, an applicant's request for water service from the department for new or additional uses is more than 120,000 gallons per day.

(e) The projected water usage for any new agricultural consumer is more than 10,000 gallons per day.

(f) The projected water usage is for a consumer for agricultural purposes on lands historically served by a non-potable water source or which can be reasonably served by an available alternate non-potable source, including but not limited to constructing a well, connecting to R-1 water, and using ditch, stream, or brackish water. Whether a non-potable source can reasonably serve such lands will be determined by the director in the director's sole discretion.

(g) Exceptions. The following projects shall not be considered projects using large quantities of water, provided that the water system has adequate capacity to meet the project's water needs:

(1) Residential development projects [with] comprised of 100 percent [affordable housing units, as defined in section 2.86.140, Maui County Code,] residential workforce housing units, as defined in section 2.96.020, Maui County Code, evidenced by an executed.

recorded, and valid residential workforce housing agreement between the developer and the County, and which are located within the service area of the department's central or west Maui water system.

[(2)] Residential workforce housing units developed by a qualified housing provider pursuant to chapter 2.96, Maui County Code, which are located within the service area of the department's central or west Maui water system.]

[(3)] (2) County, state, or federal public facility projects, as defined in section 19.04.040, Maui County Code, which are located within the service area of the department's central or west Maui water system.

"Maximum reliable capacity" means the volume of water that the department determines can be reliably produced on an ongoing basis in any given department water system. Such value shall be based on engineering principles and shall take into account various uncertainties, including but not limited to, mechanical failures, human error, and weather events. Transmission and storage infrastructure are not evaluated for this determination.

"Project" means any development, including subdivisions, individual building permit activities, new water meter requests, or water meter upgrade requests.

"Special conditions" means the development and dedication to the department of water source, transmission and/or distribution pipelines, and/or storage infrastructure capable of supporting 100 percent of a project's water needs. An applicant shall be responsible to construct and install any such infrastructure improvements in accordance with the department's Water System Standards (2002), as amended, before any water meter is installed. [Eff 01/29/18; am and comp 11/28/2019] (Auth: HRS §91-2, HRS §91-3, MCC §14.01.030) (Imp: MCC §14.04.010)

2. Material, except source notes, to be repealed is bracketed. New material is underscored.

3. Additions to update source notes to reflect these amendments are not underscored.

4. These amendments to Chapter 201, "Rules Relating to Water Service", shall take effect ten days after filing with the Office of the County Clerk.

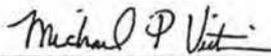
2016-1070
2019-11-28 Chapter 201 (Effective Date)



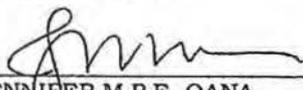
Adopted this 18th day of September, 2019, at Wailuku, Maui, Hawaii.

By: 
JEFFREY T. PEARSON
Director
Department of Water Supply

Approved this 18th day of
September, 2019.


MICHAEL P. VICTORINO
Mayor, County of Maui

APPROVED AS TO FORM
AND LEGALITY:


JENNIFER M.P.E. OANA
Deputy Corporation Counsel
County of Maui

Received this 18th day of
November, 2019.


Clerk, County of Maui

201-3

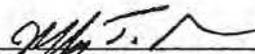
CERTIFICATION

I, JEFFREY T. PEARSON, Director of the Department of Water Supply, County of Maui, do hereby certify:

1. That the foregoing is a full, true, and correct copy of the amendments to the Rules Relating to Water Service, drafted in Ramseyer format, pursuant to the requirements of Section 91-4.1, Hawaii Revised Statutes, which were adopted on the 18th day of September, 2019, following a public hearing that closed on July 9, 2019, and filed with the Office of the County Clerk.

2. That the notice of public hearing on the foregoing amendments to the rules was published in The Maui News on the 8th day of June, 2019.

COUNTY OF MAUI



JEFFREY T. PEARSON
Director
Department of Water Supply

LS

Doc. Date: 09/18/19 # Pages: 04
Notary Name: Dina Archival Hanna 2nd Circuit
Doc. Description: Amendments to RHC II, (Stamp or Seal)
Chapter 21, Rules Relating to Water Service
Dina/HNA 09/18/19
Notary Signature Date

LS

RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director

JOHN STUFFLEBEAN, P.E.
Director

JAMES A. LANDGRAF
Deputy Director

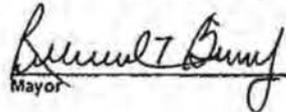


DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
<http://www.mauicounty.gov/water>

April 25, 2024

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

 4-25-24
Mayor Date

For Transmittal to:

Honorable Alice L. Lee
Council Chair
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Lee:

SUBJECT: MUNICIPAL WATER USE AND DEMAND IN WEST MAUI

In response to your letter dated April 19, 2024, below please find Department of Water's response:

1. Please provide the total amount of existing municipal water in all systems in West Maui after the wildfire, as well as all additional water coming online from new sources anticipated in the next five years and delineate how the water is currently used and the projected allocation of all remaining water currently unused or undeveloped.

