

DEVELOPMENT SITE FOR SALE



Resort Residential Development Site

‘Āinamalu at Waikoloa

Kona-Kohala Coast (Gold Coast), Island of Hawai‘i



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RESORT MAP

- 1 Mauna Kea Beach Hotel, Hapuna Beach Prince Hotel
- 2 Mauna Lani Resort Collection , The Fairmont Orchid
- 3 Waikoloa Beach Resort, Hilton Waikoloa Village
- 4 Four Seasons Resort Haulālai
- 5 Kūki'o Golf and Beach Club
- 6 Kona International Airport
- 7 Kohanaiki Private Club Community
- 8 Courtyard Marriott



Captain Cook



BACKGROUND



“ ‘Āinamalu at Waikoloa is a resort residential development on 252.001 acres within the Waikoloa Beach Resort. ”

Development commenced in 2018, with Phase 1 consisting of 40 single family residential lots. Developer-built homes were completed and sold on 39 lots. The property in this offering includes the balance of the undeveloped land, including 58 acres zoned for multifamily residential (RM-6 & RM-8), 4.853 acres zoned for village commercial (CV-10), one vacant lot in Phase 1, and 175.64 acres in the Open District (0).

The project was allocated a total density of 420 residential units, including 60 multiple-family units allowed on the CV-10 zoned parcel. The allocation is within the overall limit of 3,365 residential units permitted for the entire Waikoloa Beach Resort per the State and County land use, zoning, and Special Management Area Use Permit for which the master developer, Waikoloa Development Co., and its affiliates have maintained compliance with all conditions and fulfilled requirements, including affordable housing and community benefit contributions.



THE OPPORTUNITY



In-place improvements include the 80' wide entrance road with 20 feet wide landscaped median strip, separating 14 feet wide paving for each lane, 16 feet wide grassed drainage swales, and landscaping with lava rock walls. Installation of utility lines and conduits into the project, interior streets within Phase 1, and mass grading with pad sites for the 20 residential lots in Phase 2, for which final subdivision approval has been granted. All residences developed within the project area may be used as vacation rentals or as primary and secondary homes.

The Seller is offering to sell all the real estate with all in place entitlements and capital improvements in their current condition. The offering allows for a developer to proceed quickly with development plans building on what has been completed in Phases 1 & 2, then with the flexibility to design the future phases of the project according to the developer's vision meeting the desires and needs of the future owners and broader island community.

Price: \$40,000,000 U.S.

Title: Fee Simple insurable title with a limited warranty deed.



DESCRIPTION (PHASES 1 & 2)



Lots in Phase 1

Phase 1 – One vacant single-family residential lot 15,595 fronting the King's Golf Course will be included in the sale. Thirty-nine homes were sold in Phase 1.

Phase 2 – Final Subdivision Approval of the 8.622-acre parcel into 20 single-family residential lots has been granted. The subdivision improvements have not been completed. The site has been graded with level pads for building sites and street alignments in anticipation of the streets and utility line installation. The lots have sweeping coastal and mountain views: six facing the ocean and fourteen mountain. (The 8.622 acres is zoned Multiple-Family Residential (RM-8), one unit per 8,000 SF, and has been subdivided under PUD 49 for single-family lots of a minimum of 10,000 SF. Seller is in process of finalizing bids for the horizontal improvements for Phase 2 and may commence work on that phase, should it obtain a satisfactory offer for the 20 home-sites. Should Phase 2 be included in any sale, Seller will require reimbursement for expenses to date with respect to said improvements.)



DESCRIPTION (PHASES 3 & 4)

