

LAND USE COMMISSION
STATE OF HAWAII

2007 APR 12 A 9:41

April 10, 2007

Mr. Anthony J.H. Ching
Executive Director
Land Use Commission
P. O. Box 2359
Honolulu, HI 96804-2359

Dear Mr. Ching:

2007 Annual Report
Docket No. A04-753
Kapolei West

Aina Nui Corporation ("Owner"), an affiliate of the James Campbell Company LLC submits this annual progress report to the Land Use Commission ("LUC"), the state Office of Planning, and the city Department of Planning and Permitting pursuant to Condition 22 of the April 10, 2006 LUC order in Docket No. A04-753.

The subject of this annual report is the petition area currently identified as the "Kapolei West" project. The petition area is comprised of 174.209 acres located at Honouliuli, Ewa, Oahu, Tax Map Key Nos. 9-1-14:33 (por.), 9-1-15:4 (por.) and 9-1-15:20 (por.) (the "Property").

General Progress

The land identified in the petition area is owned by Aina Nui Corporation (Aina), an affiliate of the James Campbell Company LLC, effective July 2003. Since the transfer of ownership in 2003, Aina began the land planning process for the Property in preparation of filing a boundary amendment petition with the LUC. The Property is a part of the larger Kapolei West development, which includes an additional 372.6 acres urbanized as part of Docket No. A90-655.

LUC Reclassification (Docket No. A04-753)

Pursuant to the Findings of Fact, Conclusions of Law, and Decision and Order dated April 10, 2006, the Property was reclassified by the LUC from the Agricultural District into the Urban District for development.

Status of Compliance with Conditions

The conditions to reclassification are reproduced boldface followed by a description of the progress being made to comply with them.

1. Affordable Housing. Petitioner shall provide affordable housing opportunities for low, low-moderate, and gap group income residents of the State of Hawai'i to the satisfaction of the City and County. The number, location, and distribution of the affordable housing or other provisions for affordable housing shall be under such terms as determined by the City and County, but the number shall not be less than 30 percent of the total residential units in the Petition Area. This Condition No. 1 shall be satisfied by no later than nine years from the issuance of the first building permit for the first residential unit in the Petition Area.

Petitioner/Owner (hereinafter "P/O") intends to provide affordable housing opportunities for low to moderate income residents of the State of Hawaii to the satisfaction of the City and County of Honolulu. The location and distribution of the affordable housing shall be under such terms as are mutually agreeable between the P/O and the City and County of Honolulu.

2. Public School Facilities. Petitioner shall contribute to the development, funding, and/or construction of school facilities, on a fair-share basis, as determined by and to the mutual satisfaction of Petitioner and DOE. Terms of the contribution shall be agreed upon in writing by Petitioner and the DOE prior to obtaining City and County final subdivision approval.

P/O intends to comply with this provision and has reached an agreement in principle with the DOE to provide land for a middle school within the larger Kapolei West development.

3. Wastewater Facilities. Petitioner shall provide wastewater system improvements as required by the DOH and appropriate City and County agencies.

P/O intends to comply with this condition.

4. Transportation. Petitioner shall participate in the implementation of the 'Ewa Highway Master Plan as determined by the DOT, the City and County's Department of Transportation Services, and the DPP.

Petitioner shall set aside land necessary for the future construction of Hanua Street to Malakole as a four-lane highway. In the event the Hanua Street extension is built, as part of Petitioner's fair-share requirements for future regional roadway improvements, Petitioner agrees it shall be built as a four-lane divided highway, or to an alternative design as identified by the DOT, in either case in accordance with State highway

standards, so that the extension of Hanua Street may be dedicated to the State at the option of DOT with the option for dedication expiring five years after completion of the Hanua Street extension.

Petitioner shall submit a revised Traffic Impact Assessment Report ("TIAR") for review and approval by the DOT and the City and County prior to submittal of a change of zone application with the City and County. The revised TIAR shall include the technical comments that were requested by the DOT in its letter to petitioner dated May 6, 2005.

P/O intends to fulfill this condition and is participating in the implementation of the Ewa Transportation Master Plan which determines the funding and construction of regional transportation improvements in the Ewa area.

5. Previously Unidentified Burial/Archaeological/Historic Sites. Without any limitation to any other condition found herein, if any burials or archaeological or historic sites, such as artifacts, marine shell concentrations, charcoal deposits, stone platforms, pavings, and walls not previously identified in studies referred to herein, are discovered during the course of construction of the Project, then all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological clearance from the SHPD that mitigative measures have been implemented to its satisfaction.

P/O will comply with this condition.

6. Solid Waste Management Plan. Petitioner shall develop a Solid Waste Management Plan in conformance with the Integrated Solid Waste Management Act, chapter 342G, HRS. Petitioner's Solid Waste Management Plan shall be approved by the City and County Department of Environmental Services. The Plan shall address and encourage awareness of the need to divert the maximum amount of waste material caused by developments away from the City and County's landfills.

P/O will comply with this condition by developing a Solid Waste Management Plan in conformance with the Integrated Solid Waste Management Act, chapter 342G, HRS.

7. Air Quality Monitoring. Petitioner shall implement soil erosion and dust control measures and participate in an air quality monitoring program as specified by the DOH.

P/O will implement soil erosion and dust control measures and participate in an air quality monitoring program as specified by the DOH.

8. Notification of Potential Nuisances. Petitioner shall inform all prospective purchasers of properties in the Petition Area of the potential impacts, including, but not limited to, noise, dust, lighting, fumes, soot, smoke, light, heat, vapors, odors, chemicals, vibrations, and other substances and phenomena of every description to be discharged, emitted, or transmitted over and upon the properties or other industrial events associated with commercial marine activities that may be generated by Kalaeloa Barbers Point Harbor which may affect the properties and may be considered a nuisance.

