STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCESOFFICE OF CONSERVATION AND COASTAL LANDS Honolulu, Hawai'i

File No: CDUP MA-3746

October 25, 2019

Board of Land and Natural Resources State of Hawai'i Honolulu, Hawai'i

REGARDING: Request for a Third Time Extension for Conservation

District Use Permit (CDUP) MA-3746 for the Initiation and Completion of the Construction of an Above Ground

Waterline

APPLICANT: Andrew P. Wilson, LLLC

LANDOWNER: County of Maui

Lochland Holdings, LLC

Roy Sakamoto, Commissioner

LOCATION: Honua'ula, Makawao, Maui

TAX MAP KEY(S): (2) 2-1-004:046, 068, 073, & 113

AREA OF USE: Approximately 12,190 linear feet

SUBZONE: Protective, Resource, & General

BACKGROUND:

On October 23, 2015, the Board of Land and Natural Resources (Board) approved CDUP MA-3746 for an above ground waterline along Mākena-Keone'ō'io Road subject to 27 conditions (see Exhibit 1). Since then, the applicant, who represents those who are responsible for the construction and installation of the waterline, filed for an initial time extension (Time Ext. Request MA 17-01) of 1 year to initiate and complete construction. The initial time extension was granted by the Chairperson on August 15, 2016 requesting that the construction of the above ground waterline be initiated prior to October 23, 2017 and shall be completed by October 23, 2018. The reason for the initial time extension request was due to difficulty locating a contactor to submit plans and specifications to commence construction.

Since the granting of the initial time extension of 1 year, the applicant filed for a second time extension (Time Ext. Request MA 18-6) of two years to initiate and complete construction for the above ground waterline. On November 9, 2017, the Board of Land and Natural Resources (Board) approved a second time extension for the initiation and construction of the above ground waterline to be completed by October 23, 2019. The reason for the second time extension request was due to the applicant, and the parties they represent, being involved in mediation and arbitration hearings regarding the waterline and subject property (TMK: (2) 2-1-004:068). The mediation and arbitration hearings resulted in the appointment of a new court-appointed Commissioner to facilitate the sale of the subject property. According to the applicant, these mediation and arbitration hearings also resulted in the inability to meet the conditions of CDUP MA-3746 as amended by the initial time extension granted by the Chairperson.

TIME EXTENSION REQUEST:

Condition No. 8 of CDUP MA-3746 states "Unless otherwise authorized, any work done or construction to be done on the land shall be initiated within one year of the approval of such use, in accordance with construction plans that have been signed by the Chairperson, and, unless otherwise authorized, shall be completed within three (3) years of the approval. The permittee shall notify the Department in writing when construction activity is initiated and when it is completed."

By correspondence dated September 6, 2019, the applicant is requesting a third time extension for a period of 18 months to CDUP MA-3746. It appears that the purpose for the third time extension request is based on the applicant having been granted two prior time extensions to CDUP MA-3746, and that the new court-appointed commissioner (Mr. Ron Sakamoto and Sakamoto Properties) has attempted to market and sell the property.

AUTHORITY FOR GRANTING TIME EXTENSIONS:

The authority for the granting of time extensions is provided in Hawai'i Administrative Rules (HAR), §13-5-43, which allows for permittees to request time extensions for the purpose of extending the period of time to comply with the conditions of a permit. As this is the applicant's third time requesting a time extension, HAR §13-5-43 (c) states that "time extensions may be granted by the board upon the second or subsequent request for a time extension on a board permit, based on supportive documentation from the applicant.

BASIS FOR TIME EXTENSIONS:

A time extension may be sought when a Permittee is unable to initiate or complete a project within the stipulated time frame. The Board grants time extensions when a Permittee demonstrates some sort of hardship or delay in initiating work on a particular project.

Moreover, the Permittee should be able to demonstrate that the hardship or delay has not been self-imposed and that some good faith effort has been made to undertake the project.

