From:	[redacted]
To:	Planning LPC Testimony
Subject:	Formal Opposition to 10-Year Extension of SMA Use Permit No. 07-019, Application No. PL-SMA-2026-000087
Date:	Sunday, April 19, 2026 11:58:42 AM
Attachments:	Zone swap approval August 7, 2000.pdf SiteM_Position_Brief v2 260416.pdf SMA_Permit_Extension_Opposition_Letter.pdf Mauna Lani Resort Site "M" SOLD on August 14, 2017-$9.pdf Belt Collins file.pdf

Stephen Stimac, Owner, Unit 431
The Villages at Mauna Lani, Mauna Lani Resort, South Kohala, Hawaiʻi

April 19, 2026

TO: Members of the Leeward Planning Commission, County of Hawaiʻi
RE: Opposition to SMA Use Permit No. 07-019 Extension — Application No. PL-SMA-2026-000087
HEARING: April 23, 2026

Dear Members of the Leeward Planning Commission:

I am an owner at The Villages at Mauna Lani (VML) in strong and unequivocal opposition to the request by DHL Mahi Site-M LLC — a Special Purpose Vehicle of ProspectHill Group, San Francisco — to extend SMA Use Permit No. 07-019 for an additional ten (10) years. This developer has held the permit for nearly nine years with zero construction activity. Granting this extension would reward non-performance, circumvent the public interest, and impose serious, lasting harm on every residential owner and community within the Mauna Lani Resort. I respectfully urge the Commission to DENY this extension in its entirety.

My opposition rests on five specific grounds:

- **A Decade of Inaction Justifies Denial.** The original SMA permit was issued in 2007 — nearly twenty years ago. Site-M (TMK 6-8-22:10), a 150-acre parcel sold for $9.75 million in August 2017, remains a vacant dry lava field and fire hazard today. No construction has commenced. Non-performance alone is sufficient grounds to deny this extension.

The Public Notification Process Was Wholly Inadequate. VML owners learned of this hearing through informal person-to-person communication less than 40 hours before it was scheduled. No formal written notice was provided. The hearing notice was posted at a location seen by almost no one with a direct interest. Adjoining communities most impacted by Site-M — Kulalani, Kamilo, and Fairways at Mauna Lani — received no notification at all. The Commission should not allow a permit extension to proceed on the basis of a process that effectively excluded the communities most affected.

- **Owner Opposition Is Overwhelming.** Every participating owner in the organized VML owner discussion group opposes this extension. Community surveys indicate that active, vocal opponents represent between one-fifth and one-seventh of the total opposed owner population — meaning the voices heard at this hearing represent the views of the vast majority of VML owners.
- **The Underlying 2000 Zoning Swap Was Improperly Approved.** The SMA permit rests on a 2000 zoning swap that was deliberately processed as a "non-significant" administrative determination to avoid public scrutiny. Belt Collins discovery documents — including an internal memo explicitly stating that "Seacliff doesn't want any public notice" — confirm that the process was engineered to circumvent standard public review. A change that permanently redirected approximately two-thirds of resort traffic onto North Kaniku Drive is not "nonsignificant" in any meaningful sense.
- **Material Infrastructure Deficiencies Remain Unaddressed.** All supporting studies date to the original 2007 permit. No current, independently verified analysis has been provided for: (a) traffic — full build-out is estimated to add approximately 3,660 additional vehicle trips per day onto North Kaniku Drive; (b) water supply — South Kohala already experiences recurring mandatory water reduction events; (c) wastewater and drainage — no updated capacity study reflects removal of the golf course pervious buffer protecting the Mauna Lani fishponds; (d) emergency services and evacuation — the required emergency road remains unbuilt and unbonded; and (e) financial capacity — the developer carries a $275 million Goldman Sachs mortgage encumbering approximately 750 acres, including state-leased parcels.

Enclosed with this email is one PDF file, SMA_Permit_Extension_Opposition_Letter.pdf, containing the full formal opposition letter and four supporting attachments:

- **Attachment 1:** SiteM_Position_Brief v2 260416.pdf— Detailed technical analysis supporting denial
- **Attachment 2:** Mauna Lani Resort Site "M" SOLD on August 14, 2017-$9.pdf — Developer ownership history
- **Attachment 3:** Belt Collins file.pdf — Internal memoranda establishing that the 2000 zoning swap was structured to avoid public scrutiny
- **Attachment 4:** Zone swap approval August 7, 2000.pdf — The administrative zoning change whose conclusion is challenged herein

We are not opposed to responsible development. We are opposed to this extension — at this time, as presented — because it rewards nearly a decade of inaction, rests on a flawed and procedurally suspect foundation, relies on twenty-year-old studies wholly inadequate to assess 2026 conditions, and will cause real and lasting harm to the owners, residents, and natural resources of the Mauna Lani Resort. We respectfully and urgently request that the Commission DENY the 10-year extension of SMA Use Permit No. 07-019 in its entirety.

Respectfully submitted,

Stephen Stimac
Owner, Unit 431, The Villages at Mauna Lani
Mauna Lani Resort, South Kohala, Hawaiʻi

Owners of The Villages at Mauna Lani
Mauna Lani Resort, South Kohala, Hawaiʻi
April 19, 2026

Leeward Planning Commission
County of Hawaiʻi Planning Department
25 Aupuni Street, Suite 1301
Hilo, Hawaiʻi 96720

Re: Formal Opposition to 10-Year Extension of SMA Use Permit No. 07-019
Application No. PL-SMA-2026-000087 — Leeward Planning Commission Hearing, April 23, 2026

Dear Members of the Leeward Planning Commission:

I am an owner at The Villages at Mauna Lani (VML), write in strong and unequivocal opposition to the request by DHL Mahi Site-M LLC (a Special Purpose Vehicle of ProspectHill Group, San Francisco) to extend SMA Use Permit No. 07-019 for an additional ten (10) years. I respectfully urge the Commission to DENY this extension in its entirety.

Site-M was sold on August 14, 2017 for $9.75 million. This developer has now held this permit for nearly 9 years with zero construction activity. Granting a further extension rewards non-performance, circumvents the public interest, and would inflict serious, lasting harm on every residential owner within the Mauna Lani Resort (MLR). My objections are detailed below and are further supported by the attached documents.

I. The Extension Is Not Justified After a Nine Years of Inaction

The original SMA Use Permit No. 07-019 was issued in 2007 — nearly twenty years ago. With only two years remaining on the permit and no development activity to date, this developer now seeks a further ten-year extension. The Commission should ask a fundamental question: what justification exists for rewarding a developer who has failed to break ground in nearly nine years?

Site-M (TMK 6-8-22:10), a 150-acre parcel at the intersection of North Kaniku Drive and the Mauna Lani service road, was sold by Stanford Carr's group to a ProspectHill-affiliated entity (DHL Mahi Propco LLC) for $9.75 million in August 2017 (see Attachment 2). The developer had previously acquired the Mauna Lani Bay Hotel and Bungalows, golf course, and racket club assets. Despite substantial financial resources and ample time, Site-M remains a vacant dry lava field — and a fire hazard. Non-performance alone is sufficient grounds to deny this extension.