Response:

The current reliable capacity of the County system in West Maui is 4.12 mgd (million gallons per day.) This includes well water from the County wells and surface water from streams treated at the two County water treatment plants. This is less than in the past due to the new requirements from the State of Hawaii CWRM (Commission on Water Resources Management) to meet the IIFS (Interim Instream Flow Standards). I.e. leave water in the streams, which have reduced the water available to the treatment plants.

"By Water All Things Find Life"

Honorable Alice L. Lee
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The demand in the County systems prior to the August fire was 5.6 mgd. The County was meeting this demand by pumping the wells in excess of their reliable capacity and by using stream flows that will ultimately need to be reduced to leave water in the streams.

There is no unused water in the County system in West Maui. In fact, the Department of Water Supply was preparing to declare a meter moratorium prior to the fire, but since the post-fire demand has been temporarily reduced, this is not necessary at this time.

The County is moving ahead with plans for an additional 3.4 mgd of water source from new wells in West Maui. These sources will need permit approval from CWRM. (See below.) The first sources to be developed will be used to fill the gap between current reliable supply and demand with the assumption that demand will ultimately return to pre-fire levels. Once the reliable supply exceeds demand, additional water uses can be served.

By designating all of West Maui as a surface water and groundwater management area, control of all water use and source development has been legally assumed by the CWRM. To be very clear, the CWRM has taken complete legal control of the water sources in West Maui. All new sources are subject to water use permit allocations and constrained by adopted Interim Instream Flow Standards (IIFS) which require water to be left in streams. Therefore, the County will need approval of any permits for any new sources of water. Currently, CWRM is only processing permits for existing uses, not new uses. It is unknown when and even if permits for new sources will be considered and potentially approved. The additional new wells are being planned in areas where the County believed permit approval is most likely.

Here are additional details.

There are two Department of Water Supply (DWS) subsystems in West Maui: the Lahaina subsystem and the Napili subsystem. These two systems are interconnected but back-up capability is constrained. Privately owned water systems that serve municipal needs in West Maui include the Hawaii Water Service Company operating in Kapalua and Kaanapali, the Launiupoko Water Company operating south of Lahaina and Olowalu Water Company serving Olowalu. The DWS has no oversight of the private water systems' supply and use but we are developing future interconnections.

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The current "post-fire" usage is, as of March 2024, 3.59 mgd. However, the DWS is ultimately responsible for providing water to the "pre-fire" demand of 5.6 mgd.

The construction of the Kahana well was awarded in December 2022, and is currently under construction in Honolua aquifer with 0.95 mgd capacity and projected to be on line in fiscal year 2025. This source will serve to improve reliable capacity and to offset potential reductions at the Mahinahina Water Treatment Plant due to IIFS requirements.

The likely next new well to be developed in Launupoko aquifer will not provide new source for housing but only serve to offset Kanaha stream water withdrawals and use at the Lahaina Water Treatment Plant in order to comply with the IIFS.

The available water currently unused (maximum reliable capacity 4.12 mgd minus current water use 3.59 mgd = 0.53 mgd) is projected to be allocated and needed for temporary housing and the reconstruction of Lahaina Town.

2. Please provide the average daily available (unused) potable water from August 7, 2022, to August 7, 2023 at all treatment facilities in West Maui, and by comparison the average daily available (unused) potable water for the last 7 days at each of the same treatment facilities. Please provide the same data set for actual usage at each of the facilities in West Maui both prior and post fire.

Response:

As noted above, there was no available potable water in the County system before the fire.

If the question is inquiring about the treatment capacity at the County water treatment plants, then there is indeed treatment capacity that is available. However, to utilize this additional treatment capacity, there would need to be additional water source, which there is not.

Here are the details.

