

Hanapohaku, LLC: SMA Minor Permit / EIS Prep Notice
Sunset Beach Community Association Meeting
Wednesday, May 17, 2017, 7:00PM-9:00PM

Presentation - SMA Minor & EIS Prep Notice (*Jeff Overton, G70*)

We are sharing information on the project and answering questions. We will have Q & A after this 15-minute presentation. We want to bring people up to speed on the project. We understand we were on the agenda in March and we weren't here, apologize for that.

The property in question is located along Kamehameha Hwy, roughly 2.7 acres, and 1.8 acres. We want feedback and ideas on this plan. We had good meetings with representatives from MPW, also one on one with people, and the City and County of Honolulu.

G70 was brought on to solve the problem. Initially it was to address uses on the property including Chet, Liam, Seamails, the dentist's office, with initial uses on the property. Not going to pretend there aren't any problems with the property. There are a number of violations. We are here to clean up the problem and bridge to the future in the North Shore Sustainable Communities Plan.

You can fill out comments and leave them with us tonight or email us later and we will follow up with you. Neighbors, input from residents, and the Pupukeya community.

We're in a Residential area along with Country designation surroundings. Located across the street from MLCD at Sharks Cove. Sensitive to community concerns and environmental concerns. Working on this process to a future plan that fulfills what the City's laid out in the NSSCP.

The North Shore Sustainable Communities Plan is the guiding document for this property. Rural Community Commercial Center came from the process that the City and your community came up with. Approximately 4 acres that is designated as Rural Community Commercial Center as stated in the Plan. In 2014, Hanapohaku purchased the property and operate on the property. Food trucks were added and structures were built, some without permits.

We are looking to clean the situation up and bring it up to compliance in today's regulations. A cleaned-up form is not the long term vision and is not consistent. Our directive from the City is clear: clean up the violations.

This has been zoned commercial from the 1970's with the old Niimi store, then became Foodland. B-1 Neighborhood Business. SMA and the Coastal Zone are the main issues here, not the zoning.

All of the property is within the SMA. Based on an old development agreement with Foodland, the properties need to operate together.

To segue into how things will be cleaned up and brought into compliance. (Looking at topographic map) Ocean is here on the bottom. We've taken what was a contested case situation and it's taken over the last 3 months to change into a solution-oriented dialogue. The owner has to make some concessions and dial back. Green are structures that are older buildings from the 50's (dentist's office, Chets', surf shop, Seamails). These were permitted or preexisting before Andrew and Cully

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purchased the property. Yellow is what has been added to the property and Orange is what has been removed from the property. There are still seven trucks on the property. Two will be removed.

There were SMA permits that were revoked in 2016. City said to take off whatever was in those permits. Most have been taken off but more needs to be taken off.

Proposed SMA Minor Permit Plan Presentation: The issues affecting Pāhoe Road are significant – they are the closest neighbors. No access along Pāhoe Road from now forward. Consolidated access through the same point. Operating 5 food truck locations, taking off a significant amount of pressure off. This is the most detailed minor permit application I've worked on. Accounting for everything including tents. We are pulling off things that were on the property before Andrew and Cully purchased the property. Clearing and trash removal. All of this will need to be quantified under \$500k and all trucks need to be DOH approved.

No Parking signs and parking cones have been installed. Want to manage the property for safety.

Need to take into consideration water quality. No formal drainage controls on the property. We've added stormwater control measures that pick up runoff from each of the centers in here.

Using asphalt to operate over the next year and a half to two years for the parking area. Looking at the requirements from the City for parking spaces for each food truck.

Pulls back the development. It's too tight to the highway. We have to pull back the areas including seating areas and the stuff in the front of Liam. Blocking views from Pāhoe road.

There's been a lot of changes and things have been toned down. The plan is currently before the City and is before an SMA Minor permit review. If we meet all the requirements under SMA law, this would get us to a fully legal position and get us to paying all past due fines for violations.

The City is willing to entertain the applicant. Looking to help the community get to this point (North Shore Sustainable Communities Plan Rural Community Commercial Center).

