



**APPRAISAL REPORT
OF
17 ACRES, CENTRAL MAUI SANITARY LANDFILL EXPANSION**



Pulehu Road
Puunene, HI, 96784

As of
June 14, 2019

Prepared For
Mr. Sage Kiyonaga
Solid Waste Engineer
County of Maui
Department of Environmental Management
Solid Waste Division
2200 Main Street, Suite 225
Wailuku, HI 96793

Client File:
PO 383441

Prepared by
FUKUDA VALUATION & CONSULTING LLC
Shane M. Fukuda, MAI

File Name:
19-043G

RECEIVED AT EDB MEETING ON 2-6-2020
Director of Environmental Management (EDB-48)



FUKUDA
VALUATION & CONSULTING LLC

June 15, 2019

19-043G

Mr. Sage Kiyonaga
Solid Waste Engineer
County of Maui
2200 Main Street, Suite 225
Wailuku, HI 96793

Re: Appraisal Report of Fee Simple Market Value for 17 Acres, Central Maui Sanitary
Landfill Expansion, Pulehu Road, Puunene, Maui County, HI, 96784

Tax Map Key: Division 2, Zone 3, Section 8, Plat 03, Parcel 025 (portion of)

Client File Number: PO 383441

Dear Mr. Kiyonaga:

Pursuant to the Scope of Work, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject situated on the northeastern side of Pulehu Road. The site is irregular, with level to gently sloping topography. Gross land area is 17 acres. Access is rated adequate.

The client is County of Maui. The intended user is County of Maui. The intended use of this appraisal is internal decision-making purposes. This report is not intended to serve any other intended use. Please reference page 4 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 2). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

There are no Extraordinary Assumptions for this appraisal.

Mr. Sage Kiyonaga

June 15, 2019

Page 2

I certify that I have no present or contemplated future interest in the property beyond this concluded opinion of value. I have provided no services, as an appraiser or any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

This **Appraisal Report** complies with the reporting requirements set forth under Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* for an Appraisal Report. As such, it provides sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions, including reconciliation of the data and approaches. The amount of detail varies with the significance of the information to the appraisal. Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

Market Value:

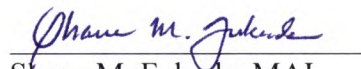
The market value of the Fee Simple estate of the property, as of June 14, 2019, is

Seven Hundred Twenty Thousand Dollars (\$720,000)

The market exposure time preceding June 14, 2019 was from 10 to 12 months and the estimated marketing period as of June 14, 2019 is between 10 and 12 months.

Respectfully submitted,

Fukuda Valuation & Consulting LLC



Shane M. Fukuda, MAI

Certified General Appraiser

State of Hawaii, CGA-810

Expiration: December 31, 2019

TABLE OF CONTENTS

Summary of Important Facts and Conclusions..... 1
Limiting Conditions and Assumptions 2
Scope of Work 4
Market Area Analysis 6
 County of Maui 6
 Location Map 10
Property Description 11
 Proposed Development and Drainage Plan Map 13
 Assessor’s Aerial Image (Larger Parcel 025) 14
 Flood Map (Larger Parcel 025)..... 15
 Subject Photographs..... 17
Assessment and Taxes 18
Zoning 19
Highest and Best Use 21
Valuation Methodology 23
 Analyses Applied 23
Sales Comparison Approach – Land Valuation..... 24
 Land Comparable Sales 24
 Comparables Map 28
 Analysis Grid 28
 Comparable Land Sale Adjustments..... 30
 Sales Comparison Approach Conclusion – Land Valuation..... 32
Conclusion of Leased Fee Market Value..... 32
Certification Statement 33
Addenda 34
 Agricultural District Zoning Ordinance..... 34
 Purchase Order Authorization..... 44
 Qualifications..... 45
Glossary 49

Summary of Important Facts and Conclusions

GENERAL

Subject:	17 Acres, Central Maui Sanitary Landfill Expansion Pulehu Road, Puunene, Maui County, HI, 96784
	The subject situated on the northeastern side of Pulehu Road. The site is irregular, with level to gently sloping topography. Gross land area is 17 acres. Access is rated adequate.
Tax Map Key:	Division 2, Zone 3, Section 8, Plat 03, Parcel 025 (portion of)
Owner:	Alexander & Baldwin LLC
Date of Report:	June 15, 2019
Intended Use:	The intended use is for internal decision-making purposes.
Intended User(s):	County of Maui
Assessment (2019):	Land: \$6,600 Improvements: \$0 Less Exemptions: \$0 Net Taxable: \$6,600 Taxes: \$39.20
Land Area:	17.000 acres (740,520 square feet)
Zoning:	Agricultural District
Highest and Best Use of the Site:	Change in zoning to allow uses in support of adjacent landfill.
Type of Value:	Market Value

VALUE INDICATIONS

Sales Comparison Approach: \$720,000
(Unencumbered Fee Simple)

Reconciled Value(s):	<u>Market Value</u>
Value Conclusion(s)	\$720,000
Effective Date(s)	June 14, 2019
Property Rights	Fee Simple

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Fukuda Valuation & Consulting LLC. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Fukuda Valuation & Consulting LLC's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Fukuda Valuation & Consulting LLC has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the *Uniform Standards of Professional Appraisal Practice*, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for the client, County of Maui. The client contact is Mr. Sage Kiyonaga, Solid Waste Engineer, Department of Environmental Management. The problem to be solved is provide an opinion of Fee Simple market value. The intended use is internal decision-making purposes. This appraisal is intended for the use of County of Maui.

SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by <i>Uniform Standards of Professional Appraisal Practice</i> under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	An inspection of the subject property has been made, and photographs taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value

Definition of Value: Market Value is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. (*The Dictionary of Real Estate Appraisal*, 6th edition, The Appraisal Institute, 2015)

Valuation Analyses

Cost Approach: A cost approach was not applied as the subject consists of a vacant land parcel.

Sales Comparison Approach: A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach: An income approach was not applied as the scope of work calls for valuation by Sales Comparison Approach.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

Information Not Available:

- A preliminary title report was not available for review. The subject is depicted on a Proposed Development and Drainage Plan Map by A-Mehr, Inc.

Comments

None

Market Area Analysis

County of Maui

Hawaii is the 50th state of the United States of America, attaining statehood on August 21, 1959. The state of Hawaii consists of hundreds of islands in its Pacific archipelago; however, it is routinely identified by eight primary islands: Niihau, Kauai, Oahu, Molokai, Lanai, Kahoolawe, Maui and Hawaii. This list not only identifies the geographic placement of the primary islands, from northwest to southeast, but also recognizes the oldest to youngest primary island. The Island of Hawaii is commonly referred to as "Hawaii Island" or the "Big Island" to avoid confusion with the state of Hawaii. The 2010 Census reported population in the state of Hawaii was 1,360,301. The Census Bureau estimates 2018 population at 1,420,491. Honolulu, the capital of the state of Hawaii, is located on the Island of Oahu.

The County of Maui consists of the populated islands of Maui, Molokai, and Lanai, as well as the uninhabited island of Kahoolawe. The island of Maui is the biggest island in the county and second largest of the Hawaiian Islands, surpassing 727 square miles of land area. The county seat is Wailuku. Maui also is the most populated island in the county. As of the 2010 Census, the population of Maui County was 154,834. A 2018 Environmental Systems Research Institute (ESRI) report estimates the 2018 population of Maui County is 167,910 and forecasted to increase to 176,954 by 2023. The same ESRI report estimates 2018 median income at \$76,031, with a forecast of \$85,810 by 2023. For 2018, there are an estimated 57,527 households in Maui County and forecasted at 60,559 households by 2023.

The State of Hawaii Department of Labor and Industrial Relations, Hawaii Workforce Infonet (HIWI) reports unemployment for Maui County was 2.3 percent in December 2018. This is an increase of 0.5 percentage points from December 2017. Maui County's labor force for December 2018 was 84,650, down 2.9 percentage points from December 2017. Maui County's primary economic drivers are: tourism, construction, and real estate.

Tourism statistics are reported by The Economics Research Organization at the University of Hawaii (UHERO). Total visitor arrivals in 2018 totaled 2,962,700, up 6.3 percent from 2017. Total visitor expenditures amounted to \$5,219,800,000 in 2018, an increase of 7.1 percent over 2017. Total visitor arrivals and total visitor expenditures have incrementally increased each year since 2009. Hotel occupancy for 2018 averaged 76.1 percent; 1.0 percent lower than 2017. Meanwhile, the 2018 average daily room rate was \$383.60 which is 8.6 percent higher than 2017. RevPAR in 2018 was \$292.6, up 7.3 percent from 2017.

UHERO construction statistics show 2018 Maui County residential building permits amounted to \$240,400,000, a 14.5 percent increase from 2017. Meanwhile, there was \$205,200,000 in commercial and industrial permits for 2018, an increase of 71.4 percent compared to 2017.

Real estate statistics are obtained from the Realtors Association of Maui (RAM). There were 1,138 single-family residences sold in Maui County in 2018, a 3.5 percent increase from 2017. Single-family median price was \$710,000 for 2018, up 2.2 percent from 2017. Condominium unit sales totaled 1,654 in 2018, which is 14 percent higher than 2017. The \$499,662 median price for 2018 represents a 12.3 percent gain over 2017. For 2018, vacant land sales totaled 197, or 10.9 percent less than 2017. The \$480,250 median price in 2018 was 29.8 percent above 2017.

Agriculture had been a backbone of Maui County's economy for generations, with sugar cane and pineapple being the dominant commercial crops. Due to continued losses, Maui Land & Pineapple Co. (ML&P) shut down operations at the end of 2009. The assets of ML&P were purchased by a new business entity, Haliimaile Pineapple Company, headed by former ML&P executives. Haliimaile Pineapple Company continues to farm on a portion of ML&P land. Hawaiian Commercial & Sugar Company (HC&S), the last operational sugar plantation in the state of Hawaii, conducted its final harvest at the end of 2016. Parent company Alexander & Baldwin, Inc. made the decision to shutter operations after numerous unprofitable seasons.

In December 2018, Alexander & Baldwin, Inc. sold 41,000 acres of land previously utilized as sugar cane fields to Mahi Pono, a joint venture consisting of a Canadian pension fund investment group and a California based agricultural company. The \$262 million sale is one of the largest land sales in state history and also included a grass-fed cattle project at Kulolio Ranch, energy crop project Central Maui Feedstocks, and all diversified agriculture leases entered into by Alexander & Baldwin, Inc. According to a press release by Alexander & Baldwin, Inc., Mahi Pono intends to cultivate food crops for local consumption and export, including coffee, fruits and vegetables.

