



Appendix D

AIRPORT AREA DEVELOPMENT

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The following is a brief summary of the land developments, both existing and planned, for the area of North Kona in the vicinity of Kona International Airport at Keahole, as prepared by PBR Hawaii Associates, Inc. **Exhibit D1** is keyed to the number preceding each description.

1) Hualālai Resort (8,851 acres)

Located on 8,851 acres on the Kohala Coast, the **Hualālai** Resort is a residential planned residential/resort community. In 2007, MSD Development, owner of Hualālai Resort purchased the neighboring 86 acre Kona Village Resorts. Across Queen Kaahumanu Highway **Hualālai** Resorts is currently discussing with Kamehameha Schools to develop 7,800 acres of land mauka of the existing resort.

2) WB Kūki'o (957 acres)

Directly adjacent to the Hualālai Resort is the Kūki'o Beach Club. Kūki'o is a planned residential community with an 18-hole golf course. Archaeological sites and the historic Ala Kahakai Trail are integrated into the residential community.

3) State of Hawaii (54,112 acres)

By far the State is the single largest landholder within the immediate area of the Kona International Airport. While a majority of the lands are unencumbered and not in current active use by the state, there are several properties in

the immediate vicinity of the Kona International Airport that are actively utilized.

a) Keahole Agricultural Park (179 acres)

This 179 acre agricultural park is subdivided into 34 individual lots where tenants are allowed to grow various crops and other agricultural products. The majority of existing tenants grow plumeria and other native plants for the landscaping industry. Approximately half of all agricultural park tenants have also built homes on their lots.

b) Honua'ula Forest Reserve (2,504 acres)

The Honua'ula Forest Reserve is located mauka of the Kona International Airport. The forest reserve is home to many indigenous plants species such as yohiya and koa. Cattle were finally removed from the reserve in 2003 to prevent the further destruction of reserve lands. Replanting of koa and other indigenous plants are currently underway.

c) Kekaha Kai (Kona Coast) State Park (1,154 acres)

Split in half by a parcel of land owned Bishop Estate, Kekaha Kai State Park can be accessed from Queen Kaahumanu Highway via an unpaved road. The southern portion, Mahaiula has a sandy beach while access to Maniniowali (Kua Bay) is accessible via the ancient Ala Kahakai Trail.

d) West Hawaii Community College (500 acres)

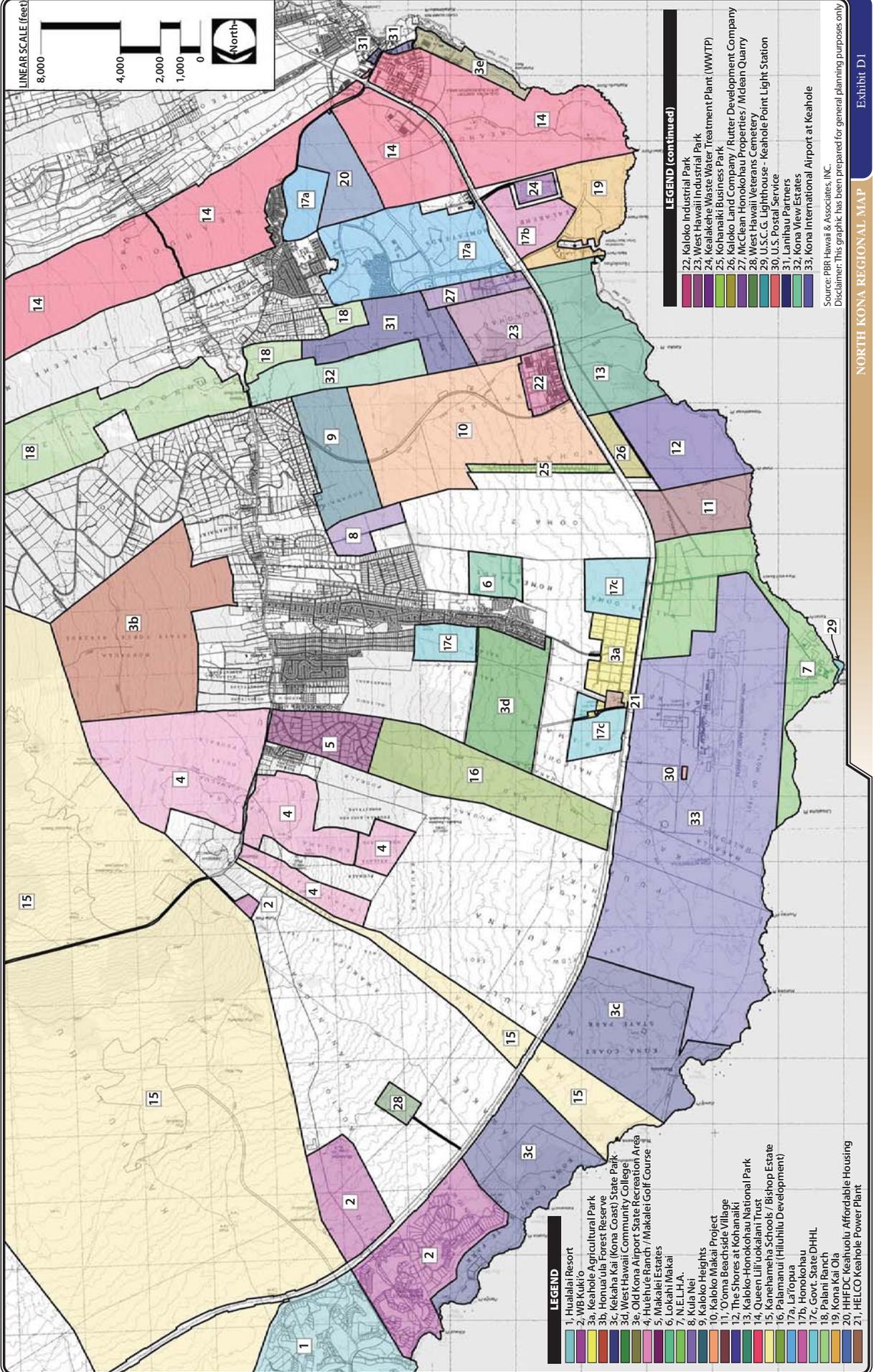
The proposed 500 acre lot has been earmarked for a West Hawaii Community College. Currently, students are allowed to work with the University of Hawaii Center: West Hawaii as a remote learning center. Students are currently allowed to complete online coursework.