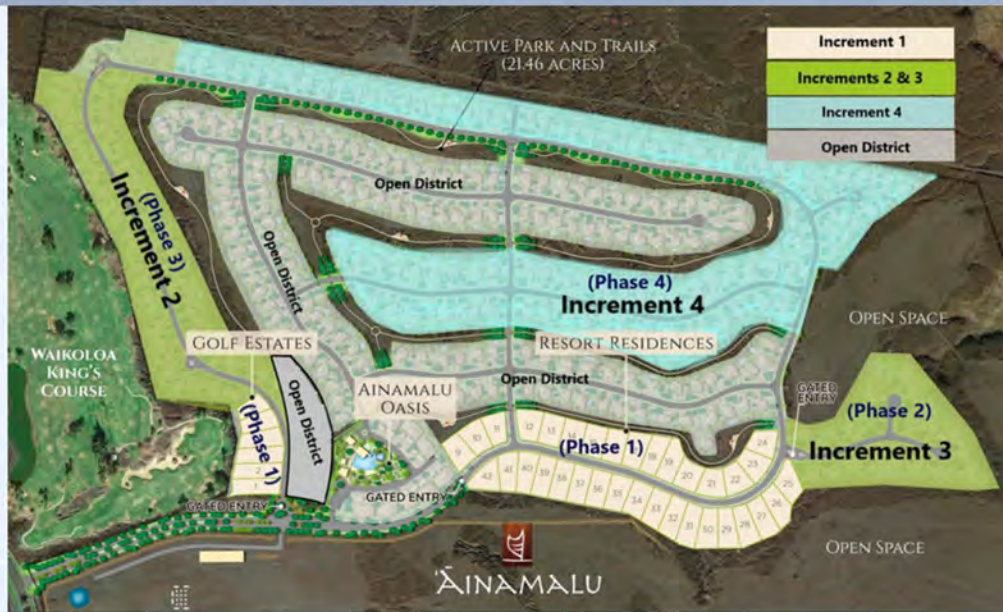


Figure 3: Lot map with Phases 1-4 illustrated.

Phase 3 – The 14.728-acre parcel is zoned Multiple-Family Residential (RM-6) with golf course frontage on the south side and open space to the north. Tentative Approval of a Preliminary Plat Map for 48 singlefamily residential lots was granted, with 24 fronting the golf course. Alternatively, the parcel may be developed with up to 114 multiple-family residential units to be sold under a condominium property regime or retained as income-producing vacation rentals.

Phase 4 – The 32.363-acre parcel is zoned RM-8. Conceptual engineer's drawings for the 87 single-family residential lots > 10,000 SF have been prepared. Alternatively, the property may be developed into a possible 176 multiple-family residential units to be sold under a condominium property regime or retained as income-producing vacation rentals.

CV-10 Site - 4.853 acres. Up to 60 units and commercial venues to exclusively serve the owners of residences in Ainamalu and their guests may be located on the site.



DESCRIPTION



From left to right: CV-10 site Conceptual Plan and Phase 2 Subdivision Map.

Please review Figure 1 and Figure 2.

Land Area: Forty parcels with a total land area of 238.60 acres.

Open District Land Areas – The former developer had plans to seek a change of zone (COZ) for approximately 45 acres that had formerly been planned for golf course fairways from Open District to Residential in order to complete the subdivision into 155 single-family residential lots for which a civil engineer prepared a preliminary plat. No application for the COZ has been submitted.

Permitted uses within the Open District include the among other uses, "(10) Private recreational uses involving no aboveground structure except dressing rooms and comfort stations." As well as "(c) Uses considered directly accessory to the uses permitted in this section shall also be permitted in the O district." (Quotations are from HCC Section 25-5-162. Permitted uses in Open districts.) accessory to the uses permitted in this section shall also be permitted in the O district." (Quotations are from HCC Section 25-5-162. Permitted uses in Open districts.)



COMPELLING FACTORS



In Place Capital:

The property has valuable and irreplaceable land use approvals, zoning, entitlements, infrastructure, and improvements in place.



Waikoloa Beach Resort Community:

This ideal, sought-after location is a sunny resort vacation destination on the Island of Hawai'i, and it has garnered a highly valued reputation throughout the world.



High Barriers to Entry:

Only a small portion of Hawaii's land is zoned for urban development. Further constraints to development include limited infrastructure and a protracted entitlement process. The development of other lands in remote locations on the island may be controversial. The growth and success of the Waikoloa Beach Resort has been over fifty years of providing a high-quality experience for both visitors and the island community, commitment to keep promises by the master developer, and creation of tangible community benefits in jobs and affordable housing for local families.