The two treatment facilities in West Maui – Mahinahina Water Treatment Plant (WTP) and the Lahaina WTP – generally use any available stream and ditch flow, which varies daily. The Lahaina WTP capacity is in excess of available surface water from Kanaha Stream. Prior to the Lahaina fire, all available stream flow was diverted to meet potable water demand. From August 2022 to August 2023, the average daily production at the Lahaina WTP was 1.6 mgd. Currently about 0.91 mgd is treated at the

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Lahaina WTP. Therefore, about 0.69 mgd is the treatment capacity available at this facility. Over the last 7 days only, 0.85 mgd of potable water was produced on average at the Lahaina WTP. Once DWS develops a well in Launiupoko aquifer, subject to CWRM water use permit allocation, the DWS must return 1.55 mgd to Kanaha stream at all times in compliance with the IIFS, leaving no additional water for the Lahaina WTP.

The amount of water in the ditch serving the Mahinahina WTP is subject to available stream flow, which varies daily, Honokohau Stream IIFS and diversions by other purveyors at locations prior to the WTP. There are times when the ditch water has too high turbidity preventing Maui DWS to treat the water at the Mahinahina WTP. This WTP also has larger capacity than the amount of surface water available to treat. From August 2022 to August 2023, the average daily production at the Mahinahina WTP was 1.14 mgd. Currently about 0.61 mgd is treated at the facility. There is therefore potentially 0.53 mgd of treatment capacity at this point in time. Over the last 7 days only, 0.56 mgd of potable water was produced on average at the Mahinahina WTP.

- 3 How much treated potable water was being used by Lahaina town before the fires and is now not being used? What is DWS's latest potable water allocation plan for treated potable water from all available water sources in West Maui for balance of 2024, years 2025, 2026, 2027, 2028 etc.

Response:

The total amount of potable water used from the Maui DWS water system in West Maui before the fire was 5.6 mgd. The current use is 3.59 mgd. The amount used only for the Lahaina Town subsystem before the fire was about 2.42 mgd. The current use for Lahaina Town subsystem is about 1.33 mgd.

The allocation plan for available water source (4.12 mgd maximum reliable capacity minus current use) in 2024 is prioritizing reconstruction of burnt structures in Lahaina Town as well as temporary housing on the Maui DWS West Maui water system. It is unknown how many years reconstruction will take but it can be assumed that all existing source will be allocated for these two purposes through year 2027.

Prior to the fire, there were an additional 2,173 single family units and 2,803 multi-family units planned for West Maui. The timing for construction and the water purveyor to service these developments are not determined. However, at least 1.41 mgd of water demand associated with these housing developments is anticipated to be served by the Maui DWS West Maui system. Additional water is needed for infill

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development, Accessory Dwelling Units, and population growth on the DWS system which are not associated with specific large housing developments. At the time of CWRM designation, Maui DWS had no additional system capacity to serve new development and any use from existing and new sources is subject to water use permit allocations by the CWRM. No permits for existing sources have been allocated to date and it is unknown when and if permits for new sources may be allocated.

In their designation decision, CWRM concluded that all aquifers and streams in West Maui were threatened by either current withdrawals, potential future withdrawals, saltwater intrusion, water use conflicts and climate uncertainty. Nevertheless, the DWS is proceeding with needed source development to meet demand for future housing development under the assumption that permits for the public water system will ultimately be approved. Permits have not been approved by CWRM for any of the wells hereafter described.

Construction of the Kahana well in Honolua aquifer with 0.95 mgd capacity was approved in December 2022 and is projected to be on line in fiscal year 2025. This source will serve to improve reliable capacity and to offset potential reductions at the Mahinahina Water Treatment Plant due to IIFS requirements.

The L-1 well in Launiupoko aquifer with 0.77 mgd capacity is projected to be online in fiscal year 2027 to offset the same amount from Lahaina Water Treatment Plant to comply with Kanaha Stream IIFS.

The L-3 well in Launiupoko aquifer with 0.43 mgd capacity and Honokowai Tunnel in Honokowai aquifer with a projected capacity of 0.5 mgd are projected to be online in fiscal year 2028 and could potentially serve planned housing development.

Two additional wells in Honolua aquifer with 0.77 mgd capacity each are projected to be online in fiscal year 2029.

DWS is also exploring all other water sources, including private water system source contingency and acquisition options, maximizing the use of available reclaimed water, and the feasibility and cost of seawater desalination for West Maui.

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4. How much daily average potable water is reserved for the new temporary school at Pulelehua, and what is the actual use each day?

Response:

Based on the developer's estimated student and staff count, the average potable water demand for the school is calculated at 0.0564 mgd. The actual use is currently unknown. The department is in the process of creating an account for the property's water meter usage.

5. What is the maximum daily capacity of the 12" water main on Akahele St that was newly constructed to serve the temporary school?

Response:

The estimated flow in the new 12" water main is 2,000 gallons per minute for domestic and fire protection usage. The daily capacity of a 12 inch line is about 2.88 mgd, assuming there is water source available.