DISCUSSION:

Staff notes that the initial time extension was due to the difficulty in locating a contactor to submit plans and specifications to commence construction. These actions gave the Staff the impression that the applicant was proceeding with the construction of the waterline.

Staff notes that the second time extension request was due to ongoing mediation/arbitration delays regarding the selling of the property. The mediation and arbitration hearings resulted in Mr. Roy Sakamoto of Sakamoto Properties being the new court appointed Commissioner tasked with selling the parcel (TMK: (2) 2-1-004:068) "as is". Mr. Sakamoto was unable to sell the property as quickly as he had originally anticipated. The inability to sell the subject parcel quickly should not have affected CDUP MA-3746 and the initiation and construction of the above ground waterline.

With regards to the current third request for a time extension to CDUP MA-3746, Staff notes that the applicant and the parties they represent have not clearly demonstrated some form of current hardship or delay in initiating and constructing the above ground waterline. Additionally, the applicant has not provided supportive documentation justifying their third time extension request as required by HAR §13-5-43 (c). Documents attached to their request for a third time extension included the approval letter for CDUP MA-3746 and its 27 conditions, the approval letter for the initial time extension, the approval letter for the second time extension, and a letter to the Division of Forestry and Wildlife (DOFAW) stating that the owners of the subject parcel would be willing to sell the property to the State of Hawaii (see Exhibit 2, 3, & 4). These letters do not amount to a hardship.

Due to the lack of a clear justification for granting a third time extension and a lack of supporting documentation, it would appear to Staff that any hardship or delay is presently self-imposed, and that there has been little to no "good faith effort" on behalf of the parties involved to execute CDUP MA-3746 with regards to initiating and constructing the above ground waterline. At this point and time, initiating and constructing the above ground waterline would occur approximately four years after CDUP MA-3746 originally had been granted (October 23, 2015). The applicant and the parties they represent have been afforded the same opportunity to a waterline as their neighbors yet have not taken any actions towards seizing this opportunity by initiating and constructing the above ground waterline. While the applicant and its clients may have experienced some degree of hardship in the past, the Staff currently does not see a clear reason why the project could not be initiated in the time that has passed since the granting of CDUP MA-3746.

Based on the above, Staff sees no justification for a third time extension and recommends that CDUP MA-3746 be allowed to lapse. If the above ground waterline is an absolute necessity for some future project, the applicant and the parties they represent, or any future

owner of the subject parcel may reapply for a CDUP with regards supplying the subject parcel with water through an above ground waterline.

Staff, therefore, recommends the following:

RECOMMENDATION:

That the Board of Land and Natural Resources **DENY** a third time extension to CDUP MA-3746 to start and complete the installation of the above ground waterline for the following reasons:

- 1. The applicant and the parties they represent have not provided clear reasoning or justification as to why a third time extension is needed; and
- 2. The applicant and the parties they represent have not provided supportive documentation for a third time extension; and
- 3. The applicant and the parties they represent have made little to no "good faith effort" to undertake CDUP MA-3746 for the installation and construction of the above ground waterline.

