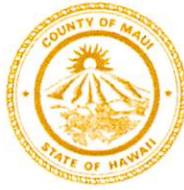


Michael P. Victorino
Mayor

Sananda K. Baz
Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

RECEIVED
2021 MAY 14 AM 11:52
OFFICE OF THE
COUNTY CLERK

REFERENCE NO. BD-BA 21-74

May 14, 2021

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

For Transmittal to:

Michael P. Victorino 5/14/21
Mayor Date

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

Dear Chair Lee and Members:

SUBJECT: WAIALE LAND ACQUISITION

On behalf of the Department of Finance, I am transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 5101, BILL NO. 66 (2020), RELATING TO THE ISSUANCE OF GENREAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF FINANCE – WAIALE LAND ACQUISITION)."

The purpose of the proposed bill is to amend the Bond Authorization by adding "b. Other Projects" and "(1) Waiale Land Acquisition" for \$10,000,000.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C – CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF FINANCE, WAIALE LAND ACQUISITION."

COUNTY COMMUNICATION NO. 21-248

Alice L. Lee, Chair
May 14, 2021
Page 2

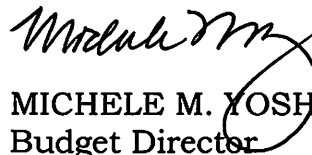
The purpose of the proposed bill is to amend Appendix C as it relates to the Waiale Land Acquisition by deleting the phrase “for affordable housing projects.”

The Administration is working with the County’s archaeologist, community members, and Native Hawaiian organizations relating to the proposed land acquisition. The Mayor continues his efforts to listen to the Native Hawaiian community involved with the protection of Na Iwi Kupuna and the development of a historic and cultural resource management plan for the Waiale parcels.

The FY 2021 Budget appropriates \$10 million for the Waiale Land Acquisition from the Bond Fund. The bond authorization was withheld pending further information. A copy of the appraisal prepared by R. J. Kirchner is attached for your reference.

Thank you for your attention in this matter. Should you have any questions, please contact me at ext. 7212.

Sincerely,



MICHELE M. YOSHIMURA
Budget Director

Attachments

cc: Scott K. Teruya, Director of Finance

ORDINANCE NO. _____

BILL NO. ____ (2021)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 5101,
BILL NO. 66 (2020), RELATING TO THE ISSUANCE OF GENERAL
OBLIGATION BONDS OF THE COUNTY OF MAUI
ISSUANCE, SALE AND DELIVERY OF SAID BONDS
(DEPARTMENT OF FINANCE – WAIALE LAND ACQUISITION)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 5101, Bill No. 66 (2020), is amended by
amending Section 1 to read as follows:

“SECTION 1. Authorization of General Obligation Bonds.
Pursuant to Chapter 47, Hawaii Revised Statutes, as amended,
and particularly Part I thereof, there are hereby authorized to be
issued and sold from time to time general obligation bonds of the
County of Maui, State of Hawaii (the "County") in an aggregate
principal amount not to exceed [~~\$87,880,321~~] \$97,880,321 (the
"Bonds"), the proceeds derived from the sale of which shall be used
to pay all or part of the cost of appropriations for the public
improvements of the County described in Section 2 hereof.”

SECTION 2. Ordinance No. 5101, Bill No. 66 (2020), is amended by
amending Section 2 to read as follows:

“SECTION 2. Disposition of Bond Proceeds. All or any
portion of the proceeds derived from the sale of the Bonds or any
notes issued in anticipation of the Bonds shall be used to pay all or
part of the cost of any of the public improvements listed below in
accordance with appropriations contained in the Fiscal Year 2021
Budget, including amendments and supplements thereto, duly
approved by the Council of the County (the "Council") for the fiscal
year ending June 30, 2021 (the "Fiscal Year 2021 Budget");
provided, however, that pursuant to Section 47-5, Hawaii Revised
Statutes, the part of such proceeds which is in excess of the
amounts required for the purposes for which the Bonds are
initially issued from time to time, or which may not be applied to
such purposes, or which the Council deems should not be applied
to such purposes, may be applied to finance such other public

improvements of the County as the Council shall, by ordinance approved by an affirmative vote of two-thirds of all of its members, determine; and provided further that the actual use and application of the proceeds of Bonds issued pursuant to this ordinance shall not in any way affect the validity or legality of such Bonds. No proceeds of the Bonds shall be applied to any public improvement listed in this section unless and until there shall be a valid appropriation of general obligation bond proceeds in effect for such public improvement. The public improvements provided for or to be provided for in the Fiscal Year 2021 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

Estimated Project Cost

<u>PROJECT TITLE</u>	<u>APPROPRIATION</u>
A. Department of Environmental Management	
1. Countywide	
a. Sewer	
(1) Countywide Environmental Protection Agency (EPA) Compliance Wastewater Reclamation Facility Renovation Projects	
Kihei WWRF Central Lab Trailer	1,000,000
WWRF Renovations – Dewatering Technologies	150,000
Kihei WWRF Storage/Maintenance Facilities	300,000
WWRF Renovations – Aeration Basin	550,000
2. Hana Community Plan Area	
a. Sanitation	
(1) Hana Landfill Office Trailer and PV Expansion	275,000
3. Kihei-Makena Community Plan Area	
a. Sewer	
(1) Kihei In Plant/Effluent Pump Station Upgrades	1,500,000
(2) Kihei-Makena Sewer Expansion	3,600,000
(3) Liloa Drive Recycled Water Line	1,000,000
(4) Kihei No. 4 Force Main Replacement	300,000
(5) Kihei Land Application System	1,000,000
4. Molokai Community Plan Area	
a. Sanitation	
(1) Molokai Landfill Phase V Expansion	5,000,000

5. Paia-Haiku Community Plan Area	
a. Sewer	
(1) Kuau No. 1 Force Main Replacement	500,000
(2) Kuau No. 2 Force Main Replacement	500,000
(3) Sprecklesville Force Main Replacement	360,000

6. Wailuku-Kahului Community Plan Area	
a. Sanitation	
(1) Central Maui Landfill (CML) Phase V-B Extension	2,150,000
(2) Central Maui Landfill Phases IV & V Final Closure	325,000
(3) CML Operations Facilities	400,000
(4) Central Maui Landfill Expansion	250,000
(5) CML Customer Drop-Off Area Improvements	250,000
(6) Central Maui Landfill Entrance Facility Traffic Improvements	150,000

b. Sewer	
(1) Central Maui Regional WWRf (Waikapu)	2,000,000
(2) Wailuku-Kahului Environmental Protection Agency (EPA) Compliance Sewer Rehabilitation	2,000,000
(3) Waiko Road Subdivision Sewer System	500,000
(4) Wailuku-Kahului Recycled Water Force Main	750,000

7. West Maui Community Plan Area	
a. Sewer	
(1) West Maui Recycled Water System Expansion	10,000,000
(2) West Maui Environmental Protection Agency (EPA) Compliance Sewer Rehabilitation	200,000
(3) Napili No. 2 Force Main Replacement	150,000
(4) Napili Nos. 5 and 6 Force Main Replacements	1,000,000
(5) Napili Wastewater Pump Station No. 2 Modifications	400,000

B. Department of Finance	
1. Countywide	
a. Other Projects	
(1) Countywide Equipment	7,685,000
2. Wailuku-Kahului Community Plan Area	
a. Government Facilities	
(1) Acquisition of 60 South Church Street Building and Property	3,800,000
(2) Acquisition of 100 Mahalani Street Building and Property	9,850,000

b. Other Projects

(1) Waiale Land Acquisition 10,000,000

C. Department of Fire and Public Safety

1. Wailuku-Kahului Community Plan Area

a. Government Facilities

(1) Kahului Fire Station Apparatus Shelter 325,000

D. Department of Management

1. Wailuku-Kahului Community Plan Area

a. Government Facilities

(1) New County Service Center 2,422,321

(2) 60 North Church Street Building Renovations 260,000

E. Department of Parks and Recreation

1. Hana Community Plan Area

a. Parks and Recreation

(1) Old Hana School Improvements 1,850,000

2. Kihei Makena Community Plan Area

a. Parks and Recreation

(1) South Maui Beach Parks Parking Lots Improvements 500,000

(2) Kalama Park Skate Park Improvements 400,000

3. Lanai Community Plan Area

a. Parks and Recreation

(1) Lanai Gym Re-roofing and Improvements 1,100,000

4. Makawao-Pukalani-Kula Community Plan Area

a. Parks and Recreation

(1) Waiakoa Gym Improvements 430,000

5. Wailuku-Kahului Community Plan Area

a. Parks and Recreation

(1) War Memorial Gym Building Improvements 1,000,000

(2) Velma McWayne Santos Center Improvements 250,000

(3) Ichiro "Iron" Maehara Baseball Stadium Improvements 525,000

6. West Maui Community Plan Area

a. Parks and Recreation

(1) Lahaina Aquatic Center Retention Basin Restoration 800,000

F. Department of Police	
1. Wailuku-Kahului Community Plan Area	
a. Government Facilities	
(1) Wailuku Police Station Fuel Tank Replacement	501,000
G. Department of the Prosecuting Attorney	
1. Wailuku-Kahului Community Plan Area	
b. Government Facilities	
(1) Children's Peace Center	1,500,000
H. Department of Public Works	
1. Countywide	
a. Government Facilities	
(1) Countywide Facility Maintenance Program Prosecutor's Basement Remodel	200,000
b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs, and maintenance safety and utilities, accessibility for persons with disabilities) including:	
(1) Countywide Federal Aid Program	11,032,000
(2) Countywide Road Resurfacing and Pavement Preservation Keomoku Road Maintenance	250,000
2. Hana Community Plan Area	
a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs, and maintenance safety and utilities, accessibility for persons with disabilities) including:	
(1) Piilani Highway Slope Stabilization at Nuanualoa Gulch	1,350,000
(2) Kalepa Revetment and Seawall Repairs	440,000
3. Lanai Community Plan Area	
a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs, and maintenance safety and utilities, accessibility for persons with disabilities) including:	
(1) Sixth Street and Lanai Avenue Intersection Safety Improvements	150,000
4. Wailuku-Kahului Community Plan Area	

a. Drainage	
(1) Central Maui Drainline Repairs	1,500,000
b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs, and maintenance safety and utilities, accessibility for persons with disabilities) including:	
(1) Waiale Road Extension	500,000
I. Department of Transportation	
1. Countywide	
a. Other Projects	
(1) Bus Stops and Shelters	400,000
2. Wailuku-Kahului Community Plan Area	
a. Government Facilities	
(1) Central Maui Transit Hub	2,300,000

The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial consultants and bond counsel, the cost of preparation of any Official Statement relating to the Bonds, any notices of sale and forms of bid and the definitive Bonds, and the costs of publication of any notices of sale, may be paid from the proceeds of the Bonds or any series thereof and such costs shall be allocated pro rata to each of the foregoing projects financed from such proceeds.”

SECTION 3. Material to be repealed is bracketed. New material is underscored.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:

/s/Kristina C. Toshikiyo

KRISTINA C. TOSHIKIYO
Deputy Corporation Counsel
County of Maui
2020-0931
2021-05-13 Ord Bond Waiale Land Acquisition
(BD-BA 21-74)

ORDINANCE NO. _____

BILL NO. _____ (2021)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX C - CAPITAL IMPROVEMENT PROJECTS,
DEPARTMENT OF FINANCE,
WAIALE LAND ACQUISITION

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 5099, Bill No. 64 (2020), Draft 1, as amended, "Fiscal Year 2021 Budget", Appendix C – Capital Improvement Projects, is hereby amended as it pertains to the Department of Finance, Wailuku-Kahului Community Plan Area, by amending the project description for the Waiale Land Acquisition, to read as follows:

"APPENDIX C - Capital Improvement Projects		
Capital improvement project funding may not be used for any purpose other than as described in this appendix. The total amount appropriated for a project may be used for the work phases provided in the project description. A budget amendment shall be requested if the total amount appropriated will be insufficient to complete all work phases set forth in the project description or if the project description does not clearly represent the work to be performed.		
CBS NO.	PROJECT TITLE/DESCRIPTION	APPROPRIATION
	<u>Department of Finance</u>	
	<i>1. Countywide</i>	
CBS-1218	a. Countywide Equipment	7,685,000
	Equipment purchase for the Department of Environmental Management, Central Maui Landfill, \$1,830,000: (2) roll-off trucks, (1) water truck, and (1) landfill compactor; for the Lanai Landfill, \$600,000: (1) dozer; for residential refuse collection, \$1,805,000: (1) manual rear loader with lift refuse truck, and (3) automated refuse trucks. Equipment purchase for the Department of Public Works, \$2,220,000: (1) long-reach excavator, (1) micro paving truck, (1) 4000-gallon water truck, (1) regenerative sweeper, (1) D5 dozer, and (1) wheel loader with attachments. Up to \$100,000 must be for a dump truck for Lanai. Up to \$1,130,000 must be for a 1500 GPM pumper truck for Paia.	
	<i>2. Wailuku-Kahului Community Plan Area</i>	
CBS-xxxx	a. Waiale Land Acquisition	10,000,000
	Land acquisition of approximately 495 acres consisting of Waiale North (354 acres) and Waiale South (141 acres) [for affordable housing projects].	
CBS-xxxx	b. Acquisition of 60 South Church Street Building and Property	3,800,000
	Acquisition and related costs of 60 South Church Street Building and Property.	
CBS-xxxx	c. Acquisition of 100 Mahalani Street Building and Property	9,850,000
	Acquisition and related costs of 100 Mahalani Street Building and Property.	
	<i>3. Makawao-Pukalani-Kula Community Plan Area</i>	
CBS-xxxx	Division of Motor Vehicles & Licensing (DMVL) – Pukalani Satellite Office Renovation	250,000

	Upgrade and redesign of data, electrical, lightings, floorings and other fixtures/equipment at the Pukalani Satellite Office located at the Mayor Hannibal Tavares Community Center."	
--	---	--

SECTION 2. Material to be repealed is bracketed.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

/s/Kristina C. Toshikiyo

KRISTINA C. TOSHIKIYO
Deputy Corporation Counsel

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SECTION 1 - SUMMARY OF ASSIGNMENT

Summary of Salient Facts

Value Conclusions

Aerial Property Photo

Appraisal Problem Defined

Scope of Work Used to Solve the Appraisal Problem



Summary of Salient Facts

Our File Number

M21001 (238-5-37...)

Subject Properties

TMK 238-5-37 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned for a project district for the Waiale Project District which will require a Project District II approval to determine its final zoning. The site is located at the southwest corner of East Waiko Road and Kuihelani Highway. The site is unimproved cleared land. It contains 10 acres.

TMK 238-5-40 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned for a project district for the Waiale Project District which will require a Project District II approval to determine its final zoning. The site fronts on East Waiko Road just to the west of the above Parcel 37 and contains 131.496 acres.

TMK 238-7-101 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. The site contains 281.426 acres and is irregularly shaped with some frontage on East Waiko Road on the north side of the road and to the west of the Waiko Baseyard Industrial area. It also fronts on TMK 237-7-177 which appears to have been designed as a continuation of South Kamehameha Avenue.

TMK 238-7-172 is a narrow stretch of land located between Parcel 101 and the Kuihelani Highway. It appears to have been designed as part of a highway widening or highway buffer area. It contains 2.817 acres and negates access from the highway to Parcel 101.

TMK 238-7-173 is a narrow stretch of land located between Parcel 104 and the Kuihelani Highway. It appears to have been designed as part of a highway widening or highway buffer area. It contains 1.097 acres and negates access from the highway to Parcel 104. Parcel 104 is owned by the State of Hawaii and is a regional park.

TMK 238-7-176 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. The site contains 42.454 acres. The Old Landfill Access Road bisects the property. No other current access is apparent. This site was required to be dedicated to the County of Maui as part of the owner's approval for development of Maui Business Park II.

TMK 238-7-177 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. The site contains 5.554 acres and appears to have been designed as a continuation of South Kamehameha Avenue. This site was required to be dedicated to the County of Maui as part of the owner's approval for development of Maui Business Park II.

TMK 238-7-178 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. The site contains 7.66 acres and is a buffer between Parcel 176 above and the former County Landfill.

TMK 238-7-179 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. This is an irregular shaped parcel located on the west side of Parcel 177 (the continuation of South Kamehameha Avenue). It contains 8.897 acres.

TMK 238-7-180 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. This is an irregular shaped parcel located on the east side of Parcel 177 (the continuation of South Kamehameha Avenue). It contains 7.31 acres.

Current Use	Vacant and fallow former agricultural land with a Project District and Urban Land Use approval.
Highest and Best Use	Development parcels needing further study.
Client	County of Maui Finance Department.
Intended Users	The client is the only intended user.
Intended Use	The client wishes to have a market value estimate made of the subject properties as is as if sold to one entity in one transaction for the County of Maui's proposed acquisition of the parcels. This appraisal is not intended for use in a federally regulated loan transaction. No other intended uses or users are anticipated by the appraiser.
Interest Valued	Fee simple market value as is.
Purpose of the Assignment	Provide the client an estimate of the market value of the property to be used in the County's acquisition of the parcel outside of its eminent domain powers.
	Market Value is defined as: The fair market value is the price at which the property would change hands between a willing buyer and a willing



seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.¹

Fee Simple Title is defined as:

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

Effective Date of Value	2/14/2021
Date of Report (report signed)	2/22/2021
Date of Inspection	No contemporaneous inspection made as part of this analysis.
Type of Appraisal Report	A compliant "Appraisal Report" under the standards outlined in the Uniform Standards of Professional Appraisal Practice 2-2

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

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



Value Conclusions

The subject is divided into three distinct areas of highest and best use. TMK's 238-7-101, 172, 176, 177, 178, 179, and 180 comprise the bulk of the northern Waiale project. The area will need to undergo more extensive study (archeology) and planning before it can be developed. The current configuration of the parcel divisions do not make logical sense given the needed dedications, known archeological finds, and access issues. They will likely need to be reconfigured, meaning they have a shared issue with land planning and a need for more robust and extensive archeological research. TMK's 238-5-37 and 40 are divided from the north by Waiko road and have been given the preliminary Phase 1 of Project District Zoning. They have a separate use from the northern area but also need more extensive study (archeology) and land planning. TMK 238-7-173 has no value to any parcels except the State's Regional Park and has no market value on the open market.

After undertaking the above described analysis the appraiser has measured the market value of assessor's parcel numbers 238-7-101, 172, 176, 177, 178, 179, and 180 at:

**EIGHT MILLION SIXTY THOUSAND DOLLARS
(\$8,060,000.00)**

After undertaking the above described analysis, the appraiser has measured the market value of assessor's parcel numbers 238-5-37 and 40 at:

**THREE MILLION THREE HUNDRED SIXTY FIVE THOUSAND DOLLARS
(\$3,365,000.00)**

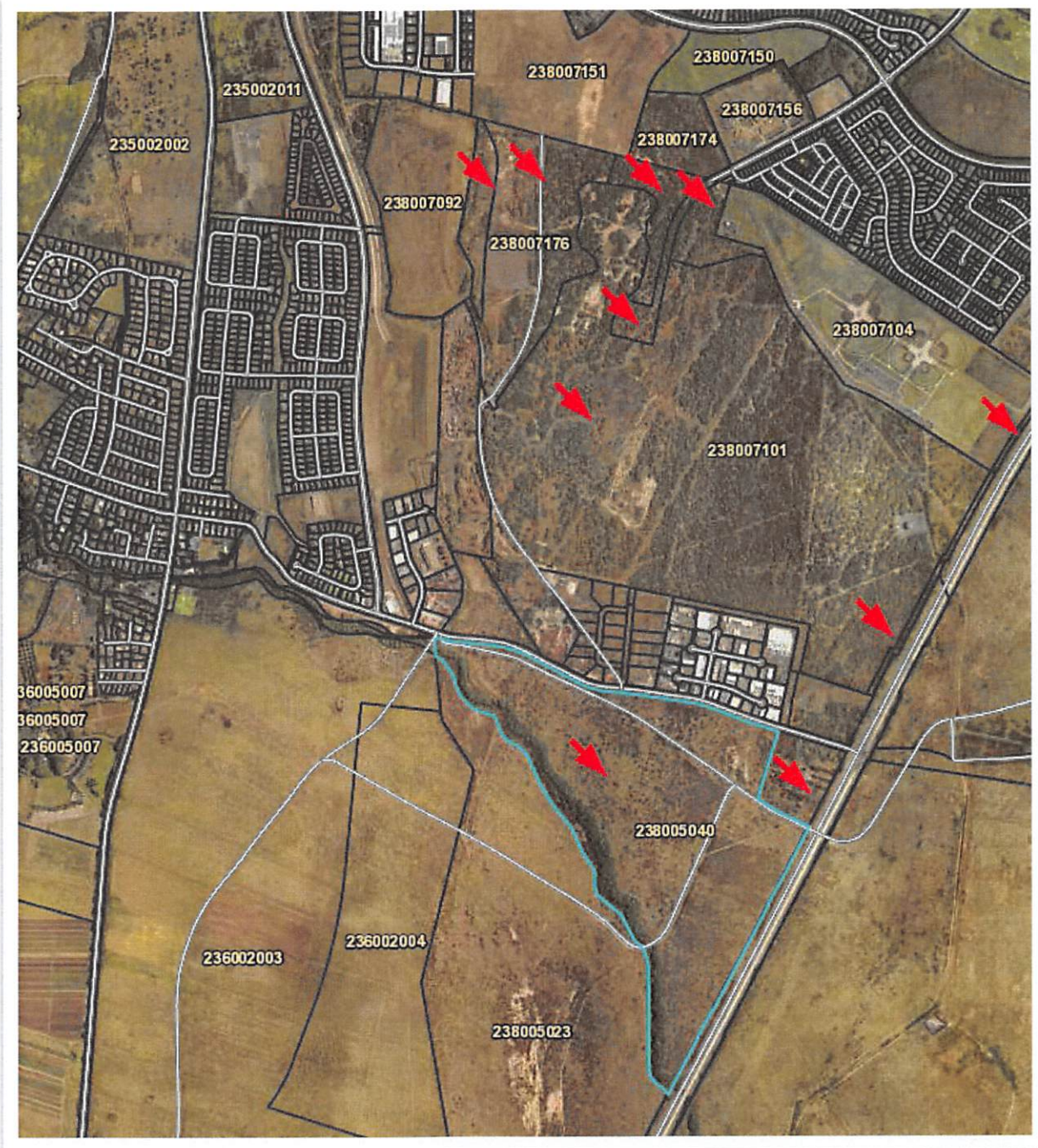
After undertaking the above described analysis, the appraiser has measured the market value of assessor's parcel number 238-7-173 at:

**ZERO
(\$0)**

If the entire ownership were acquired in one transaction by one investor, the market value as of February 14, 2021 is measured as:

**TEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$10,500,000.00)**

Aerial Property Photo



Appraisal Problem Defined

The Reason for this Valuation:	The client is contemplating acquiring these 10 parcels in one transaction and needs a valuation to measure the market value that should be paid for that acquisition. The client states they will not be using their power of eminent domain. The assignment is not intended to be used in a federally regulated loan transaction.
Appraisal Problem:	This analysis is an appraisal of the fee simple market value of the as is condition of the properties as if sold to one party in one transaction in their entirety. This valuation will require a subdivision cost approach whereby a determination of the highest and best use is developed and a discounted cash flow is completed to determine the value of the entirety as if sold to one investor in one transaction.
Hypothetical Condition:	<p>That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:</p> <ul style="list-style-type: none">• Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;• Use of the hypothetical condition results in a credible analysis; and• The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.³
Hypothetical Condition Used:	To complete the assignment, the appraiser has used no hypothetical conditions.
Extraordinary Assumption:	An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. ⁴

³ Uniform Standards of Professional Appraisal Practice 2015-2016.