6. How much water is being reserved for the future allocation of water for temporary housing for displaced residents in West Maui?

Response:

Almost 350,000 gallons per day is projected for the temporary housing projects.

7. Please list all temporary projects, the location, the projected demand and the length of use that the county anticipates for allocated or reserved municipal potable water for each temporary project.

Response:

The recently discussed temporary housing projects are as follows:

- A. Kala'iola (HHFDC)
TMK: (2) 4-5-021:021, (450 units) 90,000 gallons per day, 5 years
- B. Kaanapali 2020 (FEMA)
TMK: (2) 4-4-002:039, (213 units) 42,600 gallons per day, 5 years
- C. Leali'i (USACE)
TMK: (2) 4-5-021:021, (130 units) 26,000 gallons per day, 5 years
- D. Waihee
TMK: (2) 4-6-015:001, (257 units) 51,400 gallons per day, 5 years
- E. Holomua and ML&P (Lieutenant Governor)
TMK: (2) 4-3-001:001, (277 units) 55,400 gallons per day, 5 years
- F. Fairways at Maui LanI (CNHA)
TMK: (2) 3-8-096:034 to 050, (34 units) 10,200 gallons per day, 5 years

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G. Kiloahana (USACE)
TMK: (2) 4-5-021:021, (169 Units) 33,800 gallons per day, 5 years

8. is the county anticipating providing all water for every temporary housing unit to be located in West Maui?

Response:

Every temporary housing project will be examined on a case-by-case basis in relation to expected infrastructure improvements, source availability, and system reliability. Water is a finite resource, and the ability, or non-ability, to reliably provide this water source may not allow for all proposed projects to be approved for County water.

9. With 87% of displaced residents being renters, and with many having left the island, or are now deceased, or have moved outside of West Maui, how have water use projections been adjusted to accurately assess current need?

Response:

Water use projections are based on growth rates determined by the Department of Planning. The Department of Planning updates the socio-economic forecast in accordance with Maui County Code 2.80B.030H.1, which shall consider housing demand, migration and job growth, among other factors. We understand adjusted growth rates may be proposed next month. Once updated projections are available, including projections regarding displaced residents returning to West Maui, water demand forecasts can be updated. Meanwhile, the published growth rates and planned development projects guide water use projections.

10. What government agency, branch, division or individual decides what the priority is for housing displaced residents (temporary vs permanent housing) and corresponding water reservations?

Response:

The department has been, and currently is in, discussions with various governmental agencies in regards to potential multi-unit temporary housing projects in the West and Central areas of Maui. The Federal Emergency Management Agency (FEMA), the U.S. Army Corps of Engineers (USACE), the Hawaii Housing Finance and Development Corporation (HHFDC), the Council for Native Hawaiian Advancement (CNHA), and the Lieutenant Governor's office all have projects in various stages of development. As stated above, the department examines all on a case-by-case basis, with infrastructure and source availability being primary considerations as to which projects move forward first if County

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water is requested. The department, along with other County agencies, have also been in discussions with the County's Development Services Administration (DSA) division and the Planning Department regarding the expedited permitting process for new structures within the fire-affected areas. These permits will take precedence in regards to approvals, and County water will be available as these properties were already customers prior to the fire event.

11. What formula does the County use to estimate water usage within the West Maui district? Per person, per family, per school, per government building, per commercial building, per hotel/condo, fire protection, per park, per agricultural use, etc.? How is the formula adjusted to address seasonal usage?

Response:

To estimate water demand for an individual new project, the Maui DWS Water System Standards apply. The system standards provide unit rates for residential projects, square footage and acreage rates for commercial, government building, park, resort and agricultural uses. The system standards formulas account for seasonal use. To estimate long range water demand system wide, population growth rates are applied to actual water production. Fire flow demands and requirements are determined by the Maui DWS Water System Standards, and by the Maui County Code. Different zonings such as residential, agricultural, rural, etc. require different amounts of fire flow protection, and thereby different kinds of fire protection requirements. The Department of Fire & Public Safety also has the jurisdiction in certain situations for fire flow requirements.

12. What has been the actual use of potable water within the Lahaina service area used per person, per year for the years 2018 - 2022?

