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October 22, 2021

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COUNTY COUNCIL

The Honorable Alice L. Lee, Chair
Members of the Maui County Council
200 South High Street
Wailuku, HI 96793

Subject: 2021 Annual Report to the Maui County Council
Maui County Ordinance No. 4146
Kihei Residential Project-Change in Zoning

Dear Council Chair Lee and Councilmembers:

A & B Properties Hawaii, LLC, Series T (hereinafter "A&B" or "Petitioner") as manager of Kamalani Ventures LLC hereby submits this 2021 annual report to the Maui County Council (hereinafter "Council") pursuant to Condition No. 3 of Maui County Ordinance No. 4146 (hereinafter "Ordinance").

Since the receipt of zoning approval in August 2014, Petitioner has proceeded with the design, engineering and construction of the Project, now known as Kamalani. Subdivision and building plans for the initial increment of Kamalani have been approved by the County. Plans for Kamalani's initial increment include affordable residential units as prescribed by the County's residential workforce housing policy. The overall master plan seeks to provide a range of housing types to meet a range of price points and market segments, all geared toward primary housing for Maui families. Toward that end the plan includes a mix of multi family attached and single family detached units, including stacked flats, townhomes, motor court homes and single family detached homes under condominium ownership. To provide for that mix of housing types within the R-1 zoned area, the Petitioner sought and received a Cluster Housing permit from the County of Maui. This permit allows for a mix of single family detached housing types to meet a wider range of market segments and price points.

Construction of Kamalani commenced in March 2016, with site grading and infrastructure improvements. Vertical construction of the initial increment of Kamalani commenced in February 2017 and the first home deliveries occurred in October 2017. To date, 170 homes (along with related backbone infrastructure) have been constructed and sold at an estimated cost of construction and development of approximately \$64 million. In addition, Petitioner has advanced over \$5 million to plan and design infrastructure, building improvements and other related development costs for the remainder of the Project. Construction plans for the next increment of Kamalani are in process.

GENERAL COMMUNICATION NO. 21-6



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The effects of the COVID Pandemic are anticipated to significantly impact the timing of buildout of the remaining homes at Kamalani. Sales for the initial increment of Kamalani points to many of the buyers employed directly or indirectly in tourism related jobs. Tourism, as an employment center, is measured by the Accommodation & Food Service sector. Tourism is the largest employer in Maui County and has experienced the largest job losses from the COVID Pandemic. At this point in time it is not possible to accurately determine how long the actual recovery will take.

Listed below are each of the conditions imposed by the Council and the status of activities pertaining to each respective condition.

1. That, in order to meet the goals and objectives of the Kihei-Makena Community Plan, Maui Island Plan, and Countywide Policy Plan ("General Plan documents"), Alexander & Baldwin, LLC ("A&B") shall provide an open space/greenway with pedestrian walkways and bicycle pathways throughout the project area with connectivity to the Waiakoa Gulch and adjoining residential areas within the time frame for completion of backbone infrastructure improvements established by the State Land Use Commission Decision and Order. Condition 22. Plans for the pedestrian walkways and bicycle pathways as they relate to each increment of the project shall be provided to the Department of Planning ("Planning") for review and evaluation for consistency with the General Plan documents prior to final subdivision approval of each increment.

Status: Plans for the Project include both active and passive parks at strategic locations throughout the Project, including areas abutting the Waiakoa Gulch. Pedestrian and bike paths have also been incorporated into the plan.

2. That consideration shall be given to generating renewable energy consistent with Hawaii Clean Energy Initiative goals.

Status: Measures to promote energy conservation, such as the use of gas in lieu of electricity for the appropriate appliances and LED lighting, are being implemented to the extent feasible.

3. That A&B shall provide annual compliance reports to Planning and the Maui County Council. The reports would include the status of the project and A&B's progress in complying with the conditions of zoning, commencing within one year of the effective date of the ordinance and continuing until such time as the conditions have been fully satisfied, as determined by Planning and the Department of Public Works ("DPW").



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Status: This annual report is being provided in compliance with this condition.

4. That A&B shall provide two additional vehicular access points at the mauka end of the project in addition to the primary access at the makai end of the project to Kaiwahine Street. One of the additional access points shall provide a permanent vehicular connection to the previously developed properties to the South, and shall be located at or near the County-owned Hale Piilani Park (TMK: (2) 3-8-004:031). The other access shall be provided as a connection to any future collector road or the future Kihei mauka bypass road as conceptually depicted in the Maui Island Plan, Diagram 6-1.

A&B shall enter into an access phasing agreement with DPW to ensure the additional access points within the project are provided to County standards and at appropriate times in the build-out of the project. The access phasing agreement shall be entered into prior to the occupancy of the 100th unit of the project.

Status: The access phasing agreement with the DPW has been executed. A copy of the agreement was provided with the 2016 annual report.

5. That the mitigative transportation improvements at the intersection of Piilani Highway/Kaiwahine Street/Uwapo Road, including the recommended storage lengths for turning lanes, as recommended in the Updated/Revised Traffic Impact Analysis Report ("TIAR") dated January 22, 2013, and as delineated in the draft Conceptual Layout attached hereto as Exhibit "E-1", shall be designed and constructed by A&B prior to occupancy of the first dwelling unit, or as may be subsequently determined by the State Department of Transportation ("DOT"), all at no cost to the State of Hawaii or the County of Maui, provided that any such determinations are substantiated by the findings of a new updated/revised traffic impact analysis report that is reviewed and accepted by DOT and DPW.