On a smaller scale, various agritourism businesses are growing. Examples include: Alii Kula Lavender Farm; Maui Pineapple Tours; Maui Tropical Plantation; Maui's Winery; Ocean Vodka Organic Farm and Distillery; and Surfing Goat Dairy. Many offer farm tours and product sampling to entice visitors to purchase their retail products.

The following Executive Summary is from a December 14, 2018 Annual Hawaii Forecast with Asia-Pacific Outlook by The Economics Research Organization at the University of Hawaii (UHERO):

Hawaii's economy remains on a favorable path, with record-high visitor numbers, record-low unemployment, and ongoing – if unimpressive – income gains. As expected, the economy's rate of expansion has slowed as the business cycle has matured, and risks to the external environment have increased. But at present there are no signs of an imminent downturn. Instead, further growth at a restrained pace is the most likely outcome for the next few years at least.

- The global economy is having its best year since 2011, boosted by the US fiscal expansion, healthy labor markets, and high business and consumer confidence. However, it appears that the cycle has now peaked. Early signs of slowing are apparent in a number of countries, and the downside risks are magnified by trade tensions, high-debt levels, and volatile equity markets.
- The US economy will gradually slow from this year's tax-supported growth pickup. Canada and Mexico are benefitting from US strength, and progress on a NAFTA replacement reduces the chance of escalating trade tensions within the region. In Asia, Japan's economic prospects have softened recently, and labor force decline will hinder long-term performance. China's economy, which was already on a slowing track, is feeling the effects of the US trade conflict. That spells trouble for the many trade-dependent developing economies in the Asia-Pacific region.
- Despite significant local damage from natural disasters, Hawaii's tourism industry is having another record year, supported by a strong global economy, abundant airline seats, and ready access to non-traditional accommodations. Sufficient growth in industry

capacity will accommodate incremental gains in visitor arrivals, but inflation-adjusted visitor spending growth will fall off over the forecast horizon.

- The dominant US market will remain the main driver of visitor growth, but gains will slow after this year's strong showing. Shrinking population will keep a lid on Japan's market share, and the recent oil price slump will weigh on Canadian arrivals. There are no signs of a pickup in the Chinese market, which has failed to grow as many had hoped. Still, emerging markets overall will account for a significant share of arrivals growth.
- Departure of a large number of military personnel and dependents suppressed population growth last year. Demographic factors are gradually slowing the pace of labor force expansion, which will limit gains in nonfarm payrolls to just over half a percent per year. The unemployment rate bottomed out in late spring, but labor market tightness will ease only gradually in coming years.
- Growth in personal income has been lackluster, despite the record low unemployment rate. Because of the prevalence of lower-wage jobs, per-capita income is falling short of the national average, and income inequality has also risen. Aggregate real personal income will continue to expand at a roughly 1% annual pace in coming years. Inflation will remain moderate, forestalling a significant erosion in purchasing power in the Islands.

The following Executive Summary is from a May 17, 2019 Annual County Forecast by The Economics Research Organization at the University of Hawaii (UHERO):

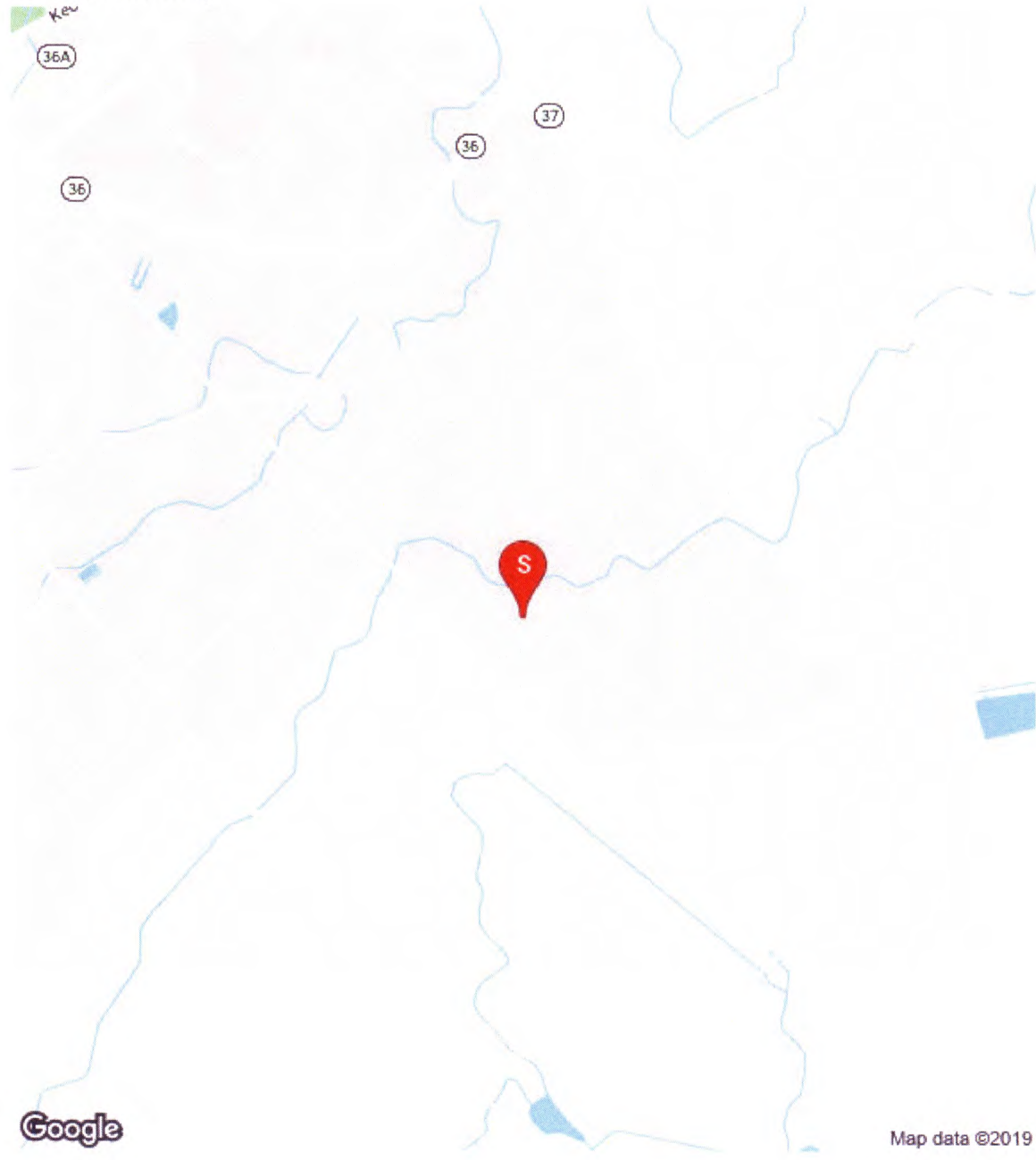
Over the past year, there has been a broad slowing of growth across the four counties. To varying degrees, each has seen a falloff in tourism activity and a slowing of employment growth in a number of sectors. Our near-term outlook for all counties remains muted, reflecting limits to growth in a still-tight labor market, restrained tourism prospects, and a mature construction expansion.

- The visitor industry got off to a strong start last year, facilitated by a surge in airline seats, particularly to the Neighbor Islands. Arrivals hit a plateau mid year, and visitor spending dropped back somewhat. While slowing was seen statewide, the Kilauea eruption caused a larger setback on the Big Island. An uptick in arrivals is expected statewide in coming months, but visitor growth will generally trend lower than in the past, given a weak external environment, high tourism costs, and capacity constraints.
- County employment levels have also flattened out, in tourism-related areas but more broadly, as well. Unemployment rates have risen from recent lows, but labor markets remain tight by historical standards. Labor force growth has been held back by a marked slowing of population growth and a transitory decline on Oahu. Combined with weaker demand, this will limit employment gains going forward. Population and job growth will continue to be somewhat stronger on the Neighbor Islands than on Oahu.
- Personal income represents perhaps the best summary measure of economic growth in the Islands. Rates of income growth were strongest in the 2014-2015 period and have backed off since then as demand has eased and job growth has slowed. Real Income growth will remain modest over the next several years.
- Construction activity has pulled back a bit in most counties, although it remains at a healthy level. A pipeline of public-sector, resort, and residential projects will maintain industry

activity near current levels for the next several years. We will have an in-depth analysis of the sector in our third quarter.

- While all counties have experienced slowing over the past year, their underlying economic health remains largely intact. The generalized slowing does, however, leave them more vulnerable to adverse shocks, whether arising locally or in the global economy. At the same time, a slower pace of growth provides breathing space in counties that have struggled to absorb the impact of sustained growth on resources and communities.

Location Map



Property Description

SITE	
Location:	The subject property is located off the northeastern side of Pulehu Road in Puunene, Island and County of Maui, State of Hawaii
Owner of Record:	Alexander & Baldwin LLC
Census Tract:	319.00
Legal Description:	A preliminary title report was not available for review. The subject is depicted on a Proposed Development and Drainage Plan Map by A-Mehr, Inc.
Tax Map Key:	Division 2, Zone 3, Section 8, Plat 03, Parcel 025 (portion of)
Site Size:	Gross: 17.000 acres; 740,520 square feet
Shape:	Irregular
Frontage/Access:	It is not a corner lot. The subject property has adequate access with frontage as follows: <ul style="list-style-type: none"> • Off Pulehu Road
Visibility:	Average
Topography:	Level to gently sloping
Soil Conditions:	Appears adequate
Utilities:	Electricity: Public electricity Sewer: No sewer Water: No water Underground Utilities: No Adequacy: Electricity only
Off-Site Improvements:	<ul style="list-style-type: none"> • No street lighting • No sidewalks • No curbs and gutters • No landscaping
Flood Zone:	The subject is in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is in FEMA flood zone Zone X, which is not classified as a flood hazard area. FEMA Map Number: 150003 0411E, 0412E, 0413E, 0414E FEMA Map Date: November 4, 2015

Flood Zone X identifies areas determined to be outside the 0.2 percent annual chance floodplain. Flood insurance is not required.