Substantial Civil Construction Completed:

Access to the Project from Waikoloa Drive, the first increment with 40 homesite lots and access provided to the 60-unit condominium and community center site, has been completed. Subdivision site work, with house pads, is completed for Phase 2

COMPELLING FACTORS (CONTINUED)



In place utilities to the development:

Potable water is supplied by the publicly regulated private water company that services the entire Waikoloa Beach Resort (WBR), which is owned and operated by the Hawaii Water Service Company. An adequate water resource has been developed for the future density of 'Ainamalu and the rest of the WBR's development. Sewer service mains have been installed in Phase 1 up to the Phase 2 site. Phase 3 and a pump station will be installed on the parcel (3) 6-8-014: 001. The Waikoloa Wastewater Treatment Facility has adequate capacity for development. Hawaiian Electric provides electrical power. Hawaiian Telephone and Spectrum provide wired communication, and wireless is available from ATT and Verizon.



STVR Zoning:

'Ainamalu at Waikoloa is uniquely entitled both by private covenants and County of Hawaii zoning to allow all the residential units to be used as short term vacation rentals.



Tesla Energy:

Most of the thirty-nine homes in Phase 1 have installed Tesla Power Walls (batteries) and panels. Phase 2 had been planned for use of Tesla's Solarglass Roof. The use of solar panels and battery storage significantly reduces the cost of electricity for owners of residences in the developer.



The property has installed service lines for propane which is distributed from a centrally located tank.

WAIKOLOA BEACH RESORT

Waikoloa Beach Resort's planning began in the 1960s when Boise Cascade Home and Land Corp. (Boise Cascade) was selected by Richard Smart, the native Hawaiian heir to the Parker Ranch, as the buyer and developer of the lands of Waikoloa, an iiii (division) of the ahupua'a of Waimea. Boise Cascade soon began master planning the beach resort, village, and ranch lands. In 1968, the State Land Use Commission reclassified 500 acres, 'Anaeho'omalu, lands that had been reserved for the sole use of 'Ali'i on the shore makai of the Kings' trail. Approval was obtained to develop 3,000 hotel rooms, 3,430 residences, two golf courses, recreational amenities, and commercial space. In 1989, in response to a petition from the developer, the LUC reclassified an additional 853 acres of mauka (inland) from the original 500 acres. With the new classification, the number of residential units was reduced to 3,365, spread over the entire 1,353 acres. The development of the resort lands was also guided by amended 1977 Special Management Area Major Use Permit 25.

The Waikoloa Beach Resort, known as the gathering place on the Kohala Coast, has been developed over decades, fulfilling the vision of some of the prime movers for the development - Ronald Boeddecker, Thos Rohr, and Chris B. Hemmeter -

as a vibrant, active place. It now hosts over ten thousand visitors a year, plus many local families seeking golf, dining, surfing, the beach, shopping, and entertainment venues.



WAIKOLOA BEACH RESORT

Multiple-Family Residential:

NAME	UNITS
Fairway Villas	165
Waikoloa Beach Villas	120
Kolea Condominium Villas	126
Vista Waikoloa	123
Shores At Waikoloa	120
Waikoloa Colony Villas	168
Hali'i Kai	192
TOTAL:	1014

Hotels: The Hilton Waikoloa has 1,121 in a complex of three main buildings linked by a tram, water taxis, and an expansive pool. The Waikoloa Beach Marriot Resort & Spa has 295 guest rooms, with its premier location overlooking the Ku'uali'i and Kahapapa Fishponds and the beach at 'Anaeho'omalu Bay.

Timeshare: The Hilton Grand Vacations Club Kings' Land Waikoloa, King's Club a Hilton Grand Vacations, and Marriot Waikoloa Ocean Club combined have 900+ units.

Condominiums: The seven projects, each with a unique character, are used for year- round residences and vacation rentals.

Commercial: Two shopping centers, The Kings' Shops (<https://kingsshops.com/>) and the Queens' Marketplace (<https://www.queensmarketplace.com>), provide dining, entertainment, and resort shopping for the Beach Resort. The Island Gourmet Market, Waikoloa Luxury Cinema, Food Court, and restaurants are definite draws for visitors and locals.



