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May 31, 2016

The Honorable Michael White, Chair
Members of the Maui County Council
200 South High Street
Wailuku, HI 96793

OFFICE OF THE
COUNTY COUNCIL

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Subject: 2016 Annual Report to the Maui County Council
Maui County Ordinance No. 3559
Maui Business Park Phase II-Change in Zoning

Dear Council Chair White and Councilmembers:

On behalf of Alexander & Baldwin, LLC, A&B Properties, Inc. (hereinafter "A&B" or "Petitioner") hereby submits this annual report to the Maui County Council (hereinafter "Council") pursuant to Condition No. 19 of Maui County Ordinance No. 3559 (hereinafter "Ordinance").

Annual Compliance Report

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

1. That Alexander & Baldwin, Inc. shall work with the Department of Parks and Recreation and the Department of Public Works to evaluate the feasibility of utilizing the existing drainage basins adjacent to the South Project Area for open area recreational purposes. If the Department of Parks and Recreation, the Department of Public Works, and Alexander & Baldwin, Inc. agree that the drainage basins or portions thereof can be feasibly used for recreational purposes, Alexander & Baldwin, Inc. and the Department of Parks and Recreation shall either (a) agree upon the terms of the dedication of the drainage basins to the County for review and approval by the Council, or (b) if the drainage basins will not be dedicated to the County, establish appropriate protocols for private third-party user(s) to maintain and exercise stewardship over the area. Alexander & Baldwin, Inc. shall not be entitled to any "park credits" under Section 18.16.320, Maui County Code, for the use of the drainage basins for park purposes.

Status: Petitioner has had discussions with Maui United Soccer Club, the Department of Public Works, and the Department of Parks and Recreation regarding use of the drainage basins for soccer fields. Copies of related correspondence were included in the 2010 annual report.

GENERAL COMMUNICATION NO. 16-4

2. *That Alexander & Baldwin, Inc. shall participate with the State Department of Transportation in providing partial financing for the landscaping along the adjacent portions of the planned Airport Access Road. Landscape plans shall be submitted to the Maui Urban Design Review Board for its review and approval.*

Status: Petitioner has been engaged with the State Department of Transportation (DOT) in coordinating planning and design efforts for the project and the planned Airport Access Road including landscaping. Landscape plans for the Airport Access Road were prepared by DOT in connection with its construction of the project. A copy of related correspondence with the State DOT Airports Division was included in the 2010 and 2011 annual reports.

3. *To reduce the use of potable water for landscape irrigation and other non-potable purposes, Alexander & Baldwin, Inc. shall design and install the Project's irrigation system to enable future connection to a County reclaimed water source or other approved non-potable water source. In the event a County reclaimed water line is extended to the subject property, Alexander & Baldwin, Inc. shall pay its pro-rata fair share of said County reclaimed water system improvements. If the County's planning, design and fair-share cost allocation methodology for the reclaimed water system to service the subject property is not completed prior to the initial increment's final subdivision approval, this condition shall be deemed null and void.*

Status: In compliance with this condition, Petitioner has incorporated a dual water system to allow non-potable well water to be used for irrigation purposes. A non-potable water system comprised of a well and transmission and distribution lines within the first increment of the project has been completed.

4. *That the Department of Water Supply shall confirm the availability of potable water for the Project prior to Alexander & Baldwin, Inc.'s receipt of final subdivision approval of the initial increment of the Project and the sale of subdivided lots. A letter from the Department of Water Supply or other evidence of potable water availability (e.g., bilateral agreement) shall be submitted to the Department of Planning for its files. Alexander & Baldwin, Inc. shall comply with Section 14.12.040, Maui County Code.*

Status: A copy of a letter from the Department of Water Supply verifying a long term supply of water was included with the 2010 annual report. Construction of the water system for the first increment of the project has been completed.

5. *That Alexander & Baldwin, Inc. shall work with the Department of Planning to develop appropriate standards to soften the visual impact of buildings developed at the Project.*

Status: Design guidelines for the project were approved by the Urban Design Review Board in 2005.