⁴ Uniform Standards of Professional Appraisal Practice 2015-2016.

Extraordinary Assumptions Used:

1. The appraiser has not been provided a current survey of each parcel showing all of the easements and assumes there are no major impactful easements, encroachments, or other adverse hidden site conditions. The appraiser recommends a current survey of the parcels be obtained.
2. The appraiser assumes the properties have no hidden physical or functional deficiencies.
3. The appraiser assumes the properties are not subject to any unknown leases that may make them more or less valuable. Unless stated in this report, the appraiser is unaware of any other contracts that might affect these properties.
4. The appraiser assumes the subject is not affected by any contamination or environmental hazard. The sites had previously been used as sugar cane production two decades ago. It is possible that some of these parcels were impacted by contaminants such as fuel and oil and arsenic for pest control. The sites are downhill from the former Maui Landfill. The sites are adjacent to the Waiko Base Yard Industrial area. The appraiser recommends a level 1 environmental assessment be acquired and assumes these parcels are not impacted by contaminants.
5. The appraiser assumes that, because most of these parcels are located in a project district that will require further public hearing and approval, that the findings of scattered human remains will be a significant hurdle that will require significant areas be included in preservation.
6. The appraiser assumes there is no current developed private source of significant potable water that would allow the property to be developed as is described in its Change of Land Use application.
7. The appraiser assumes the areas that are required by the State Land Use Commission's Change of Use would require usable acreage. The appraiser assumes the County would require that the County housing site of 40 acres and the community center area of 7 acres could be required to be usable acres.

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

Scope of Work Used to Solve the Appraisal Problem

In preparing this report, the appraiser has:

- Reviewed all documents provided by the client to the appraiser including:
 - a. Findings of Fact and Conclusions and Order Docket A10-789 Allowing Land Use Change by the State Land Use Commission from Agricultural to Urban dated 6/21/2012.
 - b. The Archeology Report and Burial Preservation Plan dated February 2010 by Scientific Consultant Services, Inc.
 - c. State Historical Preservation Divisions Acceptance Letter dated 2/28/2010.
 - d. Waiale Burial Preservation Plan Revised September 2010.
 - e. State Historical Preservation Divisions Acceptance Letter of the Burial Plan.
 - f. Draft Archeological Monitoring Report by Archeological Services Hawaii, LLC dated 6/202016.
 - g. Maui County Ordinance 4384 and 4385 establishing the Waiale South Project District.
 - h. Letter from Tom Nance to Hawaii State Department of Health Safe Drinking Water Division regarding Waiale Wells 1 and 2 dated 9/16/2009.
 - i. Waiale Environmental Impact Statement dated 10/2011.
 - j. Phase 1 Environmental Site Assessment dated 4/25/2011.
 - k. EIS Waiale Conceptual Plan.
 - l. EIS Waiale Geological Survey of Dunes.
 - m. Summary of Utility Improvements for Waiale prepared by Austin, Tsutsumi, and Associates, Inc. dated 3/4/2020.
 - n. Waiale Planning and Infrastructure Assessment prepared by PBR Hawaii & Associates dated 3/2020.
- Spoke to Wendy Taomoto, Engineering Program Manager of the Maui County Department of Water Supply.
- Spoke to Jordan Hart, Deputy Planning Director of the Maui County Department of Planning.
- Spoke to Janet Six, PHD who is the County of Maui Archeologist.
- Read the Department of Water Supply's policies regarding water commitments.
- Read the County of Maui's Chapter 19.45.050, Three Phases of Approval Needed for a Project District.
- Reviewed publicly available descriptions of the subject property from the County Tax Office, County Planning Office, County Building Department, County Department of Environmental Management, and FEMA Flood Maps.
- Analyzed local market trends, demographics, market activity, surrounding uses, and proposed development.
- Researched sales and leases of similar properties in the market area.
- Formed a conclusion of the highest and best use of the subject property.

- If sufficient market data was found to arrive at credible valuation results, the appraiser completed a Direct Sales Comparison Approach by:
 1. Researching similar recent sales and listings of similar properties in the market area.
 2. Attempting to make a purely qualitative analysis of the subject's market value by bracketing the subject with rents that are obviously superior and obviously inferior to narrow the market value range even before applying any adjustments.
 3. Comparing the most similar sales directly to the subject property, making adjustments to the sale prices to reflect the differences between the comparison and the subject property.
 4. Reconciling the quality and quantity of data found to determine if a credible conclusion of market value could be developed by this approach.
 5. Developing an opinion of the market value of the subject property through the use of a Direct Sales Comparison Approach.

- If sufficient market data was found to arrive at credible valuation results, the appraiser completed a Direct Capitalization Approach to arrive at an indication of market rent by:
 1. Researching rentals of similar land in the market area to use as direct rental comparisons to estimate the market rent of the fee simple interest in the subject land.
 2. Analyzing the differences between rents to arrive at supportable adjustments for differences in characteristics in the properties.
 3. Using the most similar rentals found as direct comparisons to the subject to arrive at an indication of the market rent of the fee simple land of the subject.
 4. Analyzing similar properties that had been leased in arms-length transactions to arrive at an estimate of the land capitalization rate that can be supported in this market.
 5. Using the algebraic formula of $\text{Value} = \text{Rent} / \text{Rate}$ to arrive at a supportable conclusion of market value for the subject.

- If sufficient market data was found to arrive at credible valuation results, the appraiser utilized a Subdivision Cost Approach to land value. This approach tends to mimic an investor who is looking at improving the property. The appraiser completes the method by:
 1. Determining the most likely anticipated development of the subject.
 2. Determining what the likely sale prices of each of the development lots would be.
 3. Determining the likely cost of developing the proposed lots.
 4. Determining the likely construction time and anticipated absorption of the developed lots.
 5. Determining the market's desired rate of profit from developing the project.
 6. Creating a discounted cash flow which mimics the likely buyer's decision making process in determining how much can be paid for the raw land to develop and sell out the lots and provide the profit incentive needed to undertake the effort.

- Considered if it was possible to develop a credible opinion of market value from any other appraisal methods available to the appraiser.

- Reconciled the quality and quantity of data and analysis from the valuation methods utilized to arrive at a final value estimate for the subject.

- Completed this report which sets forth the research and analysis that shows how the appraiser arrived at the conclusions. The report meets the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) for what USPAP terms an "appraisal report." Additionally, the report meets the current requirements and standards of the Appraisal



79-7266 Mamalaha Highway, #9
Kealahou, HI 96750
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Phone 808-322-0999 Fax 808-322-0975

Institute. The report is subject to review by any duly authorized committee of the Appraisal Institute related to peer review.



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SECTION 2 – CERTIFICATION AND LIMITING CONDITIONS

Appraiser's Certification

General Assumptions and Limiting Conditions of Appraisal

Appraiser's Certification

I certify to the best of my knowledge and belief:

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

R.J. Kirchner, SRA



Managing Partner, Paradise Appraisals LLC
HI CGA-275 Expiration: December 31, 2021

General Assumptions & Limiting Conditions

Information Used:

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

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

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

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

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

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

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

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

Legality of Use:

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

Component Values:

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

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

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

Auxiliary and Related Studies:

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

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

Dollar Values, Purchasing Power:

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

Inclusions:

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

Proposed Improvements Conditioned Value:

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

Value Change, Dynamic Market Influences:

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

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

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

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

Sales History:

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

Management of the Property:

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

Confidentiality:

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

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

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

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

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

Copies, Publication, Distribution, Use of Report:

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

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

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

Trade Secrets:

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

Authentic Copies:

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

Testimony, Consultation, Completion of Contract for Appraisal Services:

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



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

Limit of Liability:

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

Fee:

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



SECTION 3 – SUMMARY OF SUBJECT INFORMATION

Property Identification

Acquisition Parcels

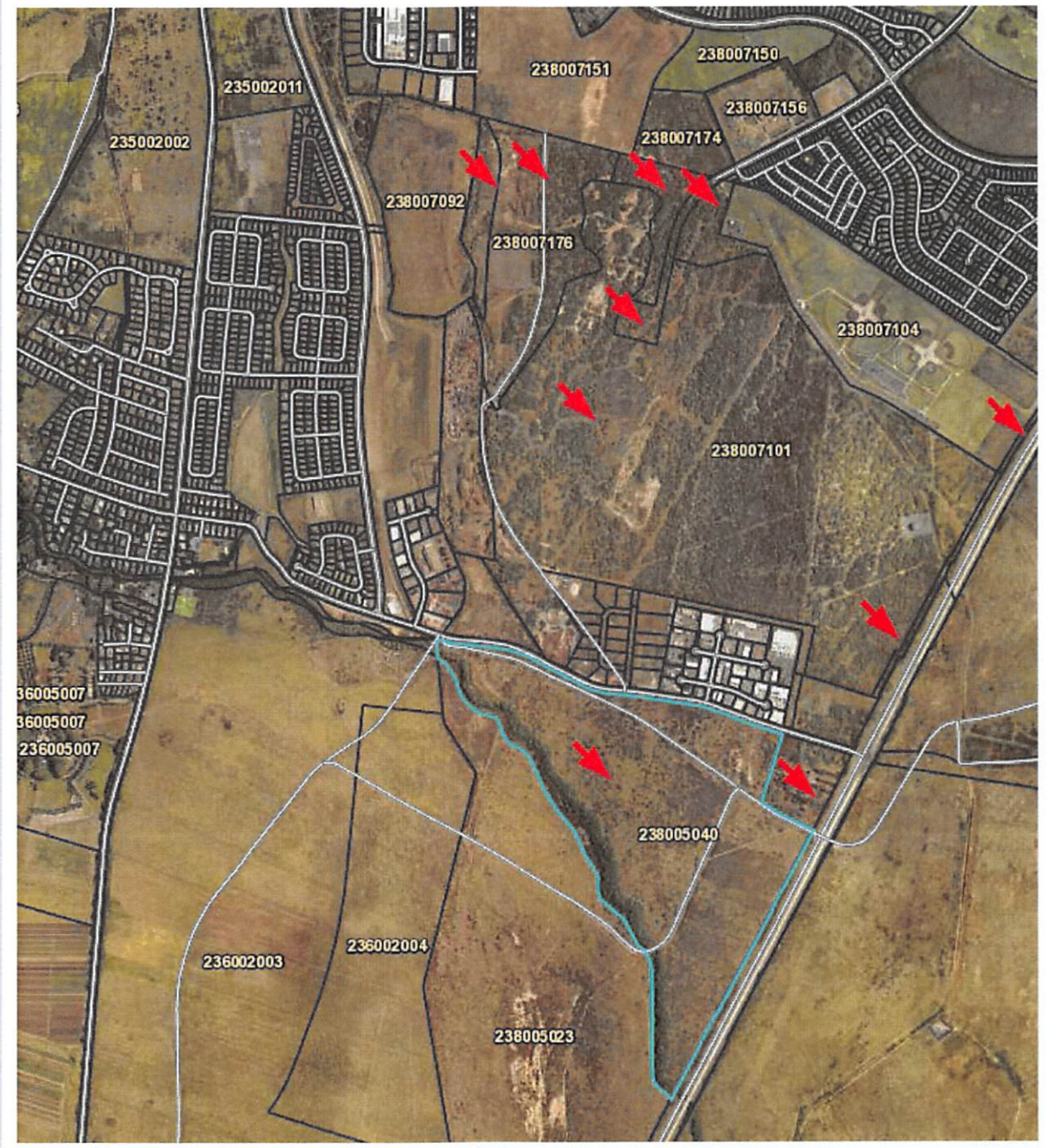
Property Details Summary

Property Inspection

Sales and Listing History

Property Identification

Acquisition Parcels:



Property Details Summary:

TMK	Acres	Zoning	Assesed Value	2020 Property Tax
238-5-37	10.00	Project District	\$ 476,000.00	\$ 2,827.44
238-5-40	131.496	Project District	\$ 1,514,700.00	\$ 8,997.32
238-7-101	281.426	Agric.	\$ 2,300,700.00	\$ 14,075.42
238-7-172	2.817	Agric.	\$ 300.00	\$ -
238-7-173	1.097	Agric.	\$ 100.00	\$ -
238-7-176	42.454	Agric.	\$ 950,400.00	\$ 5,645.38
238-7-177	5.554	Agric.	\$ 230,900.00	\$ 1,371.55
238-7-178	7.66	Agric.	\$ 419,300.00	\$ 2,490.64
238-7-179	8.897	Agric.	\$ 429,300.00	\$ 2,550.04
238-7-180	7.31	Agric.	\$ 398,700.00	\$ 2,368.28
	498.71		\$ 6,720,400.00	\$ 40,326.07

Table 2-1: Wai'ale Land Use Designations

TMK (Figure 2)	Acres	State Land Use District (Figure 3)	Maui Island Plan		Wailuku- Kahului Community Plan (Figure 6)	Zoning (Figure 7)
			Growth Boundary (Figure 4)	Protected Areas (Figure 5)		
North Wa'iale	354					
3-8-007:176	42	Urban ¹	Urban	Preservation, Park	Agriculture	Agriculture
3-8-007:177	6	Urban ¹	Urban, Planned Growth Area	Outside Protected Areas, Preservation, Park	Agriculture	Agriculture
3-8-007:178	8	Urban ¹	Urban	Preservation, Park	Agriculture	Agriculture
3-8-007:179	9	Urban ¹	Urban	Preservation	Agriculture	Agriculture
3-8-007:180	7	Urban ¹	Urban, Planned Growth Area	Outside Protected Areas, Preservation	Agriculture	Agriculture
3-8-007:101	282	Urban ¹	Urban	Outside Protected Areas, Preservation, Park, Greenway	Agriculture	Agriculture
South Wa'iale	141					
3-8-005:037	10	Urban ⁴	Urban, Planned Growth Area	Outside Protected Areas, Greenway	Wai'ale Project District South	Project District ²
3-8-005:040	131	Urban, ¹ Agricultural	Urban, Planned Growth Area	Outside Protected Areas, Preservation, Greenway	Wai'ale Project District South	Project District ⁵



Property Inspection:

The property was not physically inspected as part of this assignment.

Sales and Listing History of Subject Property:

The subject properties have not sold or been offered for sale in MLS in the last three years. The County of Maui currently has an offer to acquire the properties dated 10/19/2020 for a price of \$10,000,000.00. This is a non-binding agreement. The County states they have a verbal commitment agreeing to this offer.

SECTION 4 – PRESENTATION OF DATA COLLECTED

General Market Area Economic Conditions

Subject Property Detailed Description

Summary Description of Each Parcel

TMK 238-5-37

TMK 238-5-40

TMK 238-7-101

TMK 238-7-172

TMK 238-7-173

TMK 238-7-176

TMK 238-7-177

TMK 238-7-178

TMK 238-7-179

TMK 238-7-180

Important Aspects of the State Land Use Classification Change from Agricultural to Urban and the Project District Zoning

Deadline

Water Development

Archeology

Zoning

General Market Area Economic Conditions

Market Conditions COVID-19 Statement:

The COVID-19 pandemic has had significant impacts on Hawaii's economy. Tourism had all but stopped and is now slowly reopening. The State has the highest unemployment rate in the nation. The State and local government tax collections have been significantly impacted by a shrinking economy. Commercial real estate has been hard hit by business closures and failures. Significant numbers of tenants have had rents altered or abated in an attempt to keep some tenancy. Residential real estate has been positively impacted by historic low mortgage rates which are the result of the markets seeking safety in bonds. Home sales activity initially took a sharp downturn in March but has rebounded with much higher demand and price increases in a market that has very little inventory. This shortage of housing supply has allowed construction to continue at a strong pace. Residential rental rates have been stagnate over the last year.

Important statistics to consider include:

- Roughly 2,800,000 home owners have their mortgages in forbearance. This means roughly 5.54% of all mortgagees can't pay their mortgage. This number has improved in recent months but remains very high. This will likely tighten up lending rules looking forward. It has led to Fannie Mae adding a risk charge to mortgages which began in December. Roughly 7.9% of Hawaii home mortgages are delinquent according to 1 November 4, 2020 mortgage delinquency data, according to the U.S. Labor Department.
- Mortgage rates are at historic lows which should help to create demand as the economy continues to slowly reopen. This may be the main reason that home prices are still increasing in this market. The median price of a detached home in Hawaii County is 9.296% higher than the same year to date median of last year.
- Unemployment remains very high. Many hotels are only partially open. Many of the business that rely on tourism such as restaurants and tours have closed or are open for lesser hours than 1 year ago.
- General Excise tax collections have fallen significantly and this is a very good measure of the total economic performance in the State. Without federal assistance either government spending will need to be lowered resulting in less government employment, or taxes will need to be increased resulting in less disposable income for consumers.

The above statistics are shown in the attached exhibits.

Given the current uncertainty, we recommend a higher degree of caution be exercised when relying upon the value conclusion estimates. The value measurements are based upon hindsight evidence and there simply is very little data to accurately measure a current trend. We highly recommend that you monitor the security with greater frequency and diligence.

Market Conditions Exhibits:

Unemployment:



December, 2020					
	Total Wage & Salary Jobs			Unemployment rate	
	This Month (jobs)	Change from same month last year		This Month (%)	Change from same month last year (% point)
		jobs	% CHG.		
Statewide	578,000	-90,200	-13.5%	9.0%	6.8%
Honolulu County	426,000	-55,400	-11.5%	8.0%	5.9%
Hawaii County	62,400	-9,800	-13.6%	8.9%	6.1%
Maui County	62,800	-18,100	-22.4%	13.0%	10.8%
Kauai County	26,500	-7,000	-20.9%	12.3%	9.9%

1. Jobs exclude agriculture sector jobs
 2. Both Jobs and Unemployment rates are not seasonally adjusted
 Source: Hawaii Department of Labor & Industrial Relations

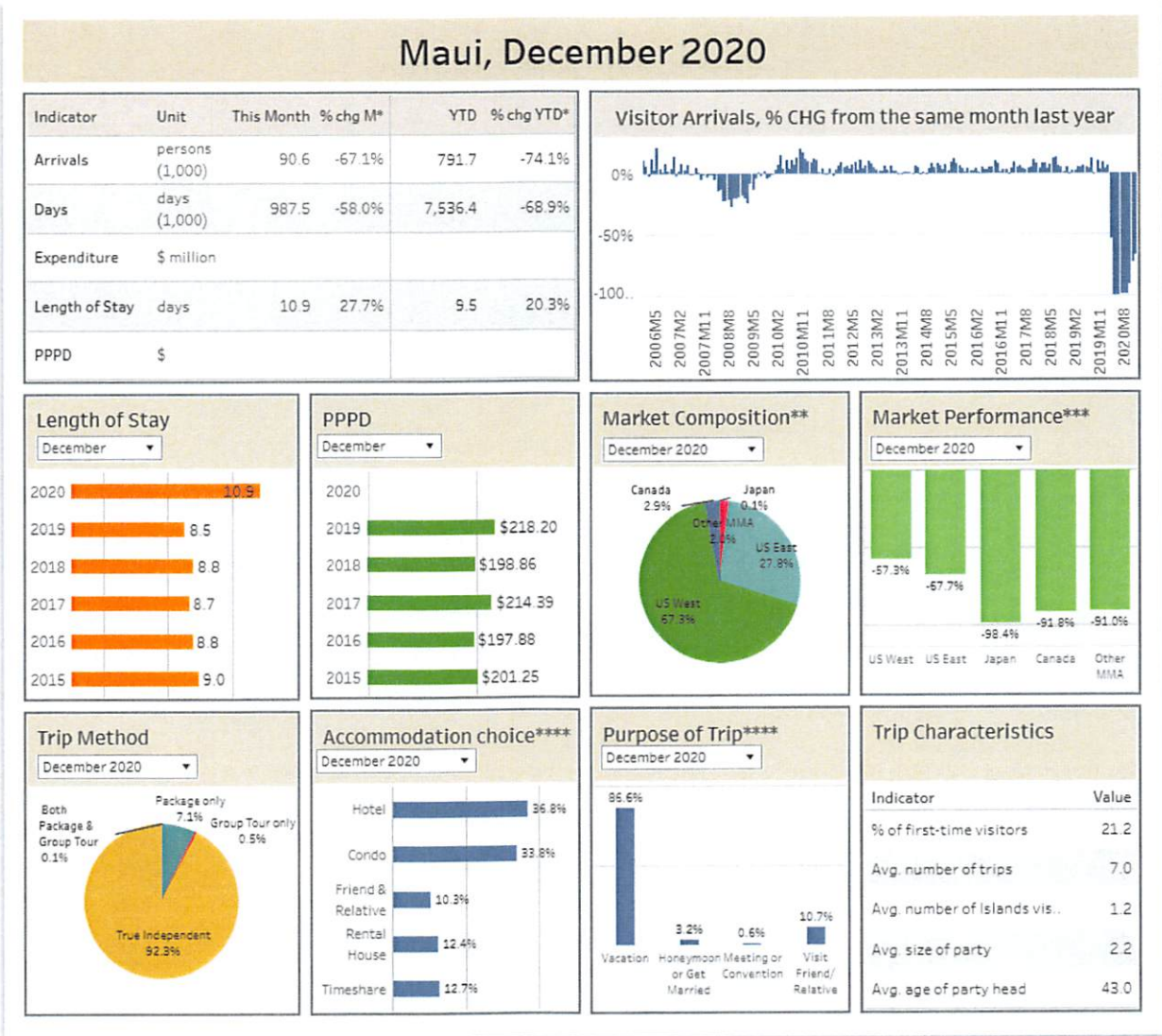
Tax Collection:

Tax Revenue, Statewide						
	December, 2020			YEAR-TO-DATE		
	Current (\$1,000)	Yr. Ago (\$1,000)	% CHG.	Current (\$1,000)	Yr. Ago (\$1,000)	% CHG.
General Fund	570,297	582,956	-2.2%	6,464,816	7,316,550	-11.6%
Individual Income Tax	230,988	217,397	6.3%	2,598,364	2,683,592	-3.2%
General Excise Tax	239,713	284,523	-15.7%	3,037,039	3,602,222	-15.7%
TAT	13,273	46,544	-71.5%	281,442	637,375	-55.8%

Source: Hawaii State Department of Taxation

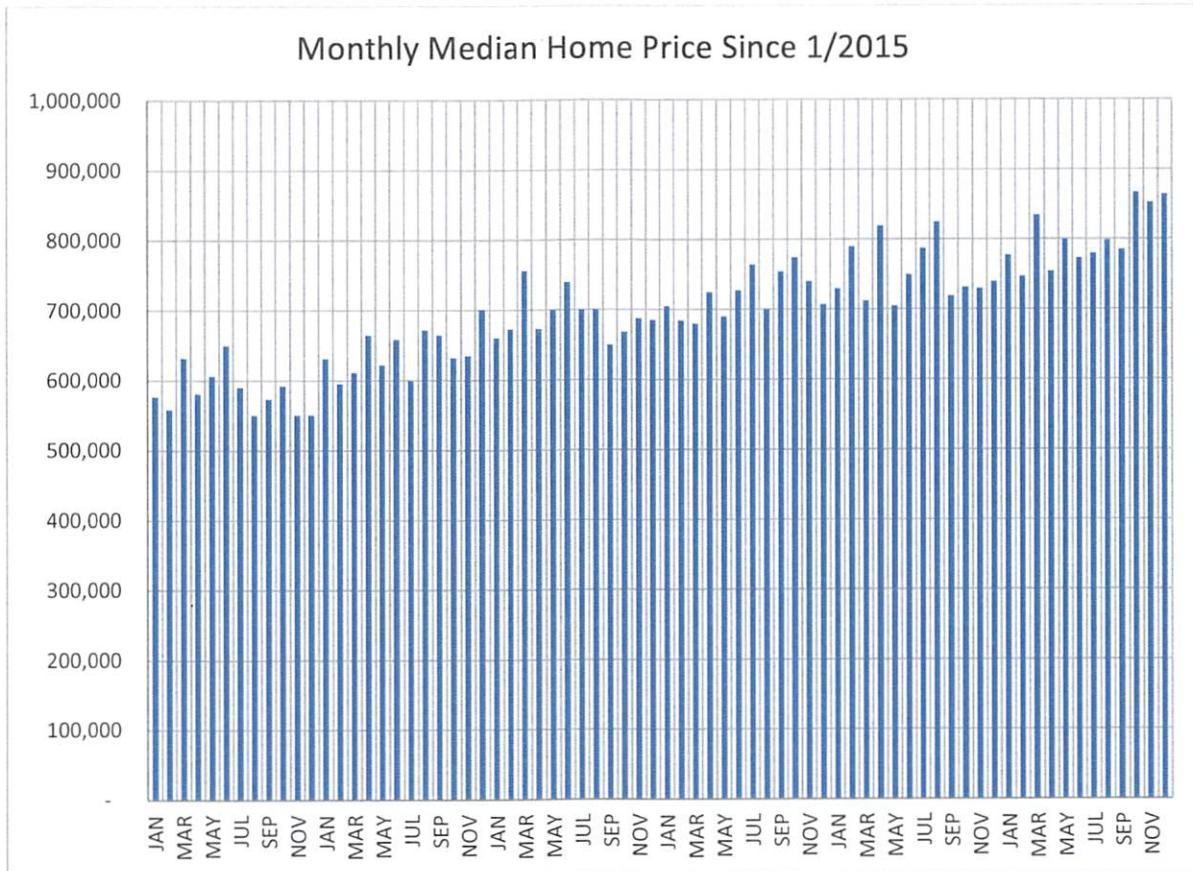
General excise tax collection is a very good measure of the overall economic condition. It is collected on almost every transaction. Obviously, the economy has far less economic activity than it did one year ago.

Tourism:



Tourism is the major driver of the economy in this market and has been hit very hard.

Single Family Median Price Maui County:



Home prices continue to rise because of very low home mortgage rates and a perception from the mainland that Hawaii may be a safe haven from the virus.

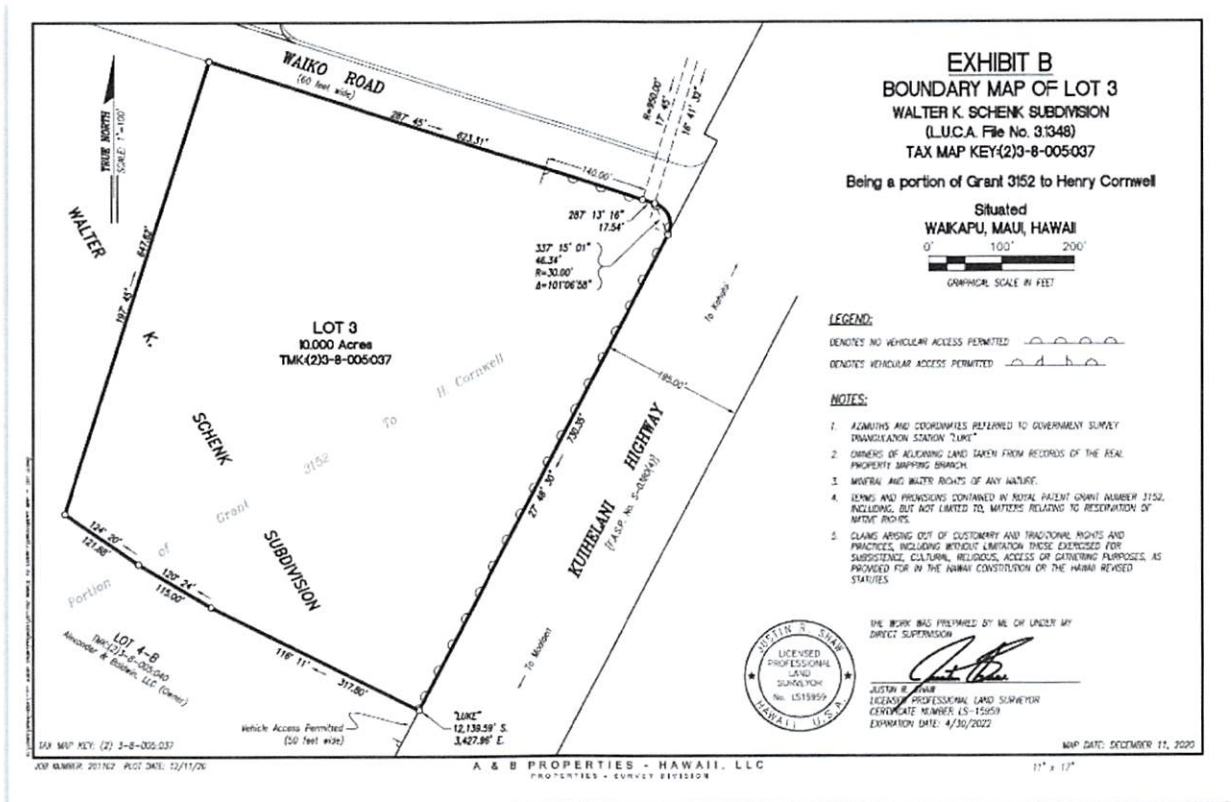
Conclusions:

This economy is likely to have a slow and uneven recovery until the mainland market believes the pandemic is under control and has recovered itself to allow people to believe that travel is safe and that they have the economic security to take fairly expensive and time consuming vacations once again.

Subject Properties Detailed Description

Summary Description of Each Parcel:

TMK 238-5-37 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned for a project district for the Waiale Project District which will require a Project District II approval to determine its final zoning. The site is located at the southwest corner of East Waiko Road and Kuihelani Highway. The site is unimproved cleared land. It contains 10 acres.



Access: Access is allowed from Waiko Road only.

Drainage: According to FIRM Panel 1500030394F, the subject is not in a special flood hazard area.

Utilities: The subject has access to public power utilities along Waiko Road. There is no public sewer in this area. According to multiple sources, there is only a limited amount of public water available and for only work force housing projects in this area. The site's owner would have to commit to 100% workforce housing development and then could only obtain water in the amount of 120,000 gallons which would be sufficient for up to 214 multi-family units. The site has no other commitments for private water sources. Wendy Taomoto, the Engineering Program Manager for the Maui County Department of Water Supply, states the subject parcel is located at an elevation where it would not likely get sustainable potable water with a private well. It would be brackish.

Flood Map



Flood Hazard Assessment Report

www.hawaiiip.org

Property Information

COUNTY: MAUI
TMK NO: (2) 3-8-005-037
WATERSHED: IAO
PARCEL ADDRESS: ADDRESS NOT DETERMINED
WAILUKU, HI 96793

Notes:

Flood Hazard Information

FIRM INDEX DATE: NOVEMBER 04, 2015
LETTER OF MAP CHANGE(S): NONE
FEMA/FIRM PANEL: 1500030394F
PANEL EFFECTIVE DATE: NOVEMBER 04, 2015

THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE. NO
FOR MORE INFO, VISIT: <http://www.scd.hawaii.gov/>

THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE. NO
FOR MORE INFO, VISIT: <http://dnrreng.hawaii.gov/dam/>



Disclaimer: The Hawaii Department of Land and Natural Resources (DLNR) assumes no responsibility arising from the use, accuracy, completeness, and timeliness of any information contained in this report. Viewers/Users are responsible for verifying the accuracy of the information and agree to indemnify the DLNR, its officers, and employees from any liability which may arise from its use of its data or information.

If this map has been identified as "PRELIMINARY", please note that it is being provided for informational purposes and is not to be used for flood insurance rating. Contact your county floodplain manager for flood zone determinations to be used for compliance with local floodplain management regulations.

FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND

(Note: legend does not correspond with NFHA)

SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AO, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones:

	Zone A: No BFE determined.
	Zone AE: BFE determined.
	Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding); BFE determined.
	Zone AO: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.
	Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.
	Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.
	Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.

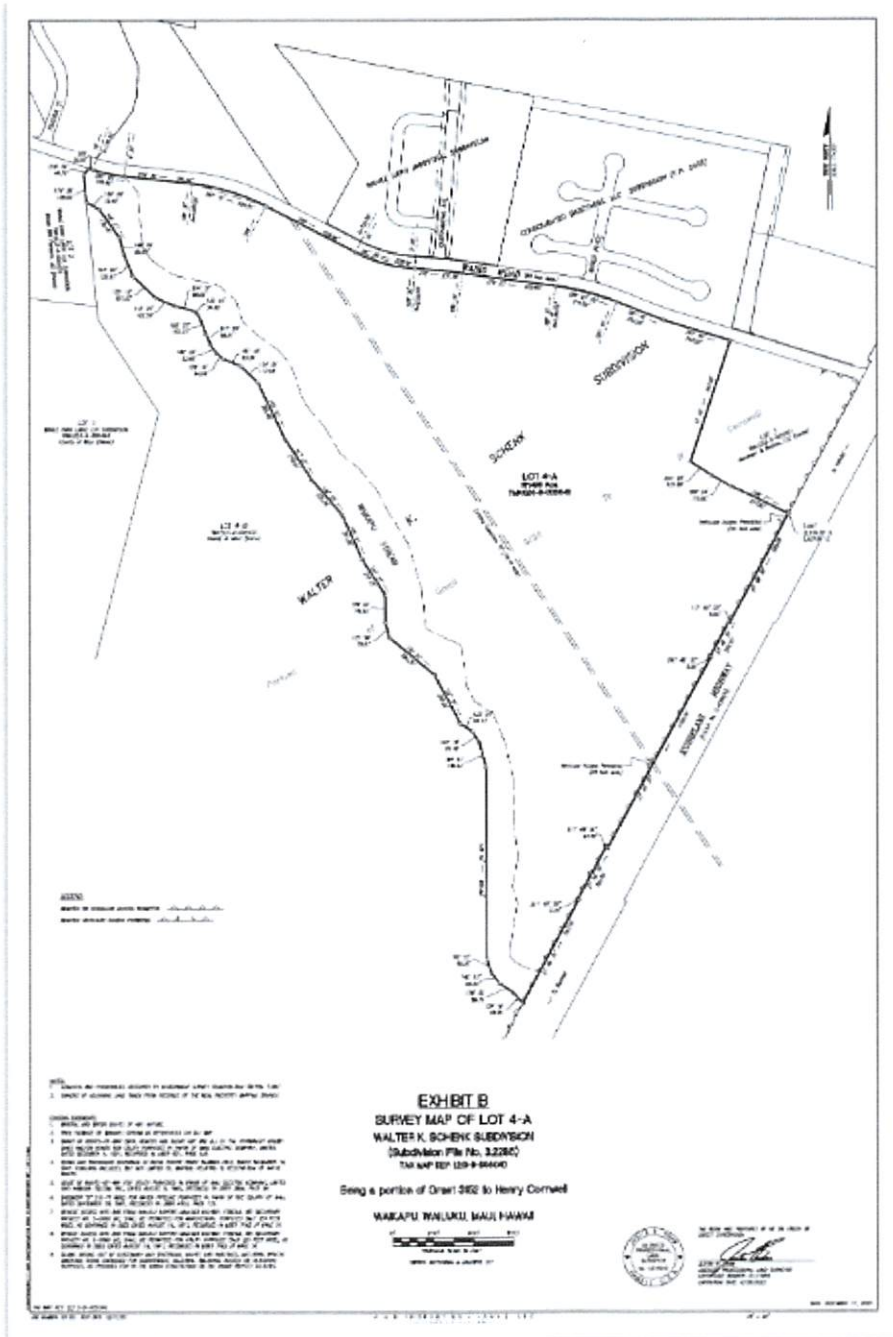
NON-SPECIAL FLOOD HAZARD AREA - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

	Zone X5 (X shaded): Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
	Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

OTHER FLOOD AREAS

	Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase apply, but coverage is available in participating communities.
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TMK 238-5-40 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned for a project district for the Waiale Project District which will require a Project District II approval to determine its final zoning. The site fronts on East Waiko Road just to the west of the above Parcel 37 and contains 131.496 acres. While it also fronts on Kuihelani Highway, it is not allowed access from the highway.





Access: Access is only allowed from Waiko Road.

Drainage: The Waikapu Stream creates the western boundary for the property. According to FIRM Panel 1500030393F the subject has areas along the stream which are in a special flood hazard area AE.

Utilities: The subject has access to public power utilities along Waiko Road. There is no public sewer in this area. According to multiple sources, there is only a limited amount of public water available and for only work force housing projects in this area. The site's owner would have to commit to 100% workforce housing development and then could only obtain water in the amount of 120,000 gallons which would be sufficient for up to 214 multi-family units. The site has no other commitments for private water sources. Wendy Taomoto, the Engineering Program Manager for the Maui County Department of Water Supply, states the subject parcel is located at an elevation where it would not likely get sustainable potable water with a private well. It would be brackish.

Flood Map



Flood Hazard Assessment Report

www.hawaiiinfop.org

Property Information

COUNTY: MAUI
TMK NO: (2) 3-8-005-040
WATERSHED: IAO; WAIKAPU
PARCEL ADDRESS: ADDRESS NOT DETERMINED
WAILUKU, HI 96793

Notes:

Flood Hazard Information

FIRM INDEX DATE: NOVEMBER 04, 2015
LETTER OF MAP CHANGE(S): NONE
FEMA FIRM PANEL - EFFECTIVE DATE: 1500030393F - NOVEMBER 04, 2015
1500030394F - NOVEMBER 04, 2015

THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE: NO
FOR MORE INFO, VISIT: <http://www.scd.hawaii.gov/>

THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE: NO
FOR MORE INFO, VISIT: <http://dlnr.hawaii.gov/dam/>










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
If this map has been identified as "PRELIMINARY", please note that it is being provided for informational purposes and is not to be used for flood insurance rating. Contact your county floodplain manager for flood zone determinations to be used for compliance with local floodplain management regulations.

FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND (Note: legend does not correspond with FEMA)


SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AO, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones.

	Zone A: No BFE determined.
	Zone AE: BFE determined.
	Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding); BFE determined.
	Zone AO: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.
	Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.
	Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.
	Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.

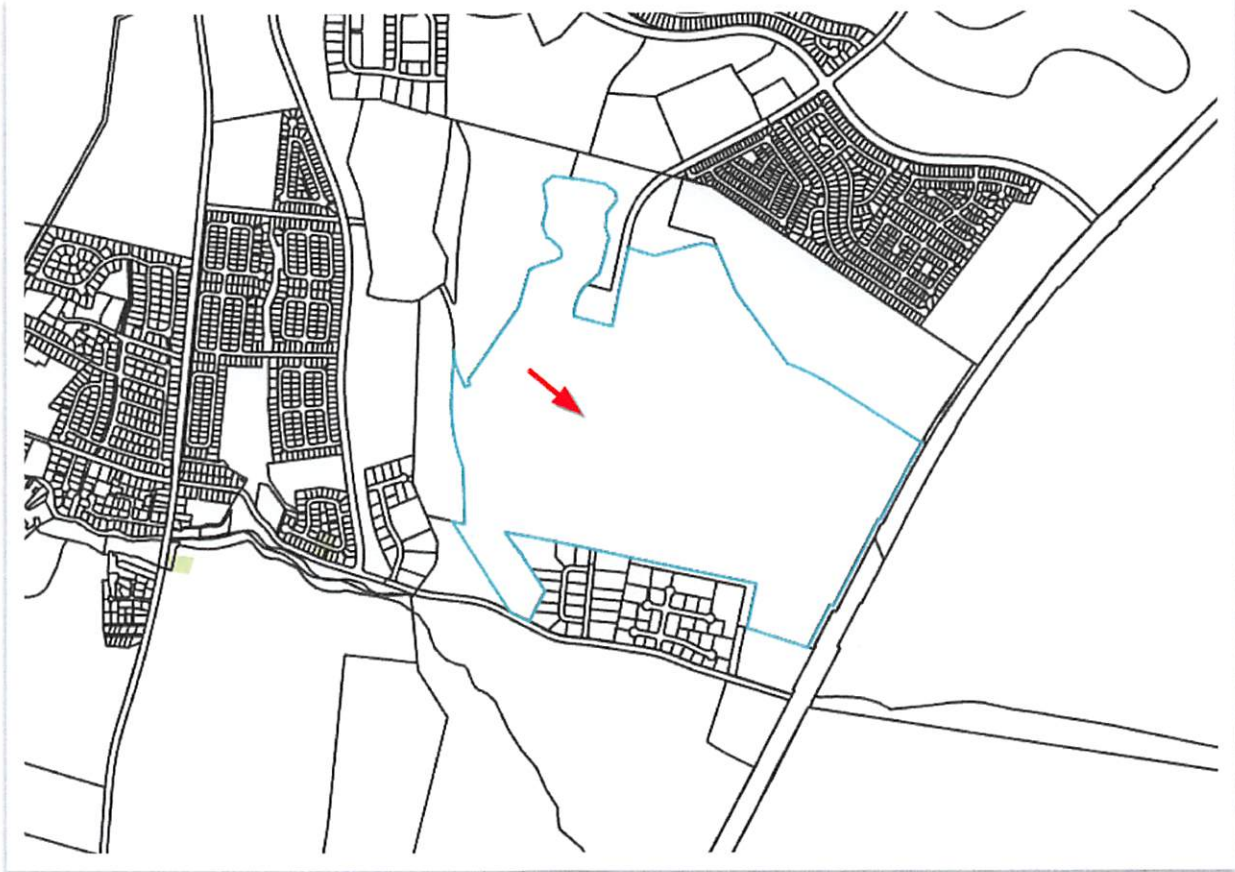
NON-SPECIAL FLOOD HAZARD AREA - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

	Zone XS (X shaded): Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
	Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

OTHER FLOOD AREAS

	Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase apply, but coverage is available in participating communities.
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TMK 238-7-101 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. The site contains 281.426 acres and is irregularly shaped with some frontage on East Waiko Road on the north side of the road and to the west of the Waiko Baseyard Industrial area. It also fronts on TMK 237-7-177 which appears to have been designed as a continuation of South Kamehameha Avenue.



Access: Current access is only allowed from Waiko Road and Kamehameha Avenue on the northern boundary.

Drainage: According to FIRM Panel 1500030393F and 1500030394F, the subject is not located in a special flood hazard area.

Utilities: The subject has access to public power utilities along Waiko Road. There is no public sewer in this area. According to multiple sources, there is only a limited amount of public water available and for only work force housing projects in this area. The site's owner would have to commit to 100% workforce housing development and then could only obtain water in the amount of 120,000 gallons which would be sufficient for up to 214 multi-family units. The site has no other commitments for private water sources. Wendy Taomoto, the Engineering Program Manager for the Maui County Department of Water Supply, states the subject parcel is located at an elevation where it would not likely get sustainable potable water with a private well. It would be brackish.

Flood Map



Flood Hazard Assessment Report

www.hawaiiinfip.org

Property Information

COUNTY: MAUI
TMK NO: (2) 3-8-007-101
WATERSHED: IAD
PARCEL ADDRESS: ADDRESS NOT DETERMINED
WAILUKU, HI 96793

Notes:

Flood Hazard Information

FIRM INDEX DATE: NOVEMBER 04, 2015
LETTER OF MAP CHANGE(S): NONE
FEMA FIRM PANEL - EFFECTIVE DATE: 1500030393F - NOVEMBER 04, 2015
1500030394E - NOVEMBER 04, 2015

THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE: NO
FOR MORE INFO, VISIT: <http://www.scd.hawaii.gov/>

THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE: YES (MA-0141; MA-0150)
FOR MORE INFO, VISIT: <http://dliresng.hawaii.gov/dam/>



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If this map has been identified as "PRELIMINARY", please note that it is being provided for informational purposes and is not to be used for flood insurance rating. Contact your county floodplain manager for flood zone determinations to be used for compliance with local floodplain management regulations.

FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND

(Note: legend does not correspond with NFHL)

SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AO, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones:

	Zone A: No BFE determined.
	Zone AE: BFE determined.
	Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding); BFE determined.
	Zone AO: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.
	Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.
	Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.
	Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.

