A04-753 PETITION
Aina Nui Corp.

ORIGINAL

LAND USE COMMISSION
STATE OF HAWAII

2001 SEP 29 P 12:45

349342.12
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AINA NUI CORPORATION, a
Hawaii corporation

ORIGINAL

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174.209 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 (por.) and (1) 9-1-015:004 (por.) and 020 (por.)	DOCKET NO. A04-753 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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PETITION

VERIFICATION

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EXHIBIT "8"	True copy of the Trustees Limited Warranty Deed with Restrictions, Covenants and Reservation of Rights (for portion of the Petition Area above the Oahu Railway & Land Company Right-of-Way)
EXHIBIT "9"	Letter of Authorization (for portion of the Petition Area below the Oahu Railway & Land Company Right-of-Way, which is owned in fee 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" Project Master Plan

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EXHIBIT "15" Notification of Petition Filing

EXHIBIT "16" Affidavit of Naomi U. Kuwaye Attesting to Sending of the Notification of Petition Filing

CERTIFICATE OF SERVICE

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174.209 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 (por.) and (1) 9-1-015:004 (por.) and 020 (por.)	DOCKET NO. A04-753 PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

COMES NOW, AINA NUI CORPORATION, a Hawaii corporation and agent for The Estate of James Campbell ("Campbell Estate"), whose principal place of business is 1001 Kamokila Boulevard, Suite 255, 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 174.209 acres of land from the Agricultural District to the Urban District, which will be consolidated with a 372.6-acre adjacent parcel urbanized in 1991.

Inasmuch as the proposed action involves the use of a historic site located on State lands (i.e., planned roadways

across the Oahu Railway and Land Company Railroad right-of-way ("OR&L ROW"), which is owned by the State and is listed on the National Register of Historic Places), an environmental impact statement preparation notice ("EISPN") has been prepared pursuant to Hawaii Revised Statutes ("HRS") Chapter 343. In accordance with HRS Chapter 343, Petitioner intends to prepare the appropriate environmental documents and believes that the Commission should be the approving agency.

HRS § 343(c) states in relevant part that "whenever an applicant proposes an action specified by subsection (a) that requires the approval of an agency . . ., the agency initially receiving and agreeing to process the request for approval shall prepare an environmental assessment of the proposed action at the earliest practicable time . . ." The Office of Environmental Quality Control's administrative rules contain similar language which states that "whenever an applicant proposes an action, the authority for requiring statements and for accepting any required statements that have been prepared shall rest with the agency initially receiving and processing the request." Hawaii Administrative Rules ("HAR") § 11-200-4(b).

Based on the foregoing provisions, the Petitioner believes that the Commission can and should be the approving agency for the environmental documents that have and will be prepared in

connection with the proposed project. Further, in support of the Petitioner's request to amend the land use district classification of approximately 174.209 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 HAR § 15-15-46(3) and HRS Chapter 205, which entitle any person with a property interest in the land sought to be reclassified to petition the Land Use 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./Bree M. Kurihara, Esq.
   Topa Financial Center, Fort Street Tower
   745 Fort Street, 17th Floor
   Honolulu, Hawaii 96813
   Telephone: (808) 521-9500

2. Ms. Donna Goth, President
Aina Nui Corporation
1001 Kamokila Boulevard, Suite 255
Kapolei, Hawaii 96707
Telephone: (808) 674-3540

III
AUTHORITY FOR RELIEF SOUGHT

This Petition is filed pursuant to HRS § 205-4, as amended, and HAR Title 15, Chapter 15, as 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 174.209 acres, which includes portions of three 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"), (1) 9-1-015:004(por.) ("Parcel

4"), and (1) 9-1-015:020(por.) ("Parcel 20"), as illustrated by the TMK maps attached hereto as Exhibits "1", "1A" and "1B" (collectively the "Petition Area"). Parcel 33 and Parcel 20 are further described as Lot B on the survey map, attached hereto as Exhibit "2". Parcel 4 is further described as Lot A on the survey map attached hereto as Exhibit "2". The metes and bounds description of Lot A and Lot B are attached hereto as Exhibits "3" and "4", respectively. The Petition Area will be consolidated with a 372.6-acre adjacent parcel, which was urbanized in accordance with Docket No. A90-655 and approved by the Land Use Commission in 1991 for the Ko Olina Phase II development proposed by West Beach Estates. *See* Exhibit "5" attached hereto. The consolidation of the Petition Area with the 372.6-acre parcel will form the entire project area which consists of approximately 546.8 acres and is comprised of the Petition Area, TMK parcel (1) 9-1-015:018 and the remaining portion of TMK parcel (1) 9-1-015:004 (collectively all parcels are hereinafter referred to as the "Project Area"). *See* Exhibit "6" attached hereto.

Further detail and description of the Petition Area is contained in Petitioner's EISPN, which is attached hereto as Exhibit "7" 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

The portion of the Petition Area above the OR&L ROW is owned in fee by Petitioner. A true copy of the deed for the portion of the petition area above the OR&L ROW is attached hereto as Exhibit "8". The portion of the Petition Area below the OR&L ROW is currently owned by the Campbell Estate and is in the process of being transferred to Petitioner. Attached hereto as Exhibit "9" is a Letter of Authorization, authorizing Petitioner to act as Campbell Estate's agent for the reclassification of this portion of the Petition Area. 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) for the area above the OR&L ROW and the southeast portion of the Petition Area south of

the OR&L ROW. The remaining portion of the Petition Area is zoned Ag-2 (General Agriculture). *See* Exhibit "11" attached hereto.

The most recent uses of the land within the Petition Area and the rest of the Project Area include transportation along the OR&L ROW, occupation by the Ewa Plantation Company and the Oahu Sugar Plantation Company for sugarcane cultivation, livestock grazing, and a coral pit quarry to the south. Currently, large portions of the Petition Area are vacant and underutilized, with the exception of the OR&L ROW used by the Hawaiian Railway Society, and quarrying and stockpiling activities of the adjacent quarry within and adjacent to the Petition Area's southern boundary. Additionally, a Coast Guard Range Light is located at the southernmost tip of the Petition Area.

B. Adjacent Land Uses

The majority of adjacent lands that surround the Petition Area are within the Urban State Land Use District. The rest of the land surrounding the Petition Area is within the Agricultural State Land Use District.

The 372.6-acre portion of the Project Area is currently zoned Ag-1 with a small portion zoned as P-2 (General Preservation) for use as Kamokila Park. *See* Exhibit "11".

Land uses adjacent to the Petition Area include the Ko Olina golf course and Ko Olina Marina to the west; the vacant lands of the 372.6-acre portion of the Project Area to the north; and the City of Kapolei adjacent to Kalaeloa Boulevard to the east. Grace Pacific Quarry and the Kalaeloa Barbers Point harbor and its related industrial activities are to the south. The OR&L ROW runs through the entire Petition Area, forming the northeastern boundary and transecting the western half of the Petition Area.

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 a development pursuant to the Kapolei West development master plan ("Proposed Project"). Kapolei West is a master-planned golf/residential community planned on approximately 546.8 acres of land. The Project Area is strategically located between the City of Kapolei and the Ko Olina Resort. The Proposed Project 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. *See* Exhibit "12" attached hereto.

The Proposed Project is planned to include approximately 2,400 low- and medium-density residential units. Planned recreational amenities include neighborhood parks and a pedestrian pathway system. At the eastern end of the project area, regional commercial and transit/mixed-use areas are planned to enhance the City of Kapolei and support both the neighboring communities and the Proposed Project.

The proposed low- and medium-density residential uses will complement the existing Ko Olina Resort, and the proposed commercial uses within the eastern end of the Project Area will enhance the existing commercial and retail activity of the City of Kapolei.

The project originally proposed by West Beach Estates for this area consisted of only the 372.6-acre portion of the Project Area, excluding the 174.209-acre Petition Area. The project was proposed in 1989 and was known as Ko Olina Phase II. Ko Olina Phase II was intended to provide amenities that would allow for the future expansion of the existing Ko Olina Resort. However, as a result of changing market conditions the Ko Olina Phase II project was revised in 1991 to provide for an 18-hole golf course and 3,500 low- and medium-density residential units, commercial developments, and park space. Based on this revised

proposal, the Ko Olina Phase II project area was reclassified by the Commission from the Agricultural District to the Urban District in 1991, and the City and County of Honolulu Ewa Development Plan was revised to reflect the proposed uses.

Due to stagnant economic and market conditions, West Beach Estates relinquished its real property interests in Ko Olina Phase II, allowing Seaside at Kapolei, LLC ("Seaside") to acquire the option to purchase the property from Campbell Estate in 2000. Seaside's proposal for development was similar to Ko Olina Phase II in that it included a golf course, residential units, commercial development and park space. However, the project did not include a transit station and resulted in a higher overall residential density.

In 2003, Seaside dropped its option to purchase the property. Since then, Petitioner has been involved in ongoing efforts to develop the property.

The Project Area, which encompasses the Ko Olina Phase II development area, is consistent with the land uses formerly proposed for the property. One important distinction between the Proposed Project and Ko Olina Phase II is the lower intensity of uses associated with the Proposed Project, as there is a significant reduction in the number of proposed residential units. Further detail and description of the Proposed Project and the history of past development proposals are contained in

the Petitioner's EISPN. *See* Exhibit "7", Sections 2.1, 2.2 and 2.4.

IX
PROJECT TIMETABLE

Construction of the approximately 546.8-acre Proposed Project is intended to be implemented within a thirteen-(13)-year period. Home deliveries of the Proposed Project are expected to commence in 2008 after land use approvals are granted, allowing for the development of the total 2,370 proposed residential units between 2008 and 2020. Of the 2,370 residential units, 1,150 units are proposed within the Petition Area. Residential home production for the entire Proposed Project is planned at an average rate of 183 units per year, with absorption projected at 112 units per year for primary resident housing units, and 71 units per year for non-resident housing units. With the projected absorption rate, the approximate 1,150 homes in the Petition Area will take an estimated nine (9) years to build out.

Construction of the golf course and the regional commercial facilities would occur during the early phases of development, and the transit/mixed-use and neighborhood commercial parcels would be developed as demand dictates. The Kapolei Parkway would be constructed as development of adjacent lots occur. Further, the extension of Hanua Street to the H-1 Freeway would be needed

to service the growing industrial and commercial harbor operations.

X
IMPACTS ON RESOURCES OF THE AREA

At this time, the Petitioner anticipates the customary impacts associated with development projects including those relating to, but not limited to, drainage, resources, soils, flora and fauna, and visual resources. A preliminary discussion of the resources in the Project Area is contained in the EISPN. *See* Exhibit "7", Sections 3.1-3.11.

The Proposed 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 public infrastructure and services. The Proposed 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 Proposed 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 Proposed 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., schools, police, fire, and emergency services). The Proposed Project will include mitigation measures such as major improvements to roadways, intersections and interchanges in the vicinity of the project, off-site infrastructure improvements, and the donation of land and fair-share contributions for designated city and state-operated facilities (e.g., parks, schools and regional roadway systems).

Additional details regarding the Proposed 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 Proposed Project can be expected to have beneficial impacts on employment and income during both the development and operational phases. During the development phase, direct impacts include work and income deriving opportunities created by the Proposed Project's development (e.g., construction, office support, design, planning and engineering). Indirect benefits would occur throughout the state at businesses that support the direct development activities (e.g., wholesalers,

distributors, suppliers). Induced impacts would occur when the incomes derived through direct and indirect employment are spent at other businesses.

During the operational phase, the Proposed Project would generate long-term direct, indirect and induced employment in a variety of types and levels of work. The direct positions would generally be located on Oahu, while the indirect and induced effects would be distributed throughout the state's economy.

The Proposed Project can be expected to generate additional county and state revenues due to increased levels of real property, gross excise and personal income taxes collected.

Additional details regarding the Proposed 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

The Petition Area is an integral part of the larger, approximately 546.8-acre Kapolei West project. In late 2004, the Petitioner intends to commence rezoning of lands already urbanized. Projects in the immediate vicinity of Kapolei West include the Ko Olina Resort to the west and the City of Kapolei to the east.

Ko Olina Resort is continuing to develop and construct single- and multi-family homes, and planning for an aquarium, a commercial center, new hotel, and time-share development is underway.

The City of Kapolei to the east of the Proposed Project, is fulfilling the promise of becoming Oahu's second city. To date, over 1.8 million square feet ("MSF") of commercial, office, retail, and civic space has been constructed. An additional 2 MSF of residential uses and approximately 1.8 MSF of commercial, office, retail, civic and mixed-use residential are planned for construction over the next ten (10) years.

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 Proposed Project. In conjunction with sale proceeds, Petitioner will also obtain funding from additional borrowing within the James Campbell Corporation corporate group or from capital contributions from the Campbell Estate.

XV
AFFORDABLE HOUSING

Petitioner intends to meet its obligation of providing affordable housing according to the applicable requirements of the state and county at the time that relevant land use approvals are obtained and in accordance with the Order Granting Motion to Amend Findings of Fact, Conclusions of Law, and Decision and Order filed on March 6, 1997, in LUC Docket No. A90-655. *See* Exhibit "14" attached hereto. The location and distribution of the affordable housing shall be under such terms as are mutually agreeable between the Petitioner and the City and County of Honolulu.

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 Project Area is located approximately 20 miles west of Honolulu in the Ewa District on the Island of Oahu. To the north of the Project Area is the H-1 Freeway and the Honokai Hale and Nanakai Gardens subdivisions. The Ko Olina Resort and golf course and vacant lands are situated to the west of the Project Area. To the south of the Project Area is Barbers Point Harbor and its industrial activities. Situated to the east of

the Project Area is the western boundary of the City of Kapolei and Kalaeloa Boulevard. Finally, the historic OR&L ROW bisects the southern section of the Project Area.

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

In the immediate vicinity of the Petition Area, the Commission approved West Beach Estates' petition to reclassify approximately 372.6 acres of land from the Agricultural land use district boundary to the Urban land use district boundary. *See* Exhibit "5".

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 low-to medium-density residential uses and recreational development. A detailed discussion of the conformity of the Petition area to the Urban District standards (as set forth in Commission Rules § 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 Proposed 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 Proposed 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 Proposed Project's conformance with the State Plan is included in the Petitioner's EISPN. *See* Exhibit "7", Section 3.12.2. Further explanations and a more detailed description of the conformance of the Proposed 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 Proposed Project's conformance with the above-mentioned plans is included in the Petitioner's EISPN. *See* Exhibit "7", Sections 3.12.4-3.12.5. Further explanations and a more detailed description of the

conformance of the Proposed 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 City and County of Honolulu's Special Management Area ("SMA") that controls development along the shoreline and generally requires a permit from the County for activities in the SMA. A small portion of the Petition Area is located within the SMA. As such, any development within this area will generally require a SMA Major Permit or an SMA Minor Permit.

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 Proposed Project is expected to have little or no impact on Hawaiian culture, practices and traditions. Further, the Proposed 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 "15" and "16", 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 Notification of Petition Filing required by HAR § 15-15-50(d).

XXII
REASONABLENESS OF AND COMPLIANCE WITH REQUIREMENTS FOR BOUNDARY AMENDMENTS

In accordance with Commission Rule § 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, September 29, 2004.

AINA NUI CORPORATION, a Hawaii corporation and agent for the Estate of James Campbell

By _____
DONNA GOTH
President

LAND USE COMMISSION
STATE OF HAWAII

2004 SEP 29 P 12:45

VERIFICATION

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

I, DONNA GOTH, being duly sworn on oath depose and say that I am the President of the AINA NUI CORPORATION, a Hawaii corporation, and as such am authorized to make this verification on behalf of the Corporation, that I have read the foregoing Petition and have full knowledge of the contents thereof, and that the same are true to the best of my knowledge, information and belief.

AINA NUI CORPORATION, a Hawaii corporation

By Donna Goth
DONNA GOTH
Its President

Subscribed and sworn to before me this 27th day of September, 2004.

LORI C. MAKIMOTO NOTARY PUBLIC STATE OF HAWAII

Notary Public, State of Hawaii

Lori C. Makimoto
Printed Name

My commission expires: 03-30-2007

BEFORE THE LAND USE COMMISSION

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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 29th day of September, 2004 addressed as follows:

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

HAND DELIVERY

State of Hawaii
DEPARTMENT OF THE ATTORNEY GENERAL
Attention: 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. Eric G. Crispin
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: David Arakawa, Esq.
530 South King Street, Room 110
Honolulu, Hawaii 96813

CERTIFIED MAIL

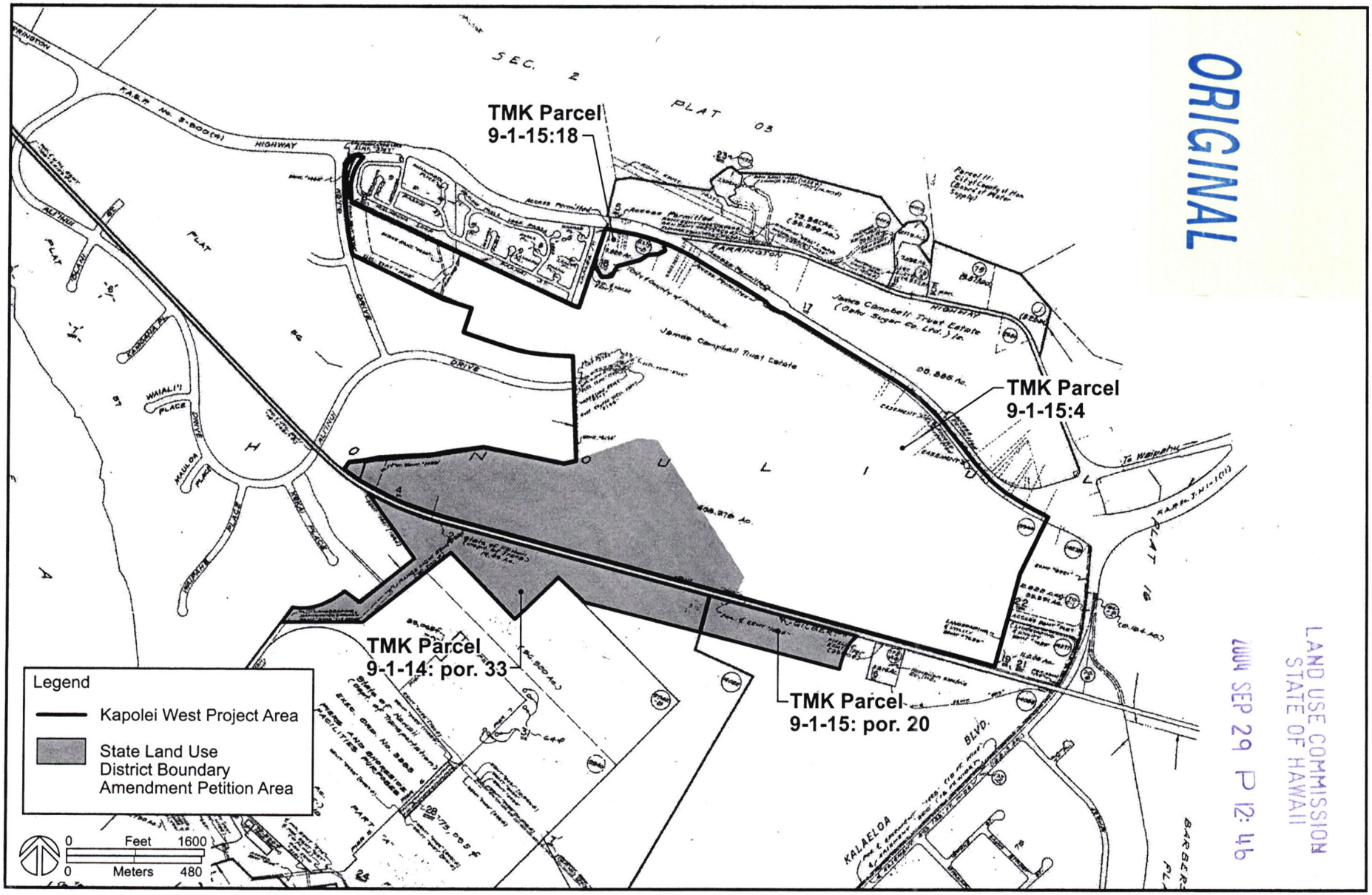
Mr. Stephen H. MacMillan
Chief Executive Officer
The Estate of James Campbell
1001 Kamokila Boulevard
Kapolei, Hawaii 96707

CERTIFIED MAIL

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

Bree Kurihara

BENJAMIN A. KUDO
NAOMI U. KUWAYE
BREE M. KURIHARA
Attorneys for Petitioner AINA NUI CORPORATION



Tax Map Key Parcels

Kapolei West
O`ahu, Hawai`i

Exhibit "1"

LAND USE COMMISSION
STATE OF HAWAII
2004 SEP 29 P 12:46

TMK Parcel
9-1-14: por. 33

PLAT 15 · PLAT 56 · PLAT 57 · PLAT 78 · PLAT 74 · PLAT 26 · PLAT 31 · PLAT BARBERS POINT AIRPORT

HAILILI PLACE · ALIINUI DRIVE · MAULOA PLACE · WAIPAHE PLACE · KOKAI PLACE

Fort Weaver Road (Hwy 76) · Farrington Hwy (Hwy 76) · Kapolei Parkway · Renton Road · Kaomi Loop · Kaahui Street · Kamokila Boulevard · Komohana Street · Kualaka'a Street · Kualaka'a Parkway · Kuhela Street · Olai Street · Hanua Street · Kaahui Street · Kaomi Loop · Barbers Point Lighthouse

TRUE NORTH SCALE 1"=600 FT.

(56.900 Ac.) · 33,066 sf · 30 · 31 · 64 sf · PIER 8 · PIER 2

State of Hawaii (Dept. of Transportation) EXEC. ORD. No. 3383 PIERS AND SHORESIDE FACILITIES PURPOSES

205.000 Ac. (135.935 Ac. SUBMERGED LAND) PART "A"

28 · 473,095 sf · 1 · 24 FAST LAND (24.955 Ac.) · 25 (2.582 Ac.) · 8 · 24 por. (0.730 Ac.)

PART "B" (69.026 Ac. Submerged land)

63.569 Ac. · 26 · 36 · 50000 sf · 5 · 21 · 74 · 4 · 4.84 Ac. · 2

199.588 Ac. · 33 · 27 · 32 (10.449 Ac.) · 29 · 35 12.845 Ac. · 19.947 Ac. · 34 · (0.798 Ac.) · (0.408 Ac.) · (4.907 Ac.) · 13

Cherron, U.S.A. Inc.

248.034 Ac.

Hawaiian Electric Co., Inc. 19.247 Ac. · 14 · 15 37.552 Ac. · 10

17 3.708 Ac. · 23 · 22 · 16 · 18 · 19 · 20 · (SEE BELOW) 2.376 Ac.

Parcels Dropped: 6, 7, 1, 3, 9, 12, 13, 11, 4, 5, 21, 27, 32,

TAXATION MAPS BUREAU TERRITORY OF HAWAII TAX MAP		
FIRST DIVISION		
ZONE	SEC.	PLAT
9	1	14
CONTAINING 2 PARCELS		
SCALE: 1in. = 600 Ft.		

25 State of Hawaii (Marinas Ltd.) Ie. DOT HO N-30-10

5 Ciri Land Dev. Co.
18 PMLW Partnership
19, 20 Queen Emma Industrial Corp
16 Oahu Gas Services, Inc.
21 James Campbell Trust Estate
22 James Campbell Tr. Estate (Ziegler Stat-I Inc.) Ie.
15 Michael J. Ho Wif. Cynthia C.K. -Te-50% Tropical Advertiser Ltd. -50% -Te
29 ROABS LLC
23 Four C's Investments (Atlas Sales Company, Inc.) Ie.
17 Waste Management of Hawaii Inc.

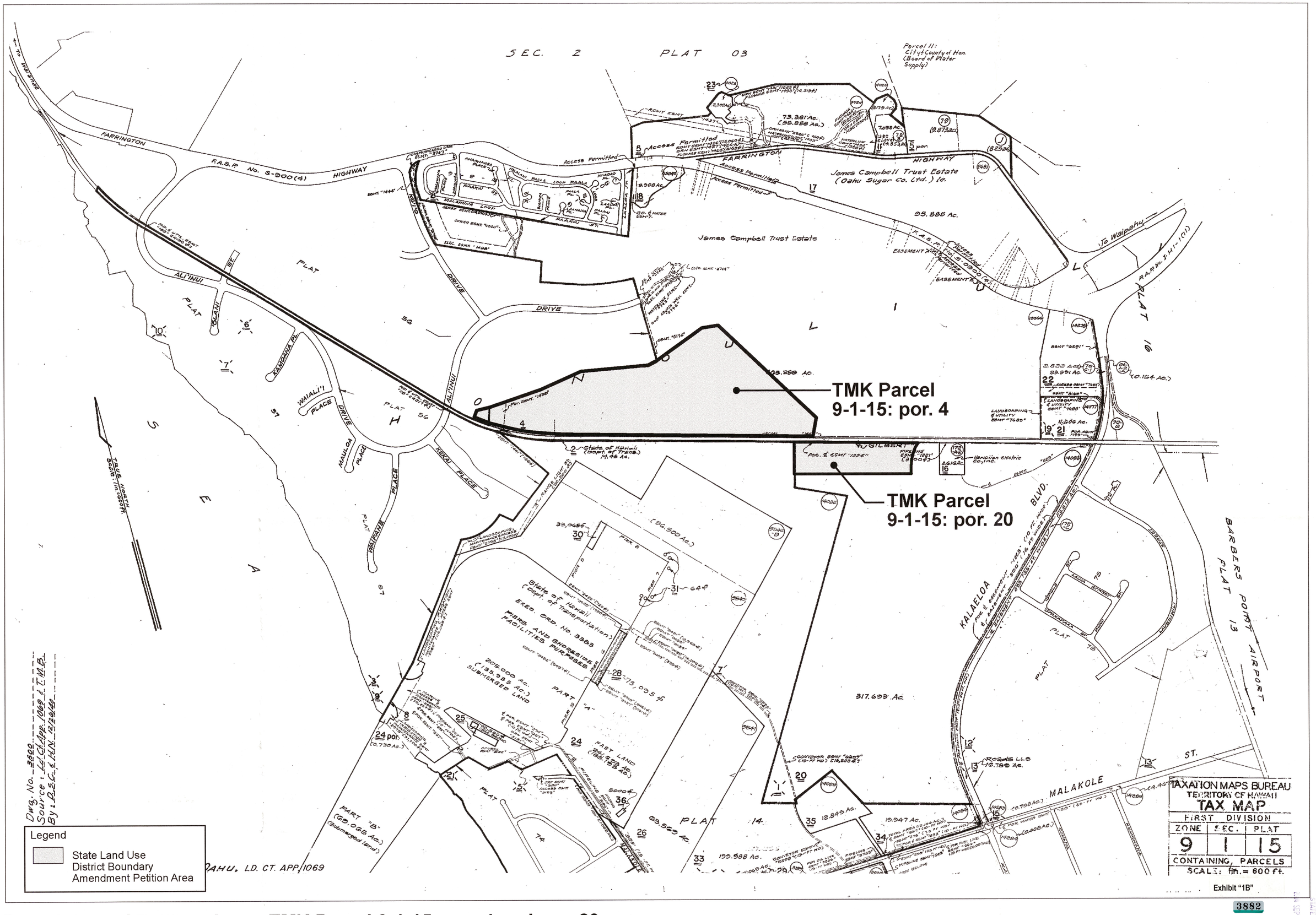
Legend
State Land Use District Boundary Amendment Petition Area

SUBJECT TO CHANGE

Exhibit "1A"

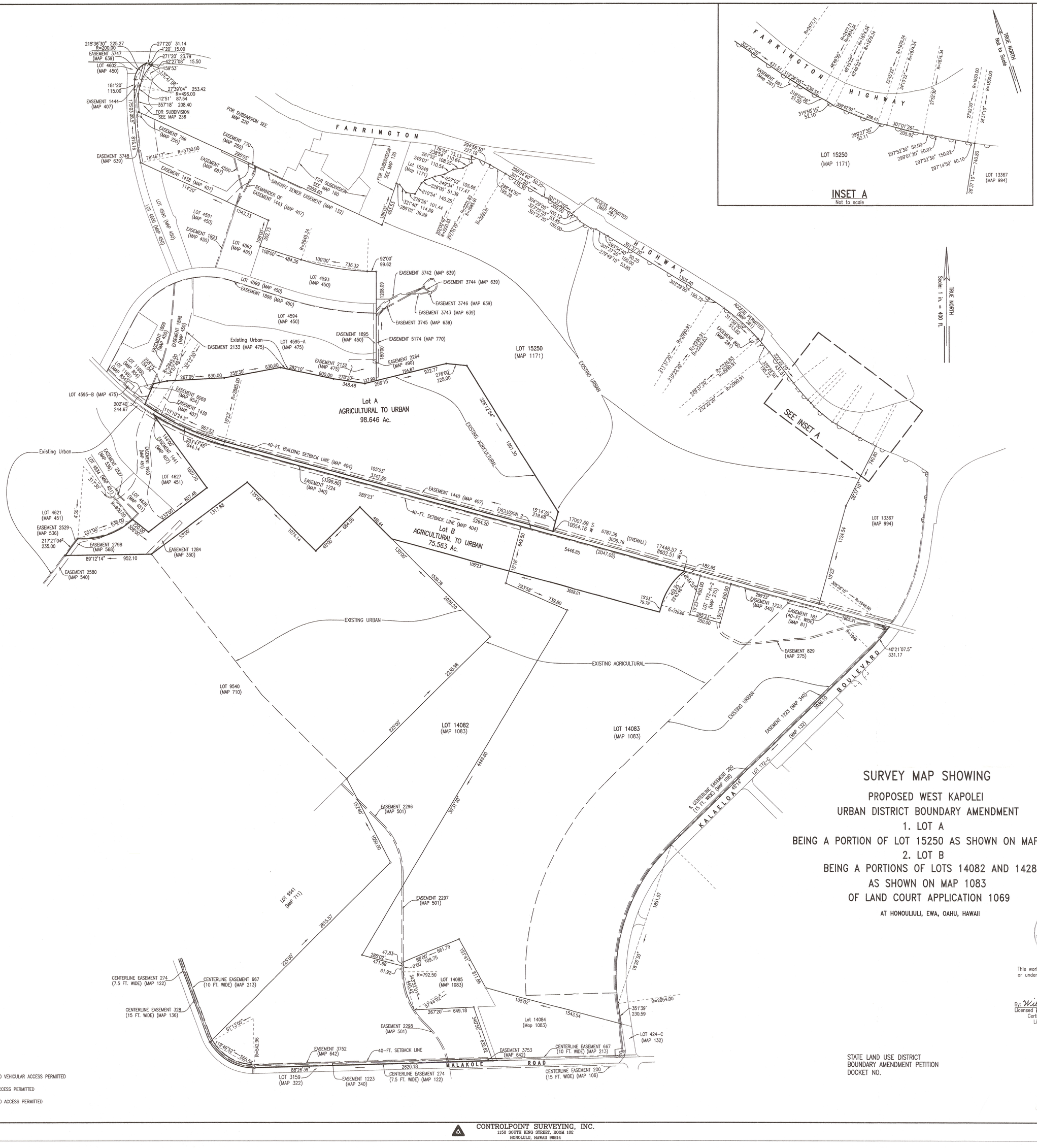
3881

Description of Petition Area: TMK Parcel 9-1-14: por. 33



Description of Petition Area: TMK Parcel 9-1-15: por. 4 and por. 20

LAND USE COMMISSION STATE OF HAWAII
2009 SEP 29 P 12:46



SURVEY MAP SHOWING

PROPOSED WEST KAPOLEI URBAN DISTRICT BOUNDARY AMENDMENT

1. LOT A

BEING A PORTION OF LOT 15250 AS SHOWN ON MAP 1174

2. LOT B

BEING A PORTIONS OF LOTS 14082 AND 14283 AS SHOWN ON MAP 1083 OF LAND COURT APPLICATION 1069

AT HONOULIULI, EWA, OAHU, HAWAII

LICENSED PROFESSIONAL LAND SURVEYOR No. 3499 HAWAII, U.S.A.

This work was prepared by me or under my direct supervision

By: Wilfred Y. K. Chun
Licensed Professional Land Surveyor
Certificate Number 3499
License Expire 4/06

STATE LAND USE DISTRICT
BOUNDARY AMENDMENT PETITION
DOCKET NO.

LAND USE COMMISSION STATE OF HAWAII 2004 SEP 29 P 12:11

Exhibit "2"

File: 04017-10.dwg JOB No. 04017-10

T.M.K. 9-1-14: 27 and 9-1-15: 01, 04, and 16

CONTROLPOINT SURVEYING, INC.
1150 SOUTH KING STREET, ROOM 102
HONOLULU, HAWAII 96814

revised September 24, 2004

3883

32" X 36"
June 21, 2004

PROPOSED KAPOLEI WEST URBAN DISTRICT BOUNDARY AMENDMENT

LOT A

LAND USE COMMISSION
STATE OF HAWAII
2004 SEP 29 P 12:46

Being a portion of Lot 15250 (Map 1171) of Land Court Application 1069.

Situate at Honouliuli, Ewa, Oahu, Hawaii

Beginning at the Southeast corner of this parcel of land on the North side of Exclusion 2 as shown on Map 1 of Land Court Application 1069, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 17,007.69 feet South and 10,054.16 feet West, and running by azimuths measured clockwise from true South:

1.	105°	23'		3,747.60 feet	along Exclusion 2;
2.	Thence along same, on a curve to the right with a radius of 2,845.00 feet, the chord azimuth and distance being: 115° 10' 24.5" 967.53 feet;				
3.	202°	40'		244.67 feet	along Lots 11951 and 11950 (Map 854) of Land Court Application 1069;
4.	258°	25'		154.04 feet	along Lot 4595-A (Map 475) of Land Court Application 1069;
5.	276°	05'		630.00 feet	along same;
6.	259°	30'		630.00 feet	along same;
7.	282°	10'		600.00 feet	along same;
8.	278°	20'		348.48 feet	along same;
9.	256°	15'		922.77 feet	along same and along the remainder of Lot 15250 (Map 1171) of Land Court Application 1069;
10.	276°	00'		225.00 feet	along the remainder of Lot 15250 (Map 1171) of Land Court Application 1069;
11.	328°	12'	54"	1901.30 feet	along same;

ControlPoint Surveying, Inc.
1150 South King Street, Suite 102
Honolulu, Hawaii 96814

EXHIBIT "3"

12.	15°	14'	30"	219.68 feet	along same to the point of beginning and containing an area of 98.646 acres.



Wilfred Y.K. Chin

Wilfred Y.K. Chin
Licensed Professional Land Surveyor
Certificate Number 3499
License Expires 4/06

June 18, 2004
Honolulu, Hawaii

ControlPoint Surveying, Inc.
1150 South King Street, Suite 102
Honolulu, Hawaii 96814

PROPOSED KAPOLEI WEST URBAN DISTRICT BOUNDARY AMENDMENT

LOT B

LAND USE COMMISSION
STATE OF HAWAII
2004 SEP 29 P 12:46

Being portions of Lots 14082 and 14083 as shown of Map 1083 of Land Court Application 1069.

Situate at Honouliuli, Ewa, Oahu, Hawaii

Beginning at the Northeast corner of this parcel of land on the South side of Exclusion 2 as shown on Map 1 of Land Court Application 1069, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 17,448.57 feet South and 8,602.51 feet West, and running by azimuths measured clockwise from true South:

1. Along the remainder of Lot 14083 (Map 1083) of Land Court Application 1069, on a curve to the left with a radius of 720.00 feet, the chord azimuth and distance being: 33° 43' 46" 453.25 feet;

2. 15 ° 23' 79.79 feet along same;

3. 105° 23' 3058.01 feet along remainders of Lots 14083 and 14082 (Map 1083) of Land Court Application 1069;

4. 135° 00' 495.44 feet along Lot 9540 (Map 710) of Land Court Application 1069;

5. 45° 00' 684.55 feet along same;

6. 135° 00' 1074.14 feet along same;

7. 53° 00' 1317.88 feet along same;

8. 89° 12' 14" 952.10 feet along same;

9. 217° 21' 04" 235.00 feet along Lot 4621 (Map 451) of Land Court Application 1069;

10. Thence along same, on a curve to the left with a radius of 800.00 feet, the chord azimuth and distance being: 251° 00' 638.00 feet;

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Honolulu, Hawaii 96814

EXHIBIT "4"

11.	308°	00'	220.00 feet	along Lot 4626 (Map 451) of Land Court Application 1069;
12.	233°	00'	807.46 feet	along Lots 4626 and 4627 (Map 451) of Land Court Application 1069;
13.	144°	00'	1007.70 feet	along Lot 4627 (Map 451) of Land Court Application 1069;

14. Thence along Exclusion 2 (Map 1) of Land Court Application 1069, on a curve to the left with a radius of 2,885.00 feet, the chord azimuth and distance being: 293° 47' 45" 844.14 feet;

15.	285°	23'	5264.20 feet	along same to the point of beginning and containing an area of 75.563 acres.

WILFRED Y.K. CHIN
LICENSED PROFESSIONAL LAND SURVEYOR
No. 3499
HAWAII, U.S.A.

Wilfred Y.K. Chin

June 18, 2004
Honolulu, Hawaii

Wilfred Y.K. Chin
Licensed Professional Land Surveyor
Certificate Number 3499
License Expires 4/06

ControlPoint Surveying, Inc.
1150 South King Street, Suite 102
Honolulu, Hawaii 96814

September 29, 2004

LAND USE COMMISSION
STATE OF HAWAII
2004 SEP 29 P 12:47

Notification of Petition Filing

This is to advise you that a petition to amend the State Land Use District Boundaries with the following general information has been submitted to the State of Hawaii Land Use Commission:

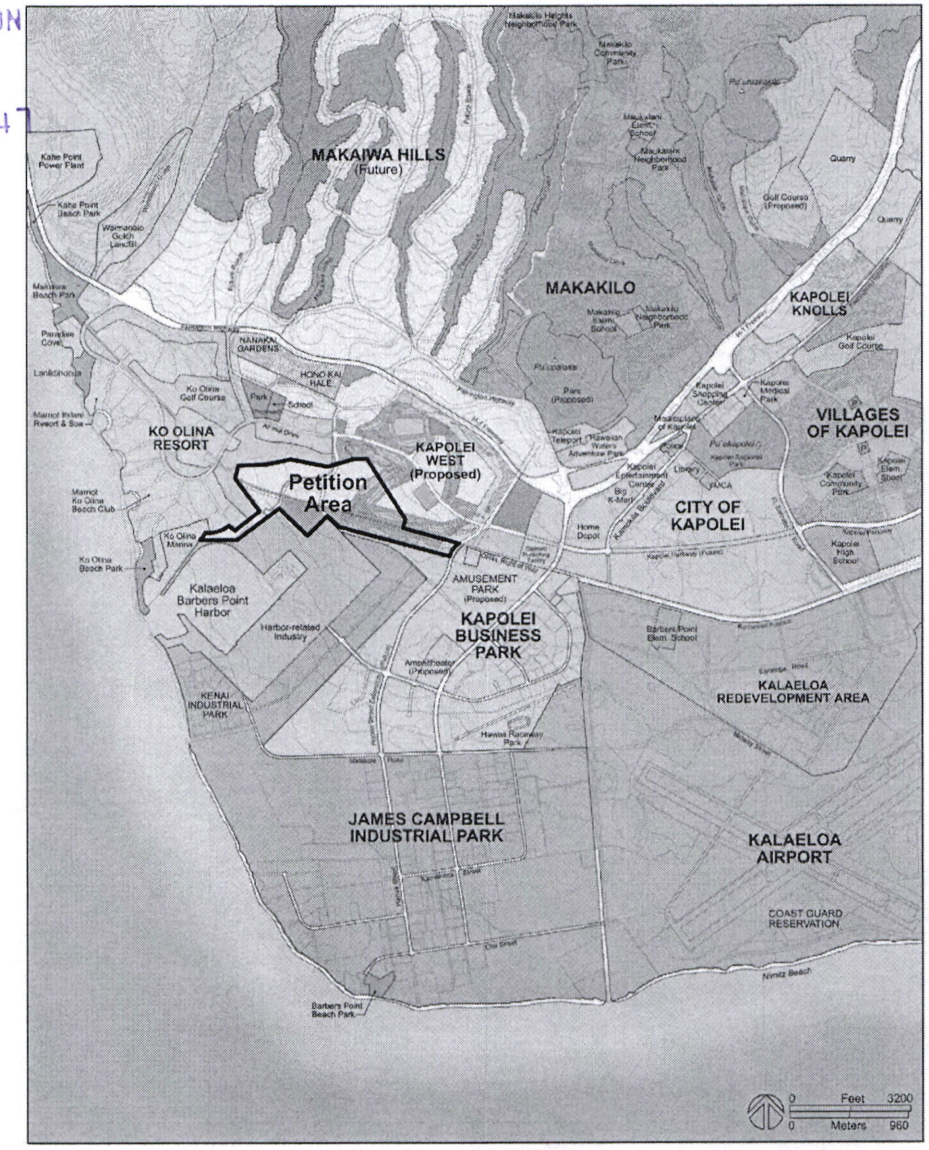
Docket No:	A04-753
Petitioner/Address:	Aina Nui Corporation 1001 Kamokila Boulevard, Suite 255 Kapolei, Hawaii 96707
Landowners:	Aina Nui Corporation and The Estate of James Campbell (Aina Nui Corporation is the authorized agent for The Estate of James Campbell for the purposes of this petition)
Tax Map Key Numbers:	(1) 9-1-14: por. 33 (1) 9-1-15: por. 4 and por. 20
Location:	Honouliuli, Ewa District, Oahu, Hawaii
Request Reclassification:	Agricultural to Urban
Acreage:	Approximately 174.209 acres
Proposed Uses:	Residential, golf course, recreational, park, open space, and roadways

You may review detailed information regarding the petition at the Land Use Commission ("Commission") office or the City and County of Honolulu, Department of Planning and Permitting.

The Commission's office is located at 235 S. Beretania Street, Room 406, Honolulu, Hawaii. Office hours are from 7:45 a.m. to 4:30 p.m., Mondays through Fridays.

A hearing on this petition will be scheduled at a future date. If you are interested in participating in the hearing as a public witness, please write or call the Commission office at P.O. Box 2359, Honolulu, Hawaii 96804-2359; Phone: (808) 587-3822.

If you intend to participate in the hearing as an intervenor, pursuant to § 15-15-52, Hawaii Administrative Rules, you should file a Notice of Intent to Intervene with the Commission within 30 days of the date of this notice. Please contact the Commission office for further information.



Location of Petition Area

Kapolei West
O'ahu, Hawai'i

EXHIBIT "15"

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

LAND USE COMMISSION
STATE OF HAWAII
2004 SEP 29 P 12:46

In the Matter of the Petition of WEST BEACH ESTATES, a Hawaii general partnership To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 372.6 Acres, at Honouliuli, Ewa, Oahu, Hawaii, Tax Map Key: 9-1-15: 18 and portion of 4, and 9-1-56: portion of 11 and portion of 12	DOCKET NO. A90-655 WEST BEACH ESTATES, a Hawaii general partnership

This is to certify that this is a true and correct copy of the Decision and Order on file in the office of the State Land Use Commission, Honolulu Hawaii.

FEB 14 1991 by
Date Executive Officer

FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND DECISION AND ORDER

FEB 14 7 59 AM '91
LAND USE COMMISSION
STATE OF HAWAII

EXHIBIT "5"

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of WEST BEACH ESTATES, a Hawaii general partnership To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 372.6 Acres, at Honouliuli, Ewa, Oahu, Hawaii, Tax Map Key: 9-1-15: 18 and portion of 4, and 9-1-56: portion of 11 and portion of 12	DOCKET NO. A90-655 WEST BEACH ESTATES, a Hawaii general partnership

FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND DECISION AND ORDER

WEST BEACH ESTATES, a Hawaii general partnership (hereinafter sometimes referred to as "Petitioner"), filed a Petition for Land Use District Boundary Amendment, a First Amendment to Petition for Land Use District Boundary Amendment, and a Second Amendment to Petition for Land Use District Boundary Amendment (hereinafter collectively referred to as the "Petition"), pursuant to Chapter 205, Hawaii Revised Statutes, as amended, and the Hawaii Land Use Commission Rules, Title 15, Subtitle 3, Chapter 15, Hawaii Administrative Rules ("Commission Rules"), as amended, to amend the Land Use District Boundary to reclassify approximately 372.6 acres of land situate at Honouliuli, Ewa, Oahu, State of Hawaii, identified as Oahu Tax Map Key Nos.: 9-1-15: 18 and portion of 4, and 9-1-56: portion of 11 and 9-1-56: portion of 12

(hereinafter referred to as the "Property"), from the Agricultural District to the Urban District. Petitioner proposes to develop the Property as Phase II of the Ko Olina Resort project (hereinafter referred to as "Phase II").

The Land Use Commission of the State of Hawaii (hereinafter the "Commission"), having heard and examined the testimony, evidence and argument of the parties and/or counsel for the parties presented during the hearings, and the parties' proposed findings of fact, conclusions of law and decision and order, hereby makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. On June 22, 1990, Petitioner filed a Petition for Land Use District Boundary Amendment.

2. On August 21, 1990, a request for intervention was filed by Elizabeth Ann Stone. On October 25, 1990, a request to extend the Commission hearings to allow time for further testimony, an Environmental Impact Statement opposing the petition, and a request to excuse her absence at the Commission hearings due to transportation expenses was received from Elizabeth Ann Stone. Upon consideration of the request and upon motion adopted by the Commission on October 29, 1990, the request for intervention was denied. The Order denying intervention was filed on November 30, 1990.

3. On September 5, 1990, Petitioner filed a First Amendment to Petition for Land Use District Boundary Amendment.

4. On October 5, 1990, the Department of the Navy filed a Petition To Intervene, (hereinafter "Intervenor") and a Motion For Fee Waiver, which were subsequently granted by the Commission by motion adopted on October 29, 1990, and by Order filed on November 30, 1990.

5. On October 25, 1990, Petitioner filed a Second Amendment to Petition for Land Use District Boundary Amendment which proposed to allow the existing 5.8-acre Kamokila Park to remain in its present location; the deletion of the previously proposed new park site on the west end of the Property; a reconfiguration of the 18-hole championship golf course; and a reconfiguration of the low-density apartment parcel to accommodate the existing Kamokila Park.

6. The Commission held hearings on the Petition on October 29 and 30, 1990, pursuant to notice published on September 20, 1990, in the Honolulu Star-Bulletin, a newspaper of general circulation.

7. On October 29, 1990, the Commission accepted into evidence the written testimony of Calvin Kawamoto in favor of the Phase II Petition. The Commission also received into evidence written testimony in favor of the Petition from Charles Dick Beamer, Sterling Ing, Agnes K. Cope, George Kaeo, Kamaki Kanahele and M. Kauila Clark and allowed them to testify

as public witnesses. Also testifying as public witnesses in favor of Phase II were Jane Ross, Francisco Lumbago and Francis Kalama.

DESCRIPTION OF THE PROPERTY

8. The Property is located within the Ewa District, island of Oahu, approximately 20 miles west of Honolulu. The Ewa District encompasses the entire Ewa Plain from Kunia Road on the east to Kahe Point on the west. Located within this area are a planned destination resort, residential communities, a major industrial park, a deep draft harbor, a major military installation, and a portion of Oahu's largest sugar plantation.

9. The Ewa Plain has been designated for development by the City and County of Honolulu ("City") as a secondary urban center and is expected to accommodate most of the anticipated increase in population on Oahu through the year 2005.

10. The Property is bound to the north by the H-1 Freeway, Farrington Highway, Honokai Hale and Nanakai Gardens Subdivision; to the east by the western boundary of the proposed Kapolei Town Center near Kalaeloa Boulevard; to the west by Ko Olina Resort; and to the south by Ko Olina Resort and the abandoned Oahu Railroad and Land Company railroad right-of-way.

11. The site is approximately one mile inland from the shoreline. Access to the property is provided by the H-1

Freeway via the Palailai Interchange and by Farrington Highway and Kalaeloa Boulevard.

12. Ko Olina Phase I which was approved by the Land Use Commission on July 9, 1985, is adjacent to the property on its western and southern boundary. The proposed Kapolei Town Center which was incrementally approved by the Commission is situated east of the Property. The proposed Kapolei Business-Industrial Park is southeast of the Property.

13. Most of the Property is presently used for sugar cane cultivation by the Oahu Sugar Company. An estimated 298 acres or 80% of the Phase II Property is currently under cultivation. The remaining 68.8 acres are vacant lands. Existing uses on the Property also include the 5.8-acre Kamokila Park located adjacent to the eastern end of the Honokai Hale/Nanakai Gardens subdivision. Facilities at the park include a multi-purpose room, a basketball and volleyball court, a small slide for children, and a softball field.

14. Most of the lands within the Phase II Property are owned by the Estate of James Campbell. Approximately 359.8 acres of the Property are under a lease from Campbell Estate to the Oahu Sugar Company for sugarcane cultivation. A neighborhood park consisting of 5.8 acres adjacent to the eastern end of Honokai Hale Subdivision is currently under a lease from Campbell Estate to the City and County of Honolulu, Department of Parks and Recreation.

15. The Property also includes some acreage which is owned by West Beach Estates. Those include a 5.2-acre portion of the proposed golf course and a 1.8-acre portion of a proposed public school site.

16. Through an unrecorded Amended and Restated Ko Olina Resort Development Agreement ("Development Agreement") executed with Campbell Estate, West Beach Estates intends to purchase and develop the entire Phase II site. A short form of the Development Agreement was recorded on December 2, 1986, and was submitted as Exhibit 3.

17. The Property is located at the foot of the Waianae Range, with slopes generally ranging from 1% to 3%. In certain small portions on the western end of the Property, the slope ranges from 20-30%. The ground elevation of the Property ranges from approximately 65 feet near the abandoned railroad right-of-way to 100 feet near the highway. The Ewa Plain receives high insolation year-round and modest amounts of rainfall, with average annual precipitation of about 20 inches. Much of the total annual rainfall accumulates from several storms during the winter rainy season from October to April.

18. The Land Study Bureau Detailed Land Classification for Oahu identifies the overall productivity rating of soils of the Property as follows: approximately 2% as Class A, 86% as Class B, 2% as Class C, and 8% as Class E.

Agricultural suitability ratings range from A - very good to E - very poor.

19. If irrigated, the Land Study Bureau classifies 6 acres as "A", 328 acres as "B", 8 acres as "C" and 31 acres as "D" and "E" lands.

20. The Agricultural Lands of Importance to the State of Hawaii (ALISH) system designates approximately 359 acres of the Property as "Prime" and the remaining 14 acres are classified as "Other" and "Unclassified" lands.

21. The Property lies outside of the tsunami hazard zone and is identified as an "area of undetermined, but possible flood hazard" (Zone D) on the Federal Insurance Administration maps.

PROPOSAL FOR RECLASSIFICATION

22. The proposed Ko Olina Phase II is intended to provide for the future expansion and the necessary amenities to support the first phase of the Ko Olina Resort now well underway. The Phase II master plan proposes the development of an 18-hole championship golf course amidst low and medium density apartments, commercial retail and office development on the east end, and the existing neighborhood park.

23. The following table represents the proposed land uses and approximate acreages for the Property.

Land Use	Acres
Low Density Apartment	102.1
Medium Density Apartment	50.7
Portion of Park (Phase I)	5.2
Portion of Public School Site (Phase I)	1.8
Circulation	14.3
Open Space	4.7
Existing Kamokila Park	5.8
Commercial	32.9
Public Facility	0.5
Golf Course	154.6
Total	372.6

24. The golf course development will consist of an 18-hole championship golf course and will include a clubhouse, parking lot, maintenance facility and driving range. The golf course will help serve the visitor demand for resort golf play, Ko Olina residents, possible memberships, as well as providing tee times for Hawaii residents at reduced rates.

25. Low and medium-density apartments are planned in four clusters within the Property. A total of approximately 1,500 low density units and 2,000 medium density apartments are planned.

26. The commercial parcel on the east end is planned to accommodate a shopping center with retail-commercial development and a low-rise garden office complex.

27. The existing Kamokila Park will be kept at its present location, adjacent to the Honokai Hale subdivision, with access and planning being coordinated with the City Department of Parks and Recreation.

28. A half-acre parcel at the southeast end of the Property is to be part of a future transit station site.

29. The addition of 1.8 acres in Phase II to the contiguous proposed school site in Phase I will allow for a 6-acre site. An agreement was negotiated between West Beach Estates and the State Department of Education during the Phase I process regarding this site.

30. The Petitioner intends to comply with a sixty percent (60%) affordable housing condition through various alternatives, including, but not limited to, the provision of affordable housing on-site or off-site, the provision of an appropriate in-lieu contribution, or a combination of these alternatives to the satisfaction of HFDC.

31. The preliminary estimate for the construction of the golf course, clubhouse, and on-site and off-site infrastructure improvements is approximately $53.55 million in 1990 dollars.

32. Assuming timely approval of all necessary permits, construction of the golf course and on-site and off-site infrastructure are expected to start by late 1991 or early 1992, with completion scheduled sometime in 1993. The on-site residential construction is expected to commence in 1993 or 1994 with availability of units beginning in 1995 and ending in 2006. Development of a retail center and office complex is expected to occur in increments beginning from 1993, for a total of 275,000 square feet.

PETITIONER'S FINANCIAL CAPABILITY

TO UNDERTAKE THE PROPOSED DEVELOPMENT

33. Petitioner presented testimony and evidence, including Petitioner's Balance Sheet dated March 31, 1990 and Financial Statement and Report of Independent Certified Accountants, dated December 31, 1989, showing that the proposed Phase II development is economically feasible and that Petitioner has the experience and financial capability to undertake the proposed development.

STATE AND COUNTY PLANS AND PROGRAMS

34. The 372.6-acre Property is located entirely within the State Agricultural District. Reclassification of the site into the Urban District is being sought to enable the proposed uses and developments of Ko Olina Phase II. It should be noted that the Phase II boundary along the lower western edge does not coincide with the State Land Use boundaries separating the Urban from the Agricultural Districts.

35. Ko Olina Phase II is part of the secondary urban center which is an adopted policy of the City and County of Honolulu as expressed in the General Plan. Implementation of the policy at the development plan level was obtained in May of 1986 with the adoption of Ordinance 86-75.

36. The City and County of Honolulu Development Plan Land Use Map presently provides for Commercial, Low and Medium Density Apartment, Park, and Public Facility uses similar to that proposed in the Petition. Petitioner is pursuing a

Development Plan amendment to adjust the land use boundaries and shift acreages within the Property to provide a more compatible arrangement of land uses. An amendment to the Ewa Development Plan Public Facilities Map is also being pursued to include development of Aliinui Drive (the main collector road) and a system of privately-developed potable and non-potable water transmission mains and a non-potable well.

37. The City and County of Honolulu Land Use Ordinance designates the Phase II site as AG-1 Restricted Agricultural District, and P-2 General Preservation District (for Kamokila Park).

38. The Property is not located within the Special Management Area boundaries established pursuant to the State Coastal Zone Management Law.

NEED FOR THE PROPOSED DEVELOPMENT

39. Golf course demand is tied to population growth and tourism. Resort development is also a primary factor in projecting the demand for golf in Hawaii because the availability of championship golf courses at premier resorts has become a highly desirable amenity to the economic success of a resort. On Oahu, there is a high demand for golf. Although Oahu has 80% of the State's population and approximately 50% to 60% of the State's total visitors, less than 50% of the State's golf courses and only 15% of the State's resort golf courses are located on the island. Presently, Oahu's municipal courses are some of the busiest in

the world, the four private country clubs have waiting lists, and the military courses and public daily fee courses are at capacity. Petitioner expects resort golf to continue to grow due to: growth in volume of visitors, higher golf participation rates, an upscaling of the resort industry, an increase in the number of resort destination areas, and an increase in eastbound visitors. The existing 19 non-military courses play 1.5M rounds/year. Play by residents at non-military courses accounts for 79% of the rounds while play by visitors accounts for 21%. Based on these assumptions (but not accounting for the existing shortfall estimated by Petitioner's consultant), and the anticipated increase in population and visitors to Oahu, Petitioner estimates that there would be demand for up to 18 additional courses on Oahu. Petitioner believes that additional courses are needed to service peak demand and keep resort demand from spilling over to courses primarily servicing local demand. Petitioner maintains that there is currently an existing shortage on Oahu, as evidenced by: existing courses operating at capacity, escalating golf fees, and institution of telephone lottery systems. Actual demand was determined by Petitioner's consultants on the basis of 1 round/day: per 10 units for resort, per 15 units for resort/condo, per 75 units for residential. Consultants estimate that Ko Olina will in and of itself require four courses. Consultants estimate that by

1993, with completion of the first 2,000 hotel rooms, development of the second golf course will be necessary.

40. The supply of housing units on Oahu has not kept pace with demand, with estimates of the shortfall ranging from 20,000 to 50,000 units. Petitioner estimates that Phase II would satisfy 2.8% of overall housing demand through 2010 and 5.2% of housing demand on an average basis over its 12-year life. Petitioner envisions three target markets: primary home, retirees and second home. Residential development of a mix of housing types at Ko Olina Phase II is attractive for a number of reasons. Its location in the Ewa area is preferred by both the State and City for future population growth. Proximity to major job centers will be afforded, including Ko Olina Resort, James Campbell Industrial Park, proposed Kapolei Business-Industrial Park, and the future Kapolei Town. The residential units at Ko Olina will enjoy attractive surroundings, notably golf course frontage and location within a planned community and within a destination resort area. Petitioner is committed to fulfilling a 60% affordable housing condition as agreed with HFDC. However, they would like to maintain their flexibility in being able to satisfy this condition in a number of ways - including on-site, off-site development, in-lieu or a combination of alternatives.

41. Ewa has been designated by the City and County of Honolulu as its "Second City". If development takes place as envisioned, there will be demand for office space to support

urban activities taking place there. Additional office development proposed by Campbell Estate at nearby Kapolei Town Center is also expected to have favorable synergistic impact on demand. Based on the Department of Business and Economic Development's population growth estimates and absorption rates for office space over the past ten years, Oahu will need 290,000-400,000 square feet/year by the year 2000. Commercial use of the property is planned to provide for shopping center demand which is estimated to be generated by the resort and residential development, as well as to provide for an office complex to meet a portion of the island-wide demand for office space over the next decade. Demand for the retail center consisting of approximately 300,000 square feet will also be generated from projected resort and residential developments at Ko Olina Resort Phase I. The office complex of 275,000 square feet is expected by the Petitioner to supply approximately 10% of the island-wide demand for new office space over a 7-year period.

ECONOMIC IMPACTS

42. According to Petitioner's marketing consultant, John Zapotocky, direct employment is estimated to result in 2,525 new direct jobs and 394 indirect jobs as compared to an estimated 12 direct jobs generated by current sugar operations.

43. Upon project completion, County net revenues are projected to be $3.7 million per year (in 1990 dollars). Total revenues accruing to the State during the construction phase

are expected to be $54.5 million. Upon completion of the project, State net revenues derived from Phase II are projected to be $1.4 million per year.

SOCIAL IMPACTS

44. The proposed multi-family residential units, golf course, and commercial developments of Ko Olina Phase II will help establish the Secondary Urban Center by providing a balance of adequate housing, employment, and recreational opportunities to meet the needs of the projected population increase within the area.

45. The development of Ko Olina Phase II will result in a variety of employment opportunities as the development's long-term employment is expected to generate approximately 2,500 direct jobs, primarily stemming from the commercial retail and office development.

46. The development of Ko Olina Phase II would provide a total of approximately 3,500 multi-family units, which will consist of 1,500 low density and 2,000 medium density apartments.

IMPACTS UPON RESOURCES OF THE AREA

Agricultural Resources

47. Frank S. Scott, Jr. conducted a study addressing the land capabilities for crop production on the Property and the probable effects on Oahu Sugar Company (hereinafter "Oahu Sugar") and agriculture on Oahu in general if the Property were withdrawn from crop production for other uses.

48. An April 25, 1990, letter from Oahu Sugar to West Beach Estates, confirmed that Ko Olina Phase II is "outside Oahu Sugar's critical core lands." Oahu Sugar also specified that cultivation of these lands may become infeasible within a few years regardless of the development of Ko Olina Phase II due to the planned "Second City" and other developments, which would cut these fields off from mill facilities and make cultivation impractical for the long run.

49. The acreage of the Property that is used for sugarcane production represents only 2.2 percent of the 13,561 acres of sugarcane reported for Oahu Sugar in 1988. Oahu Sugar's net returns might be expected to be somewhat less than the indicated 2.2 percent based on proportion of land area considering (1) somewhat lower quality soils than for the average of the plantation, (2) higher irrigation requirements than for mauka lands, (3) greater distance from the mill than for most parcels and (4) possible conflicts in burning and transporting sugarcane associated with the surrounding urban infringement.

50. Withdrawal of this acreage should not in itself have a major impact on sugar production and should have a relatively minor effect on the economic viability of Oahu Sugar.

51. Mr. Scott indicated that there are no foreseeable alternative agricultural uses for most of the land on the Property. Extensive research by the Hawaiian Sugar Planters

Association, the University of Hawaii and the sugar plantations has failed to identify major alternatives to sugar crops on Oahu.

52. As of 1988, 141,886 acres were zoned as agricultural on Oahu by the State Land Use Commission, of which only 42,500 acres were in cultivated crop production, and 99,386 acres of agricultural lands were uncultivated.

Flora

53. Based on a Botanical Survey of the Property conducted by Kenneth Nagata, five vegetation types were identified: sugarcane, koa-haole, Guinea grass, scrub grassland dominated by buffelgrass, roadway vegetation of grasses and other herbaceous species, and some cultivated ornamentals around the pumphouse. No endemic or rare and endangered species were found despite a careful search. No native ecosystems will be affected by the proposed project.

Fauna

54. The Property includes introduced mammals, amphibian species and land reptiles. Of the eighteen species of introduced birds observed within the vicinity, none are classified as an endangered species. No endemic or endangered mammals, amphibians, reptiles or birds were found on the Property. The proposed project would have no adverse effect on the terrestrial vertebrate animals observed within the area of the Property.

Historical/Archaeological Resources

55. A reconnaissance survey and subsurface archaeological testing of the Property was conducted by Paul H. Rosendahl, Ph.D. Inc. The survey revealed that the entire Property has been extensively modified in recent times, primarily by sugarcane cultivation and that no significant archaeological sites were encountered within the Property during the Reconnaissance Survey and Subsurface Testing.

56. Petitioner states that if any potentially significant subsurface cultural remains are encountered during construction of the proposed development, work will cease, archaeological consultation will be sought and the appropriate governmental agencies will be notified immediately.

57. The Oahu Railroad and Land Company Right-of-Way railroad bed extends approximately 3,200 feet along a portion of the southern boundary of the Property, and is listed on the National Register of Historic Places (Site 50-80-12-9714). The project will not have any adverse effect on the railroad bed.

Recreational and Scenic Resources

58. The Property is planned to include the 5.8-acre Kamokila Park. Phase II will also include a 156-acre, 18-hole championship golf course with a clubhouse facility and driving range.

59. The Petitioner, in its Phase I plans, provides an 11-acre park adjacent to a proposed school site and just below the western end of the Phase II Property. Phase I also

includes an 18-acre beach park located near the resort's primary entrance and a 9.3-acre beach park located adjacent to the marina.

60. A number of private developments in the vicinity of the Property have proposed or will develop recreational facilities as part of their master plans.

61. Four community parks currently exist within the Ewa District, including the 5.8 acre Kamokila Park located within the Property and three neighborhood parks.

62. The proposed development of the golf course and park will help preserve the makai view from the highway which is elevated above the Property. The low density apartments are not expected to affect any views from the highway and mauka areas. Medium density apartments are confined to two areas near the commercial development. The commercial developments will be low-rise in character with height limits established such that views will not be materially affected.

ENVIRONMENTAL QUALITY

Noise

63. A Noise Study was prepared by Y. Ebisu and Associates in December 1989. According to the Noise Study, the latest Air Installations Compatible Use Zones (AICUZ) study for Naval Air Station Barbers Point indicates that aircraft noise levels do not presently exceed 60 Ldn at any of the residential areas planned, even when combined with aircraft operations from Honolulu International Airport. The 60 Ldn contour crosses the

edge of the transit station site as drawn utilizing 1987 data. The 60 Ldn contour would also include a corner of the Commercial site as forecasted for 2005. The 55 Ldn Contours for 1987 and 2005 cross over the Medium and Low Density Apartment areas of the project.

64. None of the Barbers Point Naval Air Station's ("BPNAS") flight tracks come across the Phase II development.

65. Hawaii Revised Statutes § 467-31 requires that real estate brokers and salesmen provide a disclosure regarding properties which lie within an AICUZ area to prospective buyers, lessees, and tenants, prior to any sale, leasing or other transactions.

66. The Property is closer to the BPNAS than the Honolulu International Airport, however, the Navy did not request any avigation easement. Hawaii Revised Statutes § 467-31 and OSP's proposed condition regarding deed disclosures should satisfy any aircraft-related concern that the Navy might have regarding the Phase II Property.

67. The Phase II development, as presently proposed, is compatible with the BPNAS aircraft operations, noise and accident environment and is consistent with agreements reached between the Navy and Campbell Estate.

68. Traffic noise levels would not be incompatible with development of the golf course and commercial area. A portion of the low density apartment units on the northeast portion of the Property within 250 feet from the highway

centerline would be impacted by highway noise. Noise mitigation such as air-conditioning these units will be undertaken to prevent adverse noise impacts on future residents.

Air Quality

69. An Air Quality Study was conducted by Root and Neal Air Pollution Consulting in January 1990 on fugitive dust and exhaust emissions related to construction equipment and commuting construction workers. To mitigate the short-term fugitive dust, the Petitioner will comply with the State of Hawaii Air Pollution Control Regulations. Paving of parking areas and establishment of landscaping early in the construction schedule will also help to control dust. Vehicular emissions may be limited by moving construction equipment and workers to and from the project site during off-peak traffic hours.

70. All long-term air quality impacts associated with the proposed project are indirect. The primary indirect impact will be increased levels of carbon monoxide from vehicle traffic along roadways leading to and from the proposed development, especially near the new intersection of Kalaeloa Boulevard and Ko Olina Parkway.

Water Quality

71. According to the petitioner's pesticide safety expert, Dr. Brennan, the change from sugarcane cultivation to a well-managed golf course is consistent with the State's goal of preserving and protecting groundwater. The total amount of

nitrogen used in the fertilizer for sugarcane production is similar to that which would be used on the proposed golf course. The presence of caprock between the surface of the property and the Pearl Harbor aquifer should serve as an effective barrier between the brackish and potable groundwater sources and will not cause significant degradation of potable groundwater quality from the land use conversion from sugarcane cultivation to golf course.

Fertilizers and Pesticides

72. Development of the proposed golf course and the use of chemical fertilizers and pesticides if properly managed should not pose adverse environmental risks. The combination of soil properties, gently sloping topography, and a net evapotranspiration deficit suggest no recharge of the brackish groundwater from rainfall. The amount of nitrogen used would be similar to that used in sugarcane production.

73. The pesticides to be used on the golf course degrade relatively quickly. Airborne drift would be controlled by using low-pressure nozzles, lowering application booms, using drift control agents, selecting proper formulations, observing local weather conditions, and making applications by properly trained personnel.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Highway and Roadway Facilities

74. Primary roadway access to the Property is via the H-1 Freeway and Farrington Highway, with west and eastbound

access via the Palailai Interchange and Kalaeloa Boulevard and the newly constructed Ko Olina Interchange. From the access points, circulation through the Property will be provided by Aliinui Drive (a four-lane collector road) which will be extended from the Phase I area to and along the southern boundary of the Phase II site to Kalaeloa Boulevard.

75. A Traffic Study prepared by Wilbur Smith Associates in February 1990, concluded that the proposed project would generate approximately 1,262 vehicle trips per day in 1992 upon completion of the golf course and 41,900 vehicle trips to or from the project areas on an average weekday upon full development of the 3,500 residential units and the commercial area in 2005.

76. To improve the level of service of traffic, which would be LOS F (Level of Service) with or without the project to LOS D, a large intersection at Aliinui Drive and Kalaeloa Boulevard, with sufficient through lanes and separate left and right turn lanes on both roadways, will be required. Petitioner's consultant stated that the intersection should be signalized.

77. Petitioner's consultant stated that the intersection of Aliinui Drive and Koio Drive which would operate at LOS F with or without the project could be improved by constructing four lanes on Aliinui Drive from the Koio Drive to the Kalaeloa intersection. The eastbound approach will require double left turn lanes and a single through lane. Koio

Drive should have two lanes approaching and departing. Petitioner's consultant stated the intersection should be signalized.

78. The anticipated traffic is expected to be dispersed throughout the interior access roadway intersections. Left and right turn lanes into the various project areas would be provided with appropriate stop-control or signalization to allow continuous free-flowing traffic on Aliinui Drive.

79. Petitioner is participating in the implementation of the Ewa Transportation Master Plan which is in the process of determining the funding and construction of regional transportation improvements in the Ewa area and the impacts generated by the Phase II project.

Water Service

80. The proposed development will be serviced by a dual water system supplying potable water for human consumptive uses and brackish water for irrigation. Potable water source improvements proposed in the Ewa Water Master Plan have been jointly implemented by the Ewa Plain Water Development Corporation (EPWDC), of which West Beach Estates is a member.