6. *That no further expansion of Maui Business Park beyond Phase II shall be undertaken unless adequate buffers are developed to mitigate impacts to ongoing agricultural operations at the Puunene Mill.*

Status: **Petitioner will comply with this condition.**

7. *That Alexander & Baldwin, Inc. shall provide land for affordable housing, a community multi-purpose center, and park purposes at the approximate location of the terminus of Kamehameha Avenue, near the new Maui Lani Park and Pomaikai Elementary School, as follows:*

- a. Approximately 40 acres for affordable housing purposes;*
- b. Approximately 7 acres for a Kahului community multipurpose center; and*
- c. Approximately 3 acres for park purposes.*

The precise location of these lands shall be acceptable to the Department of Housing and Human Concerns and the Department of Parks and Recreation, and Alexander & Baldwin, Inc. shall perform archaeological and topographic surveys of the land for the County's evaluation of the property's acceptability.

Status: **As a result of initial land planning work and discussions with various representatives of the County, a suitable location within the Petitioner's Waiale master planned residential community just south of the Maui Lani development was identified. In August 2010, Petitioner filed a land use petition with the State Land Use Commission to reclassify the Waiale lands from the Agricultural to the Urban District. The SLUC subsequently conducted hearings on the Waiale petition and in June 2012 approved the reclassification of the land. Petitioner filed a subdivision application with the County after discussions with the Departments of Parks & Recreation and Housing & Human Concerns regarding siting of the subject affordable housing, community center and park sites, as well as the process and timing of conveyance to the County. On June 8, 2015, preliminary subdivision approval was granted. The Petitioner has been working to address the conditions of subdivision approval, as well as with the County Department of Housing and Human Concerns in developing conceptual housing plans for the lands to be dedicated to the County for affordable housing, park and community center uses.**

8. *That the South Project Area shall be constructed in increments of not greater than seventy (70) acres at a time. Alexander & Baldwin, Inc. shall provide a phasing plan to the Department of Planning and the Department of Public Works prior to the submission of a subdivision application to subdivide lands within the South Project Area. (W-K Community Plan, Planning Standards)*

Status: **In compliance with this condition, Petitioner provided the Department of Planning and the Department of Public Works with a phasing plan on August 15, 2008.**

9. *That building permits shall not be authorized for each increment until completion of the infrastructure construction for the prior increment of the South Project Area. Alexander & Baldwin, Inc. shall provide written verification of the completion of the infrastructure construction for the prior increment to the Department of Planning and to the Department of Public Works prior to or at the time of issuance of the first building permit for the succeeding increment. (W-K Community Plan, Planning Standards)*

Status: All of the infrastructure, including roadways, drainage, sewer, water and electrical systems have been completed in Increment I. Increment I improvements included the extension Hookele Street from Pakaula Street to Hana Highway and the extension of Pakaula Street.

10. *That the Hookele Street Extension or similar thoroughfare shall be constructed concurrently with the development of the first increment of the South Project Area, and shall maintain a "view corridor" toward Haleakala. (W-K Community Plan, Planning Standards)*

Status: Construction of the Hookele Street Extension has been completed. The alignment of Hookele Street Extension was designed to maintain views toward Haleakala.

11. *That Alexander & Baldwin, Inc. shall provide a landscaped aesthetic visual corridor along all adjacent highways. Such landscaping plans shall be submitted to the Department of Planning for review and approval. (W-K Community Plan, Planning Standards)*

Status: A Conceptual Landscape Master Plan and irrigation and planting plans for the project have been approved by the Department of Planning. The Master Plan includes design concepts for landscaping throughout the project including buffers along existing highways and rights-of-way, Hookele Street Extension, and subdivision roadways. A letter from the Planning Department stating that approval of such plans satisfies Conditions 11 and 12 of Ordinance No. 3559 was included in the 2011 annual report.