Presentation of the Long-Term Plan for Rural Community Commercial Center: Entire 4.5 acre is included. Trying to give an image for the character and feel of the potential for the project. Walking thru the EISPN. One of the commitments the owners made is a commitment to locally owned business. Not mainland chain operations. This future site has to complement the Foodland. Possible uses: urgent care medical small clinic, small pharmacy, private post office, bank, child care, yoga, day care, beach wear, art, restaurant, food trucks. We hear from the community and visitors that food trucks are an important part of it.

We want to create a place that is comfortable a center to the community. An ingress/egress to the project, interconnection with the main driveways. No connection to Pāhoe Road whatsoever. Two main buildings (two story) one mauka/makai, a single-story retail pad. A creation of a broad green,

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park like setting to provide breathing room in the front. Bike, pedestrian path, with seating areas associated with the food trucks. According to the Sustainable Communities plan, keeping parking in the back is important to not have a strong commercial presence.

In the back we will have solar energy. Andrew and Cully are from the solar energy sector. Will supply some of the power supply. Sustainability. Working on water supply and metering that out. Creating an open courtyard space for community gatherings, music, hula mound.

Just a preliminary concept working with our architects. Trying to save some of the existing trees but will also need mature trees to be planted.

Total floor area is 28,000 sf, building closer to 30,000 sf. Foodland is closer to 23,000. Zoning allows 118,000 sf. That would be a crazy development. This is one third of the previous proposal on this property.

Comments will be shared. Going through the permit process, will need to have an Environmental Impact Statement (more rigorous environmental study than an EA). Archaeological, cultural, water quality (groundwater, marine), traffic, noise. This Prep Notice was published back in April. Formal review period ends on the 23rd but we're okay with receiving comments after that date.

City doesn't require comments on an SMA Minor permit, but we want to be transparent in this process so if you want to offer comments on the SMA Minor, you can submit comments on this form. The other side of the form is for the EIS Prep Notice. The comment period ends on the 23rd. We will take every comment we receive and respond to it.

This is a chance to give us input on what you want us to do in this study. It will be part of the public record. Will also do this when the Draft EIS comes out. It goes to City as a Final EIS and the DPP makes a determination on whether it meets the requirements. We can take comments now.

Discussion, Questions/Comments and Responses:

- ***It's really important to not be stuck, that there be a stacking and left turn lane on Kamehameha Highway.***
We did not show a detailed diagram. The plan is to extend it and taper out to Pahoe/Kamehameha Hwy. We know there are people coming from the park and want to discourage crossing on the highway.
- ***How many parking spaces?***
These spaces are up to about a 100 with 20-30 overflow on grasspave. Code requirement puts us close to 100. Will be in the 130 range because we know we will need overflow. Want to have open space as much but we also need parking.
- ***What about restrooms?***

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Two parts: Minor permit, there will be no new restroom built for the year and half plan. Portable toilets for the short-term plan with hand wash station. Nice to see progress with the bathrooms across the street. Restrooms in the project, will need to serve the users of the facility. You get a key code to use the bathroom. If you use it open for everyone, the wastewater system will be overwhelmed. Need to control. Sensitive to the amount of wastewater that will be generated at this project. The food trucks produce no wastewater for onsite disposal. They need to take it to their homeports and dispose it at their home site. ***We want all the bathroom is to stay on the property. People at the beach park are coming across.***

- ***So is this a cross walk (near Pāhoe Raod)? That's a big problem.***

It's partly up to DOT to begin this discussion. There are challenges with DOT but these are all State facilities. Will need approval from the State to accommodate striping. Process for a formal crosswalk designation. Want to tie in the one with the bus stop and fire station.

- ***Confused with the temporary now plan. It's under review? It has to be approved before you can remove two trucks? Why are you waiting for the review to remove the two truck?. And how many portapotties do you have and how many do you think they are serving now?***

For wastewater, we currently have 4 portapotties. It's basically been working at that level. Long term will need to be integrated in the other system.

- ***In practice, how would you verify in fact that signage is for patrons (referring to parking)? Leading people back and forth with parking. I like the idea of respecting the need for open space. What I don't get is why would you want to asphalt everything now and let it be open and push the trucks back a bit where you have parking.***

That's a valid comment. We're going through some iterations. The City won't approve the commercial use without asphalt.

Moving it back would be more attractive.

Removing two trucks will kind of do that. We'll see some opening up as we pull stuff off the frontage. We can start to talk about site design at our next meeting

- ***Bus stop? It's not there.***

It is there. We considered a consolidation. DOT would like us closer to the crosswalk and stop sign. It's probably going to be on the same side

- ***Were there two story buildings planned?***

It's a mix.