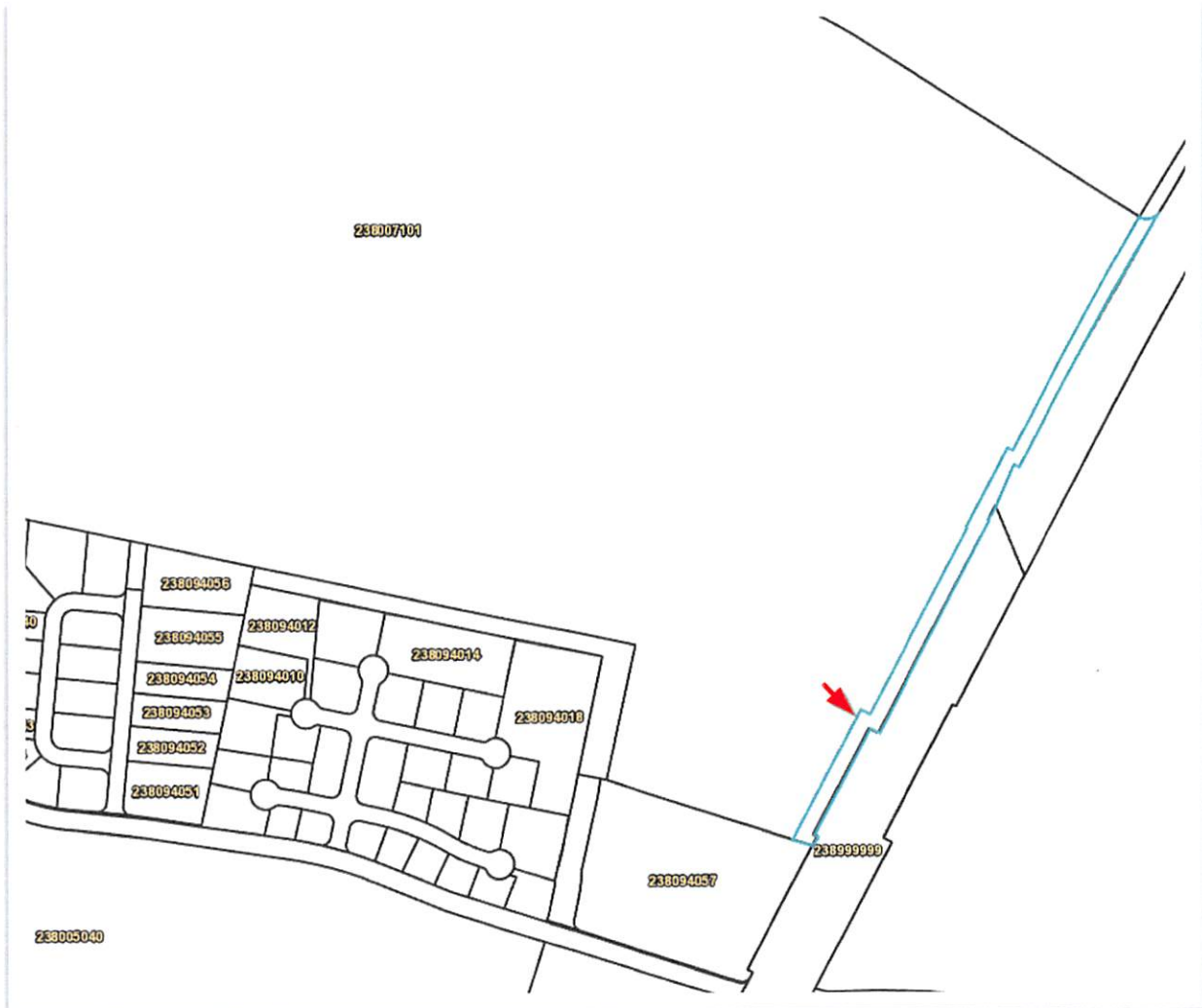
NON-SPECIAL FLOOD HAZARD AREA - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

	Zone XS (X shaded): Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
	Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

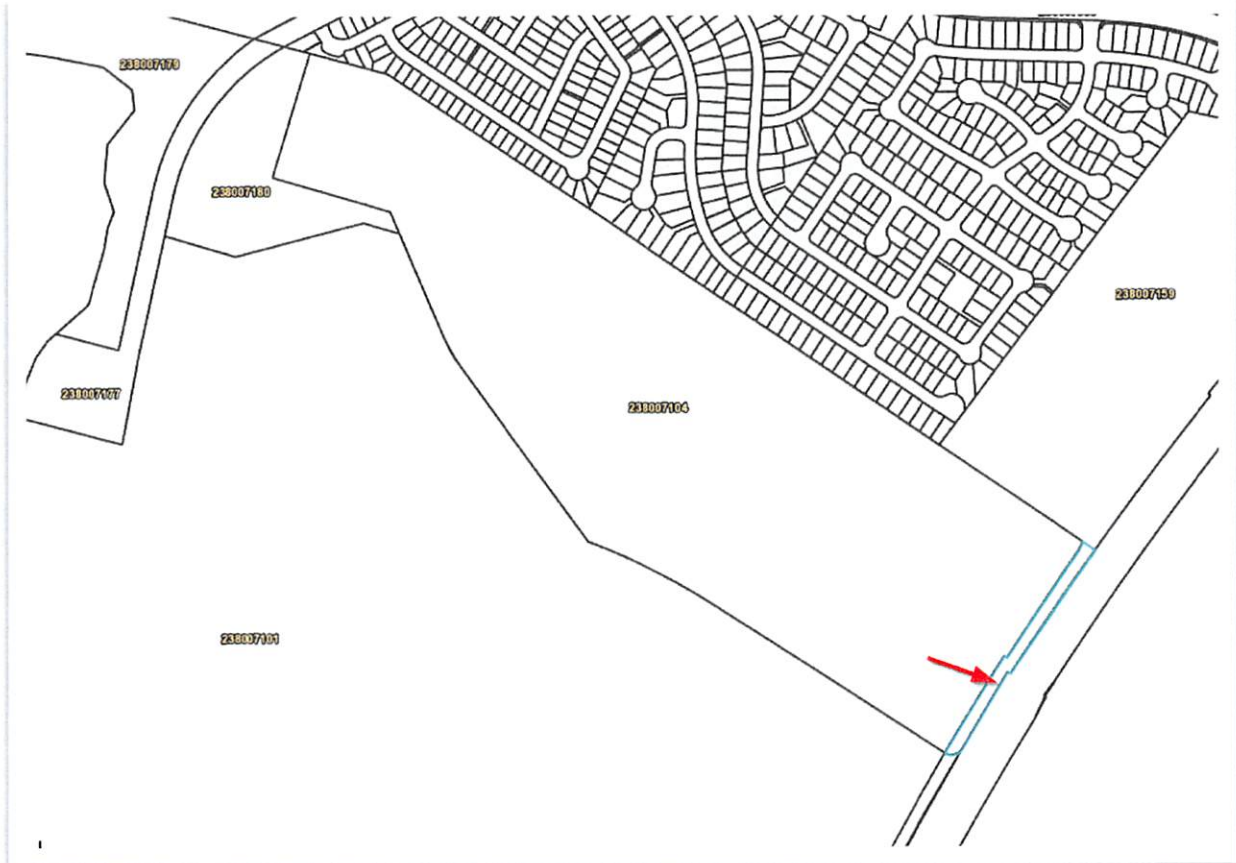
OTHER FLOOD AREAS

	Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase applies, but coverage is available in participating communities.
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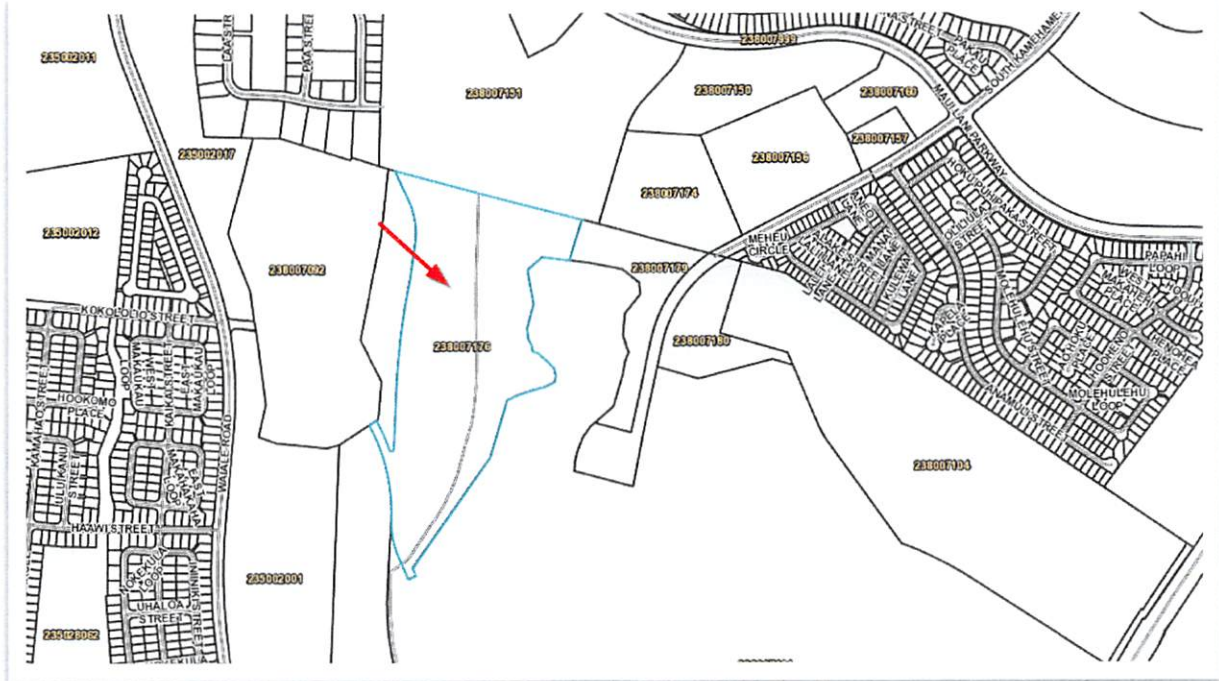
TMK 238-7-172 is a narrow stretch of land located between Parcel 101 and the Kuihelani Highway. It appears to have been designed as part of a highway widening or highway buffer area. It contains 2.817 acres and negates access from the highway to Parcel 101. Its only utility would appear to be included with TMK 238-7-101. It is the appraiser's understanding that this parcel was designed for an eventual highway widening that the State says it now no longer needs.



TMK 238-7-173 is a narrow stretch of land located between Parcel 104 and the Kuihelani Highway. It appears to have been designed as part of a highway widening or highway buffer area. It contains 1.097 acres and negates access from the highway to Parcel 104. Parcel 104 is owned by the State of Hawaii and is a regional park. Its only utility would appear to be included with TMK 238-7-104 which is owned by the State of Hawaii as a regional park. It is the appraiser's understanding that this parcel was designed for an eventual highway widening that the State says it now no longer needs.



TMK 238-7-176 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. The site contains 42.454 acres. The Old Landfill Access Road bisects the property. No other current access is apparent. This site was required to be dedicated to the County of Maui as part of the owner's approval for development of Maui Business Park II.



Access: The site is bisected by the Old Landfill Access Road, but this road appears to no longer go through to Waiko Road and is an unimproved roadway. No obvious individual access is apparent for this property without relying on other parcels that are similarly owned to the east.

Drainage: According to FIRM Panel 1500030391E, the subject is not located in a special flood hazard area.

Utilities: The subject has access to public power utilities along Waiko Road through similarly owned parcels to the east and south. There is no public sewer in this area. According to multiple sources, there is only a limited amount of public water available and for only work force housing projects in this area. The site's owner would have to commit to 100% workforce housing development and then could only obtain water in the amount of 120,000 gallons which would be sufficient for up to 214 multi-family units. The site has no other commitments for private water sources. Wendy Taomoto, the Engineering Program Manager for the Maui County Department of Water Supply, states the subject parcel is located at an elevation where it would not likely get sustainable potable water with a private well. It would be brackish.

Requirement to Dedicate to the County of Maui: The requirement for land to be turned over to the County is found in the Change of Land Use requirements:

41. The Petition Area includes approximately 50 acres of land that will be provided to the County of Maui for the development of affordable housing (40 acres), community center (7 acres), and park (3 acres), in satisfaction of zoning requirements for Petitioner's Maui Business Park Phase II development. Approximately 300 residential units have been estimated for the 40 acres associated with the Maui Business Park Phase II zoning requirements, and are included in the Project's 2,550 total residential units.

122. The Project will include a regional park that borders Kuihelani Highway and Road C, a neighborhood park that borders Kuihelani Highway, and a cultural preserve in the northeastern portion of the Petition Area. The 300 feet closest to Kuihelani Highway on the southern portion of the Petition Area will be developed with active recreational land uses (e.g., ball fields or basketball courts) as opposed to passive recreational land uses (e.g., art garden).

"...would need to comply with the DOE Educational Contribution Agreement executed between A&B and DOE. The agreement requires both a:

Cash Contribution

- \$2,153.00 per single family unit (payable upon the closing and recordation of each unit)*
- \$913.00 per multi-family unit (payable upon the closing and recordation of each unit)*
- The amounts may be adjusted so that they are always equal to the Central Maui School Impact Fee District Impact Fee amount that is in effect at the time of payment*

Land Contribution

- 16.879 net useable acres. DOE will make the final determination as to whether land is usable."*

The appraiser notes that the conditions for the State Land Use Change and the Education Contribution agreement do not specify which acreage is to be dedicated to the County and DOE. The DOE agreement states the dedication for its area must have 16.879 acres of usable area. The appraiser assumes the County would require that the County housing site of 40 acres and the community center area of 7 acres could be required to be usable acres as well. The appraiser believes these acreage amounts remain floating and the parcels are not yet specified until the dedication is approved by the County.

Flood Map



Flood Hazard Assessment Report

www.hawaiiifip.org

Property Information

COUNTY: MAUI
TMK NO: (2) 3-8-007-176
WATERSHED: IAD
PARCEL ADDRESS: ADDRESS NOT DETERMINED
WAILUKU, HI 96793

Notes:

Flood Hazard Information

FIRM INDEX DATE: NOVEMBER 04, 2015
LETTER OF MAP CHANGE(S): NONE
FEMA FIRM PANEL - EFFECTIVE DATE: 1500030392E - SEPTEMBER 25, 2009
1500030393F - NOVEMBER 04, 2015

THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE: NO
FOR MORE INFO, VISIT: <http://www.scd.hawaii.gov/>

THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE: YES (MA-0141; MA-0150; MA-0151)
FOR MORE INFO, VISIT: <http://dsvrweb.hawaii.gov/dam/>










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FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND

(Note: legend does not correspond with NFHA)


SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AD, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones.

	Zone A: No BFE determined.
	Zone AE: BFE determined.
	Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding); BFE determined.
	Zone AD: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.
	Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.
	Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.
	Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.

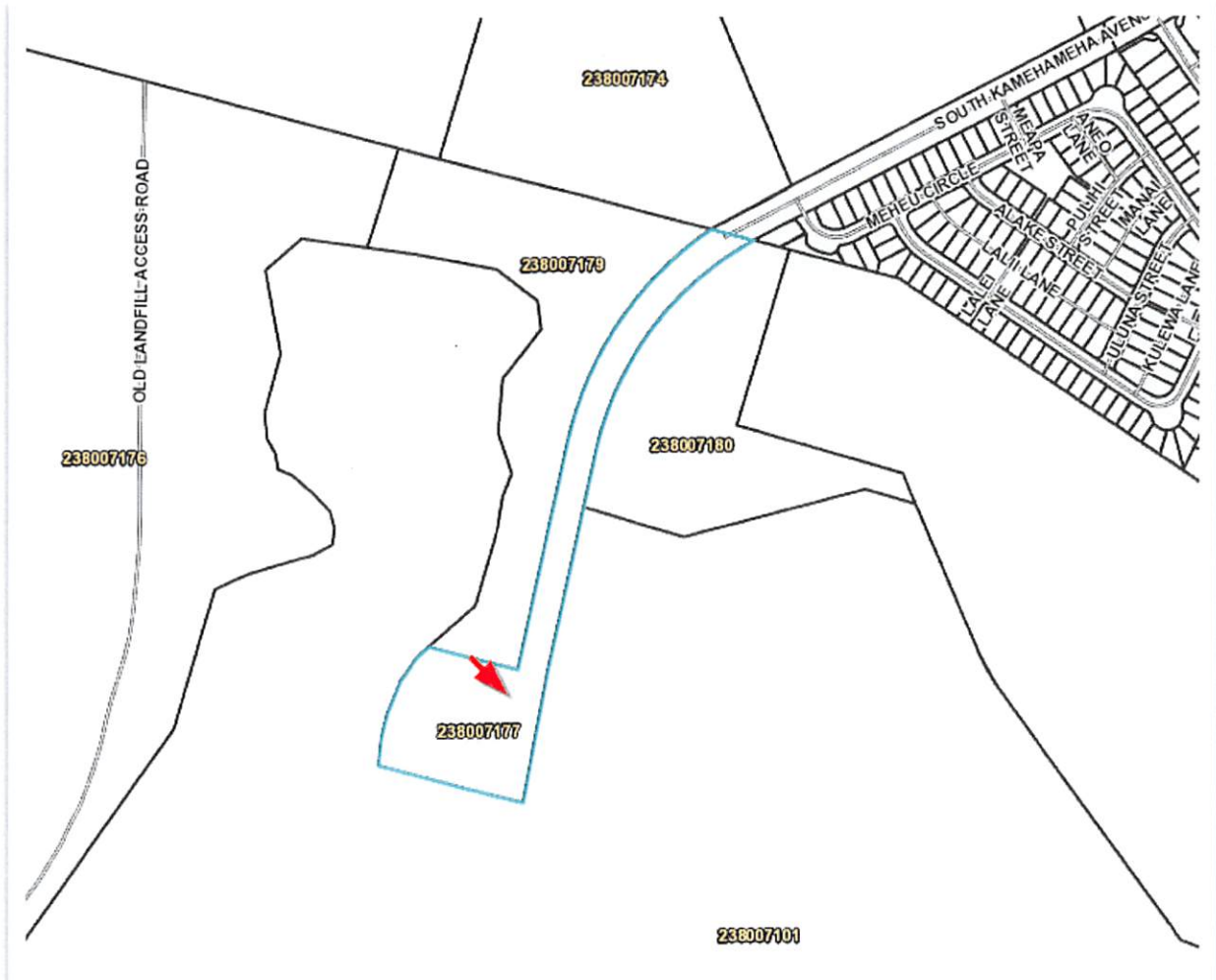
NON-SPECIAL FLOOD HAZARD AREA - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

	Zone XS [X shaded]: Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
	Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

OTHER FLOOD AREAS

	Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase apply, but coverage is available in participating communities.
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TMK 238-7-177 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. The site contains 5.554 acres and appears to have been designed as a continuation of South Kamehameha Avenue. This site was required to be dedicated to the County of Maui as part of the owner's approval for development of Maui Business Park II.



Drainage: According to FIRM Panel 1500030393F, the subject is not located in a special flood hazard area.

Utilities: The subject has access to public power utilities along Waiko Road through similarly owned parcels to the east and south. There is no public sewer in this area. According to multiple sources, there is only a limited amount of public water available and for only work force housing projects in this area. The site's owner would have to commit to 100% workforce housing development and then could only obtain water in the amount of 120,000 gallons which would be sufficient for up to 214 multi-family units. The site has no other commitments for private water sources. Wendy Taomoto, the Engineering Program Manager for the Maui County Department of

Water Supply, states the subject parcel is located at an elevation where it would not likely get sustainable potable water with a private well. It would be brackish.

Requirement to Dedicate to the County of Maui: The requirement for land to be turned over to the County is found in the Change of Land Use requirements:

41. The Petition Area includes approximately 50 acres of land that will be provided to the County of Maui for the development of affordable housing (40 acres), community center (7 acres), and park (3 acres), in satisfaction of zoning requirements for Petitioner's Maui Business Park Phase II development. Approximately 300 residential units have been estimated for the 40 acres associated with the Maui Business Park Phase II zoning requirements, and are included in the Project's 2,550 total residential units.

122. The Project will include a regional park that borders Kuihelani Highway and Road C, a neighborhood park that borders Kuihelani Highway, and a cultural preserve in the northeastern portion of the Petition Area. The 300 feet closest to Kuihelani Highway on the southern portion of the Petition Area will be developed with active recreational land uses (e.g., ball fields or basketball courts) as opposed to passive recreational land uses (e.g., art garden).

"...would need to comply with the DOE Educational Contribution Agreement executed between A&B and DOE. The agreement requires both a:

Cash Contribution

- *\$2,153.00 per single family unit (payable upon the closing and recordation of each unit)*
- *\$913.00 per multi-family unit (payable upon the closing and recordation of each unit)*
- *The amounts may be adjusted so that they are always equal to the Central Maui School Impact Fee District Impact Fee amount that is in effect at the time of payment*

Land Contribution

- *16.879 net useable acres. DOE will make the final determination as to whether land is usable."*

The appraiser notes that the conditions for the State Land Use Change and the Education Contribution agreement do not specify which acreage is to be dedicated to the County and DOE. The DOE agreement states the dedication for its area must have 16.879 acres of usable area. The appraiser assumes the County would require that the County housing site of 40 acres and the community center area of 7 acres could be required to be usable acres as well. The appraiser believes these acreage amounts remain floating and the parcels are not yet specified until the dedication is approved by the County.

Flood Map



Flood Hazard Assessment Report

www.hawaiiinfip.org

Property Information

COUNTY: MAUI
 TMK NO: (2) 3-8-007:177
 WATERSHED: IAO
 PARCEL ADDRESS: ADDRESS NOT DETERMINED
 WAILUKU, HI 96793

Notes:

Flood Hazard Information

FIRM INDEX DATE: NOVEMBER 04, 2015
 LETTER OF MAP CHANGE(S): NONE
 FEMA FIRM PANEL - EFFECTIVE DATE: 1500030393F - NOVEMBER 04, 2015
 1500030394F - NOVEMBER 04, 2015

THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE: NO
 FOR MORE INFO, VISIT: <http://www.scd.hawaii.gov/>

THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE: YES (MA-0141; MA-0150)
 FOR MORE INFO, VISIT: <http://drrwing.hawaii.gov/dam/>



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FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND

(Note: legend does not correspond with RFP/L)

SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AO, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones:

	Zone A: No BFE determined.
	Zone AE: BFE determined.
	Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding); BFE determined.
	Zone AO: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.
	Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.
	Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.
	Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.