e) Old Kona Airport State Recreation Area (116 acres)

In 1970, the Old Kona Airport was shut down and converted into a state park. The runway is converted into a parking lot for park users.

4) Huehue Ranch/Makalei Golf Course (1,647 acres)

Originally part of the Huʻe huʻe Ranch, the parcels were sold off with the intention of developing it into an agricultural subdivision with homes, a golf course, cattle ranch, and equestrian facilities. Within the last fifteen years, the parcels have changed ownership three times. In the mean time, Makalei Hawaii Corporation developed the existing Makalei Golf Course. In April 2008, under pressure from difficult economic circumstances, Lynch Investments, the current owner of the properties was forced to sell under foreclosure. Parcels were auctioned May 15th, 2008.



5) Makalei Estates (246 acres)

Makalei Estates is a 246 acre residential housing west of the Huehue Ranch property. Each individual lot is approximately three acres. All 77 lots are zoned Ag-3.

6) Lokahi Makai (126 acres)

Lokahi Makai is a planned 191 unit residential community located on the makai portion of Kona Palisades. All newly built homes are in process of being constructed.

7) Natural Energy Laboratory of Hawaii Authority (NELHA)/Hawaii Ocean Science Technology (HOST) (548 acres)

NELHA/HOST serves as a science technology park that focuses on research, education, and commercial activities that support sustainable industry development which makes use of deep seawater resources. Currently, there are over approximately thirty tenants on NELHA/HOST land. In addition to various research institutions such as the University of California at Santa Cruz, University of Hawaii Infrasound Laboratory of Hawaii, and Oceanic Institute, private operations such as Big Island Abalone and Searider Seahorse Farms are some of the unique tenants at NELHA. Three tenants utilize the park's deep seawater pumps to collect water rich with minerals which are then bottled for consumption. Combined, NELHA tenants generate between \$30-40 million in annual revenue and provide jobs for over two hundred people.

8) Kula Nei (128 acres)

In 2006, the Shopoff Group proposed to the State to develop approximately 270 residential units with up to 220 single family home units. In addition to these homes, the development will include a 2.5 acre community park, community trails and all related infrastructure necessary for the community. The proposed homes would serve the primary housing market.

9) Kaloko Heights (394 acres)

Stanford Carr Development purchased the lands in 2005 to begin construction of a 1,500 unit master planned community. Homes are projected to be moderately priced.