II. Deficient and Inadequate Public Notification

The public notification process for this SMA extension hearing was wholly inadequate and fundamentally undermined the right of affected owners to participate in the process. I raise the following specific deficiencies:

- The SMA Hearing notice was posted on Qu‘een‘s Highway — a location seen by almost no one with a direct interest in this matter. The Commission should ask why the notice was not posted in a conspicuous location adjacent to North Kaniku Drive, the primary artery directly affected by Site-M's development.
- Adjoining residential communities that will bear the greatest burden of Site-M development — specifically Kulalani, Kamilo, and Fairways at Mauna Lani — were not notified of the SMA permit extension hearing, despite the fact that these communities face direct, material traffic and infrastructure impacts.
- Notification to property owners within 300 feet of the subject parcel was the bare minimum applied during the original 2000 zoning swap approval — a standard wholly insufficient for a development of this scale and community impact.

The Commission should not allow a permit extension to proceed on the basis of a notification process that effectively excluded the communities most affected by the proposed development.

III. Overwhelming Owner Opposition Within The Villages at Mauna Lani

Opposition to the SMA permit extension is widespread and deeply felt across our community. Through an organized owner discussion group (Groups.io), 22 VML owners have actively exchanged information and analysis regarding Site-M — and every participating owner is opposed to granting the extension.

Active, vocal members represent only a fraction of the total owner population. Community surveys and informal canvassing indicate that the ratio of active, engaged, opposed owners to the total number of opposed owners is estimated to be between 1-in-5 and 1-in-7. This means the active opposition voices heard at this hearing represent the views of the vast majority of VML owners who oppose this extension.

The attached Position Brief (Attachment 1), prepared by VML Owner #413, summarizes the consensus position of the owner community and provides detailed technical analysis in support of denial. I adopt and incorporate that brief as part of this letter.

IV. The Underlying Zoning Swap Was Improperly Approved Without Public Scrutiny

The current SMA permit rests on a foundation that is itself legally and procedurally suspect. The 2000 zoning swap — which transferred Resort-Hotel (V-1.25) zoning onto Site-M-1 in exchange for rezoning the 49 Black Sand Beach parcel to Multiple Family Residential (RM-4) — was processed as a "non-significant" administrative determination specifically in order to avoid public scrutiny.

The Belt Collins Discovery: A Process Designed to Avoid Public Input

Attached as Attachment 3 is a summary of the Belt Collins discovery documents, which reveal the following:

- Internal Belt Collins memoranda — including a memo dated February 9, 1999 from Anne Mapes to Roger Harris, planning consultant for Seacliff Development — make explicit that the non-significant zoning change process was chosen in order to avoid public scrutiny. The memo confirms that the normal procedure would keep the matter off the public Council agenda, and includes a handwritten notation that "Seacliff doesn't want any public notice."
- A June 16, 2000 letter from Planning Director Goldstein — missing from the County's public file — was found in the Belt Collins production at pages 502–506. Internal Belt Collins memoranda responding to that letter are at pages 493–497. These documents demonstrate that there were zoning conflicts deliberately left in place in order to preserve the administrative (non-public) processing track.
- The documents support the reasonable conclusion that the 2000 zoning swap approval was specifically engineered to avoid the public input and scrutiny that would have accompanied a standard rezoning process.

The Zoning Swap Conclusion Is Invalid

The conclusion of the Zone Swap Approval (August 7–17, 2000, Attachment 4) states:

> *"The above analysis demonstrates that the request qualifies as an administrative determination for a nonsignificant zoning change. The change would result in no net change of zoning area or density and is consistent with the General Plan designation of Mauna Lani Resort as a resort destination area."*

This conclusion is invalid on its face. While the acreage swap was mathematically equal, the swap fundamentally altered the traffic and circulation pattern of the entire Mauna Lani Resort by redirecting approximately two-thirds of resort traffic from its original intended routes onto North Kaniku Drive. The Mauna Lani Resort master plan was never revised to accommodate this change. The infrastructure — road capacity, intersection design, emergency access, water, and sewer — was never upgraded to reflect the actual impact of relocating hotel-density zoning to Site-M-1. A change that materially and permanently alters traffic flow, infrastructure demand, and community character across an entire resort is not "nonsignificant" in any meaningful sense of the word.

V. Material Infrastructure Deficiencies Remain Unaddressed

As documented in detail in the attached Position Brief (Attachment 1), the developer has failed to provide current, independently verified studies on any of the infrastructure systems that Site-M will stress. All supporting studies date to the original 2007 permit — nearly twenty years ago. Key unaddressed concerns include:

- <u>Traffic and Circulation:</u> Full build-out of Site-M is estimated to add approximately 3,660 additional vehicle trips per day onto North Kaniku Drive. The primary entrance to The Villages at Mauna Lani sits approximately 80 feet from the Foodland/shopping center entrance — already one of the most hazardous intersections in the resort. No updated traffic study reflecting 2026 conditions has been presented.
- <u>Water Supply:</u> The South Kohala District already experiences recurring mandatory water reduction events. No current water capacity analysis addressing the incremental demand of 925 additional hotel and residential units has been provided.
- <u>Wastewater and Sewer:</u> The resort disposes of treated wastewater via Underground Injection Control (UIC) wells near the coastline — a practice flagged as a coastal water quality concern. No updated wastewater capacity study has been presented, nor has the developer provided an updated drainage study reflecting the removal of the golf course, which served as a pervious buffer protecting the Mauna Lani fishponds.
- <u>Emergency Services and Evacuation:</u> The proposed emergency evacuation road is a pre-existing binding obligation of the original master plan, not a new project benefit. It has not been completed and has not been bonded. South Kohala emergency services have not been assessed for capacity under full Site-M build-out.
- <u>Financial Capacity:</u> The developer holds a $275 million mortgage from Goldman Sachs (February 2025) encumbering approximately 750 acres, including state-leased parcels containing archaeological sites and fishpond buffers. No evidence has been provided that this debt does not constrain the developer’s ability to fund required infrastructure upgrades.

VI. Conclusion and Request for Action

For the reasons set forth above, the owners and residents of The Villages at Mauna Lani respectfully and urgently request that the Leeward Planning Commission:

1. DENY the 10-year extension of SMA Use Permit No. 07-019 in its current form. The application is materially deficient and the developer has demonstrated neither the willingness to build in a timely manner nor the capacity to do so without imposing unacceptable burdens on existing residents.
2. REQUIRE that any future reconsideration be predicated on current, independently verified studies covering traffic/circulation, water supply, wastewater capacity, emergency services, wildfire risk, archaeological resources, and coastal/fishpond environmental impact — all reflecting 2026 conditions.
3. REQUIRE the emergency evacuation road to be bonded and completed prior to the issuance of any first building permit. This is not a new project benefit; it is a pre-existing binding obligation.
4. ENSURE that all 17 residential communities within Mauna Lani Resort — not just those immediately adjacent to Site-M — are properly notified and given meaningful opportunity to participate in any future hearing on this matter.
5. INVESTIGATE the procedural validity of the 2000 non-significant zoning swap in light of the Belt Collins discovery documents, which establish that the process was deliberately structured to circumvent public scrutiny.

Attachments:

1. SiteM_Position_Brief v2 — VML Owner #413 (April 15, 2026).pdf — Detailed technical analysis supporting denial
2. Mauna Lani Resort Site “M” SOLD on August 14, 2017 — $9.75M (Hawaii Luxury Resort Properties record).pdf — Documents the sale of Site-M and developer ownership history
3. Belt Collins Discovery File.pdf — Internal memoranda and documents establishing that the 2000 zoning swap was structured to avoid public scrutiny
4. Zone Swap Approval, August 7–17, 2000 — County of Hawaiʻi Planning Department (NZC 00-04).pdf — The administrative zoning change whose conclusion is challenged herein

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I am not opposed to responsible development. I am opposed to this extension, at this time, as presented, because it rewards non-performance, rests on a flawed procedural foundation, relies on outdated studies, and will cause real and lasting harm to the owners, residents, and natural resources of the Mauna Lani Resort.