81. Mauka of the Property and Farrington Highway, water transmission mains, reservoirs, and non-potable wells have been either constructed or bonded for Ko Olina Phases I and II. New potable water wells have been identified for

development as part of the Ewa Water Master Plan at the 440-foot elevation of upper Honouliuli, mauka of H-1 Freeway, and west of Kunia Road.

82. Total water demand is estimated at 1.09 million gallons per day of potable water and 1.16 million gallons per day of non-potable water. The Ewa Water Master Plan, approved by the Board of Water Supply in October 1987, includes the development plan for Ko Olina Phase II.

Wastewater

83. On the mauka side of the railroad right-of-way, 33-inch and 36-inch trunk sewers connect to the municipal Makakilo Interceptor Sewer which conveys and discharges wastewater to the Honouliuli Wastewater Treatment Plant. The existing lines are adequate to accommodate the estimated 1,164,000 gallons per average day of wastewater generated by the proposed development.

84. Appropriate permits and approvals will be requested from the State Department of Health and the City Department of Public Works for the proposed wastewater system. Since the Phase II development will be constructed over a period of years, each individual building or project will obtain approval of its wastewater allocation from the City Department of Public Works as part of the building permit process.

85. The City has plans to expand the capacity of the Honouliuli Wastewater Treatment Plant. The expansion is

scheduled for completion in 1993 or 1995. After completion of the expansion, there will be adequate capacity to treat and dispose of the wastewater generated by Ko Olina Resort Phase II. Petitioner must seek approval from the City and County of Honolulu to connect to the Honouliuli Wastewater Treatment Plant. Should the capacity at the plant not be sufficient for the proposed development, the Petitioner may utilize other alternatives acceptable to the State Department of Health.

Drainage System

86. The Property lies within three natural drainage basins. Existing off-site downstream drainage facilities are adequate for the proposed development. An unlined channel south and east of the Property and recently completed drainage improvements in Ko Olina Phase I were designed and built to accommodate storm runoff from the Property and sub-tributary mauka areas.

87. Proposed on-site improvements include construction of underground pipe drain systems within Aliinui Drive and grassed swales, ditches and channels in the proposed golf course. A drainage master plan will be prepared and submitted for City review at the appropriate stage of the development process.

Solid Waste Disposal

88. Solid waste expected to be generated by the proposed development is approximately 50 tons of refuse per

day. Solid waste will be collected by the City and private refuse companies and transported to the H-POWER facility or to a public landfill site.

Schools

89. The Ko Olina Resort plan provides a site for an elementary school which would be developed when the Ko Olina community has generated a sufficient demand for a new facility. The State Department of Education estimates that the Ko Olina Phase II residential development would increase the enrollment of Makakilo Elementary and Kapolei Elementary (grades K-6) by 340-360 students, Ilima Intermediate (grades 7-8) by 130-140 students, and Campbell High (grades 9-12) by 200-220 students.

Police and Fire Protection

90. Police service to the Ewa area is provided by the Pearl City station, which jurisdiction includes three districts: the Waianae Coast, Waipahu/Ewa Beach, and Aiea/Pearl City.

91. Fire service to the proposed development site is presently provided from the Makakilo station, which houses an engine company and five firefighters. Additional City Fire Department units are available from the Waipahu and Nanakuli stations.

92. Ko Olina Resort Phase I plans also provide for a 2-acre site for police/fire/day care center facilities.

Emergency/Civil Defense

93. The State Department of Defense, Office of the Director of Civil Defense requests the installation of infrastructure support for siren warning equipment. Civil Defense explains that emergency warning systems must be planned for the safety of communities and that inclusion of the systems at the permitting process results in considerable savings. Planning and installation would be done in consultation with Civil Defense and the systems would subsequently be donated to Civil Defense.

94. It is estimated that three siren locations would be needed to serve the project. Preliminary locations are identified at the southwest corner of the park alongside the drainage canal, in the parking lot of the golf course closest to Ali'inui Drive, and in the public facility next to Ali'inui Drive.

95. The Oahu Civil Defense Agency also states "the need for the developer and those organizations involved in designing and constructing commercial, school, and recreation facilities, to assure every effort is made to create usable shelter for the new population."

Electricity and Telephone Services

96. Major electrical transmission facilities within the Property include Hawaiian Electric Company's 138 KV overhead line that traverses along the western edge of the

proposed commercial parcel and existing 46 KV lines parallelingthe railroad right-of-way. Projected peak demand for the proposed project is estimated at approximately 18 MVA. Based on the projected loading, Hawaiian Electric Company does not anticipate that a new substation will be required to serve the project.

97. The telephone system will be an underground facility except for cross-connect pedestals provided by Hawaiian Telephone Company at various locations throughout the Property to permit access and telephone service to the project facilities.

Health Care Services

98. Existing health and medical care facilities are located in Waianae, Ewa Beach, and Waipahu. These facilities consist of medical clinics and physician offices. Hospital facilities include the 116-bed facility at Pearl Ridge (the Pali Momi Medical Center) and a 136-bed facility in Waipahu (St. Francis Medical Center West and St. Francis Medical Plaza West).

CONFORMANCE TO THE URBAN DISTRICT STANDARDS

99. The Property meets the standards applicable for determining the boundaries for the Urban District as set forth in Section 15-15-18 of the Commission's Rules as follows:

100. The Property includes lands characterized by "city-like" concentrations of people, structures, streets,

urban level of services and other related land uses. It is adjacent to the 290-unit Honokai Hale/Nanakai Gardens Subdivision and the first phase of the Ko Olina Resort development on its western end. To the east lies the proposed Kapolei Town Center development which is intended to be the focal point of the Second City development.

101. The Property is in proximity to centers of trading and employment and would also generate new centers of trading and employment. The Property lies between and in close proximity to the Ko Olina Resort and the proposed Kapolei Town Center development. Phase II will also be a significant generator of trading and employment as approximately 2,500 direct jobs would be created by the golf course and commercial developments.

102. The Petitioner has substantiated the economic feasibility of the Phase II Project. The Market Study indicates a substantial demand exists for an additional golf course facility to support the resort development. The Market Study further emphasizes a long-term demand for residential housing on Oahu. The proposed residential development of Ko Olina Phase II would contribute to this demonstrated need for additional residential units. There is also the demand for additional commercial space which will be allocated to retail and office facilities on the east end of the Property.

103. The Property is in proximity to basic services such as sewers, transportation systems, water, sanitation,

schools, parks, and police and fire protection. The sewer system when expanded, will be adequate to accommodate the wastewater generated by the planned residential, golf course clubhouse, and commercial developments. Electrical and communications services will be provided from existing utility systems. Planned roadways and mitigative measures are proposed to alleviate impacts and maintain traffic volumes within roadway capacities.

104. There are sufficient reserve areas for urban growth in appropriate locations based on a ten-year projection. The Property is a logical continuum of urbanization and growth in the Ewa area as it lies between the Ko Olina Resort Phase I and the proposed Kapolei Town Center. In its Ewa Development Plan, the City has also planned for urban-type uses within the Property.

105. The Property includes lands with satisfactory topography and drainage and are reasonably free from the danger of floods, tsunami, and unstable soil conditions, although the predominant soils have high shrink-swell potential and crack widely upon drying. The Property has slopes generally ranging from 1 to 3% and is not situated within a flood hazard area. General on-site improvements are proposed to improve drainage and storm runoff conditions. Upon development, the golf course will function as a retention/flood basin to lessen storm flows to lower-lying areas and will help to mitigate any flood hazard. No adverse environmental impacts are anticipated.

106. The Property is contiguous with existing Urban areas on the west, including the Honokai Hale/Nanakai Gardens Subdivision and the Ko Olina Resort Phase I. To the east, the Property is contiguous with the "Subsequent Increments" area of the proposed Kapolei Town Center which recently obtained incremental redistricting to the Urban District. The Property is also planned for future urban uses on the City's Development Plan for Ewa, including low and medium density apartment uses, commercial, park, and public facility uses.

107. The Property supports and is consistent with the designation of Kapolei as the Secondary Urban Center for growth and development on Oahu. The proposed golf course, multi-family residential units, park, and commercial area will provide the necessary support facilities to accommodate the future growth and development of the Ko Olina Resort.

108. The Property is a logical extension of urbanization in the Ewa District and will not contribute to scattered spot urban development. Petitioner will provide all required on-site and off-site improvements to minimize the burden on public systems which are affected by the development. Thus, urbanization of the Property will not necessitate unreasonable investment in public infrastructure or support services.

109. The Property does not include lands with a general slope of twenty percent or more which do not provide open space amenities or scenic values.

CONFORMANCE WITH THE GOALS, OBJECTIVES AND POLICIES OF THE HAWAII STATE PLAN AND RELATIONSHIP WITH APPLICABLE PRIORITY GUIDELINES AND FUNCTIONAL PLAN

The urban designation of the Property is in conformance with the Hawaii State Plan, the overall theme, goals, objectives and priority guidelines for the future long-range development of the State. The Petition supports and is consistent with the following State Plan objectives and policies:

110. In conformance with Section 226-5(b)(7), Hawaii Revised Statutes, the development of Phase II will support the designation of Ewa as the Secondary Urban Center. A variety of employment opportunities will result, particularly for residence of the leeward area.

111. In conformance with Section 226-6(a)(1), (b)(6), (b)(10), and (b)(15), Hawaii Revised Statutes, Phase II activities will help sustain the level of construction activity in the State, and benefit the Ewa area and nearby communities by the additional employment opportunities. After construction, the new facilities are expected to provide full-time employment for approximately 2,500 persons. The new jobs created by the proposed project will help to diversify economic opportunities for the Ewa area and will reduce the number of residents that will have to commute to Honolulu for employment. Petitioner has formed the West Oahu Employment Corporation (WOEC) in conjunction with the community and area providers of employment training. WOEC's purpose is to

facilitate employment of the residents of West Oahu into jobs created in the Ko Olina, Ewa, Makakilo, and Waianae areas.

112. In conformance with Section 226-7(b)(6), Hawaii Revised Statutes, the withdrawal of the Property, in itself, would not significantly impact the availability of agriculturally suitable lands as the effect is expected to be less adverse than withdrawal of other similar-sized parcels elsewhere on the plantation. Factors which lessen the site's desirability include somewhat lower quality of soils than for the average plantation and higher irrigation requirements than for mauka lands. In addition, the remaining acreages of agricultural lands on Oahu are sufficient for crop production.

113. In conformance with Section 226-8(b)(3), (b)(4), (b)(5), and (b)(6), Hawaii Revised Statutes, the construction of the golf course and commercial development, and the retention of the existing Kamokila Park will support the promotion of Hawaii's visitor industry and improve the quality of the Ko Olina Resort destination area. The new facilities will provide a variety of activities to meet the diverse needs of both visitors and residents. The new Phase II project will also provide a variety of permanent job opportunities and facilities for the residents in the neighboring communities. Petitioner has established WOEC to take the role of both catalyst and facilitator in developing partnership activities with community organizations, training groups, and West Oahu area businesses.

114. In conformance with Section 226-10(b)(3) and (b)(8), Hawaii Revised Statutes, Petitioner has established the Pacific Foundation. Its primary objective is to promote the improvement of social and living conditions in West Oahu communities and to support other religious, educational, and charitable activities that contribute to the betterment of the people of Hawaii.

115. In conformance with Section 226-13(b)(7), Hawaii Revised Statutes, the proposed Phase II project will provide housing and employment, as well as commercial and recreational opportunities which are in close proximity to a variety of existing and future developments. The Property is adjacent to the Farrington Highway, the Ko Olina Resort Phase I complex, Barbers Point Harbor, and the Honokai Hale and Nanakai Gardens subdivisions. Future developments within the vicinity of the proposed Phase II project also include the Kapolei Town Center, Makakilo expansion, Kapolei Village, Kapolei Business-Industrial Park, and Campbell Industrial Park expansion.

116. In conformance with Section 226-14(b)(3), Hawaii Revised Statutes; and Section 226-16(b)(1), Hawaii Revised Statutes, an assessment of groundwater resources has been undertaken in conjunction with the Ewa Water Master Plan to ensure that the required facility system can be supported within the existing resource capacities. To preserve potable water supply, non-potable water sources will be developed for irrigation of the Phase II golf course.

117. In conformance with Section 226-19(a)(2), and (b)(5), Hawaii Revised Statutes, the 3,500 multi-family residential units planned in connection with Ko Olina Phase II will provide housing opportunities to accommodate the demands of the market sector desiring residence in a resort community and will complement and support the employment and recreational opportunities afforded by the Ko Olina Resort. The Phase II residential development will also be readily accessible to public facilities and services. Petitioner will provide affordable housing through various alternatives, including, but not limited to, the provision of affordable housing on-site or off-site, the provision of an in-lieu contribution, or a combination of these alternatives under such terms as may be mutually agreeable between Petitioner and the Housing Finance and Development Corporation of the State of Hawaii.

118. In conformance with Section 226-21(b)(5), Hawaii Revised Statutes, the West Oahu Employment Corporation, which is partially funded by the Petitioner, provides job training and placement.

119. In conformance with Section 226-22(b)(1), Hawaii Revised Statutes, Petitioner has established and will continue to contribute to the Pacific Foundation, a non-profit philanthropic organization whose primary objective is to promote the establishment and maintenance of social, educational, religious, and cultural activities to foster the traditional culture, environment, and economic prosperity of

the people of Hawaii and the West Oahu area. The Pacific Foundation is working with and has provided grants to schools and human service agencies to assist in their efforts to identify needs, encourage and help cultivate more youth development programs, and to help the homeless in the West Oahu area.

120. In conformance with Section 226-23(b)(2) and (b)(5), Hawaii Revised Statutes, the Phase II golf course and neighborhood park expansion will help to fulfill the recreational needs of the resort and surrounding community. They will provide a range of activities to accommodate both current user groups as well as the demand that will be generated by future development and growth in the Ko Olina Resort area.

121. The proposed Phase II development supports or conforms to the following Hawaii State Plan Priority Guidelines:

122. The Petitioner conforms with Section 226-103(a)(10)(B), Hawaii Revised Statutes, by its organization of WOEC, its establishment of scholarships and tutorial programs for students, and the expansion of business and entrepreneurial training through Leeward Community College. WOEC's formation of a one-stop-service center for community residents provides services including career counseling, entrepreneurial training, job placement and referral, and job training partnerships.

123. In conformance with Section 226-103(b)(7), Hawaii Revised Statutes, the Phase II golf course, residential and commercial development are intended to provide for a more favorable resort investment climate. Development will help to improve the overall functional relationship within the Ko Olina resort community. The proposed development will also provide new commercial and office facilities to support the Ko Olina Resort and the Second City communities.

124. In conformance with Section 226-103(e)(2), Hawaii Revised Statutes, present plans call for the use of non-potable water sources for the Phase II landscaping and the irrigation of the golf course.

125. In conformance with Section 226-103(e)(4), Hawaii Revised Statutes, Ko Olina Resort and other Ewa projects are constructing dual water systems; a potable system for human consumptive uses and brackish systems for irrigation and other non-potable uses.

126. In conformance with Section 226-104(a)(3) and (b)(6), Hawaii Revised Statutes, adequate support services and facilities already exist or will be provided to accommodate the proposed Phase II development. The proposed Phase II development will also provide a variety of jobs and support facilities to help accommodate the resort needs and the projected growth within the Second City and the Ewa district. The general public will benefit from the construction of the Phase II infrastructure, including the access road, community

park, school site, transit station, golf course, and commercial area. These infrastructure costs will be borne by the Petitioner. Development of the golf course and community park will also help to preserve open space between the neighboring residential developments and within the project area.

127. In conformance with Section 226-104(b)(2), Hawaii Revised Statutes, withdrawal of this site from sugar cultivation is expected to have a less adverse effect than withdrawal of most similar sized parcels elsewhere on the plantation due to higher irrigation requirements and greater distance from the mill.

128. The proposed Phase II project complies with and supports the following policies of the State Tourism Functional Plan:

129. Phase II complies with Section 226-104(b)(2), (b)(3), and (b)(4), Hawaii Revised Statutes, because it is part of the overall Ko Olina Resort community, which includes a golf course, park, residential, and commercial areas, which will provide a variety of jobs and facilities for the anticipated population growth in Ewa and will enhance the quality of the Ko Olina Resort development; Phase II has been carefully planned, is sensitive to existing neighborhood communities; and the golf course and community park will help to preserve open space and views for the existing neighboring communities. Phase II will also provide additional infrastructure, facilities, and

recreational and commercial opportunities that may be utilized by existing neighboring communities.

CONFORMANCE WITH COASTAL ZONE MANAGEMENT OBJECTIVES AND POLICIES

130. The Property does not abut the shoreline and is not in a tsunami or stormwave inundation area. Drainage facilities included on the Property, including the drainage swale across the golf course, will ensure that the Property will be in compliance with the requirements of the National Flood Insurance Program.

131. The proposed reclassification of the Property for the development of the proposed project conforms to the policies and objectives of the Coastal Zone Management Program Chapter 205A, Hawaii Revised Statutes, as amended.

INCREMENTAL DISTRICTING

132. Petitioner states that full development of the Property cannot be substantially completed within five (5) years after the date of final county zoning approval. Assuming other timely government approvals, Petitioner expects to complete the golf course and begin construction of residential and commercial properties within five (5) years from the date of final county zoning approval. Petitioner also expects that it's incremental development plan can be substantially completed. Petitioner's position is that its request to reclassify the entire Property to the Urban District is appropriate at this time as major commitments regarding

financing and construction of infrastructure for the entire development will be required during the initial five (5) year period.

RULING ON PROPOSED FINDINGS OF FACT

Any of the proposed findings of fact submitted by the Petitioner and the other parties not already ruled upon by the Commission by adoption herein, or rejected by clearly contrary findings of fact herein, are hereby denied and rejected.

Any conclusion of law herein improperly designated as a finding of fact should be deemed or construed as a conclusion of law; any finding of fact herein improperly designated as a conclusion of law should be deemed or construed as a finding of fact.

CONCLUSION OF LAW

Pursuant to Chapter 205 of the Hawaii Revised Statutes, as amended, and the Hawaii Land Use Commission Rules, the Commission finds upon a preponderance of the evidence that the reclassification of the Property consisting of approximately 372.6 acres from the Agricultural Land Use District into the Urban Land Use District at Honouliuli, Ewa, Oahu, City and County of Honolulu, subject to the conditions stated in the Order, conforms to the standards for establishing the Urban Boundaries, is reasonable, non-violative of Section 205-2, Hawaii Revised Statutes, and is consistent with the Hawaii State Plan as set forth in Chapter 226, Hawaii Revised Statutes, as amended.

ORDER

IT IS HEREBY ORDERED that the Property, being the subject of this Docket No. A90-655 by Petitioner WEST BEACH ESTATES, a Hawaii general partnership, consisting of approximately 372.6 acres, situated at Honouliuli, District of Ewa, Island of Oahu, State of Hawaii, and identified as Oahu Tax Map Key Nos.: 9-1-15: 18 portion of 4 and 9-1-56: portion of 11 and 9-1-56: portion of 12, and approximately identified on Exhibit "A" attached hereto and incorporated by reference herein, for reclassification from the Agricultural District to the Urban District, shall be reclassified from the Agricultural District into the Urban District and the State Land Use District Boundaries are amended accordingly, subject to the following conditions:

1. Petitioner shall provide affordable housing opportunities for residents of the State of Hawaii by offering for sale or lease a number of units equal to at least thirty percent (30%) of the residential units in the Property at prices which families with an income range of up to one hundred twenty percent (120%) of the City and County of Honolulu's median income can afford, and a number of units equal to at least thirty percent (30%) of the residential units in the Property at prices which families with an income range of one hundred twenty to one hundred forty percent (120%-140%) of the City and County of Honolulu's median income can afford.

a. This condition may be fulfilled through various alternatives, including, but not limited to, the provision of affordable housing on-site or off-site, the provision of an in-lieu contribution, or a combination of these alternatives under such terms as may be mutually agreeable between Petitioner and the Housing Finance and Development Corporation of the State of Hawaii ("HFDC").

b. This condition may also be fulfilled, with the approval of the HFDC through construction of rental units to be made available at rents which families in the specified income ranges can afford.

c. In addition, Petitioner may obtain special credit, as determined by HFDC, for the provision of housing affordable to persons with low and/or very low incomes and for the provision of housing for special needs groups, as determined by the HFDC.

d. Insofar as possible, the Petitioner shall implement this affordable housing requirement concurrently with the completion of market priced units for the residential project.

e. The determination of median income, as the term is used in this condition, shall be based on median income published by the United States Department of Housing and Urban Development at the time that construction of such housing units commences.

2. Petitioner shall participate in the implementation of the Ewa Transportation Master Plan ("ETMP"). In the alternative, should the ETMP not be completed on a schedule compatible with Petitioner's development schedule, Petitioner shall undertake the following on a fair proportionate share basis as determined by the State Department of Transportation ("DOT"):

a. Petitioner shall participate in the funding and construction of transportation improvements at project access points as identified and deemed necessary by DOT.

b. Petitioner shall also participate in the funding and construction of other on-site and off-site transportation improvements necessitated by the proposed development of the Property and in designs and schedules accepted by and coordinated with DOT.

c. With respect to the foregoing requirements, the extent of the Petitioner's participation shall not exceed its fair proportionate share of the increased community impacts in the region.

d. In the event that the City and County of Honolulu ("C&C") adopts an impact fee for transportation improvements, the foregoing requirements shall be satisfied to the extent that the cost of any specific traffic improvement is also included in the C&C's impact fee computation.

e. Petitioner shall appoint a transportation manager whose function is the formulation, use, and

continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems. In the alternative, Petitioner may participate in a regional program for transportation management with other developers and/or landowners. This program shall address the formulation, use, and continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems. Participation in the Leeward Oahu Transportation Management Association would satisfy this condition.

3. Petitioner will provide other community benefits to mitigate impacts, which may include adequate golf tee times at affordable rates for public play by Hawaii residents based on prevailing rates for public play at privately owned daily fee golf courses to the satisfaction of the Office of State Planning and the City and County of Honolulu.

4. Petitioner shall provide drainage improvements for the Property and shall, to the extent necessary as determined by the City and County of Honolulu, coordinate off-site improvements with the Estate of James Campbell, the Barbers Point Naval Air Station, adjoining landowners and developers, and/or other Federal, State or City and County of Honolulu agencies.

5. Petitioner shall participate in an air quality monitoring program as specified by the State Department of Health.

6. The Petitioner shall connect the wastewater system for the proposed development in the Property to the Honouliuli Wastewater Treatment Plant (HWTP). Construction of any structure(s) within the Property shall not commence until Petitioner has obtained assurances from the City and County of Honolulu that the capacity at HWTP has been reserved for such structure(s); provided that if the capacity at the HWTP is not sufficient for the proposed structure(s) within the Property, the Petitioner may utilize other alternatives acceptable to the State Department of Health.

7. Petitioner shall implement soil erosion and dust control measures during all phases of the development in compliance with the applicable rules and regulations of the City and County of Honolulu and the State Department of Health.

8. Petitioner, by itself or together with other members of the Ewa Plain Water Development Corporation, shall develop the necessary water source, storage, and transmission facilities to provide an adequate supply of potable and non-potable water to the Property in conjunction with the development of Ko Olina Phase II. Non-potable water shall be used for irrigation.

9. Petitioner shall be responsible for implementing sound attenuation measures to bring noise levels from vehicular traffic in the Property down to levels in compliance with the applicable State Department of Health standards and in cooperation with the State Department of Transportation.

10. Petitioner shall disclose in its deeds to all initial purchasers of residential units in the Property: (a) the possible odor, air, noise, and dust pollution resulting from Farrington Highway, Barbers Point Naval Air Station, Honolulu International Airport, neighboring developments, and any adjacent agricultural operations, and (b) the Hawaii Right-to-Farm Act, Chapter 165, Hawaii Revised Statutes, which limits the circumstances under which pre-existing farm activities may be deemed a nuisance.

11. Petitioner will provide covenants in the deed to initial purchases releasing the State of Hawaii and the United States Government or any subdivision thereof from all liability, and provide that such initial purchasers will not file suit against the State of Hawaii and the United States Government or any subdivision thereof on account of, or resulting from, any inconvenience, disturbance and/or injury due to noise under 65 Ldn in the area affecting such occupants or their property. Such covenants shall run with the land.

12. Petitioner shall immediately stop work on the impacted area and contact the Historic Preservation Division, State Department of Land and Natural Resources should any significant archaeological resources such as artifacts, shell, bones or charcoal deposits, human burial, or rock or coral alignments, paving or walls of historic or prehistoric significance be encountered during the development of the Property.

13. Petitioner shall comply with "The Eight (8) Conditions Applicable to This Golf Course Development", prepared by the State Department of Health dated April, 1990 (Version 3), introduced as the Office of State Planning's Exhibit Number 2.

14. Petitioner shall engage the services of a qualified golf course manager to oversee the irrigation of the golf course and application of fertilizers and pesticides to the golf course within the Property and who shall be qualified in the application of fertilizers and pesticides on those areas.

15. Petitioner shall provide its fair proportionate share for school facilities as may be required by and to the satisfaction of the State Department of Education and the Office of State Planning.

16. Petitioner shall provide its fair proportionate share for police, fire, park and solid waste disposal as may be required by and to the satisfaction of the City and County of Honolulu.

17. Petitioner shall participate with City and State civil defense agencies, with U.S. Department of the Navy, and with adjoining landowners and developers in formulating and implementing an emergency preparedness and evacuation plan for the Property. Petitioner shall fund and install the necessary number of emergency siren units (including infrastructure) within the development area to the specifications and satisfaction of the State Office of Civil Defense.

18. Petitioner shall complete the development on the Property in substantial compliance with the representations made before the Land Use Commission. Failure to so develop may result in the Land Use Commission taking any action authorized under, and pursuant to Act 261.

19. Petitioner shall give notice to the Land Use Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interest in the Property covered by the approved Petition prior to visible commencement of construction on the Property; provided, however, that Petitioner may transfer ownership in the Property to an affiliate or joint venture of which Petitioner is a member or in a manner consistent with prior representations to the Land Use Commission, and may mortgage the Property at any time without notice to the Land Use Commission. A mortgagee under such mortgage may foreclose the mortgage, by judicial foreclosure or under a power of sale contained in such mortgage (provided notice of the date of such foreclosure sale is given to the Land Use Commission), or may, with notice to the Land Use Commission, acquire title to such Property in lieu of foreclosure and the mortgagee or the person acquiring title at such foreclosure or in lieu of foreclosure may also transfer title to the Property with notice to the Land Use Commission.

20. The Commission may fully or partially release these conditions as to all or any portion of the Property upon

timely motion and upon the provision of adequate assurance of satisfaction of these conditions by the Petitioner.

Adequate assurance of satisfaction may be evidenced by execution of a certificate of satisfaction in recordable form stating that such condition has been satisfied, in whole or in part. The Office of State Planning will certify for itself and all state departments and agencies. Petitioner will obtain any applicable certifications from the appropriate county departments and agencies. Any other party to the boundary amendment proceeding may be asked to indicate whether they concur in the certification of satisfaction.

21. Petitioner shall provide annual reports to the Land Use Commission, the Office of State Planning, and the City and County of Honolulu, Department of General Planning in connection with the status of the subject project and the Petitioner's progress in complying with the conditions imposed.

DOCKET NO. A90-655 - WEST BEACH ESTATES

Done at Honolulu, Hawaii, this 14th day of February 1991, per motion on February 7, 1991.

LAND USE COMMISSION
STATE OF HAWAII

By _____
RENTON L. K. NIP
Chairman and Commissioner

By _____
ALLEN K. HOE
Vice Chairman and Commissioner

By (conflict)
ALLEN Y. KAJIOKA
Vice Chairman and Commissioner

By _____
KAREN S. AHN
Commissioner

By (absent)
EUSEBIO LAPENIA, JR.
Commissioner

By _____
JOANN N. MATTSON
Commissioner

Filed and effective on
February 14, 1991

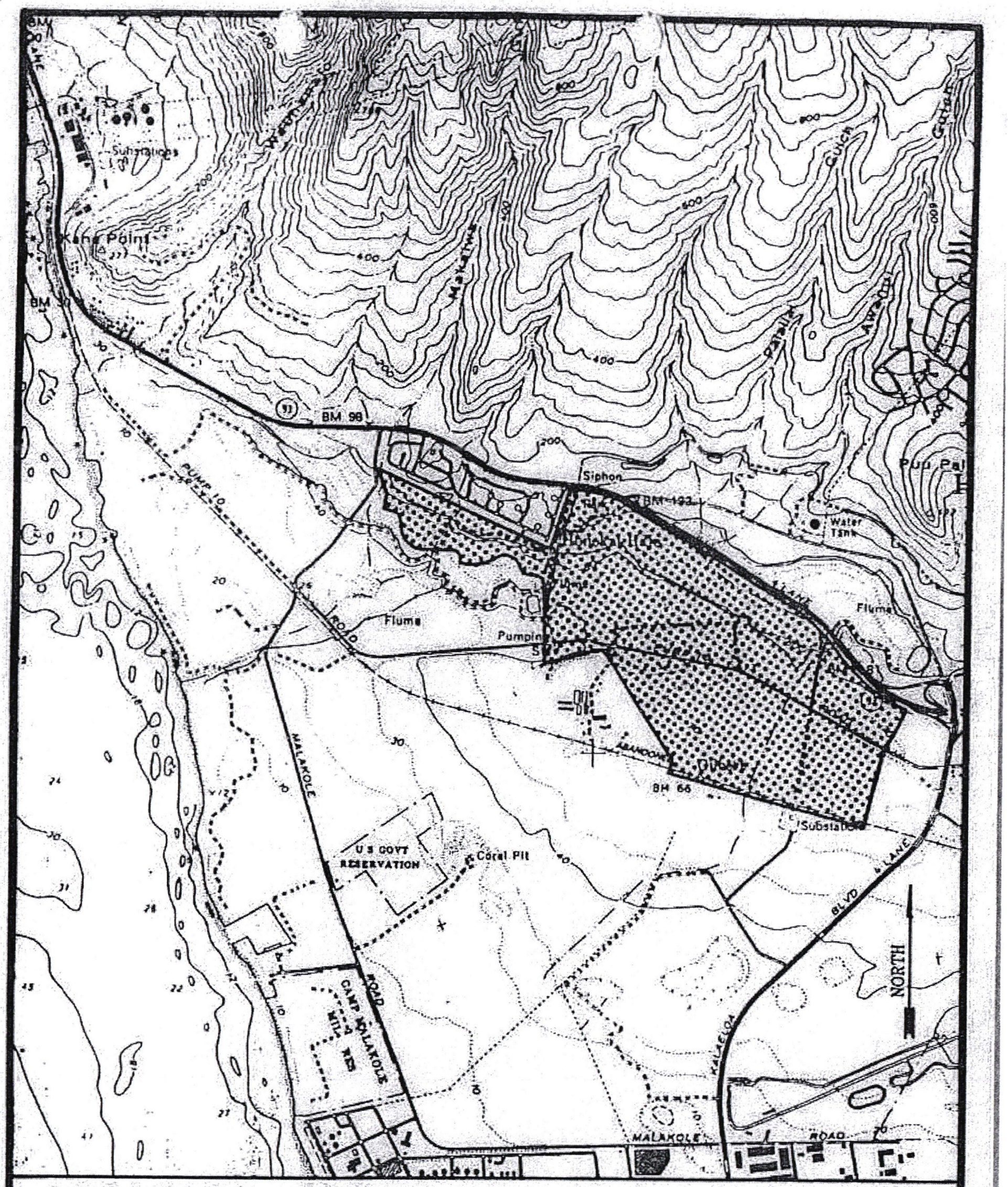
Certified by:

_____
Executive Officer

By (absent)
JAMES M. SHINNO
Commissioner

By _____
ELTON WADA
Commissioner

By _____
DELMOND J. H. WON
Commissioner



LOCATION MAP

EXHIBIT A

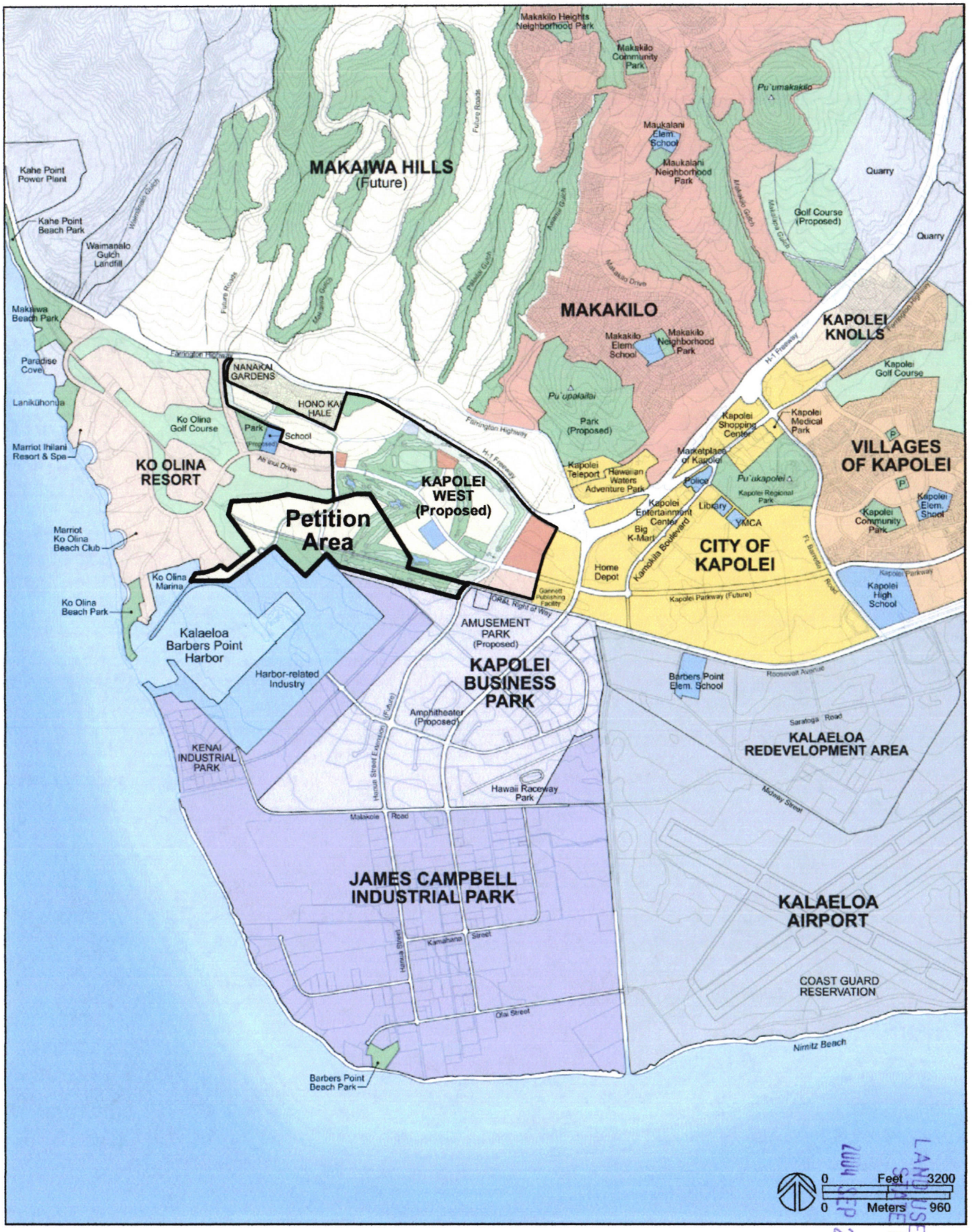
DOCKET NO.: A90-655/WEST BEACH ESTATES

TAX MAP KEY: 9-1-15: por. 4, 18;
9-1-56: por. 11 & por. 12

HONOULIULI, EWA, OAHU

SCALE: 1" = 2,000 ft.±

APPROVED AREA



Project Location

Kapolei West
O`ahu, Hawai`i

Exhibit "6"

LAND USE COMMISSION
STATE OF HAWAII
2004 SEP 29 P 12:46

LAND USE COMMISSION
STATE OF HAWAII

2004 SEP 29 P 12:46

ENVIRONMENTAL IMPACT STATEMENT PREPARATION NOTICE

KAPOLEI WEST

Prepared for Aina Nui Corporation
Prepared by Helber Hastert & Fee, Planners

In Support of a State Land Use District
Boundary Amendment Petition

September 2004

Exhibit "7"

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LIST OF ACRONYMS

ALISH	Agricultural Lands of Importance to the State of Hawai'i
DBEDT	Department of Business, Economic Development and Tourism
DEA	Draft Environmental Assessment
DOE	State of Hawaii Department of Education
DOH	State of Hawaii Department of Health
DP	Development Plan
DPLUM	Development Plan Land Use Map
du	dwelling unit
EIS	Environmental Impact Statement
EISPN	Environmental Impact Statement Preparation Notice
FAR	floor area ratio
gpd	gallons per day
HAR	Hawai'i Administrative Rules
HRS	Hawai'i Revised Statutes
LSB	Land Study Bureau
LUC	Land Use Commission
LUO	Land Use Ordinance
mgd	million gallons per day
OR&L	O'ahu Railway and Land Company
ROH	Revised Ordinances of Honolulu
ROW	Right-of-way
SHPD	Department of Land and Natural Resources, State Historic Preservation Division
SIHP	State Inventory of Historic Properties
SMA	Special Management Area
TMK	Tax Map Key

GENERAL INFORMATION

Asterisk (*) applies to Petition Area

Project Name:	Kapolei West
Proposed Action:	Reclassification of approximately 174 acres of land from the Agricultural to the Urban District to be consolidated with a 373-acre adjacent parcel designated as Urban in 1991
Applicant/Petitioner:	Aina Nui Corporation 1001 Kamokila Boulevard, Suite 255 Kapolei, HI 96707 Ms. Donna Goth, President
EIS Preparer:	Helber Hastert & Fee, Planners 733 Bishop Street, Suite 2590 Honolulu, HI 96813 (808) 545-2055 Tom Fee / Corlyn Olson Orr
Accepting Authority:	Land Use Commission State of Hawai'i
Chapter 343, HRS "Trigger":	Use of State Lands (e.g., roadway crossings of the OR&L Railroad right-of-way) and use of a historic site
Location:	Ewa District, O'ahu, Hawai'i
Kapolei West Project Area:	Approximately 547 acres
Petition Area:	Approximately 174 acres within the State Agricultural District
Tax Map Key Parcels:	Petition Area: 9-1-14: por. 33; 9-1-15: por. 4 and por. 20 Remaining Project Area: 9-1-15: por. 4 and 18
Landowners:	Aina Nui Corporation* and The Estate of James Campbell*
Existing Uses:	Vacant lands*, quarrying*, stockpiling*, railroad right-of-way*
Proposed Uses:	Residential*, mixed use/residential, golf course*, commercial, public facility, parks*, circulation and open space*

Existing State Land Use District:	Agricultural* and Urban
Proposed State Land Use District:	Urban*
National Register of Historic Places:	O'ahu Railway & Land Company Railroad Right-of-Way Site Number 80-12-9714 (12/1/75)*
Existing City and County of Honolulu 'Ewa Development Plan:	Low and Medium Density Residential*, High Density Residential, Parks and Golf Courses, Transit Node and City of Kapolei, Industrial*
Other Land Use Approvals:	City and County of Honolulu Zone Change* Special Management Area Permit*
Existing City and County of Honolulu Zoning:	AG-1 Restricted Agricultural* and AG-2 General Agricultural*
Proposed City and County of Honolulu Zoning:	P-2 General Preservation*, A-1 Low Density Apartment* and BMX-3 Commercial Business Mixed Use
Determination:	Environmental Impact Statement is required

1.0 BACKGROUND

According to the City and County of Honolulu General Plan and the 'Ewa Development Plan, the 'Ewa region of O'ahu, Hawai'i is designated as the island's Secondary Urban Center. Centered in the Kapolei area, the secondary urban center is intended to be the residential, commercial and employment center of West O'ahu, with major economic activity, housing development, and government services concentrated there. Since the 1980s, the 'Ewa region has witnessed tremendous growth. Recent developments include the development of Ko Olina Resort and the City of Kapolei and its surrounding residential communities, and the expansion of Campbell Industrial Park and Kalaeloa Barbers' Point Harbor. Despite the urbanization spreading through the region, a large parcel between the Ko Olina Resort and the City of Kapolei remains vacant despite past efforts to develop the property.

Aina Nui Corporation ("Petitioner"), an affiliate of the Estate of James Campbell, is currently proposing golf course and residential development for this vacant parcel. As proposed, Kapolei West is a master-planned residential/golf community planned on approximately 547 acres of land. The project master plan includes an 18-hole championship golf course with approximately 2,400 low and medium density residential units to complement the resort and visitor attraction of Ko Olina Resort, and commercial uses within the eastern end of the project area to enhance the existing commercial and urban activity of the City of Kapolei.

This Environmental Impact Statement Preparation Notice (EISPN) is being prepared in support of a State Land Use District Boundary Amendment petition to reclassify a portion of the project area (Petition Area) from the State Land Use Agricultural District to the Urban District and a subsequent City and County of Honolulu Zone Change Application, pursuant to Chapter 24, Article 3, Section 24-3.7, Revised Ordinances of Honolulu (ROH). The Petition Area consists of approximately 174 acres of the entire 547-acre project area, and is located in the southern portion of the project site, straddling the O'ahu Railway and Land Company (OR&L) Railroad right-of-way (ROW). North of the Petition Area, the remaining 373 acres within the Kapolei West project boundaries are classified as Urban (Docket No. A90-655 approved by the Land Use Commission in 1991 for West Beach Estates' Ko Olina Phase II development proposal).

In accordance with Chapter 343, Hawai'i Revised Statutes (HRS) and Title 11, Chapter 200, Hawai'i Administrative Rules of the Department of Health (DOH), an environmental review is required for the project's proposed use of a historic site located on State lands (i.e., planned roadways cross the OR&L ROW, which is owned by the State and listed on the National Register of Historic Places). The Land Use Commission has been identified as the appropriate accepting authority for the forthcoming environmental review documents due to their role as the initial agency receiving and processing the Petitioner's request for a land use approval, pursuant to Chapter 343(c), HRS and Title 11-200-4(b), Hawaii Administrative Rules. It is intended that the forthcoming environmental impact statement will address the potential direct impacts of the Proposed Action (i.e., reclassification of approximately 174 acres from the Agricultural to the Urban District) and the potential indirect and cumulative impacts associated with the larger project. As such, this document is organized to describe both the Petition Area and the remaining 373-acre project area.

2.0 GENERAL DESCRIPTION OF THE PROPOSED ACTION

2.1 Project Location and Ownership

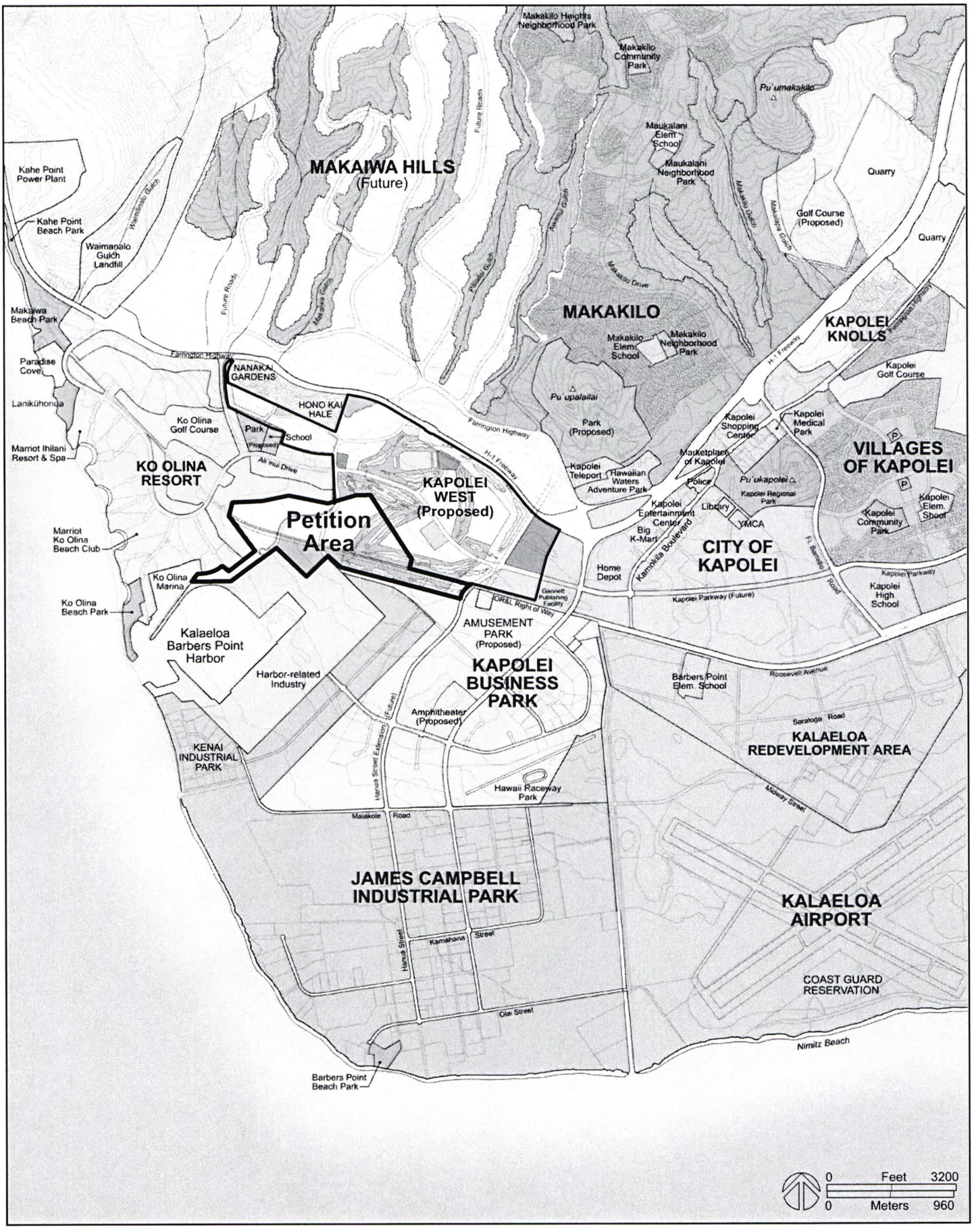
The proposed Kapolei West development is located approximately 20 miles from downtown Honolulu on the western side of O'ahu in the District of 'Ewa, within the ahupua'a of Honouliuli. The project site is strategically located below the Wai'anae Mountain Range between the City of Kapolei and the Ko Olina Resort. Surrounding land uses include the H-1 Freeway and the Honokai Hale and Nanakai Gardens subdivisions to the north; the Ko Olina Resort and golf course and vacant lands to the west; Kalaeloa Harbor and its industrial activities to the south; and the western boundary of the City of Kapolei and Kalaeloa Boulevard to the east (Figure 1). The OR&L ROW bisects the southern section of the project area.

The entire project site consists of approximately 546.8 acres and is identified by Tax Map Keys (TMK) parcels 9-1-14: por. 33, and 9-1-15: 4, 18 and por. 20 (Figure 2). Fee ownership of the project area north of the OR&L ROW is held by Aina Nui Corporation, an affiliate of the Estate of James Campbell (Estate). The project area south of the OR&L ROW is currently owned by the Estate, and is in the process of being transferred to Aina Nui Corporation. The Estate has authorized Aina Nui Corporation to act as its agent for the development of its lands within the Kapolei West project area. The OR&L ROW is owned by the State of Hawaii.

This document is organized to describe the approximate 174.2 acres included in the State Land Use District Boundary Amendment Petition for reclassification from the Agricultural District to the Urban District (Petition Area), and the remaining 372.6 acres that make up the Kapolei West project area. The Petition Area straddles the OR&L ROW, and includes a triangular-shaped parcel north of the ROW and the entire project area south of the ROW. Table 1 presents the approximate TMK acreages for both the Petition Area and the larger project site.

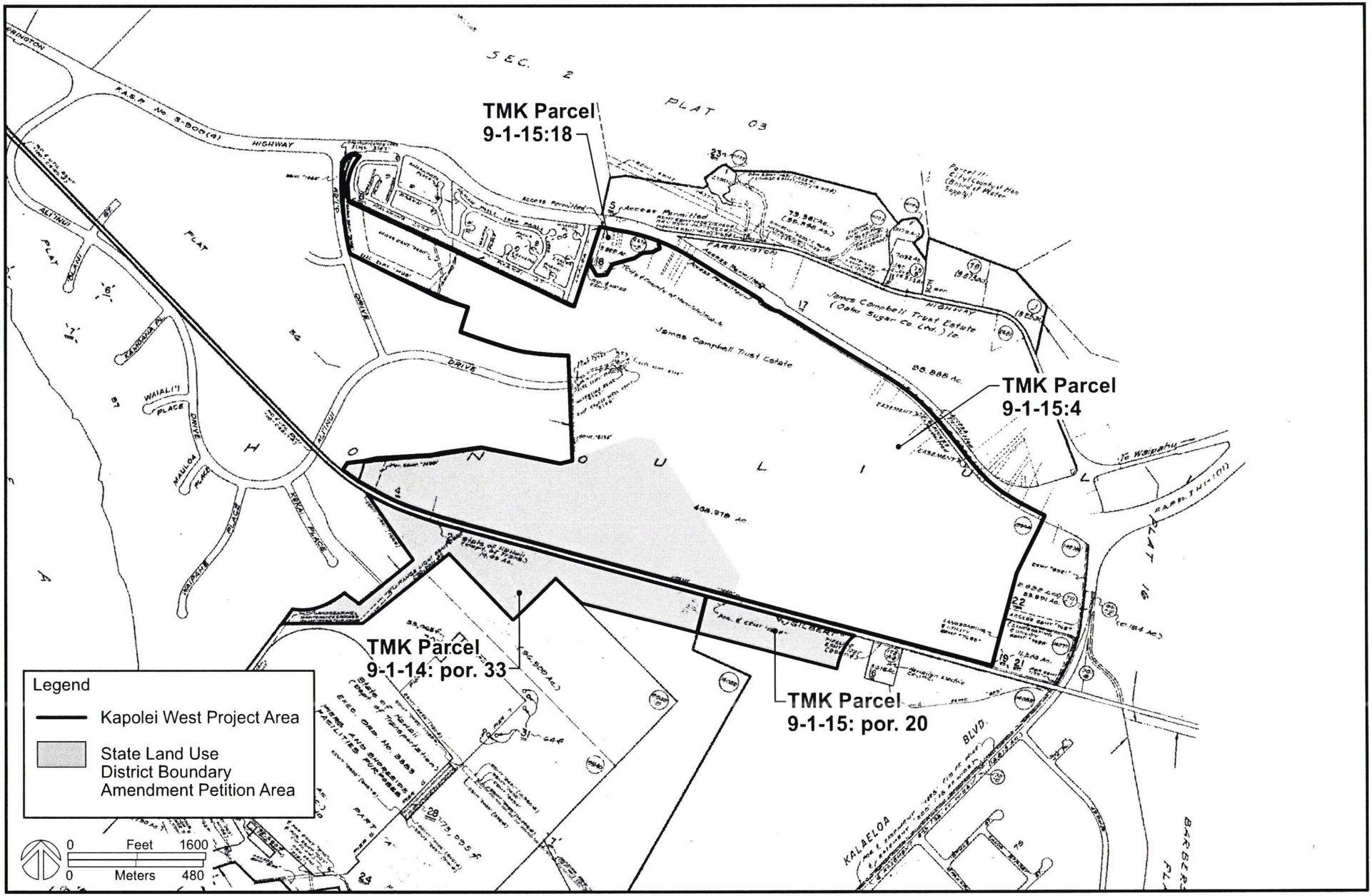
Table 1
Project Area Tax Map Key Acreage

TMK	Acreage (approx.)
9-1-14: por. 33	55.5
9-1-15: por. 4	98.6
9-1-15: por. 20	20.1
State Land Use District Boundary Amendment Petition Area	**174.2**
9-1-15: por. 4	366.7
9-1-15:18	5.9
Remaining Project Area	**372.6**
TOTAL PROJECT AREA	**546.8**



Project Location **Figure 1**

Kapolei West
O`ahu, Hawai`i



Tax Map Key Parcels

Figure 2

Kapolei West
O`ahu, Hawai`i

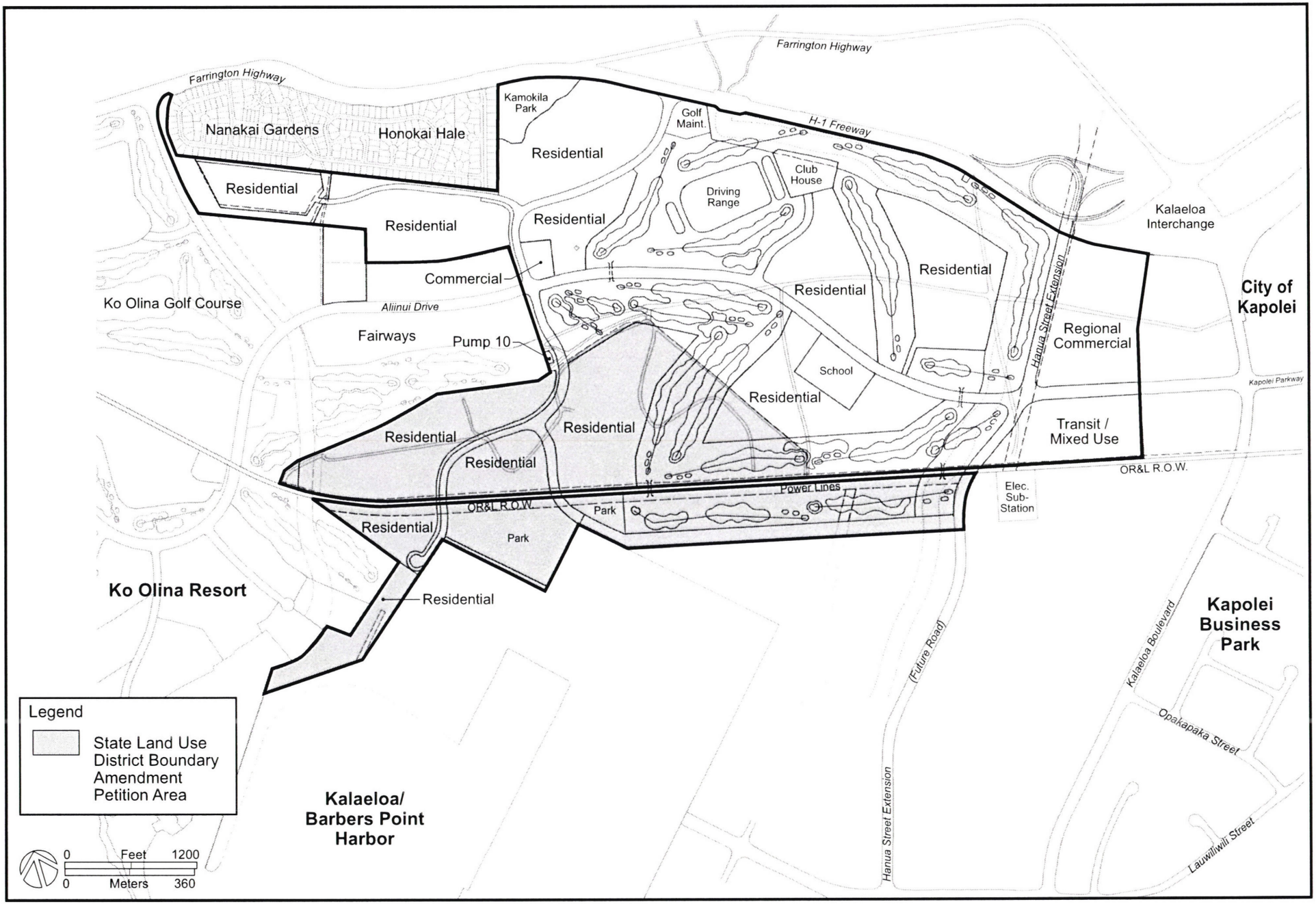
2.2 Project Description

The Proposed Action involves the reclassification of approximately 174 acres of land from the Agricultural District to the Urban District. Urbanization of the Petition Area would enable development of the approximate 547-acre project, as described in this section. In the event that the Petition Area remains within the State Agricultural District (i.e., no action), development of the 373-acre project area classified as Urban would proceed for golf course, residential and commercial uses. The Petition Area would remain in its current, unimproved state.

The proposed Kapolei West master plan includes an 18-hole championship golf course with an estimated 2,370 low and medium density residential units, parks, circulation and open spaces (Figure 3). Planned recreational amenities consist of neighborhood parks, recreational amenities developed within the proposed residential parcels, and a pedestrian pathway system to link neighborhoods. As proposed, the project provides a positive transition for the area between the Ko Olina Resort and the City of Kapolei. At the eastern end of the project area, regional commercial and transit/mixed-use areas are planned to enhance the City of Kapolei and support the surrounding residential communities and the proposed Kapolei West community. The elements of the master plan are described in this section following Table 2.

Table 2
Kapolei West Land Use Summary

	Petition Area		Urban Area		Total Project Area		
Land Use	**Area (app. acres)**	**Units**	**Area (app. acres)**	**Units**	**Area (app. acres)**	**Units**	**Density (units/ac.)**
Golf Course	59.9		152.8		212.7		
Low Density Residential	9.3	11	107.9	858	117.2	869	7.4
Medium Density Residential	77.2	1,143	20.9	208	98.1	1,351	13.8
Mixed Use/Residential			10.0	150	10.0	150	15.0
Neighborhood Commercial			2.0		2.0		
Regional Commercial			23.2		23.2		
Elementary School			6.0		6.0		
Transit			5.8		5.8		
Parks	17.1		7.7		24.8		
Circulation and Other Open Spaces	10.7		36.3		47.0		
TOTAL	**174.2**	**1,154**	**372.6**	**1,216**	**546.8**	**2,370**	**10.5**



Project Master Plan **Figure 3**

Kapolei West
O`ahu, Hawai`i

Table 2 summarizes the proposed land uses and development acreages for the Petition Area and the larger project area. Proposed land uses within the Petition Area consist of golf course, residential, parks, and circulation/other open spaces.

Golf Course

The proposed golf course consists of an 18-hole championship golf course with a clubhouse facility, parking lot, maintenance facility, and driving range on approximately 212.7 acres. Golf course features such as water hazards, tree massing, bunkers, mounds, and earth berms would be created with grading and landscaping. Three complete fairways and portions of two other fairways would extend into the Petition Area. Two golf cart paths would be constructed to cross the OR&L ROW, similar to the existing golf cart crossings at the adjacent Ko Olina golf course. An existing regional drainage channel that runs parallel to the H-1 Freeway and cuts south towards the ocean would be retained and incorporated into the golf course with grassed swales, ditches and channels along the fairways for drainage. The golf course is intended to accommodate guests visiting the neighboring Ko Olina Resort, residents of Kapolei West neighborhoods, and the general public.

Low and Medium Density Residential

The residential component of the Kapolei West community includes an estimated 2,370 low and medium-density residential homes planned on approximately 215.3 acres of land. The proposed residential community would feature an approximate 870 low density dwelling units on nearly 120 acres of land, and an approximate 1,350 medium density homes on approximately 100 acres of land. The low density components would range from 1.0 to 8.7 dwelling units per acre (du/acre), with an average density of 7.4 du/acre. The medium density component would range from 10.0 to 18.0 units per acre, with an average density of 13.8 du/acre. Medium density residential is also planned as part of the transit/mixed use parcel to the east of the project site. Development of the approximate 15.8 acre parcel is planned to include approximately 150 residential units at a density of approximately 15 units per acre.

Of the total units, approximately 49 percent, or an estimated 1,150 homes, are located in the Petition Area. The remaining 51 percent, or an estimated 1,220 homes, are within the larger urbanized area. A market assessment to identify market demand factors and determine the market support for the proposed residential product types and projected market mix of primary and secondary homes is being prepared and will be included in the Draft EIS.

Neighborhood Commercial

An approximate two-acre parcel located near the heart of the resort community is intended to provide retail services in support of the surrounding neighborhoods. A density of 0.25 floor area ratio (FAR) is proposed. Centrally located along the proposed Kapolei Parkway where it connects with the existing Ali'i Nui Drive, the neighborhood commercial parcel would be readily accessible to the surrounding residential areas, within walking distance of the existing communities of Honokai Hale, Nanakai Gardens and Ko Olina Fairways.

Regional Commercial

An approximate 23.2-acre parcel at the northeastern corner of the project area is planned to accommodate retail, commercial and business activities to complement Kapolei's expanding urban center and support the proposed Kapolei West community. A density of 0.25 FAR is proposed. Regional commercial activities such as retail, office spaces, restaurants and business services are intended to complement commercial activities located in the nearby City of Kapolei.

Elementary School Site
A 6.0-acre elementary school site is identified within a residential area adjacent to the proposed Kapolei Parkway. Aina Nui Corporation has initiated discussions with the State Department of Education (DOE), and intends to comply with the DOE's fair share requirements for school facilities.

Transit/Mixed Use
An approximately 15.8-acre parcel located along the southeastern corner of the project area is planned for transit and mixed use development. Land adjacent to the intersection of Kapolei Parkway and the proposed Hanua Street extension is reserved for a future transit station site. The adjacent mixed-use residential and commercial component is planned to feature approximately 100,000 square feet of retail and commercial uses, and approximately 150 multi-family units at a proposed density of approximately 15 du/acre.

Parks
As proposed, Kapolei West features approximately 24.8 acres of park space divided among four separate parks. Planned parks consist of a 1.8-acre passive park to the south of Honokai Hale subdivision, a 14.3-acre historic park south of the OR&L ROW, and an approximate 2.8-acre passive park adjacent to the golf course south of the OR&L ROW. The existing 5.9-acre Kamokila Park currently owned by the Estate is proposed to be dedicated to the City and County of Honolulu. Additional recreational amenities and open space would be provided within each of the residential neighborhoods.

Circulation and Other Open Spaces
The proposed development includes an estimated 47 acres of roadways, pedestrian and bicycle corridors, and passive open space. Vehicular access to Kapolei West is planned via a new segment of Kapolei Parkway connecting to Ali'i Nui Drive to the west and Kalaeloa Boulevard to the east. Two future roadways, the Hanua Street extension on the east and a planned roadway on the west, would bisect the property and provide additional access points. Three new roadways, including two smaller neighborhood streets and the Hanua Street extension, are planned to cross the OR&L ROW.

A network of multi-purpose pathways is planned to link the neighborhoods and park spaces. Roadways would be designed to encourage pedestrian and bicycling activities, and a new pedestrian corridor would provide access from Honokai Hale, Nanakai Gardens and Kapolei West and Ko Olina neighborhoods to park spaces south of the OR&L ROW. No direct roadway connections would be made between Kapolei West and the adjacent communities of Honokai Hale and Nanakai Gardens in deference to strong community sentiment against adding additional traffic to their internal streets.

2.3 Utility Requirements

An analysis of utility requirements will be conducted for the Draft EIS. Preliminary information related to potable and non-potable water requirements is presented below.

Non-potable Water Use of non-potable water is proposed for irrigation of the golf course, neighborhood parks and other open space areas. The proposed Kapolei West project would require an estimated 1.06 million gallons per day (mgd) of non-potable water to satisfy irrigation purposes (Mink and Yuen Inc., July 2004). The Petition Area would require approximately 300,000 gallons per day (gpd) (190,000 gpd for irrigation of the golf course and 110,000 gpd for

parks and open spaces), and the remaining project area would require approximately 763,000 gpd (603,000 gpd for the golf course and 160,000 gpd for parks and open spaces).

The source of non-potable water may be either reclaimed wastewater supplied by the Board of Water Supply, or brackish groundwater from existing and new resources. Pump 10, a former Ewa Plantation-Oahu Sugar Company primary pumping station, is located along the western edge of the golf course, just north of the Petition Area. The pumping station, which is formally referenced as State station 2006-01 to 12, consists of a battery of wells drilled into the Waianae Basalt aquifer. The projected total demand for non-potable water is expected to be satisfied with existing groundwater sources and the use of reclaimed wastewater.

Potable Water The total average demand for potable water is estimated to be approximately 1.3 mgd. Potable water demand within the Petition Area is estimated at 572,000 gpd. Potable water demand for the remaining project area is estimated at 612,000 gpd, with an additional 104,400 gpd estimated for commercial uses.

A municipal water supply to meet the projected potable water requirements is available from the Board of Water Supply's aquifer systems now serving the Ewa Plain. Municipal water supply for the Ewa Plain is derived from both the Koolau and Waianae Basalt aquifers, with water coming from well fields in the Board of Water Supply's Waipahu-Waiawa and Ewa-Kunia aquifer systems. Based on a present allocation of nearly 82 mgd and a total allocable quantity of 104 mgd, the Waipahu-Waiawa aquifer system has an unassigned allocation of approximately 22 mgd that is available for future withdrawals. Within the Ewa-Kunia aquifer system, approximately 4.4 mgd remains unallocated for future withdrawals, as a total of 11.6 mgd has been allocated and the total permitted allocation is 16 mgd.

2.4 History of Past Development Proposals

Table 3 presents a summary of past development proposals planned for the Kapolei West project area. Previous proposals, which did not include the Petition Area, were limited to the approximate 373 acres north of the Petition Area. The Kapolei West project, which includes the approximate 174-acre Petition Area and the 373 acres north of the Petition Area, is generally consistent with the land uses formerly proposed for the property.

As shown on Table 3, the first proposal planned for the project area by West Beach Estates in 1989 consisted of two championship golf courses, and commercial uses on 372.6 acres of land. Referred to as Ko Olina Phase II, the 1989 proposal encompassed the entire project area north of the Petition Area, and was intended to provide amenities that would allow for the future expansion of the existing Ko Olina resort. As a result of changing market conditions, the Ko Olina Phase II project was revised in 1991 to provide for an 18-hole golf course, 3,500 low and medium density residential units, commercial development, and park space. Based on this revised proposal, the Ko Olina Phase II project area was reclassified by the Land Use Commission from the Agricultural District to the Urban District in 1991 (Docket No. A90-655), and the City and County of Honolulu 'Ewa Development Plan was revised to reflect the proposed uses (Bill No. 132 (1990), CD-1).

Due to stagnant economic and market conditions, West Beach Estates relinquished its real property interests in Ko Olina Phase II in 1998, allowing Seaside at Kapolei, LLC to acquire the option to purchase the property from the Estate in 2000. Similar to the Ko Olina Phase II development plan proposed in 1991, the Seaside proposal included an 18-hole golf course, low

Table 3
Summary of Past Development Proposals

Land Use	Kapolei West (2004)			Seaside (2001)			Ko Olina Phase II (1991)			Ko Olina Phase II (1989)		
	Area (ac.)	Units	Density (du/ac.)	Area (ac.)	Units	Density (du/ac.)	Area (ac.)	Units	Density (du/ac.)	Area (ac.)	Units	Density (du/ac.)
Golf Course	212.7			151.3			156.0			304.6		
Low Density Residential	117.2	869	7.4	66.1	900	13.6	105.5	1,500	14.2	--		
Medium Density Residential	98.1	1,351	13.8	50.7	2,000	39.4	50.7	2,000	39.4	--		
Mixed Use/Residential	10.0	150	15									
Neighborhood Commercial	2.0			--			--			--		
Regional Commercial	23.2			32.9			32.9			40.0		
School	6.0											
Transit	5.8			--			0.5			--		
Parks	24.8			5.8			5.8			9.5		
Circulation/Open Spaces	47.0			17.0			21.2			18.5		
TOTAL	**546.8**	**2,370**	**10.5**	**323.8**	**2,900**	**24.8**	**372.6**	**3,500**	**22.4**	**372.6**		

and medium density residential units, commercial development, and park space. However, unlike the Ko Olina Phase II development which featured a 0.5-acre transit station and a residential component of 3,500 residential units on approximately 156 acres of land, the Seaside proposal featured 2,900 residential units on nearly 120 acres of land and did not include a transit station, which resulted in the Seaside proposal having a slightly smaller project area with less residential units and a higher overall residential density.

In 2003, Seaside dropped its option to purchase the 373-acre Ko Olina Phase II/Seaside property. Since then, Aina Nui Corporation, an affiliate of the Estate of James Campbell, has been involved in ongoing efforts to develop the property. The Kapolei West project, which encompasses the Ko Olina Phase II/Seaside development area and an approximately 174-acre parcel to the south, is consistent with the land uses formerly proposed for the property. One important distinction between the Kapolei West development and previous development proposals is the lower intensity of use associated with Kapolei West, due to a significant reduction in the number of residential units and an increased acreage for parks, public facilities, and open space (based on current and projected market conditions).

2.5 Projected Project Phasing

Construction of the approximately 547-acre Kapolei West project is intended to be implemented within a 13-year period. Home deliveries are expected to commence in 2008 after land use approvals are granted, allowing for development of the total 2,370 residential units proposed for the entire Kapolei West project between 2008 and 2020. Residential home production for the entire Kapolei West project is planned at an average rate of 183 units per year, with absorption projected at 112 units per year for the primary resident housing units, and 71 units per year for the nonresident housing units. Of the total 2,370 residential units proposed, 1,150 units are within the Petition Area. Based on the projected absorption rates of 112 primary resident housing units per year and 71 nonresident housing units per year, the approximate 1,150 homes proposed for the Petition Area may take an estimated 9 years to build out.