So there is definitely going to be a two story building?

Yes, because the grade transitions down. Not unlike some of the other two story homes along this stretch.

- ***When we paddle past sharks cove, there is strong aroma of sewage. What kind of testing are we going to do to make sure sewage water is not going to leak into the sanctuary?***

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How long have you been smelling this? From the population of the area, there are homes back here in the 40's. Everyone was on cesspool until the late 90s when we were forced into septic systems. Many homes are still operating on these cesspools, several thousands of homes. A lot of throughput on sandy soils that does transition to the ocean quickly. So we need to make sure we are using the highest quality treatment systems. Our marine scientist was actually out there today doing water sampling in transects at the drainage outfalls behind the fire station and by Three Tables. Using state of the art science to see what exists today. Extremely mixed ocean, you are more than likely not encountering high levels out there.

- *I'm probably going to write a letter. I like the fact that a small percentage is being used as opposed to what is allowed. Would like to see cultural stuff integrated. Thomas Shirai, Keli'i from Haleiwa, Ka'ai. More Hawaiian stuff... Eventually something nuts is going to be built there. More cultural stuff... We are losing Hawaiian-ness. I was born and raised here... Thinking about leaving... Forcing me to look to other islands to have that peace of mind. Traffic. Leave some pamphlets around for cultural integration, more of a daytime hour so we can bring our kids...*

We have Thomas Shirai on as a cultural expert, being interviewed for our Cultural Impact Statement. If you want, we could add you to the list to be interviewed too.

- *Can you explain more on how this is going to be any different than it is now. The traffic, the amount of people. This is a test of what is going to happen. I don't see any of those being sustainable without tourists. This community can't sustain those shops. How is it going to look different from now?*

The City planners and those that were involved in the North Shore Sustainable Communities Plan. This was what we discussed early on. Meet the needs of the surrounding communities. Basically 6 miles from Haleiwa, 9 or 10 from Kahuku/Laie. One of the aspects is service. It could not sustain on its own, just like the Foodland in its current form, if it were not being sustained without tourists. We can control the scale and the tenant mix. We could do three restaurants and a large parking lot. But we are trying to keep it country style and country character for the rules that are laid out. Visitors are an important part of the mix, but also considering needs of the community.

- *I just don't know that the community cares about the shops going in.*
Locals are making a living from these shops as well. There will be even greater employment associated.
- *I teach a sustainability class. Focus on environment, community, economics. Some questions from my students: like the idea because it had good food for tourists, a good place for tourists to look at views, help tourists at the beach, connects to Foodland. We could get a job. Cons: lack of sanitary, bad parking, traffic. Don't think my family would ever eat there. Students feel disenfranchised. What does the project do for us and for the environment? Lots of intergenerational homes of my students. Can this help our*

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community? What about our neighbors that live up there, do they have any say about the quality of life of their lives? I'm glad I don't live by it.

We would be glad to meet with your students as well.

- The other 2.4 acres of this land – what is the best use of this land. What tenants would make better sense for the community? An online survey is still up and live. We've got about 40 or 50 responses. Encourage people to go to sharkscove.info to write in or write on behalf of the students.
- ***Before you go to the final plan you need the interim right? Can you address the DPP letters that the permits were revoked and that the property be put in compliance? 2) what guarantee does the community have that that ends up being the final plan? 3) all the work that's been done in previous and to date, does all that money go into the tally for the SMA Minor?***

The way they calculate value is construction valuation at market for elements that are being added. Things like the asphalt parking lot.

My question goes back to day one.

It does not include cost for deck that was torn out. Things that happened in the past that need to be quantified: clearing, revegetation, cost of replacement of old septic with aerobic treatment system, improvement of driveways, stormwater quality management, chain link fence, and the costs of the tents for the seating area.

To address 2016 permits: at one point the impression was that you would go back to pre-2014 status. Discussion with MPW and Pāhoehoe road, said pull back but don't go to zero. In talking with DPP, we quantified a legal use of the property. Yes, the owners still want to operate commercial uses if we can get an SMA Minor.

Must be removed to its pre-approved conditions (referring to DPP letter).

