

INCREMENTAL DEVELOPMENT PLAN KAMAKANA VILLAGES AT KEAHUOLU

Co-Petitioners in Land Use Commission Docket No. A10-788, Forest City Hawaii Kona, LLC and Hawaii Housing Finance and Development Corporation (hereinafter "**Petitioner**"), seek Land Use Commission ("**LUC**") approval for the reclassification of approximately 271.837 acres of land from the Agricultural District to the Urban District (the "**Petition Area**"). Once reclassified, the Petition Area will be developed as a master planned, mixed-use affordable housing project known as Kamakana Villages at Keahuolu ("**Kamakana Villages**").

The development timeframe for Kamakana Villages spans approximately 18 years (from 2010/2011 through 2028). Therefore, full urban development of the Petition Area will not be substantially complete within ten years of the LUC's approval. In compliance with Hawaii Administrative Rules Section 15-15-50(c)(19), Petitioner submits this Incremental Development Plan to provide a schedule for development of the total project.

(19) Petitioners submitting applications for reclassification to the urban district shall also represent that development of the subject property in accordance with the demonstrated need therefore will be accomplished before ten years after the date of commission approval. In the event *full urban development cannot substantially be completed* within such period, the petitioner shall also submit a schedule for development of the total of such project in increments together with a map identifying the location of each increment, each such increment to be completed within no more than a ten-year period;

HAR § 15-15-50(c)(19) (emphasis added.)

Due to the fact that development of the Petition Area will not be substantially complete within ten years of the LUC's approval, Petitioner provides this Incremental Plan to demonstrate those portions of the project that will be substantially complete within ten years ("**Increment 1**"), and to provide a schedule for development for the remainder of the project ("**Increment 2**"). Petitioner will seek LUC reclassification of the entire Petition Area under HAR § 15-15-78(a)(1), which provides as follows:

(a) If it appears to the commission that full development of the subject property *cannot substantially be completed within ten years* after the date of the commission's approval and that the incremental development plan submitted by the petitioner can be substantially completed, and if the commission is satisfied that all other pertinent criteria for redistricting the premises or part thereof are present, then the commission may:

(1) Grant the petitioner's request to reclassify the entire property;

HAR § 15-15-78 (emphasis added.)

LUC DOCKET NO. A10-788

APPROXIMATELY 271.837 ACRES SITUATE AT KEAHUOLU, NORTH KONA, ISLAND, COUNTY AND STATE OF HAWAII, TMK NOS. (3) 7-4-021: 020 (por.), 024, 025, 026, 027

Kamakana Villages is planned as a 6 Phase project, to be developed in 2 increments. Increment 1 consists of Phases 1, 2 and 3a, which are planned to be fully developed by the fall of 2020. Increment 2 consists of Phases 3b, 4, 5 and 6, which are planned to be fully developed by 2029. However, the actual pace of development will be dependent upon real estate market conditions and financing, as well as the final number of residential units completed within Kamakana Villages. A map identifying Increments 1 and 2, is attached hereto as **Exhibit A**. A table of the proposed infrastructure, residential, commercial and civic improvements planned for each Increment is attached hereto as **Exhibit B**.

I. **Increment 1 (Phase 1- 3a)**

A. Infrastructure

Development of the infrastructure to support Kamakana Villages is expected to begin in 2010, assuming timely receipt of land use entitlements. The offsite sewer system, most of the water source and transmission system, electrical transmission and the interior mauka-makai connector roadways are planned to be completed by 2020. On-site roadways, sewer, water and drain lines within project sites will be constructed concurrently with the phasing of residential and commercial construction.