WAIKOLOA BEACH RESORT

Future Development at Waikoloa Beach Resort

Waikoloa Land Company applied for a Change of Zone and Special Management Use Permit to accommodate redesigning the remaining area of the beach resort, which had been entitled by the State Land Use Boundary Amendment of 1989, the Rezoning of Ordinance 91-112 in 1991, and the SMA Use Permit 25 as amended. The rezoning and new SMA Use permits have been granted. The total number of units with the Kumu Hou project and Āinamalu does not exceed what had been previously approved

Table 2: Summary of Resort Units Entitled and Developed
As of May 2021

	Entitled	Developed	Remaining entitled	Notes
Visitor units	3,000	1,604	1,396	Hotel and timeshare units on resort-zoned lands
Residential units	3,365	1,810	1,555	Single-family and condominium units, plus timeshare units on RM-zoned lands
Total units	6,365	3,414	2,951	

Source: Waikoloa Land Company, 2021

"Kumu Hou will support 1,189 residential units, all of which already have LUC and SMA approvals in place. Of this total, 1,164 units are planned as timeshare units; among the timeshare units, 264 are already located on the Resort's master plan, while 900 are not. Additionally, Kumu Hou will include 25 single family lots in an area adjacent to one of the retained golf holes and the developing Āinamalu sub-division. It will also offer a new brackish water irrigation system." *PBR Hawaii & Associates, Inc. June 2021 Application to County of Hawaii.*



WAIKOLOA BEACH RESORT AND MAUNA LANI BEACH RESORT AREAS



FIGURE 1:

STATUS AND ALTERNATIVES WITH CURRENT ENTITLEMENTS

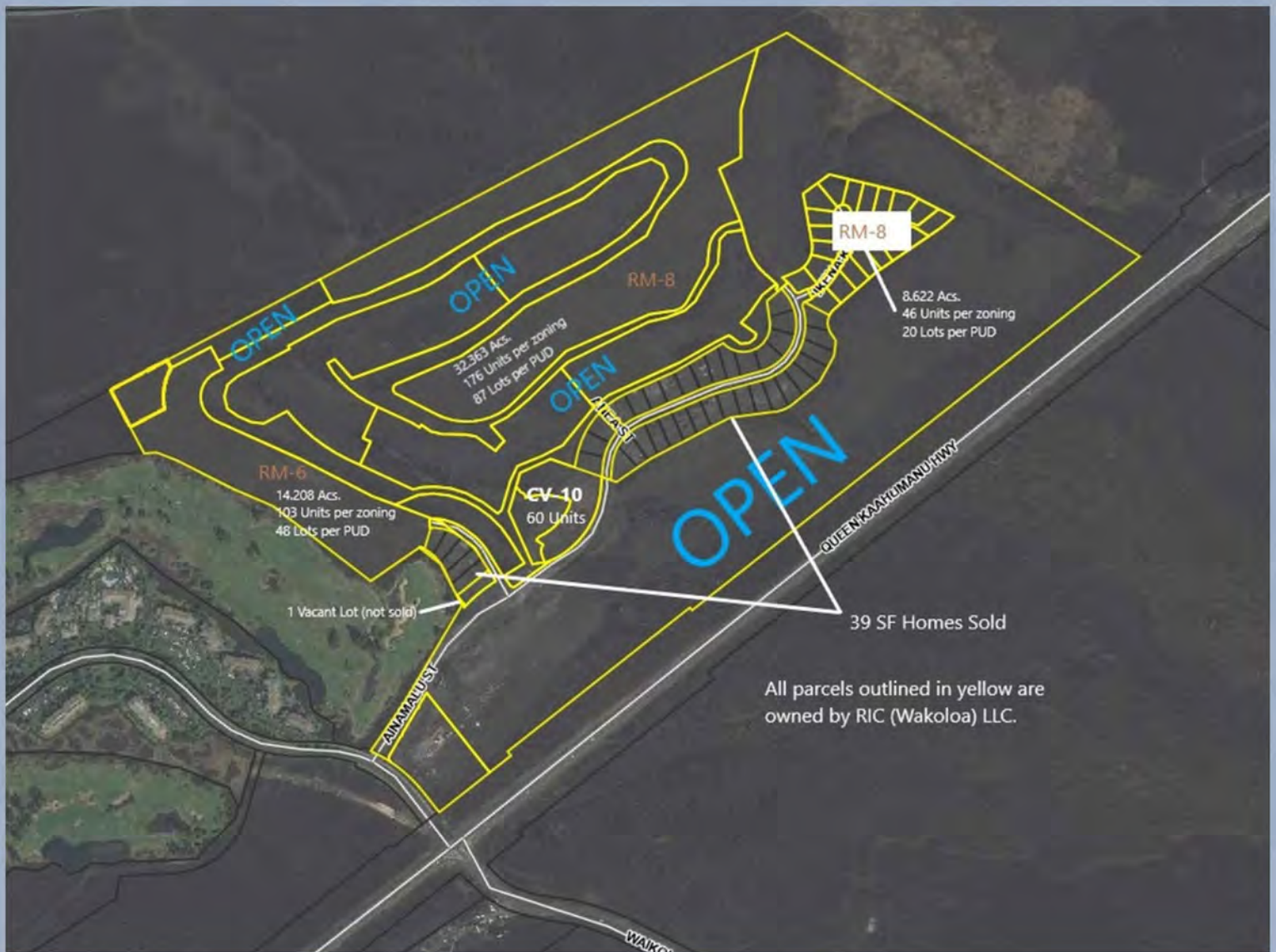
Taxkey	File Plan		Land Area		Zoning	Density per Zoning	Alternative 1	Alternative 2	Alternative 3	
	Map No.	Lot Designation	Square Feet	Acres			Density factoring deed restrictions and if Incr. 3 (Phase 2) were redesigned for a higher unit count (duplex?)	Density factoring deed restrictions and if Incr. 3 (Phase 2) were to remain 20 house lots.	Density per the subdivision Plan is currently contemplated using PUD 49 as amended.	
3-6-9-12-1	2503	9	4,441,290	101.958	Open					
3-6-9-12-2	2503	7	622,037	14.28	RM-6	103	103	103	48	
3-6-9-12-3	2514	8-A	74,357	1.707	CV-10*	61	0	0		
3-6-9-12-5	2503	45	184,085	4.226	Open					
3-6-9-12-6	2514	PARK SITE	975,265	22.389	Open					
3-6-9-12-7	2514	8-8	137,040	3.146	CV-10*	114	60	60	60	
3-6-9-13-1	2502	1	15,595	0.358	RM-6	2	1	1	1	
3-6-9-13-41	2502	ROAD LOT 1	146	0.0034	RM-6	0		0		
3-6-9-13-42	2502	ROAD LOT 2	4,275	0.0981	RM-6	0		0		
3-6-9-13-43	2502	ROAD LOT 3	99,273	2.279	RM-6	0		0		
3-6-9-13-44	2503	1	101,146	2.322	Open **					
3-6-9-13-45	2503	5	367,646	8.44	Open **					
3-6-9-13-46	2503	6	426,844	9.799	Open **					
3-6-9-14-1	2503	2	67,736	1.555	Open					
3-6-9-14-2	2503	3	113,169	2.598	Open **					
3-6-9-14-3	2503	7	641,595	14.729	Open **					
3-6-9-15-1	2503	4	1,409,732	32.363	RM-8	176	176	176	87	
3-6-9-15-2	2503	8	332,101	7.624	Open **					
3-6-9-15-3	2519	1	14,735	0.3383	RM-8					
3-6-9-15-4	2519	2	15,211	0.3492	RM-8					
3-6-9-15-5	2519	3	15,172	0.3483	RM-8					
3-6-9-15-6	2519	4	18,500	0.4247	RM-8					
3-6-9-15-7	2519	5	14,999	0.3443	RM-8					
3-6-9-15-8	2519	6	18,075	0.4149	RM-8					
3-6-9-15-9	2519	7	18,002	0.4133	RM-8					
3-6-9-15-10	2519	8	15,540	0.3567	RM-8					
3-6-9-15-11	2519	9	22,796	0.5233	RM-8					
3-6-9-15-12	2519	10	18,135	0.4163	RM-8					
3-6-9-15-13	2519	11	15,996	0.3672	RM-8					
3-6-9-15-14	2519	12	14,997	0.3443	RM-8					
3-6-9-15-15	2519	13	16,061	0.3687	RM-8					
3-6-9-15-16	2519	14	15,104	0.3467	RM-8					
3-6-9-15-17	2519	15	15,497	0.3558	RM-8					
3-6-9-15-18	2519	16	15,875	0.3644	RM-8					
3-6-9-15-19	2519	17	15,930	0.3657	RM-8					
3-6-9-15-20	2519	18	15,343	0.3522	RM-8					
3-6-9-15-21	2519	19	15,231	0.3497	RM-8					
3-6-9-15-22	2519	20	15,038	0.3452	RM-8					
3-6-9-15-23	2519	ROAD LOT 1	37,549	0.862	RM-8					
3-6-9-15-24	2519	ROAD LOT 2	11,805	0.271	RM-8					
Total Land:										
			10,388,923	238.50						
						Units Sold:	502.00	381.00	360.00	216.00
							39.00	39.00	39.00	39.00
							541.00	420.00	399.00	255.00
							8.622 Total Acreage Increment 3			
							46	41	20	20
							Additional SF Lots After Portion of Open District REZ:			156.00
							Total with REZ:			411.00

