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BENJAMIN A. ROSS 2202-0

NAOMI U. KUWAYE 6648-0

CAMERON W. NEKOTA 7741-0

745 Fort Street, 17th Floor

Honolulu, Hawaii 96813

Telephone: (808) 521-9500

Attorneys for PETITIONER

KAPOLEI PROPERTY DEVELOPMENT, LLC

LAND USE COMMISSION
STATE OF HAWAII
2006 MAR 17 A 11:52

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition

Of

KAPOLEI PROPERTY DEVELOPMENT,
LLC

To Amend the Agricultural Land
Use District Boundaries into
the Urban Land Use District for
Approximately 331.674 Acres in
Ewa District, Island of Oahu,
Tax Map Key Nos. (1) 9-1-
014:033 (por.) and 034 and (1)
9-1-015:020 (por.)

DOCKET NO. A06-763

PETITION FOR LAND USE DISTRICT
BOUNDARY AMENDMENT;
VERIFICATION; EXHIBITS "1" TO
"16"; CERTIFICATE OF SERVICE

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

VERIFICATION

EXHIBITS "1" TO "16"

CERTIFICATE OF SERVICE

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VERIFICATION

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| EXHIBIT "1" | TMK Map showing entire petition area and relevant TMK Nos. |
| EXHIBIT "1A" | TMK Map showing TMK (1) 9-1-14 and a portion of the petition area |
| EXHIBIT "1B" | TMK Map showing TMK (1) 9-1-15 and a portion of the petition area |
| EXHIBIT "2" | Survey Map Showing Proposed Kalaeloa Urban District Boundary Amendment |
| EXHIBIT "3" | Metes and bounds description of Lot A consisting of a portion of TMK (1) 9-1-014:033 (por.), (1) 9-1-014:034, and (1) 9-1-015:020 (por.) |
| EXHIBIT "4" | Environmental Impact Statement Preparation Notice |
| EXHIBIT "5" | True copy of the Trustees Limited Warranty Deed with Use Restriction, Covenants and Reservation of Rights for TMK (1) 9-1-014:033 |
| EXHIBIT "6" | True copy of the Trustees Limited Warranty Deed with Use Restriction, Covenants and Reservation of Rights for TMK (1) 9-1-014:034 |
| EXHIBIT "7" | True copy of the Trustees Limited Warranty Deed with Use Restriction, Covenants and Reservation of Rights for TMK (1) 9-1-015:020 |
| EXHIBIT "8" | Letter of Authorization for portion of the Petition Area which is owned by the Aina Nui Corporation |
| EXHIBIT "9" | Letter of Authorization for portion of the Petition Area which is owned by the Estate of James Campbell |
| EXHIBIT "10" | Affidavit of Naomi U. Kuwaye Attesting to the Service of Petition for Land Use District Boundary Amendment |
| EXHIBIT "11" | City and County of Honolulu Zoning Map |
| EXHIBIT "12" | Kapolei Harborside Center Project Master Plan Map |

EXHIBIT "13" Financial Statement

EXHIBIT "14" Notification of Petition Filing

EXHIBIT "15" Affidavit of Naomi U. Kuwaye Attesting to Sending
of the Notification of Petition Filing

EXHIBIT "16" Project Location Map

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BOUNDARY AMENDMENT

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

COMES NOW, KAPOLEI PROPERTY DEVELOPMENT, LLC, a Hawaii
limited liability company, whose principal place of business is
1001 Kamokila Boulevard, Suite 250, Kapolei, Hawaii 96707
("Petitioner"), and respectfully requests the Land Use
Commission of the State of Hawaii ("Commission"), to amend the
land use district classification of certain lands, hereinafter
described, consisting of approximately 331.674 acres of land
from the Agricultural District to the Urban District.

In support of the Petitioner's request to amend the land
use district classification of approximately 331.674 acres of
land, Petitioner respectfully alleges and presents the
following:

I
STANDING

Petitioner alleges standing to file this Petition for a Land Use District Boundary Amendment pursuant to Section 15-15-46(3), Hawaii Administrative Rules ("HAR") and Section 205-4(a), Hawaii Revised Statutes ("HRS"), which entitles any person with a property interest in the land sought to be reclassified to petition the Commission for a district boundary amendment.

