

William P. Kenoi  
Mayor



Duane Kanuha  
Director

Bobby Command  
Deputy Director

West Hawai'i Office  
74-5044 Ane Keohokalole Hwy  
Kailua-Kona, Hawai'i 96740  
Phone (808) 323-4770  
Fax (808) 327-3563

County of Hawai'i  
PLANNING DEPARTMENT

East Hawai'i Office  
101 Pauahi Street, Suite 3  
Hilo, Hawai'i 96720  
Phone (808) 961-8288  
Fax (808) 961-8742

December 12, 2013

Steven S. C. Lim, Esq.  
Carlsmith Ball LLP  
121 Waiānuenue Avenue  
Hilo, HI 96720

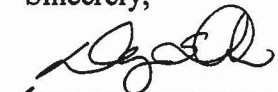
Dear Mr. Lim:

Project District Application (REZ 10-000119)  
Applicant: Forest City Hawai'i Kona, LLC, (HHFDC)  
Re: Withdrawal of Application  
Tax Map Key: 7-4-021: 020, 024, 028-046

Thank you for your letter dated November 15, 2013, requesting withdrawal of the above-referenced application. We confirm that the May 31, 2013, letter executed between then Planning Director BJ Leithead Todd and developer Forest City Hawai'i Kona, LLC, allows the development of the Project to proceed in a manner consistent with Resolution 405-10.

As this application was neither scheduled nor heard before the Planning Commission, your application fee of \$5000.00 will be refunded under separate cover. We appreciate your timely notice to us, and trust that all other conditions specified in State Land Use Commission Docket No. A10-788 will be satisfied in a timely manner. If we may be of further assistance, please call us at 961-8288.

Sincerely,

  
DUANE KANUHA  
Planning Director

p:\wpwin60\pc\2013\letters\LKamakanaVillagesatKeahuolu.doc  
cc/ltr: Planning Department – Kona  
Ms. Cheryl Torrison/Account Clerk  
Mr. Gilbert Bailado/GIS Analyst ✓

# CARLSMITH BALL LLP

A LIMITED LIABILITY LAW PARTNERSHIP

121 WAIAUANUE AVENUE  
P.O. BOX 686  
HILO, HAWAII 96721-0686  
TELEPHONE 808.935.6644 FAX 808.935.7975  
WWW.CARLSMITH.COM

SLIM@CARLSMITH.COM

November 5, 2013

PLANNING DEPARTMENT  
COUNTY OF HAWAII

2013 NOV -5 PM 2:49

Duane Kanuha  
Director  
Planning Department  
101 Pauahi Street, Suite 3  
Hilo, Hawaii 96720  
Attn: Daryn Arai

RE: **Withdrawal of Project District Change of Zone Application (REZ 10-000119)**  
Project: Kamakana Villages at Keahuolu  
Applicant: Forest City Hawaii Kona, LLC, in cooperation with Hawaii Housing Finance  
& Development Corporation  
TMK Nos.: (3) 7-4-021: 020, 24, and 028 to 46

Dear Mr. Kanuha:

On January 5, 2010, the Applicant submitted a Project District Change of Zone Application for the Kamakana Villages at Keahuolu project, which the Planning Department identifies as REZ 10-000119.

Pursuant to Paragraph 5 of the Letter Agreement executed by the Forest City Hawaii Kona, LLC and the Planning Department dated May 31, 2013 (attached), this will formally request that the Planning Department withdraw REZ 10-000119 and close its files on the subject Project District Change of Zone Application.

Since REZ 10-000119 was never scheduled for a public hearing, this will also request that the Planning Department refund our client's \$500.00 filing fee for the Project District Change of Zone Application.

Please feel free to contact me or my paralegal Jason Knable at 808-935-6644, if you have any questions regarding this request.