I respectfully request that this letter and its attachments be entered into the public record for Application No. PL-SMA-2026-000087.

Respectfully submitted,

Stephen Stimac, Owner, Unit 431,The Villages at Mauna Lani
Mauna Lani Resort, South Kohala, Hawaiʻi

SITE M SMA PERMIT AMENDMENT & 10-YEAR EXTENSION

Position Brief: The Villages at Mauna Lani — Owner #413

Prepared for: VML Community Representation

Leeward Planning Commission Hearing — April 23, 2026

Application No. PL-SMA-2026-000087 | SMA Use Permit No. 07-019

About the Author: Renée B. Lahti has owned VML Unit #413 since 2008 and has been a full-time resident of Waimea, Hawaiʻi since 2017. A Global Technology Executive with 25+ years of experience assessing complex systems, risk, and governance, she brings that same analytical lens to this brief. She values cultural humility and a strong pay-it-forward mindset so that the individual, the organization, and the broader community all benefit. She is also an active CERT (Community Emergency Response Team) member in South Kohala, with firsthand experience of the district's current emergency response challenges.

I. POSITION STATEMENT

The 10-year extension of SMA Use Permit No. 07-019 for Site M should not be granted in its current form. The developer, DHL Mahi Site M LLC (a Special Purpose Vehicle of ProspectHill Group, San Francisco), has presented no demonstrable evidence that it can bear the fully loaded cost to implement and operate this project without negative impact on the existing communities it sits within and depends upon.

The burden of proof rests entirely with the developer. Until that burden is met with current facts, verified studies, and enforceable conditions (not promises) it is my opinion the Commission should deny the extension.

A note on development intent: Site M is currently a vacant dry lava field and a fire hazard. Development, done correctly, is not opposed. The position here is that correct development requires the project to be, at minimum, neutral in its impact on surrounding communities, and ideally, in the Hawaiian tradition of stewardship, to leave those communities better than it found them.

II. THRESHOLD CONDITIONS FOR APPROVAL

The following conditions must be satisfied, with current independently verified evidence, before any extension is considered:

1. All infrastructure studies must be refreshed to 2026 conditions.

The original SMA permit was issued in 2007, nearly 20 years ago. Traffic volumes, water demand, sewer capacity, environmental conditions, wildfire risk, and emergency evacuation requirements have all materially changed. Approving an extension based on stale studies is not legally defensible under HRS §205A.

2. The developer must demonstrate full financial capacity to bear all infrastructure costs.

No infrastructure improvement costs (on-site or off-site) shall be passed to the MLRA or any of its sub-communities. The developer holds a $275 million mortgage from Goldman Sachs (February 2025) encumbering approximately 750 acres, including state-leased parcels containing archaeological sites and fishpond buffers. The Commission should require evidence that this debt does not constrain the developer's ability to fund required infrastructure upgrades.

3. Enforceable project gates must be established as binding permit conditions.

Conditions must be sequenced as construction gates, not aspirational guidelines. Precedent exists: the original SMA permit required shuttle service as a condition of occupancy (VML Agreement, Section 8). That model must be applied systematically to all material conditions, with bonding requirements prior to the first building permit.

III. FACTUAL BASIS — ISSUE BY ISSUE

A. Traffic & Circulation

The Problem Already Exists — Site M Makes It Permanent

- An administrative zoning swap redirected approximately two-thirds of Mauna Lani Resort traffic onto North Kaniku Drive. This imbalance exists today. Site M amplifies and permanently locks in this defective circulation pattern.
- Site M at full build-out adds an estimated 3,660 additional vehicle trips per day (360 hotel rooms x 6 trips/day + 500 residential units x 3 trips/day) directly onto North Kaniku Drive.
- The primary entrance to The Villages at Mauna Lani sits approximately 80 feet from the Foodland/shopping center entrance, already one of the busiest and most hazardous intersections in the resort. Increased queuing in this corridor directly raises the probability of rear-end and turning collisions.
- Emergency vehicle access to The Villages is compromised when the 80-foot corridor between the shopping center entrance and the primary VML entrance is congested or blocked.
- Pedestrian, cyclist, and golf cart safety on North Kaniku Drive is already degraded. Adding arterial-level traffic volumes eliminates meaningful non-vehicular use of the road.
- Living on a major arterial reduces residential property values by approximately 10%. For a typical VML unit, this represents $200,000+ in lost value, or roughly $25 million across the 130-unit community.

Required Commission Actions — Traffic:

- ◦ Require a full independent traffic circulation study reflecting 2026 conditions, not the 2007 baseline.
- ◦ Require the developer to disclose all traffic studies and trip generation assumptions used to justify the original zoning swap and SMA approval.
- ◦ Require corrective measures, such as restoring Site M-1 to RM-4 zoning or implementing design changes that rebalance traffic distribution across the roundabout, before any extension is granted.

B. Water Supply

- The Mauna Lani Resort area (zip code 96743 / South Kohala District) already experiences recurring mandatory and voluntary water reduction events due to well pump failures, not water availability. Adding a development of 925 units to a system already operating at stress points will increase the frequency and severity of these reductions.
- The majority of VML water usage is irrigation. More severe or frequent water reduction orders will directly degrade existing landscaping, increase HOA operational costs, and require long-term landscape replanning: costs that would be borne by current residents, not the developer.

- No updated water capacity analysis has been presented. The developer must demonstrate, with verified data, that the existing system (or a developer-funded upgrade) can sustain Site M demand without degrading service to existing users.

Required Commission Actions — Water:

  - Require a current, independent water capacity study that models peak demand scenarios under full Site M build-out.
  - Require the developer to fund any required upgrades to water supply infrastructure as a bonded condition prior to first building permit.

C. Wastewater / Sewer

- The Mauna Lani Resort currently disposes of treated wastewater via Underground Injection Control (UIC) wells near the coastline. This practice is regulated under Hawaii DOH Title 11, Ch. 23 and has been flagged by the Sierra Club as a coastal water quality concern for this specific resort area.
- No information has been presented on the current maximum capacity of existing wastewater processing equipment, or its ability to handle peak load under full Site M build-out.
- Under HRS §205A-26(2), a permit must be denied if the development has a 'substantial adverse environmental or ecological effect' that is not minimized. The developer has not provided an updated drainage study reflecting the removal of the golf course, which functioned as a pervious buffer protecting the fishponds. This is a legal deficiency in the current application.

Required Commission Actions — Wastewater:

  - Require a current wastewater capacity study including peak load scenarios and UIC well proximity impact assessment.
  - Require an updated drainage study accounting for the removal of the golf course buffer, per HRS §205A-26(2) compliance.
  - Developer must fund all wastewater infrastructure upgrades. No cost to MLRA or sub-communities.

D. Beach Club & Shared Amenities

- The Beach Club parking lot currently operates at or above capacity during peak periods; cars routinely spill onto grass. Adding approximately 374 hotel guests and 551 residential owners to the Beach Club user pool (a ~75% increase) without a corresponding expansion of parking, shade, and food service infrastructure is unacceptable.
- The original SMA permit and the VML Agreement (Section 8) required Site M to provide shuttle service from the hotel to beaches prior to any certificate of occupancy, specifically to mitigate Beach Club traffic impacts. This condition must be explicitly confirmed, updated to reflect the revised project scope, and enforced with bonding.
- The Napua restaurant and Shops at Mauna Lani (including Foodland) are already operating at or near capacity during holiday periods. These community-serving facilities were not designed to absorb a 23%+ increase in resort density.
- The developer's proposed 23% density reduction appears calibrated to fall just below thresholds that would trigger obligations under the VML Agreement: a legal maneuver, not a community benefit.