If the DPP Acting Director decides that this is an invalid request, they will reject this application. If this is a valid request, then we will remove. We sat with the neighbors and MPW, lawyers pulled out of the room. We're not at the end of the discussion, that's what tonight was for.

We would be stuck with a half-baked solution if everything doesn't go through. When you get a permit, it's an entitlement that the landowners would have. They are spending 100s of thousands on the major permit right now. Yes, there would be more economic opportunities in the future. For Andrew, this is a legacy project and his intentions are already proven with his wallet to get to the Major. If they could get to the Major, that's what they want to do.

- ***This is an SMA. Year and half from now – will that trigger the major permit? That will trigger all the studies?***
We're working on all of those reports right now.
- ***I take care of the maintenance for the bathrooms. To the wahine that asked about the restrooms, there's about 60 people a day and it's very clean because I clean it every day.***

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To the braddah about culture, come check it out, we have taro and all kind stuff. The sewage is not only from our property but its also from Foodland because we used to clean their floors and it used to back up all the time.

- *When you live Pūpūkea, it's a big broad thing, all the sewage comes down*
- *One thing that I noticed. Community first. Think about young kids. I see kids doing things responsible in front of the ocean. I think that's a really good thing. For anyone against, what are you actually against? I see kids going down the right path.*
- *Lynelle: I've seen all the changes that happen when people from the mainland 20-30-40 years ago. Their dream was not a shopping center. Its good things do change. It should be a thing that doesn't take away from what the country is country.*
- *This is not like Ho'opili, which was some of the most fertile agricultural land. That's messed up*
- *I grew up here since 1984, I was a haole family that moved from the mainland. The haoles that come from the mainland... Everyone is in the same boat together... That is commercial [property], it will be developed one day. It's been commercial property for a long time. We need to come to a way to develop it in some way. I have two kids, I want to raise my kids here. I have a right to operate a business here. I grew up here too. Im a haole just like all the other haoles and locals...I understand everybody's gripe. This is 2017 we're going forward, we're not moving backward. Can't sit here complaining.*
- *There is no stopping this. It's wonderful it's not going to be built to its maximum use. But we can't wait in traffic. My question: there will be increased pedestrian crossing. How can we solve that? We can't wait for another Laniākea.*

We may need to get that going right away. Let's talk about this project. We should talk to DOT right away about an organized crosswalk. It's a super idea. We can't change the number of cars coming down the highway. It's not a destination type flow.

- *Your parking lot is going to be full of people going to Sharks Cove.*
- *Looking at your long-term view. Please give more consideration to traffic flow of cars through entrances and exits. It's really tight right now at Foodland parking. Need to revisit traffic flows of cars before moving forward with your final plan.*

Is it enough or do we need to keep some at the Foodland property frontage? A traffic engineer is going to look at flows.

- *I would like to commend you on your presentation. The first part was excellent then veered off the tracks playing off semantics of North Shore Sustainable Communities' Plan. Moving the operation off of the highway was good but want to clarify. The folks at MPW agreed not to go back to zero. Did you hear reps from MPW say not to go back to zero?*
- *There is no stamped document. We went through 4 meetings with them. We arrived at a point where they said it makes sense to pursue the Minor permit if it makes sense, they*

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consented to pursue a plan with food trucks on the property. It was not a zero food trucks approach.

- *MPW only asking that the law be followed. Other issue I'd like to challenge you on. I was involved in the Sustainable Communities Plan. I was familiar with the Rural Community Commercial Center concept. Small cluster of commercial and service businesses located on major thoroughfares to meet the needs of surrounding residential communities. Service primarily the residents. It's not supposed to be a visitor destination. How do you define primarily residents? I'm interested in how many of the customers are residents vs how many are visitors. I'm betting it's a large number of visitors. You and I recently had a discussion on the Lā'ie Marriott. Your company was responsible for getting the SMA approved for the hotel. That hotel is too big, too close to the highway. Eventually its going to leave your hands and you're not going to have control over it (the project).*

My family – my wife and I are members of MPW... We were not the architects on record for Lā'ie. We're the architects on this project so we will have a deeper penetration on the long-term effects of the project.

It is said that the best predictor of future performance is past performance. Look at what they've done there. That will give you an idea of what they envision.