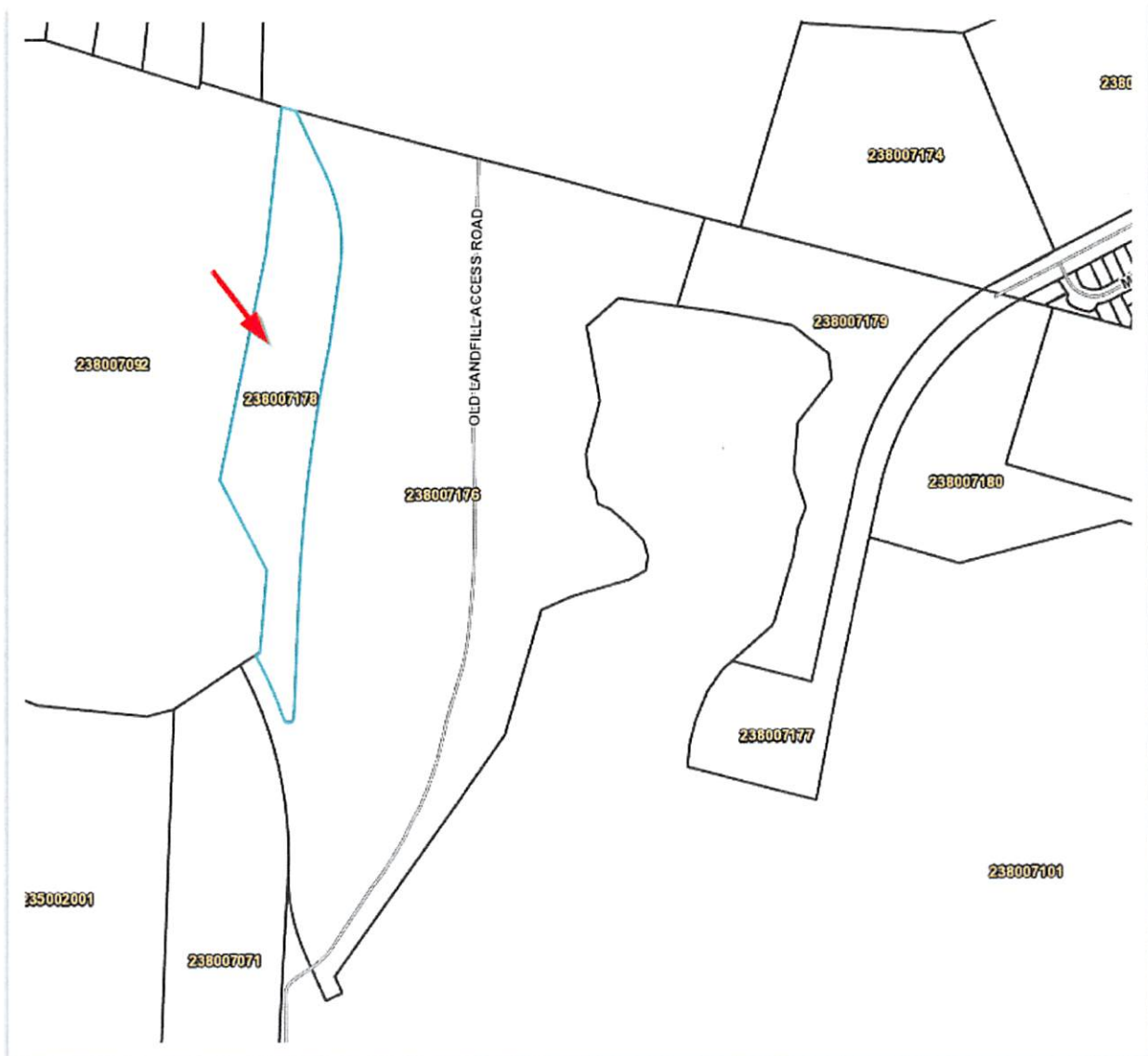
NON-SPECIAL FLOOD HAZARD AREA - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

	Zone XS (X shaded): Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
	Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

OTHER FLOOD AREAS

	Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase applies, but coverage is available in participating communities.
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TMK 238-7-178 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. The site contains 7.66 acres and is a buffer between Parcel 176 above and the former County Landfill.



Required Buffer from Landfill: The Land Use Change granted by the State Land Use Commission from Agricultural to Urban required a three hundred foot buffer between the former landfill and any development on the subject parcels. Docket # A10-789 states:

17. Waikapii Landfill Buffer. A buffer area at least 300 feet wide extending from the boundary of the Waikapu Landfill shall be established, within which allowable uses shall be limited to parking, roadway, other infrastructural uses, and open space. Any deviation from these uses shall be approved by the DOH, SHWB.




This site is generally less than 250 wide and serves as a buffer between the former landfill site (Parcel 92) and Parcel 176. It is apparent that the uses allowed would be limited to parking, roadway, other infrastructural uses, and open space.

Access: The site has no access without utilizing similarly owned property to the east.

Drainage: According to FIRM Panel 1500030391E, the subject is not located in a special flood hazard area.

Flood Map



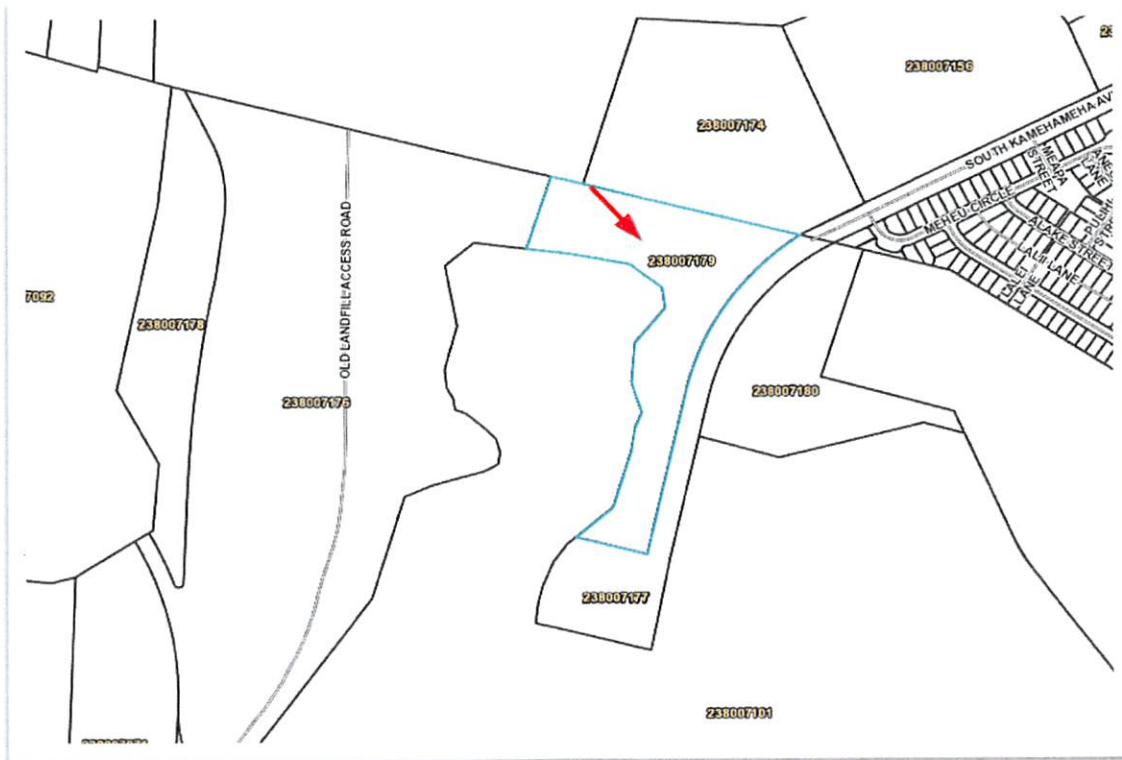


Flood Hazard Assessment Report

www.hawaiiinfip.org

Property Information	FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND <small>(Note: legend does not correspond with MFHL)</small>
<p>Notes:</p>	<p>SPECIAL FLOOD HAZARD AREAS (SFHA) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AO, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones:</p>
<p>County: MAUI</p> <p>TMK NO.: (2) 3-8-007:178</p> <p>Watershed: IAO</p> <p>Parcel Address: ADDRESS NOT DETERMINED WAILUKU, HI 96793</p>	<p>Zone A: No BFE determined.</p> <p>Zone AE: BFE determined.</p> <p>Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding); BFE determined.</p> <p>Zone AO: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.</p> <p>Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.</p> <p>Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.</p> <p>Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.</p>
<p>Flood Hazard Information</p> <p>FIRM INDEX DATE: NOVEMBER 04, 2015</p> <p>LETTER OF MAP CHANGE(S): NONE</p> <p>FEMA FIRM PANEL - EFFECTIVE DATE: 1500000391E - SEPTEMBER 25, 2009 1500000393F - NOVEMBER 04, 2015</p>	<p>NON-SPECIAL FLOOD HAZARD AREA - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.</p> <p>Zone X3 (X shaded): Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.</p> <p>Zone X: Areas determined to be outside the 0.2% annual chance floodplain.</p>
<p>THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE: NO FOR MORE INFO, VISIT: http://www.scd.hawaii.gov/</p> <p>THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE: YES (MA-0150; MA-0151) FOR MORE INFO, VISIT: http://dsvrweb.hawaii.gov/dam/</p>	<p>OTHER FLOOD AREAS</p> <p>Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase apply, but coverage is available in participating communities.</p>
<p>Scale: 0 400 800 ft</p> <p><small>Disclaimer: The Hawaii Department of Land and Natural Resources (DLNR) assumes no responsibility arising from the use, accuracy, completeness, and timeliness of any information contained in this report. Viewers/Users are responsible for verifying the accuracy of the information and agree to indemnify the DLNR, its officers, and employees from any liability which may arise from its use of its data or information.</small></p> <p><small>If this map has been identified as "PRELIMINARY", please note that it is being provided for informational purposes and is not to be used for flood insurance rating. Contact your county floodplain manager for flood zone determinations to be used for compliance with local floodplain management regulations.</small></p>	

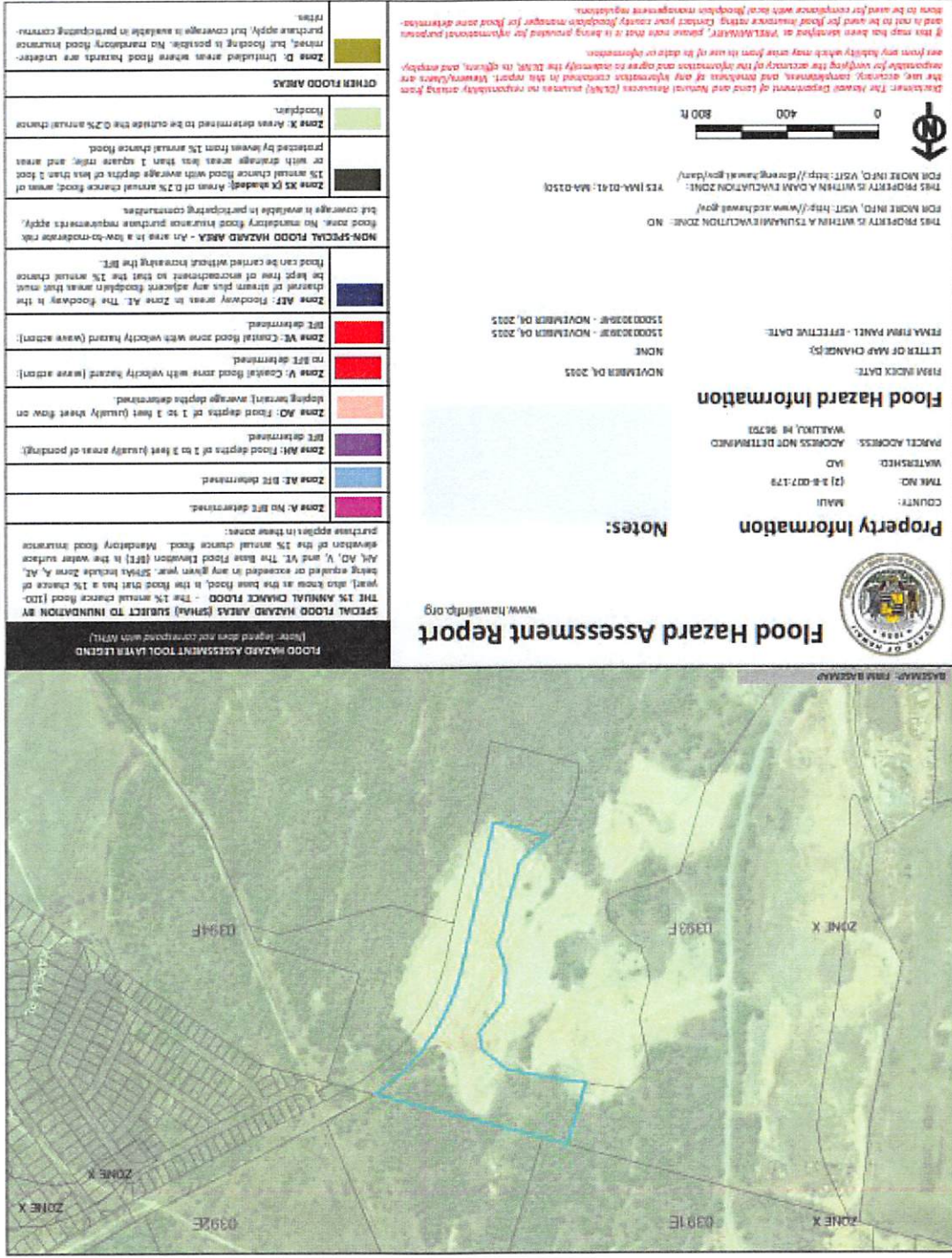
TMK 238-7-179 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. This is an irregular shaped parcel located on the west side of Parcel 177 (the continuation of South Kamehameha Avenue). It contains 8.897 acres.



Access: The site would gain access from the eventual continuation of Kamehameha Avenue on its eastern boundary.

Drainage: According to FIRM Panel 1500030393F, the subject is not located in a special flood hazard area.

Utilities: The subject has access to public power utilities along Waiko Road through similarly owned parcels to the east and south. There is no public sewer in this area. According to multiple sources, there is only a limited amount of public water available and for only work force housing projects in this area. The site's owner would have to commit to 100% workforce housing development and then could only obtain water in the amount of 120,000 gallons which would be sufficient for up to 214 multi-family units. The site has no other commitments for private water sources. Wendy Taomoto, the Engineering Program Manager for the Maui County Department of Water Supply, states the subject parcel is located at an elevation where it would not likely get sustainable potable water with a private well. It would be brackish.



Flood Map



Flood Hazard Assessment Report
 www.hawaiiinfo.org



Property Information

COUNTY: MAUI
 TRM NO: (2) 2-8-007-179
 WATERSHD: IAD
 PARCEL ADDRESS: ADDRESS NOT DETERMINED
 WALLNO: H 96701

Flood Hazard Information

FIGURE INDEX DATE: NOVEMBER 04, 2015
 LETTER OF MAP CHANGE (LOMC): NONE
 FEMA FIRM PANEL - EFFECTIVE DATE: 150003039E - NOVEMBER 04, 2015
 150003039E - NOVEMBER 04, 2015

Notes:

SPECIAL FLOOD HAZARD AREAS (SFHA) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD - The 1% annual chance flood (100 year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AD, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones.

Zone A: No BFE determined.

Zone AE: BFE determined.

Zone AH: Flood depths of 1 to 3 feet (usually areas of ponding). BFE determined.

Zone AO: Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined.

Zone AV: Coastal flood zone with velocity hazard (wave action); no BFE determined.

Zone V: Coastal flood zone with velocity hazard (wave action); BFE determined.

Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.

Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

Zone XE: Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot and areas protected by levees from 1% annual chance flood.

Zone XE shaded: Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot and areas protected by levees from 1% annual chance flood.

OTHER FLOOD AREAS

Zone D: Unshaded areas where flood hazards are indicated, but flooding is possible. No mandatory flood insurance purchase apply, but coverage is available in participating communities.

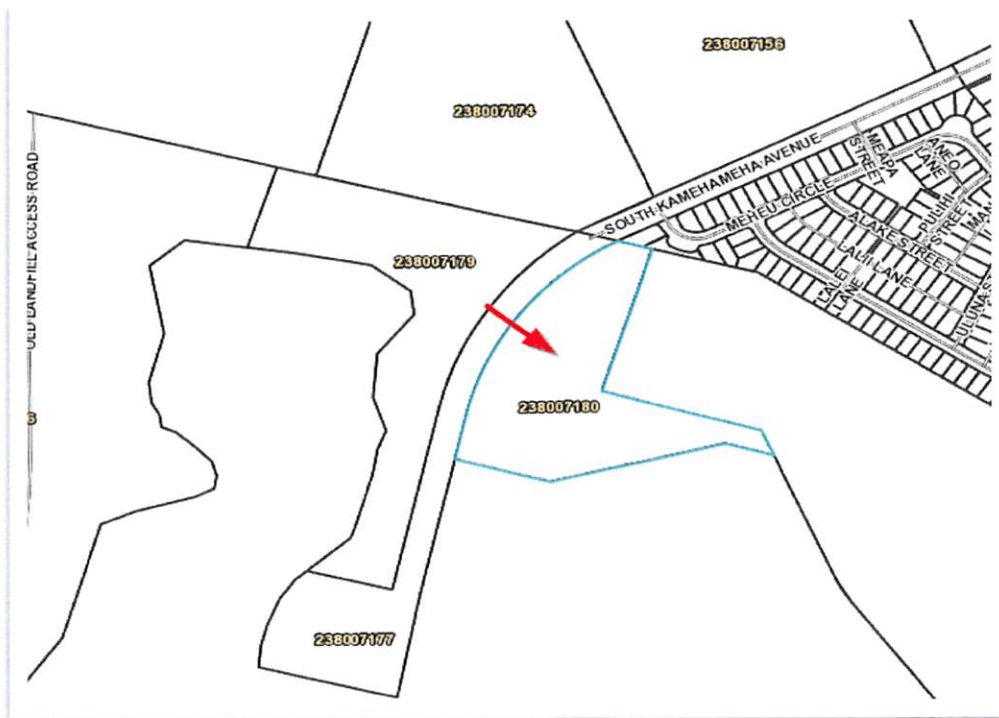
Zone D: Unshaded areas where flood hazards are indicated, but flooding is possible. No mandatory flood insurance purchase apply, but coverage is available in participating communities.

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If this map has been identified as "INTERIM/ADVISORY," please note that it is being provided for informational purposes and is not to be used for flood insurance rating. Contact your local floodplain manager for flood zone determinations to be used for compliance with local floodplain management regulations.

FOR MORE INFO, VISIT: <http://www.dlnr.state.hi.us/>
 YES IMA-DIAG: MA-0150
 FOR MORE INFO, VISIT: <http://dwdwr.hawaii.gov/dwdwr/>

TMK 238-7-180 is currently in a conditional State Land Use area of Urban (expires in June of 2022) and is zoned Agricultural by the County of Maui. This is an irregular shaped parcel located on the east side of Parcel 177 (the continuation of South Kamehameha Avenue). It contains 7.31 acres. This site was required to be dedicated to the County of Maui as part of the owner's approval for development of Maui Business Park II.



Access: The site would gain access from the eventual continuation of Kamehamea Avenue on its western boundary.

Drainage: According to FIRM Panel 1500030393F the subject is not located in a special flood hazard area.

Utilities: The subject has access to public power utilities along Waiko Road through similarly owned parcels to the east and south. There is no public sewer in this area. According to multiple sources, there is only a limited amount of public water available and for only work force housing projects in this area. The site's owner would have to commit to 100% workforce housing development and then could only obtain water in the amount of 120,000 gallons which would be sufficient for up to 214 multi-family units. The site has no other commitments for private water sources. Wendy Taomoto, the Engineering Program Manager for the Maui County Department of Water Supply, states the subject parcel is located at an elevation where it would not likely get sustainable potable water with a private well. It would be brackish.

Requirement to Dedicate to the County of Maui: The requirement for land to be turned over to the County is found in the Change of Land Use requirements:

41. The Petition Area includes approximately 50 acres of land that will be provided to the County of Maui for the development of affordable housing (40 acres), community center (7 acres), and park (3 acres), in satisfaction of zoning requirements for Petitioner's Maui Business Park Phase II development. Approximately 300 residential units have been estimated for the 40 acres associated with the Maui Business Park Phase II zoning requirements, and are included in the Project's 2,550 total residential units.

122. The Project will include a regional park that borders Kuihelani Highway and Road C, a neighborhood park that borders Kuihelani Highway, and a cultural preserve in the northeastern portion of the Petition Area. The 300 feet closest to Kuihelani Highway on the southern portion of the Petition Area will be developed with active recreational land uses (e.g., ball fields or basketball courts) as opposed to passive recreational land uses (e.g., art garden).

"...would need to comply with the DOE Educational Contribution Agreement executed between A&B and DOE. The agreement requires both a:

Cash Contribution

- \$2,153.00 per single family unit (payable upon the closing and recordation of each unit)*
- \$913.00 per multi-family unit (payable upon the closing and recordation of each unit)*
- The amounts may be adjusted so that they are always equal to the Central Maui School Impact Fee District Impact Fee amount that is in effect at the time of payment*

Land Contribution

- 16.879 net useable acres. DOE will make the final determination as to whether land is usable."*

The appraiser notes that the conditions for the State Land Use Change and the Education Contribution agreement do not specify which acreage is to be dedicated to the County and DOE. The DOE agreement states the dedication for its area must have 16.879 acres of usable area. The appraiser assumes the County would require that the County housing site of 40 acres and the community center area of 7 acres could be required to be usable acres as well. The appraiser believes these acreage amounts remain floating and the parcels are not yet specified until the dedication is approved by the County.

Flood Map



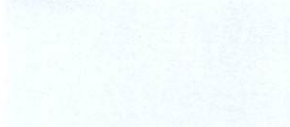
Flood Hazard Assessment Report

www.hawaiiifip.org

Property Information

COUNTY: MAUI
 TMK NO: (2) 3-8-007:180
 WATERSHED: IAO
 PARCEL ADDRESS: ADDRESS NOT DETERMINED
 WAILUKU, HI 96793

Notes:



Flood Hazard Information

FIRM INDEX DATE: NOVEMBER 04, 2015
 LETTER OF MAP CHANGE(S): NONE
 FEMA FIRM PANEL - EFFECTIVE DATE: 1500030393F - NOVEMBER 04, 2015
 1500030394F - NOVEMBER 04, 2015

THIS PROPERTY IS WITHIN A TSUNAMI EVACUATION ZONE: NO
 FOR MORE INFO, VISIT: <http://www.scd.hawaii.gov/>

THIS PROPERTY IS WITHIN A DAM EVACUATION ZONE: YES (MA-0141; MA-0150)
 FOR MORE INFO, VISIT: <http://dir.wing.hawaii.gov/dam/>










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FLOOD HAZARD ASSESSMENT TOOL LAYER LEGEND (Note: legend does not correspond with NFHA)


SPECIAL FLOOD HAZARD AREAS (SFHA) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD - The 1% annual chance flood (100-year), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. SFHAs include Zone A, AE, AH, AD, V, and VE. The Base Flood Elevation (BFE) is the water surface elevation of the 1% annual chance flood. Mandatory flood insurance purchase applies in these zones:

	Zone A: No BFE determined.
	Zone AE: BFE determined.
	Zone AH: Flood depths of 1 to 3 feet [usually areas of ponding]; BFE determined.
	Zone AD: Flood depths of 1 to 3 feet [usually sheet flow on sloping terrain]; average depths determined.
	Zone V: Coastal flood zone with velocity hazard (wave action); no BFE determined.
	Zone VE: Coastal flood zone with velocity hazard (wave action); BFE determined.
	Zone AEF: Floodway areas in Zone AE. The floodway is the channel of stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without increasing the BFE.