E. Emergency Services & Broader Regional Infrastructure

This section addresses infrastructure that extends beyond the resort boundary. Mauna Lani Resort is not a self-contained township. It depends entirely on the broader South Kohala District (zip code 96743) for fire, police, medical response, hospital services, evacuation routes, and fuel supply.

- Emergency evacuation from the resort area is already critically constrained. During a recent tsunami evacuation, resort residents evacuating to inland areas (e.g., Waimea, which is outside the tsunami inundation zone) experienced severe road stress on existing evacuation corridors. This was observed firsthand by the author of this brief, who serves as a CERT (Community Emergency Response Team) member deployable in South Kohala.
- The proposed emergency evacuation road is listed as a new project benefit. It is not. It is a binding requirement of the original master plan. Under HRS §205A, the Commission can and should require this road to be completed and bonded prior to the issuance of the first building permit, not as a future promise.
- Adding 925 units of residential and hotel density increases the permanent and transient population that depends on South Kohala emergency services. The developer has presented no assessment of its impact on fire response capacity, medical response times, or hospital capacity at North Hawaii Community Hospital.
- Wildfire risk in the South Kohala District has materially increased since 2007. The Mauna Lani area is surrounded by dry lava fields, including Site M itself, which is currently a fire hazard. No updated wildfire risk assessment has been presented.

Required Commission Actions — Emergency & Regional Infrastructure:

- ◦ Require the emergency evacuation road to be bonded and completed prior to the first building permit, not framed as a voluntary project benefit.
- ◦ Require a current South Kohala emergency services capacity assessment, including fire, police, medical response, and evacuation route modeling under full Site M build-out.
- ◦ Require a current wildfire risk assessment and mitigation plan for the Site M parcel and adjacent areas.
- ◦ Developer must fund any required upgrades to regional emergency infrastructure serving the expanded resort population.

F. Archaeological & Environmental Compliance

- Archaeological Inventory Surveys (AIS) for the Site M area date to the original 2007 permit. These surveys predate modern ground-penetrating radar and current SHPD best practices for site identification. The Commission should require updated AIS approval from the State Historic Preservation Division before any extension is granted.
- The $275 million Goldman Sachs mortgage (February 2025) encumbers parcels that include state-leased land containing identified archaeological sites and fishpond buffers. The financial encumbrance of these culturally sensitive areas should be disclosed and reviewed.
- The removal of the golf course from the project plan eliminates a significant pervious buffer that protected the Mauna Lani fishponds from stormwater runoff. No updated environmental impact analysis has been provided for this change.

- Native Hawaiian consultation may be required. The Mauna Lani area contains petroglyphs, a prehistoric fishing village, and active fishponds: resources with cultural standing under Article XII, Section 7 of the Hawaii State Constitution (PASH doctrine).

IV. DEVELOPER TRACK RECORD — CREDIBILITY ASSESSMENT

DHL Mahi Site M LLC is a Special Purpose Vehicle of ProspectHill Group (San Francisco). ProspectHill acquired the Mauna Lani Resort in 2017. Its principals are the same development team responsible for Hualālai and Kūkiʻo, the Kona Coast's most exclusive communities. This history provides relevant precedents:

- Makaiwa Bay Moorings (2024): ProspectHill/DHL proposed offshore yacht moorings in Makaiwa Bay. The Board of Land and Natural Resources deferred the proposal indefinitely following over 100 pieces of written public testimony citing reef degradation and violations of public trust resource statutes. This demonstrates that public pressure and formal testimony directly influence this developer's project scope.
- Kūkiʻo Public Access: The development provides 28 public parking stalls as required under the 1995 PASH ruling, but the operational 'pass system' has been challenged as a practical barrier to public beach access. The Commission should apply the KCRA standard of 'unencumbered' rather than 'managed' access in any conditions attached to Site M.
- Hualālai Marine Stewardship: Under pressure from cultural practitioners, this developer accepted a 10-year fishing ban (no-take period) for local reef areas as a binding condition. This establishes that the developer will accept firm environmental conditions when the community demands them.
- The developer failed to build under the original SMA permit despite having more than adequate time. A 10-year extension rewards non-performance. If an extension is considered at all, it must carry substantially stronger and more enforceable conditions than the original permit.

V. MLRA GOVERNANCE CONCERN

The MLRA (Mauna Lani Resort Association) governs all 17 residential communities within the resort. The Auberge (the resort hotel) holds significant influence within the MLRA structure. Because Auberge/DHL Mahi Opco LLC is the operational entity of the same developer family seeking the Site M extension, the MLRA may have a structural conflict of interest in representing the interests of residential homeowners in this matter.

All affected residential sub-communities (not just The Villages) should be engaged independently. A coordinated multi-community position would carry substantially greater weight before the Planning Commission and, ultimately, the County Council.

VI. RECOMMENDED COMMISSION ACTIONS — SUMMARY

The Commission should take the following actions at the April 23, 2026 hearing:

- **DENY the extension in its current form. The application is materially deficient: it relies on studies that are nearly 20 years old and provides no demonstrable evidence of the developer's ability to fund fully loaded implementation and operational costs.**
- **REQUIRE, as conditions of any future reconsideration, current independent studies on: traffic/circulation, water supply, wastewater capacity, emergency**

services capacity, wildfire risk, archaeological resources, and coastal/fishpond environmental impact.

- **REQUIRE the emergency evacuation road to be bonded and completed prior to the first building permit. This is not a new benefit: it is a pre-existing binding obligation.**
- **REQUIRE financial disclosure: the developer must demonstrate that the $275 million Goldman Sachs mortgage does not constrain its ability to fund infrastructure obligations.**
- **ESTABLISH enforceable construction gates: each infrastructure condition must be satisfied and bonded before the corresponding permit milestone is reached, not deferred to post-occupancy compliance.**
- **ENGAGE all MLRA sub-communities: the Planning Commission should ensure that all 17 residential communities within the Mauna Lani Resort have been properly notified and given opportunity to be heard, not just the communities immediately adjacent to Site M.**

Prepared by: Owner, VML Unit #413 | Date: April 15, 2026

This document is a factual position brief prepared for use by The Villages at Mauna Lani community representation. It is not a polished personal testimony. All facts cited are drawn from public records, community discussion, the Wilson Okamoto notice letter, and owner research.

Supporting appendix materials available upon request from the owner.

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Mauna Lani Resort Site “M” SOLD on August 14, 2017-$9.75m

One of the last remaining, undeveloped sites within the Mauna Lani Resort sold in August 2017 to the same group that purchased the remaining Tokyu assets that included Mauna Lani Bay Hotel and Bungalows, golf course and racket club. Originally, the undeveloped, Site “M” parcel was sold by the Mauna Lani Resort’s developer, Tokyu to a group led by developer Stanford Car in December of 2004 for $24m.

Tax records indicate an entity related to Prospect Hill Group (DHL Mahi Propco LLC) paid a $9.75m sales price for the 150 acre site on August 14, 2017. The most interesting fact regarding this parcel is that it includes zoning for the last remaining hotel site within the resort. At some point in time when Tokyo sold the development site where 49 Black Sand Beach is now situated, they obtained

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permission from the County to "move" the hotel site zoning that was intended for this site and relocate it to parcel "M".