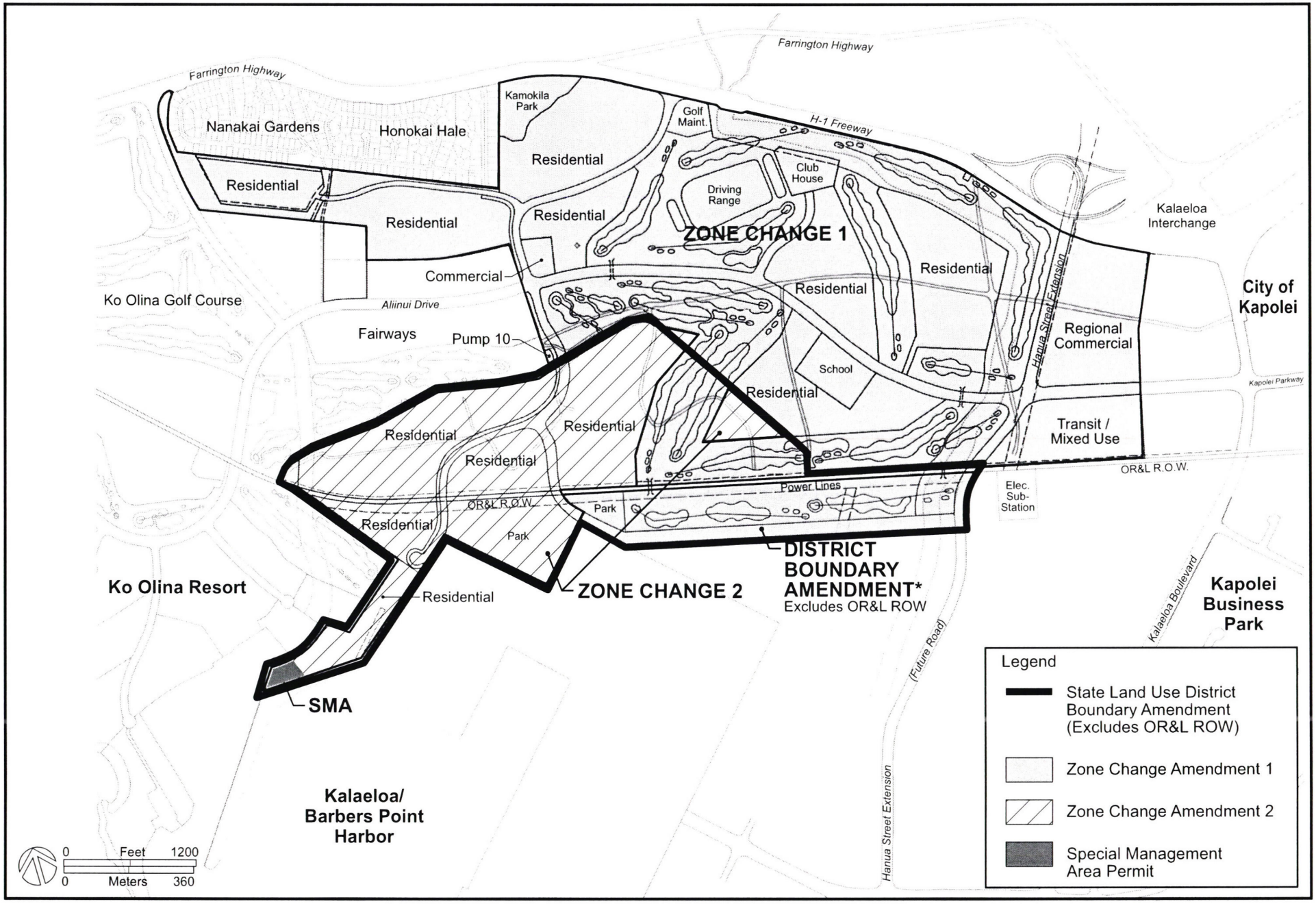
Construction of the golf course and the regional commercial facilities would occur during the early phases of development, and the transit/mixed use and neighborhood commercial parcels would be developed as demand dictates. The Kapolei Parkway would be constructed as development of adjacent lots occur. The extension of Hanua Street to the H-1 Freeway would be needed to service the growing industrial and commercial harbor operations.

2.6 Land Use Approvals Required

The Kapolei West project will require the following land use approvals:

- State Land Use District Boundary Amendment
- City and County of Honolulu Zone Change
- City and County of Honolulu Special Management Area Permit

Figure 4 illustrates the boundaries of the required land use approvals. As shown, the City and County of Honolulu zoning amendment consists of two separate zone change processes. The first zoning amendment (Zone Change 1) encompasses lands already located within the State Urban district, along with the golf course segments within the State Agricultural district. The second zoning amendment (Zone Change 2), which is contingent upon approval of the State Land Use District Boundary Amendment, consists of the remainder of the project area currently in the State Agricultural District and a small triangular parcel already within the State Urban District being proposed for residential use. The intent of the proposed zoning amendment boundaries is to keep the golf and residential components intact and avoid project segmentation. It is assumed that County land use permits for lands located outside of the State Urban District would not be approved until after appropriate State approvals are granted.



Boundaries of Required Land Use Approvals **Figure 4**

Kapolei West
O`ahu, Hawai`i

3.0 AFFECTED ENVIRONMENT

This chapter describes the Petition Area within the context of the larger project area. Where appropriate, sections are organized with the Petition Area described first, followed by descriptions of the larger Kapolei West project area in the State Urban District.

3.1 Existing and Surrounding Land Uses

Petition Area

Land uses surrounding the Kapolei West Petition area include the Ko Olina golf course and Ko Olina Marina to the west; the vacant lands of the larger Kapolei West project area to the north; and the City of Kapolei adjacent to Kalaeloa Boulevard to the east. Grace Pacific Quarry and the Kalaeloa Barbers Point Harbor and its related industrial activities are to the south. The OR&L ROW runs through the entire Petition Area, forming the northeastern boundary and transecting the western half of the Petition Area. A 40-foot building setback runs along both sides of the OR&L ROW. Surrounding land uses are identified in Figure 1 (see Section 2.1).

Recent land uses within the Petition Area and the larger project area include transportation along the OR&L ROW, occupation by the 'Ewa Plantation Company and the O'ahu Sugar Company for sugar cane cultivation, livestock grazing, and a coral pit quarry to the south. Large portions of the Petition Area are currently vacant and unutilized, with the exception of the OR&L ROW used by the Hawaiian Railway Society, and quarrying and stockpiling activities of the adjacent Grace Pacific quarry within and adjacent to the Petition Area's southern boundary. A Coast Guard Range Light used to navigate entry into Kalaeloa Barbers Point Harbor is located within the southernmost tip of the Petition Area.

Remaining Project Area

The remaining project area is in the State Urban District and is surrounded by the H-1 Freeway/Farrington Highway and the Honokai Hale and Nanakai Gardens communities to the north; the Ko Olina golf course, Ko Olina Fairways subdivision, and vacant lands planned for lower density residential to the west; the Petition Area to the south; and the City of Kapolei on the east side of Kalaeloa Boulevard. An electric substation facility is located to the south of the project area. Overhead electrical power lines run north from the substation towards the H-1 Freeway.

Only the existing 5.9-acre Kamokila Neighborhood Park located at the northwest corner of the remaining project area adjacent to the eastern end of the Honokai Hale/Nanakai Gardens subdivision is currently used. The remaining portion of the project area is currently vacant and unutilized.

Ongoing and future developments planned for the area surrounding the Kapolei West property include the Ko Olina Resort to the west and the City of Kapolei to the east. Within the Ko Olina Resort, construction of new single and multi-family homes and planning efforts to develop an aquarium, commercial center, new hotel and time share complex are underway. To the east, the City of Kapolei is fulfilling the promise of becoming Oahu's second city. To date, over 1.8 million square feet (MSF) of commercial, office, retail and civic space has been constructed. An additional 2 MSF of residential uses and approximately 1.8 MSF of commercial, office, retail, civic and mixed use residential is planned for construction over the next ten years.

3.2 Geology and Topography

The entire Kapolei West project area is located along the upper edge of the 'Ewa Plain, at the foot of the Wai'anae Mountain Range. Major geological features of the 'Ewa region include the Wai'anae Mountain Range, cinder cones, and the 'Ewa Plain. Overlying flows of the Wai'anae volcanic series, the 'Ewa Plain is an emerged coral-algae calcareous reef covered by alluvium deposits. At the base of the Wai'anae Range, five cinder cones form the peaks that define the relatively flat topography of the 'Ewa plain. Two of the cinder cones, Pu'u Palailai and Pu'u Kapolei, are located to the east of the project area.

Petition Area
The topography of the Petition Area is relatively flat to gently sloping. Slopes generally range from 1 to 5 percent, with the steepest slope of approximately 25 percent located along a modest ridgeline forming part of the northernmost boundary of the Petition Area. The ground elevation ranges from sea level at the southernmost tip of the Petition Area to 65 feet along the northern boundary of the Petition Area.

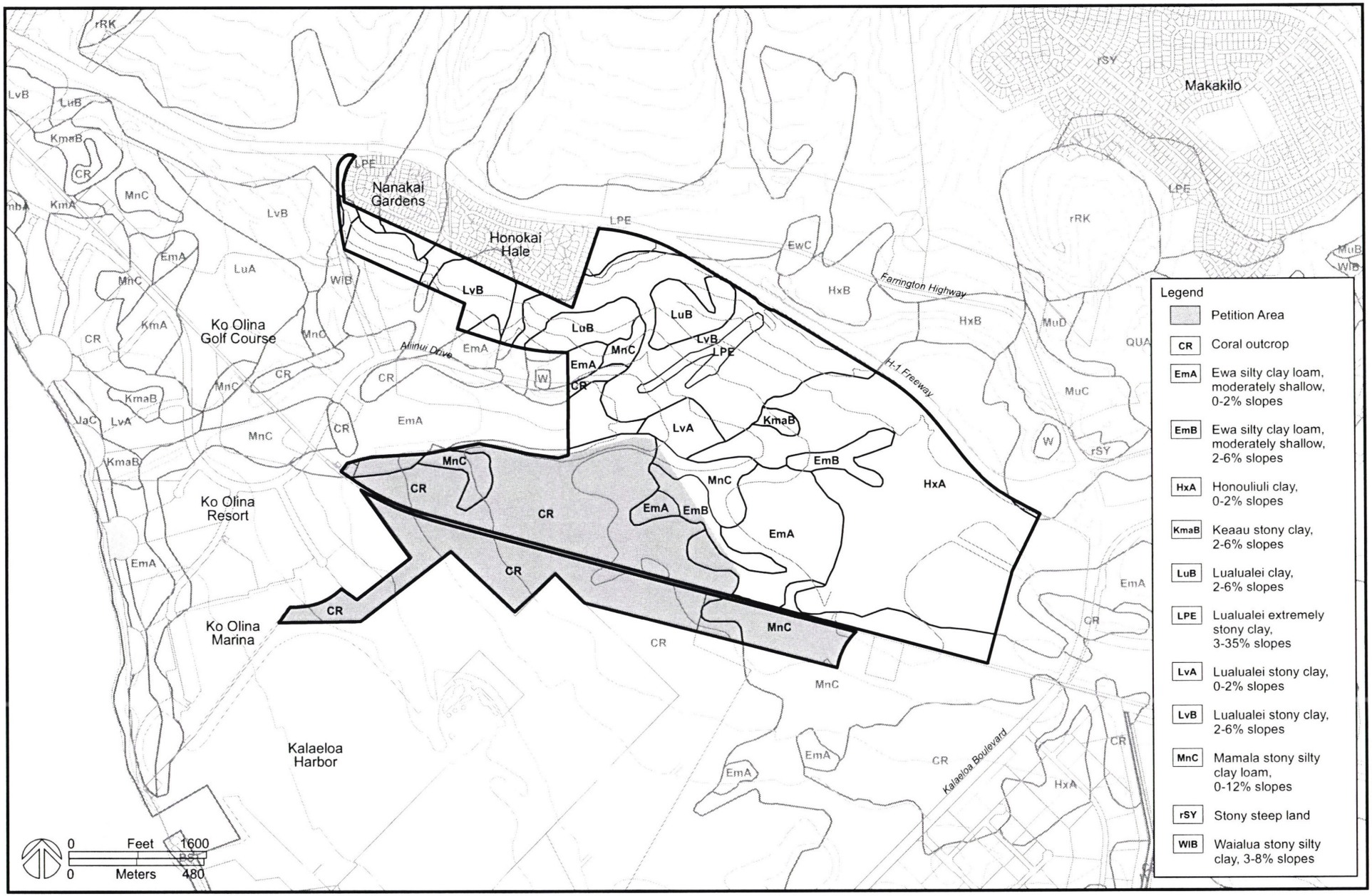
Remaining Project Area
Like the Petition Area, the topography of the larger project area is relatively flat to gently sloping with slopes ranging from 1 to 5 percent, with the exception of the northern portion of the project area south of Kamokila Park, where slopes range from 20 to 30 percent. The ground elevation of the remaining project area ranges from approximately 65 feet at the southern boundary to 130 feet at the northern edge of Kamokila Park below Farrington Highway.

3.3 Soils

According to the *Soil Survey of the Islands of Kauai, O'ahu, Maui, Molokai, and Lanai* prepared by the U.S. Department of Agriculture (August 1972), soil series within the Kapolei West project area consist of coral outcrop (CR), 'Ewa silty clay loams (EmA and EmB), Honouliuli clay (HxA), Keaau stony clay (KmaB), Lualualei clay (LuB), Lualualei extremely stony clay (LPE), Lualualei stony clays (LvA and LvB), Mamala stony silty clay loam (MnC), stony steep land (rSY) and Waialua stony silty clay (WIB). Figure 5 presents the soil series found within the Petition Area as well as the remaining project area.

Petition Area
Approximately 85 percent of the Petition Area is classifed as coral outcrop (CR), followed by approximately ten percent Mamala stony silty clay loam (MnC), and five percent 'Ewa silty clay loams (EmA and EmB). The major soil types found within the Petition Area are described below.

Coral Outcrop (CR)
Coral outcrop consists of coral or cemented calcareous sand as a result of coral reefs forming in shallow ocean waters during the time the ocean stand was at a higher level. In this soil type, between 80 to 90 percent of the acreage is comprised of coral outcrop, and the remainder consists of a thin layer of friable, red soil material similar to that of the Mamala series found within the cracks, crevices, and depressions of the coral outcrop. This soil type is suitable for military installations, quarries and urban development.



Soil Conservation Service Soils

Figure 5

Kapolei West
O`ahu, Hawai`i

'Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes (EmA)
The 'Ewa series consists of well-drained soils in basins and on alluvial fans. This soil has a profile like that of 'Ewa silty clay loam, 3 to 6 percent slopes (EaB), except that the depth to coral limestone is 20 to 50 inches. Runoff is very slow, and the erosion hazard is no more than slight. Included in mapping were a few small areas less than 20 inches deep.

'Ewa silty clay loam, moderately shallow, 2 to 6 percent slopes (EmB)
The description of this soil is identical to that of 'Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes (EmA), except for the somewhat steeper slope.

Mamala stony silty clay loam, 0 to 12 percent slopes (MnC)
This series consists of shallow, well-drained soils along the coastal plains. These soils formed in alluvium deposited over coral limestone and consolidated calcareous sand, and coral rock fragments are common in the surface layer. This soil is neutral to mildly alkaline. Permeability is moderate, runoff is very slow to medium, and the erosion hazard is slight to moderate. The available water capacity is about 2.2 inches per foot in the surface layer and 1.9 inches per foot in the subsoil. Roots are affected by the coral limestone and consolidated sand, and the stones hinder, but do not prevent, cultivation.

Remaining Project Area
Within the remaining project area, the most extensive soil type is Honouliuli clay, 0 to 2 percent slopes (HxA) (37 percent), followed by approximately 30 percent Lualualei stony clays (LvA and LvB) and 17 percent 'Ewa silty clay loams (EmA and EmB). Pockets of coral outcrop (CR), Keaau stony clay (KmaB), Lualualei clay (LuB), Lualualei extremely stony clay (LPE), Mamala stony silty clay loam (MnC), stony steep land (rSY) and Waialua stony silty clay (WlB) are scattered throughout the project area. Soil series found within the larger project area are described below and presented in Figure 5.

Coral Outcrop (CR)
Coral outcrop consists of coral or cemented calcareous sand as a result of coral reefs forming in shallow ocean waters during the time the ocean stand was at a higher level. In this soil type, between 80 to 90 percent of the acreage is comprised of coral outcrop, and the remainder consists of a thin layer of friable, red soil material similar to that of the Mamala series found within the cracks, crevices, and depressions of the coral outcrop. This soil type is suitable for military installations, quarries and urban development.

'Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes (EmA)
The 'Ewa series consists of well-drained soils in basins and on alluvial fans. This soil has a profile like that of 'Ewa silty clay loam, 3 to 6 percent slopes (EaB), except that the depth to coral limestone is 20 to 50 inches. Runoff is very slow, and the erosion hazard is no more than slight. Included in mapping were a few small areas less than 20 inches deep.

'Ewa silty clay loam, moderately shallow, 2 to 6 percent slopes (EmB)
The description of this soil is identical to that of 'Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes (EmA), except for the somewhat steeper slope.

Honouliuli clay, 0 to 2 percent slopes (HxA)
This soil, which occurs in the lowlands along the coastal plains, was developed in alluvium derived from basic igneous material. In a representative profile, the soil is dark reddish-brown, very sticky and very plastic clay throughout, with a surface layer about 15 inches thick. Permeability is moderately slow, runoff is slow, and the erosion hazard is no more than slight.

The shrink-swell potential is high, and workability is slightly difficult because of the very sticky and very plastic clay.

Keaau stony clay, 2 to 6 percent slopes (KmaB)
This soil consists of poorly drained soils on coastal plains on the island of O'ahu. These soils developed in alluvium deposited over reef limestone or consolidated coral sand. Runoff is slow, and the erosion hazard is slight. The available water capacity is about 1.5 inches per foot of soil. Roots are restricted by the consolidated coral sand, reef limestone, and water table. The shrink-swell potential is high, and workability is difficult because the soil is very sticky and very plastic.

Lualualei clay, 2 to 6 percent slopes (LuB)
The Lualualei series consists of well-drained soils on coastal plains, alluvial fans, and on talus slopes. For this soil, runoff is slow and the erosion hazard is slight.

Lualualei extremely stony clay, 3 to 35 percent slopes (LPE)
This soil occurs on talus slopes on O'ahu and Kauai. The slope range is 3 to 35 percent, but in most places the soil is moderately sloping to steep. Due to the large number of stones found on the surface and in the profile of this soil, it is impractical to cultivate this soil unless the stones are removed. Runoff is medium to rapid, and the erosion hazard is moderate to severe.

Lualualei stony clay, 0 to 2 percent slopes (LvA)
This soil occurs on O'ahu on fans adjacent to drainageways. It is similar to Lualualei clay, 0 to 2 percent slopes (LuA), except that stones hinder machine cultivation and there are small areas where the slope is 6 to 12 percent. Runoff is slow and the erosion is slight.

Lualualei stony clay, 2 to 6 percent slopes (LvB)
Similar to Lualualei stony clay, 0 to 2 percent slopes (LvA), this soil occurs on O'ahu adjacent to drainageways. Runoff is slow, the erosion hazard is slight, and stones hinder machine cultivation.

Mamala stony silty clay loam, 0-12% slopes (MnC)
This series consists of shallow, well-drained soils along the coastal plains. These soils formed in alluvium deposited over coral limestone and consolidated calcareous sand, and coral rock fragments are common in the surface layer. This soil is neutral to mildly alkaline. Permeability is moderate, runoff is very slow to medium, and the erosion hazard is slight to moderate. The available water capacity is about 2.2 inches per foot in the surface layer and 1.9 inches per foot in the subsoil. Roots are affected by the coral limestone and consolidated sand, and the stones hinder, but do not prevent, cultivation.

Stony steep land (rSY)
Stony steep land consists of a mass of boulders and stones deposited by water and gravity on side slopes of drainageways. Stones and boulders cover 50 to 90 percent of the surface, and the stones are interspersed with reddish silty clay loam and very dark grayish-brown clay which provides a foothold for plants. Rock outcrops occur in many places.

Waialua stony silty clay, 3 to 8 percent slopes (WIB)
This soil is found on smooth coastal plains. The surface layer is dark reddish-brown silty clay about 12 inches thick, with sufficient stones to hinder tillage but not enough to make intertilled crops impractical. Runoff is slow, the erosion hazard is slight, and workability is slightly difficult.

3.4 Agricultural Capability

3.4.1 Land Study Bureau Detailed Land Classification

The University of Hawai'i Land Study Bureau's (LSB) Detailed Land Classification (1972) classifies soils by land type in which classifications are provided for an overall crop productivity rating, with and without irrigation, and for selected crop productivity ratings for seven crops. LSB overall ratings range from A to E, with A being the highest productivity and E the lowest. The LSB classifications for the Petition Area and the larger project area are described in the following section and shown in Figure 6.

Petition Area
The majority of the lands within the Petition Area are classified as Class E or U (unclassified), indicating poor to very poor suitability for agricultural use. While small pockets of Class B and Class C lands exist along the eastern and western corners of the Petition Area, the central portion is primarily rated as Class E and U.

Remaining Project Area
Most of the property within the remaining project area is rated by the LSB as Class B lands. A small patch of Class A land exists along the southeastern corner of the project area and in the central portion north of the Petition Area. Pockets of Class E and unclassified lands are found in the northeastern portions of the project area adjacent to the Nanakai Gardens/Honokai Hale subdivisions and also in the central section of the project area.

3.4.2 Agricultural Lands of Importance to the State of Hawai'i (ALISH)

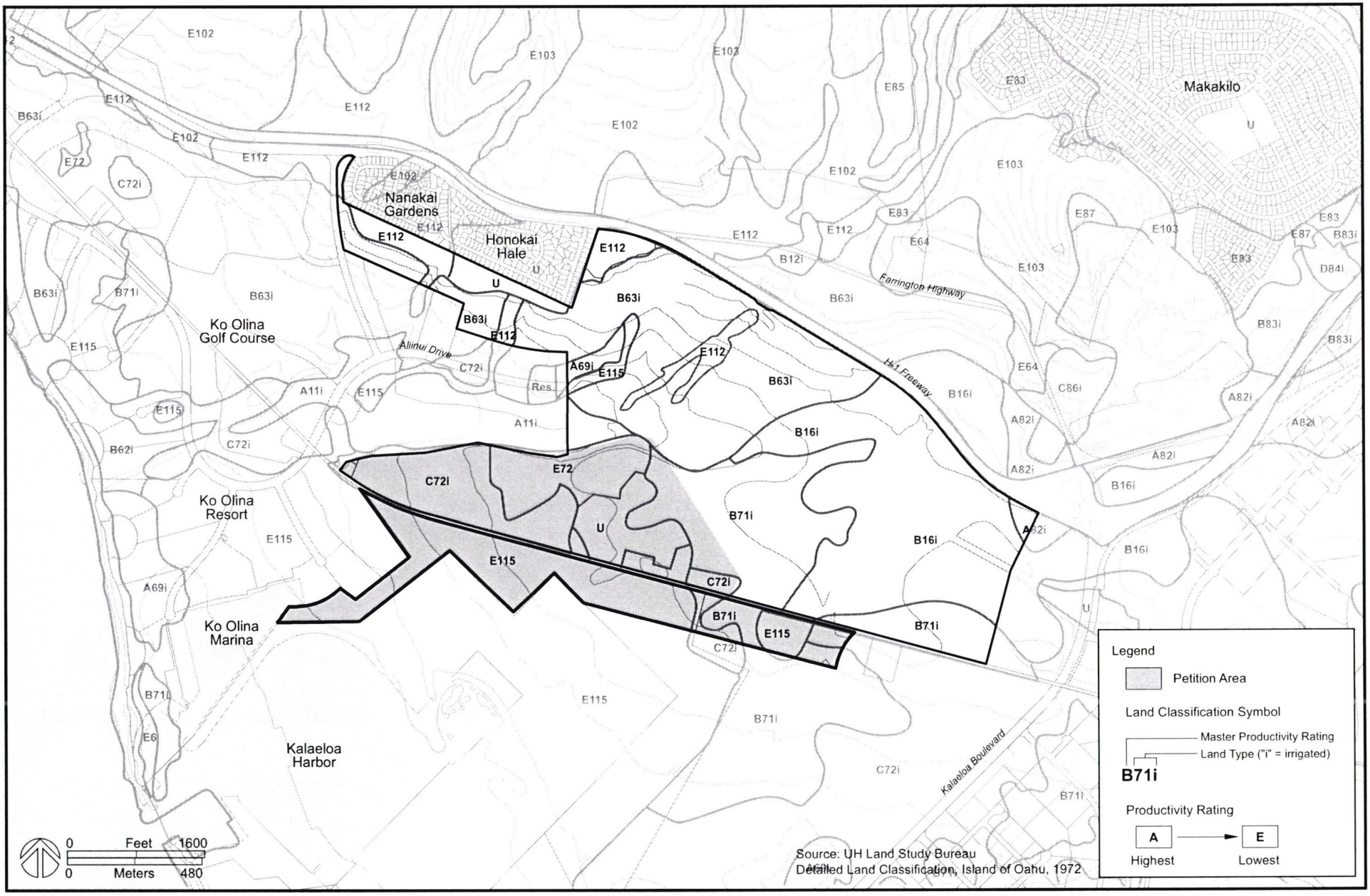
The Agricultural Lands of Importance to the State of Hawai'i (ALISH) land classification system was developed by the State Department of Agriculture in 1977 to determine the relative agricultural importance of specific property. The ALISH system identifies three broad classes of lands, including "Prime Agricultural Land," "Unique Agricultural Land," and "Other Important Agricultural Land." ALISH classifications for the Petition Area and the remaining project area are described in the following section and shown in Figure 7.

Petition Area
The majority of the Petition Area is unclassified, with the exception of a small portion along the eastern boundary which is classified as "Other Important Agricultural Land."

Remaining Project Area
Within the remaining 373 acres, approximately 360 acres are classified as "Prime Agricultural Lands." The remaining acreage consists of patches of "Other Important Agricultural Land" or "Unclassified" lands scattered throughout the project area. Within this acreage, four small areas are designated as "Other" and four small areas are "Unclassified."

3.5 Climate

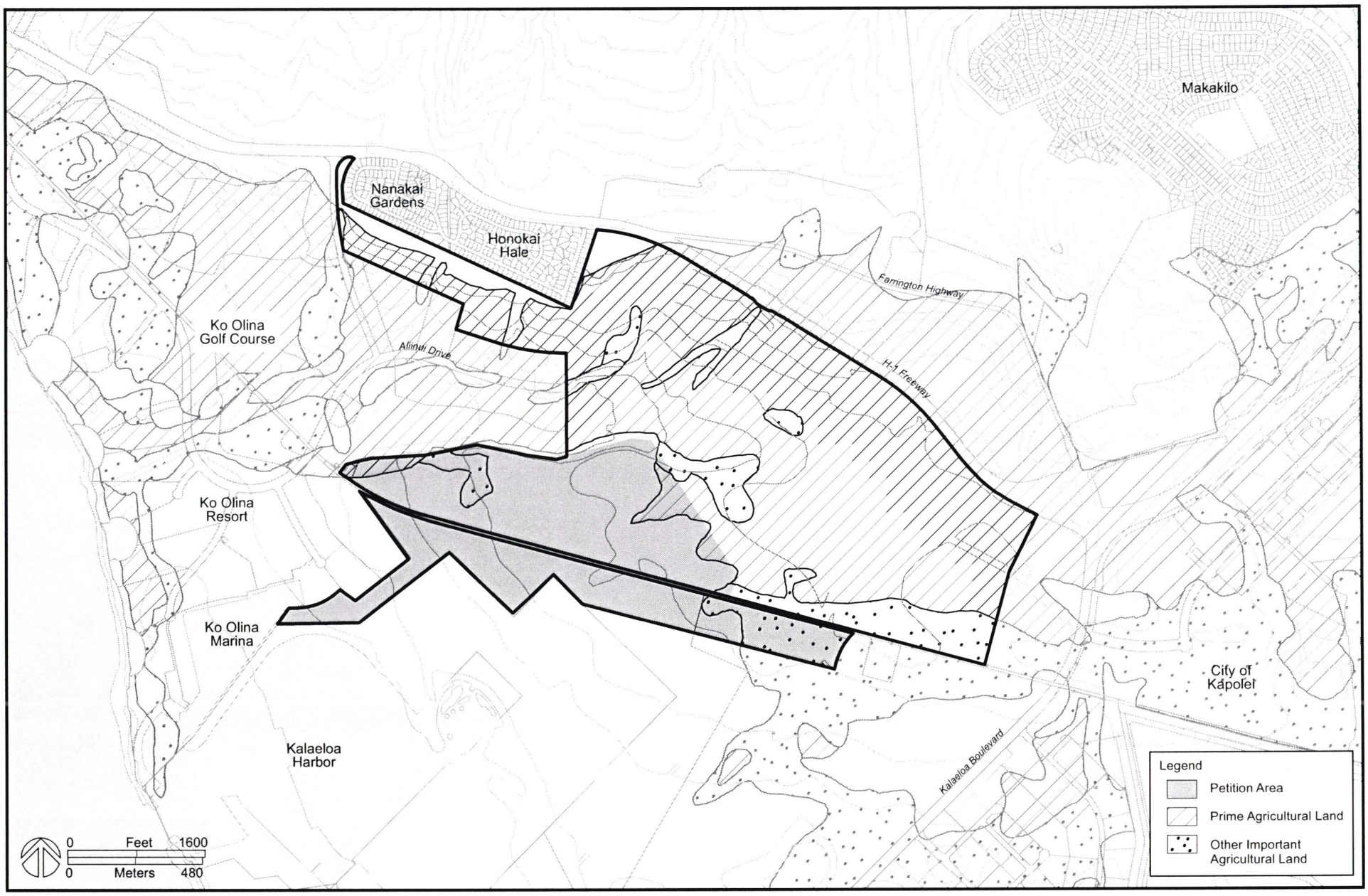
The 'Ewa region of O'ahu is one of the sunniest areas on O'ahu. It is semi-arid, with a relatively warm and dry climate. Rainfall is light, with an average annual rainfall of approximately 21 inches. Most of the total annual rainfall comes during the winter rainy season from October to April, and the summer months are particularly hot and dry. Average low temperatures range



Land Study Bureau Soils Classifications

Figure 6

Kapolei West
O`ahu, Hawai`i



Agricultural Lands of Importance to the State of Hawai`i

Figure 7

Kapolei West
O`ahu, Hawai`i

from about 61 degrees Fahrenheit in the winter to about 70 degrees in the summer. Average high temperature ranges from approximately 80 degrees in the winter to 88 degrees in the summer. The prevailing surface winds are tradewinds blowing from a northeasterly direction, with occasional southerly winds. Low velocity surface winds of less than 10 miles per hour occur frequently, and the tradewinds tend to break down during the fall, giving way to lighter, more variable wind conditions through the winter and into the early spring.

3.6 Natural Hazards

The Flood Insurance Rate Map (FIRM) (November 2000) published by the Federal Emergency Management Agency (FEMA) identifies the project area within Zone D, which denotes areas in which flood hazards are undetermined. The 100-year tsunami inundation line is based on the FIRM, where areas designated "AE" and "VE" are subject to inundation. The project area is outside the tsunami inundation zone.

3.7 Drainage

The Kapolei West project area lies within three natural drainage basins that extend seaward from the Wai'anae Mountains to the ocean (Makaiwa Gulch, Palailai Gulch and Awanui Gulch). Makaiwa Gulch and Palailai Gulch converge in a drainageway under the H-1 Freeway. The drainageway runs eastward across the project area parallel to the H-1 Freeway, and turns towards the ocean at the eastern border of the project area. The existing drainage pattern will be maintained, and incorporated into the golf couse as it passes through the project site.

3.8 Flora

Petition Area

Char and Associates completed a botanical survey for the Petition Area north of the OR&L ROW in November 2003, including a reconnaissance-level survey for the endangered red ilima or ko'oloa'ula *(Abutilon menziesii)*. A survey of the Petition Area south of the OR&L ROW was completed in April 2004. No rare or endangered species were found, and no native ecosystems were identified. Since the endangered 'Ewa Plains 'akoko (*chamaesyce skottsbergii* var. *skottsbergii,* formerly var. *kalaeloana)* was recorded in the area surrounding Kalaeloa Barbers Point Harbor during construction of the deep draft harbor, the recent surveys included an intensive search for any remnant akoko plants, especially in the area of the kiawe forest. Survey findings are summarized below.

No 'akoko plants or any other threatened, rare or endangered species or species of concern were found during recent field surveys. Vegetation within the Petition Area is dominated by introduced or alien species. The vegetation types recognized on the project site include the following: (1) ruderal, (2) kiawe forest; (3) buffelgrass/koa haole scrub; (4) koa haole scrub; and (5) quarry vegetation (largely barren areas with only scattered clumps of vegetation). Except for the kiawe forest, the other vegetation types have been disturbed somewhat recently in the past by sugar cane cultivation, quarrying, bulldozing, and other human activity. In general, the existing plant communities and vegetation types surveyed were not dominated by endemic (native only to Hawai'i) or indigenous (native to Hawai'i and other places) plant species. The few native species found within the Petition Area are those that are common to the coastal lowlands along most of the Hawai'ian Islands and that do well in open, disturbed habitats. Indigenous plants found on site consist of 'akulikuli *(Sesuvium portulacastrum),* kipukai *(Heliotropium curassavicum),* hoary abutilon or ma'o *(Abutilon incanum),* ' ilima *(Sida fallax),*

popolo *(Solanum americanum), and* 'uhaloa *Waltheria indica).* Endemic species are limited to kupala *(Sicyos pachycarpus)* and kauna'oa *(Cuscata sandwicensis).*

Remaining Project Area
Botanical surveys of the project area were completed by Kenneth Nagata in June 1987 and February 1989. As documented in the *Ko Olina Phase II Final Environmental Impact Statement* (April 1989) and the *Ko Olina Phase II Application for Development Plan Amendment and Environmental Assessment* (January 1991), the vegetation is dominated by agricultural and weedy species. No endemic, rare or endangered species were found, and no native ecosystems were identified. These findings were recently validated by Char (November 2003).

3.9 Fauna

Petition Area
Review of faunal surveys completed for adjacent areas concludes that no endemic, rare or endangered species of wildlife are present in the area. A survey conducted by Phillip L. Bruner in August, 1989 for the *Kapolei Business-Industrial Park Final Environmental Impact Statement* (April 1990) documented the presence of feral cat, mongoose, seventeen species of introduced birds, and the migratory Golden Plover. No endemic, rare or endangered species of wildlife were identified, and no unusual or distinctive habitats were found. Similar findings were documented for the *Ko Olina Phase II Final Environmental Impact Statement* (April 1989).

Remaining Project Area
A study of terrestrial vertebrate animals was conducted for the proposed Ko Olina Phase II project by Andrew J. Berger in April 1989. The fauna in the general vicinity of the project area included feral dog, feral cat, mice, brown rat, black rat, mongoose, commonly found bird species such as doves and finches, and two species of migratory shorebirds identified as the Golden Plover and the Wandering Tattler. No endemic, rare or endangered species of wildlife were found, and no suitable feeding or breeding habitats for such species were identified *(Ko Olina Phase II Application for Development Plan Amendment and Environmental Assessment, January 1991).*

3.10 Historic, Cultural and Archaeological Resources

The ahupua'a of Honouliuli is the largest traditional land unit on the island of O'ahu. It is bordered by the Wai'anae Mountain Range in the north and the Pacific Ocean to the south. The ahupua'a stretches across the vast 'Ewa Plain, with West Loch at the eastern boundary and Kahe Point to the west. Historic settlement patterns infer that the project area was not permanently occupied by pre-contact Native Hawai'ian populations, but instead was used for temporary habitation during gathering and fishing expeditions as O'ahu's western shoreline was noted for an abundance of marine resources. Although dry, barren conditions of the project area did not encourage habitation, archaeological evidence indicates temporary occupation of the project area may have occurred during birdcatching pursuits, or as parties crossed from the uplands to the sea.

Following the Mahele of 1848, 99 individual land claims in the ahupua'a of Honouiluil were awarded. The project area was part of a 43,250-acre grant awarded to Mirian Ke'ahi-Kuni Kekau'onohi on January 1848 (Royal Patent 6071, LCA 11216, Apana 8). Upon Kekau'onohi's death in 1851, her property was passed on to her husband, Chief Levi Ha'alelea, and his heirs. In 1871, when Chief Ha'alelea died, the property was leased to James Dowsett and John Meek

for stock running and grazing, and in 1877, James Campbell purchased most of Honouliuli Ahupua'a (including the project area) for cattle ranching. Campbell's cattle ranching operation prospered until 1889, when he leased his property to Benjamin Dillingham. Dillingham opened the OR&L Railway in 1889 and subleased his lands to the 'Ewa Plantation Company for sugar cane cultivation. The 'Ewa Plantation Company grew quickly and continued in full operation until 1970 when the O'ahu Sugar Company took over operations. Sugar cane cultivation was continued until 1995 when O'ahu Sugar Company closed.

Cultural Surveys Hawai'i has prepared a Cultural Impact Assessment to document and evaluate the effects the planned development may have on Native Hawaiian culture, practices and traditions. Based on personal consultations and examination of historic documents and existing archaeological information, Cultural Surveys Hawai'i has concluded that the project area is not associated with traditional cultural practices for subsistence and religious purposes and does not provide access to other areas in order to exercise those practices (i.e., gathering of plant and marine resources; presence of burials, historic properties and storied places; documentation of trails). The completed report will be included in the DEIS.

Petition Area

Cultural Surveys Hawai'i has conducted a field inspection and archaeological assessment of the Petition Area, and is currently completing an archaeological inventory survey of significant sites identified within the Petition Area. Draft reports have been submitted to SHPD for review, and will be included as part of the Draft EIS. A summary of significant sites within the Petition Area that are listed on the State Inventory of Historic Properties (SIHP) and a summary of the archaeological field work and research completed to date is presented below.

Site 50-80-12-9714 (OR&L Right-of-Way): The O'ahu Railroad and Land Company Railroad was opened in 1889 to transport raw sugar, other goods and passengers. The OR&L ROW was placed on the National Register of Historic Places in December 1975 for its significant role in the expansion of O'ahu's sugar cane industry. The ROW forms the boundary between the Petition Area and the larger project area. The ROW is currently used by the Hawaiian Railway Society.

Site 50-80-12-9633: This site is located near the southern boundary of the Petition Area within the central portion of the site. It is a burial cave containing human-created rock piles and wall, a human burial, and part of what appears to be a wooden canoe. This site, a protected, fenced-in burial preserve, has not been excavated and remains protected in the state in which it was discovered.

Site 50-8-12-9548: This site abuts the eastern edge of Site 50-80-12-9633. A smaller protected burial preserve, this site features a large sinkhole with cultural remains to indicate human habitation during traditional times.

Field investigation of the Petition Area south of the OR&L ROW completed in February 2004 determined that the project area was largely clear of archaeological sites. Exceptions included the Gilbert Trig Station in the eastern corner of the Petition Area along the OR&L ROW; a small wooded area east of the Gilbert Trig Station; a large cement irrigation ditch that runs near the eastern boundary of the Petition Area; and a cluster of sites in the central portion of the Petition Area near the vicinity of the burial preserves. In consideration of these findings, Cultural Surveys Hawai'i will be preparing an archaeological inventory survey to determine the significant historic value of these sites.

An archaeological assessment completed in November 2003 for the Petition Area north of the OR&L ROW indicated several areas of archaeological interest within the central portion of the project area. Despite intensive agricultural activity that destroyed most evidence of traditional Hawaiian or early historic sites, the archaeological assessment identified two sites of interest: the first included two limestone sinkholes in the central portion of the Petition Area; and the second included several limestone sinkholes just north of the OR&L ROW within the vicinity of the other sinkholes.

An archaeological inventory survey of the two centrally-located sinkholes was completed in June 2004. Neither sinkhole contained pre-twentieth century cultural materials, human remains, or prehistoric faunal remains. However, the excavation of the sinkholes provided a significant amount of historic remains that appear to be trash deposits dating to the mid-twentieth century. The most significant of the historic deposits was a 50-gallon metal drum within sinkhole CSH-3 (as identified by Cultural Surveys Hawai'i) that contained bottles and chinaware dating between 1940 and 1954. Considering the high number of datable artifacts older than fifty years found within the sinkhole, this sinkhole was assigned to the SIHP as site number 50-80-12-6674. It has been concluded that the sinkholes are significant for their information content only, and that no further investigation is needed for the Petition Area north of the OR&L ROW.

Remaining Project Area

The larger Kapolei West project area was part of archaeological studies conducted by Alan Haun (1986) and Paul H. Rosendahl (1987 and 1989). No significant archeological sites of any kind were encountered during surveying and testing. The only historic features identified within this area are former O'ahu Sugar Plantation flume and ditch plantation infrastructure located south of Honokai Hale and Kamokila Park and a drainage canal that runs adjacent to the northern and eastern boundary of the project area.

In correspondence to Cultural Surveys Hawai'i (January 8, 2004), SHPD determined that development of these lands would have no effect on significant historic sites, and that documentation of the plantation infrastructure resources would conclude historic preservation requirements within the project area.

Documentation of Plantation Infrastructure: Documentation of the plantation infrastructure resources has been completed by Cultural Surveys Hawai'i, and a draft of the report will be submitted to SHPD for formal review. No further work or preservation efforts are anticipated. Summary findings of the archival research and field survey are presented below.

The 'Ewa Plantation Company was the first sugar cane plantation on O'ahu to rely totally on artesian well water for irrigation. The irrigation system, including the pumping station (Pump No. 10, located inside the project area), the reservoir (just outside the project area), and the ditches and flumes associated with these structures, was first constructed in 1907, and has been continually improved during the history of the plantation. Irrigation ditches, which were once hand excavated earthen ditches, were later improved and lined with various materials, including plaster, stone and mortar, molded concrete, portable pre-cast cement blocks, and asphalt.

Two sites related to sugar cane plantation infrastructure were identified during field survey. The first site, Site 50-80-12-6678, consists of five features related to the irrigation system: concrete culvert and ditch intersection, a metal flume, two stone-and-mortar lined ditches, and a flume constructed of pre-cast portable concrete blocks. Dates inscribed on several of these features range from 1935 to 1964, and the stone-and-mortar lined ditches are pictured on maps dated as

early as 1919. The second site, Site 50-80-12-6679, is an earth-lined drainage canal that runs from the H-1 Freeway along the northern and eastern boundary of the project area. The drainage canal, which measures approximately 30 feet at its widest point and 20 feet at its deepest, was constructed post-1928 and continues to function as a modern-day flood control measure.

3.11 Visual Resources

The Kapolei West project area is visible from Farrington Highway and the H-1 Freeway. Comprised of abandoned agricultural lands historically used for sugarcane cultivation, the Kapolei West project area sits fallow between lush residential and golf course developments and the City of Kapolei. Views looking makai (south) from Farrington Highway and the H-1 Freeway include the idle fields of the project area and the expansive 'Ewa plain, the industrial facilities of Campbell Industrial Park and Barbers Point Deep Draft Harbor, the Ko Olina resort and golf course, and the Pacific Ocean. The Honokai Hale/Nanakai Gardens subdivision adjacent to Farrington Highway partially obscures makai views of the 'Ewa Plain from Farrington Highway. The 'Ewa Development Plan identifies the panoramic view makai of the Highway as a significant viewplane.

3.12 Land Use Policies

3.12.1 State Land Use Classification

All lands in the State of Hawai'i have been classified in one of four land use districts by the State Land Use Commission (LUC), pursuant to Chapter 205, Hawai'i Revised Statutes. The four land use districts are: (1) Conservation; (2) Agriculture; (3) Urban; and (4) Rural.

Petition Area
The entire Petition Area is currently designated Agricultural. A State Land Use District Boundary Amendment for reclassification from the Agricultural District to the Urban District is being sought.

Remaining Project Area
The remaining 373 acres of the Kapolei West project area is designated as Urban. As noted previously, this area was reclassified from the State Agricultural District in 1991 for the Ko Olina Phase II development (Docket No. A90-655).

3.12.2 Hawai'i State Plan

The Hawai'i State Plan, established through the State's legislative process, represents public consensus regarding expectations for Hawai'i's future. Chapter 226, Hawai'i Revised Statutes (HRS), as amended, describes the purpose of the State Plan as follows:

> "[it] shall serve as a guide for the future long-range development of the State; identify the goals, objectives, policies, and priorities for the State of Hawai'i; provide the basis for determining priorities and allocating limited resources, such as public funds, services, manpower, land, energy, water, and other resources; improve coordination of state and county plans, policies, programs, projects, and regulatory activities; and establish a system for plan formation and program coordinat8ion to provide for an integration of all major state and county activities." (Chapter 226-1, HRS; Findings and Purpose).

The proposed project conforms to most applicable goals, objectives, policies and guidelines of the Hawai'i State Plan. The proposed development is substantially consistent with most applicable policy areas, including the following:

Section 226-5 Objective and policies for population.

Section 226-5(b)(1) Manage population growth statewide in a manner that provides increased opportunities for Hawai'i's people to pursue their physical, social, and economic aspirations while recognizing the unique needs of each county.

Section 226-5(b)(7) Plan the development and availability of land and water resources in a coordinated manner so as to provide for the desired levels of growth in each geographic area.

Section 226-6 Objectives and policies for the economy - in general.

Section 226-6(a)(1) Increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawai'i's people.

Section 226-6(b)(10) Stimulate the development and expansion of economic activities which will benefit areas with substantial or expected employment problems.

Section 226-8 Objective and policies for the economy - visitor industry.

Section 226-8(b)(3) Improve the quality of existing visitor destination areas.

Section 226-8(b)(4) Encourage cooperation and coordination between the government and private sectors in developing and maintaining well-designed, adequately serviced visitor industry and related developments which are sensitive to neighboring communities and activities.

Section 226-11 Objectives and policies for the physical environment - land-based, shoreline, and marine resources.

Section 226-11(b)(3) Take into account the physical attributes of areas when planning and designing activities and facilities.

Section 226-12 Objective and policies for the physical environment - scenic, natural beauty, and historic resources.

Section 226-12(b)(1) Promote the preservation and restoration of significant natural and historic resources.

Section 226-12(b)(3) Promote the preservation of views and vistas to enhance the visual and aesthetic enjoyment of mountains, ocean, scenic landscapes, and other natural features.

Section 226-13 Objectives and policies for the physical environment - land, air, and water quality.

Section 226-13(b)(7) Encourage urban developments in close proximity to existing services and facilities.

Section 226-14 Objective and policies for facility systems - in general.

Section 226-14(b)(3) Ensure that required facility systems can be supported within resource capacities and at reasonable cost to the user.

Section 226-15 Objectives and policies for facility systems - solid and liquid wastes.

Section 226-15(b)(2) Promote re-use and recycling to reduce solid and liquid wastes and employ a conservation ethic.

Section 226-16 Objective and policies for facility systems - water.

Section 226-16(b)(1) Coordinate development of land use activities with existing and potential water supply.

Section 226-16(b)(6) Promote water conservation programs and practices in government, private industry, and the general public to help ensure adequate water to meet long-term needs.

Section 226-17 Objectives and policies for facility systems - transportation.

Section 226-17(b)(6) Encourage transportation systems that serve to accommodate present and future development needs of communities;

Section 226-19 Objectives and policies for socio-cultural advancement - housing.

Section 226-19 (b)(3) Increase homeownership and rental opportunities and choices in terms of quality, location, cost, densities, style, and size of housing.

Section 226-19 (b)(5) Promote design and location of housing developments taking into account the physical setting, accessibility to public facilities and services, and other concerns of existing communities and surrounding areas.

Section 226-19 (b)(6) Facilitate the use of available vacant, developable, and underutilized urban lands for housing.

Section 226-23 Objective and policies for socio-cultural advancement - leisure.

Section 226-23(b)(2) Provide a wide range of activities and facilities to fulfill the cultural, artistic, and recreational needs of all diverse and special groups effectively and efficiently.

Section 226-103 Economic priority guidelines.

Section 226-103(b)(2) Encourage the development and maintenance of well-designed, adequately serviced hotels and resort destination areas which are sensitive to neighboring communities and activities and which provide for adequate shoreline setbacks and beach access.

Section 226-103(e)(2) Encourage the improvement of irrigation technology and promote the use of nonpotable water for agricultural and landscaping purposes.

Section 226-104 Population growth and land resources priority guidelines.

Section 226-104(b)(1) Encourage urban growth primarily to existing urban areas where adequate public facilities are already available or can be provided with reasonable public expenditures, and away from areas where other important benefits are present, such as protection of important agricultural land or preservation of lifestyles.

Section 226-104(b)(2) Make available marginal or nonessential agricultural lands for appropriate urban uses while maintaining agricultural lands of importance in the agricultural district.

Section 226-104(b)(3) Restrict development when drafting of water would result in exceeding the sustainable yield or in significantly diminishing the recharge capacity of any groundwater area.

3.12.3 State Functional Plans

The Hawai'i State Plan directs the appropriate State agencies to prepare functional plans for their respective program areas, including: agriculture, conservation lands, education, employment, energy, health, higher education, historic preservation, housing, human services, recreation, tourism, transportation and water resources development. While the Hawai'i State Plan establishes long-term objectives for Hawai'i, the State functional plans serve as the primary implementing vehicle for the Hawai'i State Plan and delineate specific strategies of policies and priority actions that should be addressed in the short term.

The State Functional Plans have been adopted by the Hawai'i State Legislature and approved by the Governor. The plans set forth "...the policies, statewide guidelines, and priorities within a specific field of activity, when such activity or program is proposed, administered, or funded by any agency of the State" (Section 226-2 HRS). Each functional plan contains objectives to be achieved and policies to be pursued within the specific areas. "...Such policies shall address major programs and the locations of major facilities" (Section 226-57(b) HRS).

The project generally supports the objectives and policies of the State Functional Plans. The Draft EIS will identify and discuss the policies and objectives of the State Functional Plans that are supported by the proposed project.

3.12.4 City and County of Honolulu General Plan

The General Plan for the City and County of Honolulu was adopted in 1977, and has been subsequently amended (most recently in 2003). The Plan is a comprehensive statement of the

long-range social, economic, environmental and design objectives for the general welfare and prosperity of the people of O'ahu.

Included in the General Plan are broad policy statements that facilitate the attainment of the Plan's objectives. As envisioned in the General Plan, 'Ewa is designated as O'ahu's Secondary Urban Center, with major residential, commercial and employment development targeted for the region.

The proposed Kapolei West project, which encourages growth of O'ahu's Secondary Urban Center, is consistent with the following General Plan objectives and policies:

I. Population

Objective C: To establish a pattern of population distribution that will allow the people of O'ahu to live and work in harmony.

Policy 2: Encourage development within the secondary urban center at Kapolei and the 'Ewa and Central O'ahu urban-fringe areas to relieve developmental pressures in the remaining urban-fringe and rural areas and to meet housing needs not readily provided in the Primary Urban Center.

Policy 4: Direct growth by providing land development capacity and needed infrastructure to seek a 2025 distribution of O'ahu's residential population, which would be in accord with the following table:

Distribution of Residential Population

DP Area	% Share of 2025 Islandwide Population
Primary Urban Center	46.0
'Ewa	13.0
Central O'ahu	17.0
East Honolulu	5.3
Ko'olaupoko	11.6
Ko'olauloa	1.4
North Shore	1.7
Wai'anae	4.0

II. Economic Activity

Objective A: To promote employment opportunities that will enable all the people of O'ahu to attain a decent standard of living.

Policy 1: Encourage the growth and diversification of O'ahu's economic base.

Policy 2: Encourage the development of small businesses and larger industries which will contribute to the economic and social well-being of O'ahu residents

Objective G: To bring about orderly economic growth on O'ahu.

Policy 1: Direct major economic activity and government services to the Primary Urban Center and the Secondary Urban Center at Kapolei.

Policy 2: Maintain sufficient land in appropriately located commercial and industrial areas to help ensure a favorable business climate on O'ahu.

III. Natural Environment

Objective A: To protect and preserve the natural environment.

Policy 4: Require development projects to give due consideration to natural features such as slope, flood and erosion hazards, water- recharge areas, distinctive land forms, and existing vegetation.

Policy 7: Protect the natural environment from damaging levels of air, water and noise pollution.

Policy 8: Protect plants, birds, and other animals that are unique to the State of Hawai'i and the Island of O'ahu.

Objective B: To preserve and enhance the natural monuments and scenic views of O'ahu for the benefit of both residents and visitors.

Policy 2: Protect O'ahu's scenic views, especially those seen from highly developed and heavily traveled areas.

Policy 4: Provide opportunities for recreational and educational use and physical contact with O'ahu's natural environmental.

IV. Housing

Objective C: To provide the people of O'ahu with a choice of living environments which are reasonably close to employment, recreation, and commercial centers and which are adequately served by public utilities.

Policy 4: Encourage residential development near employment centers.

V. Transportation and Utilities

Objective A: To create a transportation system which will enable people and goods to move safely, efficiently, and at a reasonable cost; serve all people, including the poor, the elderly, and the physically handicapped, and offer a variety of attractive and convenient modes of travel.

Policy 1: Develop and maintain an integrated ground transportation system consisting of the following elements and their primary purposes:

a. Public transportation – for travel to and from work, and travel within Central Honolulu;

b. Bikeway – for recreational activities and trips to work, schools, shopping centers, and community facilities; and
c. Pedestrian walkways – for getting around Downtown and Waikiki, and for trips to schools, parks, and shopping centers.

Policy 2: Provide transportation services to people living within the 'Ewa, Central O'ahu, and Pearl City-Hawai'i Kai corridors primarily through a mass transit system including exclusive right-of-way rapid transit and feeder-bus components as well as through the existing highway system with limited improvements as may be appropriate.

Objective D: To maintain transportation and utility systems which will help O'ahu continue to be a desirable place to live and visit.

Policy 2: Use the transportation and utility systems as a means of guiding growth and the pattern of land use on O'ahu.

VII. Physical Development and Urban Design

Objective A: To coordinate changes in the physical environment of O'ahu to ensure that all new developments are timely, well designed, and appropriate for the areas in which they are located.

Policy 5: Provide for more compact development and intensive use of urban lands where compatible with the physical and social character of existing communities.

Policy 6: Encourage the clustering of developments to reduce the cost of providing utilities and other public services.

Policy 7: Locate new industries and new commercial areas so that they will be well related to their markets and suppliers, and to residential areas and transportation facilities.

Objective C: To develop a secondary urban center in 'Ewa with its nucleus in the Kapolei area.

Policy 2: Encourage the development of a major residential, commercial, and employment center within the secondary urban center at Kapolei.

X. Culture and Recreation

Objective B: To protect O'ahu's cultural, historic, architectural, and archaeological resources.

Policy 9: Require all new developments to provide their residents with adequate recreation space.

Policy 10: Encourage the private provision of recreation and leisure-time facilities and services.

3.12.5 CITY AND COUNTY OF HONOLULU DEVELOPMENT PLAN

The City and County of Honolulu's Development Plan (DP) program provides a relatively detailed framework for implementing General Plan objectives and policies on an area-wide basis. A total of eight DP areas have been established on O'ahu, including the 'Ewa DP area where the project is located. In accordance with the General Plan objectives and policies that designate 'Ewa as the Secondary Urban Center, the 'Ewa DP describes the 'Ewa region as O'ahu's secondary employment center and resort area. The 'Ewa DP, which is currently undergoing five-year review, provides conceptual, long-range visions and policies to guide regional land use and infrastructure decisions, and includes land use maps illustrative of the policy statements articulated in the Plan. In general, the proposed Kapolei West project is largely compatible with the policies and guidelines expressed in the 'Ewa DP.

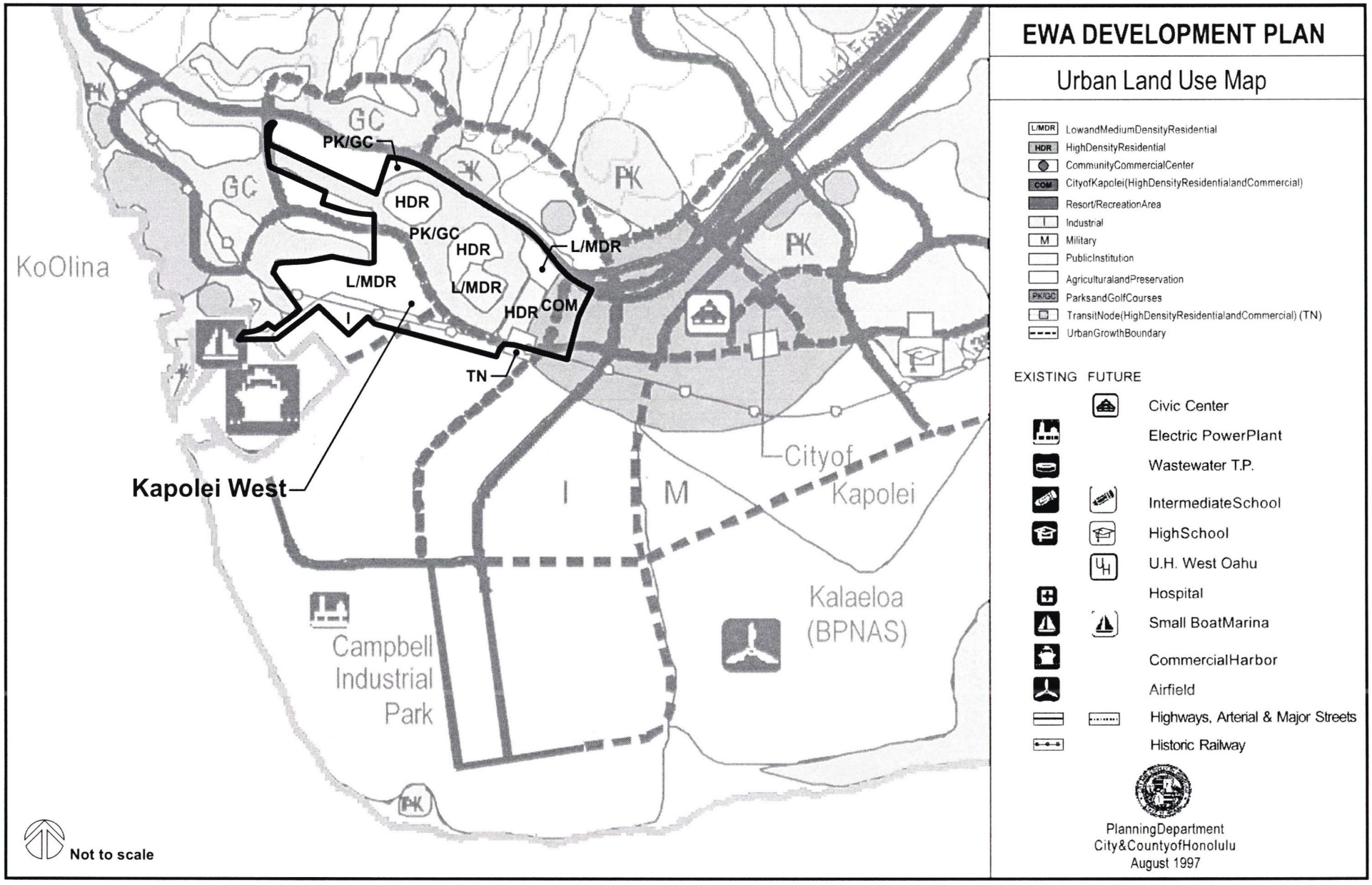
The 'Ewa Development Plan Phasing Map provides phasing guidance for the development of proposed projects to ensure that growth remains compatible with the economic, social and physical infrastructure. Proposed developments are categorized by the time period, or phase, during which the zone change application can be processed: (1) 1997 to 2005; (2) 2006 to 2015; and (3) 2016 and Beyond. Within the Kapolei West project area, areas identified for urban expansion during the 1997 to 2005 timeframe include the 373-acre parcel included in the Ko Olina Phase II project and the entire project area to the south of the OR&L ROW. The Phasing Map identifies a triangular-shaped property formed by the boundaries of the OR&L ROW, the Ko Olina Golf Course and the former Ko Olina Phase II project boundary to the east as the Kapolei Low Density Apartments (LDA) project. The area, which corresponds to the boundaries of the Kapolei West Petition Area north of the OR&L ROW, is categorized for urban expansion in two phases and includes a total of 1,800 units: the western half is identified for development during the 2006 to 2015 timeframe (500 units) and the eastern half is identified for development during the 2016 and Beyond timeframe (1,300 units). In comparison, the Kapolei West Petition Area proposes an estimated 1,200 units, significantly less than the 1,800 units included in the Kapolei LDA project.

In total, the Kapolei West project will provide approximately 2,400 residential units for approximately 8,000 residents, and will provide needed infrastructure to support growth of the 'Ewa region. While the General Plan directs that the 'Ewa region will account for 13 percent of the island's population in 2025, projections from the City and County of Honolulu estimate that between the year 2000 and 2025, the residential population of the 'Ewa Development Plan region will increase from an estimated 69,000 persons (7.8 percent of the islandwide population) to 114,000 persons (11.0 percent of the islandwide population). Although the 2025 estimate represents a 3.2 percent increase in the 'Ewa region's share of islandwide population, the projected regional population growth remains 2 percent less than the desired General Plan population distribution.

The 'Ewa Development Plan Land Use Map (DPLUM) is presented in Figure 8. The following section describes the DP land use designations for the Kapolei West project area.

Petition Area

According to the 'Ewa DPLUM, the Petition Area is designated "Low and Medium Density Residential" and "Industrial." Most of the Petition Area north of the OR&L ROW is designated "Low and Medium Density Residential," except for a narrow section of "Industrial" lands bordering the OR&L ROW. South of the OR&L ROW, a triangular-area adjacent to the existing Ko Olina Golf Course is designated "Low and Medium Density Residential," while the remaining area is designated "Industrial."



Ewa Development Plan Land Use Map **Figure 8**

Kapolei West
O`ahu, Hawai`i

Remaining Project Area

The 'Ewa DPLUM was amended in 1991 in accordance with the proposed Ko Olina Phase II development (Bill No. 132 (1990), CD-1). As such, the existing 'Ewa DPLUM reflects the land use configuration associated with the Ko Olina Phase II project. "Low and Medium Density Residential" and "High Density Residential" are surrounded by "Parks and Golf Courses." A "Transit Node" and "City of Kapolei" are to the east, and a narrow section of "Industrial" lands stretch north of the OR&L ROW. As stated in Section 3.7.3.1 of the 'Ewa DP, "As an alternative to industrial uses, a commercial, cultural or recreational entertainment attraction may be permitted in the area fronting the OR&L Historic Railway, provided that the use is designed to enhance the viability of the operation of the railway ..."

3.12.6 City and County of Honolulu Zoning

The Land Use Ordinance (LUO) and accompanying maps define the allowable uses of land within the City and County of Honolulu. The LUO describes the various zoning districts throughout the City and County, the uses allowed within each zoning district, and the applicable development standards for each district. Current zoning for the Petition Area and the remaining Kapolei West project area is shown in Figure 9. A zone change will be necessary to permit the proposed recreational, commercial and residential uses.

Petition Area

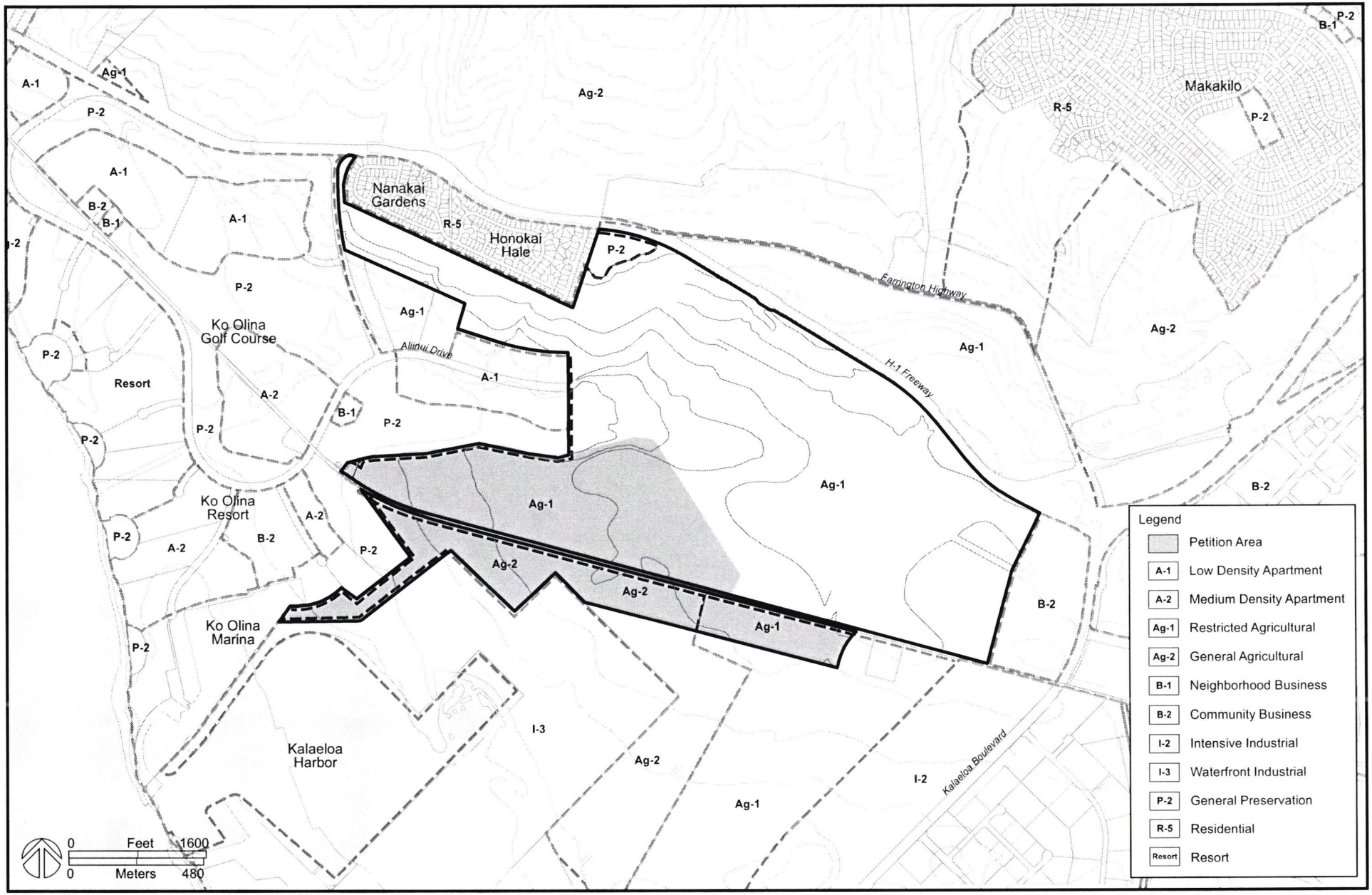
Within the Petition Area, the area north of the OR&L ROW is currently zoned AG-1, Restricted Agricultural, and the area south of the OR&L ROW is zoned AG-1, Restricted Agricultural, and AG-2, General Agricultural.

Remaining Project Area

The entire project area north of the Petition Area is zoned AG-1, Restricted Agricultural District, except for Kamokila Park which is zoned P-2, General Preservation.

3.12.7 Special Management Area

The City and County of Honolulu, similar to other counties in Hawai'i, has adopted: (1) boundaries which identify the Special Management Area (SMA); and (2) rules and regulations which are consistent with Chapter 205A, HRS that control development within the SMA. The purpose of the SMA is to preserve, protect, and where possible, restore the natural resources of the coastal zone of Hawai'i. Proposed development within the SMA is subject to review in order to ensure adequate access to recreation areas and minimal adverse impacts to water resources, and scenic and recreational amenities. The southernmost tip of the Petition Area that touches the Ko Olina Marina (approximately 200 feet) lies within the SMA (see Figure 4), and will require review in accordance with Chapter 25, ROH, the City and County of Honolulu's Special Management Area provisions.



City and County of Honolulu Zoning

Figure 9

Kapolei West
O`ahu, Hawai`i

4.0 ANTICIPATED IMPACTS

Customary impacts associated with development projects include, but are not limited to, those related to drainage, archaeological/historic resources, soils, flora/fauna, utilities, traffic and economic impacts. The following is a list of original studies that will be conducted to analyze the potential impacts of the proposed development. The Draft EIS will summarize the analyses and findings of these studies. Copies of the studies will be included as appendices in the Draft EIS.

Archaeological Inventory Survey

Cultural Impact Assessment

Botanical Survey

Preliminary Engineering Assessment

Fiscal and Economic Impact Assessment

Noise Assessment

Air Quality Assessment

Traffic Impact Assessment

Water Resources Study

Market Analysis

Agriculture Impact Analysis

5.0 DETERMINATION

In consideration of the significance criteria of Chapter 200 of Title 11 of the Hawai'i Administrative Rules (§11-200-12, HAR), and the comments received during the draft environmental assessment pre-assessment consultation process, it has been determined that the potential environmental effects of the Proposed Action are significant enough to warrant the preparation of an environmental impact statement. Pursuant to the provisions of Chapter 343, HRS and Chapter 11-200, HAR, an environmental impact statement will be prepared in consideration of the State Land Use District Boundary Amendment to reclassify the approximate 174 acres of the project area described in this preparation notice from the Agricultural to the Urban District.

6.0 PARTIES CONSULTED DURING THE PREPARATION OF THE PREPARATION NOTICE

A pre-assessment consultation letter was mailed to various government agencies, community associations and elected representatives in April 2004 to ensure that interested parties were notified of the intended draft environmental assessment (DEA) and that all relevant issues and concerns were addressed. Letters were distributed to a diverse group of parties believed to have an interest in the project. The following is a list of parties who were sent pre-assessment consultation letters.