Sincerely,

  
Steven S.C. Lim

HONOLULU

HILO

KONA

MAUI



cc: Forest City Hawaii Kona, LLC  
Hawaii Housing Finance & Development Corporation  
Tom H. Yamamoto

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2013 JUL 13 AM 10:45

DATE: BY XG

## LETTER OF TRANSMITTAL

To: Duane Kanuha  
Director  
Planning Department  
101 Pauahi Street, Suite 3  
Hilo, Hawaii 96720  
Attn: Daryn Arai

DATE: June 13, 2013

RE: Kamakana Villages at Keahuolu -  
Fully Executed Letter Agreement

Mailed  Hand Delivered

THE FOLLOWING IS (ARE) TRANSMITTED HEREWITH:

<u>COPIES</u>	<u>DATE</u>	<u>DESCRIPTION</u>
1 Original	May 29, 2013	Kamakana Villages at Keahuolu fully executed Letter Agreement

<input type="checkbox"/> For Your Information	<input type="checkbox"/> For Review and Comment
<input checked="" type="checkbox"/> For Your Files	<input type="checkbox"/> For Necessary Action
<input type="checkbox"/> Per Your Request	<input type="checkbox"/> For Signature and Return (Black Ink)
<input type="checkbox"/> Per Our Conversation	<input checked="" type="checkbox"/> See Remarks Below

**REMARKS:** Enclosed you will find the original fully executed Letter Agreement for Forest City's Kamakana Villages at Keahuolu, which we are returning to you for your files. If you have any questions, please feel free to contact Steven Lim or myself at any time. Thank you.

By   
Jason K. Knable

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May 31, 2013

BJ Leithead Todd  
Director  
Planning Department  
101 Pauahi Street, Suite 3  
Hilo, Hawaii 96720

RE: **Letter Agreement**  
Project: Kamakana Villages at Keahuolu  
Developer: Forest City Hawaii Kona, LLC, in cooperation with Hawaii Housing Finance  
& Development Corporation  
TMK Nos.: (3) 7-4-021: 020, 024, 028 to 041, and 044 to 046

Dear Ms. Todd:

The purpose of this Letter Agreement is to set forth the mutual intentions and understanding between the County of Hawaii Planning Department, and Forest City Hawaii Kona, LLC, as the Developer of the Kamakana Villages at Keahuolu Project, regarding the framework for processing Plan Approval Applications for the Kamakana Villages at Keahuolu project.

## LETTER AGREEMENT

THIS LETTER AGREEMENT, (the "**Letter Agreement**") is made on May 29, 2013, by and between the County of Hawaii Planning Department ("**Planning Department**"), a municipal corporation of the State of Hawaii, whose principal place of business and mailing address is 25 Aupuni Street, Hilo, Hawaii 96720; and Forest City Hawaii Kona, LLC, a Hawaii limited liability company, whose principal place of business is 5173 Nimitz Road, Honolulu, Hawaii 96818 ("**FCH**"); (FCH and the Planning Department are hereinafter collectively referred to as the "**Parties**").

The 271.143 acre Kamakana Villages at Keahuolu project, located at TMK Nos.: (3) 7-4-021: 020, 024, 028 to 041, and 044 to 046 (the "**Project**") is being developed by FCH, as the master Developer of the Project, pursuant to that certain Development Agreement dated March 31, 2009, as amended. The Project has been certified as an HRS 201H affordable housing project by the County of Hawaii, as approved under Resolution No. 405-10 ("**Reso. 405-10**").

HONOLULU

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KONA

MAUI

GUAM

LOS ANGELES

The Project is anticipated to contain a maximum total of 2,330 residential units and up to 197,000 square feet of commercial space. Over fifty percent (50%) plus one unit of the residential units at Project shall be sold and/or leased as affordable housing units ( i.e., offered for sale or rent to buyers who earn no more than one hundred and forty percent (140%) of the median income in the County of Hawaii). FCH intends to develop the project in multiple phases. FCH is committed to the creation of an affordable, livable community designed to be substantially consistent with the Traditional Neighborhood Design and Transit-Oriented Development concepts presented in the Kona Community Development Plan ("KCDP"). Under HRS §201H-38, the final plans and specifications for the Project shall constitute the zoning, building, construction and subdivision standards for the Project.