Wetlands/Watershed: None noted

Environmental Issues: None noted

Encumbrance/
Easements: None noted

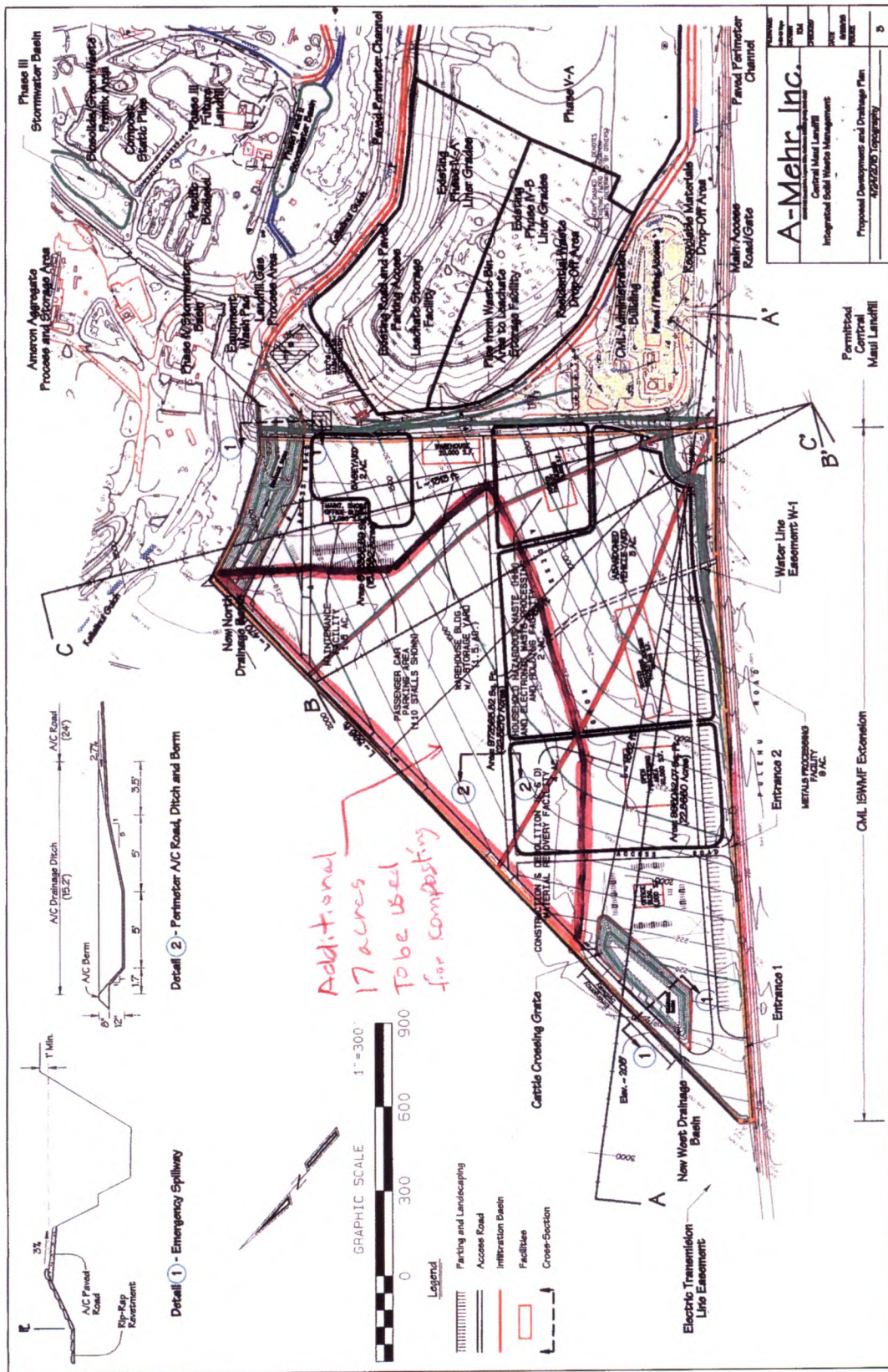
Current Use of the
Property: Vacant land

Site Comments: There are no notable physical characteristics that would prevent efficient development of the underlying site.

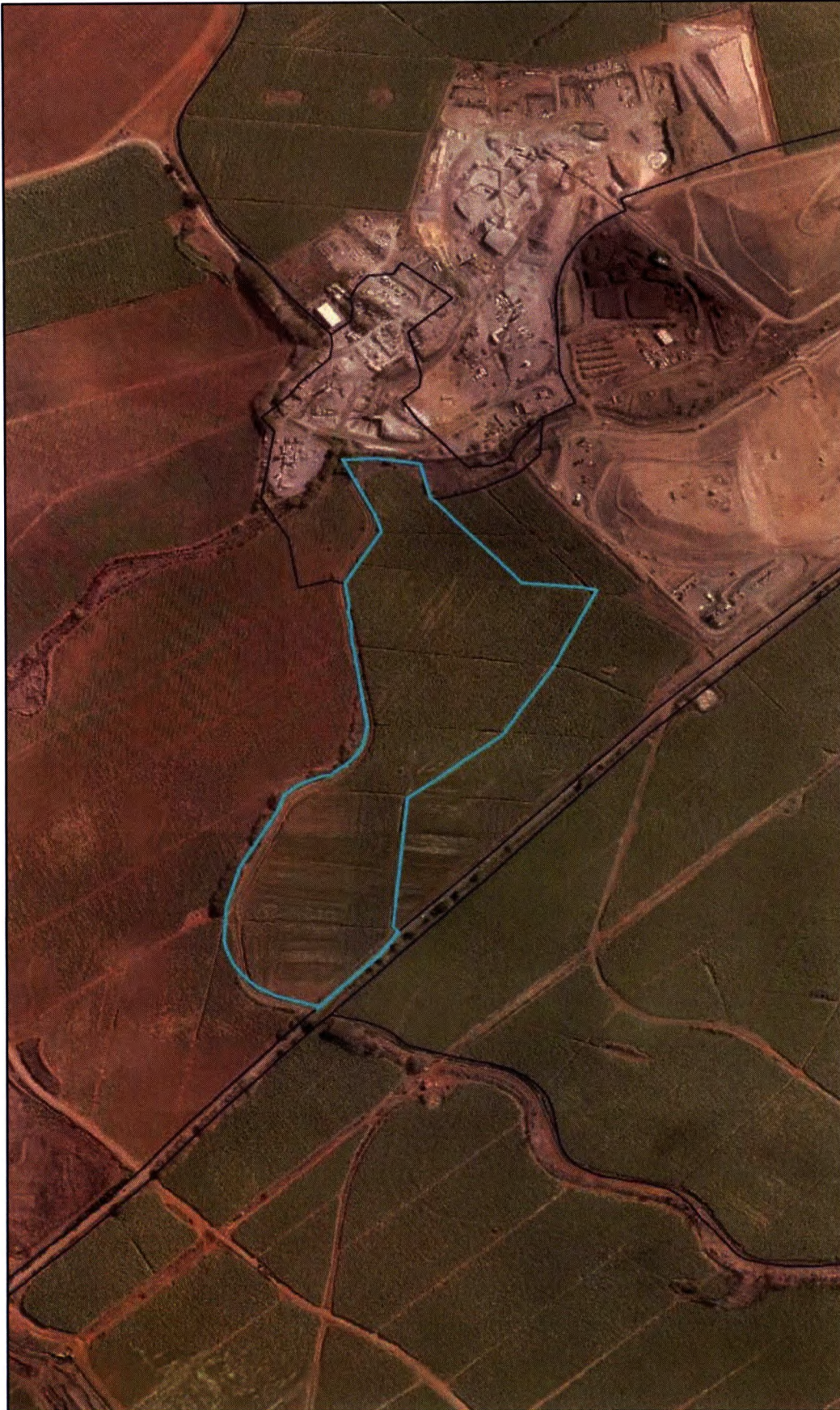
Sale History: There have been no conveyances of the subject property within the three years prior to the effective date.

Listing History: There have been no listings of the subject property within the three years prior to the effective date.

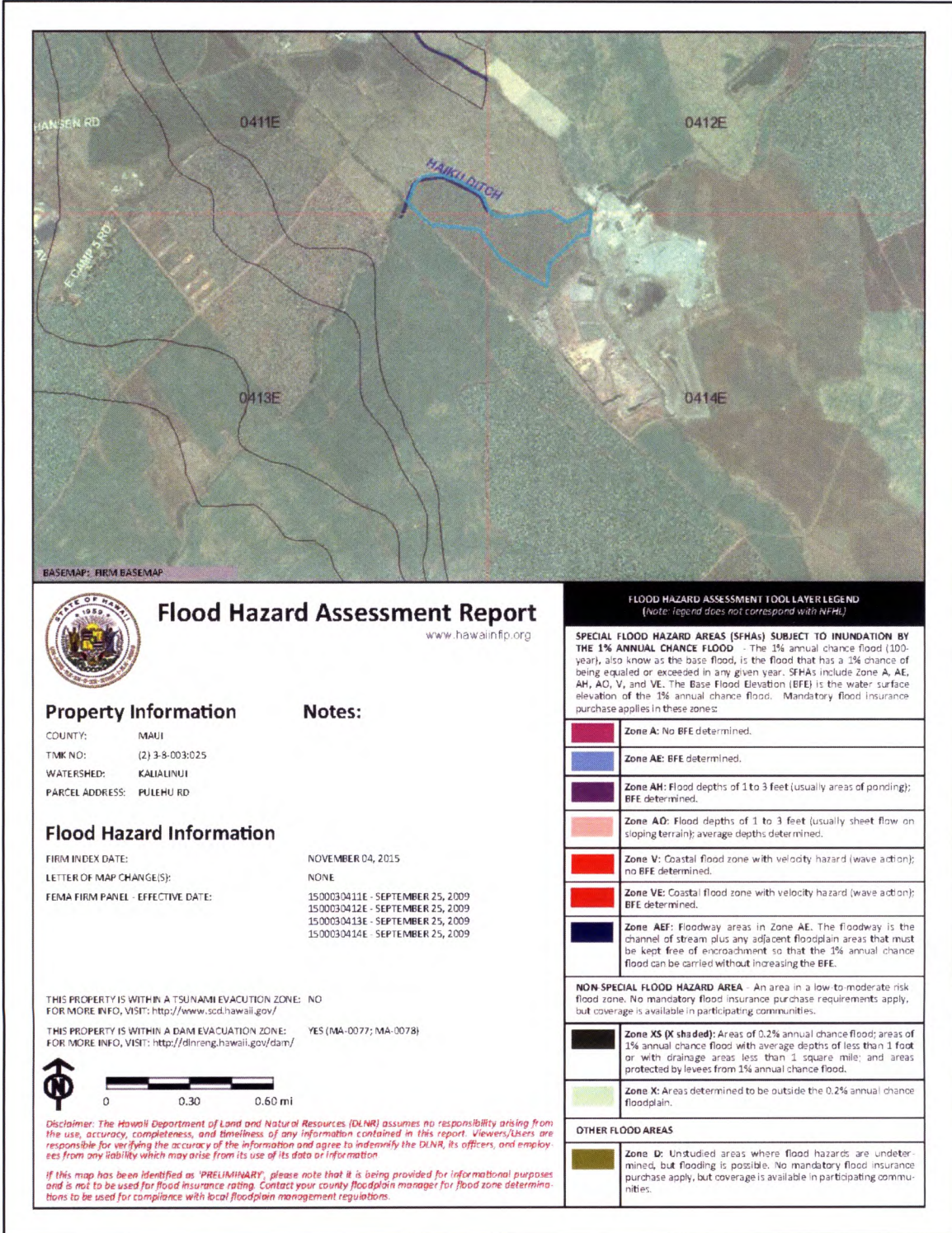
Proposed Development and Drainage Plan Map



Assessor's Aerial Image (Larger Parcel 025)



Flood Map (Larger Parcel 025)



Americans With Disabilities Act

Please reference the Limiting Conditions and Assumptions section of this report on page 3.