Comments were received from 24 of the 71 parties consulted. The parties who responded are identified by an asterisk (*). Comments received in response to the DEA pre-assessment consultation will be considered during the preparation of the DEIS.

Federal Agencies
* Department of the Army, Army Corps of Engineers
Department of the Army, Army Support Command Hawai'i
Department of the Navy, Naval Base, Pearl Harbor
* U.S. Coast Guard
Department of Agriculture, Natural Resources Conservation Service
* Department of the Interior, Fish and Wildlife Services
Department of the Interior, U.S. Geological Survey
* Federal Aviation Administration
Federal Highway Administration

State Agencies
* Department of Accounting and General Services
Department of Agriculture
Department of Budget and Finance
Department of Business, Economic Development and Tourism
DBEDT, Energy Resources and Technology Division
DBEDT, Office of Planning
Department of Defense
* Department of Education
Department of Hawaiian Home Lands
* Department of Health
Department of Human Services, Housing and Community Development Corporation
Department of Labor and Industrial Relations
* Department of Land and Natural Resources
* Department of Land and Natural Resources, Historic Preservation Division
* Department of Transportation
O'ahu Metropolitan Planning Organization
* Office of Environmental Quality Control
* Office of Hawaiian Affairs
Public Utilities Commission

University of Hawai'i
Environmental Center
Water Resources Research Center

City and County of Honolulu
* Board of Water Supply
Department of Community Services
* Department of Design and Construction
Department of Environmental Services
* Department of Facility Maintenance
* Department of Parks and Recreation
* Department of Planning and Permitting
* Department of Transportation Services
* Honolulu Fire Department
* Honolulu Police Department
* O'ahu Civil Defense Agency

Other Agencies, Organizations and Individuals
Councilmember Mike Gabbard
Councilmember Donovan M. Dela Cruz
Representative Mark Moses
Representative Michael Kahikina
Senator Brian Kanno
Common Cause Hawai'i
Friends of the Pearl Harbor Historic Trail
Gas Company
Hawai'i Audubon Society
Hawai'i Building and Construction Trade Council
Hawai'i Farm Bureau Foundation
Hawai'i's Thousand Friends
Hawaiian Civic Club
Hawaiian Electric Company
* Hawaiian Railway Society
Honokai Hale/Nanakai Gardens Community Association
Kapolei Rotary Club
* Ko Olina Community Association
Land Use Research Foundation of Hawai'i
League of Women Voters
Leeward O'ahu Transportation Management Association
Life of the Land
Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34
Makakilo-Kapolei Lions Club
* Outdoor Circle
Sierra Club, Hawai'i Chapter
Soroptimist International of West O'ahu
Verizon Telephone
Wai'anae Coast Neighborhood Board No. 24
West O'ahu Economic Development Association

In addition to the parties listed above, letters were sent to the Waianae, 'Ewa Beach, and Kapolei Public Libraries, and the Hawai'i State Main Library, in order to provide residents of the area access to this information. Copies were also sent to DBEDT Business Resource Center Library, the Legislative Reference Bureau, the Municipal Reference and Records Center, and University of Hawai'i Hamilton Library.

7.0 PARTIES TO BE CONSULTED DURING THE PREPARATION OF THE DRAFT ENVIRONMENTAL IMPACT STATEMENT

The following is a list of parties that will be sent copies of the EIS Preparation Notice. Each will be invited to provide written comments during the public review period identifying concerns or issues that should be addressed in the EIS. Comments received in response to this EISPN will be included in the Draft EIS.

Federal Agencies
Department of the Army, Army Corps of Engineers
Department of the Navy, Naval Base, Pearl Harbor
U.S. Coast Guard
Department of Agriculture, Natural Resources Conservation Service
Department of the Interior, Fish and Wildlife Services
Department of the Interior, U.S. Geological Survey
Federal Aviation Administration
Federal Highway Administration

State Agencies
Department of Agriculture
Department of Budget and Finance
Department of Business, Economic Development and Tourism
DBEDT, Energy Resources and Technology Division
DBEDT, Office of Planning
Department of Defense
Department of Education
Department of Hawaiian Home Lands
Department of Health
Department of Human Services, Housing and Community Development Corporation
Department of Labor and Industrial Relations
Department of Land and Natural Resources
Department of Land and Natural Resources, Historic Preservation Division
Department of Transportation
Department of Transportation, Harbors Division
O'ahu Metropolitan Planning Organization
Office of Environmental Quality Control
Office of Hawaiian Affairs
Public Utilities Commission

University of Hawai'i
Environmental Center
Water Resources Research Center

City and County of Honolulu
Board of Water Supply
Department of Community Services
Department of Design and Construction
Department of Environmental Services
Department of Facility Maintenance
Department of Parks and Recreation

Department of Planning and Permitting
Department of Transportation Services
Honolulu Fire Department
Honolulu Police Department
O'ahu Civil Defense Agency

Other Agencies, Organizations and Individuals
Councilmember Mike Gabbard
Councilmember Donovan M. Dela Cruz
Representative Mark Moses
Representative Michael Kahikina
Senator Brian Kanno
Friends of the Pearl Harbor Historic Trail
Gas Company
Hawai'i Audubon Society
Hawai'i Building and Construction Trade Council
Hawai'i Farm Bureau Foundation
Hawai'i's Thousand Friends
Hawaiian Civic Club
Hawaiian Electric Company
Hawaiian Railway Society
Honokai Hale/Nanakai Gardens Community Association
Kapolei Rotary Club
Ko Olina Community Association
Ko Olina Fairways Asociation of Apartment Owners
Ko Olina Resort, LLC
Land Use Research Foundation of Hawai'i
League of Women Voters
Leeward O'ahu Transportation Management Association
Life of the Land
Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34
Makakilo-Kapolei Lions Club
Outdoor Circle
Sierra Club, Hawai'i Chapter
Verizon Telephone
Wai'anae Coast Neighborhood Board No. 24
West O'ahu Economic Development Association

Libraries and Depositories
State Archivist
'Ewa Beach Public Library
Hawai'i State Main Library
Kapolei Public Library
Wai'anae Public Library
DBEDT Business Resource Center Library
Legislative Reference Bureau
University of Hawai'i Hamilton Library
Municipal Reference and Records Center

Media
Honolulu Advertiser
Honolulu Star Bulletin

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L-695 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
JUN 25, 2003 11:00 AM

Doc No(s) 2948281
on Cert(s) 410,860 & 558,856

Issuance of Cert(s) 650,544

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR
CONVEYANCE TAX: $16665.60 (R)

20 2/5 Z5

LAND USE COMMISSION
STATE OF HAWAII

2004 SEP 29 P 12:46

LAND COURT | REGULAR SYSTEM

Return By Mail [X] Pick-Up [ ] To:

CARLSMITH BALL LLP
Kapolei Building, Suite 318
1001 Kamokila Boulevard
Kapolei, Hawaii 96707
Attention: Mark K. Murakami
Telephone: 808.523.2561

G: A20033517B-S

TGE: A3-101-3095

ANN OGINO

THIS DOCUMENT CONTAINS (12) PAGES

TITLE OF DOCUMENT:

TRUSTEES LIMITED WARRANTY DEED WITH RESTRICTIONS, COVENANTS AND RESERVATION OF RIGHTS

PARTIES TO DOCUMENT:

GRANTORS: **C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER,** the duly appointed, qualified and acting **TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED,** acting in their fiduciary and not in their individual capacities

GRANTEE: **AINA NUI CORPORATION,** a Hawaii corporation
James Campbell Building, Suite 255, 1001 Kamokila Boulevard, Kapolei, Hawaii 96707

TAX MAP KEY(S): (Oahu) 9-1-15: parcels 04 & 18
Certificate of Title No. 410,860 (as to Lot 2679-B)
Certificate of Title No. 558,856

(This document consists of 12 pages.)

COPY

EXHIBIT "8"

TRUSTEES LIMITED WARRANTY DEED
WITH RESTRICTIONS, COVENANTS AND RESERVATION OF RIGHTS

KNOW ALL MEN BY THESE PRESENTS:

That **C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER,** the duly appointed, qualified and acting **TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED,** acting in their fiduciary and not in their individual capacities (the "Grantors"), whose address is the James Campbell Building, 1001 Kamokila Boulevard, Kapolei, Hawaii 96707, in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other valuable consideration previously paid to Grantors by **AINA NUI CORPORATION,** a Hawaii corporation (the "Grantee"), whose address is the James Campbell Building, Suite 255, 1001 Kamokila Boulevard, Kapolei, Hawaii, the receipt and sufficiency of which is hereby acknowledged by the Grantors, and upon and subject to the covenants and conditions herein set forth, **DO HEREBY GRANT, BARGAIN, SELL, and CONVEY** unto Grantee, its successors and assigns, forever, those certain parcels of real estate (the "Property") situated at Honouliuli, City and County of Honolulu, Island of Oahu, State of Hawaii, and more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference, subject to the reservations and encumbrances herein and in **Exhibit A** attached hereto, **AND SUBJECT ALSO TO THE FOLLOWING EXCEPTIONS, RESERVATIONS, RESTRICTIONS ON USE AND AGREEMENTS:**

1. Drilling of Wells Prohibited. Drilling of water wells of any kind on the Property shall be prohibited, except after obtaining the prior written consent of the Trustees under the Will and of the Estate of James Campbell, Deceased, their successors, successors in trust and assigns, which consent may be withheld in their sole discretion.

2. Drainage. Grantors hereby reserve the right to have surface runoff of water from lands upslope from or adjacent to the Property flow through the Property towards more downslope lands, which upslope lands include, without limitation, the lands covered by Docket No. A92-687 of the Land Use Commission of the State of Hawaii and known as "Makaiwa Hills". Grantee shall develop the Property so as to accept such drainage from the benefitted upslope lands and to avoid any damage to adjoining lands from water runoff, and if required by applicable government authority, Grantee shall construct any drainage structure necessary to accept such upslope surface runoff and/or to prevent such damage. In constructing any drainage structures, Grantee must coordinate the drainage work with Grantors.

3. Reservation of Hanua Street Extension.

a. Reservation Generally. As used herein, the term "easement area" means an approximately one hundred (100) foot wide future right of way for the extension of Hanua Street from Farrington Highway down to Exclusion 2 identified in Section 4.1.2 of the Ewa Development Plan (Appendix 24-3 of the Revised Ordinances of Honolulu (1990)), the approximate location being as shown on **Exhibit B** attached hereto and incorporated herein by this reference. Grantors hereby reserve unto themselves personally and as owner of the Benefited Property (defined in paragraph 3.b (Benefited Property)), their successors, successors in trust and assigns, the following rights with respect to the easement area: (i) a perpetual nonexclusive access (vehicular and pedestrian) and utility (overhead and underground utilities) easement, (ii) the right to further delineate and subdivide the easement area from the remainder of the Property, at Grantors' own cost, (iii) the right, but not the obligation, to construct,

reconstruct, install, reinstall, use, operate, repair and maintain such easement area and all roadways, improvements, systems, pipes, lines and appurtenant facilities and equipment located within such easement area for access and utility purposes; (iv) the right of ingress and egress to and from the easement area through portions of the Property immediately adjacent to and above the easement area for the purposes enumerated herein; and (v) such other rights in and to the easement area consistent with the intent and purpose of this provision.

b. Benefited Property. As used herein, the term "Benefited Property" means all of the land located below (makai of) Exclusion 2 of Land Court Application No. 1069 and bounded by (i) Ko Olina Resort on the West, and (ii) Kalaeloa Boulevard on the East, which is owned by Grantors on the date of this instrument.

4. Dedication of Hanua Street Extension. If Grantors exercise their right to subdivide the Hanua Street extension from the remainder of the Property and to construct or cause to be constructed the Hanua Street extension to dedicable standards, for no additional consideration, Grantee on behalf of itself and all successors in interest (as fee simple owner of the Hanua Street extension lot) hereby agrees to dedicate the Hanua Street extension lot to applicable governmental authorities by way of the applicable governmental authority's standard form dedication deed, subject to Grantors' obligation to fulfill (or cause to be fulfilled) all other legally required and customary dedication requirements for roads of the type and kind of the Hanua Street extension (such as construction or maintenance bonds) for such dedication; provided that Grantors shall not be obligated to fulfill additional dedication impositions that may arise from Grantee's (or its successors in interest's) own development of all or any portion of the Property.

5. Prohibited Use and Prohibited Interference. No portion of the Property shall be used for cement manufacturing. No owner or occupant will interfere or attempt to interfere in any way, directly or indirectly, by legal proceedings or otherwise, with, or seek damages from the Trustees under the Will and of the Estate of James Campbell, Deceased, their successors, successors in trust and assigns, or from Hawaiian Cement, a Hawaii general partnership, its successors or assigns, for cement quarrying or manufacturing operations so long as same are conducted in a reasonable and prudent manner and in accordance with accepted quarrying and manufacturing methods and procedures.

6. Release of Terms and Conditions. Grantors, their successors, successors in trust and assigns, shall have the unilateral right, in their respective sole discretion, to release all or a portion of the reservations, terms, covenants and conditions set forth in paragraph 1 (Drilling of Wells Prohibited), paragraph 2 (Drainage), paragraph 3 (Reservation of Hanua Street Extension), paragraph 4 (Dedication of Hanua Street Extension) and paragraph 5 (Prohibited Use and Prohibited Interference).

7. Property in "As Is, Where Is" Condition.

a. No Warranties. It is expressly understood and agreed that Grantors have not made any representation or warranty, express or implied, regarding any aspect of the Property including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose, suitability, habitability, quality, physical condition and value, and Grantors hereby disclaim any and all liability for any and all such representations and warranties. Grantee agrees that it has examined and investigated the Property prior to the execution of this instrument and that Grantee has relied solely upon such examinations and investigations in acquiring the Property. Without limiting the generality of the foregoing, Grantee acknowledges that (i) it has made all inspections, investigations and analyses deemed

necessary or appropriate to determine compliance by the Property with all environmental or other applicable laws that may apply to the Property, and (ii) Grantors have made no representation or warranty, express or implied, concerning the Property's compliance with environmental or other applicable laws.

b. "As Is" Condition. Grantee acknowledges and agrees that it is acquiring the Property in its "as is, where is" condition, with all faults, if any, and that Grantee has assumed all risks regarding all aspects of the Property, and the condition thereof, including, without limitation: (i) the risk of any physical condition affecting the Property including, without limitation, the existence of any hazardous materials, the existence of any soils conditions, or the existence of archeological or historical conditions on the Property; (ii) the risk of any damage or loss to the Property caused by any means including, without limitation, flood or earthquake; and (iii) the risk of use, zoning, habitability, merchantability or quality of the Property or the suitability of the Property for its present use or future development; and (iv) the activities of Grantors and others on adjacent or other nearby lands.

c. Mutual Release. Grantee expressly releases Grantors, their successors, successors in trust and assigns, from any and all liability and claims that Grantee, its successors and assigns may have against Grantors, their successors, successors in trust and assigns with regard to: (i) known hazardous materials existing on the Property on or before the Conveyance Date (as defined in paragraph 7.e (Conveyance Date)) of which Grantee is actually aware, and (ii) hazardous materials released, leaked, spilled, overflow, discharged or emitted on or from the Property at any time from and after the Conveyance Date, or otherwise resulting from occupancy or operation of the Property by Grantee or by Grantee's agents. Grantee agrees to incorporate such release of Grantors, their successors, successors in trust and assigns in all subsequent conveyances of all or a portion of the Property. Grantors expressly release Grantee from any and all liability and claims that Grantors may have against Grantee, its successors and assigns with regard to any unknown hazardous materials existing on the Property on or before the Conveyance Date of which Grantee is unaware.

d. Indemnity. Grantee shall Indemnify (as this term is defined in paragraph 8 (Indemnity)) Grantors, their successors, successors in trust and assigns from and against any and all claims and demands for loss or damage, including claims for personal injury, property damage or wrongful death, arising at any time on or after the Conveyance Date, as a direct or indirect result of or in connection with hazardous materials caused or permitted by Grantee or by Grantee's agents at any time on or after the Conveyance Date to be released, leaked, spilled, overflow, discharged or emitted on or from the Property, or otherwise resulting from occupancy or operation of the Property by Grantee or by Grantee's agents. Grantee's Indemnity contained in this paragraph 7.d (Indemnity) shall not be construed to apply to clean up of, or any consequential damages related to any contamination resulting from or attributable to: (i) any unknown hazardous materials existing on the Property on or before the Conveyance Date of which Grantee is unaware; or (ii) any hazardous materials migrating, entering or leaching onto, above, or beneath the Property at any time from and after the Conveyance Date from any adjoining or nearby land over which Grantee has no control or in which Grantee has no ownership interest. Grantee shall bear the burden of proof of establishing that the conditions set forth in the immediately preceding sentence apply, so as to relieve Grantee of its Indemnity obligations under this paragraph 7.d (Indemnity).

e. Conveyance Date. As used herein, the term "Conveyance Date" means the date that this instrument is filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

8. Indemnity. In addition to any other Indemnity contained herein running in favor of Grantors, and not in limitation thereof, Grantee shall Indemnify Grantors, their successors, successors in trust and assigns, from and against any and all actions, suits, losses, costs, damages, liabilities or claims thereof, including attorneys' fees, arising out of or in connection with any action or omission by Grantee, Grantee's agents or representatives, or any others claiming by, through or under Grantee, and which relate in any way to this instrument. The foregoing Indemnity shall specifically include by way of example and not in limitation of the foregoing, claims for injury and damage, including personal injury and property damage. As the context requires, as used in this instrument, the term "Indemnify" means the protection of a party, by a money payment if necessary, against out-of-pocket loss. The term shall include an obligation by the indemnitor to defend and hold the indemnitee harmless (with counsel reasonably acceptable to the indemnitee) in connection with any claim against which the Indemnity operates. The obligation to Indemnify shall specifically include, but shall not be limited to payment of (or in the alternative, reimbursement of) all costs and expenses paid by the indemnitee or reasonably anticipated to be incurred by the indemnitee for the indemnitee's defense, including without limitation, reasonable attorneys' fees and costs, and all other consultants' reasonable fees and costs. An Indemnity shall also specifically include all costs for research regarding settlement or other preventive measures undertaken by the indemnitee with regard to any such claim.

9. Standing. Grantors own and may own lands adjacent to or nearby the Property. The value of such lands are or may be maintained and enhanced by the use of the Property in accordance with the terms of this instrument. From and after the date of this instrument, each owner of the Property, by taking title thereto, for itself and its successors and assigns, acknowledge and agree that Grantors, notwithstanding any lack of a legal property interest in the Property or any portion thereof, shall have "standing" in the legal sense to enforce the covenants, conditions, and restrictions of this instrument.

10. No Third Party Beneficiaries; Enforcement. This instrument is not intended, and shall not be deemed or construed, to confer any rights, power or privileges on any person or entity other than Grantors, their successors, successors in trust and assigns. The reservations, limitations, restrictions, covenants and conditions set forth herein can only be enforced by Grantors, their successors, successors in trust and assigns.

11. Attorneys' Fees. In the event of a dispute under this instrument, the prevailing party shall be entitled to recover from the losing party all costs including reasonable attorneys' fees.

12. Governing Law. This instrument shall be governed by laws of the State of Hawaii.

13. Perpetuities. If any of the reservations, limitations, restrictions, covenants or conditions set forth herein shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

14. Effect of Invalidity. The reservations, limitations, restrictions, covenants and conditions set forth herein shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof, of any such reservations, limitations, restrictions, covenants or conditions shall not affect the validity or enforceability of any other provisions hereof.

TOGETHER WITH the reversions, remainders, rents, issues and profits thereof, together with all buildings, improvements, tenements, rights, easements, privileges, and appurtenances to the same belonging or appertaining or held and enjoyed therewith, and all of the estate, right, title and interest of Grantors both at law and in equity therein and thereto.

TO HAVE AND TO HOLD the same unto Grantee, its successors and assigns, forever.

AND Grantors, for themselves and their successors in trust and assigns, do hereby covenant and agree with Grantee, its successors and assigns, that Grantors have done or suffered no act or thing whereby the Property is encumbered, except as aforesaid and set forth hereinafter; that the Property is free and clear of liens and encumbrances made or suffered by Grantors except for the encumbrances contained herein and as set forth in **Exhibit A,** and real property taxes not yet due and payable; and that Grantors will and their successors in trust and assigns shall **WARRANT AND DEFEND** the same unto Grantee, its successors and assigns, forever, against the loss or claims and demands of all persons claiming by, through or under Grantors except as aforesaid.

The terms "Grantors" and "Grantee" wherever herein used shall be held to mean and include Grantors, their successors in trust and assigns, and Grantee, its successors and assigns, and this instrument shall be binding upon and shall inure to the benefit of the parties hereto and their said respective successors, successors in trust and assigns.

Any liability which may arise as a consequence of the execution of this instrument by or on behalf of the Trustees under the Will and of the Estate of James Campbell, Deceased, shall be a liability of the Estate of James Campbell and not the personal liability of any trustee or employee of the Estate of James Campbell.

[the remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed these presents as of June 25, 2003.

Grantee:

AINA NUI CORPORATION, a Hawaii corporation

By _____
Donna B. Goth
Its President

By _____
~~George A.Y. Hiu~~ D. Charles Hill
Its Vice President

Grantors:

TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, acting in their fiduciary and not in their individual capacities

_____
C.R. CHURCHILL

_____
D.A. ~~HEENAN~~

_____
RICHARD W. GUSHMAN, II

_____
RONALD J. ZLATOPER

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this 19th day of June, 2003, before me personally appeared C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER, TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, to me known to be the persons described in and who severally executed the foregoing instrument, and severally acknowledged that they executed the same as their free act and deed as such Trustees.

LS

Lydia L. Hannemann
Notary Public, State of Hawaii
Name: Lydia L. Hannemann
My commission expires: Feb. 11, 2004

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this 18th day of June, 2003, before me personally appeared DONNA B. GOTH and D. CHARLES HILL, to me personally know, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

LS

Lydia L. Hannemann
Notary Public, State of Hawaii
Name: Lydia L. Hannemann
My commission expires: Feb. 11, 2004

EXHIBIT A

PARCEL ONE:

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, Island of Oahu, State of Hawaii, more particularly described as follows:

LOT 2679-B (area 5.888 acres), as shown on Map 311, filed in the Office of the Assistant Registrar of the Land Court to the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, Deceased.

BEING a portion of the land described in and covered by **Certificate of Title No. 410,860** issued to the Trustees under the Will and of the Estate of James Campbell, Deceased.

SUBJECT, HOWEVER to all encumbrances of record as noted on the above referenced Certificate of Title, including without limitation the following instruments filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos.: (i) 297129; (ii) Abutter's rights of vehicle access in favor of the State of Hawaii, as set forth in Final order of Condemnation filed as Document No. 758325, in Civil No. 17381, Circuit Court of the First Circuit, State of Hawaii; (iii) Reservation of "Campbell Estate, upon written request to the State, may relocate, widen or delete the permitted access which may be changed to other uses in the future upon consent of the parties herein, provided that such consent shall not be unreasonably withheld when such change will not affect the safety of the traveling public", as set forth by Land Court Order No. 47860, filed August 3, 1977. and (iv) 2435400.

SUBJECT ALSO, HOWEVER to all encumbrances of record as noted on the above referenced Certificate of Title, including without limitation the following encumbrances: (i) Restriction of access rights (Map 281, Land Court Order No. 47860); and (ii) Easement for road and water line purposes (Map 311, Land Court Order No. 56980).

End of Parcel One Description

PARCEL TWO:

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, Island of Oahu, State of Hawaii, more particularly described as follows:

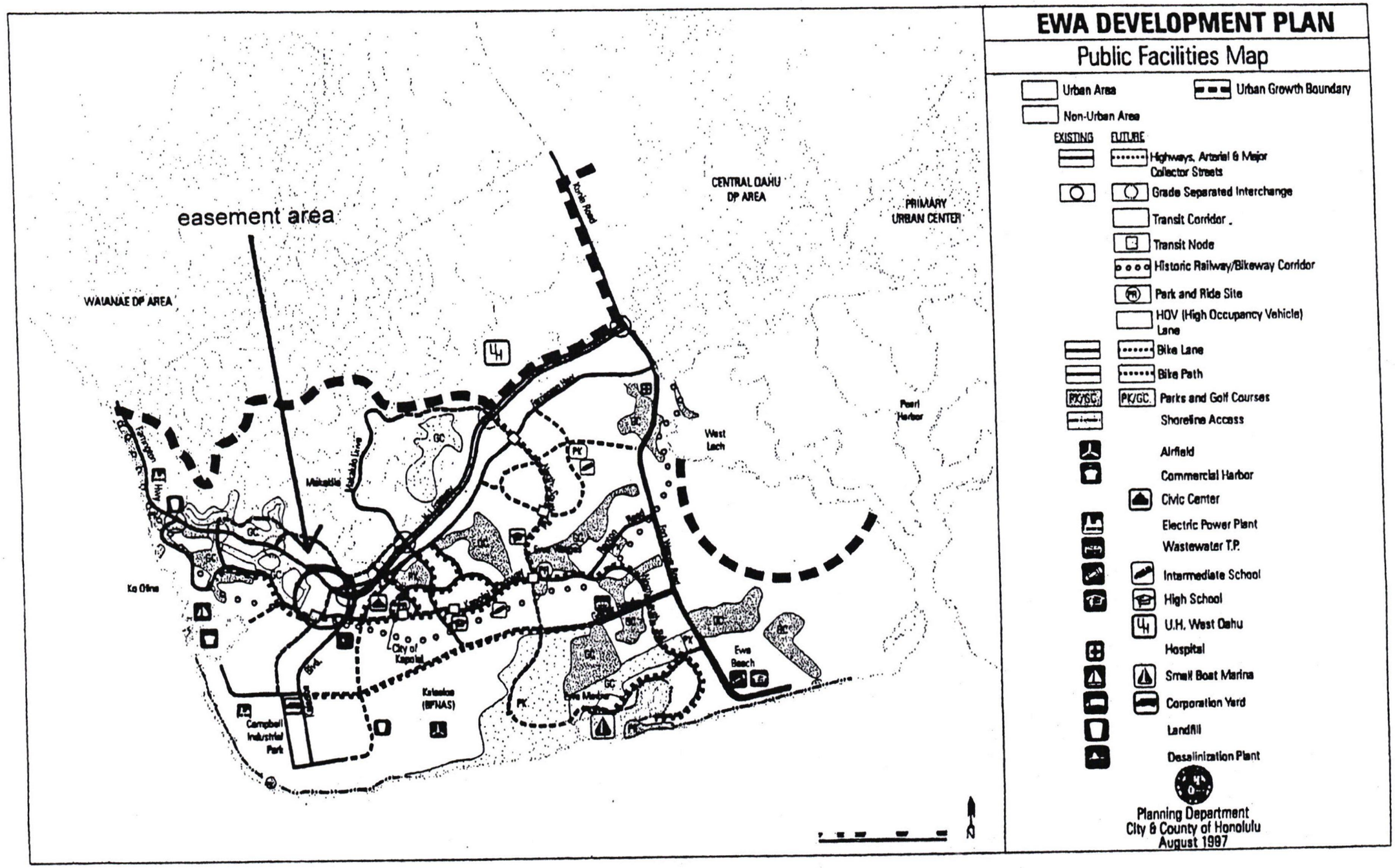
LOT 13366 (area 465.278 acres), as shown on Map 994, filed in the Office of the Assistant Registrar of the Land Court to the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, Deceased.

BEING all of the land described in and covered by **Certificate of Title No. 558,856** issued to the Trustees under the Will and of the Estate of James Campbell, Deceased.

SUBJECT, HOWEVER to all encumbrances of record as noted on the above referenced Certificate of Title.

End of Parcel Two Description

End of Exhibit A



EWA DEVELOPMENT PLAN

Public Facilities Map

- Urban Area
- Urban Growth Boundary
- Non-Urban Area

EXISTING / FUTURE

- Highways, Arterial & Major Collector Streets
- Grade Separated Interchange
- Transit Corridor
- Transit Node
- Historic Railway/Bikeway Corridor
- Park and Ride Site
- HOV (High Occupancy Vehicle) Lane
- Bike Lane
- Bike Path
- PK/GC. Parks and Golf Courses
- Shoreline Access
- Airfield
- Commercial Harbor
- Civic Center
- Electric Power Plant
- Wastewater T.P.
- Intermediate School
- High School
- U.H. West Oahu
- Hospital
- Small Boat Marina
- Corporation Yard
- Landfill
- Desalinization Plant

Planning Department
City & County of Honolulu
August 1997

EXHIBIT B

THE ESTATE OF JAMES CAMPBELL

LAND USE COMMISSION
STATE OF HAWAII

August 26, 2004

2004 SEP 29 P 12:47

Hawaii State Land Use Commission
P.O. Box 2359
Honolulu, Hawaii 96804-2359

Re: Petition by Aina Nui Corporation for Land Use District Boundary Amendment, Reclassifying Approximately 174 Acres, Situated in the Ewa District, Island of Oahu

Dear Chairman Catalani and Commissioners:

The Estate of James Campbell ("Campbell Estate") is the fee owner of the real property identified as tax map key parcel numbers (1) 9-1-14:033 (por) and (1) 9-1-15:020 (por), situated at Honouliuli, District of Ewa, City and County of Honolulu, Island of Oahu, State of Hawaii, more particularly described in Exhibit "2" and Exhibit "4" attached to the Petition for Land Use District Boundary Amendment in Docket No. A04-753, (collectively referred to as the "Property"). Campbell Estate's ownership of the Property is evidenced by the deed attached hereto as Exhibit "A."

The Estate of James Campbell hereby authorizes Aina Nui Corporation, a Hawaii corporation, its attorneys and/or its respective representatives to submit a petition to reclassify the said Property from agricultural to urban under Chapter 205 of the Hawaii Revised Statutes and to do all things necessary thereunder to effect the purpose of the said petition.

Dated: August 26, 2004

The Estate of James Campbell

By: _____
Stephen H. MacMillan
Its Chief Executive Officer

mga:01001900\K12152

EXHIBIT "9"

I the undersigned J. N. Coney agree to sell, and I the undersigned James Campbell agree to Purchase the property situated at Ewa Island of Oahu, known as Honouliuli containing about Forty thousand One hundred acres more or less, with all its buildings improvements rivers, fishing rights, fish ponds and appurtenances whatsoever. Also 2 double Canoes, 2 small Canoes, and one large Kolo fishing net.

The price to be Ninety five thousand dollars to be paid on Receipt of a Valid deed Ready to be Recorded

The title to be fee simple free from all incumbrances.

This Contract to be completed with all Convenient Speed.

Dated this 6th day of September 1877

J. N. Coney

Witness

E. T. Wallace,

EXHIBIT "A"

COPY

LAND USE COMMISSION
STATE OF HAWAII

2004 SEP 29 P 12:47

360505.6

Of Counsel:
IMANAKA KUDO & FUJIMOTO
A Limited Liability Law Company
BENJAMIN A. KUDO 2262-0
NAOMI U. KUWAYE 6648-0
BREE M. KURIHARA 7785-0
745 Fort Street, 17th Floor
Honolulu, Hawaii 96813
Telephone: (808) 521-9500
Attorneys for PETITIONER
AINA NUI CORPORATION

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174.209 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033(por.) and (1) 9-1-015:004(por.) and 020(por.)	DOCKET NO. A04-753 AFFIDAVIT OF NAOMI U. KUWAYE ATTESTING TO SERVICE OF PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

AFFIDAVIT OF NAOMI U. KUWAYE ATTESTING TO SERVICE OF PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

STATE OF HAWAII)
) SS:
CITY AND COUNTY OF HONOLULU)

NAOMI U. KUWAYE, being first sworn on oath, deposes and says that:

Exhibit "10"

1. Affiant is one of the attorneys for Petitioner, AINA NUI CORPORATION ("Petitioner"), is licensed to practice law in the State of Hawaii, is duly authorized to make this affidavit, and does so upon personal knowledge and belief.

2. This affidavit is made to comply with section 15-15-50 (c)(5)(C), Hawaii Administrative Rules ("HAR") for the State of Hawaii, Land Use Commission.

3. On September 29, 2004, Petitioner filed with the State of Hawaii Land Use Commission a petition for a boundary amendment ("Petition") in Docket No. A04-753.

4. The foregoing Petition for Boundary Amendment and Exhibits "1" to "16", pursuant to HAR § 15-15-48(a), were duly served by certified mail or personally served to each of the following persons on September 29, 2004, addressed as follows:

State of Hawaii
Department of Business, Economic
Development and Tourism
OFFICE OF PLANNING
Attn: Ms. Mary Lou Kobayashi
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: Abe Mitsuda, Administrator
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. Eric G. Crispin
650 South King Street, 7th Floor
Honolulu, Hawaii 96813

CERTIFIED MAIL

CITY AND COUNTY OF HONOLULU
PLANNING COMMISSION
650 South King Street, 7th Floor
Honolulu, Hawaii 96813

CERTIFIED MAIL

CITY AND COUNTY OF HONOLULU
DEPARTMENT OF THE CORPORATION COUNSEL
Attn: David Arakawa, Esq.
Honolulu Hale
530 South King Street, Room 110
Honolulu, Hawaii 96813

CERTIFIED MAIL

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

CERTIFIED MAIL

Further affiant sayeth naught.

Naomi U. Kuwaye
NAOMI U. KUWAYE

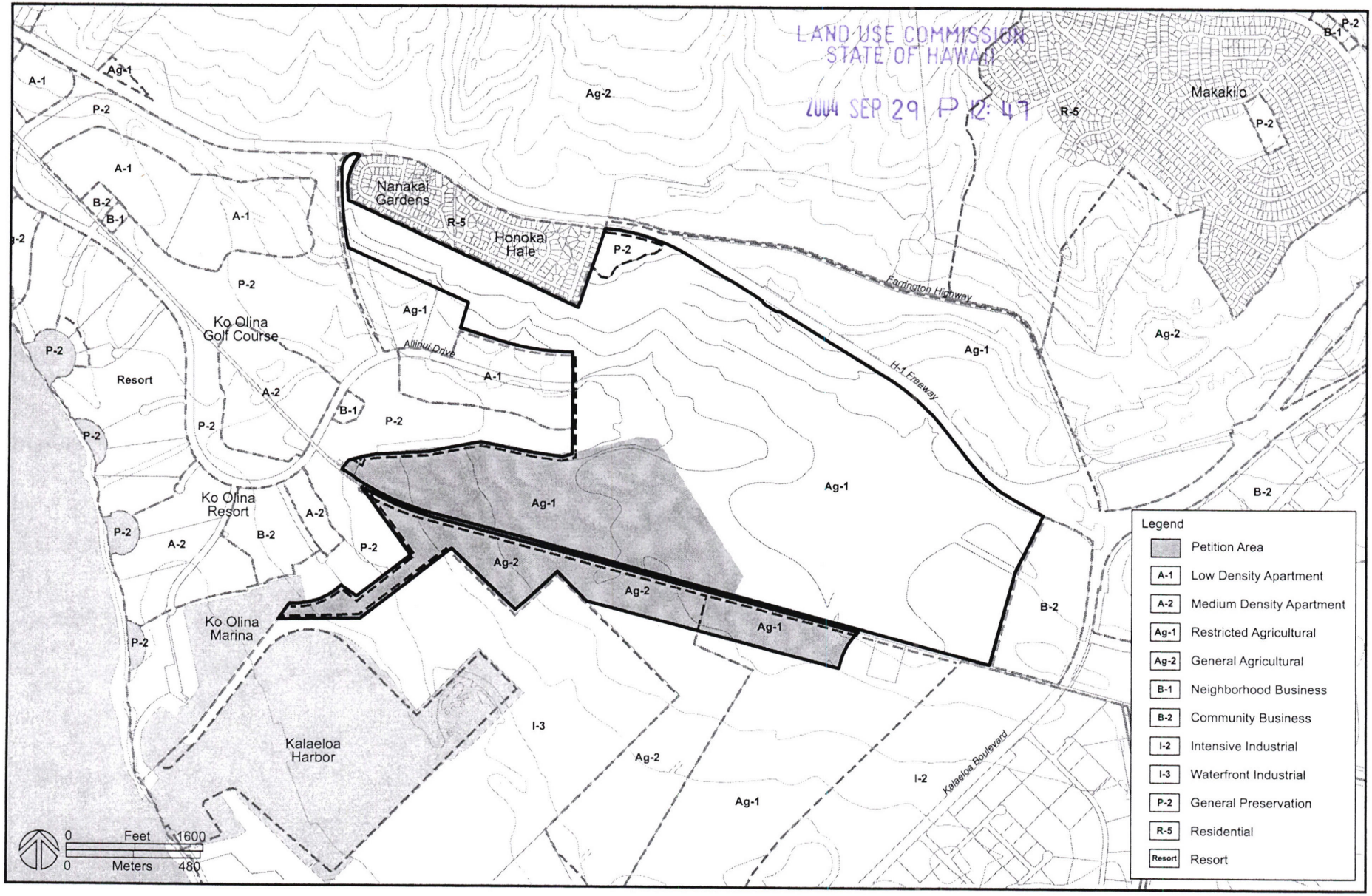
Subscribed and sworn to before me
this 29th day of September, 2004.

Notary Public, State of Hawaii

LORI C. MAKIMOTO NOTARY PUBLIC STATE OF HAWAII

Lori C. Makimoto
Printed Name

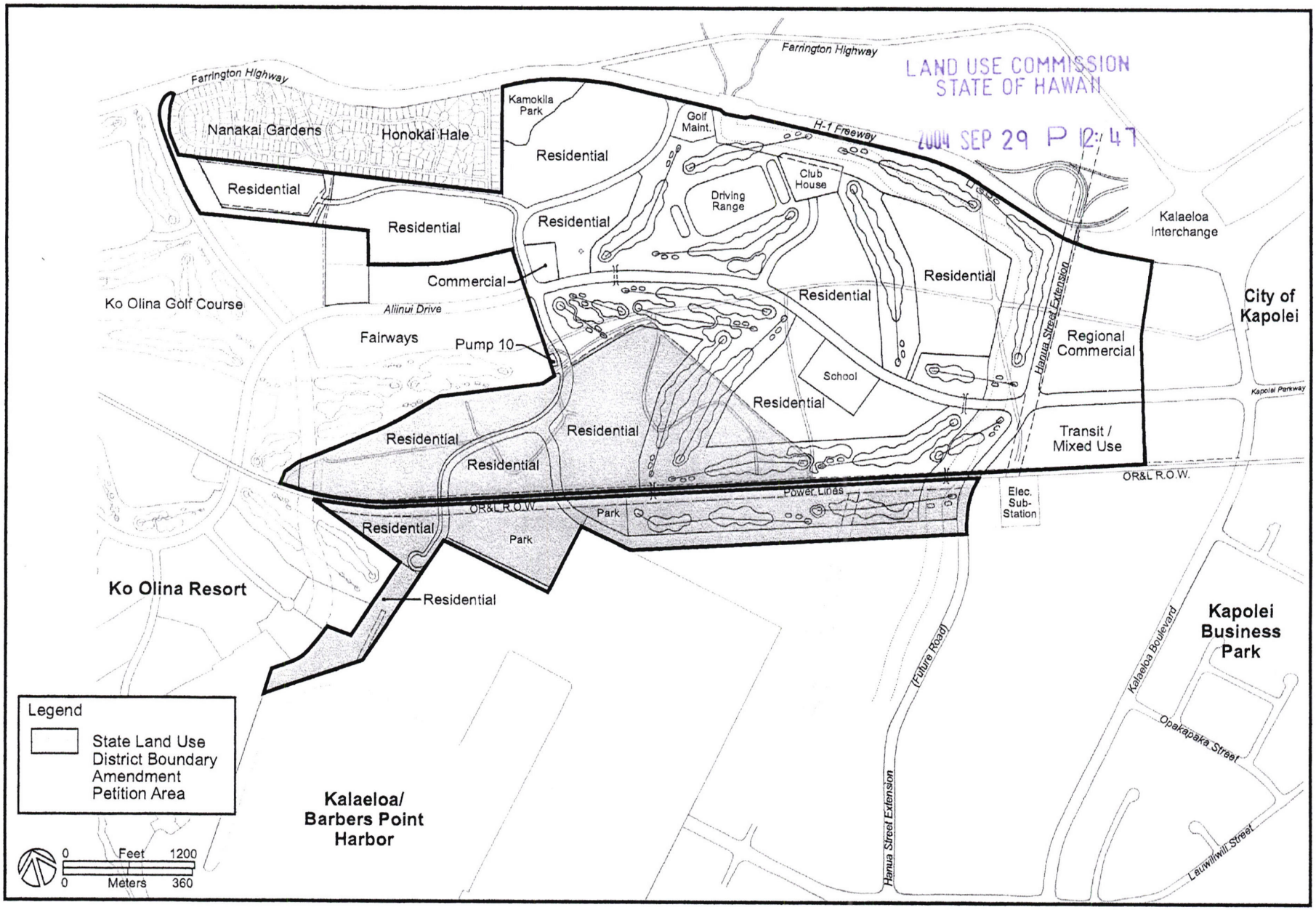
My commission expires: 03-30-2007



City and County of Honolulu Zoning

Kapolei West
O`ahu, Hawai`i

EXHIBIT "11"



Project Master Plan

Kapolei West
O`ahu, Hawai`i

EXHIBIT "12"

KPMG

LAND USE COMMISSION
STATE OF HAWAII

2004 SEP 29 P 12:47

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Financial Statements
and Consolidating Schedules

December 31, 2003 and 2002

(Modified Cash Basis)

(With Independent Auditors' Report Thereon)

EXHIBIT "13"

KPMG LLP
P.O. Box 4150
Honolulu, HI 96812-4150

Telephone 808 531 7286
Fax 808 541 9321

Independent Auditors' Report

The Board of Directors
James Campbell Corporation:

We have audited the accompanying consolidated statements of assets, liabilities, and stockholder's equity of James Campbell Corporation (wholly owned by The Estate of James Campbell) and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of revenues and costs and expenses, stockholder's equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in note 1, these consolidated financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities, and stockholder's equity of James Campbell Corporation and subsidiaries as of December 31, 2003 and 2002, and their revenues and costs and expenses, their changes in stockholder's equity, and their cash flows for the years then ended, on the basis of accounting described in note 1.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the assets, liabilities, and stockholder's equity and the revenues and costs and expenses, and retained earnings (accumulated deficit) of the individual companies. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, on the basis of accounting described in note 1, in relation to the consolidated financial statements taken as a whole.

KPMG LLP

March 19, 2004

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Statements of Assets, Liabilities, and Stockholder's Equity

December 31, 2003 and 2002

(Prepared on a modified cash basis – note 1)

Assets		**2003**	**2002**
Cash and cash equivalents:			
Cash in bank	$	1,479,964	191,838
Money market funds (note 2)		846,257	12,623,318
Time certificates of deposit		4,016,353	1,132,900
		6,342,574	13,948,056
Marketable securities, at cost (note 2)		—	16,768,386
Receivables		5,836	19,364
Property, improvements, and equipment, at cost, less accumulated depreciation (notes 3, 4, and 6)		103,269,629	84,401,665
Leasing costs, at cost, less accumulated amortization		461,635	533,560
Investment in limited liability companies (note 7)		1,032,020	1,033,076
Other assets, at cost, less accumulated amortization		319,381	151,901
Total assets	$	111,431,075	116,856,008
Liabilities and Stockholder's Equity			
Liabilities:			
Corporate equity securities sold, not owned, at cost (note 2)	$	—	9,027,387
Note payable to stockholder (note 6)		1,829,473	1,876,590
Notes payable to bank (note 4)		28,500,000	25,000,000
Other liabilities		287,924	122,089
Total liabilities		30,617,397	36,026,066
Stockholder's equity:			
Common stock, $1 par value. Authorized, issued, and outstanding 100,000 shares		100,000	100,000
Additional paid-in capital		80,711,694	80,715,167
Retained earnings		1,984	14,775
Total stockholder's equity		80,813,678	80,829,942
Commitments and contingencies (notes 2, 4, 5, and 6)			
Total liabilities and stockholder's equity	$	111,431,075	116,856,008

See accompanying notes to consolidated financial statements.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Statements of Revenues and Costs and Expenses

Years ended December 31, 2003 and 2002

(Prepared on a modified cash basis – note 1)

	2003	2002
Revenues:		
Rental income (notes 4, 5, and 6)	$ 8,944,250	8,449,011
Management fee (note 7)	2,718,616	2,629,373
Interest	534,164	1,334,401
Coral sales, net	25,822	55,708
Other	101,126	35,509
	12,323,978	12,504,002
Costs and expenses:		
Payroll costs and employee benefits	3,312,485	3,092,416
Depreciation and amortization	2,592,927	2,550,955
Property maintenance and utilities	1,701,379	1,509,403
Management fees (note 6)	972,047	874,284
Taxes, other than income	920,619	987,308
Insurance, office, and sundry	424,438	346,393
Professional services	77,376	279,430
Rent	7,676	—
	10,008,947	9,640,189
Operating income	2,315,031	2,863,813
Other income (expense):		
Gain on sales of securities, net (note 2)	1,230,207	120,989
Earnings from limited liability companies, net (note 7)	234,094	272,680
Interest expense (notes 4 and 6)	(647,051)	(775,204)
	817,250	(381,535)
Net earnings	$ 3,132,281	2,482,278

See accompanying notes to consolidated financial statements.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Statements of Stockholder's Equity

Years ended December 31, 2003 and 2002

(Prepared on a modified cash basis – note 1)

	Common stock	Additional paid-in capital	Retained earnings	Total
Balances at December 31, 2001	$ 100,000	80,651,107	99,993	80,851,100
Net earnings	—	—	2,482,278	2,482,278
Distributions to stockholder	—	—	(2,567,496)	(2,567,496)
Contributions from stockholder	—	64,060	—	64,060
Balances at December 31, 2002	100,000	80,715,167	14,775	80,829,942
Net earnings	—	—	3,132,281	3,132,281
Distributions to stockholder	—	(3,473)	(3,145,072)	(3,148,545)
Balances at December 31, 2003	$ 100,000	80,711,694	1,984	80,813,678

See accompanying notes to consolidated financial statements.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2003 and 2002

(Prepared on a modified cash basis – note 1)

	2003	2002
Cash flows from operating activities:		
Cash from coral sales and rentals	$ 9,012,041	8,752,201
Cash paid to suppliers and employees	(7,474,497)	(7,215,088)
Management fee received	2,718,616	2,629,373
Cash received from limited liability companies	234,094	270,150
Interest received	534,164	1,334,401
Interest paid	(647,051)	(775,204)
Income taxes paid	—	(7,546)
Miscellaneous proceeds	101,126	35,509
Net cash provided by operating activities	4,478,493	5,023,796
Cash flows from investing activities:		
Proceeds from the redemption and sale of marketable securities	10,916,353	5,481,520
Purchases of marketable securities	(1,945,147)	(6,997,683)
Capital expenditures	(21,331,481)	(30,830,001)
Leasing expenditures	(31,511)	(59,665)
Net cash used in investing activities	(12,391,786)	(32,405,829)
Cash flows from financing activities:		
Proceeds from issuance of note payable	3,500,000	—
Principal repayments of note payable to stockholder	(47,117)	(45,124)
Distributions to stockholder	(3,145,072)	(2,567,496)
Net cash provided by (used in) financing activities	307,811	(2,612,620)
Net decrease in cash and cash equivalents	(7,605,482)	(29,994,653)
Cash and cash equivalents at beginning of year	13,948,056	43,942,709
Cash and cash equivalents at end of year	$ 6,342,574	13,948,056
Reconciliation of net earnings to net cash provided by operating activities:		
Net earnings	$ 3,132,281	2,482,278
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	2,592,927	2,550,955
Gain on sales of securities, net	(1,230,207)	(120,989)
Decrease (increase) in receivables	13,528	(5,871)
Decrease (increase) in other assets	(195,871)	106,778
Increase in other liabilities	165,835	13,175
Other	—	(2,530)
Total adjustments	1,346,212	2,541,518
Net cash provided by operating activities	$ 4,478,493	5,023,796

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies and Practices

(a) Description of Business

James Campbell Corporation (Company) is a wholly owned subsidiary of The Estate of James Campbell (Estate), a private testamentary trust. Fort Street Investment Corporation (FSIC) and Aina Nui Corporation (Aina) are wholly owned subsidiaries of the Company. FSIC is engaged in the leasing of commercial and warehouse facilities and Aina is engaged in real estate projects. The Company's operations are in Hawaii.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, FSIC and Aina. All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Basis of Accounting

The accounts of the Company and its subsidiaries are maintained primarily on the basis of cash receipts and disbursements with the following modifications:

- Acquisitions of property are capitalized at cost in accordance with applicable tax laws. Depreciation is calculated on the straight-line method over the estimated economic useful lives of the assets.
- Leasing costs are capitalized and amortized on a straight-line basis over the term of the lease.
- Disbursements which provide benefit for more than one operating cycle or are directly related to future revenue are deferred and amortized on a straight-line basis over the periods of benefit.
- The original investments in the limited liability companies are recorded at cost and are adjusted to recognize the Company's percentage ownership interests of the respective limited liability companies' net earnings or losses, net proceeds from condemnations, gains on sales of property, and environmental costs. Dividends and distributions received reduce the basis of these investments.
- Marketable securities and corporate equity securities sold, not owned, are stated at cost, and are recorded as of the trade date.
- See policy for income taxes described below.

(Continued)

(d) Cash Equivalents

For purposes of the consolidated statements of cash flows, the Company considers all short-term instruments with an original maturity of three months or less to be cash equivalents. Cash equivalents amount to $4,862,610 and $13,756,218 at December 31, 2003 and 2002, respectively.

(e) Income Taxes

Effective January 1, 2001, the Company elected to be treated as a Subchapter S corporation for federal and state income tax purposes. Federal and state income taxes on earnings subsequent to December 31, 2000 are the responsibility of the stockholder. Accordingly, there is no provision for income taxes in the accompanying consolidated financial statements.

(f) Use of Estimates

The preparation of the consolidated financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from those estimates.

(2) Marketable Securities and Corporate Equity Securities Sold, Not Owned

Marketable securities consist of equity and debt securities. Corporate equity securities sold, not owned, represents common stock sold, not owned, of companies in which the Company owns debt securities or preferred stock that are convertible to common stock. The common stock sold, not owned, is used to minimize the Company's exposure to market fluctuations in the price of the convertible debt and preferred stocks owned by the Company.

The Company's money market funds are restricted to the extent of the fair value of its liability for corporate equity securities sold, not owned. The fair value of this liability is nil and $8,267,337 at December 31, 2003 and 2002, respectively.

(Continued)

Marketable securities and corporate equity securities sold, not owned, consist of the following at December 31, 2003 and 2002:

	2003		2002	
	Carrying value	Fair value	Carrying value	Fair value
Debt securities:				
Convertible bonds	$ —	—	11,025,640	11,014,948
Equity securities:				
Preferred stocks	—	—	5,742,746	5,652,773
	—	—	16,768,386	16,667,721
Corporate equity securities sold, not owned	—	—	(9,027,387)	(8,267,337)
Marketable securities, net of corporate equity securities sold, not owned	$ —	—	7,740,999	8,400,384

Gross unrealized gains and losses in marketable securities and corporate equity securities sold, not owned, at December 31, 2003 and 2002 are as follows:

	2003		2002	
	Gross unrealized gains	Gross unrealized losses	Gross unrealized gains	Gross unrealized losses
Debt securities:				
Convertible bonds	$ —	—	623,551	634,243
Equity securities:				
Preferred stocks	—	—	446,990	536,963
	—	—	1,070,541	1,171,206
Corporate equity securities sold, not owned	—	—	1,397,663	637,613
	$ —	—	2,468,204	1,808,819

For 2003 and 2002, gross realized gains on sales of securities amount to $3,464,452 and $4,102,091, respectively, and gross realized losses on sales of securities amount to $2,234,245 and $3,981,102, respectively.

(Continued)

(3) Property, Improvements, and Equipment

A summary of property, improvements, and equipment at December 31, 2003 and 2002 is as follows:

	2003	2002
Buildings	$ 61,928,237	61,939,473
Improvements	8,934,554	8,376,919
Furniture, fixtures, and equipment	1,571,322	1,506,006
	72,434,113	71,822,398
Less accumulated depreciation	25,500,901	23,042,517
	46,933,212	48,779,881
Land	56,169,781	35,621,784
Projects in progress	166,636	—
	$ 103,269,629	84,401,665

(4) Notes Payable to Bank

During 2001, the Company entered into a $25,000,000 note payable agreement with a bank. The note, which is due on October 1, 2008, has an outstanding balance of $25,000,000 at December 31, 2003 and 2002. Interest only payments are due monthly, quarterly, or semi-annually depending on the one-month, three-month, or six-month London Inter-Bank Offered Rate selected by the Company, plus 1% (2.14% at December 31, 2003).

During 2003, the Company entered into another note payable agreement with the same bank, which allows the Company to borrow up to an additional $7,000,000. The note, which is due on October 1, 2008, has an outstanding balance of $3,500,000 at December 31, 2003. Interest only payments are due monthly, quarterly, semi-annually, every nine months, or annually depending on the one-month, three-month, six-month, nine-month, or twelve-month London Inter-Bank Offered Rate selected by the Company, plus 1% (2.14% at December 31, 2003).

Interest paid on the notes amount to $599,995 and $709,047 during 2003 and 2002, respectively. The notes are secured by buildings, improvements, furniture, fixtures and equipment, and lease rental.

(Continued)

(5) Lease Rental

The Company's operations include the leasing of land and buildings. The leases are classified as operating leases. Minimum lease rentals to be received in each of the five years subsequent to December 31, 2003 and thereafter under the aforementioned lease agreements are as follows:

Year ending December 31:	
2004	$ 4,972,000
2005	4,033,000
2006	3,378,000
2007	2,259,000
2008	1,948,000
Thereafter	16,917,000
	$ 33,507,000

Contingent rentals included in rental income amount to $378,685 and $325,692 for the years ended December 31, 2003 and 2002, respectively. Contingent rentals are primarily determined as a percentage of lessees' gross revenue.

Most of the lease agreements require the lessees to pay maintenance, taxes, and insurance costs related to the properties.

(6) Related Party Transactions

(a) Note Payable

In connection with the 1998 construction of a building and improvements, FSIC borrowed $2,000,000 evidenced by a promissory note to the Estate. The promissory note, which is due on June 21, 2008, had a remaining balance of $1,829,473 and $1,876,590 as of December 31, 2003 and 2002, respectively. The interest rate of 2.60% and 3.43% at December 31, 2003 and 2002, respectively, is based on the six-month London Inter-Bank Offered Rate, plus 1.5%. Interest paid amount to $46,929 and $65,689 during 2003 and 2002, respectively. The promissory note is secured by the buildings, improvements, furniture, fixtures and equipment, and lease rental.

(b) Lease Rental

In 2001, the Company entered into an office space lease with the Estate under a noncancelable operating lease expiring on December 31, 2006. The Company received $1,312,404 and $1,284,163 in lease rental income from the Estate in 2003 and 2002, respectively.

(c) Acquisition of Land

In 2003, Aina acquired land as part of an exchange transaction with the Estate for approximately $20,900,000.

(Continued)

(d) Management Fees

The Company paid management fees to the Estate of $914,816 and $874,284 in 2003 and 2002, respectively.

(e) Guaranty

At December 31, 2003 and 2002, the Company has guaranteed the borrowings of the Estate on a $350,000,000 unsecured syndicated credit facility. The credit facility is used by the Estate for working capital purposes and terminates in October 2005 with all outstanding balances subject to a one-year term extension. The guarantee is for the entire term of the credit facility. The Estate's outstanding balance on the credit facility amounts to $313,000,000 and $149,000,000 at December 31, 2003 and 2002, respectively.

The Company has also guaranteed the borrowings of the Estate on a $40,000,000 unsecured revolving credit agreement at December 31, 2003. The revolving credit was used by the Estate for purposes of a real estate transaction and terminates in March 2004 with all outstanding balances subject to two three-month period extensions. The guarantee is for the entire term of the agreement. The Estate's outstanding balance on the revolving credit facility amounts to $40,000,000 at December 31, 2003. On March 26, 2004, the outstanding balance was paid in full.

(7) Investment in Limited Liability Companies

In January 2002, the Estate, FSIC, and Aina capitalized Campbell Hawaii Investor LLC (CHILL) and Kapolei Property Development LLC (KPD). The Estate and FSIC are 99% and 1% members of CHILL, respectively. CHILL was established to own, hold for investment and appreciation, and manage real property. The Estate and Aina are 99% and 1% members of KPD, respectively. KPD was established to own, hold for investment, develop, manage, lease, and dispose of real property.

(Continued)

Condensed financial information of CHILL and KPD obtained from audited financial statements prepared on a modified cash basis in accordance with Hawaii law and custom relating to trust accounting practices is presented as follows:

Statements of Assets, Liabilities, and Members' Equity

December 31, 2003 and 2002

(Prepared on a modified cash basis)

	Campbell Hawaii Investors LLC		Kapolei Property Development LLC	
Assets	**2003**	**2002**	**2003**	**2002**
Cash and cash equivalents	$ 4,477,935	1,650,239	11,410,688	7,493,363
Accounts receivable	88,488	59,255	2,925	567
Property, improvements, and equipment, at cost, less accumulated depreciation	50,790,901	48,660,233	31,037,969	40,118,593
Leasing costs, at cost, less accumulated amortization	5,467,344	5,527,934	151,729	153,716
Deferred charges, at cost, less accumulated amortization	238,703	276,034	195,225	146,760
Other	151,802	69,898	559	1,928
Total assets	$ 61,215,173	56,243,593	42,799,095	47,914,927
Liabilities and Members' Equity				
Accounts payable	$ 58,999	79,902	767	2,104
Deposits	752,484	744,021	—	—
Members' equity	60,403,690	55,419,670	42,798,328	47,912,823
Total liabilities and members' equity	$ 61,215,173	56,243,593	42,799,095	47,914,927

(Continued)

Statements of Changes in Members' Equity

Years ended December 31, 2003 and 2002

(Prepared on a modified cash basis)

	Campbell Hawaii Investor LLC		Kapolei Property Development LLC	
	2003	2002	2003	2002
Members' equity at beginning of year	$ 55,419,670	—	47,912,823	—
Additions:				
Assets transferred from members	7,105,404	55,169,148	—	47,910,406
Net income	25,007,588	22,416,234	—	—
Net proceeds of condemnation	—	—	—	5,063,079
Gain on sales of property	—	—	3,482,203	2,594,384
	32,112,992	77,585,382	3,482,203	55,567,869
Deductions:				
Distributions to members	25,171,383	21,828,583	3,398,000	5,186,412
Loss on sale of property	1,747,076	—	—	—
Environmental costs	210,513	337,129	64,499	—
Assets transferred to members	—	—	2,075,885	—
Net loss	—	—	2,060,060	2,468,634
Net costs of condemnation	—	—	998,254	—
	27,128,972	22,165,712	8,596,698	7,655,046
Members' equity at end of year	$ 60,403,690	55,419,670	42,798,328	47,912,823

In 2003, CHILL and KPD paid management fees to the Company of $1,617,436 and $840,622, respectively.

In 2002, CHILL and KPD paid management fees to the Company of $1,663,983 and $965,390, respectively.

(8) Disclosure about Fair Value of Financial Instruments

(a) Cash in Bank, Money Market Funds and Time Certificates of Deposit, Receivables, and Other Liabilities

The carrying amounts of these assets and liabilities approximate fair values because of the short maturity of these instruments.

(Continued)

(b) Marketable Securities

The fair values of the Company's marketable securities are based on quoted or independently determined market values (see note 2).

(c) Corporate Equity Securities Sold, Not Owned

The fair values of corporate equity securities sold, not owned, are based on market repurchase prices (see note 2).

(d) Notes Payable to Stockholder and to Bank

The fair values of the notes payable is its carrying values as the interest rate is periodically adjusted to market rate.

The estimated fair values of certain financial instruments of the Company are summarized as follows:

	December 31, 2003		December 31, 2002	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Cash, money market funds, and time certificates of deposit	$ 6,342,574	6,342,574	13,948,056	13,948,056
Marketable securities	—	—	16,768,386	16,667,721
Receivables	5,836	5,836	19,364	19,364
Corporate equity securities sold, not owned	—	—	9,027,387	8,267,337
Note payable to stockholder	1,829,473	1,829,473	1,876,590	1,876,590
Notes payable to bank	28,500,000	28,500,000	25,000,000	25,000,000
Other liabilities	287,924	287,924	122,089	122,089

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidating Schedule – Assets, Liabilities, and Stockholder's Equity

December 31, 2003

(Prepared on a modified cash basis – note 1)

Assets	James Campbell Corporation	Fort Street Investment Corporation	Aina Nui Corporation	Total	Eliminations debit (credit)	Consolidated
Cash and cash equivalents:						
Cash in bank	$ 288,036	958,925	233,003	1,479,964		1,479,964
Money market funds	255,561	39,617	551,079	846,257		846,257
Time certificates of deposit	—	4,016,353	—	4,016,353		4,016,353
	543,597	5,014,895	784,082	6,342,574		6,342,574
Receivables	—	4,854	982	5,836		5,836
Property, improvements, and equipment, at cost, less accumulated depreciation	—	51,817,627	51,452,002	103,269,629		103,269,629
Leasing costs, at cost, less accumulated amortization	—	461,213	422	461,635		461,635
Investment in subsidiaries	108,632,791	—	—	108,632,791	(108,632,791) (1)	—
Investment in limited liability companies	—	604,037	427,983	1,032,020		1,032,020
Other assets, at cost, less accumulated amortization	137,290	179,791	2,300	319,381		319,381
Total assets	$ 109,313,678	58,082,417	52,667,771	220,063,866	(108,632,791)	111,431,075
Liabilities and Stockholder's Equity						
Liabilities:						
Note payable to stockholder	$ —	1,829,473	—	1,829,473		1,829,473
Notes payable to bank	28,500,000	—	—	28,500,000		28,500,000
Other liabilities	—	210,689	77,235	287,924		287,924
Total liabilities	28,500,000	2,040,162	77,235	30,617,397	—	30,617,397
Stockholder's equity:						
Common stock	100,000	100,000	100,000	300,000	200,000 (1)	100,000
Additional paid-in capital	80,711,694	59,902,913	52,936,714	193,551,321	112,839,627 (1)	80,711,694
Retained earnings (accumulated deficit)	1,984	(3,960,658)	(446,178)	(4,404,852)	(4,406,836) (1)	1,984
Total stockholder's equity	80,813,678	56,042,255	52,590,536	189,446,469	108,632,791	80,813,678
Total liabilities and stockholder's equity	$ 109,313,678	58,082,417	52,667,771	220,063,866	108,632,791	111,431,075

(1) Elimination of investment in subsidiaries.

See accompanying independent auditors' report.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidating Schedule – Revenues, Costs and Expenses,
and Retained Earnings Accumulated (Deficit)

Year ended December 31, 2003

(Prepared on a modified cash basis – note 1)

	James Campbell Corporation	Fort Street Investment Corporation	Aina Nui Corporation	Total	Eliminations debit (credit)	Consolidated
Revenues:						
Rental income	$ —	8,376,966	567,284	8,944,250		8,944,250
Management fee	—	1,617,436	1,101,180	2,718,616		2,718,616
Interest	488,916	39,994	5,254	534,164		534,164
Coral sales, net	—	—	25,822	25,822		25,822
Other	596	5,112	95,418	101,126		101,126
	489,512	10,039,508	1,794,958	12,323,978		12,323,978
Cost and expenses:						
Payroll costs and employee benefits	146,429	1,851,192	1,314,864	3,312,485		3,312,485
Depreciation and amortization	28,391	2,515,963	48,573	2,592,927		2,592,927
Property maintenance and utilities	—	1,466,720	234,659	1,701,379		1,701,379
Management fees	29,508	502,803	439,736	972,047		972,047
Taxes, other than income	24,217	746,183	150,219	920,619		920,619
Insurance, office, and sundry	22,469	340,962	61,007	424,438		424,438
Professional services	26,058	14,045	37,273	77,376		77,376
Rent	—	7,676	—	7,676		7,676
	277,072	7,445,544	2,286,331	10,008,947		10,008,947
Operating income (loss)	212,440	2,593,964	(491,373)	2,315,031		2,315,031
Other income (expense):						
Net earnings from subsidiaries' operations	2,289,756	—	—	2,289,756	2,289,756 (1)	—
Gain on sales of securities, net	1,230,207	—	—	1,230,207		1,230,207
Earnings from limited liability companies, net	—	230,500	3,594	234,094		234,094
Interest expense	(600,122)	(46,929)	—	(647,051)		(647,051)
	2,919,841	183,571	3,594	3,107,006	2,289,756	817,250
Net earnings (loss)	3,132,281	2,777,535	(487,779)	5,422,037	2,289,756	3,132,281
Retained earnings (accumulated deficit) at beginning of year	14,775	(4,240,269)	41,601	(4,183,893)	(4,198,668) (1)	14,775
Distributions to stockholder	(3,145,072)	(2,497,924)	—	(5,642,996)	(2,497,924) (1)	(3,145,072)
Retained earnings (accumulated deficit) at end of year	$ 1,984	(3,960,658)	(446,178)	(4,404,852)	(4,406,836)	1,984

(1) Elimination of net earnings (loss), retained earnings (accumulated deficit), and distributions to stockholder of subsidiaries.

See accompanying independent auditors' report.

LAND USE COMMISSION
STATE OF HAWAII

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

2004 SEP 29 P 12:47

In the Matter of the Petition of WEST BEACH ESTATES, a Hawai'i general partnership To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 372.6 Acres at Honouliuli, 'Ewa, O'ahu, Hawai'i, TMK 9-1-15: 18 and portion of 4 and 9-1-56: portion of 11 and portion of 12	DOCKET NO. A90-655 ORDER GRANTING MOTION TO AMEND FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER

This is to certify that this is a true and correct copy of the document on file in the office of the State Land Use Commission, Honolulu, Hawaii.

MAR 06 1997 by
Date Executive Officer

ORDER GRANTING MOTION TO AMEND FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER

LAND USE COMMISSION
STATE OF HAWAII
MAR 6 9 56 AM '97

EXHIBIT "14"

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

In the Matter of the Petition of WEST BEACH ESTATES, a Hawai'i general partnership To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 372.6 Acres at Honouliuli, 'Ewa, O'ahu, Hawai'i, TMK 9-1-15: 18 and portion of 4 and 9-1-56: portion of 11 and portion of 12	DOCKET NO. A90-655 ORDER GRANTING MOTION TO AMEND FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER

ORDER GRANTING MOTION TO AMEND FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER

On November 20, 1996, West Beach Estates, a Hawai'i general partnership ("Petitioner"), filed a Motion to Amend Findings of Fact, Conclusions of Law, and Decision and Order ("Motion"), pursuant to sections 15-15-70 and 15-15-94, Hawai'i Administrative Rules. The Motion requested the Land Use Commission ("Commission") to revise Condition No. 1 of the Findings of Fact, Conclusions of Law, and Decision and Order ("Decision and Order") filed on February 14, 1991, in its entirety and to replace it with the following:

1) Petitioner shall 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 or other provisions for affordable housing shall be under such terms as are mutually agreeable between the Petitioner and the City and County of Honolulu.

Attached in support of the Motion was an Affidavit of Jan Naoe Sullivan, Esq., Petitioner's counsel ("Affidavit"),

which stated that the current affordable housing requirement for the project in the subject docket, as set forth by the Department of Housing and Community Development ("DHCD") (Exhibit "A") requested that 30 percent of the housing units that are developed be sold or rented to households whose incomes do not exceed 120 percent of O'ahu's median income, and that at least 10 percent of the total units be sold or rented to households earning 80 percent or less of O'ahu's median income, or that Petitioner provide an in-kind substitute that is acceptable to the City and County of Honolulu ("City & County").

The Affidavit also stated that the current affordable housing requirement of the City & County for the project was inconsistent with the affordable housing requirement that was contained in Condition No. 1, and that the State's affordable housing policies have changed over time such that the State's current policy was to assign responsibility to the counties to establish and enforce affordable housing requirements in land use reclassifications. Also attached in support of the Motion was a letter from Roy S. Oshiro, Executive Director, Housing and Finance Development Corporation ("HFDC") (Exhibit "B"), which stated that HFDC had no objections to Petitioner's Motion

The Motion came on for hearing before this Commission on December 12, 1996, in Honolulu, Hawai'i, with the parties listed in the minutes being present. At the hearing, the Commission heard public testimony from Henry Curtis, Executive Director, Life of the Land. The Office of Planning and the City

& County Planning Department ("Planning Department") had no objections to Petitioner's Motion.

Following a discussion on Petitioner's Motion, this Commission requested the Planning Department to provide further information to clarify its comments contained in Petitioner's Exhibit "A" regarding an in-kind substitute as it applied to the City & County's affordable housing requirement for the subject docket. This Commission deferred action on the Motion to its meeting on January 31, 1997, without objection

On January 2, 1997, this Commission received a letter dated December 30, 1996, from Cheryl D. Soon, Chief Planning Officer, Planning Department, which provided additional information regarding the City & County's policy on affordable housing and on the use of the term, in-kind substitute, as used by DHCD.

On January 31, 1997, this Commission deferred action on the Motion, without objection.