1. **Sewer System** - The onsite sewer system will consist of sewer lines within the roadway network, which will connect to the offsite sewer lines. Offsite sewer crossings will be constructed as part of the construction of the future Ane Keohokalole Highway ("AKH"). During the initial Phases of the project the offsite sewer lines will connect to the existing main at the intersection of Puohulihuli Street and AKH. Once capacity in the existing sewer main lines is reached, additional offsite sewer lines will be constructed to the Kealakehe Wastewater Treatment Plant.
2. **Water System** - The water system network will include two wells located mauka of Mamalahoa Highway. The first well has been developed but needs additional improvements in order for it to become operational. Well #1 should supply sufficient water for Phases 1 - 3a/3b. The water system components include: (i) installation of a 1050 Gallon Per Minute ("GPM") pump and motor; (ii) improvements on the control building and surrounding sites, (iii) installation of transmission lines in Mamalahoa Highway and as part of the construction of AKH; (iv) a 16" water main; and (vi) two reservoirs - one at the well site and one at the 595' elevation.
 - a. The on-site water system would consist of main water lines that would be connected to the existing water system at Keanalehu Drive and Manawale'a Street and transmission lines in AKH.
3. **Electrical & Phone Lines** - Offsite electrical, television and phone ductlines to the project site will be constructed as part of the construction

of AKH. Electrical transmission will be installed from Palani Substation to the project site along with necessary upgrades at the Palani Substation.

4. Roadway System - The Manawalea Extension will be constructed during the initial Phases of development. Portions of the main thoroughfares throughout Kamakana Villages (Main Blvd. and School Street) will be built north to south, concurrent with the development of the applicable Phase. The following additional traffic mitigation measures are proposed at this time:
 - a. **Phase 1 (2012 - 2014)**
 - (1) **Manawalea St. & Keanalehu Dr.**
 - (a) Northbound - Provide exclusive left-turn lane and through lane on Manawalea St.
 - (b) Southbound - Restripe Manawalea St. to provide a channelized right turn lane and through lane.
 - (c) Install all-way stop controls at intersection.
 - (2) **Ane Keohokalole Hwy & Kealakehe Pky.**
 - (a) Signalize intersection when warranted.¹
 - b. **Phase 2 (2015 - 2018)**
 - (1) On site collector and main roadways.
 - (2) **Manawalea St. & Ane Keohokalole Hwy.**
 - (a) Westbound - Provide exclusive left turn lanes and shared through/right turn lanes.
 - (b) Signalize intersection when warranted (cost share with neighboring property owners)
 - (3) **Makala Blvd. & Ane Keohokalole Hwy.**
 - (a) Westbound - Construct Makala Blvd. with left turn and shared through/right turn lanes on Kamakana Project.
 - (b) Restripe northbound left turn lane on Ane Keohokalole Hwy to a median shelter lane.

¹ Petitioner's commitment to this improvement is subject to agreement with the State DOT.

c. **Phase 3a (2019 - 2020)**

- (1) On site collector and main roadways.
- (2) **Makala Blvd. & Ane Keohokalole Hwy.**
 - (a) Signalize intersection when warranted (cost share with neighboring property owners)
- (3) **Palani Rd. & Queen Kaahumanu Hwy.**
 - (a) Westbound - Widen Palani Rd. to provide exclusive right turn lane.²
 - (b) Westbound - Widen Palani Rd. to provide an additional left turn lane and exclusive right turn lane.³

B. Residential and Commercial Space

Development of the residential and commercial space within Kamakana Villages is expected to begin in 2011, assuming timely receipt of land use entitlements, with first occupancy to occur in 2012.

Construction of approximately 130 - 150 residential units per year is projected from 2012 to 2028. Approximately 1,196 residential units are planned within Increment 1 and will be developed and sold by the fall of 2020.

Approximately 99,000 square feet of neighborhood commercial space, to be located within the mixed-use centers to be located along the Ane Keohokalole Highway, is planned to be built within Increment 1. The commercial space will be distributed as follows: approximately 41,833 square feet of retail space in Phase 1; 24,500 square feet of retail space in Phase 2; and approximately 32,667 square feet in Phase 3a.

C. Civic Space

Ample park and open space land will be provided within Kamakana Villages, as well as two sites for school/civic uses. Two of the three main parks (Central Park and North Park) will be provided in Phase 2. The larger DOE elementary school site is planned for Phase 3a. The other school/civic site is planned for Phase 2.

² Petitioner's commitment to this improvement is subject to agreement with the State DOT.

³ Petitioner's commitment to this improvement is subject to agreement with the State DOT.