II
AUTHORIZED REPRESENTATIVES

The law firm of IMANAKA KUDO & FUJIMOTO has been appointed and is hereby authorized to represent Petitioner in its Petition for a Land Use District Boundary Amendment and the proceedings thereon pursuant to HAR § 15-15-35(b). Pursuant to HAR § 15-15-50(c)(2), all correspondence and communication with regard to this Petition shall be addressed to:

1. IMANAKA KUDO & FUJIMOTO
Attention: Benjamin A. Kudo, Esq./Naomi U. Kuwaye,
Esq./Cameron W. Nekota, Esq.
Topa Financial Center, Fort Street Tower
745 Fort Street, 17th Floor
Honolulu, Hawaii 96813
Telephone: (808) 521-9500

2. Mr. Dan Davidson, Vice-President
Kapolei Property Development, LLC
1001 Kamokila Boulevard, Suite 250
Kapolei, Hawaii 96707
Telephone: (808) 674-3541

III
AUTHORITY FOR RELIEF SOUGHT

This Petition is filed pursuant to HRS Chapter 205, as amended, and HAR Title 15, Chapter 15, as may be amended from time to time, and all other applicable statutes and rules. The Commission is authorized to grant the relief sought herein pursuant to the provisions of HRS Chapter 205, as amended, and all applicable statutes and rules promulgated and governing the Commission.

IV
COMMUNICATIONS AND SERVICE OF PROCESS

All papers, notices and pleadings required to be served upon Petitioner in this proceeding shall be addressed to and served upon Petitioner and the law firm of Imanaka Kudo & Fujimoto, as Petitioner's representative.

V
DESCRIPTION OF THE PETITION AREA

The land affected by this Petition consists of approximately 331.674 acres, which includes portions of three (3) tax map key ("TMK") parcels situated in the Agricultural District in the Ewa District, Island of Oahu, City and County of Honolulu, State of Hawaii. The TMK numbers are as follows:

(1) 9-1-014:033(por.) ("Parcel 33"), which comprises 137.529 acres; (1) 9-1-014:034 ("Parcel 34"), which comprises 19.947 acres; and (1) 9-1-015:020(por.) ("Parcel 20"), which comprises

174.198 acres. Parcels 33, 34, and 20 (collectively the "Petition Area") are illustrated by the TMK maps attached hereto as Exhibits "1", "1A", and "1B" and incorporated herein by reference. See also Exhibit "16" Project Location Map attached hereto and incorporated by reference. Parcels 33, 34, and 20 are further described as Lot A on the survey map, attached hereto as Exhibit "2" and incorporated herein by reference. The metes and bounds description of Lot A is attached hereto as Exhibit "3" and incorporated herein by reference.

Further detail and description of the Petition Area is contained in Petitioner's Environmental Impact Statement Preparation Notice ("EISPN"), which is attached hereto as Exhibit "4" and is incorporated herein by this reference. Additional detail and description of the Petition Area will also be included in Petitioner's Environmental Impact Statement ("EIS").

VI

PETITIONER'S PROPRIETARY INTEREST IN THE PETITION AREA

Parcels 33 and 34 are owned in fee simple, as tenants-in-common by the Petitioner and the Aina Nui Corporation. Parcel 20 is owned in fee simple as tenants-in-common by the Petitioner, the Aina Nui Corporation, and the Estate of James Campbell. True copies of the deeds for the Petition Area are attached hereto as Exhibit "5", Exhibit "6" and Exhibit "7",

respectively, and are incorporated herein by reference. Also attached hereto as Exhibit "8" and Exhibit "9", and incorporated herein by reference, are Letters of Authorization, authorizing Petitioner to act as the agent or file the Petition for the Aina Nui Corporation and the Estate of James Campbell, respectively. In addition, attached hereto as Exhibit "10" and incorporated herein by reference, pursuant to HAR § 15-15-50(c)(5)(C), is the affidavit of the Petitioner's authorized representative attesting to its compliance with the service of process requirements for HAR § 15-15-48(a).

VII

EXISTING USE OF THE PETITION AREA; ADJACENT LAND USES

A. Existing Use of the Petition Area

The Petition Area is currently within the Agricultural State Land Use District and is zoned by the City and County of Honolulu as Ag-1 (Restricted Agriculture) and Ag-2 (General Agriculture). See Exhibit "11" attached hereto and incorporated herein by reference.

The most recent uses of the land within the Petition Area include a nursery, a greenwaste collection and processing operation, fill material stockpiling, a coral conveyor belt that transports coal from the harbor to power stations to the south of the site, and intermittent agricultural uses. Full-time agricultural uses in the Petition Area ended in 1995 after Oahu

Sugar Company, Limited, ceased cultivation of approximately 145 acres in sugarcane cultivation. Over 200 acres of the Petition Area were previously utilized for coral mining operations for the manufacture of cement and concrete products.