Hazardous Substances

Please reference the Limiting Conditions and Assumptions section of this report on page 3.

Subject Photographs



View of overall Parcel 025 from Pulehu Road. The camera is facing northerly.



View of Pulehu Road with overall Parcel 025 at right. Additional view of the subject lot from southern corner. The camera is facing northeasterly.

Assessment and Taxes

Taxing Authority County of Maui

Assessment Year 2019

Real Estate Assessment and Taxes						
Assessment Year	Land	Improvements	Exemptions	Total Assessment	County Rate	Taxes
2019	\$6,600	\$0	\$0	\$6,600	\$5.94	\$400.00
2018	\$6,600	\$0	\$0	\$6,600	\$6.00	\$400.00
2017	\$4,900	\$0	\$0	\$4,900	\$6.01	\$400.00

Comments

Properties in the State of Hawaii are assessed annually at 100 percent of fee simple market value using the cost and market approaches to value. Real property taxes are calculated by multiplying assessed values less any exemptions by the appropriate tax rate. For 2019-2020, the subject's taxable assessment totals at \$6,600, based on dedicated agricultural use. The 2019-2020 County of Maui tax rate for the Agricultural Class is \$5.94 per \$1,000 assessment. Based on this rate, the subject's real property tax for 2019-2020 is the minimum of \$400.

Overall Parcel 025 is taxed at its agricultural land value. Its 2019-2020 market land value is \$4,347,000. As indicated on the County of Maui Real Property Tax website, the subject is current on its real property taxes, as of the effective date. There are no known special assessments.

Zoning

LAND USE CONTROLS

State Land Use District	Urban
Land Use District Comment	The State Land Use Law (Chapter 205, Hawaii Revised Statutes) was adopted in 1961, establishing a framework of land use management and regulation in which all lands in the State of Hawaii are classified into one of four land use districts. The Urban District generally includes lands characterized by “city-like” concentrations of people, structures and services. This District also includes vacant areas for future development. Jurisdiction of this district lies primarily with the respective counties. Generally, lot sizes and uses permitted in the district area are established by the respective county through ordinances or rules.
County of Maui Zoning Code	Agricultural District
Zoning Description	Agricultural District
Zoning Comments	<p>The purpose of the Agricultural District is to implement chapter 205, Hawaii Revised Statutes, and the goals and policies of the Maui County general plan and community plans: promote agricultural development; preserve and protect agricultural resources; and support the agricultural character and components of the County's economy and lifestyle.</p> <p>Permitted uses in the Agricultural District include (1) agriculture; (2) agricultural land conservation; (3) agricultural parks, pursuant to chapter 171 Hawaii Revised Statutes; (4) animal and livestock raising, including animal feed lots and sales yards; (5) private agricultural parks as defined in the Maui County Code; (6) minor utility facilities as defined in section 10.04.040, Maui County Code; and (7) retention, restoration, rehabilitation, or improvement of buildings, sites or cultural landscapes of historical or archaeological significance. Other accessory uses are listed in the Agricultural District zoning ordinance displayed in its entirety in the Addendum.</p>
Zoning Density/FAR	10 percent of the total lot area for farm dwellings
Current Use Legally Conforming	The subject is vacant as of the effective date

Zoning Change Likely	A zoning change is unlikely
Zoning Change Description	Not applicable
Set Back Distance	Front yard: 25 feet; Rear yard: 15 feet
Side Yard Distance	15 feet
Wailuku-Kahului Community Plan	Agriculture
Community Plan Comments	<p>The Wailuku-Kahului Community Plan, one of nine (9) community plans for Maui County, reflects current and anticipated conditions in the Wailuku-Kahului region and advances planning goals, objectives, policies, and implementation considerations to guide decision-making in the region through the year 2010. The Wailuku-Kahului Community Plan provides specific recommendations to address the goals, objectives, and policies contained in the General Plan, while recognizing the values and unique attributes of the Wailuku-Kahului area in order to enhance the region's overall living environment. The Maui County General Plan, first adopted in 1980 and updated in 1990, sets forth goals, directions and strategies for meeting the long-term social, economic, environmental and land use needs of the County. Similarly, the Wailuku-Kahului Community Plan, first adopted by Ordinance No. 1490 in 1985, was updated in 1997. The Agriculture area indicates areas for agricultural activity which would be in keeping with the economic base of the County and the requirements and procedures of Chapter 205 HRS, as amended.</p>
Special Management Area	Not within
Special Management Area Comments	<p>An article was adopted by the Maui County Planning Commission in December of 1979 for the purpose of "preserving" and "protecting", and where possible, restoring the natural resources of the coastal zone of Hawaii. The rules and regulations in the article are known as the "Special Management Area Rules and Regulations of the County of Maui". The rules and regulations contained in the article were established pursuant to Chapter 205A, Hawaii Revised Statutes, as amended by Acts 176, 188 and 200, Session Laws of Hawaii 1975, 1977 and 1979, respectively.</p>

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

Legally Permissible

The site is presently zoned Agricultural District. The intent of the Agricultural District is to: reduce the land use conflicts arising from encroachment of nonagricultural uses into agricultural areas; mitigate rising property values of farm lands to make agricultural use more economically feasible; discourage developing or subdividing lands within the agricultural district for residential uses, thereby preserving agricultural lands and allowing proper planning of land use and infrastructure development; discourage establishment of nonagricultural subdivisions; ensure that the rezoning of land from the agricultural district shall be open for public debate and in the overall public interest, as evidenced by conformance with the Maui County general plan and community plan land use designations and policies, State land use law, this chapter and good planning practices; and notify the public that lands within the agricultural district are used for agricultural purposes. Owners, residents, and other users of such property or neighboring properties may be subjected to inconvenience, discomfort, and the possibility of injury to property and health arising from normal and accepted agricultural practices and operations. Such normal and accepted agricultural practices and operations include but are not limited to noise, odors, dust, smoke, the operation of machinery of any kind, including aircraft, and the storage and disposal of manure. Owners, occupants, and users of such property or neighboring properties shall be prepared to accept such inconveniences, discomfort, and possibility of injury from normal agricultural operations.

Physically Possible

As of the effective date, the subject is utilized for quarry purposes. Soil or other engineering studies have not been provided to determine the load-bearing capacity of the subject parcel. However, the subject site is presumed to have stable soil conditions and no apparent drainage problems. The overall parcel has an irregular shape and contains 17,000 acres feet of land. The subject site is irregular in shape with generally level to gently sloping topography. There are no other physical characteristics that would prevent full utility and efficient development to market density.

Financially Feasible

The test of financial feasibility involves an analysis of the likelihood of the use producing an income, or return, greater than the combined income needed to satisfy operating expenses, financial expenses, and capital amortization. All uses that are expected to produce a positive net income or rate of return are considered financially feasible.

The subject is located outside the urban areas of Central Maui, but adjacent to the County of Maui Sanitary Landfill. It is also situated along Pulehu Road, which is a secondary roadway connecting Kahului and Kula. As such, the subject has notable commuter traffic. Due to the shuttering of Hawaiian Commercial & Sugar Company (HC&S) at the end of 2016, the surrounding agricultural lands remain fallow. Removing a relatively small tract like the subject from agricultural use has negligible impact to the overall demand and supply. Next to the subject is the County of Maui's Central Maui Landfill Refuse and Recycling Center. A reasonable use is expansion of the landfill. A change in zoning or Use Permit would be required; however, public/quasi-public use in support of the landfill is anticipated to be financially feasible.

Maximally Productive

The maximally productive use of the site is that use among all the financially feasible uses that provides the highest rate of return, or value. In the final analysis, a determination must be made as to which feasible use is the highest and best use of the parcels as if vacant. Based on the current zoning, locational and physical attributes of the sites, and the long-term demand for landfill use, it is reasonable for the subject to be developed for such utilization. The highest and best use of the subject site as vacant is for a change in zoning to allow uses in support of the adjacent landfill. The timing of development is upon successful rezoning. The most likely buyer is the County of Maui or a private entity with operations that align with the adjacent uses.

Valuation Methodology

Three basic approaches may be used to arrive at an opinion of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ \hline = \text{Value} \end{array}$$

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single opinion of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

The **Cost Approach** was considered and was not developed because the subject consists of a vacant land parcel.

The **Sales Comparison Approach** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

The **Income Approach** was considered and was not developed because the scope of work calls for valuation by Sales Comparison Approach.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparable Sales

A search was conducted for recent land sales in the market area. The criteria included: Central Maui acreage tracts; and Agricultural District zoning. Due to the lack of similarly sized conveyances, parcels of all acreage have been considered. I have utilized three comparable sales for this analysis. The land transactions are documented on the following pages, followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Land Comparable 1



Transaction

ID	253	Date	8/31/2018
Address	Hana Highway	Price	\$1,624,000
City	Kahului	Price Per Acre	\$33,373
State	HI	Financing	Cash
Tax ID	(2) 3-8-001-015-0000	Property Rights	Fee Simple
Grantor	Alexander & Baldwin, LLC	Days on Market	N/A
Grantee	State of Hawaii DOT	Verification	Hawaii Information Service

Site

Land SF	2,119,717	Topography	Level to gently sloping
Acres	48.6620	Zoning	Ag
Road Frontage	Hana Highway/Kala Road	Flood Zone	Zone X
Shape	Irregular	Encumbrance or Easement	Irrigation ditches/airspace
Utilities	Electricity	Environmental Issues	None noted

Comments

Sale of unlisted property to State of Hawaii Department of Transportation for airport expansion. There are no other conveyances of the property within the three years prior to this transaction.

