

# SMC Mahana LLC

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December 11, 2025

Mr. Daniel Orodener, Executive Officer  
Land Use Commission  
State of Hawaii  
P.O. Box 2359  
Honolulu, Hawaii 96804



RE: 2025 Annual Compliance Report for Mahana Estates

Mr. Orodener,

This serves as SMC Mahana LLC's 2025 Annual Compliance Report. The Land Use Commission of the State of Hawaii ("LUC") approved Maui Land & Pineapple Company, Inc. ("MLP") petition to reclassify approximately 790 acres of land at Honokahua and Napili, Maui, Hawaii from the Agricultural district to the Urban and Rural District for Kapalua Mauka (Project District 2) by order dated June 29, 2004, Docket No A03-741. The Decision and Order sets forth 27 conditions of approval regarding the reclassification.

The Mahana Estates portion of Kapalua Mauka is within the State Rural Land Use District. This 124.98 acre, 51 lot parcel is now owned by SMC Mahana LLC. The following annual report details compliance with the Mahana Estates portion of the land. As of the date of this report, all 51 parcels have been sold.

## **1. Affordable Housing**

**Petitioner shall provide affordable housing opportunities for low, low-moderate and gap-group-income residents of the State of Hawai'i to the satisfaction of the County of Maui, acting in accordance with its approved affordable housing policy. The location and distribution of the affordable housing and other provisions for affordable housing shall be under such terms and conditions as may be mutually agreeable to Petitioner and the County of Maui. Notwithstanding any affordable housing provisions that may be agreed to by Petitioner and the County of Maui, Petitioner, at a minimum, shall develop no less than 125 affordable units as a part of its proposed Pulelehua project at Mahinahina.**

Petitioner has met this condition. MLP and the County of Maui executed an affordable housing agreement for the Mahana Estates portion of the land in compliance with the County of Maui's Residential Workforce Housing Policy which requires 26 workforce housing credits for the Mahana Estates portion of the land. MLP has satisfied all of the affordable housing requirements pursuant to this agreement. Please see attached copy of the recorded Memorandum of Mahana Estates Subdivision Residential Workforce Housing Agreement Doc. No. 2007-097329 dated May 31, 2007 and the executed Mahana Estates Subdivision Residential Workforce Housing Agreement dated December 29, 2006 which documents the acceptance of 15 credits for Mahana Estates and the requirement for 11 additional credits. The 11 additional

credits have been satisfied pursuant to the Mahana Estates Subdivision Residential Workforce Housing Agreement with the County acceptance of Notice of Assignment of Act 141 Workforce Housing Credits, Assignments #4, #5, and #6 as approved by the Director of the County of Maui Department of Housing and Human Concerns. Please see attached document dated June 23, 2010, July 13, 2010, and July 13, 2010. The agreement for Mahana Estates requires a total of 26 affordable housing credits, which have been satisfied by the 15 from the workforce housing agreement and the additional 11 from approved credits. This condition has been satisfied in its entirety for the Mahana Estates portion of the land.

## **2. Public School Facilities**

**Petitioner shall contribute to the development, funding, and/or construction of public school facilities, on a fair-share basis, pursuant to an Education Contribution Agreement for Kapalua Mauka dated July 10, 2003, between Kapalua Land Company, Ltd. And the State of Hawai'i Department of Education.**

Petitioner has met this condition. Pursuant to the Educational Contribution Agreement for Kapalua Mauka dated July 10, 2003 between Kapalua Land Company, Ltd and the State of Hawaii Department of Education, the Mahana Estates portion responsibility has been assigned to SMC Mahana, LLC. Pursuant to this assigned portion of the agreement, SMC Mahana, LLC was required to pay \$1,011.00 to the Department of Education within 30 days of the closing and recordation for the sale of residential unit or lot with in Mahana Estates. As noted above, all 51 lots with the Mahana Estates have been sold and all fees and/or assessments have been paid to the Department of Education.