In the past, the Mauna Lani Resort as well as The Villages at Mauna Lani had filed several actions in protest to Carr's original development plan which resulted in the groups agreement to a final plan which included, amongst other requirements, to install a traffic light at the highway to benefit vehicle traffic entering and exiting the resort. The same requirement was agreed to by the Aina Lea development, mauka of the resort entrance so it would seem one of the 2 developer/owners will be building the interchange soon if they plan further construction which is great news.

It's great news to see the new owners within the resort continue to invest in land assets hopefully signaling their long term intent to enhance what is one of the most beautiful shoreline developments in the State.

Hawaii Luxury Resort Properties

Watch on

Aloha,

Rick Oliver (B)

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Written by Rick Oliver on September 13, 2017
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« King's Tide-Unusually High Tide!   Villages at Mauna Lani #712 SOLD »

BELT COLLINGS DISCOVERY

Well, as we discussed, I went through the Belt Collins CD. Although tedious, it proved helpful. I will go through it one more time, but the gems occur in volume 2. The June 16, 2000 letter from Planning Director Goldstein missing from the County file is at pp. 502-506, and is truly technical in nature. Internal Belt Collins memoranda analyzing that letter are at pp. 493-497. A draft of Ms. Mapes resonse to the June 16, 2000 letter is at pp. 482-486. These documents more or less show that there was more to this than a mere swap of zones. There were zoning issues which were left in place in order to process this swap administratively in order to avoid "public scrutiny." It is clear from a memo (at p. 452) from Anne Mapes to the Planning Consultant for Seacliff Development, Roger Harris, dated Feb. 9, 1999, that the process must avoid public scrutiny, hence the need to keep all of the zoning conflicts in place. The memo states in pertinent part:"I talked to Norman Hayashi about the notification rules for a non-significant zone change. As we discussed, if the planning director accepts the request for non-significant zone change, the director will notify the applicant and the Council. I asked Norman whether the notification gets on the Council agenda and thus would be open to public scrutiny. Norman says it doesn't have to and that the normal procedure would be to cc the Council on the letter to the applicant. He remembers a non-significant zone change being done that way QLT." "Other than that, the only other notification required by the rule is to landowners within 300 feet of the property subject to zone change. Our preliminary search shows that most of the adjacent parcels belong to MLR, a couple to Waikoloa."There is also a hand written statement at the bottom of the memo the following: "For your information. Seacliff doesn't want any public notice."There are a couple of other memos/emails at pp. 422, 445-447, and 451, which along with the technical documents mentioned in the second paragraph, support the reasonable conclusion that this was process was specifically designed to avoid public scrutiny. I hope this helps. I will get back to you on other discovery issues in a separate e-mail.

Stephen K. Yamashiro
Mayor

Virginia Goldstein
Director

Russell Kokubun
Deputy Director

County of Hawaii

PLANNING DEPARTMENT

25 Aupuni Street, Room 109 • Hilo, Hawaii 96720-4252
(808) 961-8288 • Fax (808) 961-8742

August 17, 2000

Ms. Anne L. Mapes
Belt Collins Hawaii Ltd.
680 Ala Moana Boulevard, 1st Floor
Honolulu, HI 96813-5406

Dear Ms. Mapes:

Non-significant Zoning Change Application (NZC 00-04)
Tokyu Corporation and Sea Cliff Development LLC
TMK: 6-8-22:10; 6-8-33:3-11, 34-48, 52 and
Portions of 1, 2, 12, 13, 20, 21,32, 33, 49, 50, 53

This is to acknowledge receipt on August 8, 2000, of your request filed on behalf of Tokyu Corporation and Sea Cliff Development LLC for a determination of a non-significant zoning change in accordance with Section 25-2-45 of Chapter 25, Hawaii County Code, and Planning Department Rule 8.

Your request is to adjust the boundaries of two areas without increasing the zoning densities for those areas. Specifically, the following are the zoning districts and land areas involved:

1. Multiple Family Residential – 4,000 square feet (RM-4) to Resort-Hotel 1,250 square feet (V-1.25): 32.519 acres

2. V-1.25 to RM-4: 32.519 acres

Although the zoning boundaries will be transferred from one area to another, the original amount of land area for each zoning district remains the same. The relocation of the affected zoning districts from one area to another will not result in any increase in zoning densities.

Rcp'd to 7646
AUG 21 2000

Upon review of the request, we have determined that it complies with the criteria set forth in Section 25-2-45 (a)(1) of Chapter 25, Hawaii County Code, for determining non-significant zoning changes. The transfer of zoning districts from one area to another will not result in an increase to the current zoning districts. We, therefore, administratively grant the requested non-significant zoning changes.

Should you have any questions, please feel free to contact Norman Hayashi of this office at 961-8288.

Sincerely,

Virginia Goldstein

VIRGINIA GOLDSTEIN
Planning Director

NH:pak
P:wpwin60\norm\tokyu-sea cliff nzc 00-4 8-17-00

cc: Hawaii County Council (w/ attachments)
Real Property Tax Division (w/ attachments)
West Hawaii Planning Office (w/ attachments)
Roy Uchida (w\ attachments and disk)
Ms. Sachiko Murano
Sea Cliff Development LLC

Attachment 2
PLANNING REPORT
Nonsignificant Zoning Change Request at Mauna Lani Resort

2000 AUG 8 AM 9 57

PLANNING DEPARTMENT
COUNTY OF HAWAII

Introduction

Mauna Lani Resort, Inc. (MLRI) and Sea Cliff Development LLC are requesting a determination and administrative approval of a nonsignificant zoning change for about 65 acres on parcels at the Mauna Lani Resort. The proposed changes involves Hotel (V-1.25) and Multiple Family Residential (RM-4) zones and would not result in any net change to the resort's zoning acreages or densities.

The following is a description of the subject areas and a discussion of the nonsignificant zoning change request. In this report, the two companies are referred to as Mauna Lani and as Sea Cliff.

State of Purpose and Qualification

The purpose of this request is to exchange the resort zoning district on the Sea Cliff property, 49 Black Sand Beach, with the multiple family residential zoning on the Mauna Lani Resort Site M-1. Relocating the resort zone onto Site M-1 would allow the applicant to continue to have a site available for future hotel use. Redesignating the Sea Cliff property to Multiple Family Residential would not affect the current residential project now under development on the property.

This request qualifies as a nonsignificant zoning change because the action would not change the existing zoning acreages or densities. The affected areas have also been previously zoned resort or multifamily. Finally, the request is consistent with the County of Hawaii's General Plan which designates Mauna Lani Resort as a major resort area and resort use where the subject properties are located.

Description of Property

This request affects the following properties:

1. Site M-1: This is a 49-acre parcel (TMK (3) 6-8-22:10) located at the intersection of North Kaniku Drive and the Mauna Lani service road. This request affects 32.519 acres of this parcel. The site is relatively flat and is undeveloped.

2. 49 Black Sand Beach Project: This is a 49-lot residential subdivision located on the south side of the Mauna Lani Bay Hotel. This request affects 32.519 acres of the subdivision which is presently under construction.

Background

The subject properties were part of the 1986 LUC decision (LUC Docket no. A84-583) that expanded to the original Urban District at Mauna Lani Resort. Condition 5 of that 1986 LUC action stated, "Petitioner shall develop a full-service hotel on the Property in conjunction with the recreational and residential project to ensure employment opportunities."