B. Adjacent Land Uses

The majority of adjacent lands that surround the Petition Area are within the Urban State Land Use District. Other than the Petition Area, the last remaining large tract of land within the Agricultural State Land Use District is currently being reclassified to the Urban State Land Use District by the Commission in Docket No. A04-753, which is part of the Kapolei West master-planned golf/residential community.

Land uses adjacent to the Petition Area include the Kapolei Business Park to the east; Campbell Industrial Park to the south; Kalaeloa Barbers Point Harbor and supporting industrial areas to the west; and the proposed Kapolei West master-planned development to the north.

VIII
RECLASSIFICATION SOUGHT AND PROPOSED USE AND DEVELOPMENT

A. Reclassification Sought

Petitioner respectfully requests the Commission to amend the present classification of the Petition Area from the Agricultural District to Urban District use ("Proposed Action").

B. Proposed Action

The Proposed Action is being sought to allow for the development of the Kapolei Harborside Center ("Project"). The character of the Project will be complimentary to the existing Campbell Industrial Park and Kapolei Business Park. Projected uses in the Petition Area include: light manufacturing and warehousing in proportions similar to other business industrial parks on Oahu and industrial service businesses that would support the population in Ewa. See Exhibit "12" attached hereto and incorporated herein by reference.

IX
PROJECT TIMETABLE

Project development and implementation is scheduled to begin immediately following approvals of necessary land use amendments, zoning, permits and available funding. Petitioner anticipates Project development to commence in 2008 or 2009 with full buildout of the Project by 2018. Construction of roads, industrial pads, along with support infrastructure and utilities would be phased over a ten-(10)-year period. Industrial pad development will be partially dependent upon sales and absorption and is estimated at ten (10) years.

X
IMPACTS ON RESOURCES OF THE AREA

At this time, the Petitioner anticipates the customary impacts associated with development projects including those

relating, but not limited to drainage, resources, soils, flora and fauna, and visual resources. A preliminary discussion of the resources in the Petition Area is contained in the EISPN. See Exhibit "4", Sections 3.2 through 3.4.

The Project would result in impacts to a number of resources including drainage, groundwater, visual resources, noise and air quality impacts associated with increased vehicular traffic and construction activities, and public infrastructure and services. The Project is not likely to adversely impact resources such as archaeological and cultural resources, biological resources (flora and fauna), and agricultural capability.

Additional details regarding the Project's impacts on the resources of the area will be provided as such information becomes available through studies conducted in conjunction with the preparation of the Petitioner's EIS.

XI

AVAILABILITY OF INFRASTRUCTURE AND PUBLIC SERVICES

The Project would generate additional demand on existing transportation infrastructure and systems (e.g., potable water, wastewater, drainage, electrical power, and solid waste disposal) as well as public facilities and services (e.g., police, fire, and emergency services). The Project will include

mitigation measures such as improvements to roadways and intersections in the vicinity of the Petition Area.

Additional details regarding the Project's impacts on the availability of infrastructure and public services in the area will be provided as such information becomes available through studies conducted in conjunction with the preparation of the Petitioner's EIS.

XII ECONOMIC IMPACTS

The Project can be expected to have beneficial impacts on employment and income during both the development and operational phases. The development of industrial and commercial sites in the Petition Area will assist in providing new job opportunities for the expanding communities of Kapolei, Ewa, the Waianae Coast, and Central Oahu. Proposed as business park industrial use, the Project will provide broader outlets for new or expanded Hawaii businesses, expand existing markets, create new markets for products and services, encourage labor intensive activities, and help increase the State's capacity to adjust to and capitalize upon economic changes and opportunities occurring outside the State. The Project will not directly increase the residential population; however, it will contribute to the development of the Kapolei region by creating jobs.

Additional details regarding the Project's economic impacts will be provided as such information becomes available through studies conducted in conjunction with the preparation of Petitioner's EIS.

XIII OTHER PROPOSED PROJECTS

Projects and existing industrial developments in the immediate vicinity of the Petition Area include the City of Kapolei and Kapolei Business Park to the east, the Kapolei West project to the north, the Campbell Industrial Park to the south, and the Ko Olina Resort to the west.

The City of Kapolei, which is east of the Project, is fulfilling the promise of becoming Oahu's new urban center. To date, over 1.8 million square feet of commercial, office, retail, and civic space has been constructed.

The Kapolei West project is to the north of the Project and is planned as a golf/residential community on approximately 546.8 acres of land. Kapolei West includes an 18-hole championship golf course with low- and medium-density residential uses, park spaces, private leisure facilities, and a pedestrian pathway system to link the neighborhoods.