*Restrictions on the title to the property limit the number of residential units in the area zoned CV-10 to a maximum of 60. Over the entire 252.1 acres of the project, a total of 420 units are allowed, whether multi-family or single-family. Increment 1 has been developed as 40 single-family lots, of which 39 finished homes have been sold. The property being offered for sale includes the remaining one vacant lot in increment 1.

Open * indicates parcels requiring a change of zoning from Open District to Residential in order to complete the 155 additional single family residential lots as shown on conceptual plans prepared by civil engineer.



FIGURE 2: CURRENT ZONING AND OWNERSHIP MAP



Alternatives 1 and 2 (fig. 1) may proceed with ministerial (administrative) review and plan approval process.

Alternative 3 (fig. 1) will require no changes to PUD 49 or zoning up to the 195 lots, inclusive of the 40 lots in Phase 1, and the 60 units on the CV-10 zoned site. The additional 155 lots to be developed on lands currently zoned Open District will require an amendment to the County Zoning Code for a change of zone (COZ).

Other alternatives are possible, such as, COZ to increase area for MF units. The COZ would not increase number of units approved for Waikoloa Beach Resort. Any COZ proposed would be looked upon favorably since the governmental requirements for infrastructure and affordable housing have already been fulfilled



FIGURE 4:
SEPTEMBER 18, 2024, FROM THE SE CORNER



FIGURE 5:
SEPTEMBER 18, 2024, FROM NE CORNER



FIGURE 6:
SEPTEMBER 18, 2024, FROM SW CORNER



FIGURE 7:
SEPTEMBER 18, 2024, FROM NW CORNER



DISCLAIMER

Joel K. LaPinta ("JKL") has been retained by RIC (Waikoloa) LLC ("Owner") as the exclusive broker and adviser to present to qualified, high-quality developers the opportunity to acquire real estate with entitlements and zoning for the development known as Āinamalu located within the master-planned Waikoloa Beach Resort. Āinamalu at Waikoloa had commenced development on what initially was a ~252-acre site entitled to up to 420 residential units, either multiple-family or single-family. Thirty-nine single-family residences on separate lots have been sold to date. The offering is for the balance of the lands with entitlements. (the "Property").

The information contained herein has been carefully compiled and presented. While we have no reason to believe that there are any material inaccuracies, JKL, the Owner, and their officers, employees, and affiliates make no representations or warranties, express or implied, with respect to the accuracy or completion of the information or as to the future performance of the Project. Without limiting the foregoing, prospective equity partners should realize that any financial projections are estimates only and are based on factors that may change in the future.

Accordingly, prospective equity partners should make their own projections and form their own conclusions without reliance upon the material contained herein and should conduct their due diligence.

Each prospective buyer shall be responsible for any claims for commissions by any broker in connection with an acquisition of an equity interest in the Owner.

This memorandum is subject to change or withdrawal at any time without notice. Prospective buyers are advised that the Owner expressly reserves the right, in its sole discretion, to reject any or all offers, proposals, or other expressions of interest regarding the Property and to terminate discussions and/or negotiations with any party at any time, with or without notice.