II. Increment 2 (Phase 3b - 6)

A. Infrastructure

The backbone infrastructure for Kamakana Villages is anticipated to be complete before 2021. On-site roadways, sewer, water and drain lines within project sites will be constructed concurrently with the phasing of residential and commercial construction.

1. Sewer System - The onsite sewer system will consist of sewer lines within the roadway network, which will connect to the offsite sewer lines. An onsite lift station and force main is planned for Phase 4.
2. Water System - The second well and supporting infrastructure is planned to be complete for Phase 4.
3. Electrical & Phone Line - On-site conduits within common trench and between curb and road right-of-way.
4. Roadway System - The following roadway improvements are proposed for Phases 3b - 6.
 - a. Phase 3b (2020 - 2021)
 - (1) On site collector and main roadways.
 - b. Phase 4 (2022 - 2024)
 - (1) Manawalea St. & Ane Keohokalole Hwy.
 - (a) Northbound - Widen Ane Keohokalole Hwy. to provide right turn lane or widen Ane Keohokalole Hwy to provide additional through lane.
 - (2) Palani Rd. & Queen Kaahumanu Hwy.
 - (a) Northbound - Convert right turn lane on Queen Kaahumanu Hwy to a shared through/right turn lane to provide 3 through lanes.⁴
 - (b) Northbound - Convert existing right lane on the north leg of Queen Kaahumanu Hwy from a right turn acceleration lane to a merging lane.⁵

⁴ Petitioner's commitment to this improvement is subject to agreement with the State DOT.

⁵ Petitioner's commitment to this improvement is subject to agreement with the State DOT.

c. **Phase 5 (2025 - 2026)**

- (1) On site collector and main roadways.
- (2) **South St. & Ane Keohokalole Hwy.**
 - (a) Westbound - Construct South St. with stop controls and restricted to right in/right out movements only.
- (3) **Palani Rd. & School St.**
 - (a) Southbound - Construct School St. with separate left turn and right turn lanes.
 - (b) Westbound - Widen makai bound Palani Rd. to provide additional through lane and right turn lane at School St.
 - (c) Eastbound - Widen Palani Rd. to provide exclusive left turn lane at School St.
 - (d) Signalize intersection when warranted.
- (4) **Palani Rd. & D St.**
 - (a) Southbound - Construct D St. at Palani Rd. with stop controls and restricted to right in/right out ("**RIRO**") movements only.
 - (b) Westbound - Widen Palani Rd. to provide additional through lane and right turn deceleration lane to D St.
 - (c) Westbound - Widen Palani Rd. to provide right turn acceleration lane from D. St.

d. **Phase 6 (2027 - 2028)**

- (1) **Palani Rd. & C St.**
 - (a) Southbound - Construct C St. at Palani Rd. with stop controls and restricted to RI/RO movements only.
 - (b) Westbound - Widen Palani Rd. to provide an additional through lane and a right turn deceleration lane to C St.
 - (c) Westbound - Widen Palani Rd. to provide a right turn acceleration lane from C. St.

