

REEDS BAY RESORT HOTEL, LTD.
175 BANYAN DRIVE
HILO, HAWAII 96720

2019 FEB 19 PM 4 01

February 19, 2019

Banyan Drive Hawaii Redevelopment Agency
County of Hawaii
Mr. Brian De Lima, chairman and
Members of the Agency Board

Mr. Donald T. Inouye, President
Reeds Bay Resort Hotel, Ltd.
Cell Phone: 895 4646

SUBJECT: Request to be on next the agenda (2/27/19) to discuss the following solution to the problem
of (1) A new lease or (2) Remain on the Month to Month Permit (with conditions)

Dear Mr. De Lima, Chairman and Members of the Board,

IN AS MUCH (1)...That your agency is really a "super agency" because formulated under the Hawaii's Urban Renewal Law by the declaration of "Hotel area, blight" by the Windward Planning Commission through the collaboration of the County of Hawaii Planning Director and the Chairperson of the Board of Land and Natural Resources.

IN AS MUCH (2)...The Land Board Chairperson Suzanne Case under the proposal (T/H 2/16/2016) DLNR would remain the landlord and still receive the lease rent. "We're really just a collaborator, we're a landlord" she said.

IN AS MUCH (3)...According to the written word by DLNR staff to the Land Board meeting on 12/12/2014 it stated that Reeds Bay Resort Hotel, Ltd. (RBRHL) Would retain ownership of all improvements but would have to remove all improvement leveling the property to the satisfaction to DLNR. Reeds Bay corporation was to remain on the Month to Month Permit until the implementation of the Master Plan. The Land Board negated the provision of removing the improvements from the property and disapprove the lease extension at the same time allowing the month to month permit.

IN AS MUCH (4)...Following the Marco Polo disastrous fire RBRHL was inspected by the Building and Fire Departments and have directed and expended over \$175,000 as of this date. RBRHL complied with any violation deems life threatening as well as many others which in all total thus far a big 89 total. The two buildings and improvements have not been inspected for over 23 years. RBRHL has filed for 5 permits which cover a total of 28 different areas. The expected cost to complete all items is expected to exceed a total cost of \$200,000 additional. This is all promo gated on being able to comply with the building department demands and not being fined the \$1000 and then \$1000 per day as last year which was finally repealed. The corporation has been informed by the building department Building Chief it expects compliance even while on the Month to Month Permit and expects also to be informed if a new lease is received. Please note this is all duplicate cost of what is obligated in our request for a new lease. The unanswered lease request which includes \$2,200,000 of improvements was filed with DLNR in August Of 2017 and it has been one year and five months ago, this was the same month of inspection.

IN AS MUCH (5) ... The County of Hawaii Planning Department received a request on July 13, 2017 concerning the annual renewal of revocable permits and the answer to that letter dated 8/14/17 from Mr. Michael Yee, Director stated concerning RBRHL month to month permit #7892 in paragraph 2 ... "it would seem unlikely that a month-to-month revocable permit would provide reasonable opportunity or security for a lessee to finance the corrective actions."

THEREFORE...FROM ALL THE ABOVE INFORMATION...

SOLUTION NO. 1...

If BDHRA would send a letter to the Building Department demanding that a hold be put on any violations that are not life threatening then it would justify RBRHL to remain on the Month to Month Permit until the implementation of the Master Lease.

OR...

SOLUTION NO.2...

Follow through with the original request for a lease request support for RBRHL to DLNR.

Respectfully Submitted,



Donald T. Inouye

Encl: ltr building chief



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

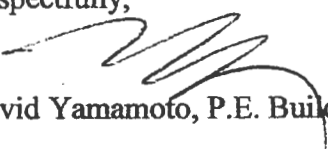
Dear Mr. Inouye:

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