## **3. Wastewater Treatment and Disposal Facilities**

**Petitioner has paid the County of Maui Petitioner's agreed-upon share to fund the construction of wastewater treatment and disposal facilities to serve the Property. Petitioner shall receive wastewater treatment service for wastewater from the Property pursuant to the Lahaina Wastewater Reclamation Facility ("LWWRF") Expansion Agreement dated January 20,1994, among the County of Maui, Petitioner and Kapalua Wastewater Treatment Company. Petitioner shall construct, operate and maintain wastewater transmission facilities to transport wastewater from the Property to appropriate County wastewater transmission facilities.**

Petitioner has met this condition. MLP purchased allocations for wastewater treatment in the Lahaina Wastewater Reclamation Facility ("LWWRF") when the facility was constructed. In letter dated October 4, 2006, the County of Maui Department of Public Works acknowledged the allocation for Mahana Estates was deducted from the reserved wastewater allocation. A copy of the letter is attached for your use. A copy of this letter was submitted on February 28, 2007 attached to the compliance report for Project District Phase III approval for Mahana Estates, and acknowledged by letter dated March 28, 2007 from Jeff Hunt, Director of Planning, County of Maui.

SMC Mahana LLC has completed construction of a new gravity collection system to collect wastewater generated by Mahana Estates and transport it to the LWRF. Kapalua Wastewater Treatment Company, Ltd., has assumed ownership of the on-site wastewater system on 6/01/2017 and will operate and maintain the new wastewater transport system on Mahana Estates.

#### **4. Transportation Improvements**

**Petitioner shall implement traffic mitigation measures for project generated traffic, at no cost to the State of Hawai'i. All roadway improvements shall be designed to Department of Transportation standards, and shall include, but not be limited to, right-turn deceleration lanes, left-turn deceleration and storage lanes, signage, pavement markings, and streetlights. Petitioner shall also provide signalization at the Honoapi'ilani Highway Office Road intersection when warranted.**

Petitioner has met this condition. On December 7, 2006, the State of Hawaii Department of Transportation ("HDOT") confirmed, via letter, that no intersection improvements would be necessary at the intersection of Honoapi'ilani Highway and the Mahana Estates access road. Subsequent to its December 7, 2006 letter, HDOT required the installation of a deceleration lane at the Mahana Estates access road. The grading, drainage, pavement, striping and signage work for this deceleration lane has been completed. On December 5, 2012, HDOT accepted the completed improvement.

#### **5. Traffic Impact Fee**

**Petitioner shall in the order specified below: (a) pay an impact fee pursuant to Chapter 14.62, Maui County Code, Impact Fees for Traffic and Roadway Improvements in West Maui, Hawai'i; however, if there is a written agreement between the County of Maui and the State of Hawai'i specified by section 14.62.080, the County shall share the funds collected from the Petitioner with the State in accordance with this written agreement; or (b) make a voluntary contribution to the County of Maui upon issuance of building permit for the first dwelling or final subdivision approval, whichever comes first; or (c) pay the impact fee to the State pursuant to the enactment of State legislation authorizing such payment.**

**The impact fee is established as a function of an agreement reached amongst the Petitioner, the County of Maui and the State Office of Planning and will be applied towards the funding, design, and construction of local and regional transportation improvements and programs necessitated by the proposed development of the Property, but in any event will not exceed \$3,500 per unit or lot developed on the Property. In the event a change in circumstance proves that a fee of up to \$3,500 is inadequate, the State or the County may seek to amend this Order.**

Petitioner has met this condition. Pursuant to the Traffic Impact Fee Agreement for Kapalua Mauka, dated October 31, 2006, between MLP and the County of Maui, the Mahana Estates portion responsibility has been assigned to SMC Mahana, LLC. Pursuant to this assigned portion of the agreement, SMC Mahana, LLC was required to pay \$3,500.00 per unit or lot developed for road and traffic improvements in the West Maui Community at the time of final subdivision. As of the date of this Annual Report as noted above, all 51 lots with the Mahana Estates have been sold and all fees and/or assessments have been paid to the Maui Department of Finance.

**5a. Traffic Impact requests for changes**

**Requests for new or any changes to existing highway accesses (including use, location, and size), shall be submitted in writing to and approved by the Highways Division Right of Way Branch. Administrative costs and consideration for any enhanced value of vehicular access rights to the State highway shall be paid as required by the Highways Division Right of Way Branch.**

Petitioner has met this condition. SMC Mahana, LLC will submit written requests to the SDOT Highways Division Right of Way Branch for any change to existing highway access related to Mahana Estates. To date, no such changes have been requested and none are anticipated.