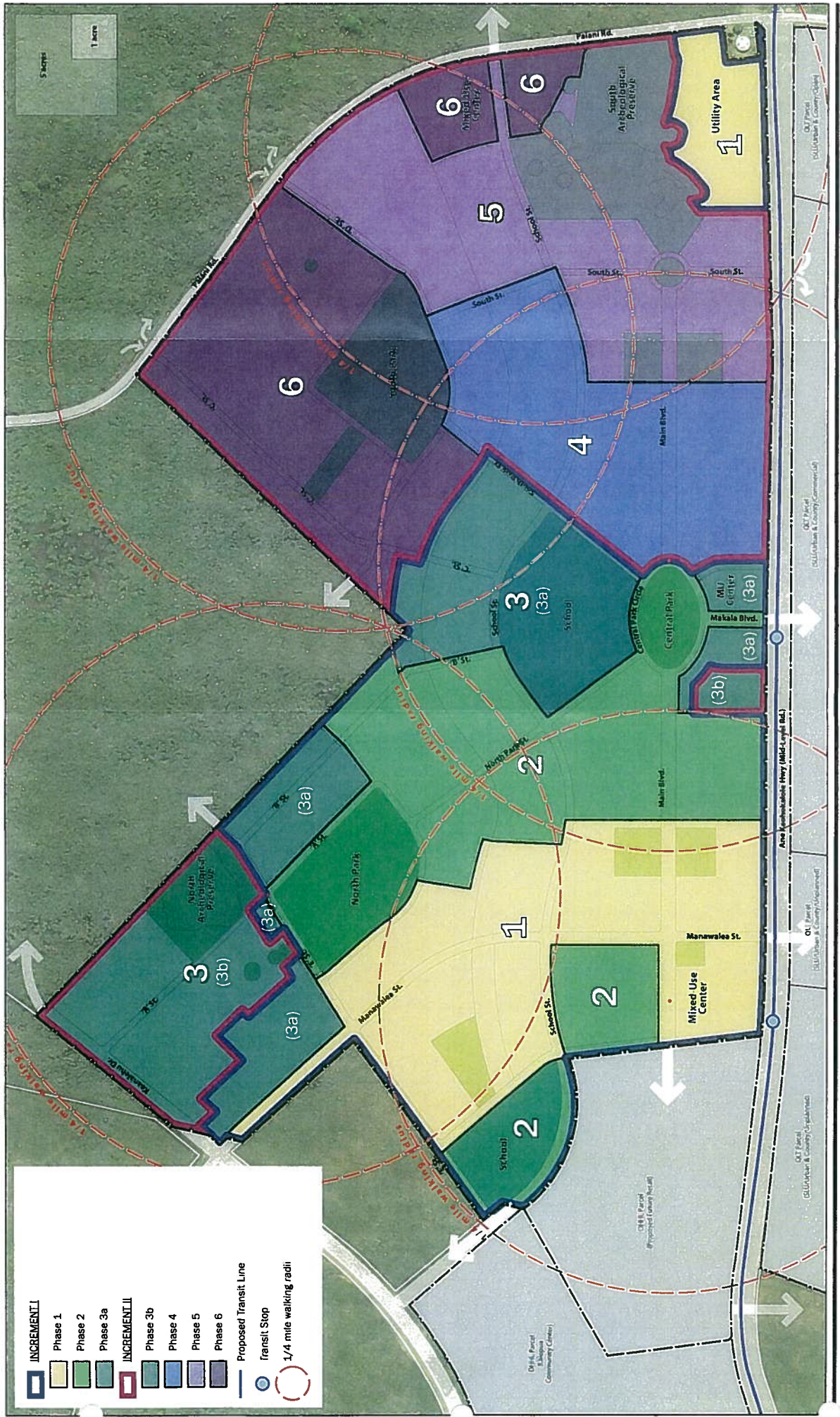
B. Residential and Neighborhood Commercial Space

Development of the residential and neighborhood commercial space within Increment 2 is expected to begin in 2020, with an average of 130 residential units per year. Approximately 98,000 square feet of commercial space, to be located within the mixed-use centers to be located along Palani Road, are planned to be built within Phase 6.

C. Civic Space

The third main park site (South Park) will be built during Phase 6. The two large archaeological preserve areas (North Archaeological Preserve and South Archaeological Preserve) will be provided during Phases 3b and 5, respectively.

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INCREMENT I

- Phase 1
- Phase 2
- Phase 3a

INCREMENT II

- Phase 3b
- Phase 4
- Phase 5
- Phase 6

Proposed Transit Line

transit Stop

1/4 mile walking radii

PHASE and INCREMENT PLAN

KAMAKANA VILLAGES AT KEAHUOLU Kailua-Kona, Hawaii

Incremental Development
 11-11-20 Kamalana Villages of

Hawaii Housing Finance and Development Corporation
 Forest City Hawaii Kona, LLC
 Group 70 International, Inc.
 Honolulu, Hawaii
 Honolulu, Hawaii
 Honolulu, Hawaii
 Calthorpe Associates



