



December 8, 2015
2015-59-0300 / 15E-393

Mr. Daniel E. Orodener
Executive Officer
State Land Use Commission
State Office Tower
235 So. Beretania Street, 4th Floor
Honolulu, HI 96813

Dear Mr. Orodener:

**Mauna Kea Resort
Annual Report on Land Use Commission
Docket No. A84-574**

LAND USE COMMISSION
STATE OF HAWAII
2015 DEC 14 A 11:46

On behalf of Mauna Kea Resort Services LLC, we are submitting the following annual report on the status of the above captioned project and on progress in complying with the conditions imposed. This submittal is pursuant to Condition No. 3 of the Decision and Order for Docket No. A84-574 dated December 6, 1994.

2015 ANNUAL REPORT

1. BACKGROUND AND GENERAL PROGRESS OF THE PROJECT

The property that is the subject of Land Use Commission (LUC) Docket No. A84-574 consists of approximately 399 acres of land at Ouli 1, South Kohala, Hawai'i. The project is a portion of the former 539-acre South Kohala Resort, also formerly known as the Hapuna Beach Resort, and is being developed as a golf course/residential community. The Uplands at Mauna Kea is now part of the overall Mauna Kea Resort.

The property originally consisted of ten large development parcels, eight residential, one commercial, and one recreational (tennis). The ten parcels were subsequently consolidated and re-subdivided into eight parcels, see Figure 1, *Development Parcels A-G/H*, enclosed.

Parcel A has been retained by Mauna Kea for its residential services offices, and is currently being marketed.

Parcel B is the site of a single-family residential project named Moani Heights at The Uplands. Development of this parcel has been completed and there were two (2) resales in 2015.

Parcel C includes 'Apa'apa'a Heights at The Uplands, a single-family residential project; and The Kumulani at The Uplands, a condominium project. Both projects are sold out. There was one resale in The Kumulani and no resales in 'Apa'apa'a Heights in 2015.

Parcels D and E were sold to AG-WP Mauna Kea Owner, L.L.C. in October 2015. The preliminary plat map for subdivision for Parcel E into 11 single-family lots is scheduled to be filed with the County of Hawai'i in early December 2015. A preliminary plat map for subdivision of Parcel D into six (6) bulk lots is scheduled to be filed with the County of Hawai'i in mid- to late December 2015.

Parcel F remains undeveloped and owed by MK Parcel F, LLC, but is in escrow for a potential sale to a third-party developer. The design of improvements for the parcel is on-going. The Site Development Preliminary Plan Review with Mauna Kea Resort Services LLC was completed in July 2014. The project's Planned Unit Development application received approval from the County of Hawai'i on November 26, 2014 (PUD-14-000027) and Tentative Approval of the subdivision (SUB-14-001397) was granted December 8, 2014.

Parcels G and H, Wai'ula'ula at Mauna Kea Resort, is comprised of single family, duplex, and multi-family units under a condominium property regime. D R Horton – Schuler Homes has completed the construction of 20 homes, consisting of nine (9) single-family homes and 11 duplex units, out of the 24 lots it purchased at Wai'ula'ula in December 2013. There were eight (8) sales within the project in 2015.

2. PROGRESS IN COMPLYING WITH THE CONDITIONS IMPOSED

According to the Land Use Commission's Decision and Order dated Dec. 6, 1994 ("Decision and Order") and Order Granting Motion for Clarification of Land Use Commission's Findings of Fact, Conclusions of Law and Decision and Order and for Extension of Time, and Motion for Waiver of Hawaii Administrative Rule Section 15-15-92(2), dated February 13, 1995 ("Order Granting Motion"),¹ the Petitioner must comply with six (6) conditions. These conditions are listed below, each numbered as identified in the Decision and Order and Order Granting Motion, and each followed by a status report on the Petitioner's efforts to comply with the condition.

Condition No. 1:

- "1. 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."

Status: The Petitioner is following its plan to develop the property, as presented to the Commission. The first part of this report summarized progress made as of December 2015.

Condition No. 2:

- "2. 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."

¹ The Order amended Condition No. 6 of the LUC's Decision and Order dated December 6, 1994. Order at page 3.

Status: As noted above Parcels D and E were sold and engineering for their residential development is ongoing. Discussions continue with potential buyers for Parcels A,

Condition No. 3:

- "3. Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of State Planning, and the County of Hawaii Planning Department in connection with the status of the subject project and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission."

Status: A copy of this annual report is being submitted to the State Office of Planning and the County of Hawai'i Planning Department.

Condition No. 4:

- "4. The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner."

Status: The Petitioner has not filed any motion to date under this condition.

Condition No. 5:

- "5. 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 herein by the Land Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission."

Status: The Commission's Decision and Order was issued on December 6, 1994. As stated in annual reports filed in previous years, the Petitioner complied with this condition by filing a copy of the Notice with the Commission on December 14, 1994.

Condition No. 6:

- "6. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances within sixty (60) days of the filing of this Decision and Order."

Status: As stated in our previous annual reports, on April 12, 1995, the Petitioner recorded a Declaration of Conditions covering the conditions imposed by the Commission in the Bureau of Conveyances as Document No. 95-049097. By letter dated April 25, 1995, the Petitioner submitted a certified copy of the Declaration of Conditions to the Commission.

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The above constitutes the Petitioner's 2015 Annual Report for the property.

Sincerely,

BELT COLLINS HAWAII LLC

A handwritten signature in cursive script, reading "Cheryl M. Palesh".

Cheryl M. Palesh, P. E., LEED AP
Vice President / Director of Engineering

CMP:ajk

Enclosure

cc: Director, State of Hawaii, Office of Planning
Director, Hawaii County Planning Department
Greg Dickhens, Mauna Kea Resort Services LLC
Enjon Angelo, Mauna Kea Resort Services LLC