On February 28, 1997, this Commission held a continued action meeting on the Motion

This Commission, having duly considered Petitioner's Motion, Affidavit, Exhibits "A" and "B," the additional information provided by the City & County, and the arguments provided by the parties present in this proceeding, and good cause existing therefrom

IT IS HEREBY ORDERED that Condition Number 1 be amended as follows:

1. Petitioner shall 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 or other provisions for affordable housing shall be under such terms as are mutually agreeable between the Petitioner and the City and County of Honolulu.

All other conditions to the Decision and Order filed on February 14, 1991, are hereby reaffirmed and shall continue in effect.

DOCKET NO. A90-655 - WEST BEACH ESTATES

Done at Honolulu, Hawai'i, this 6th day of March 1997, per motion on February 28, 1997.

LAND USE COMMISSION
STATE OF HAWAI'I

TRUDY K. SENDA
Chairperson and Commissioner

RUPERT K. CHUN
Vice Chairperson and Commissioner

By _____
LAWRENCE N.C. ING
Commissioner

(opposed)
M. CASEY JARMAN
Commissioner

By _____
HERBERT S.K. KAOPUA, SR.
Commissioner

By (absent)
LLOYD F. KAWAKAMI
Commissioner

MERLE A. K. KELAI
Commissioner

Filed and effective on
March 6, 1997

Certified by:

Executive Officer

By (absent)
EUSEBIO LAPENIA, JR
Commissioner

By (absent)

360536.4

LAND USE COMMISSION
STATE OF HAWAII

2004 SEP 29 P 12:47

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Attorneys for PETITIONER
AINA NUI CORPORATION

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174.209 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033(por.) and (1) 9-1-015:004(por.) and 020(por.)	DOCKET NO. A04-753 AFFIDAVIT OF NAOMI U. KUWAYE ATTESTING TO SENDING OF THE NOTIFICATION OF PETITION FILING

AFFIDAVIT OF NAOMI U. KUWAYE ATTESTING TO SENDING OF THE NOTIFICATION OF PETITION FILING

STATE OF HAWAII)
) SS:
CITY AND COUNTY OF HONOLULU)

NAOMI U. KUWAYE, being first sworn on oath, deposes and says that:

Exhibit "16"

1. Affiant is one of the attorneys for Petitioner, AINA NUI CORPORATION ("Petitioner"), is licensed to practice law in the State of Hawaii, is duly authorized to make this affidavit, and does so upon personal knowledge and belief.

2. This affidavit is made to comply with section 15-15-50(d), Hawaii Administrative Rules ("HAR") for the State of Hawaii, Land Use Commission ("Commission").

3. On September 29, 2004, Petitioner filed with the State of Hawaii Land Use Commission a petition for a boundary amendment ("Petition") in Docket No. A04-753.

4. On September 29, 2004, the same day that the Petition was submitted to the Commission and pursuant to HAR § 15-15-50(d), Petitioner sent a Notification of Petition Filing to persons included on the statewide and Oahu mailing lists provided to Petitioner by the Commission on or about August 26, 2004 (attached hereto as Attachments "A" and "B", respectively).

Further affiant sayeth naught.

NAOMI U. KUWAYE

Subscribed and sworn to before me
this 29th day of September, 2004.

Notary Public, State of Hawaii

Lori C. Makimoto
Printed Name
My commission expires: 03-30-2007



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Last Updated: 8/19/2004

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OAHU

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LAND USE COMMISSION
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BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 and (1) 9-1-015:004 and 020	DOCKET NO. A04-753 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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PETITION

VERIFICATION

EXHIBIT "1" TMK Map showing entire petition area and relevant TMK Nos.

EXHIBIT "2" Survey Map Showing Proposed West Kapolei Urban District Boundary Amendment

EXHIBIT "3" Metes and bounds description of Lot A consisting of TMK(1) 9-1-015:004

EXHIBIT "4" Metes and bounds description of Lot B consisting of a portion of TMK (1) 9-1-014:033 and a portion of (1) 9-1-015:020

EXHIBIT "5" Land Use Commission's Findings of Fact, Conclusions of Law, and Decision and Order, LUC Docket A90-655 Amending Agricultural Land Use District Boundary into Urban Land Use District Boundary, filed and effective on February 14, 1991

EXHIBIT "6" Map showing entire project area (petition area consolidated with 372.6 acres previously urbanized pursuant to LUC Docket No. A90-655)

EXHIBIT "7" Environmental Impact Statement Preparation Notice

EXHIBIT "8" True copy of the Trustees Limited Warranty Deed with Restrictions, Covenants and Reservation of Rights (for portion of the Petition Area above the Oahu Railway & Land Company Right-of-Way)

EXHIBIT "9" Letter of Authorization (for portion of the Petition Area below the Oahu Railway & Land Company Right-of-Way, which is owned in fee 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" Project Master Plan

EXHIBIT "13" Financial Statement

EXHIBIT "14" Order Granting Motion to Amend Land Use Commission's Findings of Fact, Conclusions of Law, and Decision and Order filed on 3/6/97

EXHIBIT "15" Notification of Petition of Filing

EXHIBIT "16" Affidavit of Naomi U. Kuwaye Attesting to Sending of the Notification of Petition of Filing

CERTIFICATE OF SERVICE

DRAFT

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 and (1) 9-1-015:004 and 020	DOCKET NO. [redacted] PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

COMES NOW, AINA NUI CORPORATION, a Hawaii corporation and agent for the Estate of James Campbell ("Campbell Estate"), whose principal place of business is 1001 Kamokila Boulevard, Suite 255, 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 174.2 acres of land from the Agricultural District to the Urban District, which will be consolidated with a 372.6-acre adjacent parcel urbanized in 1991, and in support thereof, 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 Chapter 205, Hawaii Revised Statutes ("HRS"), which entitle any person with a property interest in the land, sought to be reclassified, to petition the Land Use 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./Bree M. Kurihara, Esq.
   Topa Financial Center, Fort Street Tower
   745 Fort Street, 17th Floor
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2. Ms. Donna Goth, President
   Aina Nui Corporation
   1001 Kamokila Boulevard, Suite 225
   Kapolei, Hawaii 96707
   Telephone: (808) 674-3540

III
AUTHORITY FOR RELIEF SOUGHT

This Petition is filed pursuant to HRS § 205-4, as amended, and HAR, Title 15, Chapter 15, as 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 174.2 acres, which includes portions of three 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 ("Parcel 33"), (1) 9-1-015:004(por.) ("Parcel 4"), and (1) 9-1-015:020(por.) ("Parcel 20"), as illustrated by the TMK map attached hereto as Exhibit "1" (collectively the "Petition Area"). Parcel 33 and Parcel 20 are further described as Lot B

on the survey map, attached hereto as Exhibit "2". Parcel 4 is further described as Lot A [on the survey in map attached hereto as] Exhibit "2". The metes and bounds description of Lots A and Lot B are attached hereto as Exhibits "3" and "4", respectively. The Petition Area will be consolidated with a 372.6-acre adjacent parcel, which was urbanized in accordance with Docket No. A90-655 and approved by the Land Use Commission in 1991 for the Ko Olina Phase II development proposed by West Beach Estates. *See* Exhibit "5" attached hereto. The consolidation of the Petition Area with the adjacent parcel will form the entire project area which consists of approximately 546.8 acres and is comprised of Parcel 33 (por.), Parcel 4, Parcel 20 and TMK number (1) 9-1-015:018 ("Parcel 18") (collectively all four parcels are hereinafter referred to as the "Project Area"). *See* Exhibit "6" attached hereto.

Further detail and description of the Petition Area is contained in Petitioner's Environmental Impact Statement Preparation Notice (hereafter "EISPN"), which is attached hereto as Exhibit "7" and 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

The portion of the Petition Area above the Oahu Railway & Land Company Right-of-Way ("OR&L ROW") is owned in fee by Petitioner. A true copy of the deed for the portion of the petition area above the OR&L ROW is attached hereto as Exhibit "8". The portion of the Petition Area below the OR&L ROW is currently owned by the Campbell Estate and is in the process of being transferred to Petitioner. Attached hereto as Exhibit "9" is a Letter of Authorization, authorizing Petitioner to act as Campbell Estate's agent for the reclassification of this portion of the Petition Area. 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.

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 Ag-1 (Restricted Agriculture) for the area above the OR&L ROW and the southeast portion of the Petition Area south of the OR&L ROW. The remaining portion of the Petition Area is zoned Ag-2 (General Agriculture). *See* Exhibit "11" attached hereto.

The most recent uses of the land within the Petition Area and the rest of the Project Area include transportation along the OR&L ROW, occupation by the Ewa Plantation Company and the Oahu Sugar Plantation Company for sugarcane cultivation, livestock grazing, and a coral pit quarry to the south. Currently, large portions of the Petition Area are vacant and underutilized, with the exception of the OR&L ROW used by the Hawaiian Railway Society, and quarrying and stockpiling activities of the adjacent quarry within and adjacent to the Petition Area's southern boundary. Additionally, a Coast Guard Range Light is located at the southernmost tip of the Petition Area.

B. Adjacent Land Uses

The majority of adjacent lands that surround the Petition Area are within the Urban State Land Use District. The rest of the land surrounding the Petition Area is within the Agricultural State Land Use District.

The 372.6-acre portion of the Project Area is currently zoned Ag-1 with a small portion zoned as P-2 (General Preservation) for use as Kamokila Park. *See* Exhibit "11".

Land uses adjacent to the Petition Area include the Ko Olina golf course and Ko Olina Marina to the west; the vacant lands of the 372.6-acre portion of the Project Area to the north; and the City of Kapolei adjacent to Kalaeloa Boulevard to

the east. Grace Pacific Quarry and the Kalaeloa Barbers Point harbor and its related industrial activities are to the south. The OR&L ROW runs through the entire Petition Area, forming the northeastern boundary and transecting the western half of the Petition Area.

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 Agricultural District to Urban District use ("Proposed Action").

B. Proposed Action

The Proposed Action is being sought to allow for a development pursuant to the Kapolei West development master plan ("Proposed Project"). Kapolei West is a master-planned golf/residential community planned on approximately 546.8 acres of land. The Project Area is strategically located between the City of Kapolei and the Ko Olina Resort. The Proposed Project 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. *See* Exhibit "12" attached hereto.

The Proposed Project is planned to include approximately 2,400 low- and medium-density residential units. Planned

recreational amenities include neighborhood parks and a pedestrian pathway system. At the eastern end of the project area, regional commercial and transit/mixed-use areas are planned to enhance the City of Kapolei and support both the neighboring communities and the Proposed Project.

The proposed low- and medium-density residential uses will complement the existing Ko Olina Resort, and the proposed commercial uses within the eastern end of the Project Area will enhance the existing commercial and retail activity of the City of Kapolei.

The project originally proposed by West Beach Estates for this area consisted of only the 372.6-acre portion of the Project Area, excluding the 174.2-acre Petition Area. The project was proposed in 1989 and was known as Ko Olina Phase II. Ko Olina Phase II was intended to provide amenities that would allow for the future expansion of the existing Ko Olina resort. However, as a result of changing market conditions the Ko Olina Phase II project was revised in 1991 to provide for an 18-hole golf course and 3,500 low- and medium-density residential units, commercial developments, and park space. Based on this revised proposal, the Ko Olina Phase II project area was reclassified by the Commission from the Agricultural District to the Urban District in 1991, and the City and County of Honolulu Ewa Development Plan was revised to reflect the proposed uses.

Due to stagnant economic and market conditions, West Beach Estates relinquished its real property interests in Ko Olina Phase II, allowing Seaside at Kapolei, LLC ("Seaside") to acquire the option to purchase the property from Campbell Estate in 2000. Seaside's proposal for development was similar to Ko Olina Phase II in that it included a golf course, residential units, commercial development and park space. However, the project did not include a transit station and resulted in a higher overall residential density.

In 2003, Seaside dropped its option to purchase the property. Since then, Petitioner has been involved in ongoing efforts to develop the property.

The Project Area, which encompasses the Ko Olina Phase II development area, is consistent with the land uses formerly proposed for the property. One important distinction between the Proposed Project and Ko Olina Phase II is the lower intensity of uses associated with the Proposed Project, as there is a significant reduction in the number of proposed residential units. Further detail and description of the Proposed Project and the history of past development proposals are contained in the Petitioner's EISPN. *See* Exhibit "7", Sections 2.1, 2.2 and 2.4.

IX
PROJECT TIMETABLE

Construction of the approximately 547-acre Proposed Project is intended to be implemented within a thirteen-(13)-year period. Home deliveries of the Proposed Project are expected to commence in 2008 after land use approvals are granted, allowing for the development of the total 2,370 proposed residential units between 2008 and 2020. Of the 2,370 residential units, 1,150 units are proposed within the Petition Area. Residential home production for the entire Proposed Project is planned at an average rate of 183 units per year, with absorption projected at 112 units per year for primary resident housing units, and 71 units per year for non-resident housing units. With the Projected absorption rate, the approximate 1,150 homes in the Petition Area will take an estimated nine (9) years to build out.

Construction of the golf course and the regional commercial facilities would occur during the early phases of development, and the transit/mixed-use and neighborhood commercial parcels would be developed as demand dictates. The Kapolei Parkway would be constructed as development of adjacent lots occur. Further, the extension of Hanua Street to the H-1 Freeway would be needed to service the growing industrial and commercial harbor operations.

X
IMPACTS ON RESOURCES OF THE AREA

At this time, the Petitioner anticipates the customary impacts associated with development projects including those relating to, but not limited to, drainage, resources, soils, flora and fauna, and visual resources. A preliminary discussion of the resources in the Project Area is contained in the EISPN. *See* Exhibit "7", Sections 3.1-3.11.

The Proposed 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 public infrastructure and services. The Proposed 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 Proposed 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 Proposed 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.,

schools, police, fire, and emergency services). The Proposed Project will include mitigation measures such as major improvements to roadways, intersections and interchanges in the vicinity of the project, off-site infrastructure improvements, and the donation of land and fair-share contributions for designated city and state-operated facilities (e.g., parks, schools and regional roadway systems).

Additional details regarding the Proposed 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 Proposed Project can be expected to have beneficial impacts on employment and income during both the development and operational phases. During the development phase, direct impacts include work and income deriving opportunities created by the Proposed Project's development (e.g., construction, office support, design, planning and engineering). Indirect benefits would occur throughout the state at businesses that support the direct development activities (e.g., wholesalers, distributors, suppliers). Induced impacts would occur when the

incomes derived through direct and indirect employment are spent at other businesses.

During the operational phase, the Proposed Project would generate long-term direct, indirect and induced employment in a variety of types and levels of work. The direct positions would generally be located on Oahu, while the indirect and induced effects would be distributed throughout the state's economy.

The Proposed Project can be expected to generate additional county and state revenues due to increased levels of real property, gross excise and personal income taxes collected.

Additional details regarding the Proposed 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

The Petition Area is an integral part of the larger, approximately 546.8-acre Kapolei West project. In late 2004, the Petitioner intends to commence rezoning of lands already urbanized. Projects in the immediate vicinity of Kapolei West include the Ko Olina Resort to the west and the City of Kapolei to the east.

Ko Olina Resort is continuing to develop and construct

single- and multi-family homes, and planning for an aquarium, a commercial center, new hotel, and time-share development is underway.

The City of Kapolei to the east of the Proposed Project, is fulfilling the promise of becoming Oahu's second city. To date, over 1.8 million square feet ("MSF") of commercial, office, retail, and civic space has been constructed. An additional 2 MSF of residential uses and approximately 1.8 MSF of commercial, office, retail, civic and mixed-use residential is planned for construction over the next ten (10) years.

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 Proposed Project. In conjunction with sale proceeds, Petitioner will also obtain funding from additional borrowing within the James Campbell Corporation corporate group or from capital contributions from the Campbell Estate.

XV
AFFORDABLE HOUSING

Petitioner intends to meet its obligation of providing affordable housing according to the applicable requirements of

the state and county at the time that relevant land use approvals are obtained and in accordance with the Order Granting Motion to Amend Findings of Fact, Conclusions of Law, and Decision and Order filed on March 6, 1997, in LUC Docket No. A90-655. *See* Exhibit "14" attached hereto. The location and distribution of the affordable housing shall be under such terms as are mutually agreeable between the Petitioner and the City and County of Honolulu.

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

The proposed action is consistent with the standards for determining boundaries of an urban district pursuant to HAR § 15-15-18.

The Project Area is located approximately 20 miles west of Honolulu in the Ewa District on the Island of Oahu. To the north of the Project Area is the H-1 Freeway and the Honokai Hale and Nanakai Gardens subdivisions. The Ko Olina Resort and golf course and vacant lands are situated to the west of the Project Area. To the south of the Project Area is Barbers Point Harbor and its industrial activities. Situated to the east of the Project Area is the western boundary of the City of Kapolei and Kalaeloa Boulevard. Finally, the historic OR&L ROW bisects the southern section of the Project Area.

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

In the immediate vicinity of the Petition Area, the Commission approved West Beach Estates' petition to reclassify approximately 372.6 acres of land from the Agricultural land use district boundary to the Urban land use district boundary. *See* Exhibit "5".

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 low-to medium-density residential uses and recreational development. A detailed discussion of the conformity of the Petition area to the Urban District standards (as set forth in Commission Rules § 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 Proposed 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 Proposed Project generally conforms to the applicable goals, objectives and policies of the Hawaii State Plan, and applicable priority guidelines and functional plan policies. A preliminary discussion of the Proposed Project's conformance with the Hawaii State Plan is included in the Petitioner's EISPN. *See* Exhibit "7", Section 3.12.2. Further explanations and a more detailed description of the conformance of the Proposed 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 Proposed Project's conformance with the above-mentioned plans is included in the Petitioner's EISPN. *See* Exhibit "7", Sections 3.12.4-3.12.5. Further explanations and a more detailed description of the conformance of the Proposed 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 Chapter 205A, HRS. 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. A small portion of the Petition Area is located within the City and County of Honolulu's Special Management Area ("SMA"). As such, any development within this area will generally require a SMA Major Permit or an SMA Minor Permit.

Further explanations and a description of the conformance of the proposed action with the HCZMP and Chapter 205A, HRS will be discussed in Petitioner's EIS.

XX
IMPACTS ON NATIVE HAWAIIAN CUSTOMARY AND TRADITIONAL RIGHTS

The Proposed Project is expected to have little or no impact on Hawaiian culture, practices and traditions. Further, the Proposed 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 Chapter 343, HRS.

XXI
NOTIFICATION OF PETITION FILING

Attached as Exhibits "15" and "16", 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 Notification of Petition Filing required by HAR § 15-15-50(d).

XXII
REASONABLENESS OF AND COMPLIANCE WITH REQUIREMENTS FOR BOUNDARY AMENDMENTS

In accordance with Commission Rule § 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 H 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, _____, 2004.

AINA NUI CORPORATION, a Hawaii corporation and agent for the Estate of James Campbell

DRAFT

By _____
DONNA GOTH
President

VERIFICATION

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

I, DONNA GOTH, being duly sworn on oath depose and say that I am the President of the AINA NUI CORPORATION, a Hawaii corporation, and as such am authorized to make this verification on behalf of the Corporation, that I have read the foregoing Petition and have full knowledge of the contents thereof, and that the same are true to the best of my knowledge, information and belief.

AINA NUI CORPORATION, a Hawaii corporation

DRAFT

By _____
DONNA GOTH
Íts President

Subscribed and sworn to
before me this _____
day of _____, 2004.

_____
Notary Public, State of Hawaii

_____
Printed Name

My commission expires: _____

DRAFT

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 and (1) 9-1-015:004 and 020	DOCKET NO. [redacted] CERTIFICATE OF SERVICE

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 ____ day of _____, 2004 addressed as follows:

State of Hawaii
Department of Business, Economic Development and Tourism
OFFICE OF PLANNING
Attn: Mary Lou Kobayashi
Planning Program Administrator
State Office Tower, 6th Floor
235 South Beretania Street
Honolulu, Hawaii 96813

HAND DELIVERY

Abe Mitsuda, Administrator
Land Use Division
OFFICE OF PLANNING
235 South Beretania Street, 6th Floor
Honolulu, Hawaii 96813

HAND DELIVERY

State of Hawaii
DEPARTMENT OF THE ATTORNEY GENERAL
Hale Auhau
425 Queen Street
Honolulu, Hawaii 96813

CERTIFIED MAIL

City and County of Honolulu
DEPARTMENT OF PLANNING AND PERMITTING
Attn: Mr. Eric G. Crispin
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: David Arakawa, Esq.
530 South King Street, Room 110
Honolulu, Hawaii 96813

CERTIFIED MAIL

ALL PERSONS WITH A PROPERTY INTEREST IN THE SUBJECT PROPERTY AS RECORDED IN THE COUNTY'S REAL PROPERTY TAX RECORDS AT THE TIME THE PETITION IS FILED.

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

DRAFT

BENJAMIN A. KUDO
NAOMI U. KUWAYE
BREE M. KURIHARA
Attorneys for Petitioner AINA NUI CORPORATION

LINDA LINGLE
GOVERNOR

ANTHONY J.H. CHING
EXECUTIVE OFFICER

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
LAND USE COMMISSION
P.O. Box 2359
Honolulu, Hawaii 96804-2359
Telephone: 808-587-3822
Fax: 808-587-3827

September 21, 2004

Benjamin A. Kudo, Esq.
Naomi U. Kuwaye, Esq.
Bree M. Kurihara, Esq.
Imanaka, Kudo & Fujimoto
Topa Financial Center, Fort Street Tower
745 Fort Street, 17th Floor
Honolulu, Hawaii 96813

Dear Mr. Kudo and Madames Kuwaye and Kurihara:

Subject: Draft Petition For Land Use District Boundary Amendment and Environmental Impact Statement Preparation Notice
Aina Nui Corporation

We are in receipt of the Draft Petition For Land Use District Boundary Amendment (Draft Petition) and Environmental Impact Statement Preparation Notice (EISPN) transmitted by your letter dated August 23, 2004. We understand that this matter involves the reclassification of lands from the State Land Use Agricultural District to the State Land Use Urban District, and that the EISPN was prepared to address the requirements of Chapter 343, Hawaii Revised Statutes, to the extent that the proposed project will require the use of State lands and the use of an historic site. We further understand that Petitioner has identified the Land Use Commission (LUC) as the accepting authority for the Environmental Impact Statement (EIS). Given the nature of the reclassification, we request that both the Final Petition and EISPN address the legal and statutory basis under which the LUC may serve in this capacity.

Our review of the Draft Petition is based on the understanding that the completed Certificate of Service and other petition content requirements as provided in section 15-15-50, Hawaii Administrative Rules (HAR), will be addressed with the subsequent filing of the Final Petition and EIS. We therefore reserve the right to provide additional comments at that time as part of our review of the petition for completeness.

With this understanding, we have the following technical comments to offer:

1) In accordance with §15-15-38(b), HAR, all pleadings shall show the case docket number assigned by the chief clerk of the Commission. We suggest that immediately prior to the filing of the Final Petition, the chief clerk be contacted for the appropriate docket number.

2) In accordance with §15-15-48, HAR, copies of the Final Petition should be served upon the City and County of Honolulu Department of Planning and Permitting and the Planning Commission, the Office of Planning, and all persons with a property interest in the subject property (i.e., Petition Area) as recorded in the county's real property tax records at the time the Final Petition is filed. We acknowledge that those individuals with a property interest in the subject property will be included on the Final Petition's Certificate of Service. We would like to point out that page 2, paragraph 4, of the Affidavit Of Naomi U. Kuwaye Attesting To Service Of Petition For Land Use District Boundary Amendment (Affidavit) (Exhibit "10") should reference that service is being made in compliance with §15-15-48(a), HAR. The Affidavit also should list those persons with a property interest in the subject property.

3) In accordance with §15-15-50(c)(3), HAR, the description of the subject property, including the tax map key number, should be provided. We note that the captions on the documents, as well as Paragraph V of the Draft Petition entitled "Description of the Petition Area" on page 3, do not accurately reflect that the subject property consists of portions of all three parcels. In addition, the tax maps of the subject property should be provided. We note that Exhibit "1" appears to be a portion of tax map 9-1-15. The whole map should be provided. We request that tax map 9-1-14 with the subject property clearly identified also be provided in its entirety. The Final Petition should include at least one full size copy of each of the whole tax map. The remaining 15 copies may be at a reduced size; however, they should still represent the entire map.

In addition, on the survey map (Exhibit "2"), a portion of the area termed "Existing Agriculture" immediately below Lot B is, in fact, designated within the Urban District as it was reclassified pursuant to LUC Docket No. A96-719/State of Hawaii, Department of Transportation, Harbors Division. We have enclosed a map of this area for your information. All references on the map to "Agriculture" also should be corrected to "Agricultural" to reflect the proper name of said district.

4) In accordance with §15-15-50(c)(22), HAR, a copy of the notification of petition filing should be provided. Exhibit "15," which is intended to address this requirement should be entitled "Notification of Petition Filing." The second "of" in the title should be deleted. In addition, the location map should delineate the subject property only, and not the larger Kapolei West project area. Please note that the statewide and Oahu mailing lists should be attached to the Affidavit of Naomi U. Kuwaye Attesting to Sending of Notification of Petition Filing. Please call our office to obtain a copy of the mailing lists.

Upon submittal of the Final Petition and EISPN, we request that electronic versions of the documents (in PDF format) be included so that they may be posted on our website.

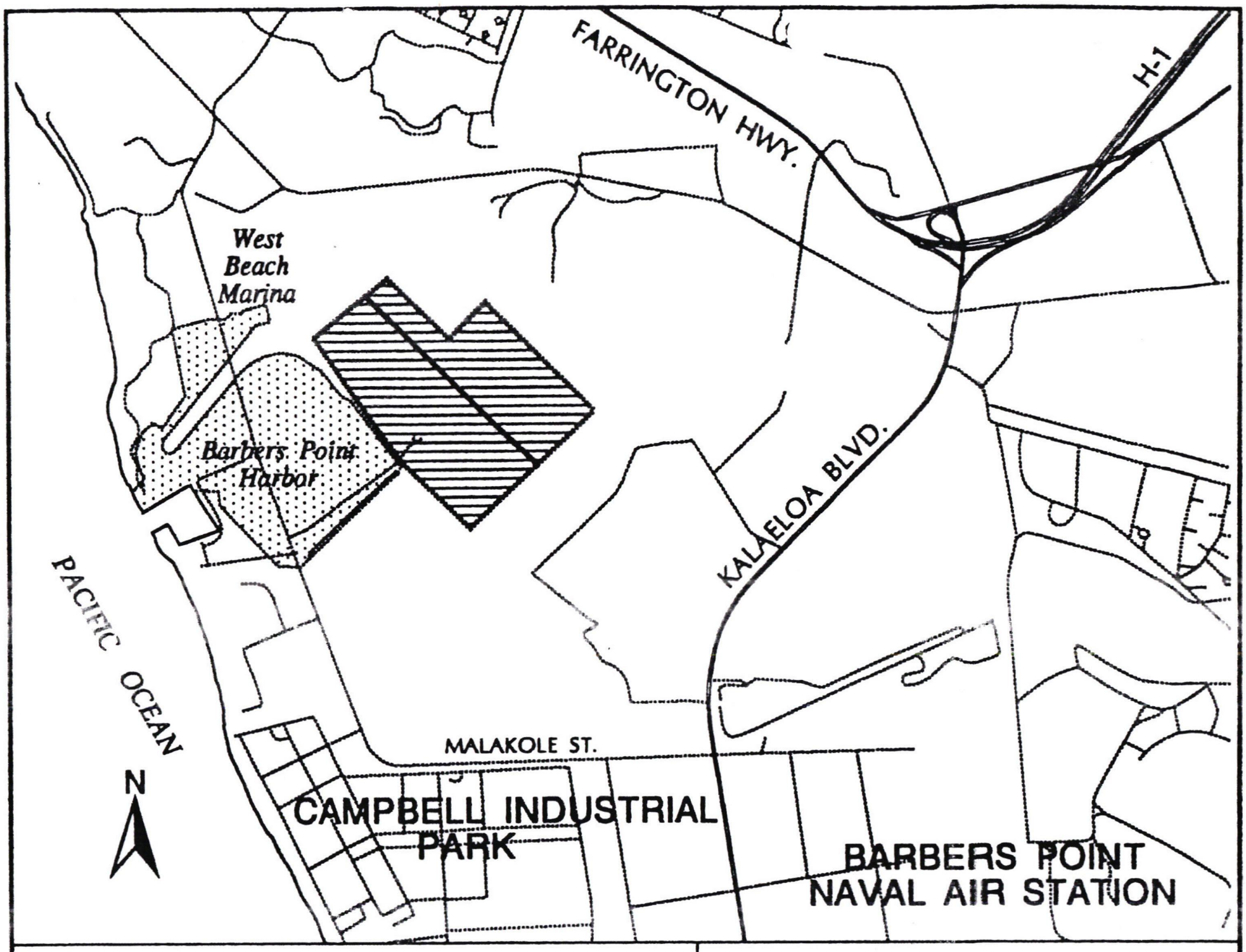
We have no further comments to offer at this time. Thank you for the opportunity to comment on the Draft Petition.

Please feel free to contact Bert Saruwatari of my office at 587-3822, should you require clarification or any further assistance.

Sincerely,

ANTHONY J. H. CHING
Executive Officer

Enclosure



A96-719 / DEPARTMENT OF TRANSPORTATION, HARBORS DIVISION

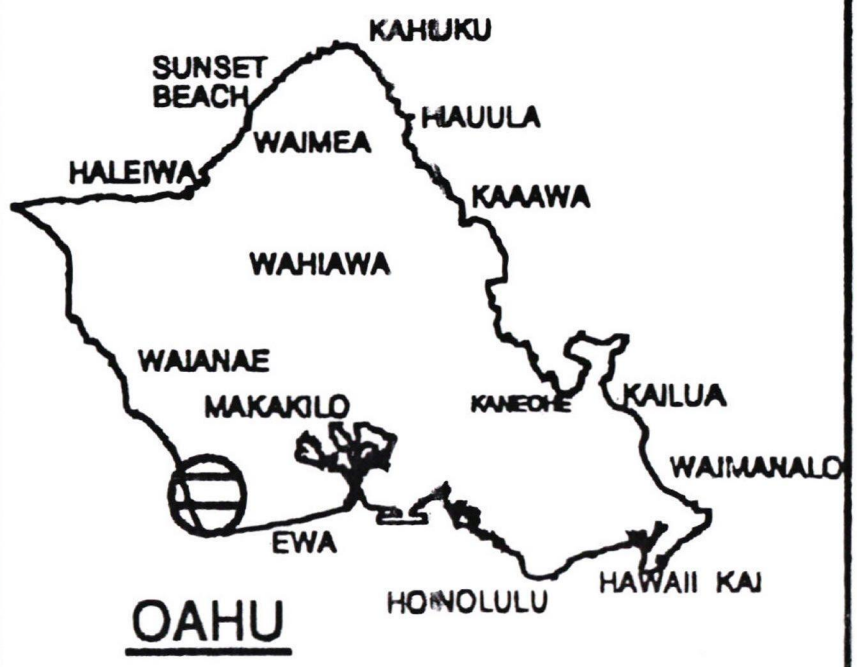
LOCATION MAP

TMK: 9-1-14: por. 24, and por. 27

Honouliuli, Ewa, Oahu

APPROVED AREA

EXHIBIT "A"



OAHU

IMANAKA
KUDO &
FUJIMOTO

A Limited Liability Law Company

Mitchell A. Imanaka

Benjamin A. Kudo

Wesley M. Fujimoto

Jon M.H. Pang

Richard T. Asato, Jr.

Naomi U. Kuwaye

Bryan P. Andaya

Nikki T. Senter

Ryan E. Sanada

Paula W. Chong

Jamie Y. Tanabe

Of Counsel

R. Brian Tsujimura

Perfecto R. Yasay, Jr. *

* admitted to practice only in New York and Philippines

Hon. Mario R. Ramil

Former Associate Justice
Hawaii Supreme Court

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:37

August 23, 2004

Mr. Anthony J.H. Ching
Executive Officer
Land Use Commission
State Office Tower, 4th Floor
235 South Beretania Street
Honolulu, Hawaii 96813

Re: Draft Petition by Aina Nui Corporation for Land Use District Boundary Amendment, Reclassifying Approximately 174 Acres, Situated in Ewa District, Island of Oahu

Please find enclosed the following:

Copies	Dated	Description
2	Undated	Aina Nui Corporation's Draft Petition for Land Use District Boundary Amendment; Verification; Exhibits "1" to "16"; Certificate of Service

Is/Are transmitted herewith...

☐ For execution in black ink before a Notary Public ☐ For payment
☐ For review and comment ☒ See remarks below
☐ Approved as noted

Enclosed please find two copies of Aina Nui Corporation's Petition for Land Use District Boundary Amendment ("Petition"). These copies include the oversized survey map (see Exhibit "2"). A copy of the draft Petition (excluding Exhibit "2") was emailed to you earlier today.

REMARKS:

Very truly yours,

IMANAKA KUDO & FUJIMOTO

By Bree Kurihara
Bree M. Kurihara

Enclosures

Method of Delivery: ☐ Mail ☒ Hand Delivery ☐ Facsimile ☐ Other:

Amfac Center, Hawaii Tower
745 Fort Street Mall, 17th Floor
Honolulu, Hawaii 96813
Phone: (808) 521-9500
Facsimile: (808) 541-9050
info@imanakakudo.com
http://www.imanakakudo.com

DRAFT

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:37

349342.8
Of Counsel:
IMANAKA KUDO & FUJIMOTO
A Limited Liability Law Company
BENJAMIN A. KUDO 2262-0
NAOMI U. KUWAYE 6648-0
BREE M. KURIHARA 7785-0
745 Fort Street, 17th Floor
Honolulu, Hawaii 96813
Telephone: (808) 521-9500
Attorneys for PETITIONER

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 and (1) 9-1-015:004 and 020	DOCKET NO. [redacted] PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT; VERIFICATION; EXHIBITS "1" TO "16"; CERTIFICATE OF SERVICE

Portion

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

VERIFICATION

EXHIBITS "1" TO "16"

CERTIFICATE OF SERVICE

TABLE OF CONTENTS

PETITION

VERIFICATION

EXHIBIT "1" TMK Map showing entire petition area and relevant TMK Nos.

EXHIBIT "2" Survey Map Showing Proposed West Kapolei Urban District Boundary Amendment

EXHIBIT "3" Metes and bounds description of Lot A consisting of TMK(1) 9-1-015:004

EXHIBIT "4" Metes and bounds description of Lot B consisting of a portion of TMK (1) 9-1-014:033 and a portion of (1) 9-1-015:020

EXHIBIT "5" Land Use Commission's Findings of Fact, Conclusions of Law, and Decision and Order, LUC Docket A90-655 Amending Agricultural Land Use District Boundary into Urban Land Use District Boundary, filed and effective on February 14, 1991

EXHIBIT "6" Map showing entire project area (petition area consolidated with 372.6 acres previously urbanized pursuant to LUC Docket No. A90-655)

EXHIBIT "7" Environmental Impact Statement Preparation Notice

EXHIBIT "8" True copy of the Trustees Limited Warranty Deed with Restrictions, Covenants and Reservation of Rights (for portion of the Petition Area above the Oahu Railway & Land Company Right-of-Way)

EXHIBIT "9" Letter of Authorization (for portion of the Petition Area below the Oahu Railway & Land Company Right-of-Way, which is owned in fee 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" Project Master Plan

EXHIBIT "13" Financial Statement

EXHIBIT "14" Order Granting Motion to Amend Land Use Commission's Findings of Fact, Conclusions of Law, and Decision and Order filed on 3/6/97

EXHIBIT "15" Notification of Petition of Filing

EXHIBIT "16" Affidavit of Naomi U. Kuwaye Attesting to Sending of the Notification of Petition of Filing

CERTIFICATE OF SERVICE

DRAFT

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 and (1) 9-1-015:004 and 020	DOCKET NO. [redacted] PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

COMES NOW, AINA NUI CORPORATION, a Hawaii corporation and agent for the Estate of James Campbell ("Campbell Estate"), whose principal place of business is 1001 Kamokila Boulevard, Suite 255, 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 174.2 acres of land from the Agricultural District to the Urban District, which will be consolidated with a 372.6-acre adjacent parcel urbanized in 1991, and in support thereof, 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 Chapter 205, Hawaii Revised Statutes ("HRS"), which entitle any person with a property interest in the land, sought to be reclassified, to petition the Land Use 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./Bree M. Kurihara, Esq.
   Topa Financial Center, Fort Street Tower
   745 Fort Street, 17th Floor
   Honolulu, Hawaii 96813
   Telephone: (808) 521-9500

2. Ms. Donna Goth, President
   Aina Nui Corporation
   1001 Kamokila Boulevard, Suite 225
   Kapolei, Hawaii 96707
   Telephone: (808) 674-3540

III
AUTHORITY FOR RELIEF SOUGHT

This Petition is filed pursuant to HRS § 205-4, as amended, and HAR, Title 15, Chapter 15, as 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 174.2 acres, which includes portions of three 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 ("Parcel 33"), (1) 9-1-015:004(por.) ("Parcel 4"), and (1) 9-1-015:020(por.) ("Parcel 20"), as illustrated by the TMK map attached hereto as Exhibit "1" (collectively the "Petition Area"). Parcel 33 and Parcel 20 are further described as Lot B

on the survey map, attached hereto as Exhibit "2". Parcel 4 is further described as Lot A [on the survey in map attached hereto as] Exhibit "2". The metes and bounds description of Lots A and Lot B are attached hereto as Exhibits "3" and "4", respectively. The Petition Area will be consolidated with a 372.6-acre adjacent parcel, which was urbanized in accordance with Docket No. A90-655 and approved by the Land Use Commission in 1991 for the Ko Olina Phase II development proposed by West Beach Estates. *See* Exhibit "5" attached hereto. The consolidation of the Petition Area with the adjacent parcel will form the entire project area which consists of approximately 546.8 acres and is comprised of Parcel 33 (por.), Parcel 4, Parcel 20 and TMK number (1) 9-1-015:018 ("Parcel 18") (collectively all four parcels are hereinafter referred to as the "Project Area"). *See* Exhibit "6" attached hereto.

Further detail and description of the Petition Area is contained in Petitioner's Environmental Impact Statement Preparation Notice (hereafter "EISPN"), which is attached hereto as Exhibit "7" and 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

The portion of the Petition Area above the Oahu Railway & Land Company Right-of-Way ("OR&L ROW") is owned in fee by Petitioner. A true copy of the deed for the portion of the petition area above the OR&L ROW is attached hereto as Exhibit "8". The portion of the Petition Area below the OR&L ROW is currently owned by the Campbell Estate and is in the process of being transferred to Petitioner. Attached hereto as Exhibit "9" is a Letter of Authorization, authorizing Petitioner to act as Campbell Estate's agent for the reclassification of this portion of the Petition Area. 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.

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 Ag-1 (Restricted Agriculture) for the area above the OR&L ROW and the southeast portion of the Petition Area south of the OR&L ROW. The remaining portion of the Petition Area is zoned Ag-2 (General Agriculture). *See* Exhibit "11" attached hereto.

The most recent uses of the land within the Petition Area and the rest of the Project Area include transportation along the OR&L ROW, occupation by the Ewa Plantation Company and the Oahu Sugar Plantation Company for sugarcane cultivation, livestock grazing, and a coral pit quarry to the south. Currently, large portions of the Petition Area are vacant and underutilized, with the exception of the OR&L ROW used by the Hawaiian Railway Society, and quarrying and stockpiling activities of the adjacent quarry within and adjacent to the Petition Area's southern boundary. Additionally, a Coast Guard Range Light is located at the southernmost tip of the Petition Area.

B. Adjacent Land Uses

The majority of adjacent lands that surround the Petition Area are within the Urban State Land Use District. The rest of the land surrounding the Petition Area is within the Agricultural State Land Use District.

The 372.6-acre portion of the Project Area is currently zoned Ag-1 with a small portion zoned as P-2 (General Preservation) for use as Kamokila Park. *See* Exhibit "11".

Land uses adjacent to the Petition Area include the Ko Olina golf course and Ko Olina Marina to the west; the vacant lands of the 372.6-acre portion of the Project Area to the north; and the City of Kapolei adjacent to Kalaeloa Boulevard to

the east. Grace Pacific Quarry and the Kalaeloa Barbers Point harbor and its related industrial activities are to the south. The OR&L ROW runs through the entire Petition Area, forming the northeastern boundary and transecting the western half of the Petition Area.

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 Agricultural District to Urban District use ("Proposed Action").

B. Proposed Action

The Proposed Action is being sought to allow for a development pursuant to the Kapolei West development master plan ("Proposed Project"). Kapolei West is a master-planned golf/residential community planned on approximately 546.8 acres of land. The Project Area is strategically located between the City of Kapolei and the Ko Olina Resort. The Proposed Project 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. *See* Exhibit "12" attached hereto.

The Proposed Project is planned to include approximately 2,400 low- and medium-density residential units. Planned

recreational amenities include neighborhood parks and a pedestrian pathway system. At the eastern end of the project area, regional commercial and transit/mixed-use areas are planned to enhance the City of Kapolei and support both the neighboring communities and the Proposed Project.

The proposed low- and medium-density residential uses will complement the existing Ko Olina Resort, and the proposed commercial uses within the eastern end of the Project Area will enhance the existing commercial and retail activity of the City of Kapolei.

The project originally proposed by West Beach Estates for this area consisted of only the 372.6-acre portion of the Project Area, excluding the 174.2-acre Petition Area. The project was proposed in 1989 and was known as Ko Olina Phase II. Ko Olina Phase II was intended to provide amenities that would allow for the future expansion of the existing Ko Olina resort. However, as a result of changing market conditions the Ko Olina Phase II project was revised in 1991 to provide for an 18-hole golf course and 3,500 low- and medium-density residential units, commercial developments, and park space. Based on this revised proposal, the Ko Olina Phase II project area was reclassified by the Commission from the Agricultural District to the Urban District in 1991, and the City and County of Honolulu Ewa Development Plan was revised to reflect the proposed uses.

Due to stagnant economic and market conditions, West Beach Estates relinquished its real property interests in Ko Olina Phase II, allowing Seaside at Kapolei, LLC ("Seaside") to acquire the option to purchase the property from Campbell Estate in 2000. Seaside's proposal for development was similar to Ko Olina Phase II in that it included a golf course, residential units, commercial development and park space. However, the project did not include a transit station and resulted in a higher overall residential density.

In 2003, Seaside dropped its option to purchase the property. Since then, Petitioner has been involved in ongoing efforts to develop the property.

The Project Area, which encompasses the Ko Olina Phase II development area, is consistent with the land uses formerly proposed for the property. One important distinction between the Proposed Project and Ko Olina Phase II is the lower intensity of uses associated with the Proposed Project, as there is a significant reduction in the number of proposed residential units. Further detail and description of the Proposed Project and the history of past development proposals are contained in the Petitioner's EISPN. *See* Exhibit "7", Sections 2.1, 2.2 and 2.4.

IX
PROJECT TIMETABLE

Construction of the approximately 547-acre Proposed Project is intended to be implemented within a thirteen-(13)-year period. Home deliveries of the Proposed Project are expected to commence in 2008 after land use approvals are granted, allowing for the development of the total 2,370 proposed residential units between 2008 and 2020. Of the 2,370 residential units, 1,150 units are proposed within the Petition Area. Residential home production for the entire Proposed Project is planned at an average rate of 183 units per year, with absorption projected at 112 units per year for primary resident housing units, and 71 units per year for non-resident housing units. With the Projected absorption rate, the approximate 1,150 homes in the Petition Area will take an estimated nine (9) years to build out.

Construction of the golf course and the regional commercial facilities would occur during the early phases of development, and the transit/mixed-use and neighborhood commercial parcels would be developed as demand dictates. The Kapolei Parkway would be constructed as development of adjacent lots occur. Further, the extension of Hanua Street to the H-1 Freeway would be needed to service the growing industrial and commercial harbor operations.

X
IMPACTS ON RESOURCES OF THE AREA

At this time, the Petitioner anticipates the customary impacts associated with development projects including those relating to, but not limited to, drainage, resources, soils, flora and fauna, and visual resources. A preliminary discussion of the resources in the Project Area is contained in the EISPN. *See* Exhibit "7", Sections 3.1-3.11.

The Proposed 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 public infrastructure and services. The Proposed 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 Proposed 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 Proposed 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.,

schools, police, fire, and emergency services). The Proposed Project will include mitigation measures such as major improvements to roadways, intersections and interchanges in the vicinity of the project, off-site infrastructure improvements, and the donation of land and fair-share contributions for designated city and state-operated facilities (e.g., parks, schools and regional roadway systems).

Additional details regarding the Proposed 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 Proposed Project can be expected to have beneficial impacts on employment and income during both the development and operational phases. During the development phase, direct impacts include work and income deriving opportunities created by the Proposed Project's development (e.g., construction, office support, design, planning and engineering). Indirect benefits would occur throughout the state at businesses that support the direct development activities (e.g., wholesalers, distributors, suppliers). Induced impacts would occur when the

incomes derived through direct and indirect employment are spent at other businesses.

During the operational phase, the Proposed Project would generate long-term direct, indirect and induced employment in a variety of types and levels of work. The direct positions would generally be located on Oahu, while the indirect and induced effects would be distributed throughout the state's economy.

The Proposed Project can be expected to generate additional county and state revenues due to increased levels of real property, gross excise and personal income taxes collected.

Additional details regarding the Proposed 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

The Petition Area is an integral part of the larger, approximately 546.8-acre Kapolei West project. In late 2004, the Petitioner intends to commence rezoning of lands already urbanized. Projects in the immediate vicinity of Kapolei West include the Ko Olina Resort to the west and the City of Kapolei to the east.

Ko Olina Resort is continuing to develop and construct

single- and multi-family homes, and planning for an aquarium, a commercial center, new hotel, and time-share development is underway.

The City of Kapolei to the east of the Proposed Project, is fulfilling the promise of becoming Oahu's second city. To date, over 1.8 million square feet ("MSF") of commercial, office, retail, and civic space has been constructed. An additional 2 MSF of residential uses and approximately 1.8 MSF of commercial, office, retail, civic and mixed-use residential is planned for construction over the next ten (10) years.

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 Proposed Project. In conjunction with sale proceeds, Petitioner will also obtain funding from additional borrowing within the James Campbell Corporation corporate group or from capital contributions from the Campbell Estate.

XV
AFFORDABLE HOUSING

Petitioner intends to meet its obligation of providing affordable housing according to the applicable requirements of

the state and county at the time that relevant land use approvals are obtained and in accordance with the Order Granting Motion to Amend Findings of Fact, Conclusions of Law, and Decision and Order filed on March 6, 1997, in LUC Docket No. A90-655. *See* Exhibit "14" attached hereto. The location and distribution of the affordable housing shall be under such terms as are mutually agreeable between the Petitioner and the City and County of Honolulu.

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

The proposed action is consistent with the standards for determining boundaries of an urban district pursuant to HAR § 15-15-18.

The Project Area is located approximately 20 miles west of Honolulu in the Ewa District on the Island of Oahu. To the north of the Project Area is the H-1 Freeway and the Honokai Hale and Nanakai Gardens subdivisions. The Ko Olina Resort and golf course and vacant lands are situated to the west of the Project Area. To the south of the Project Area is Barbers Point Harbor and its industrial activities. Situated to the east of the Project Area is the western boundary of the City of Kapolei and Kalaeloa Boulevard. Finally, the historic OR&L ROW bisects the southern section of the Project Area.

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

In the immediate vicinity of the Petition Area, the Commission approved West Beach Estates' petition to reclassify approximately 372.6 acres of land from the Agricultural land use district boundary to the Urban land use district boundary. *See* Exhibit "5".

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 low-to medium-density residential uses and recreational development. A detailed discussion of the conformity of the Petition area to the Urban District standards (as set forth in Commission Rules § 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 Proposed 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 Proposed Project generally conforms to the applicable goals, objectives and policies of the Hawaii State Plan, and applicable priority guidelines and functional plan policies. A preliminary discussion of the Proposed Project's conformance with the Hawaii State Plan is included in the Petitioner's EISPN. *See* Exhibit "7", Section 3.12.2. Further explanations and a more detailed description of the conformance of the Proposed 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 Proposed Project's conformance with the above-mentioned plans is included in the Petitioner's EISPN. *See* Exhibit "7", Sections 3.12.4-3.12.5. Further explanations and a more detailed description of the conformance of the Proposed 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 Chapter 205A, HRS. 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. A small portion of the Petition Area is located within the City and County of Honolulu's Special Management Area ("SMA"). As such, any development within this area will generally require a SMA Major Permit or an SMA Minor Permit.

Further explanations and a description of the conformance of the proposed action with the HCZMP and Chapter 205A, HRS will be discussed in Petitioner's EIS.

XX
IMPACTS ON NATIVE HAWAIIAN CUSTOMARY AND TRADITIONAL RIGHTS

The Proposed Project is expected to have little or no impact on Hawaiian culture, practices and traditions. Further, the Proposed 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 Chapter 343, HRS.

XXI
NOTIFICATION OF PETITION FILING

Attached as Exhibits "15" and "16", 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 Notification of Petition Filing required by HAR § 15-15-50(d).

XXII
REASONABLENESS OF AND COMPLIANCE WITH REQUIREMENTS FOR BOUNDARY AMENDMENTS

In accordance with Commission Rule § 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 H 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, _____, 2004.

AINA NUI CORPORATION, a Hawaii corporation and agent for the Estate of James Campbell

DRAFT

By _____
DONNA GOTH
President

VERIFICATION

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

I, DONNA GOTH, being duly sworn on oath depose and say that I am the President of the AINA NUI CORPORATION, a Hawaii corporation, and as such am authorized to make this verification on behalf of the Corporation, that I have read the foregoing Petition and have full knowledge of the contents thereof, and that the same are true to the best of my knowledge, information and belief.

AINA NUI CORPORATION, a Hawaii corporation

DRAFT

By _____
DONNA GOTH
Its President

Subscribed and sworn to
before me this _____
day of _____, 2004.

_____
Notary Public, State of Hawaii

_____
Printed Name

My commission expires: _____

DRAFT

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 and (1) 9-1-015:004 and 020	DOCKET NO. [redacted] CERTIFICATE OF SERVICE

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 ____ day of _____, 2004 addressed as follows:

State of Hawaii
Department of Business, Economic Development and Tourism
OFFICE OF PLANNING
Attn: Mary Lou Kobayashi
Planning Program Administrator
State Office Tower, 6th Floor
235 South Beretania Street
Honolulu, Hawaii 96813

HAND DELIVERY

Abe Mitsuda, Administrator
Land Use Division
OFFICE OF PLANNING
235 South Beretania Street, 6th Floor
Honolulu, Hawaii 96813

HAND DELIVERY

State of Hawaii — CERTIFIED MAIL
DEPARTMENT OF THE ATTORNEY GENERAL
Hale Auhau
425 Queen Street
Honolulu, Hawaii 96813

City and County of Honolulu — CERTIFIED MAIL
DEPARTMENT OF PLANNING AND PERMITTING
Attn: Mr. Eric G. Crispin
650 South King Street, 7th Floor
Honolulu, Hawaii 96813

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

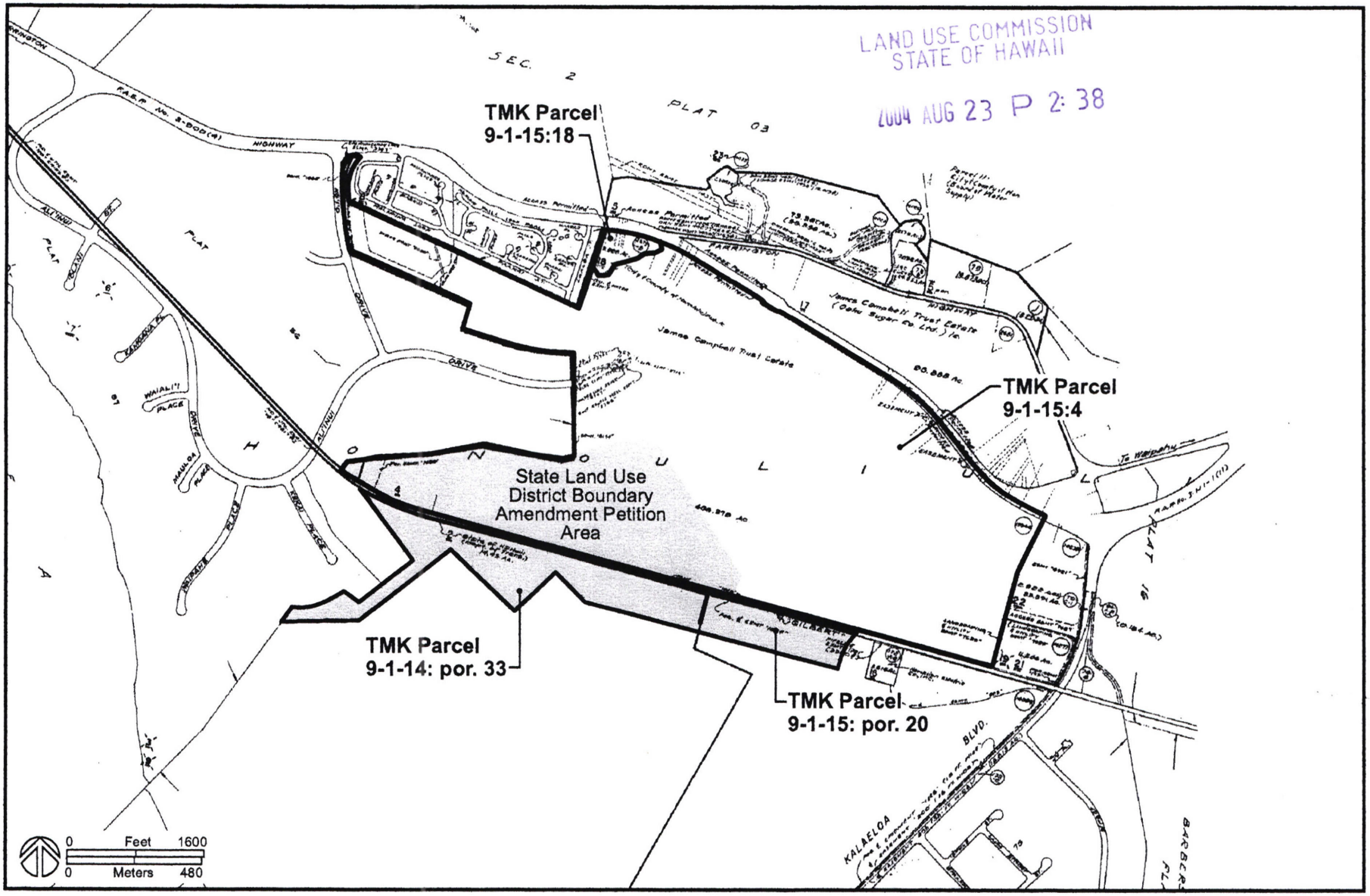
City and County of Honolulu — CERTIFIED MAIL
DEPARTMENT OF THE CORPORATION COUNSEL
Attn: David Arakawa, Esq.
530 South King Street, Room 110
Honolulu, Hawaii 96813

ALL PERSONS WITH A PROPERTY INTEREST IN THE SUBJECT PROPERTY AS RECORDED IN THE COUNTY'S REAL PROPERTY TAX RECORDS AT THE TIME THE PETITION IS FILED.

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

DRAFT

BENJAMIN A. KUDO
NAOMI U. KUWAYE
BREE M. KURIHARA
Attorneys for Petitioner AINA NUI CORPORATION

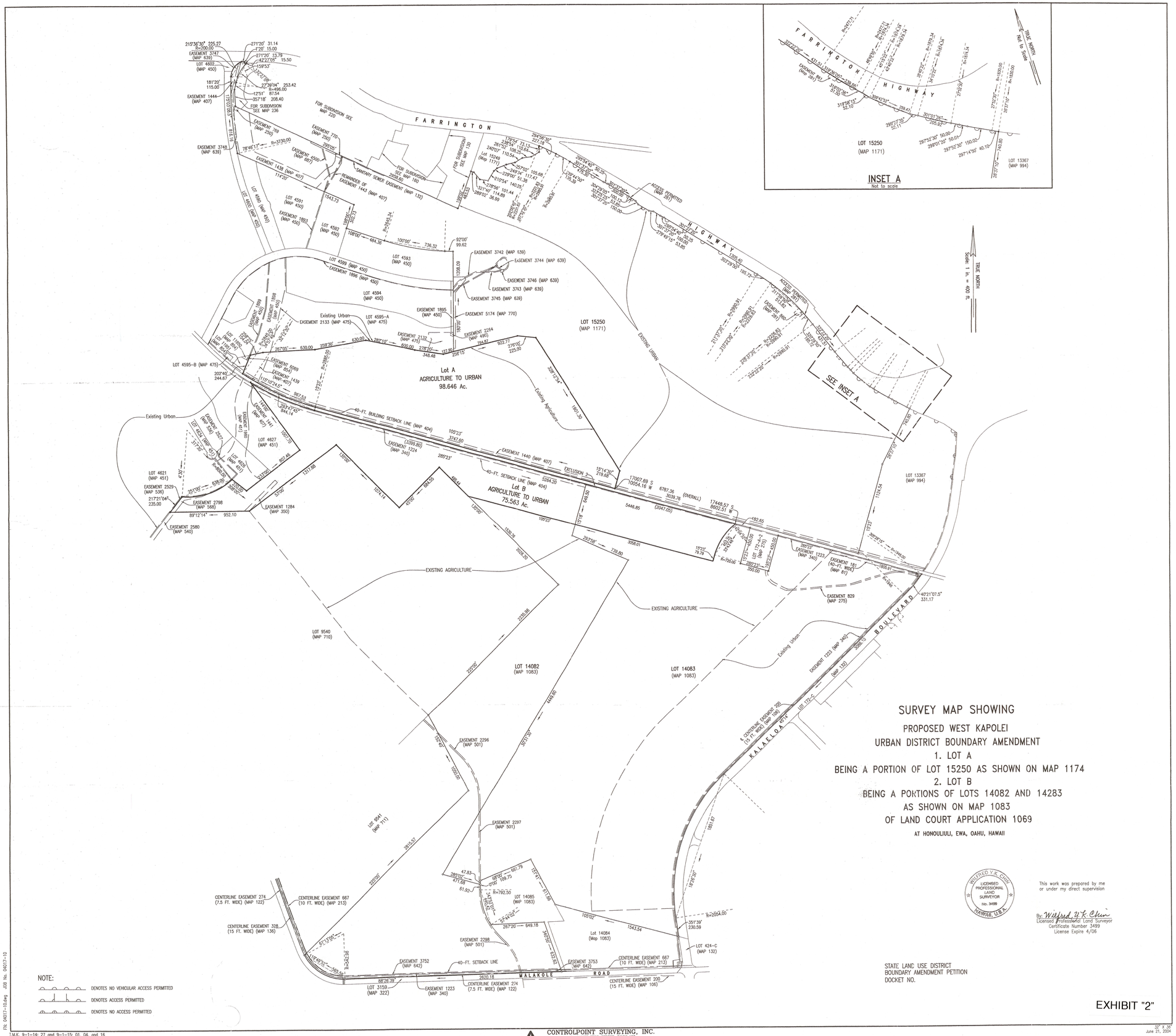


Tax Map Key Parcels

Kapolei West
O`ahu, Hawai`i

EXHIBIT "1"

EXHIBIT "2"



SURVEY MAP SHOWING

PROPOSED WEST KAPOLEI
URBAN DISTRICT BOUNDARY AMENDMENT
1. LOT A
BEING A PORTION OF LOT 15250 AS SHOWN ON MAP 1174
2. LOT B
BEING A PORTIONS OF LOTS 14082 AND 14283
AS SHOWN ON MAP 1083
OF LAND COURT APPLICATION 1069

AT HONOULIULI, EWA, OAHU, HAWAII

WILFRED Y.K. CHIN
LICENSED PROFESSIONAL LAND SURVEYOR
No. 3499
HAWAII, U.S.A.

This work was prepared by me or under my direct supervision

By: Wilfred Y.K. Chin
Licensed Professional Land Surveyor
Certificate Number 3499
License Expire 4/06

STATE LAND USE DISTRICT
BOUNDARY AMENDMENT PETITION
DOCKET NO.

NOTE:
DENOTES NO VEHICULAR ACCESS PERMITTED
DENOTES ACCESS PERMITTED
DENOTES NO ACCESS PERMITTED

EXHIBIT "2"

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:38

FN: 04017-10.dwg JOB No. 04017-10

T.M.K. 9-1-14: 27 and 9-1-15: 01, 04, and 16

CONTROLPOINT SURVEYING, INC.
1150 SOUTH KING STREET, ROOM 102
HONOLULU, HAWAII 96814

32" X 36"
June 21, 2004

3884

PROPOSED KAPOLEI WEST URBAN DISTRICT BOUNDARY AMENDMENT

LOT A

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:38

Being a portion of Lot 15250 (Map 1171) of Land Court Application 1069.

Situate at Honouliuli, Ewa, Oahu, Hawaii

Beginning at the Southeast corner of this parcel of land on the North side of Exclusion 2 as shown on Map 1 of Land Court Application 1069, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 17,007.69 feet South and 10,054.16 feet West, and running by azimuths measured clockwise from true South:

1.	105°	23'		3,747.60 feet	along Exclusion 2;
2.	Thence along same, on a curve to the right with a radius of 2,845.00 feet, the chord azimuth and distance being: 115° 10' 24.5" 967.53 feet;				
3.	202°	40'		244.67 feet	along Lots 11951 and 11950 (Map 854) of Land Court Application 1069;
4.	258°	25'		154.04 feet	along Lot 4595-A (Map 475) of Land Court Application 1069;
5.	276°	05'		630.00 feet	along same;
6.	259°	30'		630.00 feet	along same;
7.	282°	10'		600.00 feet	along same;
8.	278°	20'		348.48 feet	along same;
9.	256°	15'		922.77 feet	along same and along the remainder of Lot 15250 (Map 1171) of Land Court Application 1069;
10.	276°	00'		225.00 feet	along the remainder of Lot 15250 (Map 1171) of Land Court Application 1069;
11.	328°	12'	54"	1901.30 feet	along same;

DRAFT

ControlPoint Surveying, Inc.
1150 South King Street, Suite 102
Honolulu, Hawaii 96814

EXHIBIT "3"

12.	15°	14'	30"	219.68 feet	along same to the point of beginning and containing an area of 98.646 acres.



Wilfred Y. K. Chin

Wilfred Y.K. Chin
Licensed Professional Land Surveyor
Certificate Number 3499
License Expires 4/06

June 18, 2004
Honolulu, Hawaii

ControlPoint Surveying, Inc.
1150 South King Street, Suite 102
Honolulu, Hawaii 96814

DRAFT

PROPOSED KAPOLEI WEST URBAN DISTRICT BOUNDARY AMENDMENT

LOT B

LAND USE COMMISSION
STATE OF HAWAII
2014 AUG 23 P 2:38

Being portions of Lots 14082 and 14083 as shown of Map 1083 of Land Court Application 1069.

Situate at Honouliuli, Ewa, Oahu, Hawaii

Beginning at the Northeast corner of this parcel of land on the South side of Exclusion 2 as shown on Map 1 of Land Court Application 1069, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 17,448.57 feet South and 8,602.51 feet West, and running by azimuths measured clockwise from true South:

1.	Along the remainder of Lot 14083 (Map 1083) of Land Court Application 1069, on a curve to the left with a radius of 720.00 feet, the chord azimuth and distance being: 33° 43' 46" 453.25 feet;				
2.	15 °	23'		79.79 feet	along same;
3.	105°	23'		3058.01 feet	along remainders of Lots 14083 and 14082 (Map 1083) of Land Court Application 1069;
4.	135°	00'		495.44 feet	along Lot 9540 (Map 710) of Land Court Application 1069;
5.	45°	00'		684.55 feet	along same;
6.	135°	00'		1074.14 feet	along same;
7.	53°	00'		1317.88 feet	along same;
8.	89°	12'	14"	952.10 feet	along same;
9.	217°	21'	04"	235.00 feet	along Lot 4621 (Map 451) of Land Court Application 1069;
10.	Thence along same, on a curve to the left with a radius of 800.00 feet, the chord azimuth and distance being: 251° 00' 638.00 feet;				

ControlPoint Surveying, Inc.
1150 South King Street, Suite 102
Honolulu, Hawaii 96814

EXHIBIT "4"

11.	308°	00'	220.00 feet	along Lot 4626 (Map 451) of Land Court Application 1069;
12.	233°	00'	807.46 feet	along Lots 4626 and 4627 (Map 451) of Land Court Application 1069;
13.	144°	00'	1007.70 feet	along Lot 4627 (Map 451) of Land Court Application 1069;

14. Thence along Exclusion 2 (Map 1) of Land Court Application 1069, on a curve to the left with a radius of 2,885.00 feet, the chord azimuth and distance being: 293° 47' 45" 844.14 feet;

15.	285°	23'	5264.20 feet	along same to the point of beginning and containing an area of 75.563 acres.



Wilfred Y.K. Chin

Wilfred Y.K. Chin
Licensed Professional Land Surveyor
Certificate Number 3499
License Expires 4/06

June 18, 2004
Honolulu, Hawaii

ControlPoint Surveying, Inc.
1150 South King Street, Suite 102
Honolulu, Hawaii 96814

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of WEST BEACH ESTATES, a Hawaii general partnership To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 372.6 Acres, at Honouliuli, Ewa, Oahu, Hawaii, Tax Map Key: 9-1-15: 18 and portion of 4, and 9-1-56: portion of 11 and portion of 12	DOCKET NO. A90-655 WEST BEACH ESTATES, a Hawaii general partnership

LAND USE COMMISSION
STATE OF HAWAII
2001 AUG 23 P 2:38

This is to certify that this is a true and correct copy of the Decision and Order on file in the office of the State Land Use Commission, Honolulu Hawaii.

FEB 14 1991 by _____
Date Executive Officer

FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND DECISION AND ORDER

FEB 14 7 59 AM '91

EXHIBIT "5"

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of WEST BEACH ESTATES, a Hawaii general partnership To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 372.6 Acres, at Honouliuli, Ewa, Oahu, Hawaii, Tax Map Key: 9-1-15: 18 and portion of 4, and 9-1-56: portion of 11 and portion of 12	DOCKET NO. A90-655 WEST BEACH ESTATES, a Hawaii general partnership

FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND DECISION AND ORDER

WEST BEACH ESTATES, a Hawaii general partnership (hereinafter sometimes referred to as "Petitioner"), filed a Petition for Land Use District Boundary Amendment, a First Amendment to Petition for Land Use District Boundary Amendment, and a Second Amendment to Petition for Land Use District Boundary Amendment (hereinafter collectively referred to as the "Petition"), pursuant to Chapter 205, Hawaii Revised Statutes, as amended, and the Hawaii Land Use Commission Rules, Title 15, Subtitle 3, Chapter 15, Hawaii Administrative Rules ("Commission Rules"), as amended, to amend the Land Use District Boundary to reclassify approximately 372.6 acres of land situate at Honouliuli, Ewa, Oahu, State of Hawaii, identified as Oahu Tax Map Key Nos.: 9-1-15: 18 and portion of 4, and 9-1-56: portion of 11 and 9-1-56: portion of 12

(hereinafter referred to as the "Property"), from the Agricultural District to the Urban District. Petitioner proposes to develop the Property as Phase II of the Ko Olina Resort project (hereinafter referred to as "Phase II").

The Land Use Commission of the State of Hawaii (hereinafter the "Commission"), having heard and examined the testimony, evidence and argument of the parties and/or counsel for the parties presented during the hearings, and the parties' proposed findings of fact, conclusions of law and decision and order, hereby makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

PROCEDURAL MATTERS

1. On June 22, 1990, Petitioner filed a Petition for Land Use District Boundary Amendment.

2. On August 21, 1990, a request for intervention was filed by Elizabeth Ann Stone. On October 25, 1990, a request to extend the Commission hearings to allow time for further testimony, an Environmental Impact Statement opposing the petition, and a request to excuse her absence at the Commission hearings due to transportation expenses was received from Elizabeth Ann Stone. Upon consideration of the request and upon motion adopted by the Commission on October 29, 1990, the request for intervention was denied. The Order denying intervention was filed on November 30, 1990.

3. On September 5, 1990, Petitioner filed a First Amendment to Petition for Land Use District Boundary Amendment.

4. On October 5, 1990, the Department of the Navy filed a Petition To Intervene, (hereinafter "Intervenor") and a Motion For Fee Waiver, which were subsequently granted by the Commission by motion adopted on October 29, 1990, and by Order filed on November 30, 1990.

5. On October 25, 1990, Petitioner filed a Second Amendment to Petition for Land Use District Boundary Amendment which proposed to allow the existing 5.8-acre Kamokila Park to remain in its present location; the deletion of the previously proposed new park site on the west end of the Property; a reconfiguration of the 18-hole championship golf course; and a reconfiguration of the low-density apartment parcel to accommodate the existing Kamokila Park.

6. The Commission held hearings on the Petition on October 29 and 30, 1990, pursuant to notice published on September 20, 1990, in the Honolulu Star-Bulletin, a newspaper of general circulation.

7. On October 29, 1990, the Commission accepted into evidence the written testimony of Calvin Kawamoto in favor of the Phase II Petition. The Commission also received into evidence written testimony in favor of the Petition from Charles Dick Beamer, Sterling Ing, Agnes K. Cope, George Kaeo, Kamaki Kanahele and M. Kauila Clark and allowed them to testify

as public witnesses. Also testifying as public witnesses in favor of Phase II were Jane Ross, Francisco Lumbago and Francis Kalama.