**6. Civil Defense**

**Petitioner shall fund and construct adequate solar-powered civil defense measures serving the Property as determined by the State of Hawai'i Department of Defense, Office of Civil Defense and County Civil Defense Agency.**

Petitioner has met this condition. SMC Mahana, LLC has agreed to and has actually contributed 51/690th of the cost of the Civil Defense siren system to be constructed and installed by MLP. The Civil Defense siren has been installed on the Mahana Estates property next to the existing water tank across from Lot 29. The Civil Defense siren has been tested by the State Department of Defense on 9/22/2016, and is currently operational.

**7. Archaeological Inventory Survey and Historic Preservation Mitigation Plan**

**Petitioner shall comply with the conditions recommended by the State of Hawai'i Department of Land and Natural Resources, Historic Preservation Division on January 27, 2003, regarding revisions to Petitioner's archaeological inventory surveys and approval of an acceptable Preservation Plan for any historic sites on the Kapalua Mauka Community Site prior to commencement of any ground altering activities. Petitioner shall confirm in writing to the Commission that the Historic Preservation Division has found Petitioner's mitigation commitments, if any, to be acceptable and has determined that any historic preservation mitigation plan and archaeological data recovery sub-plan has been**

**successfully implemented.**

Petitioner has met this condition.

**8. Unidentified Finds**

**Petitioner shall stop work in the immediate vicinity should any previously unidentified human burials, archaeological or historic sites such as artifacts, marine shell concentrations, charcoal deposits, stone platforms, pavings, or loci walls be found. Petitioner shall immediately notify the Historic Preservation Division, and comply with requirements of Chapter 6E, HRS, and applicable rules. The Historic Preservation Division shall determine and approve the significance of these finds, and shall permit subsequent work to proceed with an archaeological clearance after appropriate mitigative measures have been implemented.**

Petitioner has met this condition. No archeological and historic sites were found during the construction of the Mahana Estates.

**9. Air Quality Monitoring**

**Petitioner shall participate in an air quality-monitoring program as specified by the State Department of Health.**

Petitioner has met this condition.

**10. Notification of Potential Aircraft Noise**

**Petitioner shall notify all prospective buyers and/or lessees of the Property of potential noise from the over flight of aircraft using Kapalua West Maui Airport.**

Petitioner has met this condition. Sales agreements for all individual homes or lots within Mahana Estates contained a specific notification of potential noise from the over flight of aircraft using Kapalua West Maui Airport.

**11. Notification of Potential Nuisances**

**Petitioner shall notify all prospective buyers and/or lessees of the Property of potential odor, noise and dust pollution resulting from adjacent agricultural uses.**

Petitioner has met this condition. Sales agreements for all individual homes or lots within Mahana Estates contained a specific notification of potential odor, noise, and dust pollution resulting from adjacent agricultural uses.

**12. The Hawaii Right to Farm Act**

**Petitioner shall notify all prospective buyers and/or lessees of the Property that the Hawai'i Right to Farm Act. Chapter 165, HRS, limits the circumstances under which pre-existing farm activities may be deemed a nuisance.**

Petitioner has met this condition. Sales agreements for all individual homes or lots within Mahana Estates contained a specific notification regarding the Hawaii Right to Farm Act, Chapter 165, HRS, which limits the circumstances under which pre-existing farm activities may be deemed a nuisance.

### **13. Drainage Improvements**

**Petitioner shall fund the design and construction of drainage improvements required as a result of the development of the Property to the satisfaction of appropriate State and County agencies.**

Petitioner has met this condition. Pursuant to SDOT approved Permit to Perform MA-11-32 issued 11/22/2011, construction of the drainage improvements for Mahana Estates requiring a State permit has been completed. The DOT has accepted the improvements as completed on 12/05/2012 and is has released the performance bond after the one year warranty period which ended 12/05/2013.