Incremental Development Plan - Kamakana Villages at Keahuolu
Exhibit B

Kamakana Villages at Keahuolu Proposed Incremental Development Plan, March 2010¹

INCREMENT 1

Occupancy	Residential Units	Total	Market	Affordable	Sewer	Water	Electrical	Road ²
2010/2011 - initial infrastructure development					Off-site sewer lines along and crossing Ane Keohokalole Hwy	(off-site) (i) Installation of 1050 GPM pump and motor (ii) Control building (iii) Transmission lines in Mamalahoia Hwy (iv) Transmission lines in Ane Keohokalole Hwy (v) 16" main (vi) 2 reservoirs	Electrical ductlines from HelCo Palani Substation along Ane Keohokalole Hwy OTWC ductlines within Ane Keohokalole Hwy Phone ductlines within Ane Keohokalole Hwy	Portions of Main Blvd. and School St. Begin extension of Manawalea St. to Keanalahu St.
Phase 1 (2012 ³ - 2014)	Single Family	76	73	3	Off-site sewer lines to the existing main at the intersection of Puohuluhuli Street and Ane Keohokalole Hwy	On-site main water lines within roadways Off-site transmission lines	On-site conduits within common trench and between curb and road right-of-way	Manawalea St. & Keanalahu Dr. NB - Provide exclusive left-turn lane and through lane on Manawalea St. SB - Restripe Manawalea St. to provide a channelized right turn lane and through lane. Install all-way stop controls at intersection.
	Mixed-Use ⁴ /Multi Family	359	94	265				
	School/Civic Park	0 3.37 acres			On-site sewer lines within roadways			Ane Keohokalole Hwy & Kealakehe Pky Signalize intersection when warranted. ⁴
	Open Space	3.15						
	Archaeological Site	0						
	Utility Area	6.80 acres						
	Roads	6.42						
	Total Units (Phase)	435 (268 units, i.e., 62% are affordable)						
	Total Affordable (Cum)	268 (62% Affordable)						
	Total Acres (Phase)	41.7 acres						
	Total Acres (Cum)	41.7 acres						

¹ All dates are approximately and dependent upon timely receipt of land use entitlements, market and financing conditions.

² NB - North Bound; SB - South Bound; EB - East Bound; WB - West Bound.

³ Pre-sales of single family units to start in 2011; occupancy to start in 2012.

⁴ Petitioner's commitment to this improvement is subject to agreement with the State DOT.

⁵ 41,833 sq ft commercial space.

Incremental Development Plan - Kamakana Villages at Keahuolu
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Occupancy	Residential Units	Total	Market	Affordable	Sewer	Water	Electrical	Road
Phase 2 (2015 - 2018)	Single Family	94	88	6	On-site sewer lines within roadways	On-site main water lines within roadways	On-site conduits within common trench and between curb and road right-of-way	On-site collector and main roadways.
	Mixed-Use ⁶ /Multi Family	437	114	323				
	School/Civic Park	4.26 acres	North Park & Central Park 7.56 acres					Signalize intersection when warranted (cost share with neighboring property owners)
	Open Space	3.03						
	Archaeological Site	0					Makalea Blvd. & Ane Keohokaloale Hwy. WB - Construct Makalea Blvd. with left turn and shared through/right turn lanes on Kamakana Project.	
	Utility Area	0						
	Roads	15.16 acres					Restripe northbound left turn lane on Ane Keohokaloale Hwy to a median shelter lane.	
Total Units (Phase)	531 (329 units, i.e., 62% are affordable)							
Total Units (Cumulative)	966 total							
Total Acres (Phase)	54.03 acres							
Total Acres (Cumulative)	95.74 acres							

⁶ 24,500 sq ft commercial space.