Land Comparable 2



Transaction

ID	252	Date	8/31/2018
Address	Hana Highway	Price	\$2,616,000
City	Kahului	Price Per Acre	\$29,855
State	HI	Financing	Cash
Tax ID	(2) 3-8-001-005-0000	Property Rights	Fee Simple
Grantor	Alexander & Baldwin, LLC	Days on Market	N/A
Grantee	State of Hawaii DOT	Verification	Hawaii Information Service

Site

Land SF	3,816,858	Topography	Level to gently sloping
Acres	87.6230	Zoning	Ag
Road Frontage	Hana Highway/Kala Road	Flood Zone	Zone X
Shape	Generally rectangular	Encumbrance or Easement	Irrigation ditches/airspace
Utilities	Electricity	Environmental Issues	None noted

Comments

Sale of unlisted property to State of Hawaii Department of Transportation for airport expansion. There are no other conveyances of the property within the three years prior to this transaction.

Land Comparable 3



Transaction

ID	254	Date	8/31/2018
Address	Hana Highway	Price	\$4,365,000
City	Kahului	Price Per Acre	\$24,697
State	HI	Financing	Cash
Tax ID	(2) 3-8-001-135-0000	Property Rights	Fee Simple
Grantor	Alexander & Baldwin, LLC	Days on Market	N/A
Grantee	State of Hawaii DOT	Verification	Hawaii Information Service

Site

Land SF	7,699,012	Topography	Level to gently sloping
Acres	176.7450	Zoning	Ag
Road Frontage	Hana Highway/Kala Road	Flood Zone	Zone X/Zone A
Shape	Generally rectangular	Encumbrance or Easement	Irrigation ditches/utility
Utilities	Electricity	Environmental Issues	None noted

Comments

Sale of unlisted property to State of Hawaii Department of Transportation for airport expansion. A small portion on the northern side of the parcel is classified Flood Zone A. There are no other conveyances of the property within the three years prior to this transaction.

Comparable Land Sales Map



Analysis Grid

The utilized sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparable sales and the adjustments applied.

Land Analysis Grid		Comp 1	Comp 2	Comp 3			
Address	Pulehu Road	Hana Highway	Hana Highway	Hana Highway			
City	Puunene	Kahului	Kahului	Kahului			
Tax ID	(2) 3-8-003-025-0000	(2) 3-8-001-015-0000	(2) 3-8-001-005-0000	(2) 3-8-001-135-0000			
Date	6/14/2019	8/31/2018	8/31/2018	8/31/2018			
Price	--	\$1,624,000	\$2,616,000	\$4,365,000			
Acres	17.000	48.662	87.623	176.745			
Acre Unit Price	\$0	\$33,373	\$29,855	\$24,697			
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing		Cash	0.0%	Cash	0.0%	Cash	0.0%
Conditions of Sale		Typical	0.0%	Typical	0.0%	Typical	0.0%
Expend. After Sale		\$0		\$0		\$0	
Adjusted Acre Unit Price		\$33,373		\$29,855		\$24,697	
Market Trends Through	6/14/2019	0.0%	0.0%	0.0%		0.0%	
Adjusted Acre Unit Price		\$33,373		\$29,855		\$24,697	
City	Puunene	Kahului	Kahului	Kahului			
% Adjustment		-10%	-10%	-10%			
\$ Adjustment		-\$3,337	-\$2,986	-\$2,470			
Zoning	Agricultural District	Ag	Ag	Ag			
% Adjustment		0%	0%	0%			
\$ Adjustment		\$0	\$0	\$0			
Utilities	Electricity only	Electricity	Electricity	Electricity			
% Adjustment		0%	0%	0%			
\$ Adjustment		\$0	\$0	\$0			
Flood Zone	Zone X	Zone X	Zone X	Zone X/Zone A			
% Adjustment		0%	0%	0%			
\$ Adjustment		\$0	\$0	\$0			
Encumbrance Or Easement	None noted	Irrigation ditches/airspace	Irrigation ditches/airspace	Irrigation ditches/utility			
% Adjustment		5%	5%	5%			
\$ Adjustment		\$1,669	\$1,493	\$1,235			
Shape	Irregular	Irregular	Generally rectangular	Generally rectangular			
% Adjustment		0%	-5%	-5%			
\$ Adjustment		\$0	-\$1,493	-\$1,235			
Topography	Level to gently sloping	Level to gently sloping	Level to gently sloping	Level to gently sloping			
% Adjustment		0%	0%	0%			
\$ Adjustment		\$0	\$0	\$0			
Access	Adequate	Adequate	Adequate	Adequate			
% Adjustment		0%	0%	0%			
\$ Adjustment		\$0	\$0	\$0			
Acres	17.000	48.662	87.623	176.745			
% Adjustment		32%	52%	83%			
\$ Adjustment		\$10,679	\$15,525	\$20,498			
Adjusted Acre Unit Price		\$42,384		\$42,394		\$42,725	
Net Adjustments		27.0%		42.0%		73.0%	
Gross Adjustments		47.0%		72.0%		103.0%	

Comparable Land Sale Adjustments

Property Rights

The rights that are related to the ownership of the real estate. These include the right to develop or not to develop the land, to lease it to others, to sell it, to give it away, to farm it, to mine it, to alter its topography, to subdivide it, to assemble it, to use it for waste disposal, or to choose to exercise none of these rights. Comparable sales can be adjusted for the effect of differences in the real property rights (fee simple, leased fee, leasehold, easements, or other encumbrances, etc.) involved in the transactions being compared.

The subject site is analyzed as a fee simple estate, since the impact to property rights from the easement is addressed in a subsequent section. All the comparable transactions were sold as fee simple estates.

Financing

Each transaction is analyzed as to financing terms to reflect the impact of non-institutional methods of financing. Any special or creative financing were considered in terms of cash equivalency. Each land transaction was purchased with cash or conventional financing.

Conditions of Sale

Sale conditions and buyer expenditures that occur immediately after closing need to be considered. All the comparable sales are verified as being arm's length transactions. There are no sale conditions or expenditures immediately after sale.

Economic Trends

This category is considered to compensate for changes in real property values over time, if any, in the subject's market area. The comparable land transactions occurred in December 2018. Adjustments for market conditions are not necessary.

City/Location

The location adjustment considers the overall desirability of the immediate neighborhood, proximity to complementary services and vehicular traffic patterns. It also considers the overall desirability of the site with respect to its highest and best use. The subject is located on the northeastern side of Pulehu Road in Puunene and is situated next to the Central Maui Landfill Refuse and Recycling Center. The comparable sales are in superior areas and negative 10 percent adjustments are considered.

Zoning

The zoning adjustment considers the potential higher uses of the property with respect to current zoning classifications. The zoning adjustment considers the potential higher uses of the property with respect to current zoning classifications. The subject and all the comparable sales are zoned Agricultural District by the County of Maui and no adjustments are warranted for zoning.

Utilities

Utilities, or the lack thereof, have an impact to value for real property in Hawaii; especially potable water. The inability to connect to a public system or the means to develop an adequate private

source can be detrimental to building potential. In this case, the subject and all land transactions have electricity and no potable water.

Flood Zone

Being located within a Flood Hazard Area requires a property owner to purchase flood insurance. In addition, a Flood Development Permit must be obtained from the County of Maui for construction and renovation. These factors increase development cost and risk and must be accounted for. The subject and comparable sales are all located within Flood Zone X, an area minimal flooding. Flood insurance and flood development permits are not required. It is noted that Land Sale 3 has a small portion of Flood Zone A on its northern side. Due to the significant acreage of the parcel, the impact to utility is negligible.

Encumbrance Or Easement

The subject site is believed to be unencumbered by easements or has those deemed typical for acreage agriculture tracts. The comparable land sales have irrigation ditch easements and airspace restrictions. Positive 5 percent adjustments are issued for these inferior traits.

Shape

This adjustment considers the impact of property configuration with respect to development potential. It is commonly recognized that quadrilateral sites are easier to efficiently build upon compared to irregular configurations. The subject is irregular in shape, as is Land Sale 1. Negative 5 percent adjustments are issued to Land Sales 2 and 3 for their superior generally rectangular shapes.

Topography

Properties with generally level topography are less costly to develop than those that are heavily sloped. In cases of extreme topography variations, such as large drainage swales or gulches, the affected land area can be considered non-buildable. The subject site has generally level to gently sloping. All the land sales have similar terrain.

Access

The subject has adequate access from Pulehu Road. The comparable sales also have adequate access from Kala Road. It is presumed that vehicular access directly from Hana Highway is restricted for the land sales.

Acres/Size

The size factor typically reflects market-recognized economies of scale, where larger parcels have lower unit values and smaller parcels have higher unit values; all other factors being equal. The subject contains a gross land area of 17.000 acres. The comparable sales range from 48.662 acres to 176.745 acres. Applicable positive adjustments of 32 to 83 percent are issued, based on market evidence and a curve sensitivity analysis.

All the value indications have been considered in the final analysis. With gross adjustment being the primary factor, Land Sale 1 has been given most weight. This parcel is the closest in size with irregular shape. Land Sale 2 and Land Sale 3 are issued secondary and tertiary weight, respectively. A unit value of \$42,500 per acre is concluded for the subject. When applied to its land area of

17.000 acres, my concluded Sales Comparison Approach value is **\$720,000** (rounded), as of June 14, 2019.

Sales Comparison Approach Conclusion – Land Valuation

Land Value Ranges & Reconciled Value				
Number of Comparables:	3	Unadjusted	Adjusted	% Δ
	Low:	\$24,697	\$42,384	72%
	High:	\$33,373	\$42,725	28%
	Average:	\$29,308	\$42,501	45%
	Median:	\$29,855	\$42,394	42%
Reconciled Value/Unit Value:			\$42,500	
Subject Size:			17.000	
Indicated Value:			\$722,500	
Reconciled Final Value:			\$720,000	
Seven Hundred Twenty Thousand Dollars				

Conclusion of Leased Fee Market Value

After consideration of the three approaches to value, the validity and relative strengths and weaknesses of each, the value indicated by the Sales Comparison Approach is credible and representative of the subject's market value. The Sales Comparison Approach is the sole methodology employed in this assignment. Based on the data and analyses developed in this appraisal, I have reconciled to the following market value conclusion, as of June 14, 2019, subject to the Limiting Conditions and Assumptions of this appraisal:

Reconciled Value: Interest: Fee Simple
 Market Value Conclusion: **\$720,000**
Seven Hundred Twenty Thousand Dollars

Exposure Time is defined as: 1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (*The Dictionary of Real Estate Appraisal*, 6th edition)

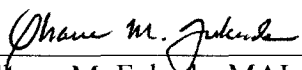
Marketing Time is defined as: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (*The Dictionary of Real Estate Appraisal*, 6th edition)

The market exposure time preceding June 14, 2019 would have been from 10 to 12 months and the estimated marketing period as of June 14, 2019 is between 10 and 12 months.