- *Group 70 designed the rec center you're in right now*
- *Few small things: We had Ms. Taylor (referring to the teacher). I went to Waiialua El, Waiialua Middle, Kahuku... Me and my brother have made a decent living and succeeded in life. My kids went to Sunset Beach Elementary... Best elementary school on the planet. My son Landon donated \$5,000 from his album [back to the school]. I've been able to give 20 jobs to 20 kids out of local schools. I teach them about paying taxes, paying bills... I currently occupy 40% of the business on this property. People are fighting against my business. I give back and give more than any business in the sport of surfing in the state of Hawai'i. If you want to go back to square one. There was 7 businesses. Dentist, real estate, Sharks Cove Grill, his son's truck, surf shop, Seamaids, a shave ice truck. 7 businesses when Hanapohaku purchased the property -- and they want us to go back to zero. We are removing 3 of them and going back to 9 or 8, close to where we started. We are going to have to kick off three of the trucks now, including my son's shave ice truck where a lot of kids come after school to hang out. There were guys that were going to buy this place and make it into a mall. Losing jobs for this community and losing opportunity. Losing revenue and losing a lot. But we do want to move forward. Hanapohaku made some mistakes but can't we try to move together to fix this and keep us in business who are your neighbors? I think it's a valid thing to support this minor SMA. The parking lot is something we were forced to do because it's what we have to do. I've been there 15 years, and would like to stay there.*

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- *A question regarding the long-range plan. When construction begins on the final solution. How long will that construction take?*

Up and operating, probably on 18-month period.

Will the lunch wagons remain on site or will they have to relocate?

Will have to relocate.

Did you hear that? You will have to relocate at one point. I have another question: I don't see a food court built for lunch wagons. What commitment do people like Liam and other lunchwagons have that these will be lunchwagons in the future?

We will need to take it to another level with our architects and are heading toward that iteration. Michael/Andrew could address commitments with tenants.

- *I live on Pāhoehoe Road and have been here from when Obama was first elected. 2008. I have to admit that when they took over and started putting in more food trucks, we got irritated by the cars coming up the road. There was a point when the Elephant Truck was in the corner of the property and would play loud music aimed at my house. That was my only complaint about the whole place. My neighbors had a bigger bone to pick. But I've noticed the place has employed a lot of my friends. I've had 3 roommates that were employed there. It's a nice place to hang out. When I get bored I go and have breakfast there. Cool surfer environment and kind of disagreed with Pomai. Because culture is out there. Surfing is Hawaiian. What more culture than Liam's shop there.*
- *Most of the people going into the parking lot are going to be tourists. Need to make it so that they can go in and out efficiently. Foodland works really good right now. But they will be trapped in the back parking lot.*
- *The commercial development is happening on something. This is putting the cart way before the horse. It outlined a pretty serious and ongoing violation that DPP has documented. You have a tally of \$6,500. Final order issued in February has long since passed. An additional \$2,000 that was not complied with and an additional \$500/day. Also understand that you want to submit a minor then potentially a major. The people of the DPP and chair of City Council. Those fines are typically negotiated down. The developer is going to pay a mere \$6,500 for the years worth of violations. I wish the City would negotiate a settlement so people who want to do business play by the rules. It's a simple manner of fairness and justice. This developer has a long ways to go to regain trust. A lot of people who have strong feelings. If you're going to negotiate with the city on what you pay the fine. Maybe we develop a community trust, the developer commits to dedicating the remaining tally of city fines to the community trust to demonstrate what it means to be in compliance. Didn't give any indication that the client is anywhere on the radar. Hope that you being to put some teeth and commitment to what that means. There's a process in dealing with legal status and the settlement of fines. There is nothing that is established for this. Typically, there are some concessions that are made based on*

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the level of effort made by the developer. But the delta of fines idea is something that could be considered.

Do you think the other developer could make that statement?

He's going to defer to me. I can't speak for DPP but we want to get to a point of resolution. It's going to be a challenge if the department can't move ahead with a minor permit, we're kind of struck in this stretching of time in violations. I think that's why MPW has come to the table to meet towards the middle.

- ***I just find this drawing misleading (referring to Steve's sketch). This is a two-story building back here and a one-story building right here. I see this too much in these types of meetings.***

The G70 architect who drew that is actually a Harvard Design School graduate with 30 years of experience, so the drawing is to scale. This is more of a vignette. We could share with you our more detailed computer renderings.