Respectfully submitted,

Trevor Fitzpatrick, Staff Planner

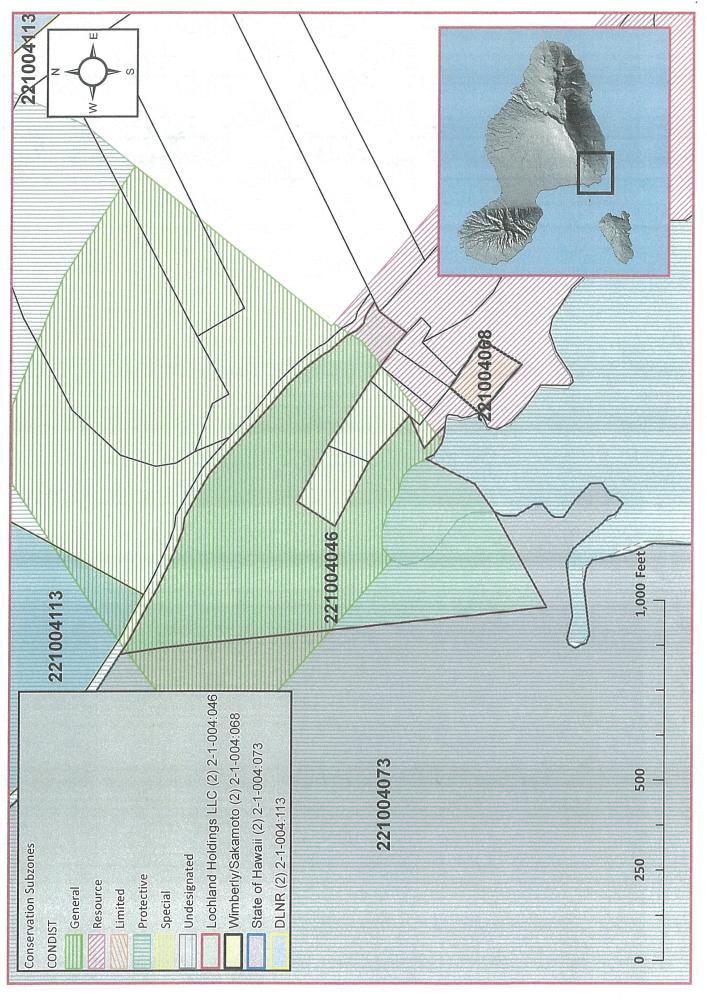
Office of Conservation and Coastal Lands

Approved for submittal:

SUZANNE D. CASE., Chairperson
Board of Land and Natural Resources



CDUP MA-3746 Above Ground Waterline TMKs: (2) 2-1-004:046, 068, 073 & 113



Produced by Trevor Fitzpatrick @ OCCL

MA-20-8

ANDREW P. WILSON, AAL LLLC

107 Lihikai Road Hilo, Hawaii 96729 (808) 936-2291 wilsona811@hawaii.rr.com

September 6, 2019

Mr. Samuel Lemmo
State of Hawai`i Department of Land and Natural Resources
Office of Conservation and Coastal Lands
P.O. Box 624
Honolulu, Hawai`i 96809

OFFICE OF CONSERVATION
AND COASTAL LANDS

7019 SEP - 9 A II: II

DEPT OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

Subject:

Time Extension Request for Conservation District Use Permit

(CDUP) MA-3746

Regarding the Initiation and Completion of Constructive of the

Above-Ground Waterline along Mākena-Keone`o`io Road

Located at Honua'ula, Makawao, Maui

Tax Map Key: (2) 2-1-004: 046, 068, 073 & 113

Dear Mr. Lemmo,

I represent the Plaintiffs' Snowden in the underlying litigation that led to the aboveentitled matter.

By letter dated November 3, 2015, we were granted permission to install a water line in the above entitled matter. See Exh. 1. By letter dated August 15, 2016, we received a one-year extension for initiation of construction to CDUP MA-3746 wherein construction was to be initiated prior to October 23, 2017 and completed by October 23, 2018. See Exh. 2. By letter dated August 15, 2017 we received a time extension to October 23, 2019 to start and complete the installation of the H20 line, subject to certain conditions. See Exh 3.

This letter shall serve as a third extension pursuant to HAR §13-5-43, which provides: Time Extension: (b) *Time extensions may be granted as determined by the chairperson on all departmental permits and on the first request for extension of a board permit of up to two years to initiate or complete a project, based on supportive documentation from the Applicant.*

Mr. Samuel Lemmo State of Hawai'i Department of Land and Natural Resources Page 2

The property was marketed with Sakamoto Properties, Mr. Ron Sakamoto, President. Mr. Sakamoto endeavored to sell the property. It is my understanding the State of Hawaii has expressed an interest in the property. See letter Exh 4. The availability of water to the property would appear to be beneficial and therefore we seek an additional 18-month extension.

Thank you for your consideration in this matter. If you have any questions, feel free to contact me at 808.936.2291.