The present zoning configuration for the affected parcels occurred in 1995 (Ordinance Nos. 95-37 and 95-64). See Figures 2 and 3, Existing Zoning.

Need for the Request

The proposed exchange of multifamily and resort zoning designations will allow Mauna Lani Resort to maintain a future hotel site and satisfy Condition 5 of the 1986 LUC amendment.

Legal Description of the Property

Written descriptions and maps are included as Attachment 3 of this application submittal. An AutoCAD disk with the map files is also part of the application submittal.

Calculation of Proposed Request

The calculations for the proposed request is shown below. The affected area is about 70% of the total property area. Note that the 32. 519 acres being converted from RM-4 to V-1.25 is equal to the 32.519 acres being converted from V-1.25 to RM-4. There is no net increase in the acreage of RM or V zoning.

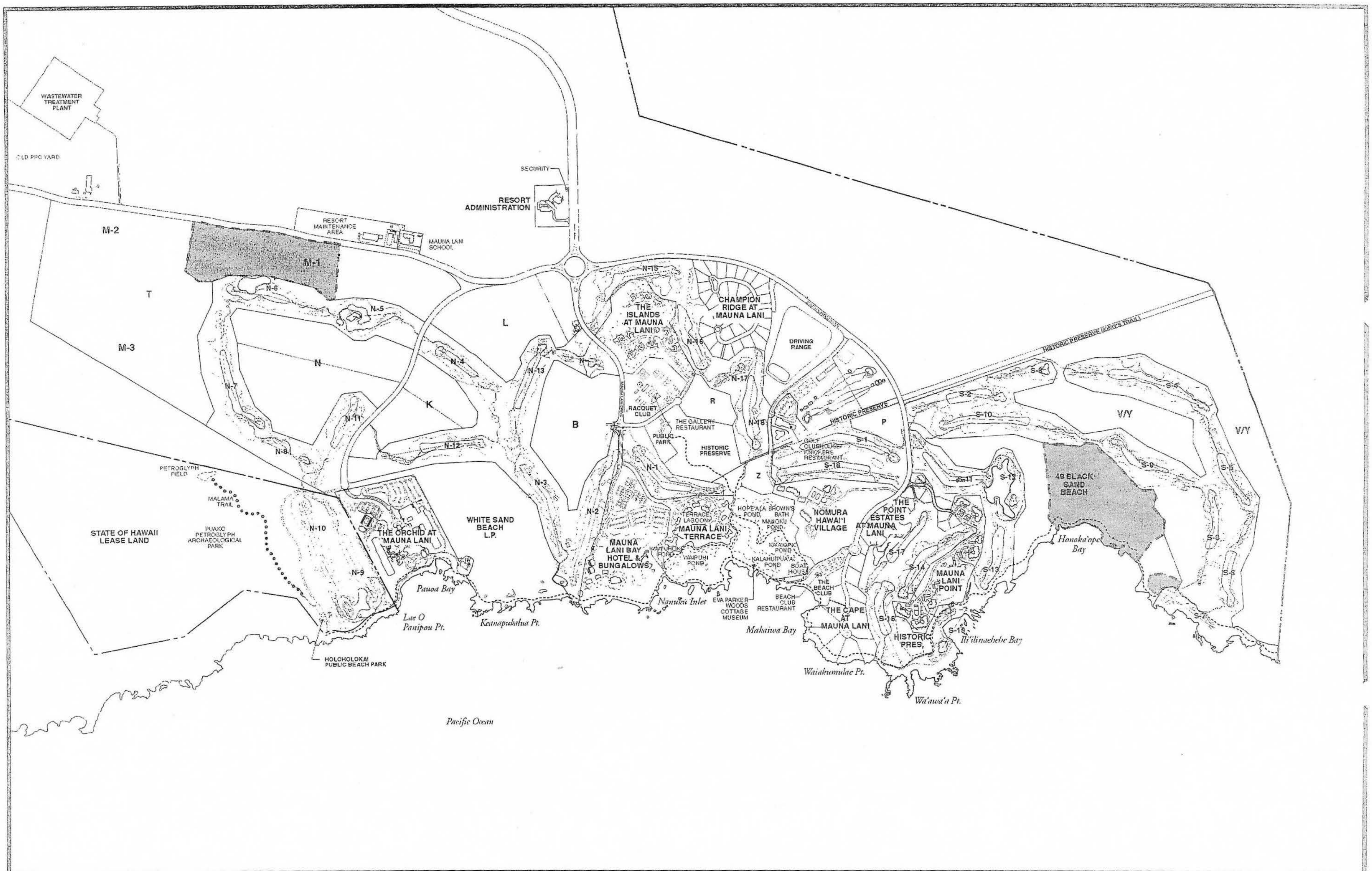
Tax Map Key	Total Area	Affected Area	% of Total
(3) 6-8-22:portion of 10	49.066 acres	32.519 acres (RM-4 to V-1.25)	
(3) 6-8-33: 3 to 11, 34 to 48, 52, and portions of 1, 2, 12, 13, 20, 21, 32, 33, 49, 50, and 53	43.710 acres	32.519 acres (V-1.25 to RM-4)	
	92.776 acres	65.038 acres	70.1%

Surrounding Property Owner/Lessee Notification

The notification list of property owners and lessees within 300 feet of the subject properties are included in Attachment 4. Related tax maps are also part of this attachment.

Conclusion

The above analysis demonstrates that the request qualifies as an administrative determination for a nonsignificant zoning change. The change would result in no net change of zoning area or density and is consistent with the General Plan designation of Mauna Lani Resort as a resort destination area.



NORTH

0 450 900 1800

SCALE IN FEET

LEGEND

Areas of Non-Significant Zoning Change

Figure 1
PROJECT LOCATION

Mauna Lani Resort Non-Significant Zoning Change Request
Prepared by Belt Collins Hawaii
June 2000

