


Parker Ranch
est. 1847
Land and Asset Management

March 20, 2006

Christopher Yuen
Planning Director
Planning Department
County of Hawaii
101 Pauahi Street, Suite 3
Hilo, Hawaii 96720

RE: Zoning Ordinance No. 02-25
Parker Ranch - Waimea Town Center

Dear Mr. Yuen:

This is in response to your request to provide a status report on the timing of development for the Connector Road within the Waimea Town Center Development, as required by Conditions M(1)(a) and (b) of Zoning Ordinance No. 02-25.

1. Chronology:

- a. **Zoning Ordinance No. 92-65:** Parker Ranch originally proposed 997 residential units (included approximately 25 acres of ML-20 zoned Industrial Park Area to the south of the Waimea Town Center, and an approximately 31.488 acre RS-15 zoned Rural-Residential area off Kawaihae Road). This Ordinance required that the entire Connector Road be constructed "prior to final subdivision approval of any residential development within the Waimea Town Center", prior to receipt of any proceeds from the sale of the first residential unit.

Subsequently, Parker Ranch determined that without the proceeds from residential sales, they would be unable to obtain financing to fund both the required up-front infrastructure and the entire Connector Road. At that time, Parker Ranch also decided to abandon the Rural-Residential RS-15 zoning.

- b. **Zoning Ordinance No. 96-117:** In April 1996, Parker Ranch applied for an amendment to Ordinance No. 92-65. This application reduced the proposed residential unit count to 729 units and asked that the Connector Road be constructed incrementally. The application also included a rezoning of the Rural-Residential Area from RS-15 to A-40a, and reiterated the zoning of 25 acres of the Industrial Park Area to ML-20.

The Preliminary Development Plan submitted with the 1996 zoning amendment request showed the overall development of the Waimea Town Center. (See **Exhibit A** attached hereto). As stated in our April 9, 1996 letter to the Planning Director, "the plan

seeks to achieve incremental development of the Town Center . . . achieve a more efficient phasing of infrastructure improvements in relation to the increments of development."

The 1996 Ordinance provided for development of the Waimea Town Center in 2 increments: Increment I consisting of a maximum of 579 residential lots/units and the Commercial zoned areas; Increment II consisting of the remaining residential lots/units within the RS and RM zoned districts. Development of Increment II is contingent upon a demonstration of fiscal assurance that the Connector Road will be completed in its entirety. Additionally, occupancy of any residential units within Increment II cannot occur until completion of construction of the Connector Road.

- c. **Zoning Ordinance No. 02-25** (copy attached as **Exhibit B**): This amendment to the Ordinance was initiated by the Department of Parks and Recreation, to enable the 30 acre regional park required by Condition G to be located closer to town. No other changes were made to the Conditions of Zoning Ordinance No. 96-117.

2. Phased Development of the Connector Road:

In negotiations between Parker Ranch and the Departments of Planning and Public Works, the County established a phasing plan for construction of the Connector Road. (Connector Road Phasing Plan, Exhibit D to Ordinance No. 96-117, attached hereto as **Exhibit C**). This phasing plan was intended to provide regional roadway alternatives to using the Lindsey Road / Mamalahoa Highway intersection. In recognition of the regional traffic concerns, the County required that the Connector Road be built in the following sequence: Phase 1 to provide an alternate route around the Lindsey/Mamalahoa intersection (Kaomoloa/Pukalani), Phase 2 to provide an alternate route around the Mamalahoa Highway constriction at North Hawaii Community Hospital/Church Row, where the road bottlenecks down to one lane in each direction (Pukalani/Kamamalu), and Phase 3 for the balance of the Connector Road to Mamalahoa Hwy, by the Vacuum Cooling Plant and Parker Ranch Headquarters entry (Kaomoloa/Mamalahoa). Again, this sequence for development of the Connector Road was required by the County according to the need for traffic improvements to meet the existing traffic in Waimea generally, and without regard for the specific location or timing of the RS and RM units developed within the Waimea Town Center.

In 1996, the intent of both the County and Parker Ranch was to require the phased development of the Connector Road to coincide with the residential development proposed within the Waimea Town Center under one of the contingencies:

- a. Phase 1: Upon development of the 300th residential lot or unit within the RS and RM zoned areas.¹

¹ The Lualai residential project is being developed within the RS-7.5 and RM-5 zoned areas, and is comprised of three phases (Phase 1 of 55 lots, Phase 2 of 81 lots and Phase 3 of 82 lots) consisting of 218 lots. A further phase of approximately 78 lots is in the planning stage, but has not received final subdivision approval from the County at this time. These approximately 296 lots will count towards the 300th, 450th and 579th unit trigger.

- b. Phase 2: Upon development of th 450th residential lot or unit within the RS and RM zoned areas.
- c. Upon development of the 579th lot or unit within the entire Waimea Town Center project.²

These triggers for the phased development of the Connector Road were negotiated between Parker Ranch and the County based upon unit count thresholds of 40% (300 units), 60% (450 units) and 80% (579 units) of the proposed total development of 729 units.

2. Upon development of the immediately surrounding areas, which is triggered by residential³ development on **both sides** of the Connector Road (e.g. "immediately surrounding areas"). Additionally, the phase "shall be constructed in conjunction with the development of the immediately surrounding areas" was intended to ensure construction of the limited access (no direct access or driveways from the lots) "two-lane collector standard within a 80-foot right-of-way" as required by Condition M(1)(a), and not simply the 60-foot wide standard residential roadway as would normally be required by the Subdivision Code.

Parker Ranch is committed to development of the Connector Road pursuant to the requirements of Ordinance No. 02-25, in keeping with the intent of the County and Parker Ranch expressed in the 1996 zoning effort for Ordinance No. 96-117.

3. Going Forward:

Parker Ranch acknowledges the requirements of Zoning Ordinance No. 02-25, and intends to comply with all of its conditions.

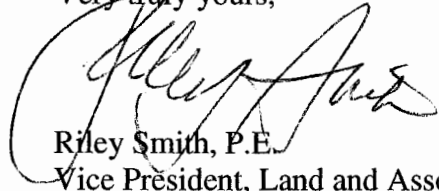
With regard to the timing of the development for the Waimea Town Center master plan, there are no current agreements in place for development of any of the other RS or RM areas. However, we are in the process of preparing a Request for Proposals that would select a qualified developer to build out the balance of the project. We expect to have this RFP ready for dissemination within the next two months, after which we will embark on the selection process. When the successful respondent is determined, we will provide the Planning Department with an update on the Waimea Town Center project.

² The Holoholu Ku residential project consists of 44 detached condominium units, developed within the CV-7.5 zoned area. Therefore, although these 44 units do not count towards the 300th and 450th unit trigger, these units will count towards the 579th unit trigger.

³ Although the Holoholu Ku residential condominium development is located on the south side of the Connector Road alignment, the development on the north side across from that project is commercial, not residential development.

Christopher Yuen
March 23, 2006
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Very truly yours,

A handwritten signature in black ink, appearing to read "Riley Smith". The signature is written in a cursive style with a large initial "R" and "S".

Riley Smith, P.E.
Vice President, Land and Asset
Management

4828-3889-5360.1