

REEDS BAY RESORT HOTEL, LTD.

175 BANYAN DRIVE  
HILO, HAWAII 96720

2018 AUG 29 PM 3 11

PLANNING DEPARTMENT  
COUNTY OF HAWAII

Banyan Drive Hawaii Redevelopment Agency  
County of Hawaii  
Mr. Brian Delima, Chairperson  
Members of the Agency Board

Mr. Donald T. Inouye, President  
Reeds Bay Resort Hotel, Ltd.

August 29, 2018

**SUBJECT:** Request to be on the agenda for the coming agency meeting next month of September to secure a vote of approval for a support letter.

Dear Mr. Delima,

A meeting was held with our Senator Kahele on 8/22/18 concerning Reeds Bay Resort Hotel, Ltd. lease which has been delayed since the passage of Act 219 on the 11<sup>th</sup> day of July, 2011. Since that date the Department of Land and Natural Resources has contended that there is better use for Reeds Bay Hotel property and since then made it a requirement the corporation must wait until the "implementation" of the Master Plan. It has now been over three years without a lease for Reeds Bay Hotel.

During the meeting the assertion was that since the approval of "Tomorrow, Land Use Scenario 2" there should no longer be a reason for delay by DLNR on the issuance of a new lease to Reeds Bay Resort Hotel, Ltd.

It is therefore requested that the BDHRA offer their support by way of a letter to DLNR for Reeds Bay Resort Hotel, Ltd. for the corporation's pending request for a new lease which has not been answered for over 12 months.

It is therefor request to be on the agenda for the September agency meeting.

Respectfully Submitted,



Donald T. Inouye

Encl: (1) Seeking release of order  
(2) Rescinding of order (8/2/18)  
(3) Mistake adv 8/24/18

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REEDS BAY RESORT HOTEL, LTD.  
Banyan Drive (office)  
Hilo, Hawaii 96720  
(808) 934 7277

June 27, 2018

Hand delivery

Mr. David Yamamoto, Building Chief  
Build Division, Department of Public Works  
Hilo, Hawaii

Mr. Donald T. Inouye, President  
Reeds Bay Resort Hotel, Ltd.  
Hilo, Hawaii

Subject: Reeds Bay Resort Hotel, Ltd. is seeking the release of the "Notice of Order".

Dear Mr. Yamamoto,

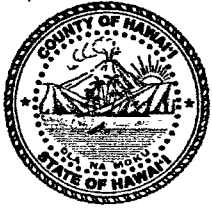
Reeds Bay Resort Hotel, Ltd. (RBRHL) has been responsibly working on the over 80 cited Building and Fire Department violations toward each becoming compliant. This has been a very challenging and very demanding circumstance for the corporation because many violations have been inherited. RBRHL has tackled the many violations in a positive respectful way while hopefully looking toward a new lease, even while having to fund the expenses necessary for compliance. Please review the attached report which indicates the status of each violation. The report indicates what the total distributed expenses are to date, plus what the estimated cost for the "permits filed" items will become at a later date. RBRHL will continue to work with the building department to insure full compliance of all violations.

The two most unanticipated details in dealing with all the violations are (#1) the financial cost and (#2) the time expended (10 months). The cost to RBRHL to date is \$144,711. This is an average monthly expense of \$14,471 over the last ten (10) months. The breakdown of the expenditures for the Building Department \$70,485, Fire Department \$22,020, and other necessary direct cost of \$52,206. There will also be the additional cost of \$80,660 in future expense, this is the estimated expenditure to accomplish the follow-up work required on all the "permits filed". The cost anticipated to be paid out by the corporation in compliance with all the violations will finally be a total of \$225,371.

DLNR's answer is yet to be received after ten (10) months to our latest (8/21/17) lease proposal request to do a complete upgrade in improvements in the amount of \$2,200,000. The corporation has over the years submitted timely lease proposal requests and all qualified per State Statues. However, with all the political input, even the newspaper headlines 2/5/16 of "HOTEL AREA BLIGHTED" and with a "Master Plan" being developed for the area by the BDHRA, a new lease for RBRHL has been pushed aside for almost five years. It is anyone's guess as to when a new lease could be foreseeable in the future. DLNR staff must come to an understanding that RBRHL is here to stay and that the corporation's two (2) buildings will not be demolished as proposed in a recent study. A copy of RBRHL latest lease request proposal to DLNR dated 8/21/2017 cited above is attached for your perusing.

Therefore, this corporation respectfully request that the "Notice of Order" be discharged. It is also requested that any costly violation items remaining that are non-hazardous be granted a deferment until the status for a new lease for this corporation has been determine.

The following informative material by number sequence is submitted in further support of this request.



## BUILDING DIVISION • DEPARTMENT OF PUBLIC WORKS

101 Pauahi Street, Suite 7, Hilo, Hawai'i 96720

74-5044 Ane Keohokalole Highway, Building E, Kailua-Kona, Hawaii 96740

(808) 961-8331, Fax (808) 961-8410

(808) 327-3520, Fax (808) 327-3509

August 2, 2018

CERTIFIED MAIL

7016 0600 000 8084 3942

Donald T. Inouye

Reeds Bay Resort Hotel, LTD.