Very truly yours,

Andrew P. Wilson

APW/b

Attachments: Exhibits 1, 2, 3, and 4

DAVID Y. IGE





SUZANNE D. CASE CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
MMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA FIRST DEPUTY

JEFFREY T. PEARSON DEPUTY DIRECTOR - WATER

ENGINEERING

FORESTRY AND WILDLIFE HISTORIC PRESERVATION
KAHO-OLAWE ISLAND RESERVE COMMISSION

CDUP: MA-3746

NOV - 3 2015

STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES

OFFICE OF CONSERVATION AND COAST

POST OFFICE BOX 621 HONOLULU, HAWAI'I 96809

REF:OCCL:LY

Arsima A. Muller, Esq. Carlsmith Ball LLP ASB Tower, Suite 2100 1001 Bishop Street Honolulu, HI 96813

SUBJECT:

Conservation District Use Permit MA-3746

Dear Ms. Muller:

On October 23, 2015, the Board of Land and Natural Resources approved your Client's (Mr. Ray P. Wimberley, Commissioner) Conservation District Use Application (CDUA) MA-3746 for an above ground waterline located at Honua'ula, island of Maui, further identified as Mākena-Keone'ō'io Road and Tax Map Keys (TMKs) (2) 2-1-004: 046, 068, subject to the following standard conditions:

- 1. The permittee shall comply with all applicable statutes, ordinances, rules, and regulations of the federal, state, and county governments, and applicable parts of this chapter;
- 2. The permittee, its successor's and assigns, shall indemnify and hold the State of Hawaii harmless from and against any loss, liability, claim, or demand for property damage, personal injury, and death arising out of any act or omission of the applicant, its successors, assigns, officers, employees, contractors, and agents under this permit or relating to or connected with the granting of this permit;
- 3. The permittee shall obtain appropriate authorization from the department for the occupancy of state lands, if applicable;
- 4. The permittee shall comply with all applicable department of health administrative rules;
- 5. The single family residence shall not be used for rental or any other commercial purposes unless approved by the board. Transient rentals are prohibited, with the exception of wilderness camps approved by the board;
- 6. The permittee shall provide documentation (e.g., book and page or document number) that the permit approval has been placed in recordable form as a part of the deed instrument, prior to submission for approval of subsequent construction plans;
- 7. Before proceeding with any work authorized by the department or the board, the permittee shall submit four copies of the construction plans and specifications to the chairperson or an authorized

, _} P

representative for approval for consistency with the conditions of the permit and the declarations set forth in the permit application. Three of the copies will be returned to the permittee. Plan approval by the chairperson does not constitute approval required from other agencies;

- 8. Unless otherwise authorized, any work or construction to be done on the land shall be initiated within one year of the approval of such use, in accordance with construction plans that have been signed by the chairperson, and shall be completed within three years of the approval of such use. The permittee shall notify the department in writing when construction activity is initiated and when it is completed;
- 9. All representations relative to mitigation set forth in the accepted environmental assessment or impact statement for the proposed use are incorporated as conditions of the permit;
- 10. The permittee understands and agrees that the permit does not convey and vested right(s) or exclusive privilege;
- 11. In issuing the permit, the department and the board have relied on the information and data that the permittee has provided in connection with the permit application. If, subsequent to the issuance of the permit such information and data prove to be false, incomplete, or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and the department may, in addition, institute appropriate legal proceedings;
- 12. When provided or required, potable water supply and sanitation facilities shall have the approval of the department of health and the county department of water supply;
- 13. Provisions for access, parking, drainage, fire protection, safety, signs, lighting, and changes on the landscape shall be provided;
- 14. Where any interference, nuisance, or harm may be caused, or hazard established by the use, the permittee shall be required to take measures to minimize or eliminate the interference, nuisance, harm, or hazard;
- 15. Obstruction or public roads, trails, lateral shoreline access, and pathways shall be avoided or minimized. If obstruction is unavoidable, the permittee shall provide alternative roads, trails, lateral beach access, or pathways acceptable to the department;
- 16. Except in case of public highways, access roads shall be limited to a maximum of two lanes;
- 17. During construction, appropriate mitigation measures shall be implemented to minimize impacts to off-site roadways, utilities, and public facilities;
- 18. Cleared areas shall be revegetated, in accordance with landscaping guidelines provided in this chapter, within thirty days unless otherwise provided for in a plan on file with and approved by the department;
- 19. Use of the area shall conform with the program of appropriate soil and water conservation district or plan approved by and on file with the department; where applicable.
- 20. Animal husbandry activities shall be limited to sustainable levels in accordance with good soil conservation and vegetation management practices;