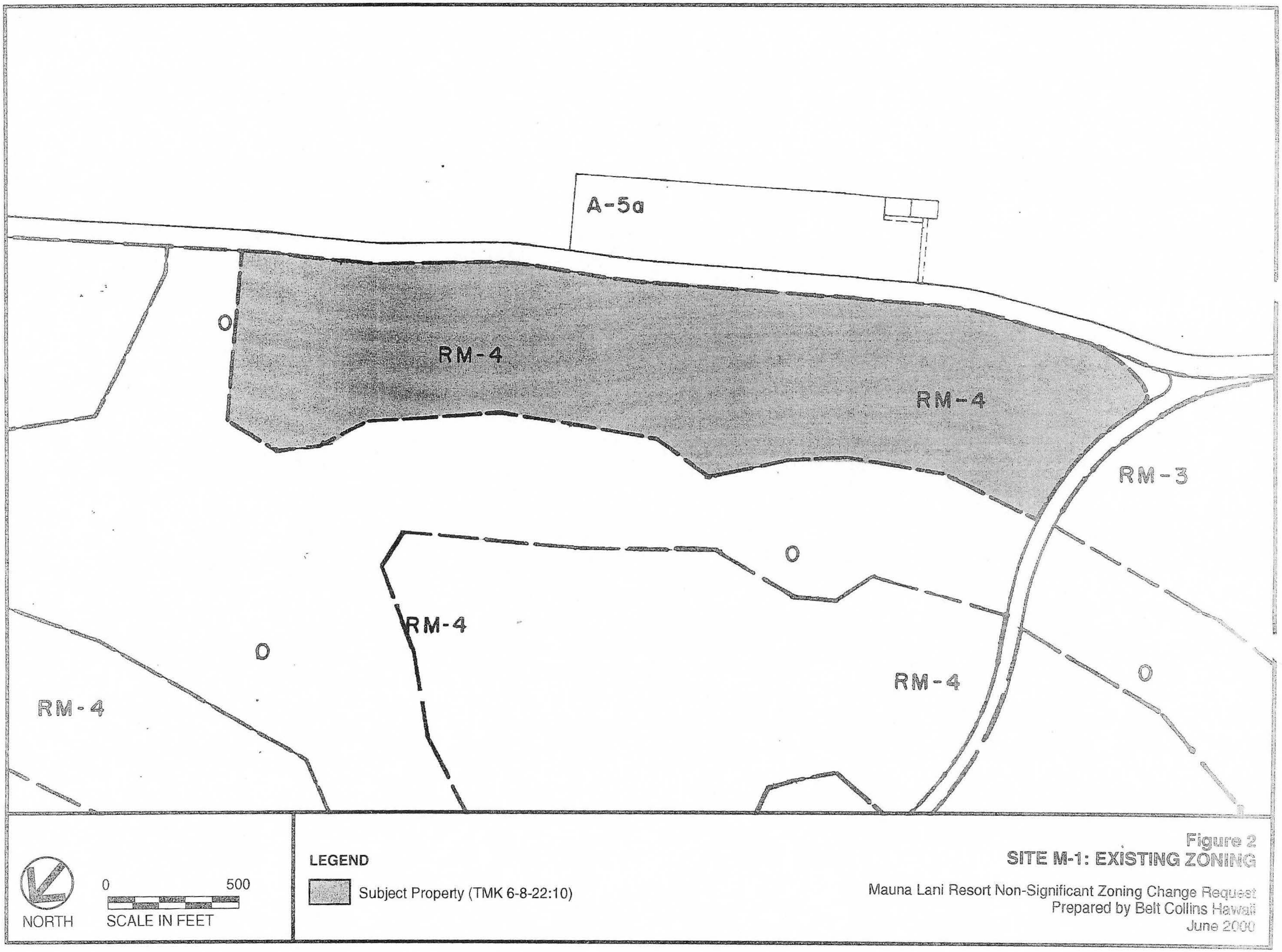
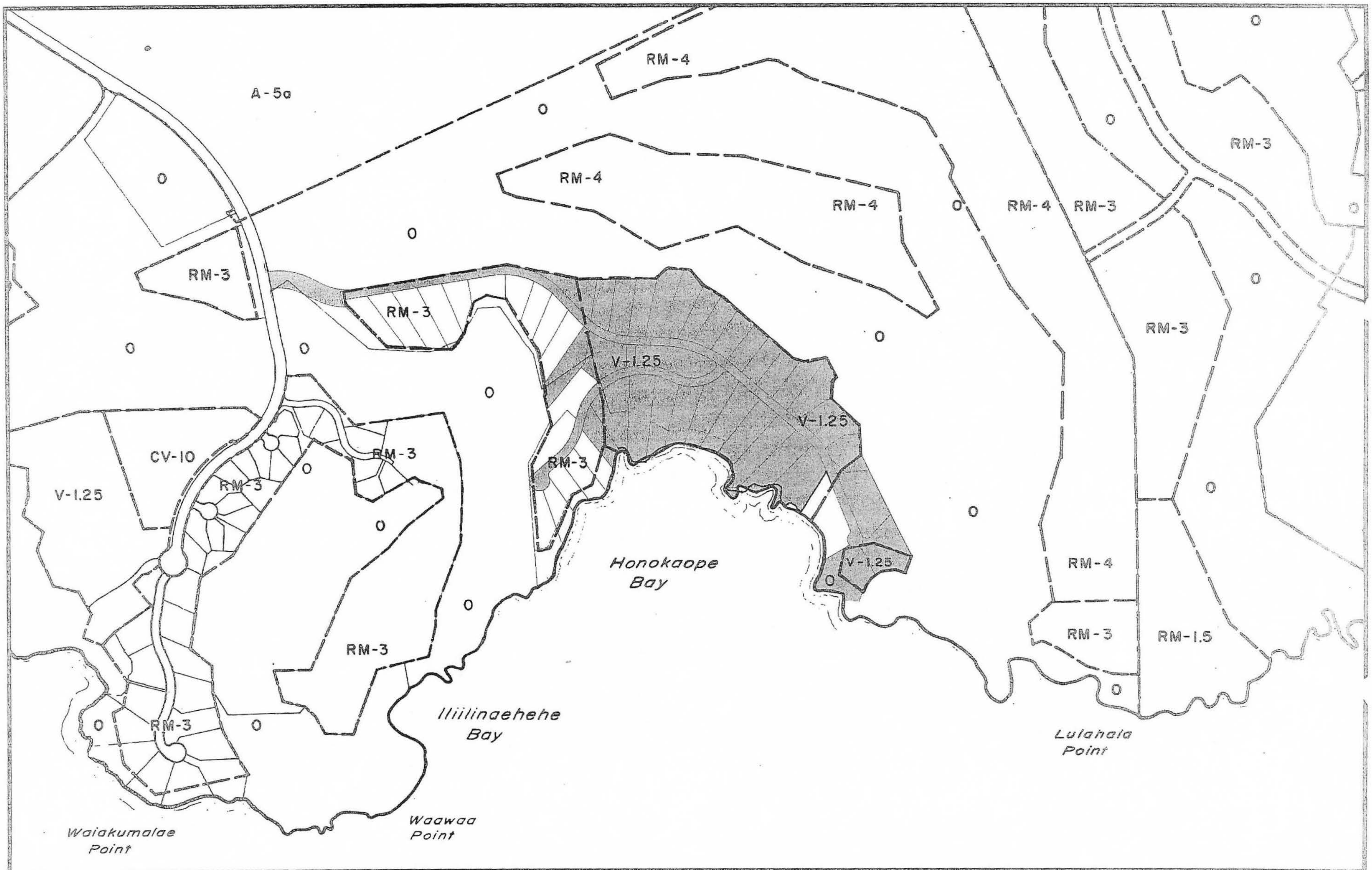


Figure 2
SITE M-1: EXISTING ZONING

Mauna Lani Resort Non-Significant Zoning Change Request
Prepared by Belt Collins Hawaii
June 2000