Status: In August 2014, an updated traffic analysis was submitted to the State DOT for review. This traffic analysis supplemented the Updated/Revised TIAR dated January 22, 2013, which was accepted by the DOT in May 2013. On May 26, 2015 the DOT accepted the updated traffic analysis including the timing of the improvements at the Piilani Highway/Kaiwahine Street intersection. A copy of that letter was provided with our 2015 annual report.

Construction plans for the transportation improvements at the intersection of Piilani Highway/Kaiwahine Street/Uwapo Road were completed and submitted to the State DOT for review in July 2016. Initial comments were received and addressed, with revised plans submitted in May 2017. Additional plan revisions and comments are being addressed.



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6. That any additional land required to accommodate the recommended transportation improvements shall be provided by A&B at no cost to the State of Hawaii or the County of Maui.

Status: Petitioner acknowledges this condition.

7. That a separate right-turn-in and right-turn-out additional access to Piilani Highway shall not be permitted, unless approved by DOT and DPW.

Status: Plans for the Project do not include direct vehicular access onto Piilani Highway.

8. That A&B shall coordinate design and construction drawings with the DOT Highways Maui District Office for any applicable review by DOT's Traffic Branch and Design Branch, during the design phase.

Status: Design and construction plans are being coordinated with the State DOT Maui District and Honolulu District Offices.

9. That the subdivision map shall show vehicular access restrictions along the project's frontage with Piilani Highway. Those access restrictions shall be recorded at the Bureau of Conveyances and described in the deeds to any lots within the project that are adjacent to Piilani Highway.

Status: The subdivision map for the portion of the Project along Piilani Highway includes vehicular access restrictions.

10. That all required improvements shall follow American Association of State Highway and Transportation Officials ("AASHTO") guidelines and State and County requirements and shall be provided at no cost to the State of Hawaii or the County of Maui.

Status: Petitioner acknowledges this condition and will comply with its requirements.

11. That A&B shall update the accepted TIAR when the development reaches the threshold of 70 per cent occupancy, or as may be subsequently determined by DOT and DPW, and submitted to DOT and DPW for review and acceptance. If the intersection is not operating as well as projected in the TIAR, the updated TIAR shall recommend additional transportation improvements to mitigate project-generated traffic impacts. These transportation improvements shall be constructed and provided by A&B, at no cost to the



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State of Hawaii or the County of Maui, prior to occupancy of the remaining 30 per cent of the project, or as may be subsequently determined by DOT and DPW.

Status: Petitioner acknowledges this condition and will comply with its requirements.

12. That transient vacation rentals, bed and breakfast homes, and short-term rental homes shall be prohibited.

Status: Petitioner acknowledges this condition and such restrictions have been incorporated into applicable legal documents.

13. That A&B shall work with the Department of Housing and Human Concerns to incorporate appropriate sales provisions and processes that promote home sales to owner occupants.

Status: In compliance with the County's Residential Workforce Housing Policy, the Petitioner has executed an affordable housing agreement with the County of Maui. A copy of that agreement was provided with our 2016 annual report. Petitioner is working with the DHHC and has implemented appropriate provisions and processes to promote sales to Maui resident owner occupants. The housing units completed to date have met the requisite affordable housing requirements for the entire Project.

14. That A&B shall comply with State and County drainage design and construction standards to mitigate on-site flooding impacts and off-site stormwater runoff impacts to downstream properties. Engineering design of the drainage system, including drainage basins designed to adequately detain and filter stormwater, shall be reviewed and approved by DPW.

Status: Drainage plans for the Project have been prepared in compliance with applicable State and County design standards, including best management practices to mitigate stormwater runoff impacts. Bioswales were incorporated into the drainage plans to the extent possible. These plans are subject to the review and approval by DPW.

15. That A&B shall provide a long-term drinking water source, storage, and transmission facilities and improvements to accommodate development of the project to the satisfaction of the Department of Water Supply and other applicable State and County agencies.

Status: Petitioner is exploring potential water sources to serve the remainder of the Project.

16. That A&B shall initiate, within 10 years of the effective date of this ordinance, construction of the proposed backbone infrastructure, which may include any of the following: primary



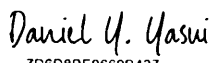
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roadways and access points, residential internal roadways, and water supply, sewage and electrical infrastructure.

Status: As noted previously, construction of the Project commenced in March 2016, with site grading and infrastructure improvements. Vertical construction commenced in February 2017 and the first home deliveries occurred in October 2017. To date, 170 homes (along with related backbone infrastructure) have been constructed and sold at an estimated cost of construction and development of approximately \$64 million. In addition, Petitioner has advanced over \$5 million to plan and design infrastructure, building improvements and other related development costs for the remainder of the Project.

Please do not hesitate to contact the undersigned should you require any further information regarding this matter.

Sincerely,

DocuSigned by:

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Daniel Y. Yasui
Vice President
A & B Properties Hawaii, LLC, Series T

cc: Maui Planning Department