10) Kaloko Makai Project (1,144 acres)

Originally purchased by the TSA Corporation in the 1980's Kaloko Makai was then purchased by the MID Corporation in 1997. Through a partnership with Stanford Carr Development (SCD), the existing parcels of land are proposed to be converted into a mixed-used planned community with 5,000 units of single-family and multiple-family homes. In addition to the residential units, recreational facilities, trails and space set aside for schools are also planned to be incorporated into the master plan. Current plans also call for preservation of the existing native dry land forest.

11) 'O'oma Beachside Village (303 acres)

'O'oma Beachside Village is a planned community south of the Kona International Airport along the Kohala Coast. In addition to building residential homes, developers also plan to incorporate a mixed-use village center, a smaller private beach club with mixed-use facilities, community parks, shoreline park with a public canoe hale, and pathways for beach access. With this “live-work-play” model of development, the proposed 'O'oma Beachside Village project aims to mitigate additional traffic congestion on the Queen Kaahumanu Highway by creating homes, jobs, and recreational activities all in one area.

12) The Shores at Kohanaiki (442 acres)

The Shores at Kohanaiki is a 500-unit golf course community under development by Kennedy Wilson and Rutter Development. Existing shoreline, anchialine ponds, and historic areas on site are proposed to be preserved. Housing will be set back at least 400 feet from the shoreline. In addition to a golf course and clubhouse, tennis courts, and workout facilities will also be incorporated into the design. A shoreline park is proposed, with parking, an 8,000 square foot beach facility, with snack bar, restrooms and showers.

13) Kaloko- Honokōkua National Park 1,160

The 1,160 acre Kaloko-Honokōkua National Park stretches along the Kohala Coast. In addition to being home to a vast array of native Hawaiian birds, the park also preserved the Kaloko Fishpond, a native Hawaiian rock structure which fostered their ability to live off the land in a sustainable manner.

14) Queen Lili'uokalani Trust (3,517 acres)

In 1909, Queen Lili'uokalani bequeathed her personal fortune toward the creation of a trust for orphan children. From this initial generous gift the Queen Lili'uokalani Trust was created. Funds generated from trust lands provide resources promote the healthy growth of children through fostering strong family relations and stable home environments within the community. Trust lands in the Kona area include the Makalapua Center which includes cinemas and a Macy's Department Store, Queen Lili'uokalani Children's Center, and Kona Industrial Sub-division.

15) Kamehameha Schools/Bishop Estate (22,120 acres)

Kamehameha Schools is the largest private landowner in the state of Hawaii. Kamehameha Schools is a private, charitable, perpetual trust dedicated to the education of Hawaiian children and youth. Established in her will of 1883, the Kamehameha Schools is a legacy of Princess Bernice Pauahi Bishop, great-granddaughter and last direct royal descendant of King Kamehameha the Great. Income generated from numerous investments, and residential, commercial, and resort leases, fund the schools' maintenance and educational services. Unencumbered lands owned by KSBE are designated as unique resource lands for probable educational/cultural program expansion.

16) Pāalamanui (Hiluhilu Development) (725 acres)

Pāalamanui is a master planned community, which will include single and multiple-family residential units, University residential facilities, health facilities, research and development facilities, mixed commercial development, a small hotel, archaeological preserves, cave and lava tube preserves, a dry forest preserve, passive and active parks, open space and parking areas. Pāalamanui will provide the infrastructure facilities to support the Pāalamanui Development.

17) Department of Hawaiian Home Lands (DHHL) (1,407 acres)

DHHL's mission is to manage effectively the Hawaiian Home Lands Trust and to develop and deliver lands to native Hawaiians. DHHL manages 1,400 acres in the Kona area.

a) Lai'opua

The Lai'opua homestead lands lay north of Kailua-Kona. Lai'opua itself is comprised of three areas; Honokohau, Keahole, and the Villages of Lai'opua. The Villages of Lai'opua is a master planned community with fourteen different villages, single and multi-family residential units, recreational facilities, community facilities, neighborhood/commercial complexes, several parks, and several archaeological preserve sites.

b) Honokohau

Though part of the Lai'opua homestead, the 200 acre Honokohau parcel is currently being developed by Jacoby Development Company to coincide with their Kona Kai Ola Project near Honokohau Boat Harbor. The project will include developing an 800 slip marina with mixed-use commercial village and residential housing. Income generated from the lease will go towards the funding of more homes for homestead applicants.

c) Other lands (482 acres)

Other DHHL lands nearby the Kona International Airport are currently zoned for residential and industrial use.