Incremental Development Plan - Kamakana Villages at Keahuolu
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Occupancy	Residential Units	Total	Market	Affordable	Sewer	Water	Electrical	Road
Phase 3a (2019 - 2020)	Single Family	94	89	5	On-site sewer lines within roadways	On-site main water lines within roadways	On-site conduits within common trench and between curb and road right-of-way	On-site collector and main roadways. Makala Blvd. & Ane Keohokalole Hwy. Signalize intersection when warranted (cost share with neighboring property owners) Palani Rd. and Queen Kaahumanu Hwy. WB - Widen Palani Rd. to provide exclusive right turn lane. ⁷ WB - Widen Palani Rd. to provide an additional left turn lane and exclusive right turn lane. ⁸
	Mixed-Use/Multi Family	136	57	79				
	School/Civic	13 acres ¹⁰						
	Park	0						
	Open Space	0						
	Archaeological Site	0						
	Utility Area	0						
	Roads	3.60 acres						
	Total Units (Phase)	230 (84, i.e. 37% affordable)						
	Total Units (Cum)	1,196 total						
	Total Acres (Phase)	681 (57% Affordable)						
	Total Acres (Cum)	33.99 acres						
		129.72 acres						

⁷ Petitioner's commitment to this improvement is subject to agreement with the State DOT.

⁸ Petitioner's commitment to this improvement is subject to agreement with the State DOT.

⁹ 32,667 sq ft commercial space.

¹⁰ NOTE: final size to be determined in cooperation with DOE for Elementary school.

Incremental Development Plan - Kamakana Villages at Keahuolu
Exhibit B

INCREMENT 2

Occupancy	Residential Units	Total	Market	Affordable	Sewer	Water	Electrical	Road
Phase 3b (2020 - 2021)	Single Family	82	78	4	On-site sewer lines within roadways	On-site main water lines within roadways	On-site conduits within common trench and between curb and road right-of-way	On-site collector and main roadways.
	Mixed-Use/Multi Family	61	26	35				
	School/Civic	0						
	Park	1.7 acres						
	Open Space	4.15 acres						
	Archaeological Site	2.63 acres						
	Utility Area	0						
	Roads	2.08 acres						
Total Units (Phase)	143 (39, i.e. 27 % Affordable)							
Total Units (Cumulative)	1,339 total 720 (54%) Affordable							
Total Acres (Phase)	19.64 acres							
Total Acres (Cumulative)	149.36 acres							

Incremental Development Plan - Kamakana Villages at Keahuolu
Exhibit B

Occupancy	Residential Units	Total	Market	Affordable	Sewer	Water	Electrical	Road
Phase 4 (2022 - 2024)	Single Family	96	88	8	On-site sewer lines within roadways	(Off-site) Drilling, casing and pump testing of well #2	On-site conduits within common trench and between curb and road right-of-way	On-site collector and main roadways.
	Mixed Use/Multi Family	278	86	192	On-site lift station and force main	Pump and motor Control building		<u>Manawalea St. & Ane Keohokalole Hwy.</u> NB - Widen Ane Keohokalole Hwy. to provide right turn lane or widen Ane Keohokalole Hwy to provide additional through lane.
	School/Civic	0						<u>Palani Rd. and Queen Kaahumanu Hwy.</u> NB - Convert right turn lane on Queen Kaahumanu Hwy to a shared through/right turn lane to provide 3 through lanes. ¹¹
	Park	0						NB - Convert existing right lane on the north leg of Queen Kaahumanu Hwy from a right turn acceleration lane to a merging lane.
	Open Space	3.53 acres				12" transmission main		
	Archaeological Site	0				2 reservoirs		
	Utility Area	0				On-site main water lines within roadways		
	Roads	8.16 acres						
Total Units (Phase)	374 (200 units, i.e., 53% are affordable)							
Total Units (Cumulative)	1,713 Units 920 units (54%) Affordable							
Total Acres (Phase)	28.58 acres							
Total Acres (Cumulative)	177.95 acres							

¹¹ Petitioner's commitment to this improvement is subject to agreement with the State DOT.

¹² Petitioner's commitment to this improvement is subject to agreement with the State DOT.