NON-SPECIAL FLOOD HAZARD AREA - An area in a low-to-moderate risk flood zone. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

	Zone XS (X shaded): Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.
	Zone X: Areas determined to be outside the 0.2% annual chance floodplain.

OTHER FLOOD AREAS

	Zone D: Unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase apply, but coverage is available in participating communities.
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Important Aspects of the State Land Use Classification Change from Agricultural to Urban and the Project District Zoning

The subject parcels were granted a conditional State Land Use Change from Agricultural to Urban on 6/21/2012. Some of the more important conditions of that change included:

1. *Water. **Petitioner shall provide** the necessary water source, storage, and transmission facilities and improvements to the satisfaction of the DWS to service the Petition Area.*

4. *Affordable Housing. Petitioner shall provide affordable housing opportunities for residents of the State of Hawai'i in accordance with the affordable housing requirements of the County of Maui. Petitioner shall comply with all housing requirements to the satisfaction of the DHHC.*

13. *Previously Unidentified Burials and Archaeological/Historic Sites. In the event that historic resources, including human skeletal remains, are Docket No. A10-789 A&B Properties, Inc. Page 84 Findings Of Fact, Conclusions Of Law, And Decision And Order identified during construction activities, all work shall cease in the immediate vicinity of the find, the find shall be protected from additional disturbance, and the DLNR, SHPD, Maui Island Section, shall be contacted immediately. Without any limitation to any other condition found herein, if any burials or archaeological or historic sites, such as artifacts, marine shell concentrations, charcoal deposits, stone platforms, paving, and walls not previously identified in studies referred to herein, are discovered during the course of construction of the Project, all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological clearance from the DLNR, SHPD, that mitigative measures have been implemented to its satisfaction.*

17. *Waikapii Landfill Buffer. A buffer area at least 300 feet wide extending from the boundary of the Waikapu Landfill shall be established, within which allowable uses shall be limited to parking, roadway, other infrastructural uses, and open space. Any deviation from these uses shall be approved by the DOH, SHWB.*

18. *Public School Facilities. In conjunction with educational plans for a middle school facility within the Petition Area, an Education Contribution Agreement specifying the fair share contribution for the development, funding, and/or construction of school facilities shall be executed with the DOE prior to zone change approval.*

20. *Infrastructure Deadline. **Petitioner shall complete** construction of the proposed backbone infrastructure, which consists of the primary roadways and access points, internal roadways, **on- and offsite water and electrical system improvements**, and stormwater/drainage and other utility system improvements, within ten years from the date of the Decision and Order approving the Petition.*

21. *Compliance with Representations. **Petitioner shall develop the Petition Area in substantial compliance with the representations made to the Commission.** Failure to so develop the Petition Area may result in reversion of the Petition Area to its former classification, or change to a more appropriate classification.*



Deadline: The subject owner's deadline for construction of the backbone infrastructure is rapidly approaching. The deadline is 6/20/2022. To complete such construction the subject would have to gain final subdivision approval and develop some means of delivering sufficient potable water to allow the project to move forward. The subject development has done neither of these things yet. However, according to the State Land Use Commission, the owner has made their annual reports and has shown progress towards achieving the eventual development. This likely means it could gain an extension on this State Land Use Conditional Change.

Water Development: The subject appears to have not solved the problem of developing a water source for its proposed development. According to the Department of Water Supply, the owner was negotiating with an owner at a higher elevation for a water well agreement. That negotiation broke off, according to the Department of Water Supply. The subject could not likely achieve its water source from digging a well on site. The Department of Water Supply states it will only allow water for this area if the owner commits to 100% workforce housing and then only for multi-family and for up to 214 units. The plan provided for the State Land Use Change was for a variety of uses that included multi-family, industrial, commercial and single family. Any significant change to the plan might result in having to go through the State Land Use Change process again.

*Compliance with Representations. **Petitioner shall develop the Petition Area in substantial compliance with the representations made to the Commission.** Failure to so develop the Petition Area may result in reversion of the Petition Area to its former classification, or change to a more appropriate classification.*

There are several studies which state the project has no current source of potable water for development. The following was taken from a March of 2020 Waiale Planning and Infrastructure Assessment completed by PBR Hawaii & Associates, Inc.

Water

Existing Conditions

There is no existing domestic water service within Property area. County of Maui Department of Water Supply (DWS) provides service to Waikapu to the west of the Property, which is supplied from the 'Iao Aquifer. DWS has an 18-inch Kihei Water Development project transmission line that runs along Wai'ale Road and cuts through the Property, and a 36-inch Central Maui Water Transmission System line which passes through the north of the Property. DWS has stated the Wai'ale will need to be serviced by a new water system drawing from the Waikapu Aquifer, as no additional water can be withdrawn from the 'Iao Aquifer.

There has been no known water source established by the owner to this point.

Archeology: The subject had an archeological survey and approved burial plan in place as of the State Land Use Change; however, during routine archeological monitoring in 2016, the following was discovered:

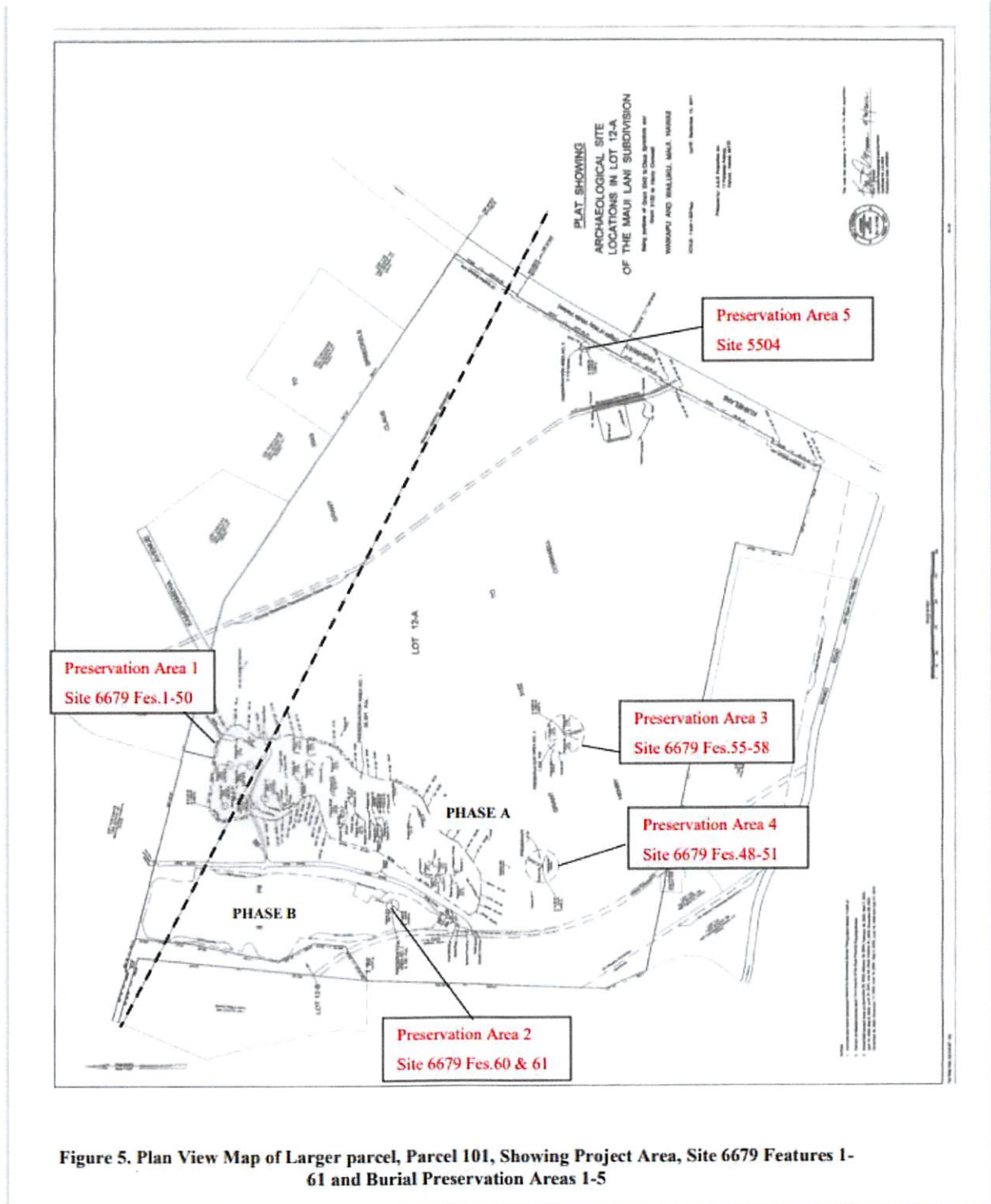
DRAFT ARCHAEOLOGICAL MONITORING REPORT FOR A PARCEL OF LAND LOCATED IN WAILUKU AND WAIKAPU AHUPUA'A, WAILUKU DISTRICT; PŪ'ALI KOMOHANA MOKU, ISLAND OF MAUITMK [2] 3-8-007:101 PORS

BY: Lisa J. Rotunno-Hazuka, And Jeffrey Pantaleo (MA)

June 2016

Under contract to Hawaiian Cement (HC) for landowner Alexander and Baldwin (A&B), and pursuant to provisions in the accepted Archaeological Monitoring Plans (AMP), Archaeological Services Hawaii, LLC of Wailuku has prepared this Archaeological Monitoring Report (AMR) according to the rules and regulations set forth in the Hawaii Administrative Rules (HAR) §13- 300-279-5 and 6. Archaeological monitoring was performed during all ground-disturbing activities by HC associated with the grading of approximately 154.0-acres of sand dunes within Waikapū and Wailuku ahupua'a, Wailuku District, Pū'ali Komohana Moku, Island of Maui, TMK [2] 3-8-007:101 pors (Figures 1-5). An AIS was performed of the project area and two previously identified burial sites, Sites 50-50- 04-4200 and 4201, as well as a multi-tiered terrace, Site 4202, were identified (Kennedy and Moore 1989) (see Figure 3). Subsequent to the AIS, a Revised Burial Treatment Plan (BTP) for Sites 4200 through 4202 was submitted to the State Historic Preservation Division-SHPD (Kennedy and Moore 1998). The BTP proposed preservation in place within a 50 ft. diameter buffer zone and recommended monitoring during initial sand mining/grading operations (Ibid). During the monitoring program, an inadvertent burial complex containing a minimum of 82 individuals and 13 burial pits designated Site 50-50-04-6679 Features 1-61 was recorded in the central portion of the project area (see Figures 4 and 5). Site 5504, another inadvertent burial site comprised of a solitary primary burial feature was identified approximately 1.37 km (4450 ft.) east of Site 6679 along Kūi'helani Highway. Site 5504 was exposed and disturbed during unmonitored grading activities by HC&S along Kūi'helani Highway. HC&S was grading and constructing a berm along the highway to prevent access into the larger parcel, Parcel 101, which surrounds the project area and was not aware of the monitoring requirement. After the berm was constructed, ASH performed a field inspection along the length of the berm and identified disturbed, scattered skeletal remains in the vicinity of a partial primary burial, Site 5504. Site 6679 Features 1-61 is comprised of primary and partial primary burial features (n=34), secondarily deposited or disturbed skeletal remains (n=42) and several burial pit features (n=13) believed to contain primary burials. Pursuant to an accepted Burial Component of a Data Recovery Plan (BCDRP) and Preservation Plan (BCPP) for Sites 5504 and 6679, the burial features were preserved within five distinct Preservation Areas (Preservation Areas 1-5) (see Figure 5) (Rotunno-Hazuka et. al. 2014).

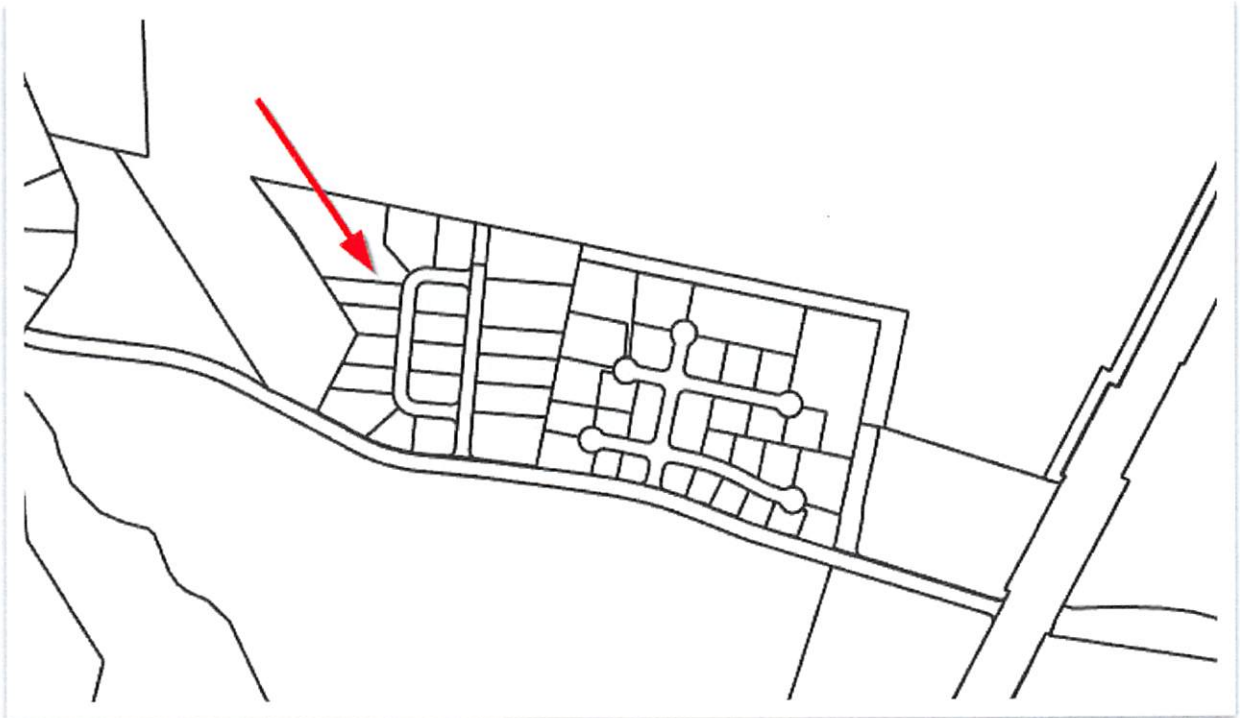
The following map illustrates the archeological finds:



The reader should note that the stated 82 additional individual remains found appear to have been found in areas of sand dune structures found in this area. The U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) Soil Survey classifies the soils of the property as Pu'uone Sand and Jaucas Sand. All the North Wai'ale soils are Pu'uone Sand. Approximately 44% of the South Wai'ale soils are Pu'uone Sand and approximately 56% are Jaucas Sand. Figure 9 shows the UDSA NRCS soils map of the property and the surrounding area. From a March of 2020 Waiale Planning and Infrastructure Assessment completed by PBR Hawaii & associates, Inc.

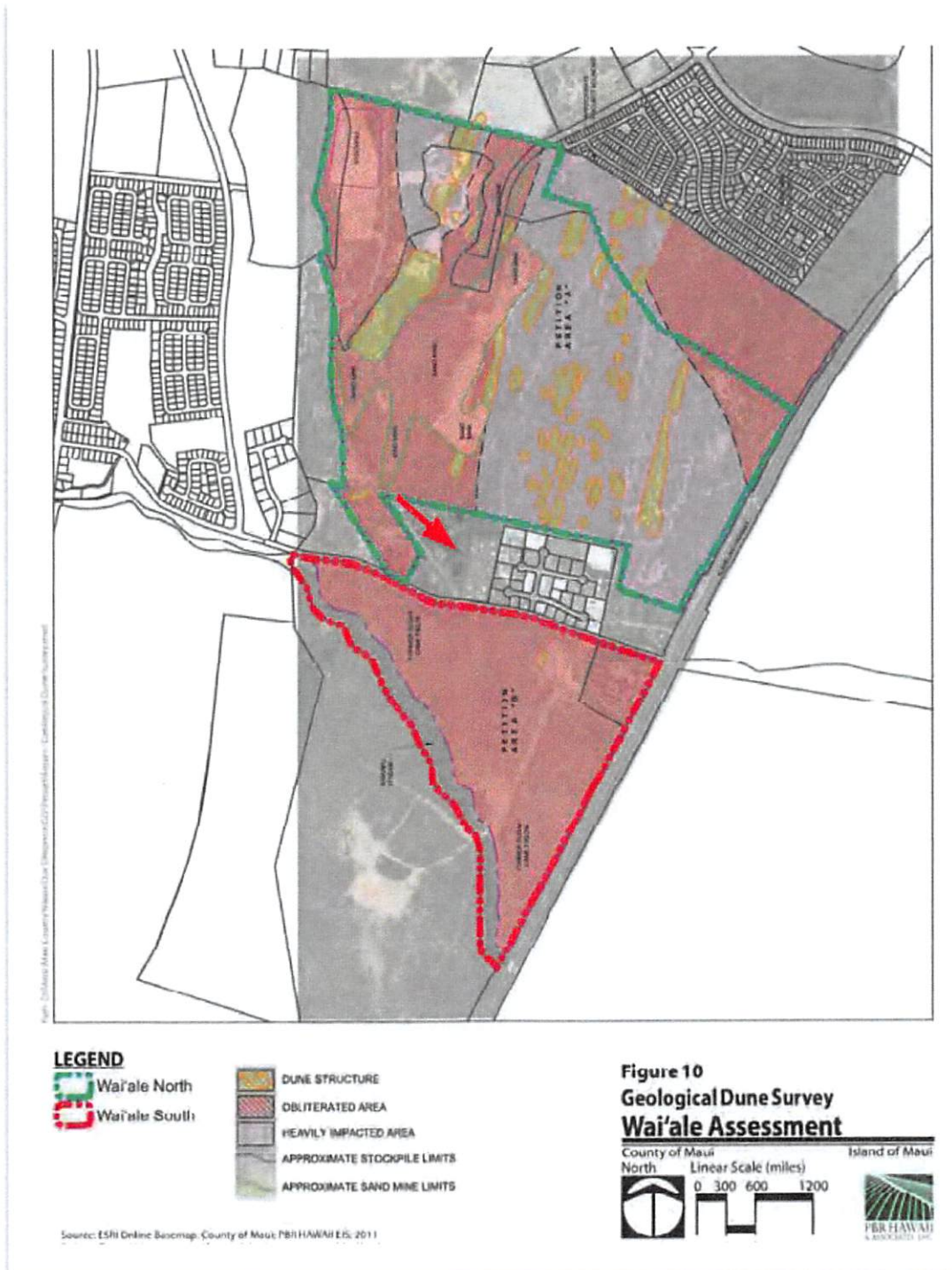
The sandy soils of the Property, the presence of dunes, and the discovery of burials, burial sites, and burial features highlights the possibility of undiscovered burials on the Property. However, based on previous archaeological investigations, burials do not appear to occur throughout the entire Property. Based on all known information, burials are clustered near higher elevation dunes, and do not occur separately. While most of the dunes with the Property have been obliterated by human activities, dunes in the northwestern portion of Wai'ale North are relatively intact; this is where the highest concentration of burials have been found. In A&B's 2011 master plan this general area was proposed as large cultural preserve and smaller cultural preserves were also proposed.

Recently, a new industrial park adjacent and to the west of the Waiko Baseyard Park was nearing final approval. The plat looked like this:

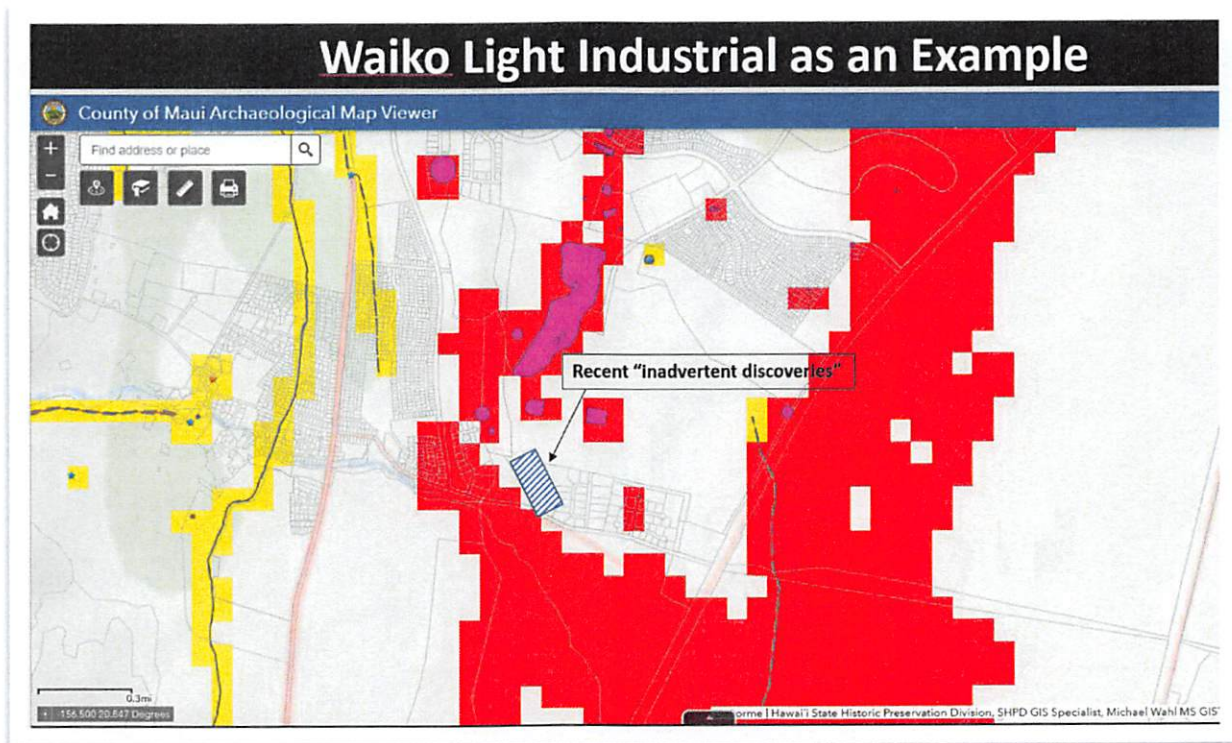


This development is located adjacent to the subject's Parcel 101. Its final approval was delayed because 13 undiscovered graves were found in this area at the last moment.