18) Palani Ranch (2,521 acres)

With constant growth of the Kona area changing the landscape of the Kohala Coast, Palani Ranch has begun the process of repositioning their role in the community. Lands in the mauka region will be primarily reserved for pastoral usage. Lands closer to Māmalahoa Highway have been identified as areas that have the potential to be transformed into commercial, residential, and farm lot subdivisions. In the southern portion of the Palani Ranch parcels is the Hualālai Academy, a private school for grades K-12.

19) Kona Kai Ola (330 acres)

Kona Kai Ola is a proposed mixed-use commercial project that strives to protect natural resources in the Kealakehe ahupua'a. Through planned development,

Kona Kai Ola will eventually connect Kailua Village, Kona International Airport, and the ahupuaʻa. The construction goals focus on minimizing the impact associated with development on the surrounding environment. Development will take place in various phases over fifteen years. Phase 1 of construction is expected to begin in 2008.

20) Hawaii Housing Finance and Development Corporation (HHFDC) Keahuolu Affordable Housing (272 acres)

The HHFDC was created in 2006 to increase the availability of affordable housing within the State of Hawaii. Funding for master plans and EIS were received in 2006. In July 2007, HHFDC received title of ownership for the Keahuolu parcel.

21) HELCO Keahole Power Plant (15 acres)

The Keahole Power Plant is located mauka of the Kona International Airport and immediately adjacent to Department of Agriculture Keahole Agriculture Park farm lots. Keahole's MW output represents 24 percent of HELCO's island-wide production capacity. The plant's current capacity of 65.3 MW helps serve the Big Island's 76,000 customers.

22) Kaloko Industrial Park (215 acres)

Kaloko Industrial Park is host to many small commercial enterprises. Average lot size is approximately 2.9 acres. The largest parcel tenants in the area are Costco Wholesale and Home Depot.

23) West Hawaii Industrial Park (326 acres)

Situated mauka of the Queen Kaahumanu Highway, the West Hawaii Industrial Park is currently a quarry site. However, the site is currently classified as a conversation zone. In order for the site to be converted into an industrial zone, re-zoning will be necessary.

24) Kealakehe Waste Water Treatment Plant (WWTP) (53 acres)

The Kealakehe WWTP is managed by the County of Hawaii. Coverage for the WWTP is for North and South Kona. Projected flow is average design flow for this facility is 7.82 million gallons per day (MGD). Currently, approximately 6.21 MGD of raw sewage is currently processed at Kealakehe.

25) Kohanaiki Business Park (62 acres)

Kohanaiki Business Park is divided into two different phases. There are approximately 44 lots that are one acre in size. Existing businesses at the park include; crematory services, trucking, and other light industrial and commercial operations.

26) Kaloko Land Company/Rutter Development Company (93 acres)

Rutter Development, the owner of Kaloko Land Company is also responsible for the development of The Shores of Kohanaiki, an adjacent 500 home golf-course community along the Kona Coast. There are no plans for the current 93 acre Kaloko Land Company Parcel.

27) McClean Honokōkua Properties/McClean Quarry (146 acres)

Auto body, warehousing, and construction operations are some of the various commercial and light industrial tenants. A fully operational quarry is located in the mauka portion of the parcel. Based on 2004 license re-application testimonies, the existing quarry is operating at 50 percent capacity.

28) West Hawaii Veterans Cemetery (62 acres)

Located mauka of the Queen Kaahumanu Highway and south of Hualālai Resort, the West Hawaii Veterans Cemetery is managed by the Office of Veteran Affairs.

29) U.S.C.G. Lighthouse-Keahole Point Light Station (11 acres)

The USCG Lighthouse at Keahole Point is the western-most lighthouse on the island of Hawai'i.

30) U.S. Postal Service (4 acres)

The existing facility assists in the delivery and distribution of out/in-going mail to the Big Island.

31) Lanihau Partners (423 acres)

Lying adjacent to the Villages of Lai'opua, consideration was made to developing a residential community on the largest parcel (394 acres) along Kealakehe Parkway. Currently no decision has been made to move ahead with any further development on Lanihau Partners Land.

32) Kona View Estates (293 acres)

Kona View Estates is a planned community that allows residents to enjoy an agricultural environment while being close in proximity to Kona. Currently, the whole 293 acres is not developed. Phase I of Kona View Estates incorporates 29 one acre units. Phase I is lies makai of Māmalahoa Highway. Phase II of Kona View Estates is going through a planning and design phase.

33) Kona International Airport

The Kona International Airport (KOA) is the primary airport hub of West Hawai'i. 2006 DBEDT tourism statistics indicate over 1.3 million visitors arrived in the Kona region. Recent State Legislature appropriations earmarked over \$17 million in upgrades and terminal construction.