Certification Statement

I certify that, 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 my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have 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 certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have provided no services, as an appraiser or any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- As of the date of this report, I have completed the continuing education program for Designated Members of the of the Appraisal Institute.


Shane M. Fukuda, MAI
Certified General Appraiser
State of Hawaii, CGA-810
Expiration: December 31, 2019

Addenda

Agricultural District Zoning Ordinance

Chapter 19.30A - AGRICULTURAL DISTRICT

Sections:

19.30A.010 - Purpose and intent.

A. Purpose. The purpose of the agricultural district is to:

1. Implement chapter 205, Hawai'i Revised Statutes, and the goals and policies of the Maui County general plan and community plans;
2. Promote agricultural development;
3. Preserve and protect agricultural resources; and
4. Support the agricultural character and components of the County's economy and lifestyle.

B. Intent. It is the intent of this chapter to:

1. Reduce the land use conflicts arising from encroachment of nonagricultural uses into agricultural areas;
2. Mitigate rising property values of farm lands to make agricultural use more economically feasible;
3. Discourage developing or subdividing lands within the agricultural district for residential uses, thereby preserving agricultural lands and allowing proper planning of land use and infrastructure development;
4. Discourage establishment of nonagricultural subdivisions;
5. Ensure that the rezoning of land from the agricultural district shall be open for public debate and in the overall public interest, as evidenced by conformance with the Maui County general plan and community plan land use designations and policies, State land use law, this chapter and good planning practices; and
6. Notify the public that lands within the agricultural district are used for agricultural purposes. Owners, residents, and other users of such property or neighboring properties may be subjected to inconvenience, discomfort, and the possibility of injury to property and health arising from normal and accepted agricultural practices and operations. Such normal and accepted agricultural practices and operations include but are not limited to noise, odors, dust, smoke, the operation of machinery of any kind, including aircraft, and the storage and disposal of manure. Owners, occupants, and users of such property or neighboring properties shall be prepared to accept such inconveniences, discomfort, and possibility of injury from normal agricultural operations.

(Ord. 2749 § 3 (part), 1998)

19.30A.015 - Definitions.

When used in this chapter, unless the context clearly indicates a different meaning, the following words and terms shall be defined as follows:

"Active agriculture operation" means a commercial or subsistence agricultural, silvicultural, or aquacultural facility or pursuit, including the care and production of livestock and livestock products, poultry and poultry products, apiary products, and plant and animal production for nonfood uses; the planting, cultivating, harvesting, and processing of crops; and the farming or ranching of any plant or animal species in a controlled salt, brackish, or freshwater environment.

"Agricultural food establishment" means a building or structure, owned and operated by a producer and permitted under title 11, chapter 50 of the administrative rules of the state department of health, that prepares and serves food at retail using agricultural products grown, raised, or caught in the County, and value-added products that were produced using agricultural products grown in Hawaii.

"Agricultural products stand" means a building, structure, or place that is partially enclosed by walls, at least twenty-five percent open to the outside when in operation, owned and operated by a single agricultural product producer for the display and sale of agricultural products grown, raised, or caught in the County, and value-added products produced using agricultural products grown, raised, or caught in Hawaii.

"Agricultural retail structure" means a fully-enclosed building or structure owned and operated by a single producer for the display and sale of agricultural products grown, raised, or caught in the County, value-added products that were produced using agricultural products grown, raised, or caught in Hawaii, logo items related to the producer's agricultural operations, and other food items.

"Commercial agricultural structure" means an agricultural products stand, farmer's market, agricultural retail structure, or agricultural food establishment.

"Farmer's market" means either:

The temporary use of land that is managed by a single producer who leases space or stalls for the outdoor sale of agricultural products grown, raised, or caught in the County or value-added products that were produced using agricultural products grown, raised, or caught in Hawaii; or

A building or structure managed by a single producer who leases space or stalls for the display and direct retail sale of agricultural products grown, raised, or caught in the County or value-added products that were produced using agricultural products grown in Hawaii.

"Logo item" means an item for direct retail sale by a producer that has the producer's business logo permanently affixed to it. Logo items include, but are not limited to, clothing, cups, glasses, stationery, and writing instruments.

"Other food item" means a food item that is neither an agricultural product grown, raised, or caught in the County nor a value-added product that was produced using agricultural products grown, raised, or caught in Hawaii.

"Producer" means an owner, lessee, or licensee of land located within the agricultural district, who is engaged in the growing or production for sale of any agricultural product or value-added products on such land.

"Total floor area" includes areas used for outdoor seating, dining, or retail activities. It does not include areas used for parking or agricultural product production.

"Value-added" refers to a raw agricultural product whose market value has been increased by special manufacturing, marketing, or processing."

(Ord. 4246, § 2, 2015)

19.30A.020 - District criteria.

Agricultural lands that meet at least two of the following criteria should be given the highest priority for retention in the agricultural district:

- A. Agricultural Lands of Importance to the State of Hawai'i (ALISH);
- B. Lands not classified by the ALISH system whose agricultural land suitability, based on soil, topographic, and climatic conditions, supports the production of agricultural commodities, including but not limited to coffee, taro, watercress, ginger, orchard and flower crops and nonirrigated pineapple. In addition, these lands shall include lands used for intensive animal husbandry, and lands in agricultural cultivation in five of the ten years immediately preceding the date of approval of this chapter; and
- C. Lands which have seventy-five percent or more of their boundaries contiguous to lands within the agricultural district.

(Ord. 2749 § 3 (part), 1998)

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

For the purposes of this subsection, any lot(s) or portions(s) thereof that is contained entirely within the subject lot, and that is owned by the same persons or related corporate entities as the subject lot, shall be considered a part of the subject lot and shall count towards the maximum number of permitted lots that may be created from the subject lot.

This subsection shall not apply to any lot which received preliminary subdivision approval prior to the effective date of the ordinance codified in this chapter and which receives final subdivision approval after the effective date of said ordinance. The subsequent lots resulting from such subdivision shall be subject to this subsection.

(Ord. No. 4049, § 2, 2013; Ord. 2749 § 3 (part), 1998)

19.30A.040 - Limitations on resubdivision.

A. Following the effective date of this the ordinance codified in this chapter:

1. At the time of subdivision, the director of public works and waste management shall determine the maximum number of lots that can be created based upon the provisions and standards set forth in section 19.30A.030;
2. The subdivider shall allocate the maximum number of lots that can be created between the original lot and any new lot created as a result of the subdivision;
3. The allocation of lots shall be recorded with the bureau of conveyances; and
4. No lot, or portion thereof, which is in the agricultural district shall be further subdivided beyond the maximum number of lots permitted pursuant to this chapter and as recorded with the bureau of conveyances, except as provided by subsection 19.30A.040.C.

B. The following subdivisions shall not reduce the gross "area of lot" nor the "maximum number of permitted lots" as provided by subsection 19.30A.030.G:

1. Any subdivision requested by a public agency or public utility company for a public purpose;
2. Any consolidation and resubdivision in which no additional developable lots, as defined by section 18.04.123, Maui County Code, are created, provided that this would not result in the potential to create any additional lots than could have been created prior to consolidation and resubdivision;
3. Any subdivision for purposes of providing an easement exclusively for the protection of sites of cultural and historic significance; greenways; protection of sensitive environmental areas such as wetlands, streams, and endangered species habitat; and easements for public access to shoreline and mountain areas; or
4. Any subdivision for purposes of providing a roadway easement or lot.

C. If the original lot has been subdivided into the maximum number of lots permitted pursuant to this chapter, additional lots may be created for family members as described in subsections 18.20.280.B.1 and 18.20.280.B.2, Maui County Code, whether or not a deferral of improvements is intended, with the approval of the council; the application for such additional lots shall be processed in the same manner as applications for conditional permits, as provided by chapter 19.40, Maui County Code.

D. No deed, lease, agreement of sale, mortgage or other instrument of conveyance shall contain any covenant or clause which restricts, directly or indirectly, the operation of agricultural activities on lands within the agricultural district. This subsection shall not apply to any covenant or clause existing prior to the effective date of the ordinance codified in this chapter.

(Ord. 2749 § 3 (part), 1998)

19.30A.050 - Permitted uses.

The following uses and structures are permitted in the agricultural district provided they also comply with all other applicable laws:

- A. Principal uses.
1. Agriculture.
 2. Agricultural land conservation.

3. Agricultural parks, pursuant to chapter 171, Hawaii Revised Statutes.
 4. Animal and livestock raising, including animal feed lots, and sales yards.
 5. Private agricultural parks as defined herein.
 6. Minor utility facilities as defined in section 19.04.040 of this title.
 7. Retention, restoration, rehabilitation, or improvement of buildings, sites, or cultural landscapes of historical or archaeological significance.
 8. Solar energy facilities, as defined in section 19.04.040 of this title, and subject to the restrictions of chapter 205, Hawaii Revised Statutes, that are less than fifteen acres, occupy no more than thirty-five percent of the lot, and are compatible with existing agricultural uses; except that land with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class D or E need not be compatible with existing agricultural uses.
- B. Accessory uses. Uses that are incidental or subordinate to, or customarily used in conjunction with, a permitted principal use, as follows:
1. Two farm dwellings per lot, one of which shall not exceed one thousand square feet of developable area.
 2. One farm labor dwelling per five acres of lot area. On the island of Maui, the owner or lessee of the lot shall meet two of the following three criteria:
 - a. Provide proof of at least \$35,000 of gross sales of agricultural product(s) per year, for the preceding two consecutive years, for each farm labor dwelling on the lot, as shown by State general excise tax forms and federal form 1040 Schedule F filings.
 - b. Provide certification by the department of water supply that agricultural water rates are being paid if the subject lot is served by the County water system.
 - c. Provide a farm plan that demonstrates the feasibility of commercial agricultural production.

On the islands of Molokai and Lanai, the owner or lessee of the lot shall meet both of the criteria provided by subsections 19.30A.050(B)(2)(a) and 19.30A.050(B)(2)(b).

