



VIA EMAIL: dcua@kauai.gov, ltakasaki@kauai.gov

November 12, 2012

County of Kauai Planning Commission
4444 Rice Street, Suite 473
Lihue, HI 96766

RE: Kealia Properties LLC - Subdivision Construction Extension Request
S-2006-45 and S-2006-46

Attn: Planning Commissioners and Subdivision Committee Members

The Wailua-Kapa`a Neighborhood Association again endorses and supports the findings of Planning Director Michael Dahilig, in opposition to the Kealia Properties LLC's request for a subdivision construction extension.

As of September 11, 2012 when the developer's subdivision compliance became due, Director Dahilig assembled a comprehensive report on the legal, financial and physically feasible features of their extension request. At that time he recommended denying the request. His Supplemental Report dated November 7, 2012 reconfirms this position and in addition, documents the:

- 1) Failure of developers to conclude construction plans within the allotted time;
- 2) Uncertainty of sufficiency of the current bond amount to cover expenses related to infrastructure improvements;
- 3) Inadvisability of the County approving the Applicant's request to substitute the surety for the project with a County-held mortgage which may still require an Environmental Assessment and which will entail undue liability for the County; and the
- 4) Undecided outcome of the property's tax status.

Furthermore, it has been ascertained by the County's legal department that the incentive of "Community Improvements" (the Kealia Store upgrade, Rodeo facility upgrade, creation of "Poi Mill", and donation of County Park land) offered by the developer cannot be legally nor ethically required by the County and is therefore not pertinent to the merit of granting an extension.

It was noted by the Applicant's own Summary Appraisal Report regarding their Kealia Land Holding that current economic conditions indicate a smaller pool of buyers for this level of subdivision. The implication that the request for subdivision extension represents an 8-year "Land Banking" based on uncertain economic projections does not speak well for the County supporting this project economically or legally.

Serving Residents of the Kawaihau District
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The Wailua-Kapa`a Neighborhood Association, representing the Kawaihau District, is dismayed that the Planning Commission is spending excessive time on this process of evaluating a potentially unprecedented and illegal exception that would grant this investor/landowner an extended subdivision construction request. We ask that the Commission heed Director Dahilig's recommendation to deny the extension and cease any further deferrals on this matter.

Thank you for your consideration of this constituency's point of view.

A handwritten signature in black ink that reads "Rayne Regush". The signature is written in a cursive, flowing style.

Rayne Regush
W-KNA Chair
On behalf of the Wailua-Kapa`a Neighborhood Association