175 Banyan Drive

Hilo, Hi 96720

Re: Rescinding Order  
175 Banyan Drive  
Hilo, Hi 96720  
Tax Map Key (3) 2-1-005:022

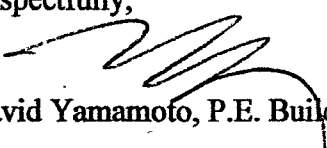
Dear Mr. Inouye:

Due to your immediate and continued attention and efforts to correct the violations listed in the August 14, 2017 Notice of Violation, Department of Public Works-Building Division ("DPW-BLDG") is **rescinding** the March 8, 2018 Order, copy attached. The Notice of Violation remains in effect until all violations have been completed, inspected, and in compliance with the Hawaii County Code. Further, you must notify DPW-BLDG if and when you receive a long term lease from the State. If continued efforts are not made to correct violations and/or you do not notify DPW-BLDG if and when you receive a long term lease from the State an Order will be issued that may impose administrative and/or civil fines and/or referral to the appropriate legal authorities for action.

Thank you for your cooperation and diligence in addressing this matter.

Should you have any questions on this matter, please contact us at 961-8331.

Respectfully,

  
David Yamamoto, P.E. Building Chief

cc: Allan Simeon, Director of Public Works  
Merrick Nishimoto, Deputy Director of Public Works  
Malia Hall, Deputy Corporation Counsel  
Jai Ho Cheng, Deputy Building Chief

Encl: Order

**Public  
Hearings**

**Public  
Hearings**

**Public  
Hearings**

**PUBLIC HEARING NOTICE  
COUNTY OF HAWAII  
BOARD OF APPEALS**

JUSTICE IS HEREBY GIVEN of hearings to be held by the Board of Appeals of the County of Hawaii in accordance with the provisions of Section 6-9.2 of the Charter of the County of Hawaii and the Board's Rules of Practice and Procedure.

**DATE:** Friday, September 14, 2018

**TIME:** 10:00 a.m.

**PLACE:** County of Hawaii, Aupuni Center Conference Room

101 Pauahi St., Hilo, HI 96720

**STATEMENTS FROM THE PUBLIC FOR ITEMS ON THE AGENDA**

**OLD BUSINESS**

**1. HAKALAU POINT PRESERVATION ASSOCIATION (BOA 18-000187)**

Finding of Facts, Conclusions of Law, Decision and Order for Appeal of Planning Director Determination Regarding Special Management Area Minor Permit (SMM-17-000378) Dated December 27, 2017. Location: 29-2306 Old Mamalahoa Hwy., Hakalau, Hamakua, HI TMK: 2-9-002-079 & 2-9-002-081.

**2. HILO PROJECT, LLC & SCOTT WATSON (BOA 17-000177)**

Appeal of Planning Director's Notice of Violation and Order (ZCV 2017-056E) Dated August 24, 2017

Location: Lot 23, 28-3000 Beach Road, Pepeekeo, North Hilo, HI TMK: 2-8-008-151.

**NEW BUSINESS**

**3. LELEWI COMMUNITY ASSOC. (BOA 18-000196)**

Appeal of Planning Director's Decision Dated May 30, 2018, Related to SMA Minor Use Permit SMM-17-000367. Location: 18 Oeoe St., Hilo, HI TMK: (3) 2-1-018-032.

**4. REEDS BAY RESORT HOTEL, LTD. (BOA 18-000189)**

Appeal of Department of Public Works' Director's Notice of Order Dated March 8, 2018 Related to a Notice of Violation Issued on August 14, 2017 (Case: CE2017-664H). Location: 175 Banyan Drive, Hilo, HI TMK: 2-1-005-022.

**MINUTES**

August 10, 2018

**ADMINISTRATIVE MATTERS**

Status of appeals filed on Board of Appeals decisions - Corporation Counsel

**ANNOUNCEMENTS**

**ADJOURNMENT**

Additional information related to the above matter is on file at the Planning Department, Aupuni Center, 101 Pauahi St., Suite 3, Hilo, HI 96720 and/or the Planning Department, West Hawai'i Civic Center, 74-5044 Ane Keohokalele Hwy., Kailua-Kona, HI 96740. The Board's Rules may be viewed online at <http://www.hiplanningdept.com/boards-and-committees/>.

Anyone who requires an auxiliary aid or service, other reasonable modification, or language interpretation to access this meeting, please contact the Planning Department at 961-8288 as soon as possible, but no later than five (5) working days prior to the meeting date, to arrange for accommodations. "Other reasonable modification" refers to communication methods or devices for people with disabilities who are mentally and/or physically challenged.

**ARNE WERCHICK, CHAIRPERSON  
BOARD OF APPEALS**

Hawaii County is an Equal Opportunity Provider and Employer  
(H11126262 - 8/24/18)