12. *That a landscaped berm utilizing trees and shrubbery shall be constructed along the entire proposed collector road (Hookele Street Extension) to soften the visual impact of the buildings along the road. Ingress/egress or other improvements mandated by engineering safety standards shall be exempt. (W-K Community Plan, Planning Standards)*

Status: A landscape berm and other landscaping improvements in accordance with plans approved by the Department of Planning referenced in the status of compliance with Condition 11 above has been completed with the first increment of the development.

13. That to the extent practical, alternative energy shall be utilized, including, but not limited to, the use of solar energy to heat water. (W-K Community Plan, Planning Standards)

Status: Petitioner has encouraged, through the project's design guidelines, the use of green building materials and practices.

14. That to the extent practical, underground utilities and low impact lighting to preserve the visual appearance of the area shall be utilized. (W-K Community Plan, Planning Standards)

Status: This condition has been incorporated into the design plans for the project area.

15. That signalized intersections shall be minimized on the Hookele Street Extension, and shall be installed only when warranted by standard traffic engineering requirements. (W-K Community Plan, Planning Standards)

Status: An updated Traffic Impact Analysis Report (TIAR) has been prepared and submitted to the County. The TIAR identifies locations of intersections to be signalized when warranted. Construction drawings submitted to the County for review and approval are based on the TIAR.

16. That Alexander & Baldwin, Inc. shall work with the Department of Environmental Management to identify and dedicate to the County a mutually acceptable site or sites, not less than a total of 20 acres, for future Central Maui wastewater requirements.

Status: Petitioner will comply with this condition. A copy of correspondence acknowledging discussions with the County on this condition was submitted with the 2012 annual report.

17. That no residential use, including single-family dwellings and apartments, shall be permitted within the Project.

Status: Said prohibition has been recorded against the property in the "Unilateral Agreement and Declaration for Conditional Zoning", dated April 7, 2008, recorded as Document No. 2008-057029 in the Bureau of Conveyances.

18. That Alexander & Baldwin, Inc. shall provide a police substation within the Project for the Department of Police; provided that, such substation meets the approval of the Department.

Status: By letter dated September 30, 2015, the Maui Police Department indicated that it did not have enough personnel to manage a substation in the Maui Business Park, but would revisit the idea in the future (copy of letter is attached).

Petitioner will continue discussions with the Police Department and comply with this condition.

19. That Alexander & Baldwin, Inc. shall provide an annual report to the Council on its compliance with each of the conditions of zoning, commencing within one year of the effective date of this ordinance.

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

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

Sincerely,

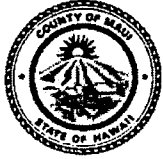
A&B PROPERTIES, INC.



Grant Chun
Vice President, Maui

Attachment

cc: Properties (Hnl)



ALAN M. ARAKAWA
MAYOR

OUR REFERENCE
YOUR REFERENCE

POLICE DEPARTMENT

COUNTY OF MAUI

55 MAHALANI STREET
WAILUKU, HAWAII 96793
(808) 244-6400
FAX (808) 244-6411



TIVOLI S. FAAUMU
CHIEF OF POLICE

DEAN M. RICKARD
DEPUTY CHIEF OF POLICE

September 30, 2015

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A&B PROPERTIES-MAUI

Mr. Grant Y.M. Chun, Vice President
A&B Properties
11 Puunene Avenue
Kahului, HI 96732-1608

Re: Maui Business Park - Phase II - Condition No. 18

Dear Mr. Chun:

This is to acknowledge your letter dated September 2, 2015, of our signed confirmation and acknowledgment of Condition No. 18 under Maui County Ordinance No. 3559.

After discussion with my Executive Staff, we determined that based on our existing manpower, we do not have enough personnel to manage a substation in the Maui Business Park. We would, however, like to revisit the idea in the future.

If you would like to further discuss this matter, please do not hesitate to contact me.

Sincerely,


TIVOLI S. FAAUMU
Chief of Police