Pursuant to County of Maui approved Grading permit G 2011/0082 issued 09/21/2011, construction of the drainage improvements for Mahana Estates portion of the land is complete in accordance with the originally approved drainage design. SMC Mahana LLC was required to install additional drainage improvements as directed and approved by the County of Maui. The additional drainage improvements were completed on 01/26/2016.

### **14. Integrated Solid Waste Management Plan**

**Petitioner shall cooperate with the State of Hawai'i Department of Health and County of Maui Department of Environmental Services to conform to the program goals and objectives of Chapter 342G, HRS, and the County of Maui's approved integrated solid waste management plan in accordance with a schedule and timeframe satisfactory to the State of Hawai'i Department of Health. Petitioner shall, in coordination with appropriate State and County government agencies, assist in the planning and promotion of solid waste recycling facilities, including recycling bins in public places, such as schools and parks, if any, within the proposed development.**

Petitioner has met this condition. SMC Mahana, LLC will cooperate with the State of Hawaii Department of Health and the County of Maui Department of Environmental Services with their program goals and objectives for solid waste management. A Solid Waste Disclosure Form was filed with the Department of Health, Solid Waste Division on November 29, 2011 for the Mahana Estates portion of the land.

### **15. Water Resources Allocation**

**Petitioner shall provide adequate potable and non-potable water source, storage and transmission facilities and improvements to accommodate the proposed development on the Property. Water transmission facilities shall be approved by appropriate State agencies.**

Petitioner has met this condition. SMC Mahana, LLC has completed construction of the potable and non-potable systems for Mahana Estates that serves the 51-lot residential area. Both the potable and non-potable systems for Mahana Estates have been turned over to the Kapalua Water Company, Ltd., on 6/01/2017, and Kapalua Water Company, Ltd., will operate and maintain the new waterline systems for the Mahana Estates.

### **16. Access Rights**

**Petitioner shall preserve access rights of native Hawaiians who customarily and traditionally have used the Property for access to other areas for subsistence, cultural, and religious practices.**

Petitioner has met this condition. Although there are no known historic trails within the Mahana Estates land, SMC Mahana, LLC will preserve access rights of native Hawaiians who may have customarily and traditionally used the property for access to other areas for subsistence, cultural, and religious practices.

### **17. Best Management Practices**

**Petitioner shall implement applicable best management practices applicable to each proposed land use to reduce or eliminate soil erosion and ground water pollution, and effect dust control measures during and after the development process in accordance with the State Department of Health guidelines.**

Petitioner has met this condition. SMC Mahana, LLC secured permit renewal of R10C659 dated 12/09/13 from the State Department of Health and has implemented and will continue to abide by all of the requirements for BMP's as directed by DOH for the Mahana Estates land. Additional permanent drainage BMP's have been installed on 1/26/2016 as directed by and approved by the DOH and the County of Maui.

SMC Mahana, LLC has filed for a Notice of Cessation on 12/4/2018 due to a halt of all construction activity on Mahana Estates land. The DOH has accepted cessation and has closed the NPDES permit.

### **18. Water Conservation Measures**

**Petitioner shall implement water conservation measures and best management**

**practices, such as use of indigenous and drought tolerant plants and turf, and incorporate such measures into common area landscape planting.**

Petitioner has met this condition. To conserve water within Mahana Estates at Kapalua Mauka (Project District 2), in compliance with Ordinance 3358 (See Unilateral Agreement, Condition 2), SMC Mahana, LLC has implemented the following measures:

- Install low flow fixtures and devices throughout the community.
- Limit irrigation of turf areas. The common area landscape plan has been approved by the County of Maui and includes the use of indigenous and drought tolerant plants and turf for the Mahana Estates land.
- Prevent over watering by automated systems. Irrigation controls will be used to regulate irrigation water at the common areas of Mahana Estates by a 50% reduction in the Fall and Winter seasons. Future individual homeowners will be encouraged to do the same.
- Not allow single pass cooling pursuant to Maui Count Code Section 14.21.20.
- Use native plants for landscaping. The common area landscape plan has been approved by the County of Maui and includes the use of indigenous and drought tolerant plants and turf for the Mahana Estates land.
- Install meters for both potable and non-potable systems to discourage excessive use. The water system for Mahana Estates has been designed with both potable and non-potable water meters. Meters have been installed at Lot 1 and 2 where model homes on these properties have already been completed.