DESCRIPTION OF THE PROPERTY

8. The Property is located within the Ewa District, island of Oahu, approximately 20 miles west of Honolulu. The Ewa District encompasses the entire Ewa Plain from Kunia Road on the east to Kahe Point on the west. Located within this area are a planned destination resort, residential communities, a major industrial park, a deep draft harbor, a major military installation, and a portion of Oahu's largest sugar plantation.

9. The Ewa Plain has been designated for development by the City and County of Honolulu ("City") as a secondary urban center and is expected to accommodate most of the anticipated increase in population on Oahu through the year 2005.

10. The Property is bound to the north by the H-1 Freeway, Farrington Highway, Honokai Hale and Nanakai Gardens Subdivision; to the east by the western boundary of the proposed Kapolei Town Center near Kalaeloa Boulevard; to the west by Ko Olina Resort; and to the south by Ko Olina Resort and the abandoned Oahu Railroad and Land Company railroad right-of-way.

11. The site is approximately one mile inland from the shoreline. Access to the property is provided by the H-1

Freeway via the Palailai Interchange and by Farrington Highway and Kalaeloa Boulevard.

12. Ko Olina Phase I which was approved by the Land Use Commission on July 9, 1985, is adjacent to the property on its western and southern boundary. The proposed Kapolei Town Center which was incrementally approved by the Commission is situated east of the Property. The proposed Kapolei Business-Industrial Park is southeast of the Property.

13. Most of the Property is presently used for sugar cane cultivation by the Oahu Sugar Company. An estimated 298 acres or 80% of the Phase II Property is currently under cultivation. The remaining 68.8 acres are vacant lands. Existing uses on the Property also include the 5.8-acre Kamokila Park located adjacent to the eastern end of the Honokai Hale/Nanakai Gardens subdivision. Facilities at the park include a multi-purpose room, a basketball and volleyball court, a small slide for children, and a softball field.

14. Most of the lands within the Phase II Property are owned by the Estate of James Campbell. Approximately 359.8 acres of the Property are under a lease from Campbell Estate to the Oahu Sugar Company for sugarcane cultivation. A neighborhood park consisting of 5.8 acres adjacent to the eastern end of Honokai Hale Subdivision is currently under a lease from Campbell Estate to the City and County of Honolulu, Department of Parks and Recreation.

15. The Property also includes some acreage which is owned by West Beach Estates. Those include a 5.2-acre portion of the proposed golf course and a 1.8-acre portion of a proposed public school site.

16. Through an unrecorded Amended and Restated Ko Olina Resort Development Agreement ("Development Agreement") executed with Campbell Estate, West Beach Estates intends to purchase and develop the entire Phase II site. A short form of the Development Agreement was recorded on December 2, 1986, and was submitted as Exhibit 3.

17. The Property is located at the foot of the Waianae Range, with slopes generally ranging from 1% to 3%. In certain small portions on the western end of the Property, the slope ranges from 20-30%. The ground elevation of the Property ranges from approximately 65 feet near the abandoned railroad right-of-way to 100 feet near the highway. The Ewa Plain receives high insolation year-round and modest amounts of rainfall, with average annual precipitation of about 20 inches. Much of the total annual rainfall accumulates from several storms during the winter rainy season from October to April.

18. The Land Study Bureau Detailed Land Classification for Oahu identifies the overall productivity rating of soils of the Property as follows: approximately 2% as Class A, 86% as Class B, 2% as Class C, and 8% as Class E.

Agricultural suitability ratings range from A - very good to E - very poor.

19. If irrigated, the Land Study Bureau classifies 6 acres as "A", 328 acres as "B", 8 acres as "C" and 31 acres as "D" and "E" lands.

20. The Agricultural Lands of Importance to the State of Hawaii (ALISH) system designates approximately 359 acres of the Property as "Prime" and the remaining 14 acres are classified as "Other" and "Unclassified" lands.

21. The Property lies outside of the tsunami hazard zone and is identified as an "area of undetermined, but possible flood hazard" (Zone D) on the Federal Insurance Administration maps.

PROPOSAL FOR RECLASSIFICATION

22. The proposed Ko Olina Phase II is intended to provide for the future expansion and the necessary amenities to support the first phase of the Ko Olina Resort now well underway. The Phase II master plan proposes the development of an 18-hole championship golf course amidst low and medium density apartments, commercial retail and office development on the east end, and the existing neighborhood park.

23. The following table represents the proposed land uses and approximate acreages for the Property.

Land Use	Acres
Low Density Apartment	102.1
Medium Density Apartment	50.7
Portion of Park (Phase I)	5.2
Portion of Public School Site (Phase I)	1.8
Circulation	14.3
Open Space	4.7
Existing Kamokila Park	5.8
Commercial	32.9
Public Facility	0.5
Golf Course	154.6
Total	372.6

24. The golf course development will consist of an 18-hole championship golf course and will include a clubhouse, parking lot, maintenance facility and driving range. The golf course will help serve the visitor demand for resort golf play, Ko Olina residents, possible memberships, as well as providing tee times for Hawaii residents at reduced rates.

25. Low and medium-density apartments are planned in four clusters within the Property. A total of approximately 1,500 low density units and 2,000 medium density apartments are planned.

26. The commercial parcel on the east end is planned to accommodate a shopping center with retail-commercial development and a low-rise garden office complex.

27. The existing Kamokila Park will be kept at its present location, adjacent to the Honokai Hale subdivision, with access and planning being coordinated with the City Department of Parks and Recreation.

28. A half-acre parcel at the southeast end of the Property is to be part of a future transit station site.

29. The addition of 1.8 acres in Phase II to the contiguous proposed school site in Phase I will allow for a 6-acre site. An agreement was negotiated between West Beach Estates and the State Department of Education during the Phase I process regarding this site.

30. The Petitioner intends to comply with a sixty percent (60%) affordable housing condition through various alternatives, including, but not limited to, the provision of affordable housing on-site or off-site, the provision of an appropriate in-lieu contribution, or a combination of these alternatives to the satisfaction of HFDC.

31. The preliminary estimate for the construction of the golf course, clubhouse, and on-site and off-site infrastructure improvements is approximately $53.55 million in 1990 dollars.

32. Assuming timely approval of all necessary permits, construction of the golf course and on-site and off-site infrastructure are expected to start by late 1991 or early 1992, with completion scheduled sometime in 1993. The on-site residential construction is expected to commence in 1993 or 1994 with availability of units beginning in 1995 and ending in 2006. Development of a retail center and office complex is expected to occur in increments beginning from 1993, for a total of 275,000 square feet.

PETITIONER'S FINANCIAL CAPABILITY

TO UNDERTAKE THE PROPOSED DEVELOPMENT

33. Petitioner presented testimony and evidence, including Petitioner's Balance Sheet dated March 31, 1990 and Financial Statement and Report of Independent Certified Accountants, dated December 31, 1989, showing that the proposed Phase II development is economically feasible and that Petitioner has the experience and financial capability to undertake the proposed development.

STATE AND COUNTY PLANS AND PROGRAMS

34. The 372.6-acre Property is located entirely within the State Agricultural District. Reclassification of the site into the Urban District is being sought to enable the proposed uses and developments of Ko Olina Phase II. It should be noted that the Phase II boundary along the lower western edge does not coincide with the State Land Use boundaries separating the Urban from the Agricultural Districts.

35. Ko Olina Phase II is part of the secondary urban center which is an adopted policy of the City and County of Honolulu as expressed in the General Plan. Implementation of the policy at the development plan level was obtained in May of 1986 with the adoption of Ordinance 86-75.

36. The City and County of Honolulu Development Plan Land Use Map presently provides for Commercial, Low and Medium Density Apartment, Park, and Public Facility uses similar to that proposed in the Petition. Petitioner is pursuing a

Development Plan amendment to adjust the land use boundaries and shift acreages within the Property to provide a more compatible arrangement of land uses. An amendment to the Ewa Development Plan Public Facilities Map is also being pursued to include development of Aliinui Drive (the main collector road) and a system of privately-developed potable and non-potable water transmission mains and a non-potable well.

37. The City and County of Honolulu Land Use Ordinance designates the Phase II site as AG-1 Restricted Agricultural District, and P-2 General Preservation District (for Kamokila Park).

38. The Property is not located within the Special Management Area boundaries established pursuant to the State Coastal Zone Management Law.

NEED FOR THE PROPOSED DEVELOPMENT

39. Golf course demand is tied to population growth and tourism. Resort development is also a primary factor in projecting the demand for golf in Hawaii because the availability of championship golf courses at premier resorts has become a highly desirable amenity to the economic success of a resort. On Oahu, there is a high demand for golf. Although Oahu has 80% of the State's population and approximately 50% to 60% of the State's total visitors, less than 50% of the State's golf courses and only 15% of the State's resort golf courses are located on the island. Presently, Oahu's municipal courses are some of the busiest in

the world, the four private country clubs have waiting lists, and the military courses and public daily fee courses are at capacity. Petitioner expects resort golf to continue to grow due to: growth in volume of visitors, higher golf participation rates, an upscaling of the resort industry, an increase in the number of resort destination areas, and an increase in eastbound visitors. The existing 19 non-military courses play 1.5M rounds/year. Play by residents at non-military courses accounts for 79% of the rounds while play by visitors accounts for 21%. Based on these assumptions (but not accounting for the existing shortfall estimated by Petitioner's consultant), and the anticipated increase in population and visitors to Oahu, Petitioner estimates that there would be demand for up to 18 additional courses on Oahu. Petitioner believes that additional courses are needed to service peak demand and keep resort demand from spilling over to courses primarily servicing local demand. Petitioner maintains that there is currently an existing shortage on Oahu, as evidenced by: existing courses operating at capacity, escalating golf fees, and institution of telephone lottery systems. Actual demand was determined by Petitioner's consultants on the basis of 1 round/day: per 10 units for resort, per 15 units for resort/condo, per 75 units for residential. Consultants estimate that Ko Olina will in and of itself require four courses. Consultants estimate that by

'1993, with completion of the first 2,000 hotel rooms, development of the second golf course will be necessary.

40. The supply of housing units on Oahu has not kept pace with demand, with estimates of the shortfall ranging from 20,000 to 50,000 units. Petitioner estimates that Phase II would satisfy 2.8% of overall housing demand through 2010 and 5.2% of housing demand on an average basis over its 12-year life. Petitioner envisions three target markets: primary home, retirees and second home. Residential development of a mix of housing types at Ko Olina Phase II is attractive for a number of reasons. Its location in the Ewa area is preferred by both the State and City for future population growth. Proximity to major job centers will be afforded, including Ko Olina Resort, James Campbell Industrial Park, proposed Kapolei Business-Industrial Park, and the future Kapolei Town. The residential units at Ko Olina will enjoy attractive surroundings, notably golf course frontage and location within a planned community and within a destination resort area. Petitioner is committed to fulfilling a 60% affordable housing condition as agreed with HFDC. However, they would like to maintain their flexibility in being able to satisfy this condition in a number of ways - including on-site, off-site development, in-lieu or a combination of alternatives.

41. Ewa has been designated by the City and County of Honolulu as its "Second City". If development takes place as envisioned, there will be demand for office space to support

urban activities taking place there. Additional office development proposed by Campbell Estate at nearby Kapolei Town Center is also expected to have favorable synergistic impact on demand. Based on the Department of Business and Economic Development's population growth estimates and absorption rates for office space over the past ten years, Oahu will need 290,000-400,000 square feet/year by the year 2000. Commercial use of the property is planned to provide for shopping center demand which is estimated to be generated by the resort and residential development, as well as to provide for an office complex to meet a portion of the island-wide demand for office space over the next decade. Demand for the retail center consisting of approximately 300,000 square feet will also be generated from projected resort and residential developments at Ko Olina Resort Phase I. The office complex of 275,000 square feet is expected by the Petitioner to supply approximately 10% of the island-wide demand for new office space over a 7-year period.

ECONOMIC IMPACTS

42. According to Petitioner's marketing consultant, John Zapotocky, direct employment is estimated to result in 2,525 new direct jobs and 394 indirect jobs as compared to an estimated 12 direct jobs generated by current sugar operations.

43. Upon project completion, County net revenues are projected to be $3.7 million per year (in 1990 dollars). Total revenues accruing to the State during the construction phase

are expected to be $54.5 million. Upon completion of the project, State net revenues derived from Phase II are projected to be $1.4 million per year.

SOCIAL IMPACTS

44. The proposed multi-family residential units, golf course, and commercial developments of Ko Olina Phase II will help establish the Secondary Urban Center by providing a balance of adequate housing, employment, and recreational opportunities to meet the needs of the projected population increase within the area.

45. The development of Ko Olina Phase II will result in a variety of employment opportunities as the development's long-term employment is expected to generate approximately 2,500 direct jobs, primarily stemming from the commercial retail and office development.

46. The development of Ko Olina Phase II would provide a total of approximately 3,500 multi-family units, which will consist of 1,500 low density and 2,000 medium density apartments.

IMPACTS UPON RESOURCES OF THE AREA

Agricultural Resources

47. Frank S. Scott, Jr. conducted a study addressing the land capabilities for crop production on the Property and the probable effects on Oahu Sugar Company (hereinafter "Oahu Sugar") and agriculture on Oahu in general if the Property were withdrawn from crop production for other uses.

48. An April 25, 1990, letter from Oahu Sugar to West Beach Estates, confirmed that Ko Olina Phase II is "outside Oahu Sugar's critical core lands." Oahu Sugar also specified that cultivation of these lands may become infeasible within a few years regardless of the development of Ko Olina Phase II due to the planned "Second City" and other developments, which would cut these fields off from mill facilities and make cultivation impractical for the long run.

49. The acreage of the Property that is used for sugarcane production represents only 2.2 percent of the 13,561 acres of sugarcane reported for Oahu Sugar in 1988. Oahu Sugar's net returns might be expected to be somewhat less than the indicated 2.2 percent based on proportion of land area considering (1) somewhat lower quality soils than for the average of the plantation, (2) higher irrigation requirements than for mauka lands, (3) greater distance from the mill than for most parcels and (4) possible conflicts in burning and transporting sugarcane associated with the surrounding urban infringement.

50. Withdrawal of this acreage should not in itself have a major impact on sugar production and should have a relatively minor effect on the economic viability of Oahu Sugar.

51. Mr. Scott indicated that there are no foreseeable alternative agricultural uses for most of the land on the Property. Extensive research by the Hawaiian Sugar Planters

Association, the University of Hawaii and the sugar plantations has failed to identify major alternatives to sugar crops on Oahu.

52. As of 1988, 141,886 acres were zoned as agricultural on Oahu by the State Land Use Commission, of which only 42,500 acres were in cultivated crop production, and 99,386 acres of agricultural lands were uncultivated.

Flora

53. Based on a Botanical Survey of the Property conducted by Kenneth Nagata, five vegetation types were identified: sugarcane, koa-haole, Guinea grass, scrub grassland dominated by buffelgrass, roadway vegetation of grasses and other herbaceous species, and some cultivated ornamentals around the pumphouse. No endemic or rare and endangered species were found despite a careful search. No native ecosystems will be affected by the proposed project.

Fauna

54. The Property includes introduced mammals, amphibian species and land reptiles. Of the eighteen species of introduced birds observed within the vicinity, none are classified as an endangered species. No endemic or endangered mammals, amphibians, reptiles or birds were found on the Property. The proposed project would have no adverse effect on the terrestrial vertebrate animals observed within the area of the Property.

Historical/Archaeological Resources

55. A reconnaissance survey and subsurface archaeological testing of the Property was conducted by Paul H. Rosendahl, Ph.D. Inc. The survey revealed that the entire Property has been extensively modified in recent times, primarily by sugarcane cultivation and that no significant archaeological sites were encountered within the Property during the Reconnaissance Survey and Subsurface Testing.

56. Petitioner states that if any potentially significant subsurface cultural remains are encountered during construction of the proposed development, work will cease, archaeological consultation will be sought and the appropriate governmental agencies will be notified immediately.

57. The Oahu Railroad and Land Company Right-of-Way railroad bed extends approximately 3,200 feet along a portion of the southern boundary of the Property, and is listed on the National Register of Historic Places (Site 50-80-12-9714). The project will not have any adverse effect on the railroad bed.

Recreational and Scenic Resources

58. The Property is planned to include the 5.8-acre Kamokila Park. Phase II will also include a 156-acre, 18-hole championship golf course with a clubhouse facility and driving range.

59. The Petitioner, in its Phase I plans, provides an 11-acre park adjacent to a proposed school site and just below the western end of the Phase II Property. Phase I also

includes an 18-acre beach park located near the resort's primary entrance and a 9.3-acre beach park located adjacent to the marina.

60. A number of private developments in the vicinity of the Property have proposed or will develop recreational facilities as part of their master plans.

61. Four community parks currently exist within the Ewa District, including the 5.8 acre Kamokila Park located within the Property and three neighborhood parks.

62. The proposed development of the golf course and park will help preserve the makai view from the highway which is elevated above the Property. The low density apartments are not expected to affect any views from the highway and mauka areas. Medium density apartments are confined to two areas near the commercial development. The commercial developments will be low-rise in character with height limits established such that views will not be materially affected.

ENVIRONMENTAL QUALITY

Noise

63. A Noise Study was prepared by Y. Ebisu and Associates in December 1989. According to the Noise Study, the latest Air Installations Compatible Use Zones (AICUZ) study for Naval Air Station Barbers Point indicates that aircraft noise levels do not presently exceed 60 Ldn at any of the residential areas planned, even when combined with aircraft operations from Honolulu International Airport. The 60 Ldn contour crosses the

edge of the transit station site as drawn utilizing 1987 data. The 60 Ldn contour would also include a corner of the Commercial site as forecasted for 2005. The 55 Ldn Contours for 1987 and 2005 cross over the Medium and Low Density Apartment areas of the project.

64. None of the Barbers Point Naval Air Station's ("BPNAS") flight tracks come across the Phase II development.

65. Hawaii Revised Statutes § 467-31 requires that real estate brokers and salesmen provide a disclosure regarding properties which lie within an AICUZ area to prospective buyers, lessees, and tenants, prior to any sale, leasing or other transactions.

66. The Property is closer to the BPNAS than the Honolulu International Airport, however, the Navy did not request any avigation easement. Hawaii Revised Statutes § 467-31 and OSP's proposed condition regarding deed disclosures should satisfy any aircraft-related concern that the Navy might have regarding the Phase II Property.

67. The Phase II development, as presently proposed, is compatible with the BPNAS aircraft operations, noise and accident environment and is consistent with agreements reached between the Navy and Campbell Estate.

68. Traffic noise levels would not be incompatible with development of the golf course and commercial area. A portion of the low density apartment units on the northeast portion of the Property within 250 feet from the highway

centerline would be impacted by highway noise. Noise mitigation such as air-conditioning these units will be undertaken to prevent adverse noise impacts on future residents.

Air Quality

69. An Air Quality Study was conducted by Root and Neal Air Pollution Consulting in January 1990 on fugitive dust and exhaust emissions related to construction equipment and commuting construction workers. To mitigate the short-term fugitive dust, the Petitioner will comply with the State of Hawaii Air Pollution Control Regulations. Paving of parking areas and establishment of landscaping early in the construction schedule will also help to control dust. Vehicular emissions may be limited by moving construction equipment and workers to and from the project site during off-peak traffic hours.

70. All long-term air quality impacts associated with the proposed project are indirect. The primary indirect impact will be increased levels of carbon monoxide from vehicle traffic along roadways leading to and from the proposed development, especially near the new intersection of Kalaeloa Boulevard and Ko Olina Parkway.

Water Quality

71. According to the petitioner's pesticide safety expert, Dr. Brennan, the change from sugarcane cultivation to a well-managed golf course is consistent with the State's goal of preserving and protecting groundwater. The total amount of

nitrogen used in the fertilizer for sugarcane production is similar to that which would be used on the proposed golf course. The presence of caprock between the surface of the property and the Pearl Harbor aquifer should serve as an effective barrier between the brackish and potable groundwater sources and will not cause significant degradation of potable groundwater quality from the land use conversion from sugarcane cultivation to golf course.

Fertilizers and Pesticides

72. Development of the proposed golf course and the use of chemical fertilizers and pesticides if properly managed should not pose adverse environmental risks. The combination of soil properties, gently sloping topography, and a net evapotranspiration deficit suggest no recharge of the brackish groundwater from rainfall. The amount of nitrogen used would be similar to that used in sugarcane production.

73. The pesticides to be used on the golf course degrade relatively quickly. Airborne drift would be controlled by using low-pressure nozzles, lowering application booms, using drift control agents, selecting proper formulations, observing local weather conditions, and making applications by properly trained personnel.

ADEQUACY OF PUBLIC SERVICES AND FACILITIES

Highway and Roadway Facilities

74. Primary roadway access to the Property is via the H-1 Freeway and Farrington Highway, with west and eastbound

access via the Palailai Interchange and Kalaeloa Boulevard and the newly constructed Ko Olina Interchange. From the access points, circulation through the Property will be provided by Aliinui Drive (a four-lane collector road) which will be extended from the Phase I area to and along the southern boundary of the Phase II site to Kalaeloa Boulevard.

75. A Traffic Study prepared by Wilbur Smith Associates in February 1990, concluded that the proposed project would generate approximately 1,262 vehicle trips per day in 1992 upon completion of the golf course and 41,900 vehicle trips to or from the project areas on an average weekday upon full development of the 3,500 residential units and the commercial area in 2005.

76. To improve the level of service of traffic, which would be LOS F (Level of Service) with or without the project to LOS D, a large intersection at Aliinui Drive and Kalaeloa Boulevard, with sufficient through lanes and separate left and right turn lanes on both roadways, will be required. Petitioner's consultant stated that the intersection should be signalized.

77. Petitioner's consultant stated that the intersection of Aliinui Drive and Koio Drive which would operate at LOS F with or without the project could be improved by constructing four lanes on Aliinui Drive from the Koio Drive to the Kalaeloa intersection. The eastbound approach will require double left turn lanes and a single through lane. Koio

Drive should have two lanes approaching and departing. Petitioner's consultant stated the intersection should be signalized.

78. The anticipated traffic is expected to be dispersed throughout the interior access roadway intersections. Left and right turn lanes into the various project areas would be provided with appropriate stop-control or signalization to allow continuous free-flowing traffic on Aliinui Drive.

79. Petitioner is participating in the implementation of the Ewa Transportation Master Plan which is in the process of determining the funding and construction of regional transportation improvements in the Ewa area and the impacts generated by the Phase II project.

Water Service

80. The proposed development will be serviced by a dual water system supplying potable water for human consumptive uses and brackish water for irrigation. Potable water source improvements proposed in the Ewa Water Master Plan have been jointly implemented by the Ewa Plain Water Development Corporation (EPWDC), of which West Beach Estates is a member.

81. Mauka of the Property and Farrington Highway, water transmission mains, reservoirs, and non-potable wells have been either constructed or bonded for Ko Olina Phases I and II. New potable water wells have been identified for

development as part of the Ewa Water Master Plan at the 440-foot elevation of upper Honouliuli, mauka of H-1 Freeway, and west of Kunia Road.

82. Total water demand is estimated at 1.09 million gallons per day of potable water and 1.16 million gallons per day of non-potable water. The Ewa Water Master Plan, approved by the Board of Water Supply in October 1987, includes the development plan for Ko Olina Phase II.

Wastewater

83. On the mauka side of the railroad right-of-way, 33-inch and 36-inch trunk sewers connect to the municipal Makakilo Interceptor Sewer which conveys and discharges wastewater to the Honouliuli Wastewater Treatment Plant. The existing lines are adequate to accommodate the estimated 1,164,000 gallons per average day of wastewater generated by the proposed development.

84. Appropriate permits and approvals will be requested from the State Department of Health and the City Department of Public Works for the proposed wastewater system. Since the Phase II development will be constructed over a period of years, each individual building or project will obtain approval of its wastewater allocation from the City Department of Public Works as part of the building permit process.

85. The City has plans to expand the capacity of the Honouliuli Wastewater Treatment Plant. The expansion is

scheduled for completion in 1993 or 1995. After completion of the expansion, there will be adequate capacity to treat and dispose of the wastewater generated by Ko Olina Resort Phase II. Petitioner must seek approval from the City and County of Honolulu to connect to the Honouliuli Wastewater Treatment Plant. Should the capacity at the plant not be sufficient for the proposed development, the Petitioner may utilize other alternatives acceptable to the State Department of Health.

Drainage System

86. The Property lies within three natural drainage basins. Existing off-site downstream drainage facilities are adequate for the proposed development. An unlined channel south and east of the Property and recently completed drainage improvements in Ko Olina Phase I were designed and built to accommodate storm runoff from the Property and sub-tributary mauka areas.

87. Proposed on-site improvements include construction of underground pipe drain systems within Aliinui Drive and grassed swales, ditches and channels in the proposed golf course. A drainage master plan will be prepared and submitted for City review at the appropriate stage of the development process.

Solid Waste Disposal

88. Solid waste expected to be generated by the proposed development is approximately 50 tons of refuse per

day. Solid waste will be collected by the City and private refuse companies and transported to the H-POWER facility or to a public landfill site.

Schools

89. The Ko Olina Resort plan provides a site for an elementary school which would be developed when the Ko Olina community has generated a sufficient demand for a new facility. The State Department of Education estimates that the Ko Olina Phase II residential development would increase the enrollment of Makakilo Elementary and Kapolei Elementary (grades K-6) by 340-360 students, Ilima Intermediate (grades 7-8) by 130-140 students, and Campbell High (grades 9-12) by 200-220 students.

Police and Fire Protection

90. Police service to the Ewa area is provided by the Pearl City station, which jurisdiction includes three districts: the Waianae Coast, Waipahu/Ewa Beach, and Aiea/Pearl City.

91. Fire service to the proposed development site is presently provided from the Makakilo station, which houses an engine company and five firefighters. Additional City Fire Department units are available from the Waipahu and Nanakuli stations.

92. Ko Olina Resort Phase I plans also provide for a 2-acre site for police/fire/day care center facilities.

Emergency/Civil Defense

93. The State Department of Defense, Office of the Director of Civil Defense requests the installation of infrastructure support for siren warning equipment. Civil Defense explains that emergency warning systems must be planned for the safety of communities and that inclusion of the systems at the permitting process results in considerable savings. Planning and installation would be done in consultation with Civil Defense and the systems would subsequently be donated to Civil Defense.

94. It is estimated that three siren locations would be needed to serve the project. Preliminary locations are identified at the southwest corner of the park alongside the drainage canal, in the parking lot of the golf course closest to Ali'inui Drive, and in the public facility next to Ali'inui Drive.

95. The Oahu Civil Defense Agency also states "the need for the developer and those organizations involved in designing and constructing commercial, school, and recreation facilities, to assure every effort is made to create usable shelter for the new population."

Electricity and Telephone Services

96. Major electrical transmission facilities within the Property include Hawaiian Electric Company's 138 KV overhead line that traverses along the western edge of the

proposed commercial parcel and existing 46 KV lines parallelingthe railroad right-of-way. Projected peak demand for the proposed project is estimated at approximately 18 MVA. Based on the projected loading, Hawaiian Electric Company does not anticipate that a new substation will be required to serve the project.

97. The telephone system will be an underground facility except for cross-connect pedestals provided by Hawaiian Telephone Company at various locations throughout the Property to permit access and telephone service to the project facilities.

Health Care Services

98. Existing health and medical care facilities are located in Waianae, Ewa Beach, and Waipahu. These facilities consist of medical clinics and physician offices. Hospital facilities include the 116-bed facility at Pearl Ridge (the Pali Momi Medical Center) and a 136-bed facility in Waipahu (St. Francis Medical Center West and St. Francis Medical Plaza West).

CONFORMANCE TO THE URBAN DISTRICT STANDARDS

99. The Property meets the standards applicable for determining the boundaries for the Urban District as set forth in Section 15-15-18 of the Commission's Rules as follows:

100. The Property includes lands characterized by "city-like" concentrations of people, structures, streets,

urban level of services and other related land uses. It is adjacent to the 290-unit Honokai Hale/Nanakai Gardens Subdivision and the first phase of the Ko Olina Resort development on its western end. To the east lies the proposed Kapolei Town Center development which is intended to be the focal point of the Second City development.

101. The Property is in proximity to centers of trading and employment and would also generate new centers of trading and employment. The Property lies between and in close proximity to the Ko Olina Resort and the proposed Kapolei Town Center development. Phase II will also be a significant generator of trading and employment as approximately 2,500 direct jobs would be created by the golf course and commercial developments.

102. The Petitioner has substantiated the economic feasibility of the Phase II Project. The Market Study indicates a substantial demand exists for an additional golf course facility to support the resort development. The Market Study further emphasizes a long-term demand for residential housing on Oahu. The proposed residential development of Ko Olina Phase II would contribute to this demonstrated need for additional residential units. There is also the demand for additional commercial space which will be allocated to retail and office facilities on the east end of the Property.

103. The Property is in proximity to basic services such as sewers, transportation systems, water, sanitation,

schools, parks, and police and fire protection. The sewer system when expanded, will be adequate to accommodate the wastewater generated by the planned residential, golf course clubhouse, and commercial developments. Electrical and communications services will be provided from existing utility systems. Planned roadways and mitigative measures are proposed to alleviate impacts and maintain traffic volumes within roadway capacities.

104. There are sufficient reserve areas for urban growth in appropriate locations based on a ten-year projection. The Property is a logical continuum of urbanization and growth in the Ewa area as it lies between the Ko Olina Resort Phase I and the proposed Kapolei Town Center. In its Ewa Development Plan, the City has also planned for urban-type uses within the Property.

105. The Property includes lands with satisfactory topography and drainage and are reasonably free from the danger of floods, tsunami, and unstable soil conditions, although the predominant soils have high shrink-swell potential and crack widely upon drying. The Property has slopes generally ranging from 1 to 3% and is not situated within a flood hazard area. General on-site improvements are proposed to improve drainage and storm runoff conditions. Upon development, the golf course will function as a retention/flood basin to lessen storm flows to lower-lying areas and will help to mitigate any flood hazard. No adverse environmental impacts are anticipated.

106. The Property is contiguous with existing Urban areas on the west, including the Honokai Hale/Nanakai Gardens Subdivision and the Ko Olina Resort Phase I. To the east, the Property is contiguous with the "Subsequent Increments" area of the proposed Kapolei Town Center which recently obtained incremental redistricting to the Urban District. The Property is also planned for future urban uses on the City's Development Plan for Ewa, including low and medium density apartment uses, commercial, park, and public facility uses.

107. The Property supports and is consistent with the designation of Kapolei as the Secondary Urban Center for growth and development on Oahu. The proposed golf course, multi-family residential units, park, and commercial area will provide the necessary support facilities to accommodate the future growth and development of the Ko Olina Resort.

108. The Property is a logical extension of urbanization in the Ewa District and will not contribute to scattered spot urban development. Petitioner will provide all required on-site and off-site improvements to minimize the burden on public systems which are affected by the development. Thus, urbanization of the Property will not necessitate unreasonable investment in public infrastructure or support services.

109. The Property does not include lands with a general slope of twenty percent or more which do not provide open space amenities or scenic values.

CONFORMANCE WITH THE GOALS, OBJECTIVES AND POLICIES OF THE HAWAII STATE PLAN AND RELATIONSHIP WITH APPLICABLE PRIORITY GUIDELINES AND FUNCTIONAL PLAN

The urban designation of the Property is in conformance with the Hawaii State Plan, the overall theme, goals, objectives and priority guidelines for the future long-range development of the State. The Petition supports and is consistent with the following State Plan objectives and policies:

110. In conformance with Section 226-5(b)(7), Hawaii Revised Statutes, the development of Phase II will support the designation of Ewa as the Secondary Urban Center. A variety of employment opportunities will result, particularly for residence of the leeward area.

111. In conformance with Section 226-6(a)(1), (b)(6), (b)(10), and (b)(15), Hawaii Revised Statutes, Phase II activities will help sustain the level of construction activity in the State, and benefit the Ewa area and nearby communities by the additional employment opportunities. After construction, the new facilities are expected to provide full-time employment for approximately 2,500 persons. The new jobs created by the proposed project will help to diversify economic opportunities for the Ewa area and will reduce the number of residents that will have to commute to Honolulu for employment. Petitioner has formed the West Oahu Employment Corporation (WOEC) in conjunction with the community and area providers of employment training. WOEC's purpose is to

facilitate employment of the residents of West Oahu into jobs created in the Ko Olina, Ewa, Makakilo, and Waianae areas.

112. In conformance with Section 226-7(b)(6), Hawaii Revised Statutes, the withdrawal of the Property, in itself, would not significantly impact the availability of agriculturally suitable lands as the effect is expected to be less adverse than withdrawal of other similar-sized parcels elsewhere on the plantation. Factors which lessen the site's desirability include somewhat lower quality of soils than for the average plantation and higher irrigation requirements than for mauka lands. In addition, the remaining acreages of agricultural lands on Oahu are sufficient for crop production.

113. In conformance with Section 226-8(b)(3), (b)(4), (b)(5), and (b)(6), Hawaii Revised Statutes, the construction of the golf course and commercial development, and the retention of the existing Kamokila Park will support the promotion of Hawaii's visitor industry and improve the quality of the Ko Olina Resort destination area. The new facilities will provide a variety of activities to meet the diverse needs of both visitors and residents. The new Phase II project will also provide a variety of permanent job opportunities and facilities for the residents in the neighboring communities. Petitioner has established WOEC to take the role of both catalyst and facilitator in developing partnership activities with community organizations, training groups, and West Oahu area businesses.

114. In conformance with Section 226-10(b)(3) and (b)(8), Hawaii Revised Statutes, Petitioner has established the Pacific Foundation. Its primary objective is to promote the improvement of social and living conditions in West Oahu communities and to support other religious, educational, and charitable activities that contribute to the betterment of the people of Hawaii.

115. In conformance with Section 226-13(b)(7), Hawaii Revised Statutes, the proposed Phase II project will provide housing and employment, as well as commercial and recreational opportunities which are in close proximity to a variety of existing and future developments. The Property is adjacent to the Farrington Highway, the Ko Olina Resort Phase I complex, Barbers Point Harbor, and the Honokai Hale and Nanakai Gardens subdivisions. Future developments within the vicinity of the proposed Phase II project also include the Kapolei Town Center, Makakilo expansion, Kapolei Village, Kapolei Business-Industrial Park, and Campbell Industrial Park expansion.

116. In conformance with Section 226-14(b)(3), Hawaii Revised Statutes; and Section 226-16(b)(1), Hawaii Revised Statutes, an assessment of groundwater resources has been undertaken in conjunction with the Ewa Water Master Plan to ensure that the required facility system can be supported within the existing resource capacities. To preserve potable water supply, non-potable water sources will be developed for irrigation of the Phase II golf course.

117. In conformance with Section 226-19(a)(2), and (b)(5), Hawaii Revised Statutes, the 3,500 multi-family residential units planned in connection with Ko Olina Phase II will provide housing opportunities to accommodate the demands of the market sector desiring residence in a resort community and will complement and support the employment and recreational opportunities afforded by the Ko Olina Resort. The Phase II residential development will also be readily accessible to public facilities and services. Petitioner will provide affordable housing through various alternatives, including, but not limited to, the provision of affordable housing on-site or off-site, the provision of an in-lieu contribution, or a combination of these alternatives under such terms as may be mutually agreeable between Petitioner and the Housing Finance and Development Corporation of the State of Hawaii.

118. In conformance with Section 226-21(b)(5), Hawaii Revised Statutes, the West Oahu Employment Corporation, which is partially funded by the Petitioner, provides job training and placement.

119. In conformance with Section 226-22(b)(1), Hawaii Revised Statutes, Petitioner has established and will continue to contribute to the Pacific Foundation, a non-profit philanthropic organization whose primary objective is to promote the establishment and maintenance of social, educational, religious, and cultural activities to foster the traditional culture, environment, and economic prosperity of

the people of Hawaii and the West Oahu area. The Pacific Foundation is working with and has provided grants to schools and human service agencies to assist in their efforts to identify needs, encourage and help cultivate more youth development programs, and to help the homeless in the West Oahu area.

120. In conformance with Section 226-23(b)(2) and (b)(5), Hawaii Revised Statutes, the Phase II golf course and neighborhood park expansion will help to fulfill the recreational needs of the resort and surrounding community. They will provide a range of activities to accommodate both current user groups as well as the demand that will be generated by future development and growth in the Ko Olina Resort area.

121. The proposed Phase II development supports or conforms to the following Hawaii State Plan Priority Guidelines:

122. The Petitioner conforms with Section 226-103(a)(10)(B), Hawaii Revised Statutes, by its organization of WOEC, its establishment of scholarships and tutorial programs for students, and the expansion of business and entrepreneurial training through Leeward Community College. WOEC's formation of a one-stop-service center for community residents provides services including career counseling, entrepreneurial training, job placement and referral, and job training partnerships.

123. In conformance with Section 226-103(b)(7), Hawaii Revised Statutes, the Phase II golf course, residential and commercial development are intended to provide for a more favorable resort investment climate. Development will help to improve the overall functional relationship within the Ko Olina resort community. The proposed development will also provide new commercial and office facilities to support the Ko Olina Resort and the Second City communities.

124. In conformance with Section 226-103(e)(2), Hawaii Revised Statutes, present plans call for the use of non-potable water sources for the Phase II landscaping and the irrigation of the golf course.

125. In conformance with Section 226-103(e)(4), Hawaii Revised Statutes, Ko Olina Resort and other Ewa projects are constructing dual water systems; a potable system for human consumptive uses and brackish systems for irrigation and other non-potable uses.

126. In conformance with Section 226-104(a)(3) and (b)(6), Hawaii Revised Statutes, adequate support services and facilities already exist or will be provided to accommodate the proposed Phase II development. The proposed Phase II development will also provide a variety of jobs and support facilities to help accommodate the resort needs and the projected growth within the Second City and the Ewa district. The general public will benefit from the construction of the Phase II infrastructure, including the access road, community

park, school site, transit station, golf course, and commercial area. These infrastructure costs will be borne by the Petitioner. Development of the golf course and community park will also help to preserve open space between the neighboring residential developments and within the project area.

127. In conformance with Section 226-104(b)(2), Hawaii Revised Statutes, withdrawal of this site from sugar cultivation is expected to have a less adverse effect than withdrawal of most similar sized parcels elsewhere on the plantation due to higher irrigation requirements and greater distance from the mill.

128. The proposed Phase II project complies with and supports the following policies of the State Tourism Functional Plan:

129. Phase II complies with Section 226-104(b)(2), (b)(3), and (b)(4), Hawaii Revised Statutes, because it is part of the overall Ko Olina Resort community, which includes a golf course, park, residential, and commercial areas, which will provide a variety of jobs and facilities for the anticipated population growth in Ewa and will enhance the quality of the Ko Olina Resort development; Phase II has been carefully planned, is sensitive to existing neighborhood communities; and the golf course and community park will help to preserve open space and views for the existing neighboring communities. Phase II will also provide additional infrastructure, facilities, and

recreational and commercial opportunities that may be utilized by existing neighboring communities.

CONFORMANCE WITH COASTAL ZONE MANAGEMENT OBJECTIVES AND POLICIES

130. The Property does not abut the shoreline and is not in a tsunami or stormwave inundation area. Drainage facilities included on the Property, including the drainage swale across the golf course, will ensure that the Property will be in compliance with the requirements of the National Flood Insurance Program.

131. The proposed reclassification of the Property for the development of the proposed project conforms to the policies and objectives of the Coastal Zone Management Program Chapter 205A, Hawaii Revised Statutes, as amended.

INCREMENTAL DISTRICTING

132. Petitioner states that full development of the Property cannot be substantially completed within five (5) years after the date of final county zoning approval. Assuming other timely government approvals, Petitioner expects to complete the golf course and begin construction of residential and commercial properties within five (5) years from the date of final county zoning approval. Petitioner also expects that it's incremental development plan can be substantially completed. Petitioner's position is that its request to reclassify the entire Property to the Urban District is appropriate at this time as major commitments regarding

financing and construction of infrastructure for the entire development will be required during the initial five (5) year period.

RULING ON PROPOSED FINDINGS OF FACT

Any of the proposed findings of fact submitted by the Petitioner and the other parties not already ruled upon by the Commission by adoption herein, or rejected by clearly contrary findings of fact herein, are hereby denied and rejected.

Any conclusion of law herein improperly designated as a finding of fact should be deemed or construed as a conclusion of law; any finding of fact herein improperly designated as a conclusion of law should be deemed or construed as a finding of fact.

CONCLUSION OF LAW

Pursuant to Chapter 205 of the Hawaii Revised Statutes, as amended, and the Hawaii Land Use Commission Rules, the Commission finds upon a preponderance of the evidence that the reclassification of the Property consisting of approximately 372.6 acres from the Agricultural Land Use District into the Urban Land Use District at Honouliuli, Ewa, Oahu, City and County of Honolulu, subject to the conditions stated in the Order, conforms to the standards for establishing the Urban Boundaries, is reasonable, non-violative of Section 205-2, Hawaii Revised Statutes, and is consistent with the Hawaii State Plan as set forth in Chapter 226, Hawaii Revised Statutes, as amended.

ORDER

IT IS HEREBY ORDERED that the Property, being the subject of this Docket No. A90-655 by Petitioner WEST BEACH ESTATES, a Hawaii general partnership, consisting of approximately 372.6 acres, situated at Honouliuli, District of Ewa, Island of Oahu, State of Hawaii, and identified as Oahu Tax Map Key Nos.: 9-1-15: 18 portion of 4 and 9-1-56: portion of 11 and 9-1-56: portion of 12, and approximately identified on Exhibit "A" attached hereto and incorporated by reference herein, for reclassification from the Agricultural District to the Urban District, shall be reclassified from the Agricultural District into the Urban District and the State Land Use District Boundaries are amended accordingly, subject to the following conditions:

1. Petitioner shall provide affordable housing opportunities for residents of the State of Hawaii by offering for sale or lease a number of units equal to at least thirty percent (30%) of the residential units in the Property at prices which families with an income range of up to one hundred twenty percent (120%) of the City and County of Honolulu's median income can afford, and a number of units equal to at least thirty percent (30%) of the residential units in the Property at prices which families with an income range of one hundred twenty to one hundred forty percent (120%-140%) of the City and County of Honolulu's median income can afford.

a. This condition may be fulfilled through various alternatives, including, but not limited to, the provision of affordable housing on-site or off-site, the provision of an in-lieu contribution, or a combination of these alternatives under such terms as may be mutually agreeable between Petitioner and the Housing Finance and Development Corporation of the State of Hawaii ("HFDC").

b. This condition may also be fulfilled, with the approval of the HFDC through construction of rental units to be made available at rents which families in the specified income ranges can afford.

c. In addition, Petitioner may obtain special credit, as determined by HFDC, for the provision of housing affordable to persons with low and/or very low incomes and for the provision of housing for special needs groups, as determined by the HFDC.

d. Insofar as possible, the Petitioner shall implement this affordable housing requirement concurrently with the completion of market priced units for the residential project.

e. The determination of median income, as the term is used in this condition, shall be based on median income published by the United States Department of Housing and Urban Development at the time that construction of such housing units commences.

2. Petitioner shall participate in the implementation of the Ewa Transportation Master Plan ("ETMP"). In the alternative, should the ETMP not be completed on a schedule compatible with Petitioner's development schedule, Petitioner shall undertake the following on a fair proportionate share basis as determined by the State Department of Transportation ("DOT"):

a. Petitioner shall participate in the funding and construction of transportation improvements at project access points as identified and deemed necessary by DOT.

b. Petitioner shall also participate in the funding and construction of other on-site and off-site transportation improvements necessitated by the proposed development of the Property and in designs and schedules accepted by and coordinated with DOT.

c. With respect to the foregoing requirements, the extent of the Petitioner's participation shall not exceed its fair proportionate share of the increased community impacts in the region.

d. In the event that the City and County of Honolulu ("C&C") adopts an impact fee for transportation improvements, the foregoing requirements shall be satisfied to the extent that the cost of any specific traffic improvement is also included in the C&C's impact fee computation.

e. Petitioner shall appoint a transportation manager whose function is the formulation, use, and

continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems. In the alternative, Petitioner may participate in a regional program for transportation management with other developers and/or landowners. This program shall address the formulation, use, and continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems. Participation in the Leeward Oahu Transportation Management Association would satisfy this condition.

3. Petitioner will provide other community benefits to mitigate impacts, which may include adequate golf tee times at affordable rates for public play by Hawaii residents based on prevailing rates for public play at privately owned daily fee golf courses to the satisfaction of the Office of State Planning and the City and County of Honolulu.

4. Petitioner shall provide drainage improvements for the Property and shall, to the extent necessary as determined by the City and County of Honolulu, coordinate off-site improvements with the Estate of James Campbell, the Barbers Point Naval Air Station, adjoining landowners and developers, and/or other Federal, State or City and County of Honolulu agencies.

5. Petitioner shall participate in an air quality monitoring program as specified by the State Department of Health.

6. The Petitioner shall connect the wastewater system for the proposed development in the Property to the Honouliuli Wastewater Treatment Plant (HWTP). Construction of any structure(s) within the Property shall not commence until Petitioner has obtained assurances from the City and County of Honolulu that the capacity at HWTP has been reserved for such structure(s); provided that if the capacity at the HWTP is not sufficient for the proposed structure(s) within the Property, the Petitioner may utilize other alternatives acceptable to the State Department of Health.

7. Petitioner shall implement soil erosion and dust control measures during all phases of the development in compliance with the applicable rules and regulations of the City and County of Honolulu and the State Department of Health.

8. Petitioner, by itself or together with other members of the Ewa Plain Water Development Corporation, shall develop the necessary water source, storage, and transmission facilities to provide an adequate supply of potable and non-potable water to the Property in conjunction with the development of Ko Olina Phase II. Non-potable water shall be used for irrigation.

9. Petitioner shall be responsible for implementing sound attenuation measures to bring noise levels from vehicular traffic in the Property down to levels in compliance with the applicable State Department of Health standards and in cooperation with the State Department of Transportation.

10. Petitioner shall disclose in its deeds to all initial purchasers of residential units in the Property: (a) the possible odor, air, noise, and dust pollution resulting from Farrington Highway, Barbers Point Naval Air Station, Honolulu International Airport, neighboring developments, and any adjacent agricultural operations, and (b) the Hawaii Right-to-Farm Act, Chapter 165, Hawaii Revised Statutes, which limits the circumstances under which pre-existing farm activities may be deemed a nuisance.

11. Petitioner will provide covenants in the deed to initial purchases releasing the State of Hawaii and the United States Government or any subdivision thereof from all liability, and provide that such initial purchasers will not file suit against the State of Hawaii and the United States Government or any subdivision thereof on account of, or resulting from, any inconvenience, disturbance and/or injury due to noise under 65 Ldn in the area affecting such occupants or their property. Such covenants shall run with the land.

12. Petitioner shall immediately stop work on the impacted area and contact the Historic Preservation Division, State Department of Land and Natural Resources should any significant archaeological resources such as artifacts, shell, bones or charcoal deposits, human burial, or rock or coral alignments, paving or walls of historic or prehistoric significance be encountered during the development of the Property.

13. Petitioner shall comply with "The Eight (8) Conditions Applicable to This Golf Course Development", prepared by the State Department of Health dated April, 1990 (Version 3), introduced as the Office of State Planning's Exhibit Number 2.

14. Petitioner shall engage the services of a qualified golf course manager to oversee the irrigation of the golf course and application of fertilizers and pesticides to the golf course within the Property and who shall be qualified in the application of fertilizers and pesticides on those areas.

15. Petitioner shall provide its fair proportionate share for school facilities as may be required by and to the satisfaction of the State Department of Education and the Office of State Planning.

16. Petitioner shall provide its fair proportionate share for police, fire, park and solid waste disposal as may be required by and to the satisfaction of the City and County of Honolulu.

17. Petitioner shall participate with City and State civil defense agencies, with U.S. Department of the Navy, and with adjoining landowners and developers in formulating and implementing an emergency preparedness and evacuation plan for the Property. Petitioner shall fund and install the necessary number of emergency siren units (including infrastructure) within the development area to the specifications and satisfaction of the State Office of Civil Defense.

18. Petitioner shall complete the development on the Property in substantial compliance with the representations made before the Land Use Commission. Failure to so develop may result in the Land Use Commission taking any action authorized under, and pursuant to Act 261.

19. Petitioner shall give notice to the Land Use Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interest in the Property covered by the approved Petition prior to visible commencement of construction on the Property; provided, however, that Petitioner may transfer ownership in the Property to an affiliate or joint venture of which Petitioner is a member or in a manner consistent with prior representations to the Land Use Commission, and may mortgage the Property at any time without notice to the Land Use Commission. A mortgagee under such mortgage may foreclose the mortgage, by judicial foreclosure or under a power of sale contained in such mortgage (provided notice of the date of such foreclosure sale is given to the Land Use Commission), or may, with notice to the Land Use Commission, acquire title to such Property in lieu of foreclosure and the mortgagee or the person acquiring title at such foreclosure or in lieu of foreclosure may also transfer title to the Property with notice to the Land Use Commission.

20. The Commission may fully or partially release these conditions as to all or any portion of the Property upon

timely motion and upon the provision of adequate assurance of satisfaction of these conditions by the Petitioner.

Adequate assurance of satisfaction may be evidenced by execution of a certificate of satisfaction in recordable form stating that such condition has been satisfied, in whole or in part. The Office of State Planning will certify for itself and all state departments and agencies. Petitioner will obtain any applicable certifications from the appropriate county departments and agencies. Any other party to the boundary amendment proceeding may be asked to indicate whether they concur in the certification of satisfaction.

21. Petitioner shall provide annual reports to the Land Use Commission, the Office of State Planning, and the City and County of Honolulu, Department of General Planning in connection with the status of the subject project and the Petitioner's progress in complying with the conditions imposed.

DOCKET NO. A90-655 - WEST BEACH ESTATES

Done at Honolulu, Hawaii, this 14th day of February 1991, per motion on February 7, 1991.

LAND USE COMMISSION
STATE OF HAWAII

By _____
RENTON L. K. NIP
Chairman and Commissioner

By _____
ALLEN K. HOE
Vice Chairman and Commissioner

By (conflict)
ALLEN Y. KAJIOKA
Vice Chairman and Commissioner

By _____
KAREN S. AHN
Commissioner

By (absent)
EUSEBIO LAPENIA, JR.
Commissioner

By _____
JOANN N. MATTSON
Commissioner

By (absent)
JAMES M. SHINNO
Commissioner

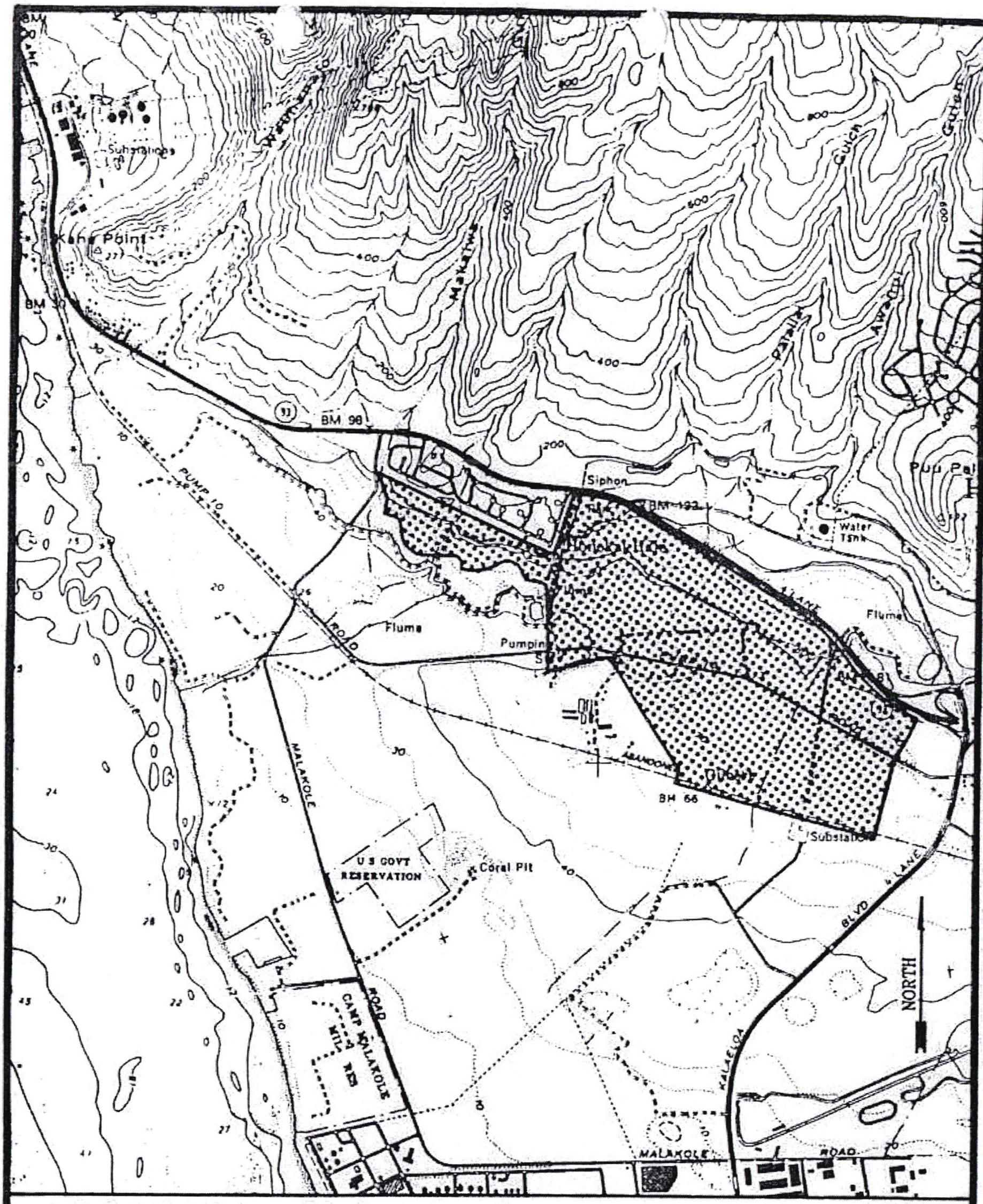
By _____
ELTON WADA
Commissioner

By _____
DELMOND J. H. WON
Commissioner

Filed and effective on
February 14, 1991

Certified by:

_____
Executive Officer



L O C A T I O N M A P

EXHIBIT A

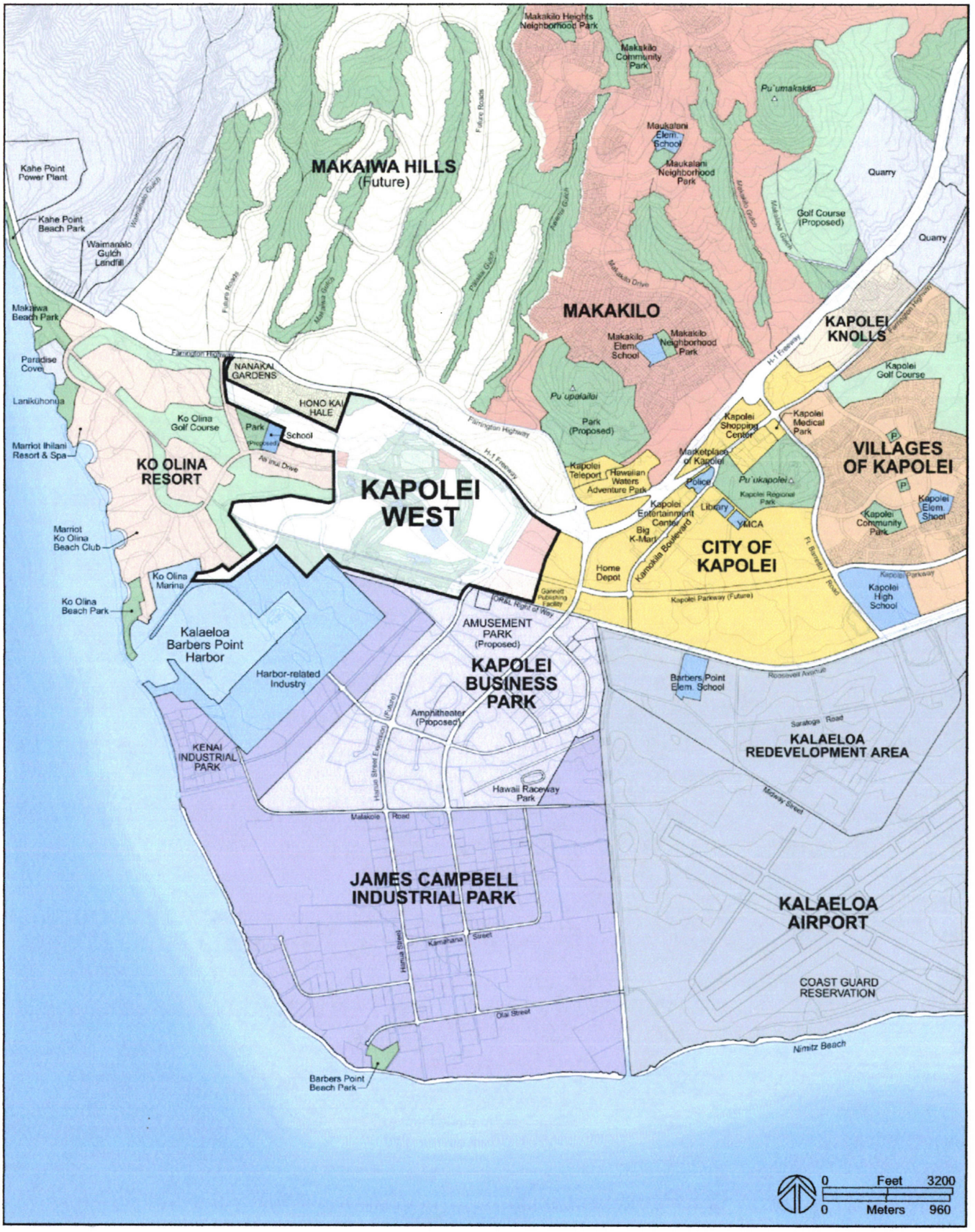
DOCKET NO.: A90-655/WEST BEACH ESTATES

TAX MAP KEY: 9-1-15: por. 4, 18;
9-1-56: por. 11 & por. 12

HONOULIULI, EWA, OAHU

SCALE: 1" = 2,000 ft.±

APPROVED AREA



Project Location

Kapolei West
O`ahu, Hawai`i

2004 AUG 23 P 2:38

STATE OF HAWAII
LAND USE COMMISSION

EXHIBIT "6"

Draft

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 25 P 2:38

DRAFT

Environmental Impact Statement Preparation Notice

Kapolei West

Prepared for Aina Nui Corporation
Prepared by Helber Hastert & Fee, Planners

In Support of a State Land Use District
Boundary Amendment Petition

DRAFT August 2004

EXHIBIT "7"

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LIST OF ACRONYMS

ALISH	Agricultural Lands of Importance to the State of Hawai'i
DBEDT	Department of Business, Economic Development and Tourism
DEA	Draft Environmental Assessment
DOE	State of Hawaii Department of Education
DOH	State of Hawaii Department of Health
DP	Development Plan
DPLUM	Development Plan Land Use Map
du	dwelling unit
EIS	Environmental Impact Statement
EISPN	Environmental Impact Statement Preparation Notice
FAR	floor area ratio
gpd	gallons per day
HAR	Hawai'i Administrative Rules
HRS	Hawai'i Revised Statutes
LSB	Land Study Bureau
LUC	Land Use Commission
LUO	Land Use Ordinance
mgd	million gallons per day
OR&L	O'ahu Railway and Land Company
ROH	Revised Ordinances of Honolulu
ROW	Right-of-way
SHPD	Department of Land and Natural Resources, State Historic Preservation Division
SIHP	State Inventory of Historic Properties
SMA	Special Management Area
TMK	Tax Map Key

GENERAL INFORMATION

Asterisk (*) applies to Petition Area

Project Name:	Kapolei West
Proposed Action:	Reclassification of approximately 174 acres of land from the Agricultural to the Urban District to be consolidated with a 373-acre adjacent parcel designated as Urban in 1991
Applicant/Petitioner:	Aina Nui Corporation 1001 Kamokila Boulevard, Suite 255 Kapolei, HI 96707 Ms. Donna Goth, President
EIS Preparer:	Helber Hastert & Fee, Planners 733 Bishop Street, Suite 2590 Honolulu, HI 96813 (808) 545-2055 Tom Fee / Corlyn Olson Orr
Accepting Authority:	Land Use Commission State of Hawai'i
Chapter 343, HRS "Trigger":	Use of State Lands (e.g., roadway crossings of the OR&L Railroad right-of-way) and use of a historic site
Location:	Ewa District, O'ahu, Hawai'i
Kapolei West Project Area:	Approximately 547 acres
Petition Area:	Approximately 174 acres within the State Agricultural District
Tax Map Key Parcels:	Petition Area: 9-1-14: por. 33; 9-1-15: por. 4 and por. 20 Remaining Project Area: 9-1-15: por. 4 and 18
Landowners:	Aina Nui Corporation* and The Estate of James Campbell*
Existing Uses:	Vacant lands*, quarrying*, stockpiling*, railroad right-of-way*
Proposed Uses:	Residential*, mixed use/residential, golf course*, commercial, public facility, parks*, circulation and open space*

Existing State Land Use District:	Agricultural* and Urban
Proposed State Land Use District:	Urban*
National Register of Historic Places:	O'ahu Railway & Land Company Railroad Right-of-Way Site Number 80-12-9714 (12/1/75)*
Existing City and County of Honolulu 'Ewa Development Plan:	Low and Medium Density Residential*, High Density Residential, Parks and Golf Courses, Transit Node and City of Kapolei, Industrial*
Other Land Use Approvals:	City and County of Honolulu Zone Change* Special Management Area Permit*
Existing City and County of Honolulu Zoning:	AG-1 Restricted Agricultural* and AG-2 General Agricultural*
Proposed City and County of Honolulu Zoning:	P-2 General Preservation*, A-1 Low Density Apartment* and BMX-3 Commercial Business Mixed Use
Determination:	Environmental Impact Statement is required

1.0 BACKGROUND

According to the City and County of Honolulu General Plan and the 'Ewa Development Plan, the 'Ewa region of O'ahu, Hawai'i is designated as the island's Secondary Urban Center. Centered in the Kapolei area, the secondary urban center is intended to be the residential, commercial and employment center of West O'ahu, with major economic activity, housing development, and government services concentrated there. Since the 1980s, the 'Ewa region has witnessed tremendous growth. Recent developments include the development of Ko Olina Resort and the City of Kapolei and its surrounding residential communities, and the expansion of Campbell Industrial Park and Kalaeloa Barbers' Point Harbor. Despite the urbanization spreading through the region, a large parcel between the Ko Olina Resort and the City of Kapolei remains vacant despite past efforts to develop the property.

Aina Nui Corporation, an affiliate of the Estate of James Campbell, is currently proposing golf course and residential development for this vacant parcel. As proposed, Kapolei West is a master-planned residential/golf community planned on approximately 547 acres of land. The project master plan includes an 18-hole championship golf course with approximately 2,400 low and medium density residential units to complement the resort and visitor attraction of Ko Olina Resort, and commercial uses within the eastern end of the project area to enhance the existing commercial and urban activity of the City of Kapolei.

This Environmental Impact Statement Preparation Notice (EISPN) is being prepared in support of a State Land Use District Boundary Amendment petition to reclassify a portion of the project area (Petition Area) from the State Land Use Agricultural District to the Urban District and a subsequent City and County of Honolulu Zone Change Application, pursuant to Chapter 24, Article 3, Section 24-3.7, Revised Ordinances of Honolulu (ROH). The Petition Area consists of approximately 174 acres of the entire 547-acre project area, and is located in the southern portion of the project site, straddling the O'ahu Railway and Land Company (OR&L) Railroad right-of-way (ROW). North of the Petition Area, the remaining 373 acres within the Kapolei West project boundaries are classified as Urban (Docket No. A90-655 approved by the Land Use Commission in 1991 for West Beach Estates' Ko Olina Phase II development proposal).

In accordance with Chapter 343, Hawai'i Revised Statutes (HRS) and Title 11, Chapter 200, Hawai'i Administrative Rules of the Department of Health (DOH), an environmental review is required for the project's proposed use of a historic site located on State lands (i.e., planned roadways cross the OR&L ROW, which is owned by the State and listed on the National Register of Historic Places). It is intended that the forthcoming EIS will address the potential direct impacts of the Proposed Action (i.e., reclassification of approximately 174 acres from the Agricultural to the Urban District) and the potential indirect and cumulative impacts associated with the larger project. As such, this document is organized to describe both the Petition Area and the remaining 373-acre project area.

2.0 GENERAL DESCRIPTION OF THE PROPOSED ACTION

2.1 Project Location and Ownership

The proposed Kapolei West development is located approximately 20 miles from downtown Honolulu on the western side of O'ahu in the District of 'Ewa, within the ahupua'a of Honouliuli. The project site is strategically located below the Wai'anae Mountain Range between the City of Kapolei and the Ko Olina Resort. Surrounding land uses include the H-1 Freeway and the Honokai Hale and Nanakai Gardens subdivisions to the north; the Ko Olina Resort and golf course and vacant lands to the west; Kalaeloa Harbor and its industrial activities to the south; and the western boundary of the City of Kapolei and Kalaeloa Boulevard to the east (Figure 1). The OR&L ROW bisects the southern section of the project area.

The entire project site consists of approximately 546.8 acres and is identified by Tax Map Keys (TMK) parcels 9-1-14: por. 33, and 9-1-15: 4, 18 and por. 20 (Figure 2). Fee ownership of the project area north of the OR&L ROW is held by Aina Nui Corporation, an affiliate of the Estate of James Campbell (Estate). The project area south of the OR&L ROW is currently owned by the Estate, and is in the process of being transferred to Aina Nui Corporation. The Estate has authorized Aina Nui Corporation to act as its agent for the development of its lands within the Kapolei West project area. The OR&L ROW is owned by the State of Hawaii.

This document is organized to describe the approximate 174.2 acres included in the State Land Use District Boundary Amendment Petition for reclassification from the Agricultural District to the Urban District (Petition Area), and the remaining 372.6 acres that make up the Kapolei West project area. The Petition Area straddles the OR&L ROW, and includes a triangular-shaped parcel north of the ROW and the entire project area south of the ROW. Table 1 presents the approximate TMK acreages for both the Petition Area and the larger project site.