Incremental Development Plan - Kamakana Villages at Keahuolu
Exhibit B

Occupancy	Residential Units	Total	Market	Affordable	Sewer	Water	Electrical	Road
Phase 5 (2025 - 2026)	Single Family	80	76	4	On-site sewer lines within roadways	On-site main water lines within roadways	On-site conduits within common trench and between curb and road right-of-way	On-site collector and main roadways.
	Mixed-Use/Multi Family	259	97	162				South St. and Ane Keohokalole Hwy. WB - Construct South St. with stop controls and restricted to RIRO movements only.
	School/Civic	0						Palani Rd. and School St. SB - Construct School St. with separate left turn and right turn lanes.
	Park	8.08 acres						WB - Widen makai bound Palani Rd. to provide additional through lane and right turn lane at School St.
	Open Space	3.19 acres						EB - Widen Palani Rd. to provide exclusive left turn lane at School St.
	Archaeological Site	6.33 acres						Signalize intersection when warranted.
	Utility Area	0						Palani Rd. and D St. SB - Construct D St. at Palani Rd. with stop controls and restricted to RIRO movements only.
	Roads	15.52 acres						WB - Widen Palani Rd. to provide additional through lane and right turn deceleration lane to D St.
Total Units (Phase)	339 (166 units, i.e., 49% are affordable)							WB - Widen Palani Rd. to provide right turn acceleration lane from D. St.
Total Units (Cumulative)	2,052 Units							
Total Acres (Phase)	1,086 units (53%.) Affordable							
Total Acres (Cumulative)	51.96 acres							
	229.91 acres							

Incremental Development Plan - Kamaakana Villages at Keahuolu
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Occupancy Phase 6 (2027 - 2028)	Residential Units	Total	Market	Affordable	Sewer	Water	Electrical	Road
	Single Family	139	138	1	On-site sewer lines within roadways	On-site main water lines within roadways	On-site conduits within common trench and road right-of-way	On-site collector and main roadways. Palani Rd. & C St. SB - Construct C St. at Palani Rd. with stop controls and restricted to R/R/O movements only. WB - Widen Palani Rd. to provide an additional through lane and a right turn deceleration lane to C St. WB - Widen Palani Rd. to provide a right turn acceleration lane from C. St.
	Mixed-Use ¹³ /Multi Family	153	57	82				
	School/Civic	0						
	Park		South Park 7.70 acres					
	Open Space		1.34 acres					
	Archaeological Site		0.06 acres					
	Utility Area		0					
	Roads		7.44 acres					
	Total Units (Phase)	278 (83 units, i.e., 30% are affordable)						
	Total Units (Cumulative)	2,330 Units						
	Total Acres (Phase)	1,169 (i.e. 50.2% Affordable)						
	Total Acres (Cumulative)	42.45 acres						
		272.35 acres						

¹³ 98,000 sq ft commercial space.

Incremental Development Plan - Kamakana Villages at Keahuolu
Exhibit B

<u>Increment 1 Total</u>	<u>Residential Units</u>	<u>Total</u>	<u>Market</u>	<u>Affordable</u>
1,196 Units	Single Family	264 SF units	250 SF units	14 SF units
681 (i.e. 57 %) Affordable, 515 Market	Mixed-Use ¹⁴ /Multi Family	932 MU/MF units	265 MU/MF units	667 MU/MF units
<u>Increment 2 Total</u>	<u>Residential Units</u>	<u>Total</u>	<u>Market</u>	<u>Affordable</u>
1,134 Units	Single Family	397 SF units	380 SF units	17 SF units
488 (i.e. 43%) Affordable, 646 Market	Mixed-Use ¹⁵ /Multi Family	737 MU/MF units	266 MU/MF units	471 MU/MF units
<u>Project Total</u>	<u>Residential Units</u>	<u>Total</u>	<u>Market</u>	<u>Affordable</u>
2,330 Units	Single Family	661 SF units	630 SF units	31 SF units
1,169 (i.e. 50.1%) Affordable, 1,161 Market	Mixed-Use ¹⁶ /Multi Family	1,669 MU/MF units	531 MU/MF units	1,138 MU/MF units
<u>Total Acres</u>				
Units	272.35 acres			
School/Civic	134.09 acres			
Park	17.26 acres			
Open Space	28.41 acres			
Archaeological Site	18.39 acres			
Utility Area	9.02 acres			
Roads	6.80 acres			
	58.38 acres			

¹⁴ 99,000 sq ft commercial space.

¹⁵ 98,000 sq ft commercial space.

¹⁶ 197,000 sq ft commercial space.