- 21. The permittee shall obtain a county building or grading permit or both for the use prior to final construction plan approval by the department;
- 22. For all landscaped areas, landscaping and irrigation shall be contained and maintained within the property, and shall under no circumstances extend seaward of the shoreline as defined in section 205A-1, HRS;
- 23. Artificial light from exterior lighting fixtures, including but not limited to floodlights, uplights, or spotlights used for decorative or aesthetic purposes, shall be prohibited if the light directly illuminates or is directed to project across property boundaries toward the shoreline and ocean water, except as may be permitted pursuant to section 205A-71, HRS. All exterior lighting shall be shielded to protect the night sky;
- 24. Where applicable, provisions for protection of beaches and the primary coastal dune shall be established by the permittee, to the satisfaction of the department, including but not limited to avoidance, relocation, or other best management practices;
- 25. The permittee acknowledges that the approved work shall not hamper, impede, or otherwise limit the exercise of traditional, customary, or religious practices or native Hawaiians in the immediate area, to the extent the practices are provided for by the Constitution of the State of Hawai'i, and by Hawai'i statutory and case law; and
- 26. Other terms and conditions as prescribed by the chairperson;
- 27. Failure to comply with any of these conditions shall render this Conservation District Use Permit void under Chapter 13-5, as determined by the chairperson or board.

Please have your client acknowledge receipt of this approval, with the above noted conditions, in the space provided below. Please sign two copies. Retain one and return the other within thirty (30) days. Should you have any questions on any of these conditions, contact Lauren Yasaka at (808) 587-0386.

Sincerely,

ZHA

Samuel J. Lemmo, Administrator

Office of Conservation and Coastal Lands

Receipt acknowledged:

Applicant's Signature

Date

11-17-15

c: ChairpersonDOFAW, NARSDOFAW, Maui BranchMDLO

DAVID Y. IGE GOVERNOR OF HAWAI'I





STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES

OFFICE OF CONSERVATION AND COASTAL LANDS

POST OFFICE BOX 621 HONOLULU, HAWAI'I 96809 SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT KEKOA KALUHIWA

JEFFREY T. PEARSON, P.E.

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUTEAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND COASTAL LANDS
FORESTRY AND WILDLIFF
HISTORIC PRESERVATION
KAHOOLAWE ELAND RESERVE COMMISSION
LAND
STATE PARKS STATE PARKS

Ref: OCCL:LY

Time Ext. Req: MA 17-01

Mr. Andrew P. Wilson, Attorney at Law, LLLC 107 Lihikai Road Hilo, Hawai'i 96720

SUBJECT:

Time Extension Request for Conservation District Use Permit (CDUP) MA-3746 Regarding the Initiation and Completion of Construction of the Above Ground Waterline along Mākena-Keone'ō'io Road Located at Honua'ula, Makawao, Maui Tax Map Key: (2) 2-1-004: 046, 068, 073, & 113

Dear Mr. Wilson

The Department is in receipt of your request regarding the subject project. According to the information you have provided, you represent the Defendants Snowden and the owners of Parcel 068 who are responsible for the construction and installation of the waterline. Currently, there has been a delay in the project as you have been having difficulty locating a contractor to submit plans and specifications, and commence construction. Therefore, on behalf of your clients, you are requesting a one (1) year time extension to initiate construction.