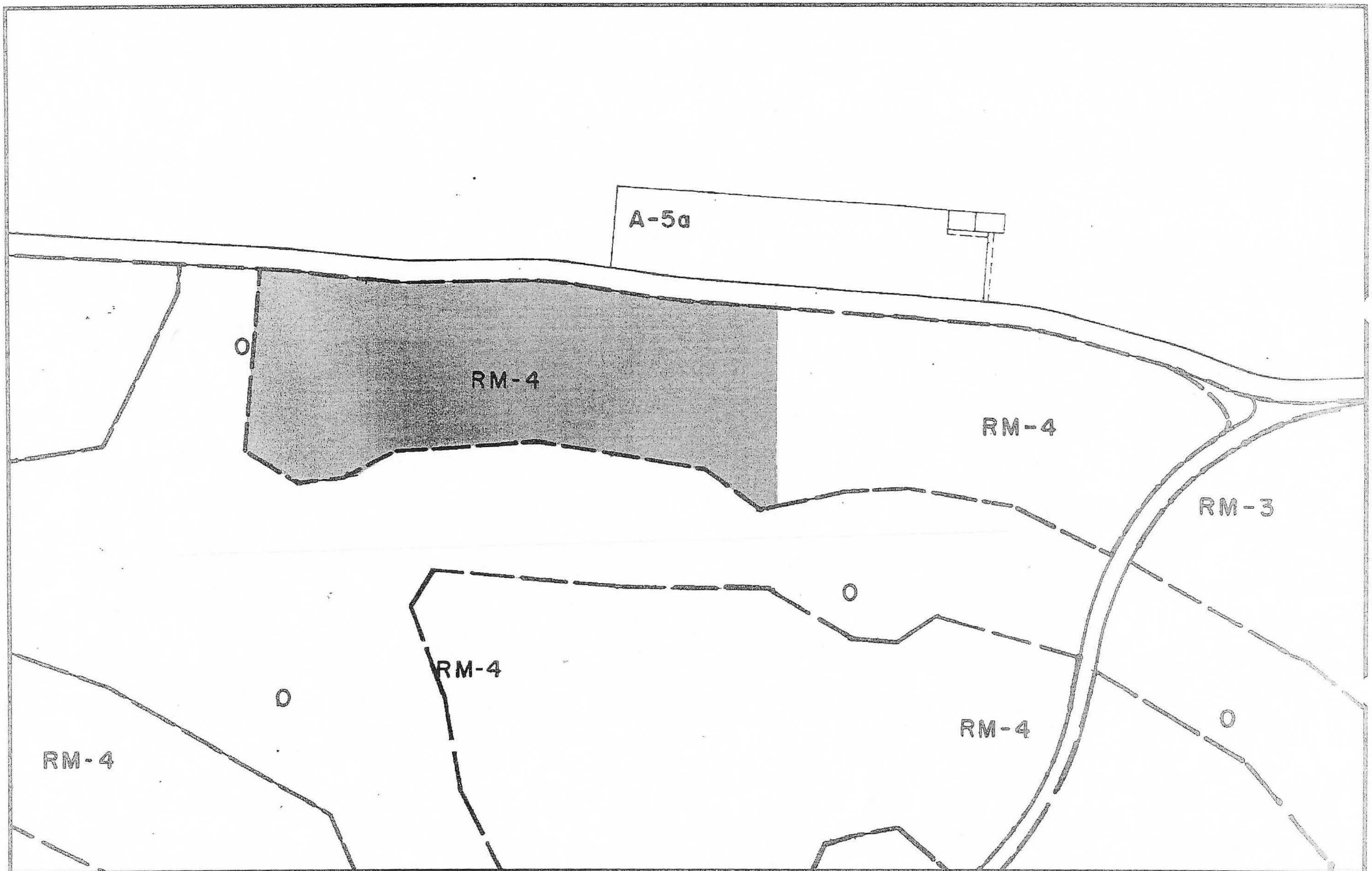


LEGEND

Subject Property (TMK 6-8-33: various parcels)

Figure 3
49 BLACK SAND BEACH: EXISTING ZONING

Mauna Lani Resort Non-Significant Zoning Change Request
Prepared by Belt Collins Hawaii
June 2000



NORTH

0 500
SCALE IN FEET

LEGEND

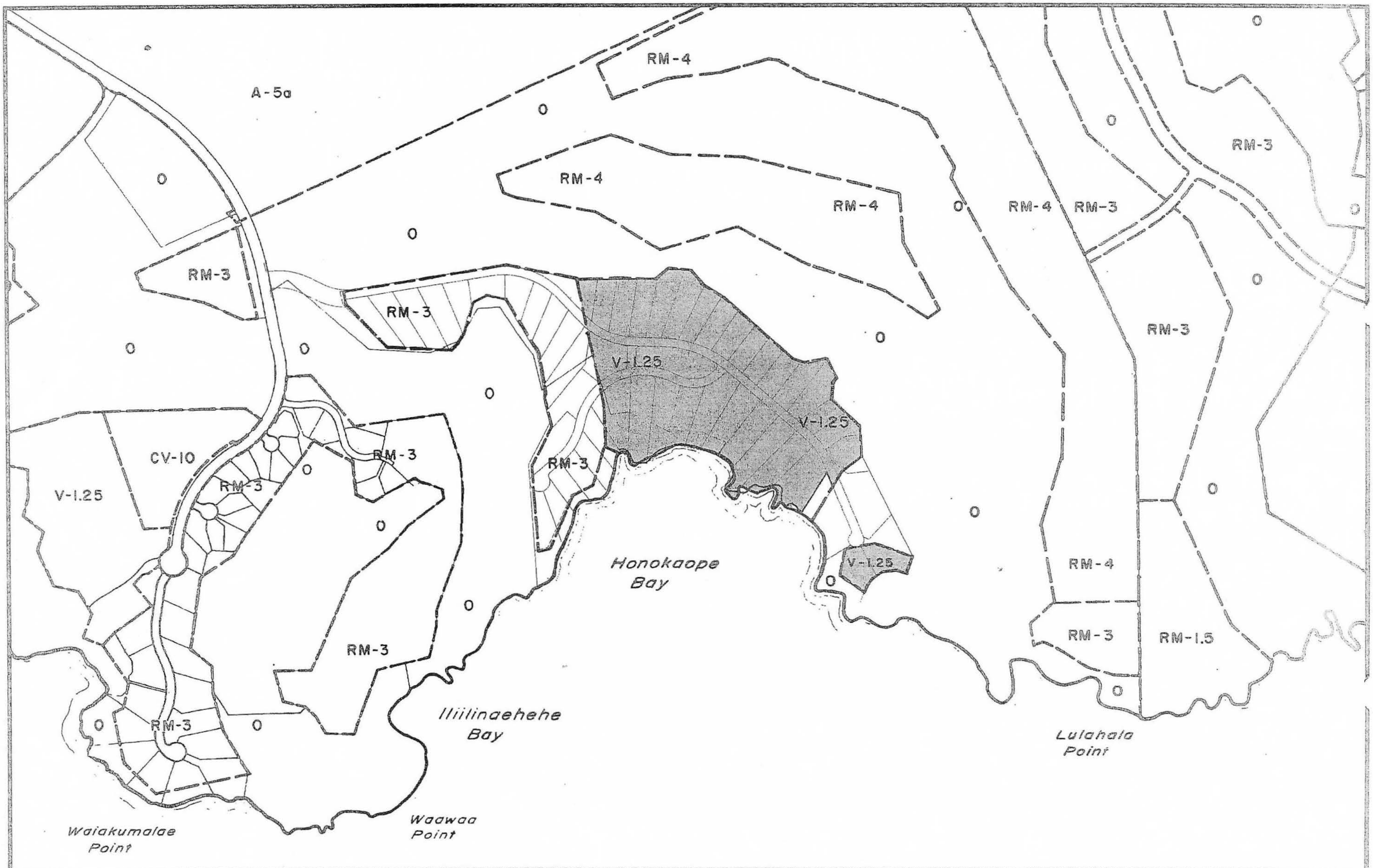
Proposed RM-4 to V-1.25

Figure 4
SITE M-1: PROPOSED CHANGES

Mauna Lani Resort Non-Significant Zoning Change Request
Prepared by Belt Collins Hawaii
June 2000

9849.0500/002-3 l5/30/00

9849.0500/002-4 l:5/30/00



LEGEND

Proposed V-1.25 to RM-4

Figure 5
49 BLACK SAND BEACH: PROPOSED CHANGES

Mauna Lani Resort Non-Significant Zoning Change Request
Prepared by Belt Collins Hawaii
June 2000