3. A maximum of two commercial agricultural structures per lot, subject to parking requirements of section 19.36A.010.
4. Storage, wholesale and distribution, including barns; greenhouses; storage facilities for agricultural supplies, products and irrigation water; farmer's cooperatives; and similar structures that are customarily associated with one or more of the permitted principal uses or, for the purpose of this section, are associated with agriculture in the County.
5. Processing of agricultural products, the majority of which are grown in the County; this includes the burning of bagasse as part of an agricultural operation.
6. Energy systems, small-scale.
7. Small-scale animal-keeping.
8. Animal hospitals and animal board facilities; if conducted on the island of Molokai, such uses shall have been approved by the Molokai planning commission as conforming to the intent of this chapter.
9. Riding academies; if conducted on the island of Molokai, such uses shall have been approved by the Molokai planning commission as conforming to the intent of this chapter.
10. Open land recreation as follows: hiking; noncommercial camping; fishing; hunting; equestrian activities; rodeo arenas; arboretums; greenways; botanical gardens; guided tours that are accessory to principal uses, such as farm or plantation tours, petting zoos, and garden tours; hang gliding; paragliding; mountain biking; and accessory restroom facilities. If hiking, fishing, hunting, equestrian activities, rodeo arenas, hang gliding, paragliding or mountain biking are conducted for commercial

purposes on the island of Molokai, such uses shall have been approved by the Molokai planning commission as conforming to the intent of this chapter. Open land recreation uses or structures not specifically permitted by this subsection or by subsection 19.30A.060(A)(7) shall be prohibited; certain open land recreation uses or structures may also be required to obtain a special permit pursuant to chapter 205, Hawaii Revised Statutes.

11. Except on Molokai, bed and breakfast homes permitted under chapter 19.64 of this title that are:
 - a. Operated in conjunction with a bona fide agricultural operation that produced \$35,000 of gross sales of agricultural products for each of the preceding two years, as shown by State general excise tax forms and federal form 1040 Schedule F filings; or
 - b. In compliance with all of the following criteria, provided that the bed and breakfast home is not subject to a condominium property regime pursuant to chapter 514A or chapter 514B, Hawaii Revised Statutes:
 - i. The lot was created prior to November 1, 2008.
 - ii. The lot is comprised of five acres or less.
 - iii. An approved farm plan has been fully implemented and is consistent with chapter 205, Hawaii Revised Statutes; or
 - c. Located in sites listed on the State of Hawaii Historic Register or the National Register of Historic Places.
12. Short-term rental homes permitted under chapter 19.65 of this code, provided that an approved farm plan has been fully implemented and is consistent with chapter 205, Hawaii Revised Statutes.
13. Parks for public use, not including golf courses, and not including commercial uses, except when under the supervision of a government agency in charge of parks and playgrounds.
14. Family child care homes as defined in section 46-15.35(b), Hawaii Revised Statutes, that are registered pursuant to chapter 346, Hawaii Revised Statutes, and located in a legally permitted farm dwelling.
15. Other uses that primarily support a permitted principal use; however, such uses shall be approved by the appropriate planning commission as conforming to the intent of this chapter.

(Ord. No. 4315, § 4, 2016 ; Ord. No. 4253, § 2, 2015; Ord. No. 4246, § 4, 2015; Ord. No. 3824, § 2, 2011; Ord. No. 3611, § 3, 2008; Ord. 2749 § 3 (part), 1998)

19.30A.060 - Special uses.

- A. The following uses and structures are permitted in the agricultural district if a special use permit, as provided in section 19.510.070 of this title, is obtained; except that if a use described in this section also requires a special permit as provided in chapter 205, Hawaii Revised Statutes, and if the land area of the subject parcel is fifteen acres or less, the State special permit shall fulfill the requirements of this section:
 1. Additional farm dwellings beyond those permitted by subsection 19.30A.050(B)(1).
 2. Farm labor dwellings that do not meet the criteria of subsection 19.30A.050(B)(2).
 3. Commercial agricultural structures that do not meet the standards and restrictions of this chapter.
 4. Public and quasi-public institutions that are necessary for agricultural practices.
 5. Major utility facilities as defined in section 19.04.040 of this title.
 6. Telecommunications and broadcasting antenna.
 7. Open land recreation uses, structures, or facilities that do not meet the criteria of subsection 19.30A.050(B)(10), including commercial camping, gun or firing ranges, archery ranges, skeet shooting, paint ball, bungee jumping, skateboarding, rollerblading, playing fields, and accessory buildings and structures. Certain open land recreation uses or structures may also be required to obtain a special permit

as provided in section 205-6, Hawaii Revised Statutes. The following uses or structures are prohibited: airports, heliports, drive-in theaters, country clubs, drag strips, motor sports facilities, golf courses, and golf driving ranges.

8. Cemeteries, crematories, and mausoleums.
 9. Churches and religious institutions.
 10. Mining and resource extraction.
 11. Landfills.
 12. Solar energy facilities that are greater than fifteen acres.
- B. Home businesses are permitted when a State special permit, as provided in section 205-6, Hawaii Revised Statutes, is obtained; provided that, the home business shall comply with the provisions of chapter 19.67 of this title, and shall obtain a County special use permit when required by chapter 19.67 of this title.

(Ord. No. 4315, § 5, 2016 ; Ord. No. 4315, Ord. No. 4246, § 5, 2015; Ord. No. 4168, § 8, 2014; ord. no. 3941, § 10, 2012; ord. no. 3824, § 3, 2011; ord. 2749 § 3 (part), 1998)

19.30A.070 - Private agricultural parks.

Private agricultural parks provide for appropriately sized, functionally configured, and affordable agricultural parcels to support diversified agricultural development. Lots created for the purposes of establishing or expanding a private agricultural park shall not be counted in or as part of the number of lots permitted by subsection 19.30A.030.G. Except as otherwise provided in this chapter, the following requirements and standards shall apply for uses, facilities, and structures in areas designated as private agricultural parks;

- A. Individual lot leases or deeds shall provide that the lots is restricted to agricultural purposes;
- B. Lots within private agricultural parks shall be made available for lease or sale;
- C. No permanent or temporary dwellings or farm dwellings, including trailers and campers, shall be permitted within a private agricultural park, unless the following requirement are met:
 1. A special use permit, pursuant to section 19.510.070, Maui County Code, has been obtained;
 2. The lot on which the dwelling is located is used principally for agriculture, and the occupant of the dwelling provides security or caretaker services for the private agricultural park;
 3. A maximum of one dwelling per lot;
 4. The private agricultural park shall be subject to a maximum density of one dwelling per twenty-five acres of private agricultural park area; and
 5. The dwelling shall be subject to a maximum developable area of seven hundred square feet.
- D. A restrictive covenant excluding dwellings that do not meet the criteria of subsection 19.30A.070.C shall be included in the deed of the lot and run with said lot as long as said lot is within the agricultural district. This restriction shall not prohibit the construction of storage sheds, equipment sheds or other structures appropriate to the agricultural activity carried on within the lot;
- E. Agricultural parks shall not be less than twenty-five acres in size;
- F. Minimum lot area: five acres;
- G. Subdivision requirements, as set forth in the following provisions of Title 18, Maui County Code, shall not apply to private agricultural parks and the lots therein:
 1. 18.16.010 to 18.16.180;
 2. 18.16.270 to 18.16.310B;
 3. 18.16.320;
 4. 18.20 to 18.20.090;

- 5. 18.20.140; and
- 6. 18.28; and
- H. All requirements set forth herein shall terminate if an area designated as an agricultural park is rezoned to a nonagricultural zoning district.

(Ord. 2749 § 3 (part), 1998)

19.30A.072 - Commercial agricultural structures.

- A. Requirements. All commercial agricultural structures are subject to the following requirements and restrictions:
 - 1. A commercial agricultural structure may sell agricultural products or value-added products that are not grown, raised, caught or produced on the lot on which the commercial agricultural structure is located, so long as an active agriculture operation is present on the lot where the commercial agriculture structure is located.
 - 2. A farm plan showing an active agriculture operation shall be provided to the department of planning and its implementation shall be verified before a commercial agricultural structure commences operation. Agricultural products stands that are less than three hundred square feet in total floor area are exempt from this requirement.
- B. Agricultural products stands. An agricultural products stand that is more than one thousand square feet in total floor area shall require a special use permit.
- C. Farmer's markets. All farmer's markets are subject to the following requirements:
 - 1. A farmer's market that is more than three thousand square feet in total floor area shall require a special use permit.
 - 2. All farmer's markets shall operate only during daylight hours.
- D. Agricultural retail structures. Agricultural retail structures are subject to the following requirements:
 - 1. An agricultural retail structure that is more than one thousand square feet in total floor area shall require a special use permit.
 - 2. All agricultural retail structures that serve food shall require a permit as required under title 11, chapter 50 of the rules of the state department of health.
 - 3. Within an agricultural retail structure, other food items and logo items shall occupy no more than forty percent of the total floor area.
- E. Agricultural food establishments. All agricultural food establishments are subject to the following requirements:
 - 1. An agricultural food establishment that is more than one thousand square feet in total floor area shall require a special use permit.
 - 2. All food must be prepared in accordance with the State Department of Health rules and regulations.
- F. Registration. Producers who propose to own or operate a commercial agricultural structure shall register the structure with the department of planning. The registration form shall include the following information:
 - 1. The name, address, and contact information for the producer.
 - 2. The tax map key number of the lot on which the proposed commercial agricultural structure is located.
 - 3. Verification that the producer is the owner, lessee, or licensee of the lot on which the proposed commercial agricultural structure is located. If the producer is the lessee or licensee, authorization of the owner shall also be provided. A lessee or licensee must have a verifiable lease with a minimum duration of one year for the portion of the lot upon which the structure is located, or will be located.
 - 4. The type of commercial agricultural structure(s) being registered.

5. The signature of the producer, certifying acknowledgment of and compliance with the requirements of this chapter and all other applicable laws and regulations, including those of the state department of health and the department of public works.
6. Any additional information requested by the planning director.
- G. Database. The department of planning shall maintain a database of all commercial agricultural structures registered pursuant to this chapter.
- H. Separate registration. Each commercial agricultural structure shall require a separate registration.
- I. Exemption. Agricultural product stands that are three hundred square feet or less in total floor area are exempt from the registration requirements of this section.
- J. Rules. Additional regulation of commercial agricultural structures may be established by administrative rules.

(Ord. No. 4246, § 6, 2015)

19.30A.080 - Agricultural leases.

- A. Any landowner may enter into an agricultural lease provided that the following conditions are met:
 1. The principal use of the leased land is agriculture; and
 2. No permanent or temporary dwellings or farm dwellings, including trailers and campers, are constructed on the leased area. This restriction shall not prohibit the construction of storage sheds, equipment sheds or other structures appropriate to the agricultural activity carried on within the lot.
- B. Subdivision requirements, as set forth in Title 18, Maui County Code, shall not apply to agricultural leases.

