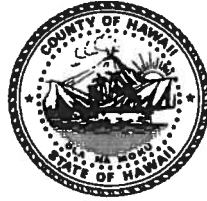


William P. Kenoi
Mayor



BJ Leithead Todd
Director

Margaret K. Masunaga
Deputy

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

August 23, 2012

Mr. Sidney Fuke
Planning Consultant
100 Pauahi Street, Suite 212
Hilo, HI 96720

Dear Mr. Fuke:

SUBJECT: Compliance of Condition O- Change of Zone Ordinance No. 96-7 (REZ 812), and Condition R- Change of Zone Ordinance No. 96-8 (REZ 765) - Fair Share Contributions
Landowner: 1250 Oceanside Partners/ Red Hill 1250, Inc.
TMK: 7-9-12: various, 8-1-4: various, 8-1-32: various, 8-1-33: various

In our previous letter dated June 21, 2012, we incorrectly stated that the costs of on-going maintenance for the Shoreline Park could be applied as in-lieu credit towards the required fair share fee for park and recreational improvements. The intent of the fair share fee is to provide funds for public capital improvement projects in order to mitigate regional impacts of the development. Since maintenance of the shoreline park is not considered a capital improvement, this cost does not qualify as in-lieu credit.

The following summary provides the corrected amount of fair share credits available:

Parks and Recreation:

| | |
|--|-----------------------|
| Credit from Phases 1 and 2 (\$3,490.85 x 18) | \$ 62,835.30 |
| Credit from Shoreline Park Land Value & Improvements | <u>\$3,486,182.00</u> |
| TOTAL CREDITS | \$3,549,017.30 |

Police:

| | |
|--|--------------------|
| Credit from Phases 1 and 2 (\$168.40 x 18) | \$ 3,031.20 |
| TOTAL CREDITS | \$ 3,031.20 |

Mr. Sidney Fuke
August 23, 2012
Page 2

Fire:

| | |
|--|--------------------|
| Credit from Phases 1 and 2 (\$332.61 x 18) | \$ 5,986.98 |
| TOTAL CREDITS | \$ 5,986.98 |

Solid Waste:

| | |
|--|--------------------|
| Credit from Phases 1 and 2 (\$145.62 x 18) | \$ 2,621.16 |
| TOTAL CREDITS | \$ 2,621.16 |

Roads:

| | |
|---|-----------------------|
| Contribution towards the Mamalahoa Bypass Construction | \$9,408,800.00 |
| Contribution for Signal Improvements at Haleki'i Street | \$ 290,000.00 |
| Credit from Phases 1 and 2 (3,101.68 x 18 lots) | \$ 55,830.24 |
| TOTAL CREDITS | \$9,754,630.24 |

| | |
|--|------------------------|
| Fair Share Requirement- Phase 1 (\$3,101.68 x 261) | \$ 809,538.48 |
| Fair Share Requirement- Phase 2 (\$3,101.68 x 98) | \$ 303,964.64 |
| TOTAL CREDIT BALANCE | \$ 8,641,127.12 |

Please note that fair share contributions will continue to be required for future phases of the Hōkūli'a project and shall continue to be adjusted annually beginning three years after the effective date of the change of zone, based on the percentage change in the Honolulu Consumer Price Index (HCPI). The credits listed above can be applied to the fair share requirements for future phases.

Should you have any questions regarding the fair share contribution, please feel free to contact Bethany Morrison of this department at 961-8138.

Sincerely,



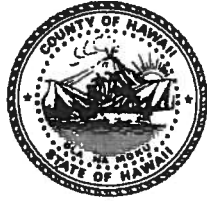
BJ BJ LEITHEAD TODD
Planning Director

BJM:bjm

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xc: Planning Department- Kona Office
Ms. Bethany Morrison, Long Range Planning Division
✓SUB-07-000589

William P. Kenoi
Mayor



BJ Leithead Todd
Director

Margaret K. Masunaga
Deputy

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PLANNING DEPARTMENT

East Hawai'i Office
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Hilo, Hawai'i 96720
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Fax (808) 961-8742

June 21, 2012

Mr. Sidney Fuke
Planning Consultant
100 Pauahi Street, Suite 212
Hilo, HI 96720

Dear Mr. Fuke:

SUBJECT: Compliance of Condition O- Change of Zone Ordinance No. 96-7 (REZ 812), and Condition R- Change of Zone Ordinance No. 96-8 (REZ 765) - Fair Share Contributions
Landowner: 1250 Oceanside Partners/ Red Hill 1250, Inc.
TMK: 7-9-12: various, 8-1-4: various, 8-1-32: various, 8-1-33: various

This is in response to your letter dated March 30, 2012, regarding Condition O of Change of Zone Ordinance 96-7 and Condition R of Change of Zone Ordinance 96-8 related to fair share contributions. As reflected in Phase 2, Amendment 6 (SUB-07-000589), the total number of lots in Phase 2 was reduced to 88 lots from the original 98 lots. You have requested confirmation that the fair share contribution for Phase 2 has already been fulfilled, with a remaining credit balance for the 10-lot reduction.

Fair Share Credits for Phases I and 2:

On February 15, 2008, our office reviewed a fair share credit request due to lot reductions in Phases 1 and 2 through several consolidation/ resubdivision amendments. We agreed to credit the fair share fee previously paid for the 22 lots being reduced (8 for Phase 1 and 14 for Phase 2) towards the fair share requirement for Phase 3. However, based on the most recent amendment to Phase 2 (SUB-07-000589), Phase 2 was reduced to 88 lots from the original 98 lots for a 10-lot difference rather than the 14 provided in our February 15, 2008 determination. Therefore, we find that the fair share contribution for Phase 2 has been fulfilled and the applicable fair share credits have been reduced to 18 lots.

JUN 22 2012



Mr. Sidney Fuke
Planning Consultant
June 21, 2012
Page 2

The following summary provides the corrected amount of fair share credits available:

Parks and Recreation:

| | |
|---|------------------------|
| Credit from Phases 1 and 2 (\$3,490.85 x 18) | \$ 62,835.30 |
| Credit from Shoreline Park Improvements/Maintenance | <u>\$10,995,000.00</u> |
| TOTAL CREDITS | \$11,057,835.30 |

Police:

| | |
|--|--------------------|
| Credit from Phases 1 and 2 (\$168.40 x 18) | \$ 3,031.20 |
| TOTAL CREDITS | \$ 3,031.20 |

Fire:

| | |
|--|--------------------|
| Credit from Phases 1 and 2 (\$332.61 x 18) | \$ 5,986.98 |
| TOTAL CREDITS | \$ 5,986.98 |

Solid Waste:

| | |
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| Credit from Phases 1 and 2 (\$145.62 x 18) | \$ 2,621.16 |
| TOTAL CREDITS | \$ 2,621.16 |

Roads:

| | |
|---|-----------------------|
| Contribution towards the Mamalahoa Bypass Construction | \$9,408,800.00 |
| Contribution for Signal Improvements at Haleki'i Street | \$ 290,000.00 |
| Credit from Phases 1 and 2 (3,101.68 x 18 lots) | <u>\$ 55,830.24</u> |
| TOTAL CREDITS | \$9,754,630.24 |

| | |
|--|------------------------|
| Fair Share Requirement- Phase 1 (\$3,101.68 x 261) | \$ 809,538.48 |
| Fair Share Requirement- Phase 2 (\$3,101.68 x 98) | <u>\$ 303,964.64</u> |
| TOTAL CREDIT BALANCE | \$ 8,641,127.12 |

Please note that fair share contributions will continue to be required for future phases of the Hōkūli'a project and shall continue to be adjusted annually beginning three years after the effective date of the change of zone, based on the percentage change in the Honolulu Consumer Price Index (HCPI). The credits listed above can be applied to the fair share requirements for future phases.



Mr. Sidney Fuke
Planning Consultant
June 21, 2012
Page 3

Should you have any questions regarding the fair share contribution, please feel free to contact Bethany Morrison of this department at 961-8138.

Sincerely,



BJ LEITHEAD TODD
Planning Director

BJM:cs

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cc: Planning Department- Kona Office
Ms. Bethany Morrison, Long Range Planning Division
SUB-07-000589 ✓