The following map shows a geological dune survey of the subject's north parcels and the arrow depicts the location of the nearly completed new industrial park:



Janet Six PHD is the County of Maui's archeologist. She has had the State of Hawaii Historical Preservation Division made a predictive survey of the area based upon three criterion of know factual burial discoveries. She then created a map showing the predictive analysis where the red colored areas are highly sensitive areas with likely areas of burials, the yellow are more moderately sensitive, and the purple areas are known burial preserve areas:



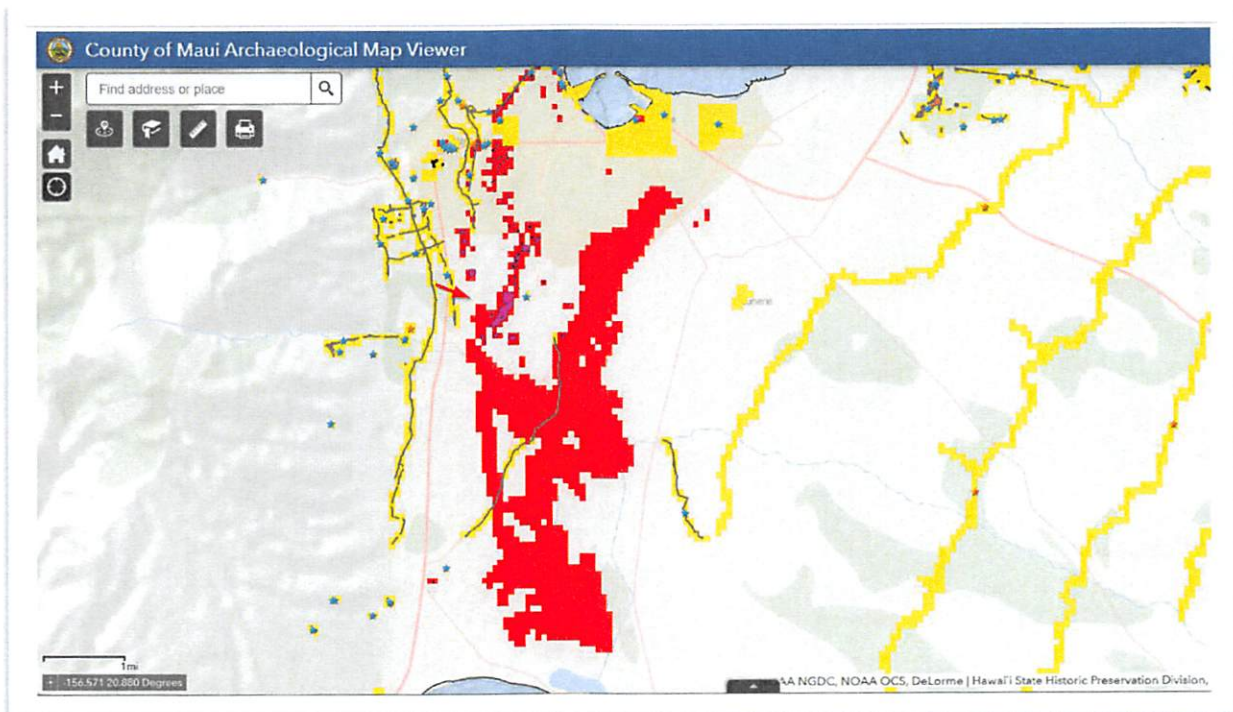
As can be seen, much of the south area of the subject (Parcels 37 and 40) are likely highly sensitive. The area at the center of Parcel 101 is white and this was explained to the appraiser as an area that simply did not meet the three step criteria, however, this area, too, is likely to have significant burials. The area has sand dunes and the sand is where the burials generally occurred. Three additional burials have been found in the extension area of Kamehameha Avenue and this roadway is being redesigned. Dr. Six also pointed out that any change in the plan found in the environmental impact study is likely to trigger a requirement for a new archeological inventory study. She went on to state that in the past when inadvertent burials were discovered after an archeological inventory study was completed, the remains were often moved to preserve area. This provided an incentive for developers to find archeologist that would not find as many sites as might be found otherwise. Dr. Six states the Burial Council is now aware of this practice and is suing the State, developers, and the County for past developments where this practice took place. She also states the Burial Council is no longer allowing these inadvertent burials to be interred in other preserve locations and is requiring they be preserved in place.

In 2018, SHPD Lead Archaeologist for Maui, Barker Farris, did a statistical analysis showing a clear coloration between sand dunes, elevation and intact burials. According to Dr. Farris, the slope below illustrates that the predicted probability of locating a “PRIMARY BURIAL” in the area extent is “GREATER AT LOWER ELEVATIONS.” It is approximately 80 percent more likely to identify a primary burial at elevations around 160 feet than one of the other two “types” of features measured in the data (e.g., partial burials or scattered remains); and, “THE PREDICTED PROBABILITY OF IDENTIFYING PRIMARY BURIALS DECREASES AS ALTITUDE INCREASES.”

The area shown in white is at a lower elevation than the preserve area in the northwest corner of the property. It is also an area of sand dunes, as shown on the map on page 59.

Dr. Six also pointed out that areas of human activity seem to have little bearing on whether additional graves are found or not. An area of scrap yard in the near vicinity that was heavily disturbed recently had additional burials discovered; the areas that were mined for sand have had several burials found in the area; there have been graves found in areas used for sugar cane cultivation; the area of the newer industrial lots on Waiko Road was formerly a feed lot and has had 10 new burial discoveries.

A wider look at the predictive mapping for the central Maui Isthmus helps to show how wide spread the practice of burials in the dune area of Central Maui area was:



Zoning

The subject parcels (TMK 238-5-37 and 40) have Project District Zoning Ordinance established that applies to approximately 122.6-acres of the project area. The project district would have to be developed in general conformity to the State Land Use Change of zone plan from 2012. This project district zoning could only be finalized by completing a Project District Phase II to establish specific zoning. That process involves a public hearing before the Maui Planning Commission and is outlined here:

19.45.050 - Processing procedure.

Development of a project district shall be subject to the following three phases of approvals.

B. Phase II approval shall be processed as follows:

1. Unless a concurrent application has been filed or otherwise provided in the project district ordinance, after Phase I approval the applicant shall submit to the planning director a preliminary site plan for the project district development. The preliminary site plan shall conform to the project district ordinance and shall include the following:

a. Proposals for drainage, streets, parking, utilities, grading, landscaping, architectural design concepts and guidelines, building elevations, building sections, construction phasing, open spaces, land uses, and signage;

b. Proposals for recreational and community facilities;

c. Proposals for floor area ratios, lot coverages, net buildable areas, open space ratios, impervious ratios, and density factors; and

d. Potential environmental, socioeconomic, and aesthetic impacts.

2. The planning director shall submit the preliminary site plan to the planning commission. The planning commission shall hold a public hearing in the affected community plan region. The planning commission may approve the preliminary site plan, with or without modifications.

C. Phase III approval shall be processed as follows:

1. After Phase II approval, the applicant shall submit a final site plan for the project district development to the planning director.

2. The director shall approve the final site plan if it conforms in all substantive respects to the approved preliminary site plan.

(Ord. No. 3828, § 1, 2011; Ord. 1578 § 2 (part), 1986)

The important part of this is that public hearing are required.

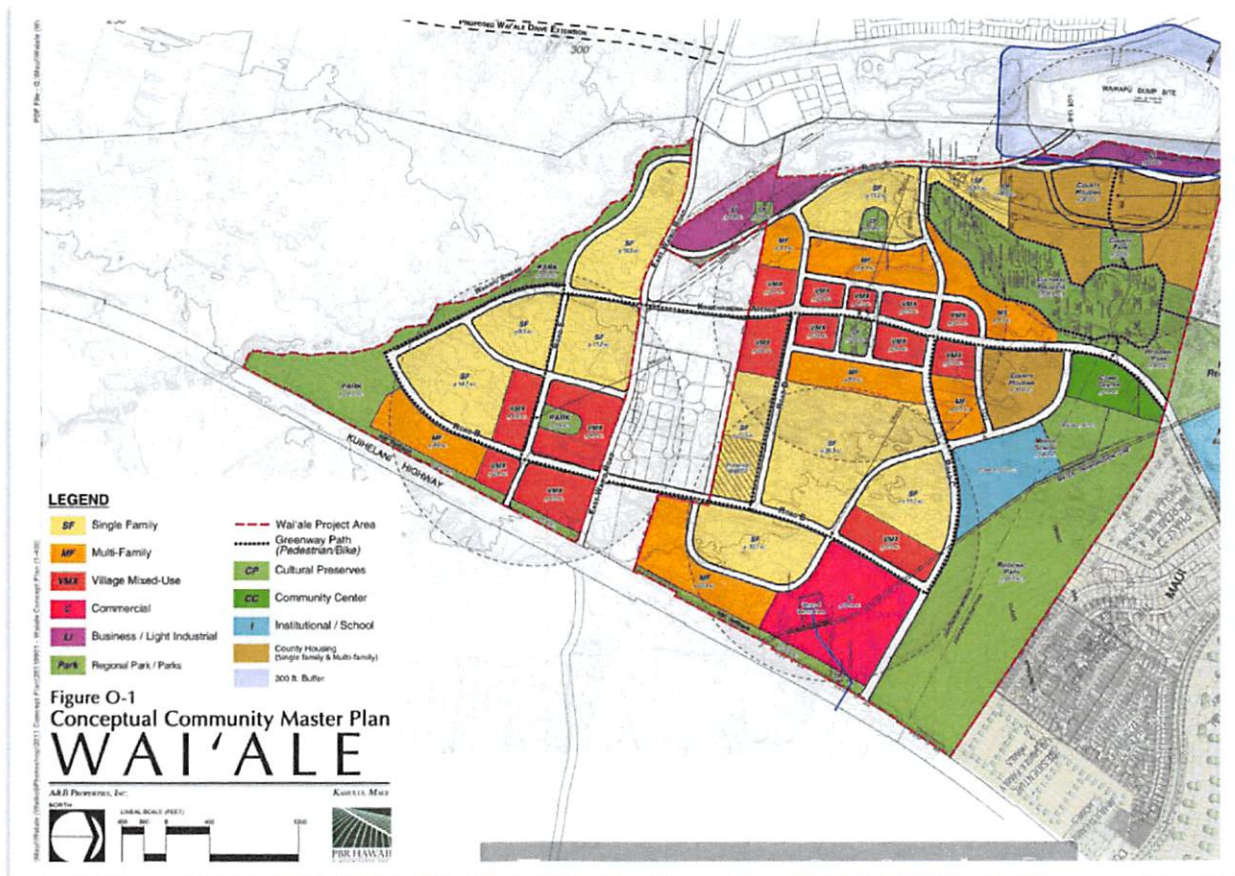
The approved State Land Use Change agreement stated:

40. The Project is a master-planned residential community which includes the following uses: village mixed-use, commercial, business/light industrial, multi-family and single-family residential, community center, regional and neighborhood park, greenway and open space, cultural preserves, middle school, and related infrastructure. A total of approximately 2,550 residential units are planned at the Project.

41. The Petition Area includes approximately 50 acres of land that will be provided to the County of Maui for the development of affordable housing (40 acres), community center (7 acres), and park (3 acres), in satisfaction of zoning requirements for Petitioner's Maui Business Park Phase II development.

Approximately 300 residential units have been estimated for the 40 acres associated with the Maui Business Park Phase II zoning requirements, and are included in the Project's 2,550 total residential units. Additionally, affordable housing units will be developed for the Project in compliance with the Maui County Residential Workforce Housing Policy (Chapter 2.96, Maui County Code). A total of approximately 563 affordable single-family and multi-family units in four income categories (gap income, above moderate income, moderate income, and below moderate income) are projected based on the provisions of the current workforce housing policy. The actual allocation of affordable units will be based on discussions and agreement with the County of Maui Department of Housing and Human Concerns ("DHHC").

The following shows a map from the Environmental Impact Statement used to gain approval for the Change of State Land Use from 2012:





SECTION 5 – HIGHEST AND BEST USE ANALYSIS

Summary of Highest and Best Use Definition

Subject's Highest and Best Use

Summary of Highest and Best Use Definition

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

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

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

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

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

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

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

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

Subject's Highest and Best Use

Physically Possible Uses:

Properties in this general area have shown they can support residential, industrial and agricultural structures. There are significant physical hurdles to development of the property as is depicted in its environmental impact statement used to gain its Change of State Land Use from Agricultural to Urban:

1. There is no potable water source for this property. The Change in State Land Use stated the owner had to:

“Petitioner shall provide the necessary water source, storage, and transmission facilities and improvements to the satisfaction of the DWS to service the Petition Area.”

At this time, the owner has not developed a suitable water source. The only potential water available is from the County of Maui Department of Water Supply and they state their policy is only to provide for 100% committed workforce housing and then only up to 214 multi-family units. It should be noted that if the owner did make such a commitment, it still would not be providing the water source as is required in the Change of State Land Use and it only has a small portion of the property in its environmental impact study used for the Change in State Land Use that were designated as multi-family. To create more multi-family than is stated in that document might mean the Environmental Impact Study and the State Land Use would need to be reconsidered.

2. There have been numerous inadvertent burials found on these properties and in the general area. The County's archeologist states there are likely a large number of additional burials on these properties that will be discovered if the area is developed. Such discoveries will create long delays (the new industrial park on Waiko Road has now been delayed for roughly a year due to the discovery of 10 additional sites). In addition to delays, it is highly likely that large areas will require to be preserved in place. It is highly likely that additional archeology is likely to be discovered throughout this area. An example would be the monitoring of 154 acres that was graded for a concrete company in 2016 found 82 inadvertent remains of individuals. That is one per 1.88 acres. A similar amount of inadvertent remains were found in the new Waiko Industrial Park that has shut down development of that project. The only way to be certain of what areas can be developed and what areas need to be preserved is to do a fairly exhaustive archeological survey of the entire area. The appraiser believes that at this point the typically informed investor for these parcels would assume they are likely to run into roughly 1 inadvertent find every 2 acres, would want to do a new more comprehensive archeological survey, and would assume that at least 250 inadvertent burial finds ($498.71/2 = 249.355$) are likely on the 498.71 acres that will require additional planning, preservation and time consumption.

Other physical conditions such as access, the ability to develop a sewer system, electrical utilities, and drainage are mute until water and archeological concerns are addressed. The other conditions can be overcome.

Legally Permissible Uses:

The entire property had its Land Use classification changed from Agricultural to Urban in June 2012. That change requires the owner to have completed the backbone infrastructure development within 10 years. The owner is not likely to meet this requirement because there is no potable water source yet developed for this property. The Environmental Impact Study used to gain this Land Use Change depicts a conceptual development plan that only has 49.245 acres of multi-family development plus 40 acres of County housing. The plan includes an 18 acre school site, a 7 acre community center, and the balance in parks and mixed use commercial and industrial lands. Because the only public water availability would be for multi-family that was committed to 100% workforce housing, only roughly 49.245 acres could even be considered for development at this time. The area in the northwest corner that is designated for County housing is likely impacted by archeology because it is located in the dune areas. The conceptual plan that was used to gain the Change in Land Use appears to be unworkable due to the lack of water availability and the likelihood of burials throughout the project area. Any significant change to that conceptual plan could trigger a need for a new EIS and a new Archeological Inventory Survey. Parcels 37 and 40 have a zoning change to a project district; however, this is only the first of three phases and the second phase requires public hearings. This area still has no potable water source and is likely impacted by archeology that is not shown in the current archeological survey. The requirement for a public hearing makes moving forward without a more robust and accurate archeological survey problematic. The public is now aware of past practices and there is opposition to moving forward. The Burial Council's past policy of allowing inadvertent finds to be interred in lager preservation areas has changed to requiring those graves to be preserved in place. The lack of potable water source development cannot be overcome within the subject' sites and the developer is required to develop an off-site source of water for this development. The only other source of water would be the County of Maui's Department of Water Supply that would only provide water to a project that dedicated to 100% workforce housing and was a multi-family project and that would be limited to 214 units. Due to the lack of water source development, and the likelihood of significant additional archeology, the typical investor is likely to assume the current entitlements of State Land Use Change with the conceptual plan presented in the EIS, and Phase 1 of Project District zoning are not workable. The fact that the State Land Use Change expires in June of next year presents an opportunity for opposition to the current plan and archeological mitigation to protest an extension of the State Land Use Change. Given all of these conditions, the appraiser believes the reasonably informed investor would assume the properties are beginning from scratch, meaning they need a new Archeological Inventory Survey, an amended Environmental Impact Study, and a new basic conceptual plan for how to use the parcels.

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

Without a potable water source for these properties the available uses are very limited. The best place to start would be to acquire a new Archeological Inventory Survey from which a plan could be developed. Roughly 65 acres will still need to be dedicated to the County and the DOE. The current configuration of parcels is not ideal. The parcels on the north side of the project are likely

to be consolidated and re-subdivided into a configuration which makes more sense with what the eventual archeological survey shows and the land uses that are likely to be proposed.

The Highest Net Return:

The highest net return is to develop the sites into affordable housing. This allows the developer to by-pass some of the requirements of planning and opens the County of Maui Department of Water Supply as a source for potable water. Even as affordable housing, The Department of Water Supply states water will be granted on a first come and first serve basis and that they currently have more applications for workforce housing water than they have water to allocate. Any other use is highly problematic because there simply is not water available at this time for those uses. Of course, multi-family workforce housing that would require zoning changes and likely require amended State Land Use Change, archeological study and updated EIS puts the subject parcels in the same general potential as much of the larger agricultural parcels in Central Maui. The current division of the properties is also problematic. The southern parcels of #37 and #40 are likely workable as is. The northern parcel divisions will likely need to be revisited once the archeological inventory study is completed. Parcel 172 likely is only marketable when combined with Parcel 101. Parcel 173 is not marketable and would have been acquired by the State when it created the regional park it fronts. It is an uneconomic remainder and the owner likely could force the State to pay for this area. No other entity would acquire this parcel.



SECTION 6 – VALUATION OF THE SUBJECT

Valuation Process Summary

Sales Comparison Approach

Sales Comparison Adjustment Charts

Sales Comparison Approach Conclusions

Valuation Process Summary

Valuation process is defined as:

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

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

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

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

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

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

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

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

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

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

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

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

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

The valuation of the subject property is made on the basis of the real estate, consisting of land only, in this case. The appraiser looked at five basic methods which could be utilized to arrive at an estimate of market value, in this case:

1. **The Direct Market Sales Comparison Approach** looks at similar properties and what they have sold for in the recent past. By adjusting for differences between these recent sales and the subject, the appraiser can arrive at an adjusted price from each comparison to support an estimate of market value for the subject. The main difficulty in utilizing this methodology is to find sales comparisons that have essentially the same characteristics and the same motivations that a potential buyer would have when considering purchasing the subject at the definition of market value.
2. **The Income Approach through Direct Capitalization** of the market value of the land arrives at an indication of the market value for the subject by first determining the market rent of the subject’s fee simple land interest. The appraiser then establishes what the rate of return is for similar land leases in the market. By dividing the market rent for the subject by the market rate of return, the market value for the subject can be arrived at. The weakness to this approach occurs when there are no similar land rentals in the area or when sales of leased similar properties do not exist from which a rate of return can be extracted. This is the case in this assignment and this approach has not been utilized. While there are rentals of tracts for grazing and even crop production, this income generation is rarely the motivation for buying the property. The rentals are usually a means of maintaining the property’s agricultural tax advantage and a means of keeping the property from being overgrown while the owner simply holds the land for future sale or development. There is no market evidence to support a rental estimate or a capitalization rate. This makes this approach incapable of reaching credible results.
3. **The Extraction Method** takes actual improved property sales and extracts out the value attributable to the land from the total sales price by determining the price attributable to the depreciated value of the building improvements. This methodology is difficult to apply when improvements become older or suffer from obsolescence. The appraiser found no improved sales that were reasonably similar that would allow the use of this approach.
4. **The Allocation Method** of valuation takes a ratio for site value to overall property value that is extracted from comparable sales in competitive locations. This approach is only

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

credible when there are sufficient sales of both improved and unimproved similar properties in the area. This is not the case here and this approach has not been utilized.

5. **The Subdivision OR Developmental Cost Approach Method** of valuation measures value much in the same way the discounted cash flow of the income approach would be utilized. First, the number of units that should be developed upon the property must be estimated as measured by physical limitations to the site, legal restrictions placed on the site, and the market's desires in an area. Then, the appraiser must measure all the costs of creating the development (road costs, utilities, planning, surveying, buildings, and management are estimated). Next, the sales price of the units created are estimated and the time that is needed to sell these sites is estimated. Then, the costs associated with selling the units are estimated (sales commission, carrying cost). Once these figures are established, the total project is placed in a timeline that begins at the start of the development process and continues through to the sale of the final unit. This timeline discounts the annual cash flows to a present value by using a discount rate established from the market. In this case, there is no predictable development plan at this point that can be used as a starting point for this method.

Valuation method used:

The appraiser has found that the direct sales comparison approach is the only approach that had sufficient market data available to lead to credible conclusions in these valuations. It is the only approach used. The property is divided into three areas. Parcel 238-5-37 and 228-5-40 are one distinct ownership that would likely be planned and acquired together. Parcels 238-7-101, 172, 176, 177, 178, 179, and 180 are valued together (356.118 acres with 7 parcels that can be reconfigured). Parcel 173 is valued at \$0 because it has no market.

Sales Comparison Approach

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

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

The appraiser made a search of this market area and found only a few remotely similar properties. The market generally does not have parcels of the size of the subject that have sold, even going back several years. The appraiser expanded the search to include other areas and searched farther back in time. A general list of the sales found follows.