(Ord. 2749 § 3 (part), 1998)

19.30A.090 - Substandard agricultural lots.

Substandard agricultural lots existing prior to the enactment of the ordinance codified in this chapter shall be subject to the following standards:

- A. Lots less than two acres but equal to or greater than one-half acre shall be subject to the yard and building height standards as set forth for lots of such area in section 19.29.020, Maui County Code, and shall be exempt from the maximum developable area restriction of subsection 19.30A.030.D; and
- B. Lots less than one-half acre shall be subject to the yard and building height standards as set forth for lots of such area in sections 19.08.050 and 19.08.060, Maui County Code, and shall be exempt from the maximum developable area restriction of subsection 19.30A.030.D.

(Ord. 2749 § 3 (part), 1998)

19.30A.100 - Exemptions pursuant to state law.

- A. If provided by Hawai'i Revised Statutes, for lands legally defined and recognized as kuleana or similar type of land ownership, such as land commission awards or royal patents, the district standards of section 19.30A.030, and the density restriction of subsection 19.30A.050.B.1, shall not apply.
- B. Affordable housing projects as set forth in chapter 201E, Hawai'i Revised Statutes, shall be exempt from the requirements of this chapter.

(Ord. 2749 § 3 (part), 1998)

19.30A.110 - Permits issued prior to the enactment of this ordinance.

State or County special permits, special use permits, conditional permits and variances issued prior to the enactment of the ordinance codified in this chapter shall remain in full force and effect for their duration, and their renewal shall be subject to the provisions of this chapter. Any dwelling or structure that was constructed with a

building permit that was approved prior to the enactment of said ordinance need not acquire a County special use permit, conditional permit or variance and may be reconstructed as permitted by the original building permit(s), and such dwellings or structures may be expanded or modified with a building permit, subject to the other provisions of this chapter and this title.

(Ord. 2749 § 3 (part), 1998)

19.30A.120 - Rule-making authority.

The planning director and the director of public works and waste management shall have the authority to adopt rules regarding the administration of this chapter.

(Ord. 2749 § 3 (part), 1998)

Purchase Order Authorization



COUNTY OF MAUI
 DEPARTMENT OF FINANCE
 200 SO. HIGH STREET
 WAILUKU, HAWAII 96793

PURCHASE ORDER NO.	
<small>This order number must show on all invoices, packing lists, etc.</small>	383441

Page 1 of 1

VENDOR ID: 018192
 VENDOR: FUKUDA VALUATION AND CONSULTIN
 270 HOOKAHI ST, STE 205
 WAILUKU, HI 96793

DELIVER TO: SOLID WASTE DIVISION
 ONE MAIN PLAZA
 2200 MAIN ST 225
 WAILUKU, HI 96793

TELEPHONE #
 FAX #

SEND INVOICE IN COUNTY OF MAUI
 TRIPLICATE TO: DEPT OF FINANCE - CLAIMS DIV
 200 SOUTH HIGH STREET
 WAILUKU, HI 96793

PO DATE	OPR:		REQ #	
05/24/19	CSS		383441	
QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	LS	APPRAISAL FOR PORTION OF TMK (2) 3-8-3-25 CIP CENTRAL MAUI LANDFILL LAND PURCHASE EXPANSION ATTN: SAGE KIYONAGA 390221 -7190	963.54	963.54
			TAX	40.15
			PO TOTAL	1,003.69

AUTHORIZED PURCHASING AGENT

DATE:	RECEIVED BY:
PRINT	SIGN

VENDOR COPY

383441

SUBJECT TO COUNTY OF MAUI PURCHASE
 ORDER TERMS AND CONDITIONS FOUND AT
WWW.CO.MAUI.HI.US

Qualifications

PROFESSIONAL QUALIFICATIONS

Shane M. Fukuda, MAI

STATE LICENSING

State Certified General Appraiser
State of Hawaii, License No. CGA-810, July 1, 2007
Expiration: December 31, 2019

PROFESSIONAL AFFILIATIONS

Member - Appraisal Institute, MAI Designation
Affiliate Member - National Association of Realtors, Hawaii Association of Realtors,
Realtors Association of Maui

EMPLOYMENT

Fukuda Valuation & Consulting LLC
January 2017 to Present
Managing Member

ACM Consultants, Inc.
November 2009 to December 2016
Vice President - Commercial Division
July 2007 to October 2009
Staff Appraiser
October 2004 to June 2007
Appraiser Assistant; Appraiser Trainee

GENERAL EDUCATION

Maui Community College, 1989-1991
Henry Perrine Baldwin High School, 1989

APPRAISAL EDUCATION

Appraisal Institute

Course	<i>Valuation of Conservation Easements</i> Honolulu, Hawaii - September 2018
Seminar	<i>Litigation Assignments for Residential Appraisers: Doing Expert Work on Atypical Cases</i> Honolulu, Hawaii - September 2017
Seminar	<i>Advanced Land Valuation: Sound Solutions to Perplexing Problems</i> Honolulu, Hawaii - September 2017
Seminar	<i>Analyzing Tenant Credit Risk and Commercial Lease Analysis</i> Honolulu, Hawaii - October 2016
Seminar	<i>Historic Lands</i> Wailuku, Hawaii - July 2016
Course	<i>7 Hour National USPAP Equivalent</i> Honolulu, Hawaii - April 2016
Course	<i>7 Hour National USPAP Equivalent</i> Online Course - November 2015
Course	<i>Supervisory Appraiser Trainee Appraiser</i> Honolulu, Hawaii - May 2015

Professional Qualifications

Page 2

Seminar	<i>General Demonstration Report Writing</i> Online Seminar -- July 2014
Course 503GD	<i>Advanced Concepts & Case Studies</i> Las Vegas, Nevada -- April 2014
Course S500GD	<i>Advanced Market Analysis and Highest & Best Use</i> Synchronous Online Course -- December 2013
Course	<i>7 Hour National USPAP Equivalent</i> Online Course -- December 2013
Course 844	<i>Residential & Commercial Valuation of Solar</i> Honolulu, Hawaii -- November 2013
Course 405G	<i>General Appraiser Report Writing and Case Studies</i> Online Course -- August 2012
Course	<i>7 Hour National USPAP Equivalent</i> Online Course -- December 2011
Course 501GD	<i>Advanced Income Capitalization</i> San Diego, California -- June 2011
Seminar	<i>Hotel Valuation</i> Honolulu, Hawaii -- February 2010
Seminar	<i>Subdivision Valuation</i> Online Seminar -- December 2009
Seminar	<i>Business Practices and Ethics</i> Online Seminar -- December 2009
Seminar	<i>Small Hotel/Motel Valuation</i> Online Seminar -- December 2009
Course	<i>7 Hour National USPAP Equivalent</i> Online Course -- December 2009
Seminar	<i>Hawaii Lands, Historical Review</i> Kahului, Hawaii -- September 2009
Course 320	<i>General Applications</i> San Diego, California -- July 2006
Course 310	<i>Basic Income Capitalization</i> San Diego, California -- July 2006
Course 101	<i>Basic Appraisal Procedures</i> Denver, Colorado -- April 2005
Course 100	<i>Basic Appraisal Principles</i> Denver, Colorado -- April 2005

Lincoln Graduate Center

Course 405	<i>Residential Sales Comparison & Income Approaches</i> Honolulu, Hawaii -- November 2006
Course 404	<i>Residential Appraiser Site Valuation & Cost Approach</i> Honolulu, Hawaii -- November 2006
Course 403	<i>Residential Market Analysis & Highest & Best Use</i> Honolulu, Hawaii -- November 2006
Course 772	<i>National USPAP Course</i> Honolulu, Hawaii -- October 2006

Professional Qualifications
Page 3

Course 772 *National USPAP Course*
Honolulu, Hawaii – January 2005

MISCELLANEOUS EDUCATION

CoreLogic- Marshall & Swift

Course *Commercial Cost Approach Certification*
Dallas, Texas – October 2017

REALM Business Solutions

Course *Argus 12.0*
Honolulu, Hawaii – July 2005

LICENSE NUMBER	EXPIRATION DATE
CGA - 810	12/31/2019

STATE OF HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
CERTIFIED GENERAL APPRAISER

SHANE M FUKUDA
270 HOOKAHI ST STE 200
WAILUKU HI 96793



(SIGNATURE
OF LICENSEE)

Shane M. Fukuda

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 14th ed. Chicago: Appraisal Institute, 2013. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. 2015. Print.

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements).

(Dictionary, 6th Edition)

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 6th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
 - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.
 - CAM can refer to all operating expenses.

- CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.
- 2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 6th Edition)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 6th Edition)

Discount Rate

A rate on return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 6th Edition)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 6th Edition)

Effective Date

1. The date on which the appraisal or review opinion applies. (SVP)
2. In a lease document, the date upon which the lease goes into effect.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 6th Edition)

External Obsolescence

A type of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent (Dictionary, 6th Edition).

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of

the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP, 2018-2019 ed.)

Fee Simple Estate

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. (Dictionary, 6th Edition)

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 6th Edition)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (Dictionary, 6th Edition)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. (Dictionary, 6th Edition)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 6th Edition)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best legal use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (Dictionary, 6th Edition)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but it is used for the purpose of analysis. Comment: Hypothetical conditions are 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. (USPAP, 2018-2018 ed.) (Dictionary, 6th Edition)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the revisionary right when the lease expires. (Dictionary, 6th Edition)

Market Area

The geographic region from which a majority of demand comes in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. (Dictionary, 6th Edition)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and reevaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 6th Edition)

Market Value

A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market

value have been developed and refined, such as the following:

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after a reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.
2. Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identification of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives

- must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
 - Buyer and seller are typically motivated;
 - Both parties are well informed or well advised, and acting in what they consider their best interests;
 - A reasonable time is allowed for exposure in the open market;
 - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
 (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)
 4. The International Valuation Standards Council defines *market value* for the purpose of international standards as follows: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's

length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (IVS)

5. The Uniform Standards for Federal Land Acquisitions defines *market value* as follows: Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date for the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 6th Edition)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 6th Edition)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest taxes,

depreciation, and amortization) (Dictionary, 6th Edition)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 6th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 6th Edition)

Rentable Area

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 6th Edition)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 6th Edition)

Scope of Work

The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2018-2019 ed.)

Stabilized Occupancy

An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life. (Dictionary, 6th Edition)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 6th Edition)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. (Dictionary, 6th Edition)