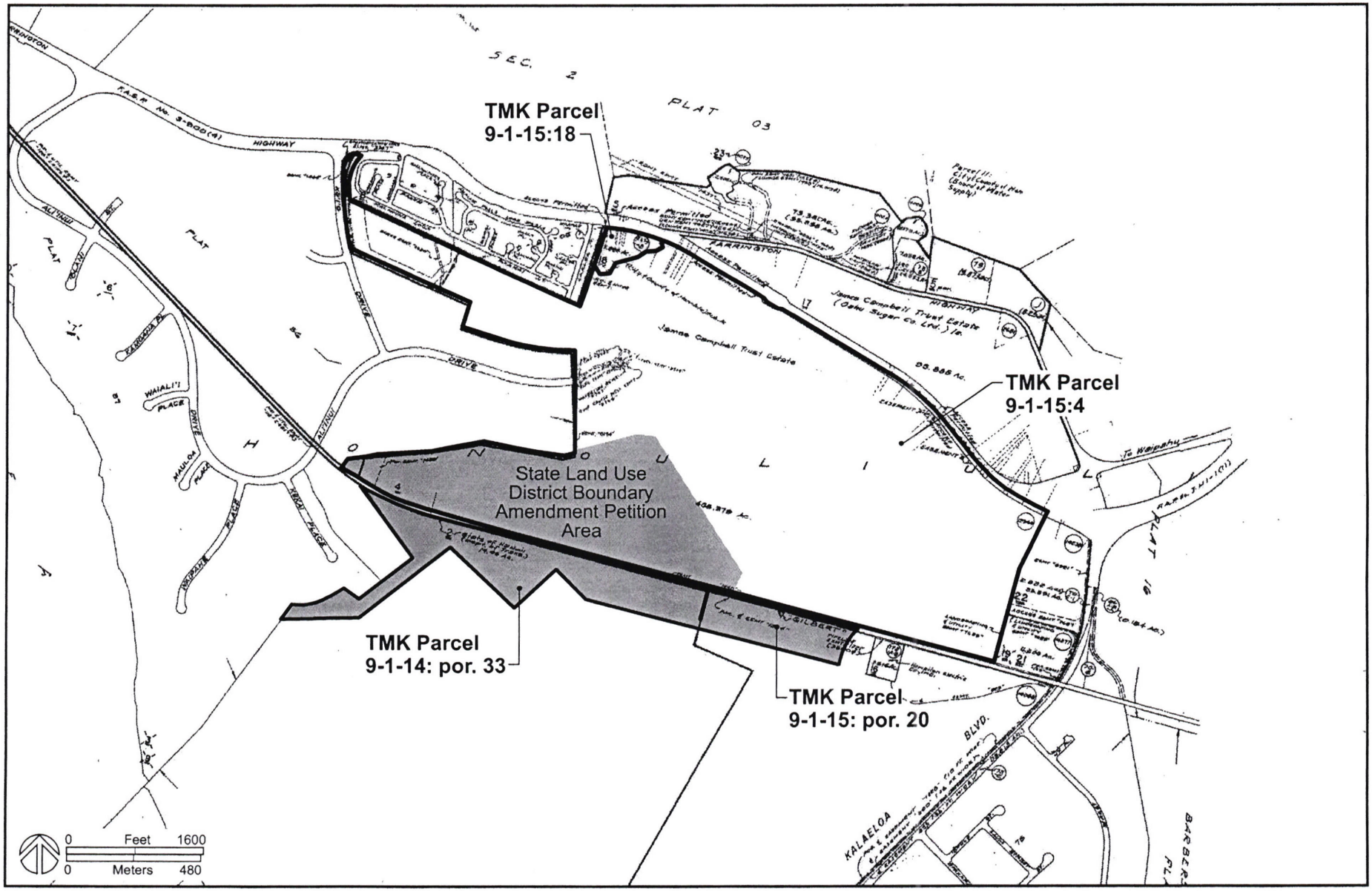
Table 1
Project Area Tax Map Key Acreage

TMK	Acreage (approx.)
9-1-14:por. 33	55.5
9-1-15: por. 4	98.6
9-1-15: por. 20	20.1
State Land Use District Boundary Amendment Petition Area	**174.2**
9-1-15: por. 4	366.7
9-1-15:18	5.9
Remaining Project Area	**372.6**
TOTAL PROJECT AREA	**546.8**



Project Location **Figure 1**

Kapolei West
O`ahu, Hawai`i



Tax Map Key Parcels **Figure 2**

Kapolei West
O`ahu, Hawai`i

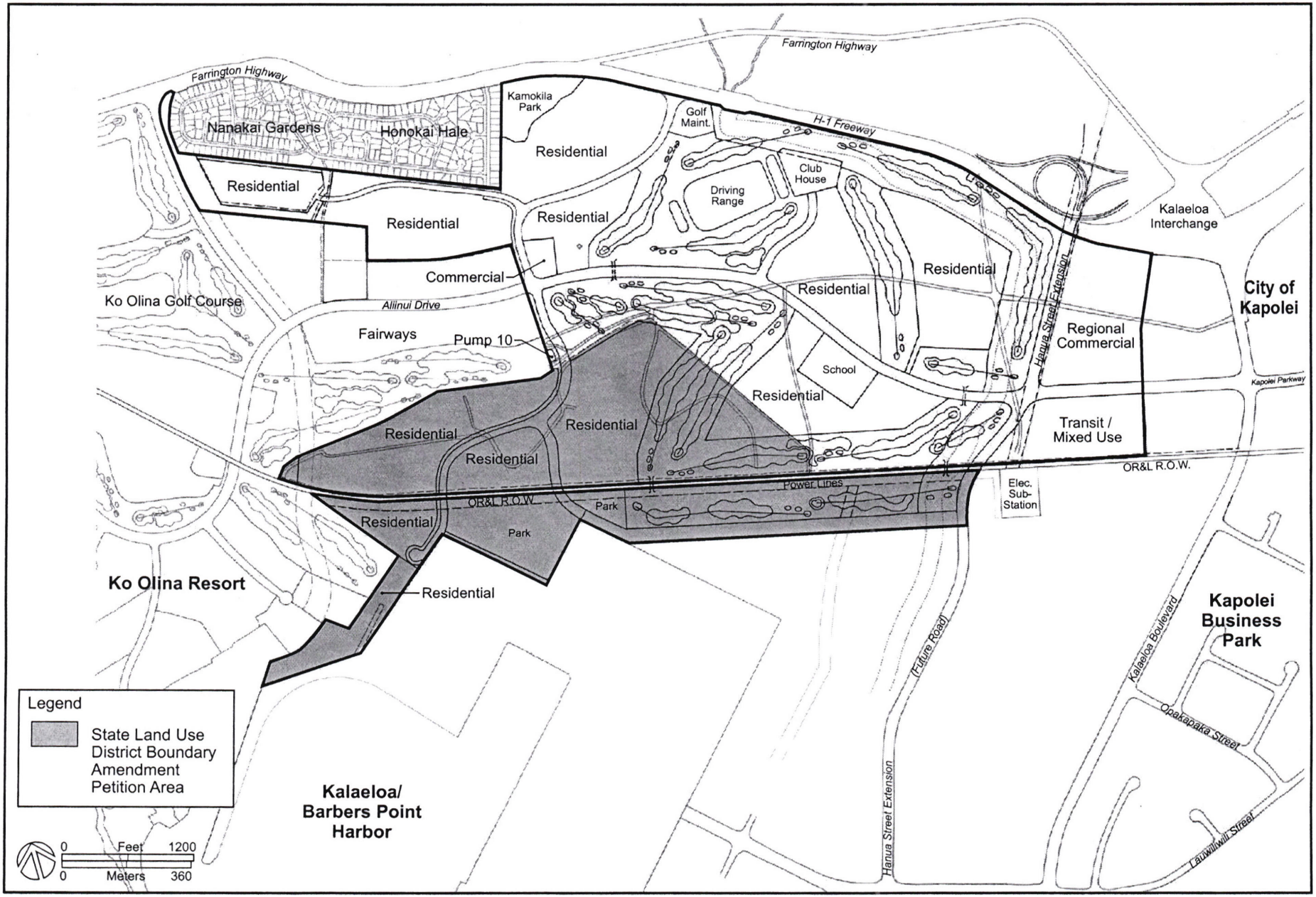
2.2 Project Description

The Proposed Action involves the reclassification of approximately 174 acres of land from the Agricultural District to the Urban District. Urbanization of the Petition Area would enable development of the approximate 547-acre project, as described in this section. In the event that the Petition Area remains within the State Agricultural District (i.e., no action), development of the 373-acre project area classified as Urban would proceed for golf course, residential and commercial uses. The Petition Area would remain in its current, unimproved state.

The proposed Kapolei West master plan includes an 18-hole championship golf course with an estimated 2,370 low and medium density residential units, parks, circulation and open spaces (Figure 3). Planned recreational amenities consist of neighborhood parks, recreational amenities developed within the proposed residential parcels, and a pedestrian pathway system to link neighborhoods. As proposed, the project provides a positive transition for the area between the Ko Olina Resort and the City of Kapolei. At the eastern end of the project area, regional commercial and transit/mixed-use areas are planned to enhance the City of Kapolei and support the surrounding residential communities and the proposed Kapolei West community. The elements of the master plan are described in this section following Table 2.

Table 2
Kapolei West Land Use Summary

	Petition Area		Urban Area		Total Project Area		
Land Use	**Area (app. acres)**	**Units**	**Area (app. acres)**	**Units**	**Area (app. acres)**	**Units**	**Density (units/ac.)**
Golf Course	59.9		152.8		212.7		
Low Density Residential	9.3	11	107.9	858	117.2	869	7.4
Medium Density Residential	77.2	1,143	20.9	208	98.1	1,351	13.8
Mixed Use/Residential			10.0	150	10.0	150	15
Neighborhood Commercial			2.0		2.0		
Regional Commercial			23.2		23.2		
Elementary School			6.0		6.0		
Transit			5.8		5.8		
Parks	17.1		7.7		24.8		
Circulation and Other Open Spaces	10.7		36.3		47.0		
TOTAL	**174.2**	**1,154**	**372.6**	**1,216**	**546.8**	**2,370**	**10.5**



Project Master Plan **Figure 3**

Kapolei West
O`ahu, Hawai`i

Table 2 summarizes the proposed land uses and development acreages for the Petition Area and the larger project area. Proposed land uses within the Petition Area consist of golf course, residential, parks, and circulation/other open spaces.

Golf Course

The proposed golf course consists of an 18-hole championship golf course with a clubhouse facility, parking lot, maintenance facility, and driving range on approximately 212.7 acres. Golf course features such as water hazards, tree massing, bunkers, mounds, and earth berms would be created with grading and landscaping. Three complete fairways and portions of two other fairways would extend into the Petition Area. Two golf cart paths would be constructed to cross the OR&L ROW, similar to the existing golf cart crossings at the adjacent Ko Olina golf course. An existing regional drainage channel that runs parallel to the H-1 Freeway and cuts south towards the ocean would be retained and incorporated into the golf course with grassed swales, ditches and channels along the fairways for drainage. The golf course is intended to accommodate guests visiting the neighboring Ko Olina Resort, residents of Kapolei West neighborhoods, and the general public.

Low and Medium Density Residential

The residential component of the Kapolei West community includes an estimated 2,370 low and medium-density residential homes planned on approximately 215.3 acres of land. The proposed residential community would feature an approximate 870 low density dwelling units on nearly 120 acres of land, and an approximate 1,350 medium density homes on approximately 100 acres of land. The low density components would range from 1.0 to 8.7 dwelling units per acre (du/acre), with an average density of 7.4 du/acre. The medium density component would range from 10.0 to 18.0 units per acre, with an average density of 13.8 du/acre. Medium density residential is also planned as part of the transit/mixed use parcel to the east of the project site. Development of the approximate 15.8 acre parcel is planned to include approximately 150 residential units at a density of approximately 15 units per acre.

Of the total units, approximately 49 percent, or an estimated 1,150 homes, are located in the Petition Area. The remaining 51 percent, or an estimated 1,220 homes, are within the larger urbanized area. A market assessment to identify market demand factors and determine the market support for the proposed residential product types and projected market mix of primary and secondary homes is being prepared and will be included in the Draft EIS.

Neighborhood Commercial

An approximate two-acre parcel located near the heart of the resort community is intended to provide retail services in support of the surrounding neighborhoods. A density of 0.25 floor area ratio (FAR) is proposed. Centrally located along the proposed Kapolei Parkway where it connects with the existing Ali'i Nui Drive, the neighborhood commercial parcel would be readily accessible to the surrounding residential areas, within walking distance of the existing communities of Honokai Hale, Nanakai Gardens and Ko Olina Fairways.

Regional Commercial

An approximate 23.2-acre parcel at the northeastern corner of the project area is planned to accommodate retail, commercial and business activities to complement Kapolei's expanding urban center and support the proposed Kapolei West community. A density of 0.25 FAR is proposed. Regional commercial activities such as retail, office spaces, restaurants and business services are intended to complement commercial activities located in the nearby City of Kapolei.

Elementary School Site
A 6.0-acre elementary school site is identified within a residential area adjacent to the proposed Kapolei Parkway. Aina Nui Corporation has initiated discussions with the State Department of Education (DOE), and intends to comply with the DOE's fair share requirements for school facilities.

Transit/Mixed Use
An approximately 15.8-acre parcel located along the southeastern corner of the project area is planned for transit and mixed use development. Land adjacent to the intersection of Kapolei Parkway and the proposed Hanua Street extension is reserved for a future transit station site. The adjacent mixed-use residential and commercial component is planned to feature approximately 100,000 square feet of retail and commercial uses, and approximately 150 multi-family units at a proposed density of approximately 15 du/acre.

Parks
As proposed, Kapolei West features approximately 24.8 acres of park space divided among four separate parks. Planned parks consist of a 1.8-acre passive park to the south of Honokai Hale subdivision, a 14.3-acre historic park south of the OR&L ROW, and an approximate 2.8-acre passive park adjacent to the golf course south of the OR&L ROW. The existing 5.9-acre Kamokila Park currently owned by the Estate is proposed to be dedicated to the City and County of Honolulu. Additional recreational amenities and open space would be provided within each of the residential neighborhoods.

Circulation and Other Open Spaces
The proposed development includes an estimated 47 acres of roadways, pedestrian and bicycle corridors, and passive open space. Vehicular access to Kapolei West is planned via a new segment of Kapolei Parkway connecting to Ali'i Nui Drive to the west and Kalaeloa Boulevard to the east. Two future roadways, the Hanua Street extension on the east and a planned roadway on the west, would bisect the property and provide additional access points. Three new roadways, including two smaller neighborhood streets and the Hanua Street extension, are planned to cross the OR&L ROW.

A network of multi-purpose pathways is planned to link the neighborhoods and park spaces. Roadways would be designed to encourage pedestrian and bicycling activities, and a new pedestrian corridor would provide access from Honokai Hale, Nanakai Gardens and Kapolei West and Ko Olina neighborhoods to park spaces south of the OR&L ROW. No direct roadway connections would be made between Kapolei West and the adjacent communities of Honokai Hale and Nanakai Gardens in deference to strong community sentiment against adding additional traffic to their internal streets.

2.3 Utility Requirements

An analysis of utility requirements will be conducted for the Draft EIS. Preliminary information related to potable and non-potable water requirements is presented below.

Non-potable Water Use of non-potable water is proposed for irrigation of the golf course, neighborhood parks and other open space areas. The proposed Kapolei West project would require an estimated 1.06 million gallons per day (mgd) of non-potable water to satisfy irrigation purposes (Mink and Yuen Inc., July 2004). The Petition Area would require approximately 300,000 gallons per day (gpd) (190,000 gpd for irrigation of the golf course and 110,000 gpd for

parks and open spaces), and the remaining project area would require approximately 763,000 gpd (603,000 gpd for the golf course and 160,000 gpd for parks and open spaces).

The source of non-potable water may be either reclaimed wastewater supplied by the Board of Water Supply, or brackish groundwater from existing and new resources. Pump 10, a former Ewa Plantation-Oahu Sugar Company primary pumping station, is located along the western edge of the golf course, just north of the Petition Area. The pumping station, which is formally referenced as State station 2006-01 to 12, consists of a battery of wells drilled into the Waianae Basalt aquifer. The projected total demand for non-potable water is expected to be satisfied with existing groundwater sources and the use of reclaimed wastewater.

Potable Water The total average demand for potable water is estimated to be approximately 1.3 mgd. Potable water demand within the Petition Area is estimated at 572,000 gpd. Potable water demand for the remaining project area is estimated at 612,000 gpd, with an additional 104,400 gpd estimated for commercial uses.

A municipal water supply to meet the projected potable water requirements is available from the Board of Water Supply's aquifer systems now serving the Ewa Plain. Municipal water supply for the Ewa Plain is derived from both the Koolau and Waianae Basalt aquifers, with water coming from well fields in the Board of Water Supply's Waipahu-Waiawa and Ewa-Kunia aquifer systems. Based on a present allocation of nearly 82 mgd and a total allocable quantity of 104 mgd, the Waipahu-Waiawa aquifer system has an unassigned allocation of approximately 22 mgd that is available for future withdrawals. Within the Ewa-Kunia aquifer system, approximately 4.4 mgd remains unallocated for future withdrawals, as a total of 11.6 mgd has been allocated and the total permitted allocation is 16 mgd.

2.4 History of Past Development Proposals

Table 3 presents a summary of past development proposals planned for the Kapolei West project area. Previous proposals, which did not include the Petition Area, were limited to the approximate 373 acres north of the Petition Area. The Kapolei West project, which includes the approximate 174-acre Petition Area and the 373 acres north of the Petition Area, is generally consistent with the land uses formerly proposed for the property.

As shown on Table 3, the first proposal planned for the project area by West Beach Estates in 1989 consisted of two championship golf courses, and commercial uses on 372.6 acres of land. Referred to as Ko Olina Phase II, the 1989 proposal encompassed the entire project area north of the Petition Area, and was intended to provide amenities that would allow for the future expansion of the existing Ko Olina resort. As a result of changing market conditions, the Ko Olina Phase II project was revised in 1991 to provide for an 18-hole golf course, 3,500 low and medium density residential units, commercial development, and park space. Based on this revised proposal, the Ko Olina Phase II project area was reclassified by the Land Use Commission from the Agricultural District to the Urban District in 1991 (Docket No. A90-655), and the City and County of Honolulu 'Ewa Development Plan was revised to reflect the proposed uses (Bill No. 132 (1990), CD-1).

Due to stagnant economic and market conditions, West Beach Estates relinquished its real property interests in Ko Olina Phase II in 1998, allowing Seaside at Kapolei, LLC to acquire the option to purchase the property from the Estate in 2000. Similar to the Ko Olina Phase II development plan proposed in 1991, the Seaside proposal included an 18-hole golf course, low

Table 3
Summary of Past Development Proposals

Land Use	Kapolei West (2004) Area (ac.)	Units	Density (du/ac.)	Seaside (2001) Area (ac.)	Units	Density (du/ac.)	Ko Olina Phase II (1991) Area (ac.)	Units	Density (du/ac.)	Ko Olina Phase II (1989) Area (ac.)	Units	Density (du/ac.)
Golf Course	212.7			151.3			156.0			304.6		
Low Density Residential	117.2	869	7.4	66.1	900	13.6	105.5	1,500	14.2	--		
Medium Density Residential	98.1	1,351	13.8	50.7	2,000	39.4	50.7	2,000	39.4	--		
Mixed Use/Residential	10.0	150	15									
Neighborhood Commercial	2.0			--			--			--		
Regional Commercial	23.2			32.9			32.9			40.0		
School	6.0											
Transit	5.8			--			0.5			--		
Parks	24.8			5.8			5.8			9.5		
Circulation/Open Spaces	47.0			17.0			21.2			18.5		
TOTAL	**546.8**	**2,370**	**10.5**	**323.8**	**2,900**	**24.8**	**372.6**	**3,500**	**22.4**	**372.6**		

and medium density residential units, commercial development, and park space. However, unlike the Ko Olina Phase II development which featured a 0.5-acre transit station and a residential component of 3,500 residential units on approximately 156 acres of land, the Seaside proposal featured 2,900 residential units on nearly 120 acres of land and did not include a transit station, which resulted in the Seaside proposal having a slightly smaller project area with less residential units and a higher overall residential density.

In 2003, Seaside dropped its option to purchase the 373-acre Ko Olina Phase II/Seaside property. Since then, Aina Nui Corporation, an affiliate of the Estate of James Campbell, has been involved in ongoing efforts to develop the property. The Kapolei West project, which encompasses the Ko Olina Phase II/Seaside development area and an approximately 174-acre parcel to the south, is consistent with the land uses formerly proposed for the property. One important distinction between the Kapolei West development and previous development proposals is the lower intensity of use associated with Kapolei West, due to a significant reduction in the number of residential units and an increased acreage for parks, public facilities, and open space (based on current and projected market conditions).

2.5 Projected Project Phasing

Construction of the approximately 547-acre Kapolei West project is intended to be implemented within a 13-year period. Home deliveries are expected to commence in 2008 after land use approvals are granted, allowing for development of the total 2,370 residential units proposed for the entire Kapolei West project between 2008 and 2020. Residential home production for the entire Kapolei West project is planned at an average rate of 183 units per year, with absorption projected at 112 units per year for the primary resident housing units, and 71 units per year for the nonresident housing units. Of the total 2,370 residential units proposed, 1,150 units are within the Petition Area. Based on the projected absorption rates of 112 primary resident housing units per year and 71 nonresident housing units per year, the approximate 1,150 homes proposed for the Petition Area may take an estimated 9 years to build out.

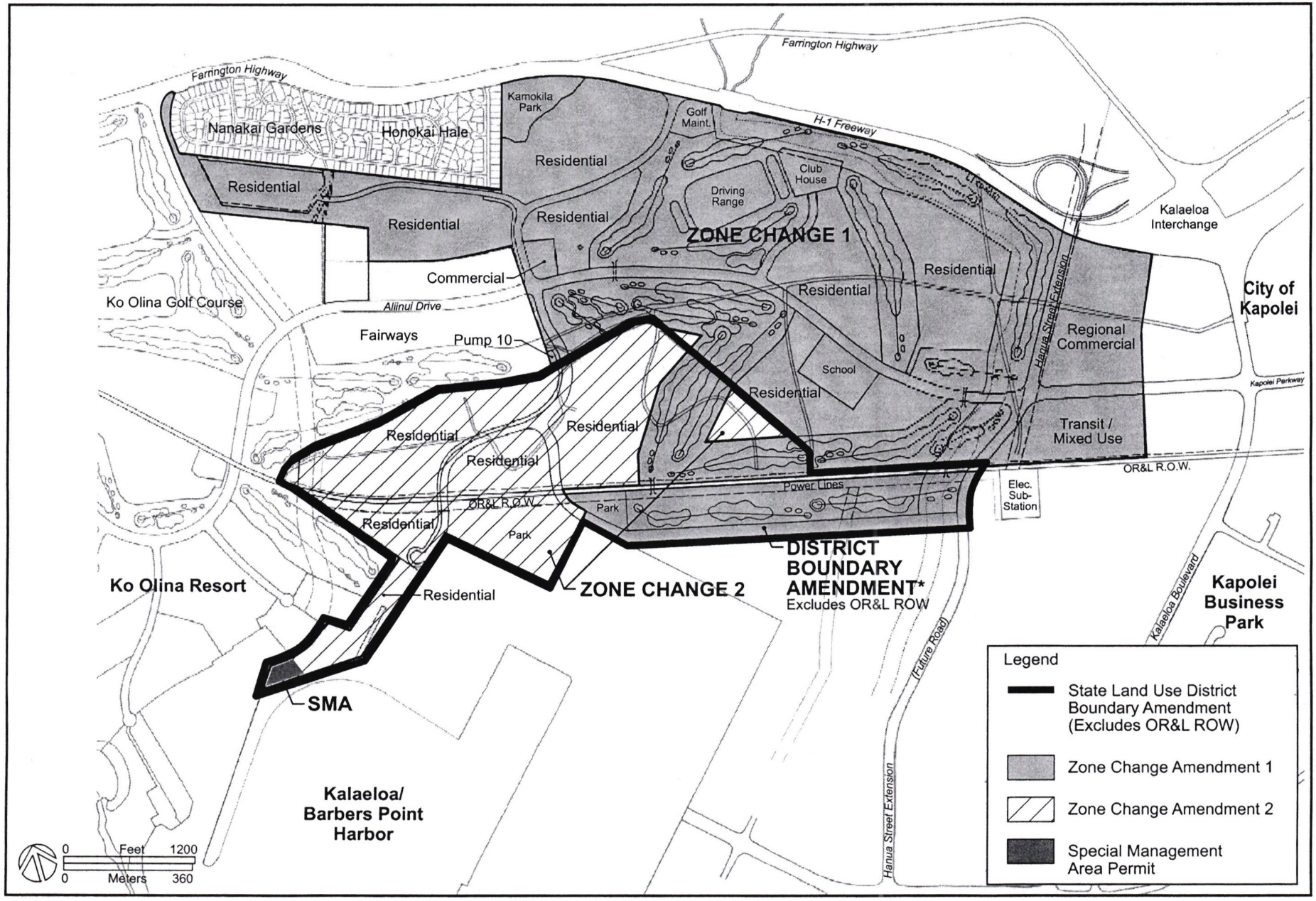
Construction of the golf course and the regional commercial facilities would occur during the early phases of development, and the transit/mixed use and neighborhood commercial parcels would be developed as demand dictates. The Kapolei Parkway would be constructed as development of adjacent lots occur. The extension of Hanua Street to the H-1 Freeway would be needed to service the growing industrial and commercial harbor operations.

2.6 Land Use Approvals Required

The Kapolei West project will require the following land use approvals:

- State Land Use District Boundary Amendment
- City and County of Honolulu Zone Change
- City and County of Honolulu Special Management Area Permit

Figure 4 illustrates the boundaries of the required land use approvals. As shown, the City and County of Honolulu zoning amendment consists of two separate zone change processes. The first zoning amendment (Zone Change 1) encompasses lands already located within the State Urban district, along with the golf course segments within the State Agricultural district. The second zoning amendment (Zone Change 2), which is contingent upon approval of the State Land Use District Boundary Amendment, consists of the remainder of the project area currently in the State Agricultural District and a small triangular parcel already within the State Urban District being proposed for residential use. The intent of the proposed zoning amendment boundaries is to keep the golf and residential components intact and avoid project segmentation. It is assumed that County land use permits for lands located outside of the State Urban District would not be approved until after appropriate State approvals are granted.



Boundaries of Required Land Use Approvals **Figure 4**

Kapolei West
O`ahu, Hawai`i

3.0 AFFECTED ENVIRONMENT

This chapter describes the Petition Area within the context of the larger project area. Where appropriate, sections are organized with the Petition Area described first, followed by descriptions of the larger Kapolei West project area in the State Urban District.

3.1 Existing and Surrounding Land Uses

Petition Area
Land uses surrounding the Kapolei West Petition area include the Ko Olina golf course and Ko Olina Marina to the west; the vacant lands of the larger Kapolei West project area to the north; and the City of Kapolei adjacent to Kalaeloa Boulevard to the east. Grace Pacific Quarry and the Kalaeloa Barbers Point Harbor and its related industrial activities are to the south. The OR&L ROW runs through the entire Petition Area, forming the northeastern boundary and transecting the western half of the Petition Area. A 40-foot building setback runs along both sides of the OR&L ROW. Surrounding land uses are identified in Figure 1 (see Section 2.1).

Recent land uses within the Petition Area and the larger project area include transportation along the OR&L ROW, occupation by the 'Ewa Plantation Company and the O'ahu Sugar Company for sugar cane cultivation, livestock grazing, and a coral pit quarry to the south. Large portions of the Petition Area are currently vacant and unutilized, with the exception of the OR&L ROW used by the Hawaiian Railway Society, and quarrying and stockpiling activities of the adjacent Grace Pacific quarry within and adjacent to the Petition Area's southern boundary. A Coast Guard Range Light used to navigate entry into Kalaeloa Barbers Point Harbor is located within the southernmost tip of the Petition Area.

Remaining Project Area
The remaining project area is in the State Urban District and is surrounded by the H-1 Freeway/Farrington Highway and the Honokai Hale and Nanakai Gardens communities to the north; the Ko Olina golf course, Ko Olina Fairways subdivision, and vacant lands planned for lower density residential to the west; the Petition Area to the south; and the City of Kapolei on the east side of Kalaeloa Boulevard. An electric substation facility is located to the south of the project area. Overhead electrical power lines run north from the substation towards the H-1 Freeway.

Only the existing 5.9-acre Kamokila Neighborhood Park located at the northwest corner of the remaining project area adjacent to the eastern end of the Honokai Hale/Nanakai Gardens subdivision is currently used. The remaining portion of the project area is currently vacant and unutilized.

Ongoing and future developments planned for the area surrounding the Kapolei West property include the Ko Olina Resort to the west and the City of Kapolei to the east. Within the Ko Olina Resort, construction of new single and multi-family homes and planning efforts to develop an aquarium, commercial center, new hotel and time share complex are underway. To the east, the City of Kapolei is fulfilling the promise of becoming Oahu's second city. To date, over 1.8 million square feet (MSF) of commercial, office, retail and civic space has been constructed. An additional 2 MSF of residential uses and approximately 1.8 MSF of commercial, office, retail, civic and mixed use residential is planned for construction over the next ten years.

3.2 Geology and Topography

The entire Kapolei West project area is located along the upper edge of the 'Ewa Plain, at the foot of the Wai'anae Mountain Range. Major geological features of the 'Ewa region include the Wai'anae Mountain Range, cinder cones, and the 'Ewa Plain. Overlying flows of the Wai'anae volcanic series, the 'Ewa Plain is an emerged coral-algae calcareous reef covered by alluvium deposits. At the base of the Wai'anae Range, five cinder cones form the peaks that define the relatively flat topography of the 'Ewa plain. Two of the cinder cones, Pu'u Palailai and Pu'u Kapolei, are located to the east of the project area.

Petition Area
The topography of the Petition Area is relatively flat to gently sloping. Slopes generally range from 1 to 5 percent, with the steepest slope of approximately 25 percent located along a modest ridgeline forming part of the northernmost boundary of the Petition Area. The ground elevation ranges from sea level at the southernmost tip of the Petition Area to 65 feet along the northern boundary of the Petition Area.

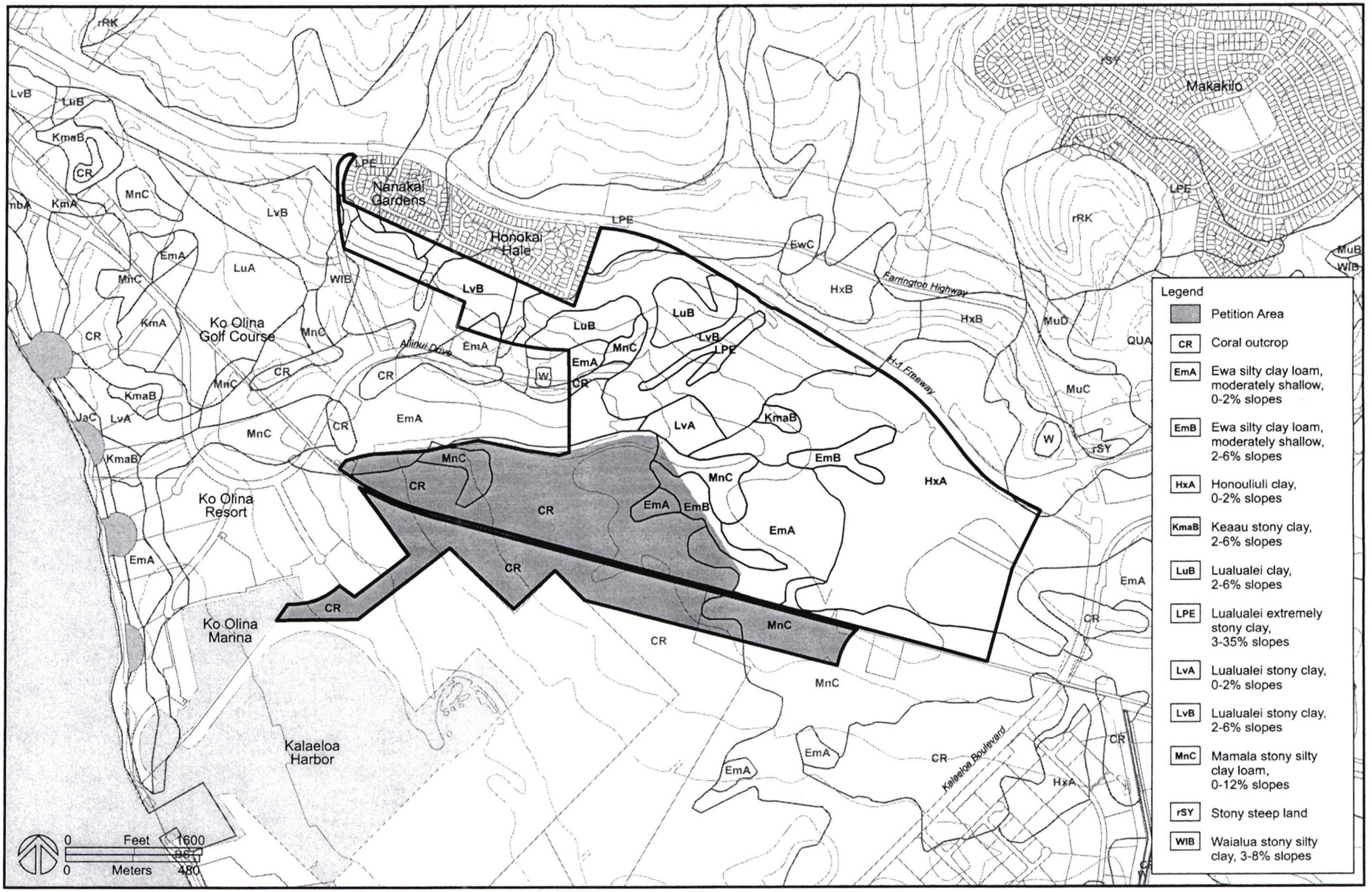
Remaining Project Area
Like the Petition Area, the topography of the larger project area is relatively flat to gently sloping with slopes ranging from 1 to 5 percent, with the exception of the northern portion of the project area south of Kamokila Park, where slopes range from 20 to 30 percent. The ground elevation of the remaining project area ranges from approximately 65 feet at the southern boundary to 130 feet at the northern edge of Kamokila Park below Farrington Highway.

3.3 Soils

According to the *Soil Survey of the Islands of Kauai, O'ahu, Maui, Molokai, and Lanai* prepared by the U.S. Department of Agriculture (August 1972), soil series within the Kapolei West project area consist of coral outcrop (CR), 'Ewa silty clay loams (EmA and EmB), Honouliuli clay (HxA), Keaau stony clay (KmaB), Lualualei clay (LuB), Lualualei extremely stony clay (LPE), Lualualei stony clays (LvA and LvB), Mamala stony silty clay loam (MnC), stony steep land (rSY) and Waialua stony silty clay (WIB). Figure 5 presents the soil series found within the Petition Area as well as the remaining project area.

Petition Area
Approximately 85 percent of the Petition Area is classifed as coral outcrop (CR), followed by approximately ten percent Mamala stony silty clay loam (MnC), and five percent 'Ewa silty clay loams (EmA and EmB). The major soil types found within the Petition Area are described below.

Coral Outcrop (CR)
Coral outcrop consists of coral or cemented calcareous sand as a result of coral reefs forming in shallow ocean waters during the time the ocean stand was at a higher level. In this soil type, between 80 to 90 percent of the acreage is comprised of coral outcrop, and the remainder consists of a thin layer of friable, red soil material similar to that of the Mamala series found within the cracks, crevices, and depressions of the coral outcrop. This soil type is suitable for military installations, quarries and urban development.



Soil Conservation Service Soils

Figure 5

Kapolei West
O`ahu, Hawai`i

'Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes (EmA)
The 'Ewa series consists of well-drained soils in basins and on alluvial fans. This soil has a profile like that of 'Ewa silty clay loam, 3 to 6 percent slopes (EaB), except that the depth to coral limestone is 20 to 50 inches. Runoff is very slow, and the erosion hazard is no more than slight. Included in mapping were a few small areas less than 20 inches deep.

'Ewa silty clay loam, moderately shallow, 2 to 6 percent slopes (EmB)
The description of this soil is identical to that of 'Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes (EmA), except for the somewhat steeper slope.

Mamala stony silty clay loam, 0 to 12 percent slopes (MnC)
This series consists of shallow, well-drained soils along the coastal plains. These soils formed in alluvium deposited over coral limestone and consolidated calcareous sand, and coral rock fragments are common in the surface layer. This soil is neutral to mildly alkaline. Permeability is moderate, runoff is very slow to medium, and the erosion hazard is slight to moderate. The available water capacity is about 2.2 inches per foot in the surface layer and 1.9 inches per foot in the subsoil. Roots are affected by the coral limestone and consolidated sand, and the stones hinder, but do not prevent, cultivation.

Remaining Project Area
Within the remaining project area, the most extensive soil type is Honouliuli clay, 0 to 2 percent slopes (HxA) (37 percent), followed by approximately 30 percent Lualualei stony clays (LvA and LvB) and 17 percent 'Ewa silty clay loams (EmA and EmB). Pockets of coral outcrop (CR), Keaau stony clay (KmaB), Lualualei clay (LuB), Lualualei extremely stony clay (LPE), Mamala stony silty clay loam (MnC), stony steep land (rSY) and Waialua stony silty clay (WIB) are scattered throughout the project area. Soil series found within the larger project area are described below and presented in Figure 5.

Coral Outcrop (CR)
Coral outcrop consists of coral or cemented calcareous sand as a result of coral reefs forming in shallow ocean waters during the time the ocean stand was at a higher level. In this soil type, between 80 to 90 percent of the acreage is comprised of coral outcrop, and the remainder consists of a thin layer of friable, red soil material similar to that of the Mamala series found within the cracks, crevices, and depressions of the coral outcrop. This soil type is suitable for military installations, quarries and urban development.

'Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes (EmA)
The 'Ewa series consists of well-drained soils in basins and on alluvial fans. This soil has a profile like that of 'Ewa silty clay loam, 3 to 6 percent slopes (EaB), except that the depth to coral limestone is 20 to 50 inches. Runoff is very slow, and the erosion hazard is no more than slight. Included in mapping were a few small areas less than 20 inches deep.

'Ewa silty clay loam, moderately shallow, 2 to 6 percent slopes (EmB)
The description of this soil is identical to that of 'Ewa silty clay loam, moderately shallow, 0 to 2 percent slopes (EmA), except for the somewhat steeper slope.

Honouliuli clay, 0 to 2 percent slopes (HxA)
This soil, which occurs in the lowlands along the coastal plains, was developed in alluvium derived from basic igneous material. In a representative profile, the soil is dark reddish-brown, very sticky and very plastic clay throughout, with a surface layer about 15 inches thick. Permeability is moderately slow, runoff is slow, and the erosion hazard is no more than slight.

The shrink-swell potential is high, and workability is slightly difficult because of the very sticky and very plastic clay.

Keaau stony clay, 2 to 6 percent slopes (KmaB)
This soil consists of poorly drained soils on coastal plains on the island of O'ahu. These soils developed in alluvium deposited over reef limestone or consolidated coral sand. Runoff is slow, and the erosion hazard is slight. The available water capacity is about 1.5 inches per foot of soil. Roots are restricted by the consolidated coral sand, reef limestone, and water table. The shrink-swell potential is high, and workability is difficult because the soil is very sticky and very plastic.

Lualualei clay, 2 to 6 percent slopes (LuB)
The Lualualei series consists of well-drained soils on coastal plains, alluvial fans, and on talus slopes. For this soil, runoff is slow and the erosion hazard is slight.

Lualualei extremely stony clay, 3 to 35 percent slopes (LPE)
This soil occurs on talus slopes on O'ahu and Kauai. The slope range is 3 to 35 percent, but in most places the soil is moderately sloping to steep. Due to the large number of stones found on the surface and in the profile of this soil, it is impractical to cultivate this soil unless the stones are removed. Runoff is medium to rapid, and the erosion hazard is moderate to severe.

Lualualei stony clay, 0 to 2 percent slopes (LvA)
This soil occurs on O'ahu on fans adjacent to drainageways. It is similar to Lualualei clay, 0 to 2 percent slopes (LuA), except that stones hinder machine cultivation and there are small areas where the slope is 6 to 12 percent. Runoff is slow and the erosion is slight.

Lualualei stony clay, 2 to 6 percent slopes (LvB)
Similar to Lualualei stony clay, 0 to 2 percent slopes (LvA), this soil occurs on O'ahu adjacent to drainageways. Runoff is slow, the erosion hazard is slight, and stones hinder machine cultivation.

Mamala stony silty clay loam, 0-12% slopes (MnC)
This series consists of shallow, well-drained soils along the coastal plains. These soils formed in alluvium deposited over coral limestone and consolidated calcareous sand, and coral rock fragments are common in the surface layer. This soil is neutral to mildly alkaline. Permeability is moderate, runoff is very slow to medium, and the erosion hazard is slight to moderate. The available water capacity is about 2.2 inches per foot in the surface layer and 1.9 inches per foot in the subsoil. Roots are affected by the coral limestone and consolidated sand, and the stones hinder, but do not prevent, cultivation.

Stony steep land (rSY)
Stony steep land consists of a mass of boulders and stones deposited by water and gravity on side slopes of drainageways. Stones and boulders cover 50 to 90 percent of the surface, and the stones are interspersed with reddish silty clay loam and very dark grayish-brown clay which provides a foothold for plants. Rock outcrops occur in many places.

Waialua stony silty clay, 3 to 8 percent slopes (WIB)
This soil is found on smooth coastal plains. The surface layer is dark reddish-brown silty clay about 12 inches thick, with sufficient stones to hinder tillage but not enough to make intertilled crops impractical. Runoff is slow, the erosion hazard is slight, and workability is slightly difficult.

3.4 Agricultural Capability

3.4.1 Land Study Bureau Detailed Land Classification

The University of Hawai'i Land Study Bureau's (LSB) Detailed Land Classification (1972) classifies soils by land type in which classifications are provided for an overall crop productivity rating, with and without irrigation, and for selected crop productivity ratings for seven crops. LSB overall ratings range from A to E, with A being the highest productivity and E the lowest. The LSB classifications for the Petition Area and the larger project area are described in the following section and shown in Figure 6.

Petition Area
The majority of the lands within the Petition Area are classified as Class E or U (unclassified), indicating poor to very poor suitability for agricultural use. While small pockets of Class B and Class C lands exist along the eastern and western corners of the Petition Area, the central portion is primarily rated as Class E and U.

Remaining Project Area
Most of the property within the remaining project area is rated by the LSB as Class B lands. A small patch of Class A land exists along the southeastern corner of the project area and in the central portion north of the Petition Area. Pockets of Class E and unclassified lands are found in the northeastern portions of the project area adjacent to the Nanakai Gardens/Honokai Hale subdivisions and also in the central section of the project area.

3.4.2 Agricultural Lands of Importance to the State of Hawai'i (ALISH)

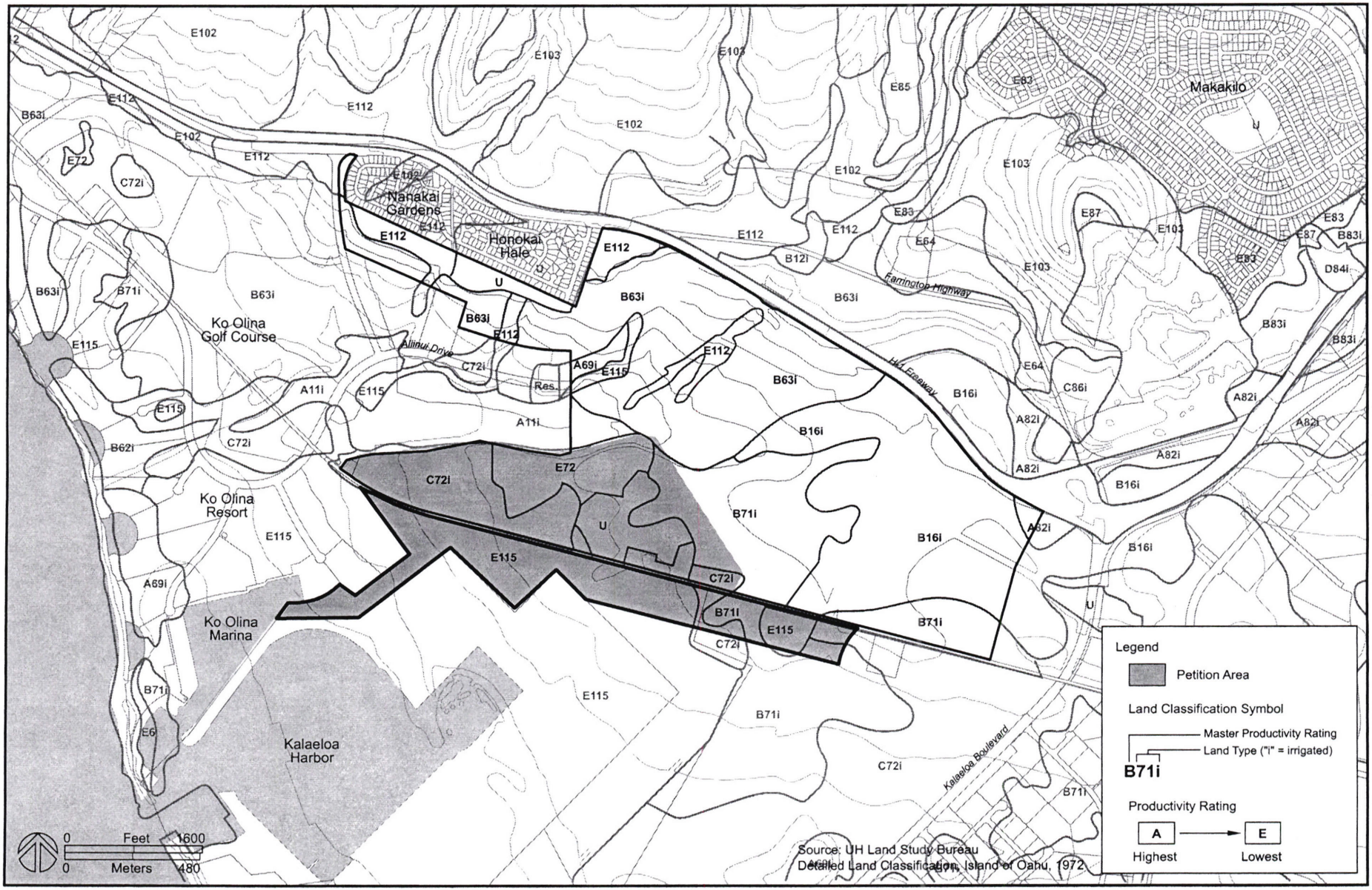
The Agricultural Lands of Importance to the State of Hawai'i (ALISH) land classification system was developed by the State Department of Agriculture in 1977 to determine the relative agricultural importance of specific property. The ALISH system identifies three broad classes of lands, including "Prime Agricultural Land," "Unique Agricultural Land," and "Other Important Agricultural Land." ALISH classifications for the Petition Area and the remaining project area are described in the following section and shown in Figure 7.

Petition Area
The majority of the Petition Area is unclassified, with the exception of a small portion along the eastern boundary which is classified as "Other Important Agricultural Land."

Remaining Project Area
Within the remaining 373 acres, approximately 360 acres are classified as "Prime Agricultural Lands." The remaining acreage consists of patches of "Other Important Agricultural Land" or "Unclassified" lands scattered throughout the project area. Within this acreage, four small areas are designated as "Other" and four small areas are "Unclassified."

3.5 Climate

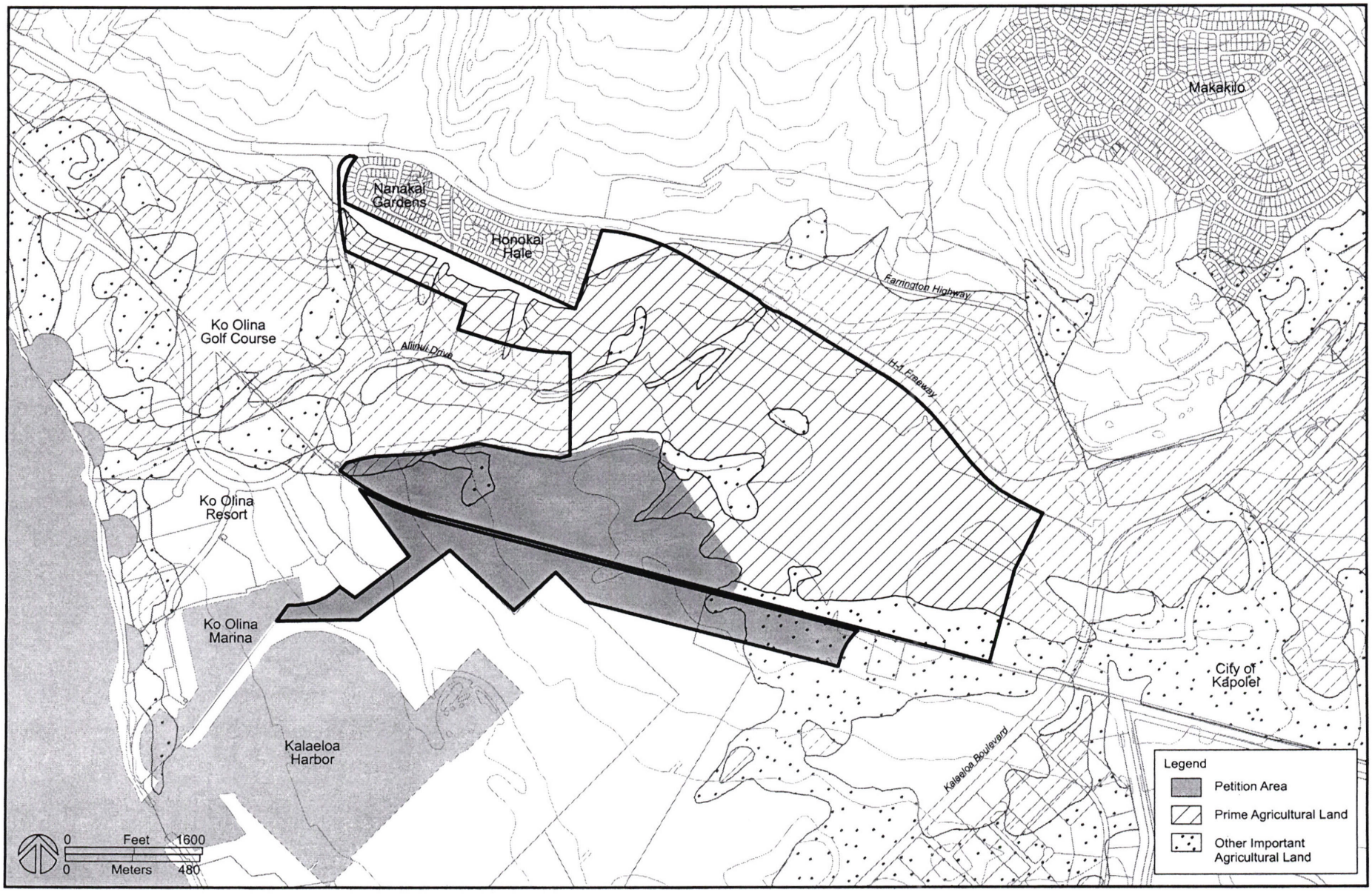
The 'Ewa region of O'ahu is one of the sunniest areas on O'ahu. It is semi-arid, with a relatively warm and dry climate. Rainfall is light, with an average annual rainfall of approximately 21 inches. Most of the total annual rainfall comes during the winter rainy season from October to April, and the summer months are particularly hot and dry. Average low temperatures range



Land Study Bureau Soils Classifications

Figure 6

Kapolei West
O`ahu, Hawai`i



Agricultural Lands of Importance to the State of Hawai`i **Figure 7**

Kapolei West
O`ahu, Hawai`i

from about 61 degrees Fahrenheit in the winter to about 70 degrees in the summer. Average high temperature ranges from approximately 80 degrees in the winter to 88 degrees in the summer. The prevailing surface winds are tradewinds blowing from a northeasterly direction, with occasional southerly winds. Low velocity surface winds of less than 10 miles per hour occur frequently, and the tradewinds tend to break down during the fall, giving way to lighter, more variable wind conditions through the winter and into the early spring.

3.6 Natural Hazards

The Flood Insurance Rate Map (FIRM) (November 2000) published by the Federal Emergency Management Agency (FEMA) identifies the project area within Zone D, which denotes areas in which flood hazards are undetermined. The 100-year tsunami inundation line is based on the FIRM, where areas designated "AE" and "VE" are subject to inundation. The project area is outside the tsunami inundation zone.

3.7 Drainage

The Kapolei West project area lies within three natural drainage basins that extend seaward from the Wai'anae Mountains to the ocean (Makaiwa Gulch, Palailai Gulch and Awanui Gulch). Makaiwa Gulch and Palailai Gulch converge in a drainageway under the H-1 Freeway. The drainageway runs eastward across the project area parallel to the H-1 Freeway, and turns towards the ocean at the eastern border of the project area. The existing drainage pattern will be maintained, and incorporated into the golf couse as it passes through the project site.

3.8 Flora

Petition Area

Char and Associates completed a botanical survey for the Petition Area north of the OR&L ROW in November 2003, including a reconnaissance-level survey for the endangered red ilima or ko'oloa'ula *(Abutilon menziesii).* A survey of the Petition Area south of the OR&L ROW was completed in April 2004. No rare or endangered species were found, and no native ecosystems were identified. Since the endangered 'Ewa Plains 'akoko (*chamaesyce skottsbergii* var. *skottsbergii,* formerly var. *kalaeloana)* was recorded in the area surrounding Kalaeloa Barbers Point Harbor during construction of the deep draft harbor, the recent surveys included an intensive search for any remnant akoko plants, especially in the area of the kiawe forest. Survey findings are summarized below.

No 'akoko plants or any other threatened, rare or endangered species or species of concern were found during recent field surveys. Vegetation within the Petition Area is dominated by introduced or alien species. The vegetation types recognized on the project site include the following: (1) ruderal, (2) kiawe forest; (3) buffelgrass/koa haole scrub; (4) koa haole scrub; and (5) quarry vegetation (largely barren areas with only scattered clumps of vegetation). Except for the kiawe forest, the other vegetation types have been disturbed somewhat recently in the past by sugar cane cultivation, quarrying, bulldozing, and other human activity. In general, the existing plant communities and vegetation types surveyed were not dominated by endemic (native only to Hawai'i) or indigenous (native to Hawai'i and other places) plant species. The few native species found within the Petition Area are those that are common to the coastal lowlands along most of the Hawai'ian Islands and that do well in open, disturbed habitats. Indigenous plants found on site consist of 'akulikuli *(Sesuvium portulacastrum),* kipukai *(Heliotropium curassavicum),* hoary abutilon or ma'o *(Abutilon incanum),* ' ilima *(Sida fallax),*

popolo *(Solanum americanum), and* 'uhaloa *Waltheria indica).* Endemic species are limited to kupala *(Sicyos pachycarpus)* and kauna'oa *(Cuscata sandwicensis).*

Remaining Project Area
Botanical surveys of the project area were completed by Kenneth Nagata in June 1987 and February 1989. As documented in the *Ko Olina Phase II Final Environmental Impact Statement* (April 1989) and the *Ko Olina Phase II Application for Development Plan Amendment and Environmental Assessment* (January 1991), the vegetation is dominated by agricultural and weedy species. No endemic, rare or endangered species were found, and no native ecosystems were identified. These findings were recently validated by Char (November 2003).

3.9 Fauna

Petition Area
Review of faunal surveys completed for adjacent areas concludes that no endemic, rare or endangered species of wildlife are present in the area. A survey conducted by Phillip L. Bruner in August, 1989 for the *Kapolei Business-Industrial Park Final Environmental Impact Statement* (April 1990) documented the presence of feral cat, mongoose, seventeen species of introduced birds, and the migratory Golden Plover. No endemic, rare or endangered species of wildlife were identified, and no unusual or distinctive habitats were found. Similar findings were documented for the *Ko Olina Phase II Final Environmental Impact Statement* (April 1989).

Remaining Project Area
A study of terrestrial vertebrate animals was conducted for the proposed Ko Olina Phase II project by Andrew J. Berger in April 1989. The fauna in the general vicinity of the project area included feral dog, feral cat, mice, brown rat, black rat, mongoose, commonly found bird species such as doves and finches, and two species of migratory shorebirds identified as the Golden Plover and the Wandering Tattler. No endemic, rare or endangered species of wildlife were found, and no suitable feeding or breeding habitats for such species were identified *(Ko Olina Phase II Application for Development Plan Amendment and Environmental Assessment, January 1991).*

3.10 Historic, Cultural and Archaeological Resources

The ahupua'a of Honouliuli is the largest traditional land unit on the island of O'ahu. It is bordered by the Wai'anae Mountain Range in the north and the Pacific Ocean to the south. The ahupua'a stretches across the vast 'Ewa Plain, with West Loch at the eastern boundary and Kahe Point to the west. Historic settlement patterns infer that the project area was not permanently occupied by pre-contact Native Hawai'ian populations, but instead was used for temporary habitation during gathering and fishing expeditions as O'ahu's western shoreline was noted for an abundance of marine resources. Although dry, barren conditions of the project area did not encourage habitation, archaeological evidence indicates temporary occupation of the project area may have occurred during birdcatching pursuits, or as parties crossed from the uplands to the sea.

Following the Mahele of 1848, 99 individual land claims in the ahupua'a of Honouiluil were awarded. The project area was part of a 43,250-acre grant awarded to Mirian Ke'ahi-Kuni Kekau'onohi on January 1848 (Royal Patent 6071, LCA 11216, Apana 8). Upon Kekau'onohi's death in 1851, her property was passed on to her husband, Chief Levi Ha'alelea, and his heirs. In 1871, when Chief Ha'alelea died, the property was leased to James Dowsett and John Meek

for stock running and grazing, and in 1877, James Campbell purchased most of Honouliuli Ahupua'a (including the project area) for cattle ranching. Campbell's cattle ranching operation prospered until 1889, when he leased his property to Benjamin Dillingham. Dillingham opened the OR&L Railway in 1889 and subleased his lands to the 'Ewa Plantation Company for sugar cane cultivation. The 'Ewa Plantation Company grew quickly and continued in full operation until 1970 when the O'ahu Sugar Company took over operations. Sugar cane cultivation was continued until 1995 when O'ahu Sugar Company closed.

Cultural Surveys Hawai'i has prepared a Cultural Impact Assessment to document and evaluate the effects the planned development may have on Native Hawaiian culture, practices and traditions. Based on personal consultations and examination of historic documents and existing archaeological information, Cultural Surveys Hawai'i has concluded that the project area is not associated with traditional cultural practices for subsistence and religious purposes and does not provide access to other areas in order to exercise those practices (i.e., gathering of plant and marine resources; presence of burials, historic properties and storied places; documentation of trails). The completed report will be included in the DEIS.

Petition Area

Cultural Surveys Hawai'i has conducted a field inspection and archaeological assessment of the Petition Area, and is currently completing an archaeological inventory survey of significant sites identified within the Petition Area. Draft reports have been submitted to SHPD for review, and will be included as part of the Draft EIS. A summary of significant sites within the Petition Area that are listed on the State Inventory of Historic Properties (SIHP) and a summary of the archaeological field work and research completed to date is presented below.

Site 50-80-12-9714 (OR&L Right-of-Way): The O'ahu Railroad and Land Company Railroad was opened in 1889 to transport raw sugar, other goods and passengers. The OR&L ROW was placed on the National Register of Historic Places in December 1975 for its significant role in the expansion of O'ahu's sugar cane industry. The ROW forms the boundary between the Petition Area and the larger project area. The ROW is currently used by the Hawaiian Railway Society.

Site 50-80-12-9633: This site is located near the southern boundary of the Petition Area within the central portion of the site. It is a burial cave containing human-created rock piles and wall, a human burial, and part of what appears to be a wooden canoe. This site, a protected, fenced-in burial preserve, has not been excavated and remains protected in the state in which it was discovered.

Site 50-8-12-9548: This site abuts the eastern edge of Site 50-80-12-9633. A smaller protected burial preserve, this site features a large sinkhole with cultural remains to indicate human habitation during traditional times.

Field investigation of the Petition Area south of the OR&L ROW completed in February 2004 determined that the project area was largely clear of archaeological sites. Exceptions included the Gilbert Trig Station in the eastern corner of the Petition Area along the OR&L ROW; a small wooded area east of the Gilbert Trig Station; a large cement irrigation ditch that runs near the eastern boundary of the Petition Area; and a cluster of sites in the central portion of the Petition Area near the vicinity of the burial preserves. In consideration of these findings, Cultural Surveys Hawai'i will be preparing an archaeological inventory survey to determine the significant historic value of these sites.

An archaeological assessment completed in November 2003 for the Petition Area north of the OR&L ROW indicated several areas of archaeological interest within the central portion of the project area. Despite intensive agricultural activity that destroyed most evidence of traditional Hawaiian or early historic sites, the archaeological assessment identified two sites of interest: the first included two limestone sinkholes in the central portion of the Petition Area; and the second included several limestone sinkholes just north of the OR&L ROW within the vicinity of the other sinkholes.

An archaeological inventory survey of the two centrally-located sinkholes was completed in June 2004. Neither sinkhole contained pre-twentieth century cultural materials, human remains, or prehistoric faunal remains. However, the excavation of the sinkholes provided a significant amount of historic remains that appear to be trash deposits dating to the mid-twentieth century. The most significant of the historic deposits was a 50-gallon metal drum within sinkhole CSH-3 (as identified by Cultural Surveys Hawai'i) that contained bottles and chinaware dating between 1940 and 1954. Considering the high number of datable artifacts older than fifty years found within the sinkhole, this sinkhole was assigned to the SIHP as site number 50-80-12-6674. It has been concluded that the sinkholes are significant for their information content only, and that no further investigation is needed for the Petition Area north of the OR&L ROW.

Remaining Project Area

The larger Kapolei West project area was part of archaeological studies conducted by Alan Haun (1986) and Paul H. Rosendahl (1987 and 1989). No significant archeological sites of any kind were encountered during surveying and testing. The only historic features identified within this area are former O'ahu Sugar Plantation flume and ditch plantation infrastructure located south of Honokai Hale and Kamokila Park and a drainage canal that runs adjacent to the northern and eastern boundary of the project area.

In correspondence to Cultural Surveys Hawai'i (January 8, 2004), SHPD determined that development of these lands would have no effect on significant historic sites, and that documentation of the plantation infrastructure resources would conclude historic preservation requirements within the project area.

Documentation of Plantation Infrastructure: Documentation of the plantation infrastructure resources has been completed by Cultural Surveys Hawai'i, and a draft of the report will be submitted to SHPD for formal review. No further work or preservation efforts are anticipated. Summary findings of the archival research and field survey are presented below.

The 'Ewa Plantation Company was the first sugar cane plantation on O'ahu to rely totally on artesian well water for irrigation. The irrigation system, including the pumping station (Pump No. 10, located inside the project area), the reservoir (just outside the project area), and the ditches and flumes associated with these structures, was first constructed in 1907, and has been continually improved during the history of the plantation. Irrigation ditches, which were once hand excavated earthen ditches, were later improved and lined with various materials, including plaster, stone and mortar, molded concrete, portable pre-cast cement blocks, and asphalt.

Two sites related to sugar cane plantation infrastructure were identified during field survey. The first site, Site 50-80-12-6678, consists of five features related to the irrigation system: concrete culvert and ditch intersection, a metal flume, two stone-and-mortar lined ditches, and a flume constructed of pre-cast portable concrete blocks. Dates inscribed on several of these features range from 1935 to 1964, and the stone-and-mortar lined ditches are pictured on maps dated as

early as 1919. The second site, Site 50-80-12-6679, is an earth-lined drainage canal that runs from the H-1 Freeway along the northern and eastern boundary of the project area. The drainage canal, which measures approximately 30 feet at its widest point and 20 feet at its deepest, was constructed post-1928 and continues to function as a modern-day flood control measure.

3.11 Visual Resources

The Kapolei West project area is visible from Farrington Highway and the H-1 Freeway. Comprised of abandoned agricultural lands historically used for sugarcane cultivation, the Kapolei West project area sits fallow between lush residential and golf course developments and the City of Kapolei. Views looking makai (south) from Farrington Highway and the H-1 Freeway include the idle fields of the project area and the expansive 'Ewa plain, the industrial facilities of Campbell Industrial Park and Barbers Point Deep Draft Harbor, the Ko Olina resort and golf course, and the Pacific Ocean. The Honokai Hale/Nanakai Gardens subdivision adjacent to Farrington Highway partially obscures makai views of the 'Ewa Plain from Farrington Highway. The 'Ewa Development Plan identifies the panoramic view makai of the Highway as a significant viewplane.

3.12 Land Use Policies

3.12.1 State Land Use Classification

All lands in the State of Hawai'i have been classified in one of four land use districts by the State Land Use Commission (LUC), pursuant to Chapter 205, Hawai'i Revised Statutes. The four land use districts are: (1) Conservation; (2) Agriculture; (3) Urban; and (4) Rural.

Petition Area
The entire Petition Area is currently designated Agricultural. A State Land Use District Boundary Amendment for reclassification from the Agricultural District to the Urban District is being sought.

Remaining Project Area
The remaining 373 acres of the Kapolei West project area is designated as Urban. As noted previously, this area was reclassified from the State Agricultural District in 1991 for the Ko Olina Phase II development (Docket No. A90-655).

3.12.2 Hawai'i State Plan

The Hawai'i State Plan, established through the State's legislative process, represents public consensus regarding expectations for Hawai'i's future. Chapter 226, Hawai'i Revised Statutes (HRS), as amended, describes the purpose of the State Plan as follows:

> "[it] shall serve as a guide for the future long-range development of the State; identify the goals, objectives, policies, and priorities for the State of Hawai'i; provide the basis for determining priorities and allocating limited resources, such as public funds, services, manpower, land, energy, water, and other resources; improve coordination of state and county plans, policies, programs, projects, and regulatory activities; and establish a system for plan formation and program coordinat8ion to provide for an integration of all major state and county activities." (Chapter 226-1, HRS; Findings and Purpose).

The proposed project conforms to most applicable goals, objectives, policies and guidelines of the Hawai'i State Plan. The proposed development is substantially consistent with most applicable policy areas, including the following:

Section 226-5 Objective and policies for population.

Section 226-5(b)(1) Manage population growth statewide in a manner that provides increased opportunities for Hawai'i's people to pursue their physical, social, and economic aspirations while recognizing the unique needs of each county.

Section 226-5(b)(7) Plan the development and availability of land and water resources in a coordinated manner so as to provide for the desired levels of growth in each geographic area.

Section 226-6 Objectives and policies for the economy - in general.

Section 226-6(a)(1) Increased and diversified employment opportunities to achieve full employment, increased income and job choice, and improved living standards for Hawai'i's people.

Section 226-6(b)(10) Stimulate the development and expansion of economic activities which will benefit areas with substantial or expected employment problems.

Section 226-8 Objective and policies for the economy - visitor industry.

Section 226-8(b)(3) Improve the quality of existing visitor destination areas.

Section 226-8(b)(4) Encourage cooperation and coordination between the government and private sectors in developing and maintaining well-designed, adequately serviced visitor industry and related developments which are sensitive to neighboring communities and activities.

Section 226-11 Objectives and policies for the physical environment - land-based, shoreline, and marine resources.

Section 226-11(b)(3) Take into account the physical attributes of areas when planning and designing activities and facilities.

Section 226-12 Objective and policies for the physical environment - scenic, natural beauty, and historic resources.

Section 226-12(b)(1) Promote the preservation and restoration of significant natural and historic resources.

Section 226-12(b)(3) Promote the preservation of views and vistas to enhance the visual and aesthetic enjoyment of mountains, ocean, scenic landscapes, and other natural features.

Section 226-13 Objectives and policies for the physical environment - land, air, and water quality.

Section 226-13(b)(7) Encourage urban developments in close proximity to existing services and facilities.

Section 226-14 Objective and policies for facility systems - in general.

Section 226-14(b)(3) Ensure that required facility systems can be supported within resource capacities and at reasonable cost to the user.

Section 226-15 Objectives and policies for facility systems - solid and liquid wastes.

Section 226-15(b)(2) Promote re-use and recycling to reduce solid and liquid wastes and employ a conservation ethic.

Section 226-16 Objective and policies for facility systems - water.

Section 226-16(b)(1) Coordinate development of land use activities with existing and potential water supply.

Section 226-16(b)(6) Promote water conservation programs and practices in government, private industry, and the general public to help ensure adequate water to meet long-term needs.

Section 226-17 Objectives and policies for facility systems - transportation.

Section 226-17(b)(6) Encourage transportation systems that serve to accommodate present and future development needs of communities;

Section 226-19 Objectives and policies for socio-cultural advancement - housing.

Section 226-19 (b)(3) Increase homeownership and rental opportunities and choices in terms of quality, location, cost, densities, style, and size of housing.

Section 226-19 (b)(5) Promote design and location of housing developments taking into account the physical setting, accessibility to public facilities and services, and other concerns of existing communities and surrounding areas.

Section 226-19 (b)(6) Facilitate the use of available vacant, developable, and underutilized urban lands for housing.

Section 226-23 Objective and policies for socio-cultural advancement - leisure.

Section 226-23(b)(2) Provide a wide range of activities and facilities to fulfill the cultural, artistic, and recreational needs of all diverse and special groups effectively and efficiently.

Section 226-103 Economic priority guidelines.

Section 226-103(b)(2) Encourage the development and maintenance of well-designed, adequately serviced hotels and resort destination areas which are sensitive to neighboring communities and activities and which provide for adequate shoreline setbacks and beach access.

Section 226-103(e)(2) Encourage the improvement of irrigation technology and promote the use of nonpotable water for agricultural and landscaping purposes.

Section 226-104 Population growth and land resources priority guidelines.

Section 226-104(b)(1) Encourage urban growth primarily to existing urban areas where adequate public facilities are already available or can be provided with reasonable public expenditures, and away from areas where other important benefits are present, such as protection of important agricultural land or preservation of lifestyles.

Section 226-104(b)(2) Make available marginal or nonessential agricultural lands for appropriate urban uses while maintaining agricultural lands of importance in the agricultural district.

Section 226-104(b)(3) Restrict development when drafting of water would result in exceeding the sustainable yield or in significantly diminishing the recharge capacity of any groundwater area.

3.12.3 State Functional Plans

The Hawai'i State Plan directs the appropriate State agencies to prepare functional plans for their respective program areas, including: agriculture, conservation lands, education, employment, energy, health, higher education, historic preservation, housing, human services, recreation, tourism, transportation and water resources development. While the Hawai'i State Plan establishes long-term objectives for Hawai'i, the State functional plans serve as the primary implementing vehicle for the Hawai'i State Plan and delineate specific strategies of policies and priority actions that should be addressed in the short term.

The State Functional Plans have been adopted by the Hawai'i State Legislature and approved by the Governor. The plans set forth "...the policies, statewide guidelines, and priorities within a specific field of activity, when such activity or program is proposed, administered, or funded by any agency of the State" (Section 226-2 HRS). Each functional plan contains objectives to be achieved and policies to be pursued within the specific areas. "...Such policies shall address major programs and the locations of major facilities" (Section 226-57(b) HRS).

The project generally supports the objectives and policies of the State Functional Plans. The Draft EIS will identify and discuss the policies and objectives of the State Functional Plans that are supported by the proposed project.

3.12.4 City and County of Honolulu General Plan

The General Plan for the City and County of Honolulu was adopted in 1977, and has been subsequently amended (most recently in 2003). The Plan is a comprehensive statement of the

long-range social, economic, environmental and design objectives for the general welfare and prosperity of the people of O'ahu.

Included in the General Plan are broad policy statements that facilitate the attainment of the Plan's objectives. As envisioned in the General Plan, 'Ewa is designated as O'ahu's Secondary Urban Center, with major residential, commercial and employment development targeted for the region.

The proposed Kapolei West project, which encourages growth of O'ahu's Secondary Urban Center, is consistent with the following General Plan objectives and policies:

I. Population

Objective C: To establish a pattern of population distribution that will allow the people of O'ahu to live and work in harmony.

Policy 2: Encourage development within the secondary urban center at Kapolei and the 'Ewa and Central O'ahu urban-fringe areas to relieve developmental pressures in the remaining urban-fringe and rural areas and to meet housing needs not readily provided in the Primary Urban Center.