Reso. 405-10, currently exempts the Project from any current or future standards or requirements under the KCDP, the Village Design Guidelines (Attachment B) and numerous other County Code requirements. These 201H exemptions allow the Project design and development to proceed based on the preliminary plans and specifications and the Plans & Figures booklet approved as "Exhibit A" of Reso. 405-10, and it is recognized by the Parties that these plans and specifications will require adjustments over time. Thus, the Parties desire to establish a framework under which the Parties may process the conceptual design plans and/or Plan Approval Applications for the Project.

Therefore, the Parties agree to the following:

1. KCDP Action Committee briefings. FCH shall provide periodic briefings to the KCDP Action Committee on a schedule mutually agreed upon by the Parties. The scope of these updates shall be limited to informational briefings to provide the KCDP Action Committee members with a status on the development of the Project.
2. Building Scale Plan. FCH shall prepare "Building Scale Plans" as applicable, pursuant to KCDP, Attachment B, Village Design Guidelines, Section 2.3.3 (pg. 9), as amended by the Planning Director on June 27, 2012, and shall consult with the KCDP Design Center on the specifics of these plans.
3. Plan Approval Application. FCH shall submit a Plan Approval Application(s) to the Planning Department for final action, for the following: all new structures or development, any addition to an existing structure or development, and/or for any change in use in existing buildings, all as required by Hawaii County Code, Division 7 - Plan Approval, Sections 25-2-70 through and including 25-2-79, as amended from time to time. This requirement shall only apply to development covered by these Sections of the Hawaii County Code.
4. Density/use matrix. FCH shall submit an updated density/use matrix with each application for Plan Approval, in order to report on the current and proposed density and uses within the Neighborhood affected by the subject Plan Approval Application. The Parties understand and agree that the geographical boundaries of the Neighborhoods identified in the preliminary plans and specifications of Reso. 405-10 will be adjusted according to infrastructure requirements and market

demand, and FCH shall include updated designations of each Neighborhood to the Planning Department as development of the Project proceeds.

5. No Project District Application. It is understood and agreed that the Project may proceed without any change in zoning, such as a rezoning to the Project District, and that FCH will develop the Project in substantial compliance with the plans and specifications approved in Reso. 405-10; provided, however, that this shall not be deemed to prohibit FCH from seeking a change in zone for all or any portion of the Project in the future
6. Successors and Assigns. The above requirements shall apply to FCH, and its successors and assigns as to all or any portion of the Project.
7. Counterparts. This instrument may be executed in several counterparts. For all purposes hereunder, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document, which shall have the same force and effect as though all of the signatories had signed a single instrument.

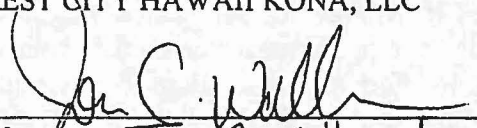
IN WITNESS WHEREOF, the Parties have executed this Letter Agreement as of the date first written.