Response:

Water use per person for the Maui DWS water system in West Maui based on water production, census data and estimated population where census data is not available is calculated in gallons per day (gpd) as follows:

2018: 234 gpd/person
2019: 243 gpd/person
2020: 216 gpd/person
2021: 229 gpd/person
2022: 218 gpd/person

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The actual billed water consumption per person is lower than water production, which includes water losses in the system. Billed water consumption per person is calculated as follows:

2018: 215 gpd/person
2019: 230 gpd/person
2020: 203 gpd/person
2021: 213 gpd/person
2022: 206 gpd/person

13. We understand that CWRM and DWS have been in discussions regarding additional source development. Will DWS please share all of the proposed solutions, estimated costs for implementation, what is being pursued and what the timelines are for completion?

Response:

In September 2023, CWRM offered DWS a potential water source known as the Honokowai Tunnel within the Honokowai valley (on State lands), which is considered as not under the influence of surface water. The water source yield has been estimated between 0.50 to 0.80 MGD. The estimated costs to development and tie into the Public Water System (PWS) is approximately \$4.4 million.

DWS has included this source development project in the FY2025 budget for Planning (Permits, DEA & EA) and design (\$400,000) with construction funding in the FY 2027 budget (\$4.0 M).

14. Please justify with data the plan to reserve all water from the new Kahana well, projected for completion early 2025, solely as reserve capacity. Please indicate all data used and formulas applied.

Response:

The sustainable yield capacity for the Kahana Well has been determined as 1,000 GPM (1.44 MGD per 24-hr run time). The operational capacity has been determined as 0.960 MGD (based on DWS typical 16-hr run time – 2/3 daily run time).

The Kahana well development was contracted in December 2022 but its use is contingent on the CWRM permit allocation. The well will improve the reliability capacity of the system rather than providing new source for housing development. Reliability allows for unplanned interruptions and maintenance of the existing sources.

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15. What portion of municipal source development costs can/will FEMA or other federal funding contribute to expedited permitting, design and construction? Does municipal source development meet the criteria for expedited completion in collaboration with the State via emergency proclamation?

Response:

Typically, in a non-emergency or disaster recovery situation, federal funding can cause minor (1-2 month) to major (12-36+ month) delays in the project development process, as time is required for agency reviews of grant application development, grant application review and selection, award negotiation, design plan approvals, environmental determinations, and complying with procurement and other compliance requirements. Specifically, for the Upcountry and Lahaina wildfire events, multiple federal funding opportunities are being investigated that could enable projects to be designed and constructed more quickly than if the projects were internally funded through DWS capital improvement budget. Waivers of specific processes to expedite the funding process have been requested, but not yet approved, by multiple federal agencies including the EPA and USDA.

Regarding the State's Emergency Proclamation, it is DWS understanding that the emergency proclamation applies to immediate disaster response including replacing damaged infrastructure. While the damage assessment is still underway, to date, no DWS water supply sources (surface water sources, water treatment facilities, and groundwater wells) have been assessed as damaged and thus source development projects would not fall under the emergency proclamation.

16. When will the connection to enable potable water exchange between Lahaina and Mahinahina treatment facilities be complete? Has the contractor been selected and what percentage of the project has been completed as of March 2024.

Response:

There is no direct connection between the plants. The water distribution systems served by the plants are connected and water can currently be transmitted from the Napili system to the Lahaina system. Plans are being developed to allow flow from the Lahaina system to the Napili system.

17. Same questions for the completion status of the new Kahana well construction project?

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Response:

The original completion date for this well development phase was January 2025. However, typical construction delays have occurred due to recent winter rainstorms and lead times for electrical equipment that make up the well's motor control center (MCC). These delays may add an additional six months or more.

- 18 Does the County of Maui have 75K gpd of water not being used currently, that could be provided temporarily to the Pulelehua project if the county desired?

Response:

As noted above, the County does not have any available capacity. The Pulelehua permanent housing project is also subject to the zoning condition in Ordinance No. 3889 providing for water source to be developed by Maui Land & Pineapple Company (subsequently by the project developer).

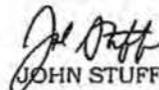
- 19 On April 17, 2024 the Office of Recovery informed Councilmembers that it was communicated in a meeting between the Administration and CWRM staff that if the County provided temporary water to Pulelehua that would require a new use permit. Please provide the date of this meeting and name of the County of Maui employee(s) and CWRM staff member(s) that were present at the meeting and which CWRM staff member shared this opinion.

Response:

DWS staff meet with CWRM staff on a regular basis. It is not known by DWS to what specific meeting this is referring. It is the understanding by DWS that the County has the ability to serve customers in its service area at its discretion. Meeting the needs of existing customers, by developing reliable capacity that meets current needs, certainly takes priority over new uses.

In advance, thank you for your attention to this matter. If you have any further questions, please contact me.

Sincerely,



JOHN STUFFLEBEAN, P.E.
Director

JS:ikk