TMK	Acres	Land Use	Zoning	Entitlement at sale	Sale Price	Date	\$/Acre
236-4-5	65.14	Agric.	Agric	None	\$ 3,000,000.00	12/20/2013	\$ 46,054.65
238-7-104	65.38	Urban	Agric	None	\$ 1,634,450.00	6/26/2014	\$ 24,999.24
238-7-151	46.7	Urban	Project District	Water, Plan Approval	\$ 14,500,000.00	9/30/2015	\$ 310,492.51
243-1-83	151.05	Urban	Project District	None	\$ 7,500,000.00	6/3/2016	\$ 49,652.43
243-1-82	153.21	Urban	Project District	None	\$ 7,500,000.00	6/3/2016	\$ 48,952.42
225-5-18	339.19	Agric.	Agric	None	\$ 9,990,000.00	12/20/2016	\$ 29,452.52
235-4-108	5.8899	Agric.	Agric	1 Water Meter	\$ 940,000.00	7/30/2018	\$ 159,595.24
238-4-28	9.289003	Urban	R-1	None	\$ 2,000,000.00	8/29/2018	\$ 215,308.36
238-1-135	176.74	Agric.	Agric	None	\$ 4,365,000.00	8/31/2018	\$ 24,697.30
238-1-5	87.62	Agric.	Agric	None	\$ 2,616,000.00	8/31/2018	\$ 29,856.20
239-46-13	7.217011	Urban	R-3	None	\$ 1,720,000.00	5/10/2019	\$ 238,325.81
235-2-11	25.263	Agric.	Quasi Public	None	\$ 1,150,000.00	7/3/2019	\$ 45,521.12
235-2-3	149.01	Agric.	Agric	None	\$ 3,271,100.00	6/26/2020	\$ 21,952.22
235-4-108	5.8899	Agric.	Agric	1 Water Meter	\$ 1,000,000.00	8/10/2020	\$ 169,782.17
248-3-107	41.14	Agric.	Agric	None	\$ 999,800.00	2/2/2021	\$ 24,302.38
248-3-104	50.3	Agric.	Agric	None	\$ 921,500.00	2/3/2021	\$ 18,320.08
235-2-5	7.43999	Agric.	Agric	1 Meter	\$ 1,300,000.00	Listing	\$ 174,731.42

These sales were used to support major adjustments.

Examples of this adjustment support include the following:

Market Conditions:

TMK	Acres	Land Use	Zoning	Entitlement at sale	Sale Price	Date	\$/Acre
235-4-108	5.8899	Agric.	Agric	1 Water Meter	\$ 1,000,000.00	8/10/2020	\$ 169,782.17
235-4-108	5.8899	Agric.	Agric	1 Water Meter	\$ 940,000.00	7/30/2018	\$ 159,595.24
Change					6.38%		
%/Month					0.26%		

Site size:

TMK	Acres	Land Use	Zoning	Entitlement at sale	Sale Price	Date	\$/Acre
225-5-18	339.19	Agric.	Agric	None	\$ 9,990,000.00	12/20/2016	\$ 29,452.52
238-1-5	87.62	Agric.	Agric	None	\$ 2,616,000.00	8/31/2018	\$ 29,856.20
Difference	251.57				\$ 7,374,000.00		
Adjust time					\$ 524,475.00		
Adjusted difference					\$ 7,898,475.00		
\$/acre					\$ 31,396.73		

And,

TMK	Acres	Land Use	Zoning	Entitlement at sale	Sale Price	Date	\$/Acre
238-1-135	176.74	Agric.	Agric	None	\$ 4,365,000.00	8/31/2018	\$ 24,697.30
238-1-5	87.62	Agric.	Agric	None	\$ 2,616,000.00	8/31/2018	\$ 29,856.20
Difference	89.12				\$ 1,749,000.00		
\$/acre					\$ 19,625.22		

And,

TMK	Acres	Land Use	Zoning	Entitlement at sale	Sale Price	Date	\$/Acre
238-7-104	65.38	Urban	Agric	None	\$ 1,634,450.00	6/26/2014	\$ 24,999.24
235-2-11	25.263	Agric.	Quasi Public	None	\$ 1,150,000.00	7/3/2019	\$ 45,521.12
Difference	40.117				\$ 484,450.00		
Adjust time					\$ 249,253.63		
Adjusted difference					\$ 733,703.63		
\$/acre					\$ 18,289.10		

Known agreement to preserve and Land Dedication Areas in Waiale, North.

Item	Acres
School Site	16.879
Park	7.000
Community center	3.000
Cultural Preserve	28.400
County Housing	40.000
Total	95.279

Sales Comparison Adjustment Charts

The following pages include adjustment charts for the three separate valued areas of the subject:

Adjustment Chart for TMK's 238-7-101, 172, 176, 177, 178, 179, and 180:

Items	Subject	Comparison #1	Comparison #2	Comparison #3	Comparison #4	
TMK	238-7-101...	225-5-18	235-2-3	238-1-135	238-7-104	
Sale Price		\$ 9,990,000.00	\$ 3,300,000.00	\$ 4,365,000.00	\$ 1,634,450.00	
Date		12/20/2016	2/28/2018	8/31/2018	6/26/2014	
Acres	356.118	339.19	149.01	176.74	65.38	
\$/Acre		\$ 29,452.52	\$ 22,146.16	\$ 24,697.30	\$ 24,999.24	
Transaction Adjustments						
Conditions of Sale		\$ -	\$ -	\$ -	\$ -	
Market Conditions		\$ 1,248,750.00	\$ 288,750.00	\$ 316,462.50	\$ 322,803.88	
Estimated Current Cash Equivalent Price		\$ 11,238,750.00	\$ 3,588,750.00	\$ 4,681,462.50	\$ 1,957,253.88	
Characteristics						
Location	Waiale	Paia	Wailuku	Kahului	Waiale	
Visibility	Hwy Front	Hwy Front	Hwy Front	Hwy Front	Hwy Front	
State Land Use	Conditional Urban	Agric.	Agric.	Agric.	Conditional Urban	
Zoning	Agricultural	Agric.	Agric.	Agric.	Agric.	
Utilities	Elec	Elec	Elec	Elec	Elec	
Entitlements	None	None	None	None	None	
Size Acres	356.118	339.19	149.01	176.74	65.38	
Other	Known Significant Archeology	None	None	None	None	
Adjustments						
Location	Waiale	\$ -	\$ -	\$ -	\$ -	
Visibility	Hwy Front	\$ -	\$ -	\$ -	\$ -	
State Land Use	Conditional Urban	\$ -	\$ -	\$ -	\$ -	
Zoning	Agricultural	\$ -	\$ -	\$ -	\$ -	
Utilities	Elec	\$ -	\$ -	\$ -	\$ -	
Entitlements	None	\$ -	\$ -	\$ -	\$ -	
Size	356.118	\$ 423,200.00	\$ 5,177,700.00	\$ 4,484,450.00	\$ 7,268,450.00	
Other	Known Significant Archeology & Dedications	\$ (3,371,625.00)	\$ (1,076,625.00)	\$ (1,404,438.75)	\$ (587,176.16)	
Total Adjustments		\$ (2,948,425.00)	\$ 4,101,075.00	\$ 3,080,011.25	\$ 6,681,273.84	
Adjusted Price		\$ 8,290,325.00	\$ 7,689,825.00	\$ 7,761,473.75	\$ 8,638,527.71	\$ 8,095,037.87
Weighting		35%	25%	25%	15%	100%
Product		\$ 2,901,613.75	\$ 1,922,456.25	\$ 1,940,368.44	\$ 1,295,779.16	\$ 8,060,217.59
Average	\$ 8,095,037.87					
Weighting	\$ 8,060,217.59	Concluded	\$ 8,060,000.00	\$/acre	\$ 22,632.95	



Adjustment Chart for TMK's 238-5-37 & 40:

Items	Subject	Comparison #1	Comparison #2	Comparison #3	Comparison #4	
TMK	238-5-37 & 40	225-5-18	235-2-3	238-1-135	238-7-104	
Sale Price		\$ 9,990,000.00	\$ 3,300,000.00	\$ 4,365,000.00	\$ 1,634,450.00	
Date		12/20/2016	2/28/2018	8/31/2018	6/26/2014	
Acres	141.496	339.19	149.01	176.74	65.38	
\$/Acre		\$ 29,452.52	\$ 22,146.16	\$ 24,697.30	\$ 24,999.24	
Transaction Adjustments						
Conditions of Sale		\$ -	\$ -	\$ -	\$ -	
Market Conditions		\$ 1,248,750.00	\$ 288,750.00	\$ 316,462.50	\$ 322,803.88	
Estimated Current Cash Equivalent Price		\$ 11,238,750.00	\$ 3,588,750.00	\$ 4,681,462.50	\$ 1,957,253.88	
Characteristics						
Location	Waiale	Paia	Wailuku	Kahului	Waiale	
Visibility	Hwy Front	Hwy Front	Hwy Front	Hwy Front	Hwy Front	
State Land Use	Conditional Urban	Agric.	Agric.	Agric.	Conditional Urban	
Zoning	Agricultural	Agric.	Agric.	Agric.	Agric.	
Utilities	Elec	Elec	Elec	Elec	Elec	
Entitlements	None	None	None	None	None	
Size Acres	141.496	339.19	149.01	176.74	65.38	
Other	Some AE Flood Zone	None	None	None	None	
Adjustments						
Location	Waiale	\$ -	\$ -	\$ -	\$ -	
Visibility	Hwy Front	\$ -	\$ -	\$ -	\$ -	
State Land Use	Conditional Urban	\$ -	\$ -	\$ -	\$ -	
Zoning	Agricultural	\$ -	\$ -	\$ -	\$ -	
Utilities	Elec	\$ -	\$ -	\$ -	\$ -	
Entitlements	None	\$ -	\$ -	\$ -	\$ -	
Size	141.496	\$ (4,942,350.00)	\$ (187,850.00)	\$ (881,100.00)	\$ 1,902,900.00	
Other	Some AE Flood Zone, Archeology	\$ (1,685,812.50)	\$ (538,312.50)	\$ (702,219.38)	\$ (293,588.08)	
Total Adjustments		\$ (6,628,162.50)	\$ (726,162.50)	\$ (1,583,319.38)	\$ 1,609,311.92	
Adjusted Price		\$ 4,610,587.50	\$ 2,862,587.50	\$ 3,098,143.13	\$ 3,566,565.79	\$ 3,534,470.98
Weighting		20%	35%	35%	10%	100%
Product		\$ 922,117.50	\$ 1,001,905.63	\$ 1,084,350.09	\$ 356,656.58	\$ 3,365,029.80
Average	\$ 3,534,470.98					
Weighting	\$ 3,365,029.80	Concluded	\$ 3,365,000.00	\$/acre	\$ 23,781.59	



Sales Comparison Approach Conclusions

There was sufficient market data to analyze to arrive at value conclusions; however, the data is somewhat dated and differs in location and size from the subject. The appraiser has expanded typical search parameters to include competing areas and less recent sales. The primary focus is to find sales that tend to have similar highest and best uses, namely larger parcels which are likely to be acquired to hold for future development as access to utilities and planning is undertaken. The sites found tend to show that getting to the point of being fully entitled, Land Use Change, Zoning, Water Commitments, etc. tends to add tremendous value. The subject has a Land Use Change that is conditional and is not guaranteed past June of 2022. The subject has a zoning change for the southern portion that is also conditional on further public hearings. None of the subject has any commitments for potable water. The State Land Use and Zoning Change for the southern portion are precarious given the amount of additional archeology in the area that has been found and the lack of water source. The sales used as direct comparisons are estimated to have similar rights as development parcels looking forwards.

After undertaking the above described analysis, the appraiser has measured the market value of assessor's parcel numbers 238-7-101, 172, 176, 177, 178, 179, and 180 at:

**EIGHT MILLION SIXTY THOUSAND DOLLARS
(\$8,060,000.00)**

After undertaking the above described analysis, the appraiser has measured the market value of assessor's parcel numbers 238-5-37 and 40 at:

**THREE MILLION THREE HUNDRED SIXTY FIVE THOUSAND DOLLARS
(\$3,365,000.00)**

After undertaking the above described analysis, the appraiser has measured the market value of assessor's parcel number 238-7-173 at:

**ZERO
(\$0)**

The reader will note that the Client has an accepted offer on these entire properties at a price of \$10,000,000. This is likely because the client is acquiring all of the parcels together. A typical investor might acquire 238-5-37 and 40 or acquire the northern ownership, but they are not likely to acquire the two together unless they see some incentive so that they can sell off one area to help pay for the cost of developing the other. In this case, if they investor wanted to keep the larger ownership area of the northern section they might sell off the southern section (TMK 238-5-37 and 40) to pay for the development costs of the larger section. They would only do this if they acquired the area at a discount.



They would take into account that to liquidate this area they would likely pay 6% commissions, ½% closing costs, take roughly a year to find a buyer and would likely want a profit of roughly 15%. The amount they could pay for the southern section would look like this:

Sale Price	\$ 3,365,000.00
Expenses	
Real Estate Taxes	\$ (11,824.76)
Commissions	\$ (201,900.00)
Closing Costs	\$ (16,825.00)
Profit	\$ (504,750.00)
Total Expenses	\$ (735,299.76)
Net Proceeds	\$ 2,629,700.24
Discount factor at 8%	0.925926
Indicated Present Contribution	\$ 2,434,907.82
Plus Waiale North	\$ 8,060,000.00
Indicated Market Value as if Acquired in One Transaction	\$ 10,494,907.82

The indicated market value as of 2/14/2021 of the entire parcels as if sold to one investor in one transaction is estimated to be:

**TEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$10,500,000.00)**

The difference between the estimated market value and the contracted price is nominal. The estimated marketing and exposure time associated with this valuation is 6 to 12 months.



79-7266 Mamoaloha Highway, #B
Kealahou, HI 96750
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Phone 808-322-0899 Fax 808-322-0975

SECTION 7 – RECONCILIATION OF VALUE

Summary of Value Conclusions



Summary of Value Conclusions

The subject is divided into three distinct areas of highest and best use. TMK's 238-7-101, 172, 176, 177, 178, 179, and 180 comprise the bulk of the northern Waiale project. The area will need to undergo more extensive study (archeology) and planning before it can be developed. The current configuration of the parcel divisions do not make logical sense given the needed dedications, known archeological finds, and access issues. They will likely need to be reconfigured, meaning they have a shared issue with land planning and a need for more robust and extensive archeological research. TMK's 238-5-37 and 40 are divided from the north by Waiko road and have been given the preliminary Phase 1 of Project District Zoning. They have a separate use from the northern area but also need more extensive study (archeology) and land planning. TMK 238-7-173 has no value to any parcels except the State's Regional Park and has no market value on the open market.

After undertaking the above described analysis the appraiser has measured the market value of assessor's parcel numbers 238-7-101, 172, 176, 177, 178, 179, and 180 at:

**EIGHT MILLION SIXTY THOUSAND DOLLARS
(\$8,060,000.00)**

After undertaking the above described analysis, the appraiser has measured the market value of assessor's parcel numbers 238-5-37 and 40 at:

**THREE MILLION THREE HUNDRED SIXTY FIVE THOUSAND DOLLARS
(\$3,365,000.00)**

After undertaking the above described analysis, the appraiser has measured the market value of assessor's parcel number 238-7-173 at:

**ZERO
(\$0)**

If the entire ownership were acquired in one transaction by one investor, the market value as of February 14, 2021 is measured as:

**TEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$10,500,000.00)**

The difference between the estimated market value and the contracted price is nominal. The estimated marketing and exposure time associated with this valuation is 6 to 12 months.



SECTION 8 – ADDENDUM

Appraiser's Qualifications

Appraiser's License

Engagement Letters



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

Appraiser's Qualifications



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

SUMMARY OF QUALIFICATIONS RAYMOND J. KIRCHNER SRA

PROFESSIONAL EXPERIENCE:

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

APPRAISAL EXPERIENCE:

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

Qualifications as an Expert Witness:

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

Professional Courses and Articles Written:

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

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

R.J. Kirchner, SRA, CGA 275
Commercial, Industrial, Multi-family, Luxury Homes, Single Family, Condominiums, Land, Consultation, Arbitrations, Litigation

MAJOR CLIENTS:

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

PROFESSIONAL MEMBERSHIPS:

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

EDUCATION BACKGROUND AND TRAINING:

- Attended the University of Wisconsin at River Falls, Wisconsin from 1982 through 1987.
- Society of Real Estate Appraiser Course 101 – Foundations of Residential Appraising, completed in 1985.
- American Institute of Real Estate Appraisers Course – Residential Valuation, completed in 1987.

- The Appraisal of Partial Acquisitions – International Right of Way Association, completed in 1987.
- Residential Demonstration Appraisal completed for the Society of Real Estate Appraiser, passed in 1988.
- Society of Real Estate Appraiser Course 101 – Foundations of Residential Appraising, completed in 1985.
- American Institute of Real Estate Appraisers Course – Residential Valuation, completed in 1987.
- The Appraisal of Partial Acquisitions – International Right of Way Association, completed in 1987.
- Residential Demonstration Appraisal completed for the Society of Real Estate Appraiser, passed in 1988.
- Standards of Professional Practice – Society of Real Estate Appraisers, passed in 1989.
- Standards of Professional Practice – University of Hawaii, passed in December 1991.
- Standards of Professional Practice – Appraisal Institute, passed May 1999.
- Basic Income Capitalization Course 510 – Appraisal Institute passed, in August 1993.
- Seminar on new URAR form – Appraisal Institute, 1993.
- Uniform Standards of Professional Practice Parts A&B – Appraisal Institute (Honolulu), passed in April 1994.
- Highest & Best Use and Market Analysis, Appraisal Institute, passed in 1997.
- Advance Sales Comparison & Cost Approaches Course 530 – Appraisal Institute, passed in December 1998.
- Uniform Standards of Professional Practice Part C – Appraisal Institute (Honolulu), passed in 1999 and 2001.
- Appraisal Institute’s Course II550 – Advanced Applications (State Code: 01-037), at the University of San Diego, July 2003.
- Appraisal Institute’s Course 04-097 – Reappraising, Readdressing, Reassigning: What to Do and Why and What to Include in a Work File. Honolulu, Hawaii October 2004
- Appraisal Institute’s Course 04-098 – Scope of Work: Where are we now? Honolulu, Hawaii October 2004
- 7 Hour USPAP Course - Appraisal Institute – October 2004
- Appraisal Institute’s Seminar Professional’s Guide to the Residential Appl. Report – 773 Maui, Hawaii June 2005
- Appraisal Institute’s Course II420 – Business Practices and Ethics. Honolulu Hawaii October 2005
- Lorman Education Services Eminent Domain Seminar Honolulu, HI May 2006
- Appraisal Institute USPAP Update Seminar. Honolulu, HI June 2006.
- Appraisal Institute – Uniform Appraisal Standards for Federal Land Acquisitions. Chicago, IL July 2007
- Litigation Skills and the Appraiser March 2008.
- Appraisal Institute Hotel Valuation 2010.



79-7266 Mamalaha Highway, #9
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- Appraisal Institute's Advanced Income Capitalization, 2016.
- Appraisal Institute's Uniform Appraisal Standards for Federal Land Acquisition June 2017.
- USPAP every two years since 1992.
- Numerous additional courses and seminars.

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

Appraiser's License

LICENSE NUMBER CGA-275	EXPIRATION DATE 12/31/2021	
STATE OF HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS CERTIFIED GENERAL APPRAISER		
RAYMOND J KIRCHNER 79-7266 MAMALAHOA HWY #9 KEALAKEKUA, HI 96750		
 SIGNATURE OF LICENSEE		



Engagement Letters



February 2, 2021

Scott K. Teruya, Director of Finance
County of Maui
Finance Department
Real Property Management Specialist V
Guy.Hironaka@co.maui.hi.us

RE: Real Estate Appraisal	Assessor's Parcel Numbers	2380050370000
		2380050400000
		2380071720000
		2380071730000
		2380071760000
		2380071770000
		2380071780000
		2380071790000
		2380071800000

Dear Mr. Teruya,

This letter shall serve as our engagement letter to provide valuation services on the above captioned properties to measure the as is fee simple market value of these parcels for the County's planned acquisition of these sites. The appraiser assumes the County is not utilizing its power of eminent domain in this acquisition and that no federal monies are being used as part of this acquisition. The appraiser understands that parcels 176, 177 and 180 are already required to be dedicated to the county. As part of this valuation, the appraiser will provide a valuation as if these parcels are not required to be donated (hypothetical condition) as well as a valuation of these parcels as they are legally and physically. The valuation will be done remotely with no on-site inspection. The following is my brief understanding of the major elements of this assignment:

- The Uniform Standards of Professional Appraisal Practice requires that an appraiser state who the client is for an assignment and that the appraiser keep assignment results confidential to the client. In this case, Maui County is engaging me in this assignment and will be my client.
- The purpose of this appraisal is to determine the as is fee simple market value and the as if parcels 176, 177 and 180 were not required to be donated market value for County acquisition purposes.
- The intended users of our report shall be the County of Maui. No other intended users or uses are anticipated by me.
- The following definition of Market Value will be used:

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

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

Our fee to provide this valuation shall be \$22,000.00 plus 4.712% General Excise Tax for a total fee of \$23,036.64. A 50% retainer is due upon commencement of the assignment (\$11,518.32). The report is non-refundable. The balance of the fee is due upon delivery and a late fee of 10% plus 1% per month will be charged for billings that are past 30 days. I can complete it in 6 weeks or less. To undertake this assignment we will require the following:

1. Your signed agreement to the conditions of this assignment.
2. A copy of a survey of the parcels.
3. A copy of any environmental assessment.
4. A copy of the archeology reports and findings on the property.
5. A copy of the findings of the Department of Water Supply regarding the availability of water.
6. A copy of any approvals for development or applications for development from or to the County.
7. A copy of the annual reports made by the owner to the State Use Commission.
8. A copy of the ordinance requiring the three parcels mentioned here-in be donated to the County.
9. A copy of the DOT statement that they do not require parcels 172 and 173.
10. A copy of any offers to sell or buy on the property in the last three years, if available.

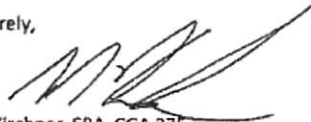
The report we will provide will meet the current requirements of the Uniform Standards of Professional Appraisal Practice as well as the standards of the Appraisal Institute. The report may be subject to review by any duly authorized committee of the Appraisal Institute related to peer review. The report will also be subject to normal limiting conditions and regular assumptions which will be detailed within the reports as well as extraordinary assumptions which may be needed to value the property if unknown conditions are evident.

It should be noted that this office has not provided appraisal services on this property in the last three years.

This bid will remain in effect for one week.

Thank you for considering me for this interesting assignment.

Sincerely,



R. J. Kirchner, SRA, CGA 275

Accepted,



2/9/21
Date

Scott Teruya

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

MICHAEL P. VICTORINO
Mayor

SCOTT K. TERUYA
Director

MAY-ANNE A. ALIBIN
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

February 5, 2021

VIA E-MAIL

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

SUBJECT: NOTICE TO PROCEED
TMKs: (2) 3-8-005-037 & 040, 3-8-007-101,
3-8-007-172 & 173, and 3-8-007-176 through 180
WAIALE NORTH & SOUTH PROJECT

Dear Mr. Kirchner:

Please be advised that the County of Maui has accepted for your appraisal proposal dated February 2, 2021 in the amount of \$22,000.00 plus 4.712% Hawaii State General Excise Tax, total amount \$23,036.64.

Please commence work on the appraisal based on the assignment elements as specified in your proposal effective February 8, 2021 and due no later than March 22, 2021.

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

Sincerely,



SCOTT K. TERUYA
Director of Finance

Enclosure
SKT/gmh