The disclosure shall be made through a Disclosure Document which shall be signed by the prospective purchaser as an affirmative acknowledgment of the potential impacts. A copy of the form of the Disclosure Document shall be provided to the OP for its review and approval prior to commencement of sales. In addition, the disclosure shall be included as a covenant in the deed to purchasers, releasing the State of Hawai`i from all liability for nuisance claims and shall be recorded so as to run with the land

This condition in no way prohibits, prevents, or restricts Petitioner from modifying the disclosure to include other uses and additional disclosures to prospective purchasers.

- a. Petitioner shall notify all prospective buyers and/or lessees of the Petition Area that the Petition Area is subject to aircraft overflights and shall provide covenants in the deed to initial purchasers releasing the State of Hawai`i and the United States government from all liability.

P/O will comply with this condition.

9. Drainage Master Plan. Petitioner shall prepare and submit a detailed drainage master plan to the DPP and the DOT for review and approval.

P/O will prepare and submit a detailed drainage master plan to the DPP and the DOT for review and approval.

10. Drainage Improvements. Petitioner shall fund the design and construction of drainage improvements, including interim detention basins as may be necessary, required as a result of the development of the Petition Area to the satisfaction of appropriate State and City and County agencies. Drainage improvements affecting Kalaeloa Barbers Point Harbor shall be submitted to the DOT for review and approval.

P/O will comply with this condition.

11. Water Master Plan. Petitioner shall prepare and submit a water master plan to the BWS for review and approval.

P/O will prepare and submit a water master plan to the BWS for review and approval.

12. Water Resources Allocation. Petitioner shall provide adequate potable and non-potable water source storage and transmission facilities and improvements to accommodate the development of the Petition Area as approved by appropriate State and City and County agencies.

P/O will comply with this condition.

13. Best Management Practices. Petitioner shall implement Best Management Practices ("BMP") to protect surface and groundwater resources. The BMP shall be designed to minimize infiltration and runoff from construction and vehicle operations, reduce or eliminate soil erosion and ground water pollution, and effect dust control measures during and after the development process in accordance with DOH guidelines.

P/O will implement BMP during development of the Project.

14. Water Conservation Measures. Petitioner shall implement water conservation measures and best management practices, such as use of indigenous and drought tolerant plants and turf and the use of non-potable water alternatives, and incorporate such measures into the landscape planting.

P/O will implement water conservation measures consistent with provisions of Condition 14.

15. Hazardous Materials. Storage and/or disposal of hazardous materials/wastes on the Petition Area shall be in conformance with all applicable DOH and Environmental Protection Agency requirements.

In the event storage and/or disposal of hazardous materials/wastes on the Petition Area is necessary, the P/O will comply with all applicable DOH and Environmental Protection Agency requirements.

16. Fire Protection. Petitioner shall submit all roadway and water system designs for the Project to the City and County Fire Department for review and approval.

P/O will comply with this condition.

17. Golf Course. Petitioner shall comply with the principles of the DOH's "Guidelines Applicable to Golf Courses in Hawai'i," including, but not limited to, irrigating the golf course with non-potable water.

P/O will comply with the principles of the DOH's "Guidelines Applicable to Golf Courses in Hawai'i."

18. Civil Defense. Petitioner shall fund and construct its fair-share of adequate civil defense measures serving the Petition Area as required by the State of Hawai'i Department of Defense, Office of Civil Defense, and the City and County Civil Defense Agency.

P/O will fund and construct its fair share of adequate civil defense measures serving the Petition Area.

19. Energy Conservation Measures. Petitioner shall implement energy conservation measures such as the use of solar energy and solar heating and incorporate such measures into the Project.

P/O will implement energy conservation measures.

20. Compliance with Representations to the Commission. Petitioner shall develop the Petition Area in substantial compliance with the representations made to the Commission. Failure to so develop the Petition Area may result in reversion of the Petition Area to its former classification, or change to a more appropriate classification.

P/O intends to complete development of the Property in substantial compliance with the representations made before the LUC.

21. Notice of Change of Ownership. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Petition Area, prior to development of the Petition Area.

P/O will notify the Commission of any intent to sell, lease, assign, place in trust or otherwise voluntarily alter the ownership interests in the Petition Area, prior to development.

22. Annual Reports. Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP, and the DPP in connection with the status of the development of the Petition Area and Petitioner's progress in complying with the conditions imposed herein. The annual reports shall be submitted in a form prescribed by the Executive Officer of the Commission.

P/O is herewith submitting the Annual Report to the Land Use Commission, OP and the DPP to show the current status of the Project and the progress in complying with the imposed conditions.

23. Release of Conditions. The Commission may fully or partially release the conditions provided herein as to all or any portion of the Petition Area upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner.

P/O acknowledges that the Commission may fully or partially release the conditions provided herein.

24. Notice of Imposition of Conditions. Within seven days of issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall: (a) record with the Bureau of Conveyances a statement that the Petition Area is subject to conditions imposed herein by the Commission in the reclassification of the Petition Area; and (b) file a copy of such recorded statement with the Commission.

P/O complied with this condition.

25. Recordation of Conditions. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to section 15-15-92, HAR.

P/O complied with this condition.

If you have any questions, call me at 674-3201.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cameron W. Nekota', with a long horizontal line extending to the right.

Cameron W. Nekota
Development Project Manager

jlr:04031200\K10016

cc: Laura Thielen, Office of Planning
Henry Eng, Director, Planning & Permitting Department