Ko Olina Resort is continuing to develop as a major resort destination area with hotel, time-share and commercial space.

XIV
PETITIONER'S FINANCIAL CONDITION

Evidence of Petitioner's financial condition in the form of its Financial Statement is attached hereto as Exhibit "13", and incorporated herein by this reference. The Petitioner intends to use proceeds from sales of its properties to fund the Project. In conjunction with sale proceeds, Petitioner will also obtain funding from additional borrowing within the James Campbell Company LLC or from capital contributions from the Campbell Estate.

XV
AFFORDABLE HOUSING

Petitioner is not proposing to develop any residential units as part of the Project.

XVI
STANDARDS FOR DETERMINING THE
BOUNDARIES OF AN "URBAN" DISTRICT

The Proposed Action is consistent with the standards for determining boundaries of the Urban district pursuant to HAR § 15-15-18.

The Petition Area is located approximately 20 miles west of Honolulu in the Ewa District on the Island of Oahu. To the north of the Petition Area are the H-1 Freeway and the proposed Kapolei West master-planned development. The Kalaeloa Barbers Point Harbor and supporting industrial areas are to the west.

The Campbell Industrial Park is to the south. Finally, situated to the east of the Petition Area is the City of Kapolei and Kapolei Business Park.

The major state land use classifications in the immediate vicinity of the Petition Area are Urban and Agricultural.

Reclassification of the Petition Area to the Urban District and the subsequent City and County of Honolulu Zone Change Application would permit the Petition Area to conform to the surrounding land uses and would permit the proposed industrial development. A detailed discussion of the conformity of the Petition area to the Urban District standards (as set forth in HAR § 15-15-18) will be contained in the Petitioner's EIS.

XVII CONFORMANCE WITH THE HAWAII STATE PLAN

Based upon the facts, data and information contained in this Petition and the exhibits attached hereto, and by the evidence and testimony to be submitted by Petitioner in the proceedings herein, the Project is consistent with the Hawaii State Plan ("State Plan") as set forth in HRS Chapter 226, as amended, which is a guide for future long-range development for the state.

The Project generally conforms to the applicable goals, objectives and policies of the State Plan, and applicable priority guidelines and functional plan policies. A preliminary

discussion of the Project's conformance with the State Plan is included in the Petitioner's EISPN. See Exhibit "4", Sections 5.1 and 5.2. Further explanations and a more detailed description of the conformance of the Project will be contained in Petitioner's EIS.

XVIII
CONFORMANCE WITH CITY AND COUNTY OF HONOLULU
GENERAL PLAN AND THE EWA DEVELOPMENT PLAN

Based upon the facts, data and information contained in this Petition and the exhibits attached hereto, and by the evidence and testimony to be submitted by Petitioner in the proceedings herein, the Proposed Action is consistent with the applicable goals, policies and standards of the City and County of Honolulu General Plan (1992) and the Ewa Development Plan (1997, revised May 2000).

A preliminary discussion of the Project's conformance with the above-mentioned plans is included in the Petitioner's EISPN. See Exhibit "4", Sections 5.4 and 5.5. Further explanations and a more detailed description of the conformance of the Project will be contained in Petitioner's EIS.

XIX
CONFORMITY WITH CHAPTER 205A

The purpose of the Hawaii Coastal Zone Management Program ("HCZMP") is to establish guidelines for the use, protection and development of resources within the coastal zone. Development

activities in the coastal zone must conform to the HCZMP objectives and policies, as outlined in HRS Chapter 205A. The HCZMP is supplemented by the County's Special Management Area ("SMA") that controls development along the shoreline and generally requires a permit from the County for activities in the SMA. The Petition Area is not located within the County SMA.

A preliminary discussion of the Project's conformance with the above-mentioned HCZMP is included in Petitioner's EISPN. See Exhibit 4, Section 5.3. Further explanations and a description of the conformance of the Proposed Action with the HCZMP and HRS Chapter 205A will be discussed in Petitioner's EIS.

XX

IMPACTS ON NATIVE HAWAIIAN CUSTOMARY AND TRADITIONAL RIGHTS

The Project is expected to have little or no impact on Hawaiian culture, practices and traditions. Further, the Project would not adversely impact established rights of native Hawaiians who have customarily and traditionally used the Petition Area for (1) subsistence, cultural and religious practices or (2) access to other areas in order to exercise those practices.

As part of the Petitioner's EIS, a cultural impact assessment study will be conducted to assess the current situation and to ensure compliance with HRS Chapter 343.