## **19. Energy Conservation Measures**

**Petitioner shall implement energy conservation measures such as use of solar energy and solar heating and incorporate such measures into the proposed development on the Property.**

Petitioner has met this condition. SMC Mahana LLC has implemented energy conservation measures within the design of Mahana Estates. The following design measures for energy conservation have been standardized for each residence:

- Large openings under roof for natural cross ventilation.
- Double insulated Low E glazing at windows and doors to reduce heat gain.
- Large roof overhangs 48" to 54" to maximize shading of building walls.
- Variable-Refrigerant-Flow split HVAC systems for minimal energy consumption.
- Dimming control systems and LED light fixtures to reduce energy consumption.

## **20. Wellhead Protection Acres**

**(a) Any golf course green within the two-year time of travel of any County of Maui Department of Water Supply (DWS) well will be located outside a 500 feet radius from any such well.**



**(b) Petitioner will install an impervious liner beneath any green mauka or up-gradient of the DWS wells within the two-year time of travel, including the Honokahua A and Napili C wells. The design and construction of the greens will include a drainage system that could collect all water and percolate and pipe it to discharge away and down-gradient of the DWS wells.**

**(c) Petitioner will pursue organic management practices for greens that may be constructed mauka or up-gradient of DWS wells within the two-year time of travel.**

This condition does not apply to Petitioner. Mahana Estates does not include any golf course construction. **This condition does not apply to the Mahana Estates portion of the land.**

## **21. Golf Course Guidelines**

**Petitioner shall comply with the recommendations of the State of Hawai'i Department of Health's Guidelines Applicable to Golf Courses in Hawai'i (July 2002).**

This condition does not apply to Petitioner. Mahana Estates does not include any golf course construction. **This condition does not apply to the Mahana Estates portion of the land.**

## **22. Compliance with Representations to the Commission**

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

Petitioner has met this condition. All permit applications and development submittals to date have been in substantial compliance with the representations made during the reclassification process.

## **23. Notice of Change to Ownership Interest**

**Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property. This condition shall be satisfied by the giving of notice only, and shall not require approval by the Commission.**

Petitioner has met this condition. The Commission was notified of the change in ownership from Maui Land & Pineapple Company, Inc. to SMC Mahana LLC in letter dated August 21, 2009.

#### **24. Annual Reports**

**Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of Planning and the County of Maui Planning Department in connection with the status of the development proposed for the Property, and Petitioner's progress in complying with the conditions imposed. The annual report shall be submitted in a form prescribed by the executive officer of the Commission. The annual report shall be due prior to or on the anniversary date of the Commission's approval of the Petition.**

Petitioner has met this condition. This letter is the annual report for the Mahana Estates portion of the land.

#### **25. Release of Conditions Imposed by the Commission**

**Petitioner shall seek from the Commission full or partial release of these conditions as to all or any portion of the Property upon assurance acceptable to the Commission of satisfaction of these conditions.**

Petitioner has met and will continue to comply with this condition. When requesting release of a condition as it relates to the Mahana Estates portion of the land, SMC Mahana LLC will file the appropriate motions upon formal acknowledgment from the proper agencies of their satisfaction with compliance with specific conditions.

#### **26. Statement of Imposition of Conditions**

**Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall: (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed by the Land Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission.**

Petitioner has met this condition as it was completed by prior owner Maui Land & Pineapple Company, Inc. This condition has been previously released.

#### **27. Recording of Conditions**

**Petitioner shall record the conditions imposed by the Commission with the Bureau of Conveyances pursuant to Section 15-15-92, Hawai'i Administrative Rules.**

Petitioner has met this condition. Maui Land & Pineapple Company, Inc. has recorded the Declaration of Conditions dated July 20, 2004 as Document No. 2004-153381. This condition has been previously released.

Mr. Daniel Orodener, Executive Officer  
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If you have any questions or comments, I may be reached at (808) 842-4929 or at [maiu@nanhawaii.com](mailto:maiu@nanhawaii.com).

Very truly yours,

A handwritten signature in black ink, appearing to read 'Micah Aiu', with a stylized flourish at the end.

Micah P. K. Aiu  
General Counsel