CDUP MA-3724 was approved on October 23, 2015 for the an above ground waterline located at Honua'ula, island of Maui, further identified as Mākena-Keone'ō'io Road subject to 27 conditions. Condition No. 8 states Any work done or construction to be done on the land shall be initiated within one year of the approval of such use, in accordance with construction plans that have been signed by the Chairperson, and, unless otherwise authorized, shall be completed within three (3) years of the approval. The applicant shall notify the Department in writing when construction activity is initiated and when it is completed.

Pursuant to Hawai'i Administrative Rules (HAR) §13-5-43, Time Extensions. (b) Time extensions may be granted as determined by the chairperson on all departmental permits and on the first request for extension of a board permit of up to two years to initiate or complete a project, based on supportive documentation from the applicant.

Exhibit 2 1017

Therefore, the Department grants a 1-year time extension for initiation of construction to CDUP MA-3746. Construction shall be initiated prior to October 23, 2017 and shall be completed by October 23, 2018. All other conditions imposed by the Board under CDUP MA-3746 shall remain in effect.

Should you have any questions regarding this matter, please contact Ms. Lauren Yasaka of our Office of Conservation and Coastal Lands staff at (808) 587-0386.

Sincerely,

SUZANNE D. CASE, Chairperson Board of Land and Natural Resources

c: MDLO CoM, Planning Dept.

DAVID Y. IGE GOVERNOR OF HAWAI'I





STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES

OFFICE OF CONSERVATION AND COASTAL LANDS

POST OFFICE BOX 621 HONOLULU, HAWAI'I 96809

CDUP: MA-3746

SUZANNE D. CASE CHAIRPERSON FOARD OF LAND AND NATURAL RESOURCES COMMISSION ON WATER RESOURCE MANAGEMENT

> ROBERT K. MASUDA FRST DEPUTY
>
> JEFFREY T. PEARSON, P.E. DIPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND ESSURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
IIISTORIC PRESERVATION
KAHO-OLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

DEC - 5 2017

Ref: OCCL:LY

Mr. Andrew P. Wilson, LLLC 107 Lihikai Street Hilo, HI 96729

SUBJECT:

Time Extension Request for Conservation District Use Permit (CDUP) MA-3746 for an

Above Ground Waterline along Mākena-Keone'ō'io Road, Honua'ula; Makawao, Maui

Tax Map Key (TMK): (2) 2-1-004: 046, 068, 073, & 113

Dear Mr. Wilson:

This is to inform you that on November 9, 2017, the Board of Land and Natural Resources (Board) approved your request for a time extension to October 23, 2019 to start and complete the installation of the waterline, subject to the following conditions:

- 1. That Condition 8 of CDUA MA-3746 is amended to provide that the Permittee has until October 23, 2019 to complete any work or construction to be done on the land; and
- 2. That all other conditions imposed by the Board under CDUP MA-3746, as amended, shall remain in effect.

Please acknowledge receipt of this approval, with the above noted conditions, in the space provided below. Please sign two (2) copies. Retain one and return the other within thirty (30) days. Should you have any questions, please feel free to contact Lauren Yasaka at 587-0382.

Sincerely,

Samuel Jalemmo, Administrato

Office of Conservation and Coastal Lands

Receipt acknowledged:

Applicant's Signature

Date Dec 9 201

cc:

Chairperson MDLO/DOCARE/DOFAW

CoM, Planning Department

EXHIBIT 3

ا و ا



15 March, 2019

Ms. Leah Laramee Natural Resource Planner Division of Forestry and Wildlife Department of Land and Natural Resources

Dear Ms. Laramee:

Re:

Makena Road, La Perouse Bay Lot

(2)2-1-004-068

Please be advised that the owners of this property would be willing to sell to the State of Hawaii based on appraised valuation which may or may not be lower than actual market value. In addition, the owners of this parcel would be willing to donate 25% of the appraised valuation.

Mahalo.

ROY SAKAMOTO

President, Sakamoto Properties

RS.d

EXHIBIT 4