XXI
NOTIFICATION OF PETITION FILING

Attached as Exhibits "14" and "15", respectively, and incorporated herein by reference, is a true and correct copy of the notification of the filing of this Petition and the Affidavit of Sending of the Notification of Petition Filing required by HAR § 15-15-50(d).

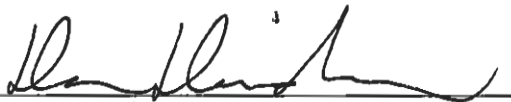
XXII
REASONABLENESS OF AND COMPLIANCE WITH
REQUIREMENTS FOR BOUNDARY AMENDMENTS

In accordance with HAR § 15-15-77 and HRS § 205-4(h), and based upon the facts, data and information submitted herein and contained in this Petition and Exhibits "1" to "16" and by the evidence and testimony to be submitted by Petitioner in the proceedings herein, the district boundary amendment requested by this Petition is reasonable, not violative of HRS § 205-2, as amended, and is consistent with the provisions of HRS §§ 205-16, 205-17 and 205A-2 and Chapter 226, as amended.

Petitioner prays for an Order Amending the Land Use
District Boundary of the Petition Area from the Agricultural
District to the Urban District.

DATED: Honolulu, Hawaii, March 17, 2006.

Kapolei Property Development, LLC
and agent for the Aina Nui
Corporation, a Hawaii corporation
and the Estate of James Campbell

By 
Dan Davidson
Vice President

USE COMMISSION
STATE OF HAWAII
2006 MAR 17 A 11: 52

2006 MAR 17 A 11:52

Kapolei Property Development, LLC

Subscribed and sworn to
before me this 17th
day of March, 2006.

My commission expires: **03-30-2007**

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

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Of

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LLC

To Amend the Agricultural Land
Use District Boundaries into
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DOCKET NO. A06-763

CERTIFICATE OF SERVICE

LAND USE COMMISSION
STATE OF HAWAII

2006 MAR 17 A 11:52

CERTIFICATE OF SERVICE

I hereby certify that the foregoing PETITION FOR LAND USE
DISTRICT BOUNDARY AMENDMENT; VERIFICATION; EXHIBITS "1" TO "16";
CERTIFICATE OF SERVICE were duly served by certified mail or
personally served to each of the following persons on the 17th
day of March, 2006 addressed as follows:

State of Hawaii
Department of Business, Economic
Development and Tourism
OFFICE OF PLANNING
Attn: Ms. Laura Thielen, Director
State Office Tower, 6th Floor
235 South Beretania Street
Honolulu, Hawaii 96813

HAND DELIVERY

Department of Business, Economic
Development and Tourism
OFFICE OF PLANNING
Attn: Mr. Abe Mitsuda
State Office Tower
235 South Beretania Street, 6th Floor
Honolulu, Hawaii 96813

HAND DELIVERY

State of Hawaii
DEPARTMENT OF THE ATTORNEY GENERAL
Attn: Mark Bennett, Esq.
Hale Auhau
425 Queen Street
Honolulu, Hawaii 96813

CERTIFIED MAIL

City and County of Honolulu
DEPARTMENT OF PLANNING AND PERMITTING
Attn: Mr. Henry Eng
650 South King Street, 7th Floor
Honolulu, Hawaii 96813

CERTIFIED MAIL

City and County of Honolulu
PLANNING COMMISSION
650 South King Street
Honolulu, Hawaii 96813

CERTIFIED MAIL

City and County of Honolulu
DEPARTMENT OF THE CORPORATION COUNSEL
Attn: Carrie Okinaga, Esq.
530 South King Street, Room 110
Honolulu, Hawaii 96813

CERTIFIED MAIL

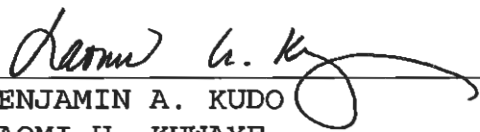
Ms. Donna Goth
President
Aina Nui Corporation
1001 Kamokila Boulevard, Suite 255
Kapolei, Hawaii 96707

CERTIFIED MAIL

Mr. Steve H. MacMillan
Chief Executive Officer
The Estate of James Campbell
1001 Kamokila Boulevard, Suite 255
Kapolei, Hawaii 96707

CERTIFIED MAIL

Of Counsel:
IMANAKA KUDO & FUJIMOTO
A Limited Liability Law Company


BENJAMIN A. KUDO
NAOMI U. KUWAYE
CAMERON W. NEKOTA
Attorneys for Petitioner KAPOLEI
DEVELOPMENT, LLC