FOREST CITY HAWAII KONA, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

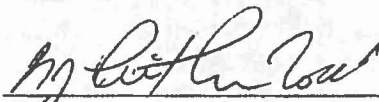
  
Jon C. Wallenstrom  
President

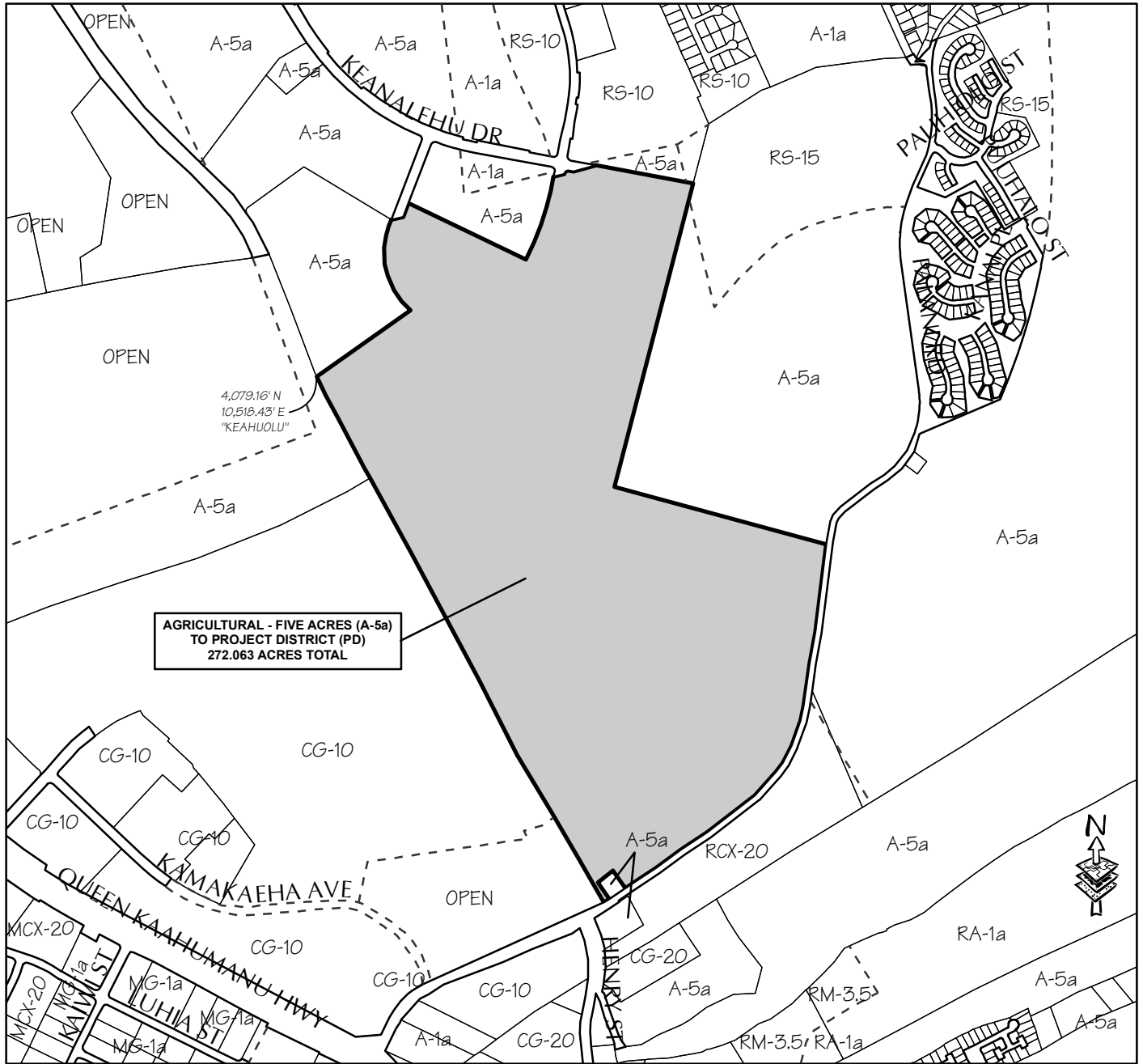
PLANNING DEPARTMENT, COUNTY OF HAWAII

By: \_\_\_\_\_

Name: BJ Leithead Todd

Its: Director





4,079.16' N  
10,518.43' E  
"KEAHUOLU"

**AGRICULTURAL - FIVE ACRES (A-5a)  
TO PROJECT DISTRICT (PD)  
272.063 ACRES TOTAL**

0 750 1,500 3,000 4,500 6,000 Feet

# AMENDMENT TO THE ZONING CODE

AMENDING SECTION 25-8-3 (NORTH KONA ZONE MAP) ARTICLE 8,  
CHAPTER 25 (ZONING CODE) OF THE HAWAII COUNTY CODE 1983 (2005 EDITION),  
BY CHANGING THE DISTRICT CLASSIFICATION FROM  
AGRICULTURAL - FIVE ACRES (A-5a)  
TO PROJECT DISTRICT (PD)  
AT KEAHUOLU, NORTH KONA, HAWAII

MAP PREPARED BY:  
COUNTY OF HAWAII, PLANNING DEPARTMENT