Policy 4: Direct growth by providing land development capacity and needed infrastructure to seek a 2025 distribution of O'ahu's residential population, which would be in accord with the following table:

Distribution of Residential Population	
DP Area	% Share of 2025 Islandwide Population
Primary Urban Center	46.0
'Ewa	13.0
Central O'ahu	17.0
East Honolulu	5.3
Ko'olaupoko	11.6
Ko'olauloa	1.4
North Shore	1.7
Wai'anae	4.0

II. Economic Activity

Objective A: To promote employment opportunities that will enable all the people of O'ahu to attain a decent standard of living.

Policy 1: Encourage the growth and diversification of O'ahu's economic base.

Policy 2: Encourage the development of small businesses and larger industries which will contribute to the economic and social well-being of O'ahu residents

Objective G: To bring about orderly economic growth on O'ahu.

Policy 1: Direct major economic activity and government services to the Primary Urban Center and the Secondary Urban Center at Kapolei.

Policy 2: Maintain sufficient land in appropriately located commercial and industrial areas to help ensure a favorable business climate on O'ahu.

III. Natural Environment

Objective A: To protect and preserve the natural environment.

Policy 4: Require development projects to give due consideration to natural features such as slope, flood and erosion hazards, water- recharge areas, distinctive land forms, and existing vegetation.

Policy 7: Protect the natural environment from damaging levels of air, water and noise pollution.

Policy 8: Protect plants, birds, and other animals that are unique to the State of Hawai'i and the Island of O'ahu.

Objective B: To preserve and enhance the natural monuments and scenic views of O'ahu for the benefit of both residents and visitors.

Policy 2: Protect O'ahu's scenic views, especially those seen from highly developed and heavily traveled areas.

Policy 4: Provide opportunities for recreational and educational use and physical contact with O'ahu's natural environmental.

IV. Housing

Objective C: To provide the people of O'ahu with a choice of living environments which are reasonably close to employment, recreation, and commercial centers and which are adequately served by public utilities.

Policy 4: Encourage residential development near employment centers.

V. Transportation and Utilities

Objective A: To create a transportation system which will enable people and goods to move safely, efficiently, and at a reasonable cost; serve all people, including the poor, the elderly, and the physically handicapped, and offer a variety of attractive and convenient modes of travel.

Policy 1: Develop and maintain an integrated ground transportation system consisting of the following elements and their primary purposes:

a. Public transportation – for travel to and from work, and travel within Central Honolulu;

b. Bikeway – for recreational activities and trips to work, schools, shopping centers, and community facilities; and
c. Pedestrian walkways – for getting around Downtown and Waikiki, and for trips to schools, parks, and shopping centers.

Policy 2: Provide transportation services to people living within the 'Ewa, Central O'ahu, and Pearl City-Hawai'i Kai corridors primarily through a mass transit system including exclusive right-of-way rapid transit and feeder-bus components as well as through the existing highway system with limited improvements as may be appropriate.

Objective D: To maintain transportation and utility systems which will help O'ahu continue to be a desirable place to live and visit.

Policy 2: Use the transportation and utility systems as a means of guiding growth and the pattern of land use on O'ahu.

VII. Physical Development and Urban Design

Objective A: To coordinate changes in the physical environment of O'ahu to ensure that all new developments are timely, well designed, and appropriate for the areas in which they are located.

Policy 5: Provide for more compact development and intensive use of urban lands where compatible with the physical and social character of existing communities.

Policy 6: Encourage the clustering of developments to reduce the cost of providing utilities and other public services.

Policy 7: Locate new industries and new commercial areas so that they will be well related to their markets and suppliers, and to residential areas and transportation facilities.

Objective C: To develop a secondary urban center in 'Ewa with its nucleus in the Kapolei area.

Policy 2: Encourage the development of a major residential, commercial, and employment center within the secondary urban center at Kapolei.

X. Culture and Recreation

Objective B: To protect O'ahu's cultural, historic, architectural, and archaeological resources.

Policy 9: Require all new developments to provide their residents with adequate recreation space.

Policy 10: Encourage the private provision of recreation and leisure-time facilities and services.

3.12.5 CITY AND COUNTY OF HONOLULU DEVELOPMENT PLAN

The City and County of Honolulu's Development Plan (DP) program provides a relatively detailed framework for implementing General Plan objectives and policies on an area-wide basis. A total of eight DP areas have been established on O'ahu, including the 'Ewa DP area where the project is located. In accordance with the General Plan objectives and policies that designate 'Ewa as the Secondary Urban Center, the 'Ewa DP describes the 'Ewa region as O'ahu's secondary employment center and resort area. The 'Ewa DP, which is currently undergoing five-year review, provides conceptual, long-range visions and policies to guide regional land use and infrastructure decisions, and includes land use maps illustrative of the policy statements articulated in the Plan. In general, the proposed Kapolei West project is largely compatible with the policies and guidelines expressed in the 'Ewa DP.

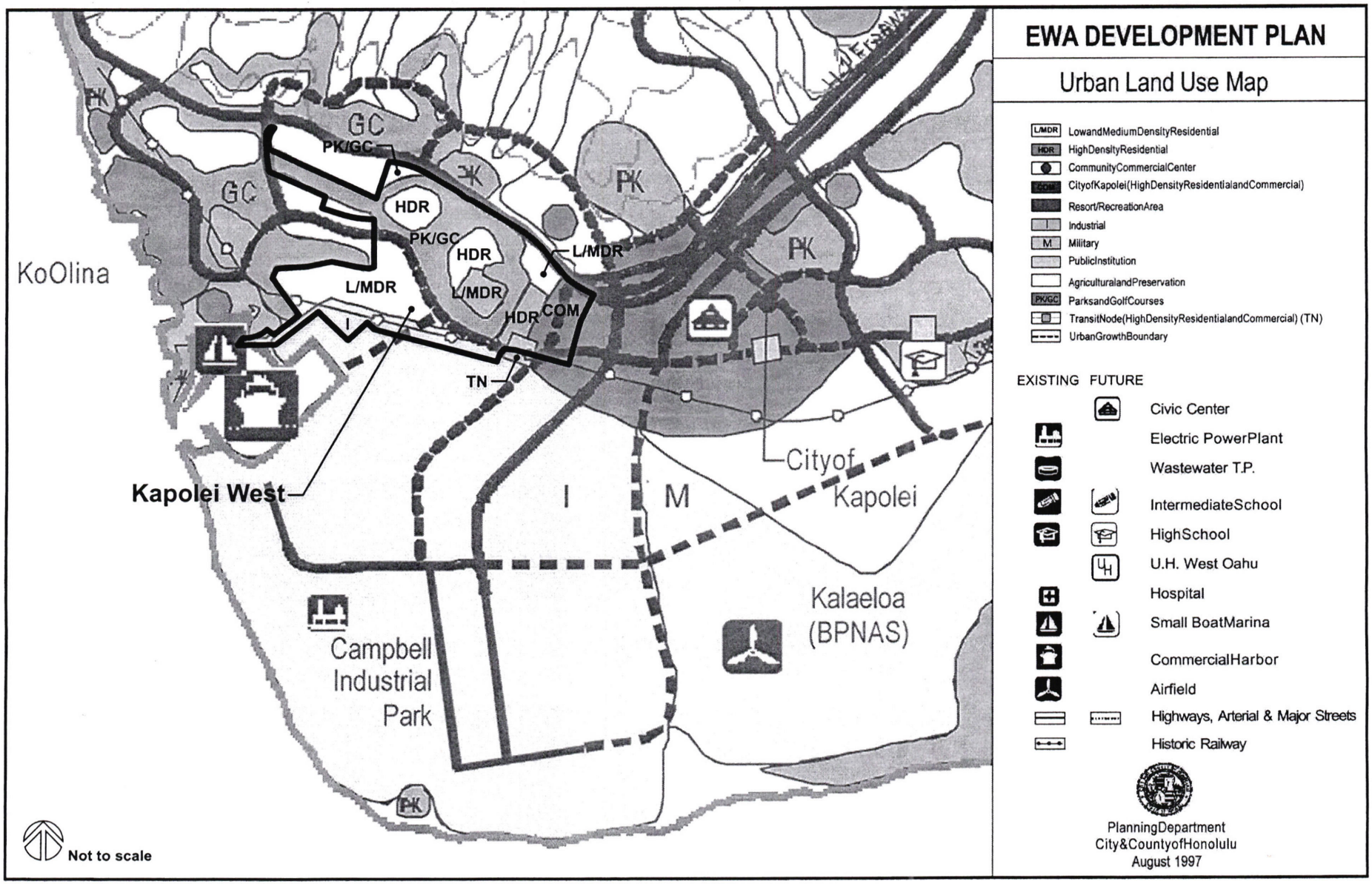
The 'Ewa Development Plan Phasing Map provides phasing guidance for the development of proposed projects to ensure that growth remains compatible with the economic, social and physical infrastructure. Proposed developments are categorized by the time period, or phase, during which the zone change application can be processed: (1) 1997 to 2005; (2) 2006 to 2015; and (3) 2016 and Beyond. Within the Kapolei West project area, areas identified for urban expansion during the 1997 to 2005 timeframe include the 373-acre parcel included in the Ko Olina Phase II project and the entire project area to the south of the OR&L ROW. The Phasing Map identifies a triangular-shaped property formed by the boundaries of the OR&L ROW, the Ko Olina Golf Course and the former Ko Olina Phase II project boundary to the east as the Kapolei Low Density Apartments (LDA) project. The area, which corresponds to the boundaries of the Kapolei West Petition Area north of the OR&L ROW, is categorized for urban expansion in two phases and includes a total of 1,800 units: the western half is identified for development during the 2006 to 2015 timeframe (500 units) and the eastern half is identified for development during the 2016 and Beyond timeframe (1,300 units). In comparison, the Kapolei West Petition Area proposes an estimated 1,200 units, significantly less than the 1,800 units included in the Kapolei LDA project.

In total, the Kapolei West project will provide approximately 2,400 residential units for approximately 8,000 residents, and will provide needed infrastructure to support growth of the 'Ewa region. While the General Plan directs that the 'Ewa region will account for 13 percent of the island's population in 2025, projections from the City and County of Honolulu estimate that between the year 2000 and 2025, the residential population of the 'Ewa Development Plan region will increase from an estimated 69,000 persons (7.8 percent of the islandwide population) to 114,000 persons (11.0 percent of the islandwide population). Although the 2025 estimate represents a 3.2 percent increase in the 'Ewa region's share of islandwide population, the projected regional population growth remains 2 percent less than the desired General Plan population distribution.

The 'Ewa Development Plan Land Use Map (DPLUM) is presented in Figure 8. The following section describes the DP land use designations for the Kapolei West project area.

Petition Area

According to the 'Ewa DPLUM, the Petition Area is designated "Low and Medium Density Residential" and "Industrial." Most of the Petition Area north of the OR&L ROW is designated "Low and Medium Density Residential," except for a narrow section of "Industrial" lands bordering the OR&L ROW. South of the OR&L ROW, a triangular-area adjacent to the existing Ko Olina Golf Course is designated "Low and Medium Density Residential," while the remaining area is designated "Industrial."



Ewa Development Plan Land Use Map **Figure 8**

Kapolei West
O`ahu, Hawai`i

Remaining Project Area
The 'Ewa DPLUM was amended in 1991 in accordance with the proposed Ko Olina Phase II development (Bill No. 132 (1990), CD-1). As such, the existing 'Ewa DPLUM reflects the land use configuration associated with the Ko Olina Phase II project. "Low and Medium Density Residential" and "High Density Residential" are surrounded by "Parks and Golf Courses." A "Transit Node" and "City of Kapolei" are to the east, and a narrow section of "Industrial" lands stretch north of the OR&L ROW. As stated in Section 3.7.3.1 of the 'Ewa DP, "As an alternative to industrial uses, a commercial, cultural or recreational entertainment attraction may be permitted in the area fronting the OR&L Historic Railway, provided that the use is designed to enhance the viability of the operation of the railway ..."

3.12.6 City and County of Honolulu Zoning

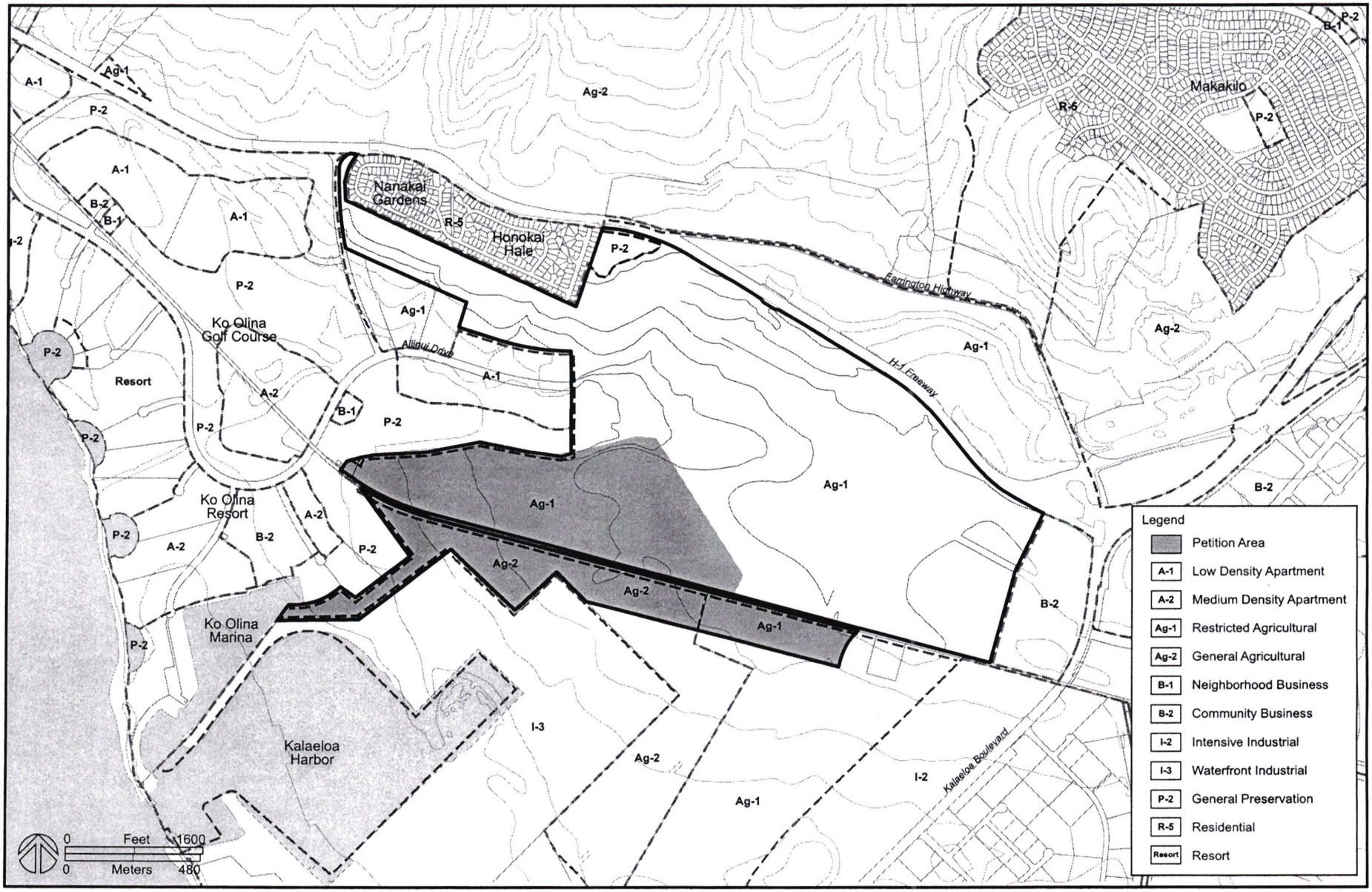
The Land Use Ordinance (LUO) and accompanying maps define the allowable uses of land within the City and County of Honolulu. The LUO describes the various zoning districts throughout the City and County, the uses allowed within each zoning district, and the applicable development standards for each district. Current zoning for the Petition Area and the remaining Kapolei West project area is shown in Figure 9. A zone change will be necessary to permit the proposed recreational, commercial and residential uses.

Petition Area
Within the Petition Area, the area north of the OR&L ROW is currently zoned AG-1, Restricted Agricultural, and the area south of the OR&L ROW is zoned AG-1, Restricted Agricultural, and AG-2, General Agricultural.

Remaining Project Area
The entire project area north of the Petition Area is zoned AG-1, Restricted Agricultural District, except for Kamokila Park which is zoned P-2, General Preservation.

3.12.7 Special Management Area

The City and County of Honolulu, similar to other counties in Hawai'i, has adopted: (1) boundaries which identify the Special Management Area (SMA); and (2) rules and regulations which are consistent with Chapter 205A, HRS that control development within the SMA. The purpose of the SMA is to preserve, protect, and where possible, restore the natural resources of the coastal zone of Hawai'i. Proposed development within the SMA is subject to review in order to ensure adequate access to recreation areas and minimal adverse impacts to water resources, and scenic and recreational amenities. The southernmost tip of the Petition Area that touches the Ko Olina Marina (approximately 200 feet) lies within the SMA (see Figure 4), and will require review in accordance with Chapter 25, ROH, the City and County of Honolulu's Special Management Area provisions.



City and County of Honolulu Zoning **Figure 9**

Kapolei West
O`ahu, Hawai`i

4.0 ANTICIPATED IMPACTS

Customary impacts associated with development projects include, but are not limited to, those related to drainage, archaeological/historic resources, soils, flora/fauna, utilities, traffic and economic impacts. The following is a list of original studies that will be conducted to analyze the potential impacts of the proposed development. The Draft EIS will summarize the analyses and findings of these studies. Copies of the studies will be included as appendices in the Draft EIS.

Archaeological Inventory Survey

Cultural Impact Assessment

Botanical Survey

Preliminary Engineering Assessment

Fiscal and Economic Impact Assessment

Noise Assessment

Air Quality Assessment

Traffic Impact Assessment

Water Resources Study

Market Analysis

Agriculture Impact Analysis

5.0 DETERMINATION

In consideration of the significance criteria of Chapter 200 of Title 11 of the Hawai'i Administrative Rules (§11-200-12, HAR), and the comments received during the draft environmental assessment pre-assessment consultation process, it has been determined that the potential environmental effects of the Proposed Action are significant enough to warrant the preparation of an environmental impact statement. Pursuant to the provisions of Chapter 343, HRS and Chapter 11-200, HAR, an environmental impact statement will be prepared in consideration of the State Land Use District Boundary Amendment to reclassify the approximate 174 acres of the project area described in this preparation notice from the Agricultural to the Urban District.

6.0 PARTIES CONSULTED DURING THE PREPARATION OF THE PREPARATION NOTICE

A pre-assessment consultation letter was mailed to various government agencies, community associations and elected representatives in April 2004 to ensure that interested parties were notified of the intended draft environmental assessment (DEA) and that all relevant issues and concerns were addressed. Letters were distributed to a diverse group of parties believed to have an interest in the project. The following is a list of parties who were sent pre-assessment consultation letters.

Comments were received from 24 of the 71 parties consulted. The parties who responded are identified by an asterisk (*). Comments received in response to the DEA pre-assessment consultation will be considered during the preparation of the DEIS.

Federal Agencies
* Department of the Army, Army Corps of Engineers
Department of the Army, Army Support Command Hawai'i
Department of the Navy, Naval Base, Pearl Harbor
* U.S. Coast Guard
Department of Agriculture, Natural Resources Conservation Service
* Department of the Interior, Fish and Wildlife Services
Department of the Interior, U.S. Geological Survey
* Federal Aviation Administration
Federal Highway Administration

State Agencies
* Department of Accounting and General Services
Department of Agriculture
Department of Budget and Finance
Department of Business, Economic Development and Tourism
DBEDT, Energy Resources and Technology Division
DBEDT, Office of Planning
Department of Defense
* Department of Education
Department of Hawaiian Home Lands
* Department of Health
Department of Human Services, Housing and Community Development Corporation
Department of Labor and Industrial Relations
* Department of Land and Natural Resources
* Department of Land and Natural Resources, Historic Preservation Division
* Department of Transportation
O'ahu Metropolitan Planning Organization
* Office of Environmental Quality Control
* Office of Hawaiian Affairs
Public Utilities Commission

University of Hawai'i
Environmental Center
Water Resources Research Center

City and County of Honolulu
* Board of Water Supply
Department of Community Services
* Department of Design and Construction
Department of Environmental Services
* Department of Facility Maintenance
* Department of Parks and Recreation
* Department of Planning and Permitting
* Department of Transportation Services
* Honolulu Fire Department
* Honolulu Police Department
* O'ahu Civil Defense Agency

Other Agencies, Organizations and Individuals
Councilmember Mike Gabbard
Councilmember Donovan M. Dela Cruz
Representative Mark Moses
Representative Michael Kahikina
Senator Brian Kanno
Common Cause Hawai'i
Friends of the Pearl Harbor Historic Trail
Gas Company
Hawai'i Audubon Society
Hawai'i Building and Construction Trade Council
Hawai'i Farm Bureau Foundation
Hawai'i's Thousand Friends
Hawaiian Civic Club
Hawaiian Electric Company
* Hawaiian Railway Society
Honokai Hale/Nanakai Gardens Community Association
Kapolei Rotary Club
* Ko Olina Community Association
Land Use Research Foundation of Hawai'i
League of Women Voters
Leeward O'ahu Transportation Management Association
Life of the Land
Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34
Makakilo-Kapolei Lions Club
* Outdoor Circle
Sierra Club, Hawai'i Chapter
Soroptimist International of West O'ahu
Verizon Telephone
Wai'anae Coast Neighborhood Board No. 24
West O'ahu Economic Development Association

In addition to the parties listed above, letters were sent to the Waianae, 'Ewa Beach, and Kapolei Public Libraries, and the Hawai'i State Main Library, in order to provide residents of the area access to this information. Copies were also sent to DBEDT Business Resource Center Library, the Legislative Reference Bureau, the Municipal Reference and Records Center, and University of Hawai'i Hamilton Library.

7.0 PARTIES TO BE CONSULTED DURING THE PREPARATION OF THE DRAFT ENVIRONMENTAL IMPACT STATEMENT

The following is a list of parties that will be sent copies of the EIS Preparation Notice. Each will be invited to provide written comments during the public review period identifying concerns or issues that should be addressed in the EIS. Comments received in response to this EISPN will be included in the Draft EIS.

Federal Agencies
Department of the Army, Army Corps of Engineers
Department of the Navy, Naval Base, Pearl Harbor
U.S. Coast Guard
Department of Agriculture, Natural Resources Conservation Service
Department of the Interior, Fish and Wildlife Services
Department of the Interior, U.S. Geological Survey
Federal Aviation Administration
Federal Highway Administration

State Agencies
Department of Agriculture
Department of Budget and Finance
Department of Business, Economic Development and Tourism
DBEDT, Energy Resources and Technology Division
DBEDT, Office of Planning
Department of Defense
Department of Education
Department of Hawaiian Home Lands
Department of Health
Department of Human Services, Housing and Community Development Corporation
Department of Labor and Industrial Relations
Department of Land and Natural Resources
Department of Land and Natural Resources, Historic Preservation Division
Department of Transportation
Department of Transportation, Harbors Division
O'ahu Metropolitan Planning Organization
Office of Environmental Quality Control
Office of Hawaiian Affairs
Public Utilities Commission

University of Hawai'i
Environmental Center
Water Resources Research Center

City and County of Honolulu
Board of Water Supply
Department of Community Services
Department of Design and Construction
Department of Environmental Services
Department of Facility Maintenance
Department of Parks and Recreation

Department of Planning and Permitting
Department of Transportation Services
Honolulu Fire Department
Honolulu Police Department
O'ahu Civil Defense Agency

Other Agencies, Organizations and Individuals
Councilmember Mike Gabbard
Councilmember Donovan M. Dela Cruz
Representative Mark Moses
Representative Michael Kahikina
Senator Brian Kanno
Friends of the Pearl Harbor Historic Trail
Gas Company
Hawai'i Audubon Society
Hawai'i Building and Construction Trade Council
Hawai'i Farm Bureau Foundation
Hawai'i's Thousand Friends
Hawaiian Civic Club
Hawaiian Electric Company
Hawaiian Railway Society
Honokai Hale/Nanakai Gardens Community Association
Kapolei Rotary Club
Ko Olina Community Association
Ko Olina Fairways Asociation of Apartment Owners
Ko Olina Resort, LLC
Land Use Research Foundation of Hawai'i
League of Women Voters
Leeward O'ahu Transportation Management Association
Life of the Land
Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34
Makakilo-Kapolei Lions Club
Outdoor Circle
Sierra Club, Hawai'i Chapter
Verizon Telephone
Wai'anae Coast Neighborhood Board No. 24
West O'ahu Economic Development Association

Libraries and Depositories
State Archivist
'Ewa Beach Public Library
Hawai'i State Main Library
Kapolei Public Library
Wai'anae Public Library
DBEDT Business Resource Center Library
Legislative Reference Bureau
University of Hawai'i Hamilton Library
Municipal Reference and Records Center

Media
Honolulu Advertiser
Honolulu Star Bulletin

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L-695 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
JUN 25, 2003 11:00 AM

Doc No(s) 2948281
on Cert(s) 410,860 & 558,856
Issuance of Cert(s) 650,544

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR
CONVEYANCE TAX: $16665.60 (R)

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2004 AUG 23 P 2:39
LAND USE COMMISSION
STATE OF HAWAII

LAND COURT | REGULAR SYSTEM

Return By Mail [X] Pick-Up [ ] To:

CARLSMITH BALL LLP
Kapolei Building, Suite 318
1001 Kamokila Boulevard
Kapolei, Hawaii 96707
Attention: Mark K. Murakami
Telephone: 808.523.2561

G: A20033517B-S

TGE: A3-101-3095

ANN OGINO

THIS DOCUMENT CONTAINS (12) PAGES

TITLE OF DOCUMENT:

TRUSTEES LIMITED WARRANTY DEED WITH RESTRICTIONS, COVENANTS AND RESERVATION OF RIGHTS

PARTIES TO DOCUMENT:

GRANTORS: **C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER,** the duly appointed, qualified and acting **TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED,** acting in their fiduciary and not in their individual capacities

GRANTEE: **AINA NUI CORPORATION,** a Hawaii corporation
James Campbell Building, Suite 255, 1001 Kamokila Boulevard, Kapolei, Hawaii 96707

TAX MAP KEY(S): (Oahu) 9-1-15: parcels 04 & 18
Certificate of Title No. 410,860 (as to Lot 2679-B)
Certificate of Title No. 558,856

(This document consists of 12 pages.)

COPY

EXHIBIT "8"

TRUSTEES LIMITED WARRANTY DEED
WITH RESTRICTIONS, COVENANTS AND RESERVATION OF RIGHTS

KNOW ALL MEN BY THESE PRESENTS:

That **C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER,** the duly appointed, qualified and acting **TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED,** acting in their fiduciary and not in their individual capacities (the "Grantors"), whose address is the James Campbell Building, 1001 Kamokila Boulevard, Kapolei, Hawaii 96707, in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other valuable consideration previously paid to Grantors by **AINA NUI CORPORATION,** a Hawaii corporation (the "Grantee"), whose address is the James Campbell Building, Suite 255, 1001 Kamokila Boulevard, Kapolei, Hawaii, the receipt and sufficiency of which is hereby acknowledged by the Grantors, and upon and subject to the covenants and conditions herein set forth, **DO HEREBY GRANT, BARGAIN, SELL, and CONVEY** unto Grantee, its successors and assigns, forever, those certain parcels of real estate (the "Property") situated at Honouliuli, City and County of Honolulu, Island of Oahu, State of Hawaii, and more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference, subject to the reservations and encumbrances herein and in **Exhibit A** attached hereto, **AND SUBJECT ALSO TO THE FOLLOWING EXCEPTIONS, RESERVATIONS, RESTRICTIONS ON USE AND AGREEMENTS:**

1. Drilling of Wells Prohibited. Drilling of water wells of any kind on the Property shall be prohibited, except after obtaining the prior written consent of the Trustees under the Will and of the Estate of James Campbell, Deceased, their successors, successors in trust and assigns, which consent may be withheld in their sole discretion.

2. Drainage. Grantors hereby reserve the right to have surface runoff of water from lands upslope from or adjacent to the Property flow through the Property towards more downslope lands, which upslope lands include, without limitation, the lands covered by Docket No. A92-687 of the Land Use Commission of the State of Hawaii and known as "Makaiwa Hills". Grantee shall develop the Property so as to accept such drainage from the benefitted upslope lands and to avoid any damage to adjoining lands from water runoff, and if required by applicable government authority, Grantee shall construct any drainage structure necessary to accept such upslope surface runoff and/or to prevent such damage. In constructing any drainage structures, Grantee must coordinate the drainage work with Grantors.

3. Reservation of Hanua Street Extension.

a. Reservation Generally. As used herein, the term "easement area" means an approximately one hundred (100) foot wide future right of way for the extension of Hanua Street from Farrington Highway down to Exclusion 2 identified in Section 4.1.2 of the Ewa Development Plan (Appendix 24-3 of the Revised Ordinances of Honolulu (1990)), the approximate location being as shown on **Exhibit B** attached hereto and incorporated herein by this reference. Grantors hereby reserve unto themselves personally and as owner of the Benefited Property (defined in paragraph 3.b (Benefited Property)), their successors, successors in trust and assigns, the following rights with respect to the easement area: (i) a perpetual nonexclusive access (vehicular and pedestrian) and utility (overhead and underground utilities) easement, (ii) the right to further delineate and subdivide the easement area from the remainder of the Property, at Grantors' own cost, (iii) the right, but not the obligation, to construct,

reconstruct, install, reinstall, use, operate, repair and maintain such easement area and all roadways, improvements, systems, pipes, lines and appurtenant facilities and equipment located within such easement area for access and utility purposes; (iv) the right of ingress and egress to and from the easement area through portions of the Property immediately adjacent to and above the easement area for the purposes enumerated herein; and (v) such other rights in and to the easement area consistent with the intent and purpose of this provision.

b. Benefited Property. As used herein, the term "Benefited Property" means all of the land located below (makai of) Exclusion 2 of Land Court Application No. 1069 and bounded by (i) Ko Olina Resort on the West, and (ii) Kalaeloa Boulevard on the East, which is owned by Grantors on the date of this instrument.

4. Dedication of Hanua Street Extension. If Grantors exercise their right to subdivide the Hanua Street extension from the remainder of the Property and to construct or cause to be constructed the Hanua Street extension to dedicable standards, for no additional consideration, Grantee on behalf of itself and all successors in interest (as fee simple owner of the Hanua Street extension lot) hereby agrees to dedicate the Hanua Street extension lot to applicable governmental authorities by way of the applicable governmental authority's standard form dedication deed, subject to Grantors' obligation to fulfill (or cause to be fulfilled) all other legally required and customary dedication requirements for roads of the type and kind of the Hanua Street extension (such as construction or maintenance bonds) for such dedication; provided that Grantors shall not be obligated to fulfill additional dedication impositions that may arise from Grantee's (or its successors in interest's) own development of all or any portion of the Property.

5. Prohibited Use and Prohibited Interference. No portion of the Property shall be used for cement manufacturing. No owner or occupant will interfere or attempt to interfere in any way, directly or indirectly, by legal proceedings or otherwise, with, or seek damages from the Trustees under the Will and of the Estate of James Campbell, Deceased, their successors, successors in trust and assigns, or from Hawaiian Cement, a Hawaii general partnership, its successors or assigns, for cement quarrying or manufacturing operations so long as same are conducted in a reasonable and prudent manner and in accordance with accepted quarrying and manufacturing methods and procedures.

6. Release of Terms and Conditions. Grantors, their successors, successors in trust and assigns, shall have the unilateral right, in their respective sole discretion, to release all or a portion of the reservations, terms, covenants and conditions set forth in paragraph 1 (Drilling of Wells Prohibited), paragraph 2 (Drainage), paragraph 3 (Reservation of Hanua Street Extension), paragraph 4 (Dedication of Hanua Street Extension) and paragraph 5 (Prohibited Use and Prohibited Interference).

7. Property in "As Is, Where Is" Condition.

a. No Warranties. It is expressly understood and agreed that Grantors have not made any representation or warranty, express or implied, regarding any aspect of the Property including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose, suitability, habitability, quality, physical condition and value, and Grantors hereby disclaim any and all liability for any and all such representations and warranties. Grantee agrees that it has examined and investigated the Property prior to the execution of this instrument and that Grantee has relied solely upon such examinations and investigations in acquiring the Property. Without limiting the generality of the foregoing, Grantee acknowledges that (i) it has made all inspections, investigations and analyses deemed

necessary or appropriate to determine compliance by the Property with all environmental or other applicable laws that may apply to the Property, and (ii) Grantors have made no representation or warranty, express or implied, concerning the Property's compliance with environmental or other applicable laws.

b. "As Is" Condition. Grantee acknowledges and agrees that it is acquiring the Property in its "as is, where is" condition, with all faults, if any, and that Grantee has assumed all risks regarding all aspects of the Property, and the condition thereof, including, without limitation: (i) the risk of any physical condition affecting the Property including, without limitation, the existence of any hazardous materials, the existence of any soils conditions, or the existence of archeological or historical conditions on the Property; (ii) the risk of any damage or loss to the Property caused by any means including, without limitation, flood or earthquake; and (iii) the risk of use, zoning, habitability, merchantability or quality of the Property or the suitability of the Property for its present use or future development; and (iv) the activities of Grantors and others on adjacent or other nearby lands.

c. Mutual Release. Grantee expressly releases Grantors, their successors, successors in trust and assigns, from any and all liability and claims that Grantee, its successors and assigns may have against Grantors, their successors, successors in trust and assigns with regard to: (i) known hazardous materials existing on the Property on or before the Conveyance Date (as defined in paragraph 7.e (Conveyance Date)) of which Grantee is actually aware, and (ii) hazardous materials released, leaked, spilled, overflow, discharged or emitted on or from the Property at any time from and after the Conveyance Date, or otherwise resulting from occupancy or operation of the Property by Grantee or by Grantee's agents. Grantee agrees to incorporate such release of Grantors, their successors, successors in trust and assigns in all subsequent conveyances of all or a portion of the Property. Grantors expressly release Grantee from any and all liability and claims that Grantors may have against Grantee, its successors and assigns with regard to any unknown hazardous materials existing on the Property on or before the Conveyance Date of which Grantee is unaware.

d. Indemnity. Grantee shall Indemnify (as this term is defined in paragraph 8 (Indemnity)) Grantors, their successors, successors in trust and assigns from and against any and all claims and demands for loss or damage, including claims for personal injury, property damage or wrongful death, arising at any time on or after the Conveyance Date, as a direct or indirect result of or in connection with hazardous materials caused or permitted by Grantee or by Grantee's agents at any time on or after the Conveyance Date to be released, leaked, spilled, overflow, discharged or emitted on or from the Property, or otherwise resulting from occupancy or operation of the Property by Grantee or by Grantee's agents. Grantee's Indemnity contained in this paragraph 7.d (Indemnity) shall not be construed to apply to clean up of, or any consequential damages related to any contamination resulting from or attributable to: (i) any unknown hazardous materials existing on the Property on or before the Conveyance Date of which Grantee is unaware; or (ii) any hazardous materials migrating, entering or leaching onto, above, or beneath the Property at any time from and after the Conveyance Date from any adjoining or nearby land over which Grantee has no control or in which Grantee has no ownership interest. Grantee shall bear the burden of proof of establishing that the conditions set forth in the immediately preceding sentence apply, so as to relieve Grantee of its Indemnity obligations under this paragraph 7.d (Indemnity).

e. Conveyance Date. As used herein, the term "Conveyance Date" means the date that this instrument is filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

8. Indemnity. In addition to any other Indemnity contained herein running in favor of Grantors, and not in limitation thereof, Grantee shall Indemnify Grantors, their successors, successors in trust and assigns, from and against any and all actions, suits, losses, costs, damages, liabilities or claims thereof, including attorneys' fees, arising out of or in connection with any action or omission by Grantee, Grantee's agents or representatives, or any others claiming by, through or under Grantee, and which relate in any way to this instrument. The foregoing Indemnity shall specifically include by way of example and not in limitation of the foregoing, claims for injury and damage, including personal injury and property damage. As the context requires, as used in this instrument, the term "Indemnify" means the protection of a party, by a money payment if necessary, against out-of-pocket loss. The term shall include an obligation by the indemnitor to defend and hold the indemnitee harmless (with counsel reasonably acceptable to the indemnitee) in connection with any claim against which the Indemnity operates. The obligation to Indemnify shall specifically include, but shall not be limited to payment of (or in the alternative, reimbursement of) all costs and expenses paid by the indemnitee or reasonably anticipated to be incurred by the indemnitee for the indemnitee's defense, including without limitation, reasonable attorneys' fees and costs, and all other consultants' reasonable fees and costs. An Indemnity shall also specifically include all costs for research regarding settlement or other preventive measures undertaken by the indemnitee with regard to any such claim.

9. Standing. Grantors own and may own lands adjacent to or nearby the Property. The value of such lands are or may be maintained and enhanced by the use of the Property in accordance with the terms of this instrument. From and after the date of this instrument, each owner of the Property, by taking title thereto, for itself and its successors and assigns, acknowledge and agree that Grantors, notwithstanding any lack of a legal property interest in the Property or any portion thereof, shall have "standing" in the legal sense to enforce the covenants, conditions, and restrictions of this instrument.

10. No Third Party Beneficiaries; Enforcement. This instrument is not intended, and shall not be deemed or construed, to confer any rights, power or privileges on any person or entity other than Grantors, their successors, successors in trust and assigns. The reservations, limitations, restrictions, covenants and conditions set forth herein can only be enforced by Grantors, their successors, successors in trust and assigns.

11. Attorneys' Fees. In the event of a dispute under this instrument, the prevailing party shall be entitled to recover from the losing party all costs including reasonable attorneys' fees.

12. Governing Law. This instrument shall be governed by laws of the State of Hawaii.

13. Perpetuities. If any of the reservations, limitations, restrictions, covenants or conditions set forth herein shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

14. Effect of Invalidity. The reservations, limitations, restrictions, covenants and conditions set forth herein shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof, of any such reservations, limitations, restrictions, covenants or conditions shall not affect the validity or enforceability of any other provisions hereof.

TOGETHER WITH the reversions, remainders, rents, issues and profits thereof, together with all buildings, improvements, tenements, rights, easements, privileges, and appurtenances to the same belonging or appertaining or held and enjoyed therewith, and all of the estate, right, title and interest of Grantors both at law and in equity therein and thereto.

TO HAVE AND TO HOLD the same unto Grantee, its successors and assigns, forever.

AND Grantors, for themselves and their successors in trust and assigns, do hereby covenant and agree with Grantee, its successors and assigns, that Grantors have done or suffered no act or thing whereby the Property is encumbered, except as aforesaid and set forth hereinafter; that the Property is free and clear of liens and encumbrances made or suffered by Grantors except for the encumbrances contained herein and as set forth in **Exhibit A,** and real property taxes not yet due and payable; and that Grantors will and their successors in trust and assigns shall **WARRANT AND DEFEND** the same unto Grantee, its successors and assigns, forever, against the loss or claims and demands of all persons claiming by, through or under Grantors except as aforesaid.

The terms "Grantors" and "Grantee" wherever herein used shall be held to mean and include Grantors, their successors in trust and assigns, and Grantee, its successors and assigns, and this instrument shall be binding upon and shall inure to the benefit of the parties hereto and their said respective successors, successors in trust and assigns.

Any liability which may arise as a consequence of the execution of this instrument by or on behalf of the Trustees under the Will and of the Estate of James Campbell, Deceased, shall be a liability of the Estate of James Campbell and not the personal liability of any trustee or employee of the Estate of James Campbell.

[the remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed these presents as of June 25, 2003.

Grantee:

AINA NUI CORPORATION, a Hawaii corporation

By _____
Donna B. Goth
Its President

By _____
~~George A.Y. Hiu~~ D. Charles Hill
Its Vice President

Grantors:

TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, acting in their fiduciary and not in their individual capacities

_____
C.R. CHURCHILL

_____
D.A. ~~HEENAN~~

_____
RICHARD W. GUSHMAN, II

_____
RONALD J. ZLATOPER

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this 19th day of June, 2003, before me personally appeared C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER, TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, to me known to be the persons described in and who severally executed the foregoing instrument, and severally acknowledged that they executed the same as their free act and deed as such Trustees.

LS

Lydia L. Hannemann
Notary Public, State of Hawaii
Name: Lydia L. Hannemann
My commission expires: Feb. 11, 2004

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this 18th day of June, 2003, before me personally appeared DONNA B. GOTH and D. CHARLES HILL, to me personally know, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

LS

Lydia L. Hannemann
Notary Public, State of Hawaii
Name: Lydia L. Hannemann
My commission expires: Feb. 11, 2004

EXHIBIT A

PARCEL ONE:

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, Island of Oahu, State of Hawaii, more particularly described as follows:

LOT 2679-B (area 5.888 acres), as shown on Map 311, filed in the Office of the Assistant Registrar of the Land Court to the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, Deceased.

BEING a portion of the land described in and covered by **Certificate of Title No. 410,860** issued to the Trustees under the Will and of the Estate of James Campbell, Deceased.

SUBJECT, HOWEVER to all encumbrances of record as noted on the above referenced Certificate of Title, including without limitation the following instruments filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos.: (i) 297129; (ii) Abutter's rights of vehicle access in favor of the State of Hawaii, as set forth in Final order of Condemnation filed as Document No. 758325, in Civil No. 17381, Circuit Court of the First Circuit, State of Hawaii; (iii) Reservation of "Campbell Estate, upon written request to the State, may relocate, widen or delete the permitted access which may be changed to other uses in the future upon consent of the parties herein, provided that such consent shall not be unreasonably withheld when such change will not affect the safety of the traveling public", as set forth by Land Court Order No. 47860, filed August 3, 1977. and (iv) 2435400.

SUBJECT ALSO, HOWEVER to all encumbrances of record as noted on the above referenced Certificate of Title, including without limitation the following encumbrances: (i) Restriction of access rights (Map 281, Land Court Order No. 47860); and (ii) Easement for road and water line purposes (Map 311, Land Court Order No. 56980).

End of Parcel One Description

PARCEL TWO:

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, Island of Oahu, State of Hawaii, more particularly described as follows:

LOT 13366 (area 465.278 acres), as shown on Map 994, filed in the Office of the Assistant Registrar of the Land Court to the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, Deceased.

BEING all of the land described in and covered by **Certificate of Title No. 558,856** issued to the Trustees under the Will and of the Estate of James Campbell, Deceased.

SUBJECT, HOWEVER to all encumbrances of record as noted on the above referenced Certificate of Title.

End of Parcel Two Description

End of Exhibit A

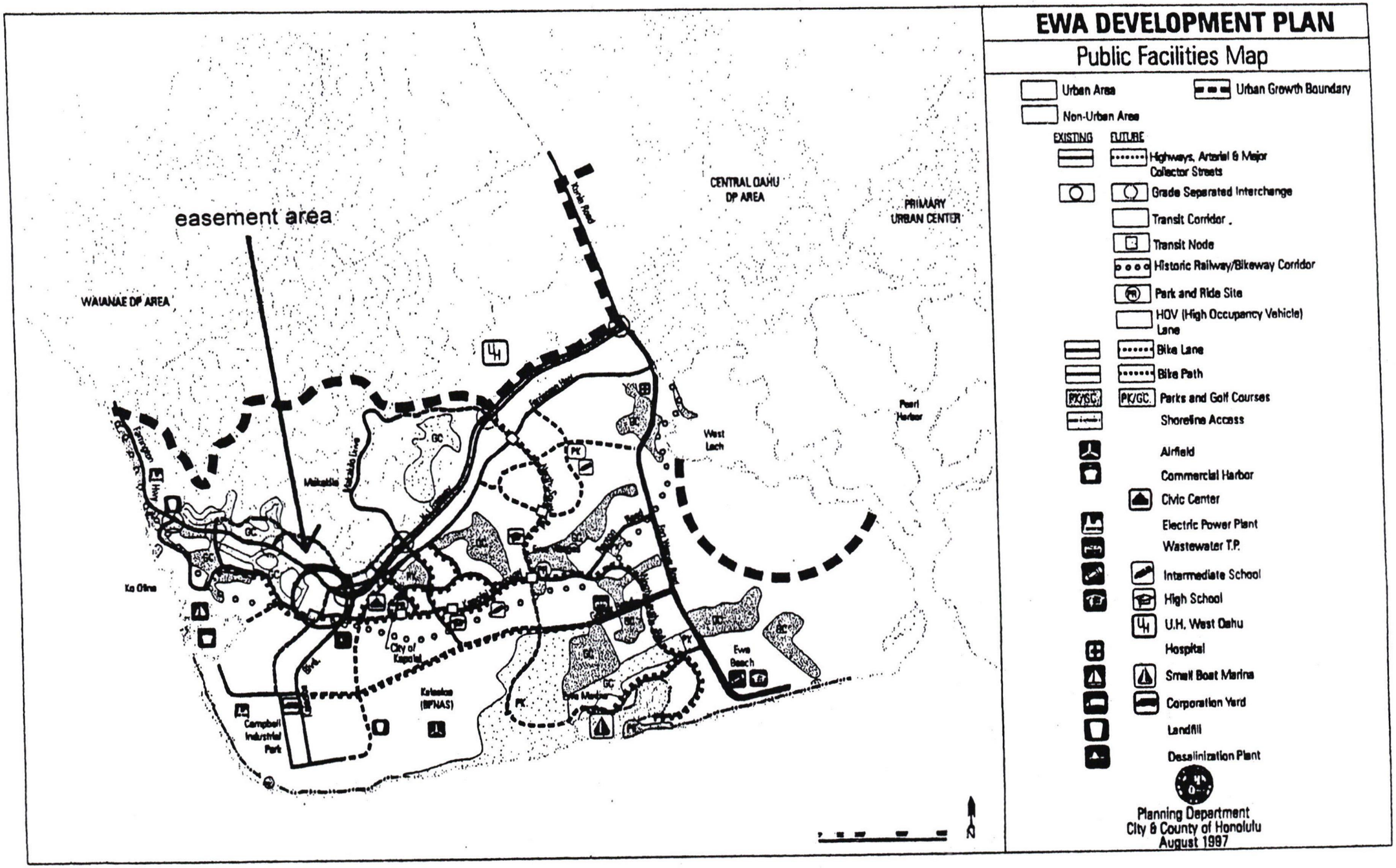

easement area
WAIANAE DP AREA
CENTRAL OAHU DP AREA
PRIMARY URBAN CENTER
Kunia Road
Makakilo
Kapolei
Ko Olina
West Loch
Pearl Harbor
Ewa Beach
City of Kapolei
Kalaeloa (BPNAS)
Campbell Industrial Park
EWA DEVELOPMENT PLAN
Public Facilities Map
Urban Area
Urban Growth Boundary
Non-Urban Area
EXISTING
FUTURE
Highways, Arterial & Major Collector Streets
Grade Separated Interchange
Transit Corridor
Transit Node
Historic Railway/Bikeway Corridor
Park and Ride Site
HOV (High Occupancy Vehicle) Lane
Bike Lane
Bike Path
Parks and Golf Courses
Shoreline Access
Airfield
Commercial Harbor
Civic Center
Electric Power Plant
Wastewater T.P.
Intermediate School
High School
U.H. West Oahu
Hospital
Small Boat Marina
Corporation Yard
Landfill
Desalinization Plant
Planning Department
City & County of Honolulu
August 1997

EXHIBIT B

DRAFT

_____, 2004

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:39

Hawaii State Land Use Commission
P.O. Box 2359
Honolulu, Hawaii 96804-2359

Re: Petition by Aina Nui Corporation for Land Use District Boundary Amendment, Reclassifying Approximately 174 Acres, Situated in the Ewa District, Island of Oahu

Dear Chairman Catalani and Commissioners:

The Estate of James Campbell ("Campbell Estate") is the fee owner of the real property identified as tax map key parcel numbers (1) 9-1-14:033 (por) and (1) 9-1-15:020 (por), situate at Honouliuli, District of Ewa, City and County of Honolulu, Island of Oahu, State of Hawaii, more particularly described in Exhibit "2" and Exhibit "4" attached to the Petition for Land Use District Boundary Amendment in Docket No. _____, (collectively referred to as the "Property"). Campbell Estate's ownership of the Property is evidenced by the deed attached hereto as Exhibit "A".

The Estate of James Campbell hereby authorizes Aina Nui Corporation, a Hawaii corporation, its attorneys and/or its respective representatives to submit a petition to reclassify the said Property from agricultural to urban under Chapter 205 of the Hawaii Revised Statutes and to do all things necessary thereunder to effect the purpose of the said petition.

Dated: _____

The Estate of James Campbell

DRAFT

By _____
Steve MacMillan
Its Chief Executive Officer

EXHIBIT "9"

I the undersigned J. N. Coney agree to sell, and I the undersigned James Campbell agree to Purchase the property situated at Ewa Island of Oahu, known as Honouliuli containing about Forty thousand one hundred acres more or less, with all its buildings improvements rivers, fishing rights, fish ponds and appurtenances whatsoever. Also 2 double canoes, 2 small canoes, and one large Kolo fishing net.

The price to be ninety five thousand dollars to be paid on receipt of a Kahili deed deed to be recorded

The title to be fee simple free from all incumbrances.

This contract to be completed with all Convenient Speed.

Dated this 6th day of September 1877

J. N. Coney

Witness

E. T. Halloran,

COPY

EXHIBIT "A"

360505.1

Of Counsel:
IMANAKA KUDO & FUJIMOTO
A Limited Liability Law Company
BENJAMIN A. KUDO 2262-0
NAOMI U. KUWAYE 6648-0
BREE M. KURIHARA 7785-0
745 Fort Street, 17th Floor
Honolulu, Hawaii 96813
Telephone: (808) 521-9500
Attorneys for PETITIONER
AINA NUI CORPORATION

DRAFT

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:39

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 162 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 and (1) 9-1-015:004 and 020	DOCKET NO. [redacted] AFFIDAVIT OF NAOMI U. KUWAYE ATTESTING TO SERVICE OF PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

AFFIDAVIT OF NAOMI U. KUWAYE ATTESTING TO SERVICE OF PETITION FOR LAND USE DISTRICT BOUNDARY AMENDMENT

STATE OF HAWAII)
) SS:
CITY AND COUNTY OF HONOLULU)

NAOMI U. KUWAYE, being first sworn on oath, deposes and says that:

EXHIBIT "10"

1. Affiant is one of the attorneys for Petitioner, AINA NUI CORPORATION ("Petitioner"), is licensed to practice law in the State of Hawaii, is duly authorized to make this affidavit, and does so upon personal knowledge and belief.

2. This affidavit is made to comply with section 15-15-50 (c)(5)(C), Hawaii Administrative Rules for the State of Hawaii, Land Use Commission.

3. On _____, Petitioner filed with the State of Hawaii Land Use Commission a petition for a boundary amendment ("Petition") in Docket No. _____.

4. The foregoing Petition for Boundary Amendment and Exhibits "___" to "___" were duly served by certified mail or personally served to each of the following persons on _____, addressed as follows:

State of Hawaii — HAND DELIVERY
Department of Business, Economic
Development and Tourism
OFFICE OF PLANNING
Attn: Ms. Mary Lou Kobayashi, Acting Director
State Office Tower
235 South Beretania Street, 6th Floor
Honolulu, Hawaii 96813

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

State of Hawaii
Department of the Attorney General
Attn: _____, Esq.
Hale Auhau, 3rd Floor
425 Queen Street
Honolulu, Hawaii 96813

CERTIFIED MAIL

CITY AND COUNTY OF HONOLULU
DEPARTMENT OF PLANNING AND PERMITTING
Attn: Mr. Eric G. Crispin
650 South King Street, 7th Floor
Honolulu, Hawaii 96813

CERTIFIED MAIL

CITY AND COUNTY OF HONOLULU
PLANNING COMMISSION
650 South King Street, 7th Floor
Honolulu, Hawaii 96813

CERTIFIED MAIL

CITY AND COUNTY OF HONOLULU
DEPARTMENT OF THE CORPORATION COUNSEL
Attn: David Arakawa, Esq.
Honolulu Hale
530 South King Street, Room 110
Honolulu, Hawaii 96813

CERTIFIED MAIL

Further affiant sayeth naught.

DRAFT

_____
NAOMI U. KUWAYE

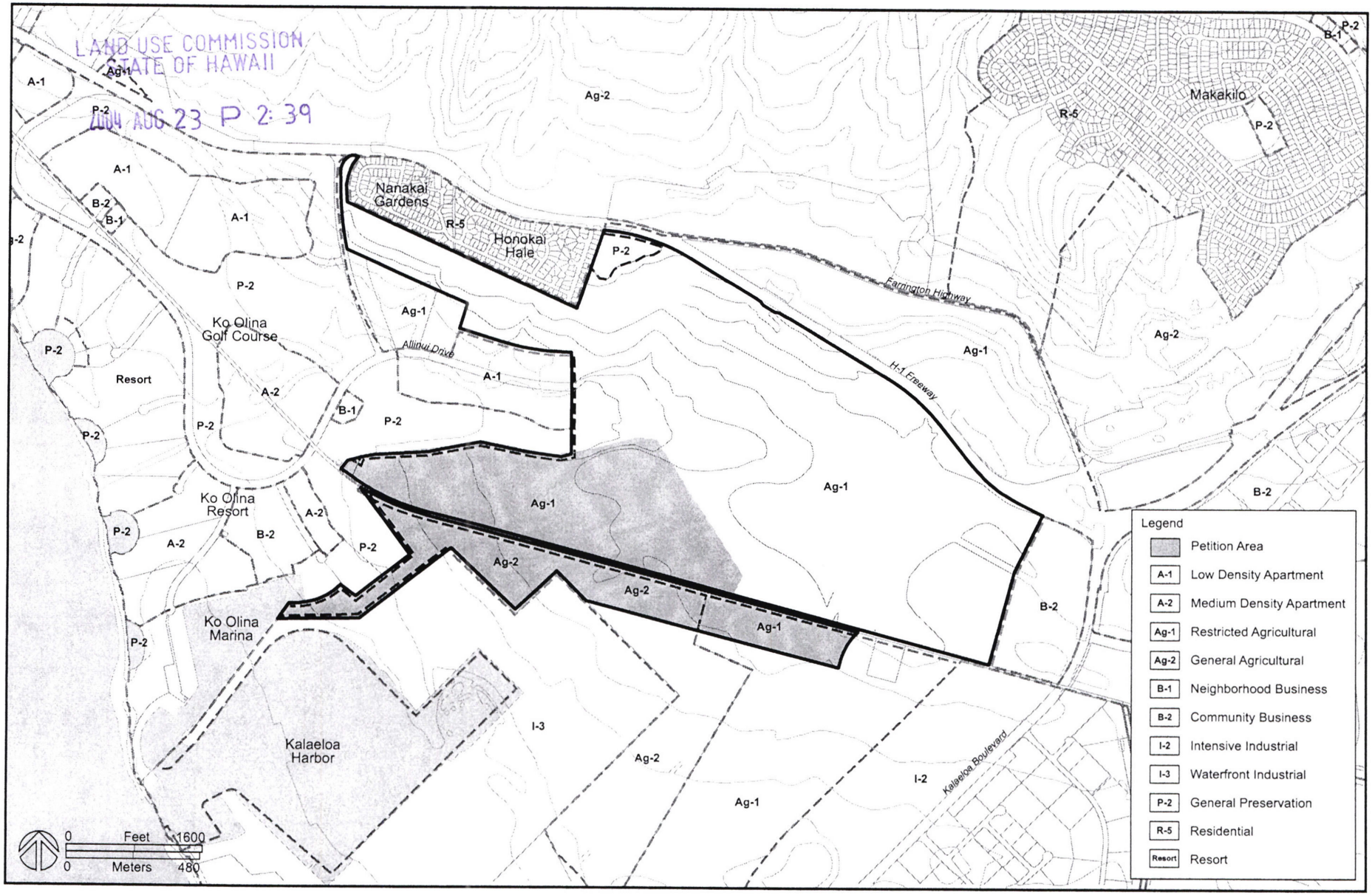
Subscribed and sworn to before me
this _____ day of _____, 2004.

_____
Notary Public, State of Hawaii

_____
Printed Name

My commission expires:_____

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:39



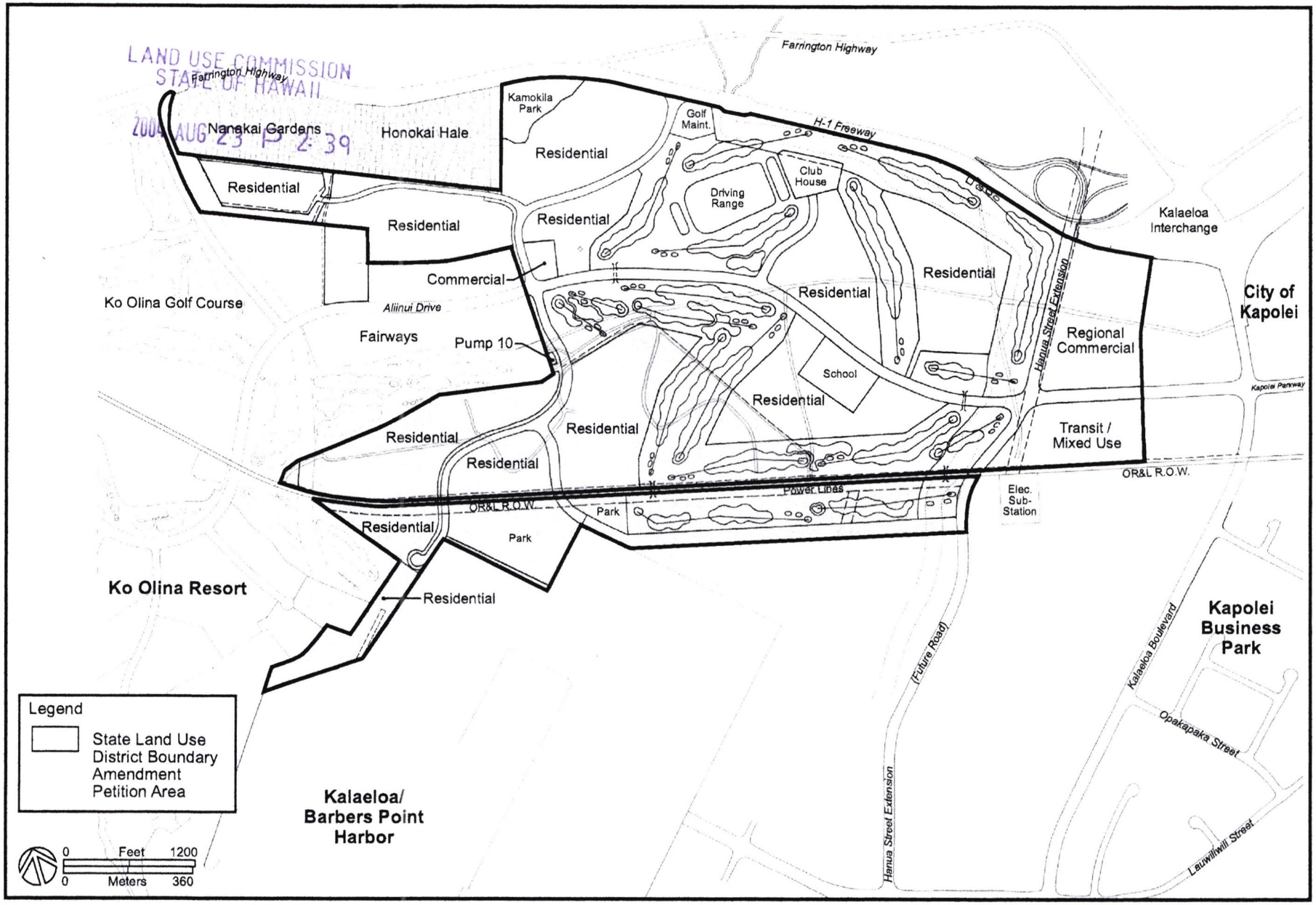
City and County of Honolulu Zoning

Kapolei West
O`ahu, Hawai`i

EXHIBIT "11"

DRAFT

LAND USE COMMISSION
STATE OF HAWAII
2008 AUG 23 P 2:39



Project Master Plan

Kapolei West
O`ahu, Hawai`i

EXHIBIT "12"

DRAFT

KPMG

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:39

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Financial Statements
and Consolidating Schedules

December 31, 2003 and 2002

(Modified Cash Basis)

(With Independent Auditors' Report Thereon)

EXHIBIT "13"

KPMG LLP
P.O. Box 4150
Honolulu, HI 96812-4150

Telephone 808 531 7286
Fax 808 541 9321

Independent Auditors' Report

The Board of Directors
James Campbell Corporation:

We have audited the accompanying consolidated statements of assets, liabilities, and stockholder's equity of James Campbell Corporation (wholly owned by The Estate of James Campbell) and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of revenues and costs and expenses, stockholder's equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in note 1, these consolidated financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities, and stockholder's equity of James Campbell Corporation and subsidiaries as of December 31, 2003 and 2002, and their revenues and costs and expenses, their changes in stockholder's equity, and their cash flows for the years then ended, on the basis of accounting described in note 1.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the assets, liabilities, and stockholder's equity and the revenues and costs and expenses, and retained earnings (accumulated deficit) of the individual companies. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, on the basis of accounting described in note 1, in relation to the consolidated financial statements taken as a whole.

KPMG LLP

March 19, 2004

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Statements of Assets, Liabilities, and Stockholder's Equity

December 31, 2003 and 2002

(Prepared on a modified cash basis – note 1)

Assets		**2003**	**2002**
Cash and cash equivalents:			
Cash in bank	$	1,479,964	191,838
Money market funds (note 2)		846,257	12,623,318
Time certificates of deposit		4,016,353	1,132,900
		6,342,574	13,948,056
Marketable securities, at cost (note 2)		—	16,768,386
Receivables		5,836	19,364
Property, improvements, and equipment, at cost, less accumulated depreciation (notes 3, 4, and 6)		103,269,629	84,401,665
Leasing costs, at cost, less accumulated amortization		461,635	533,560
Investment in limited liability companies (note 7)		1,032,020	1,033,076
Other assets, at cost, less accumulated amortization		319,381	151,901
Total assets	$	111,431,075	116,856,008
Liabilities and Stockholder's Equity			
Liabilities:			
Corporate equity securities sold, not owned, at cost (note 2)	$	—	9,027,387
Note payable to stockholder (note 6)		1,829,473	1,876,590
Notes payable to bank (note 4)		28,500,000	25,000,000
Other liabilities		287,924	122,089
Total liabilities		30,617,397	36,026,066
Stockholder's equity:			
Common stock, $1 par value. Authorized, issued, and outstanding 100,000 shares		100,000	100,000
Additional paid-in capital		80,711,694	80,715,167
Retained earnings		1,984	14,775
Total stockholder's equity		80,813,678	80,829,942
Commitments and contingencies (notes 2, 4, 5, and 6)			
Total liabilities and stockholder's equity	$	111,431,075	116,856,008

See accompanying notes to consolidated financial statements.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Statements of Revenues and Costs and Expenses

Years ended December 31, 2003 and 2002

(Prepared on a modified cash basis – note 1)

	2003	2002
Revenues:		
Rental income (notes 4, 5, and 6)	$ 8,944,250	8,449,011
Management fee (note 7)	2,718,616	2,629,373
Interest	534,164	1,334,401
Coral sales, net	25,822	55,708
Other	101,126	35,509
	12,323,978	12,504,002
Costs and expenses:		
Payroll costs and employee benefits	3,312,485	3,092,416
Depreciation and amortization	2,592,927	2,550,955
Property maintenance and utilities	1,701,379	1,509,403
Management fees (note 6)	972,047	874,284
Taxes, other than income	920,619	987,308
Insurance, office, and sundry	424,438	346,393
Professional services	77,376	279,430
Rent	7,676	—
	10,008,947	9,640,189
Operating income	2,315,031	2,863,813
Other income (expense):		
Gain on sales of securities, net (note 2)	1,230,207	120,989
Earnings from limited liability companies, net (note 7)	234,094	272,680
Interest expense (notes 4 and 6)	(647,051)	(775,204)
	817,250	(381,535)
Net earnings	$ 3,132,281	2,482,278

See accompanying notes to consolidated financial statements.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Statements of Stockholder's Equity

Years ended December 31, 2003 and 2002

(Prepared on a modified cash basis – note 1)

	Common stock	Additional paid-in capital	Retained earnings	Total
Balances at December 31, 2001	$ 100,000	80,651,107	99,993	80,851,100
Net earnings	—	—	2,482,278	2,482,278
Distributions to stockholder	—	—	(2,567,496)	(2,567,496)
Contributions from stockholder	—	64,060	—	64,060
Balances at December 31, 2002	100,000	80,715,167	14,775	80,829,942
Net earnings	—	—	3,132,281	3,132,281
Distributions to stockholder	—	(3,473)	(3,145,072)	(3,148,545)
Balances at December 31, 2003	$ 100,000	80,711,694	1,984	80,813,678

See accompanying notes to consolidated financial statements.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2003 and 2002

(Prepared on a modified cash basis – note 1)

	2003	2002
Cash flows from operating activities:		
Cash from coral sales and rentals	$ 9,012,041	8,752,201
Cash paid to suppliers and employees	(7,474,497)	(7,215,088)
Management fee received	2,718,616	2,629,373
Cash received from limited liability companies	234,094	270,150
Interest received	534,164	1,334,401
Interest paid	(647,051)	(775,204)
Income taxes paid	—	(7,546)
Miscellaneous proceeds	101,126	35,509
Net cash provided by operating activities	4,478,493	5,023,796
Cash flows from investing activities:		
Proceeds from the redemption and sale of marketable securities	10,916,353	5,481,520
Purchases of marketable securities	(1,945,147)	(6,997,683)
Capital expenditures	(21,331,481)	(30,830,001)
Leasing expenditures	(31,511)	(59,665)
Net cash used in investing activities	(12,391,786)	(32,405,829)
Cash flows from financing activities:		
Proceeds from issuance of note payable	3,500,000	—
Principal repayments of note payable to stockholder	(47,117)	(45,124)
Distributions to stockholder	(3,145,072)	(2,567,496)
Net cash provided by (used in) financing activities	307,811	(2,612,620)
Net decrease in cash and cash equivalents	(7,605,482)	(29,994,653)
Cash and cash equivalents at beginning of year	13,948,056	43,942,709
Cash and cash equivalents at end of year	$ 6,342,574	13,948,056
Reconciliation of net earnings to net cash provided by operating activities:		
Net earnings	$ 3,132,281	2,482,278
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	2,592,927	2,550,955
Gain on sales of securities, net	(1,230,207)	(120,989)
Decrease (increase) in receivables	13,528	(5,871)
Decrease (increase) in other assets	(195,871)	106,778
Increase in other liabilities	165,835	13,175
Other	—	(2,530)
Total adjustments	1,346,212	2,541,518
Net cash provided by operating activities	$ 4,478,493	5,023,796

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies and Practices

(a) Description of Business

James Campbell Corporation (Company) is a wholly owned subsidiary of The Estate of James Campbell (Estate), a private testamentary trust. Fort Street Investment Corporation (FSIC) and Aina Nui Corporation (Aina) are wholly owned subsidiaries of the Company. FSIC is engaged in the leasing of commercial and warehouse facilities and Aina is engaged in real estate projects. The Company's operations are in Hawaii.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, FSIC and Aina. All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Basis of Accounting

The accounts of the Company and its subsidiaries are maintained primarily on the basis of cash receipts and disbursements with the following modifications:

- Acquisitions of property are capitalized at cost in accordance with applicable tax laws. Depreciation is calculated on the straight-line method over the estimated economic useful lives of the assets.
- Leasing costs are capitalized and amortized on a straight-line basis over the term of the lease.
- Disbursements which provide benefit for more than one operating cycle or are directly related to future revenue are deferred and amortized on a straight-line basis over the periods of benefit.
- The original investments in the limited liability companies are recorded at cost and are adjusted to recognize the Company's percentage ownership interests of the respective limited liability companies' net earnings or losses, net proceeds from condemnations, gains on sales of property, and environmental costs. Dividends and distributions received reduce the basis of these investments.
- Marketable securities and corporate equity securities sold, not owned, are stated at cost, and are recorded as of the trade date.
- See policy for income taxes described below.

(Continued)

(d) Cash Equivalents

For purposes of the consolidated statements of cash flows, the Company considers all short-term instruments with an original maturity of three months or less to be cash equivalents. Cash equivalents amount to $4,862,610 and $13,756,218 at December 31, 2003 and 2002, respectively.

(e) Income Taxes

Effective January 1, 2001, the Company elected to be treated as a Subchapter S corporation for federal and state income tax purposes. Federal and state income taxes on earnings subsequent to December 31, 2000 are the responsibility of the stockholder. Accordingly, there is no provision for income taxes in the accompanying consolidated financial statements.

(f) Use of Estimates

The preparation of the consolidated financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from those estimates.

(2) Marketable Securities and Corporate Equity Securities Sold, Not Owned

Marketable securities consist of equity and debt securities. Corporate equity securities sold, not owned, represents common stock sold, not owned, of companies in which the Company owns debt securities or preferred stock that are convertible to common stock. The common stock sold, not owned, is used to minimize the Company's exposure to market fluctuations in the price of the convertible debt and preferred stocks owned by the Company.

The Company's money market funds are restricted to the extent of the fair value of its liability for corporate equity securities sold, not owned. The fair value of this liability is nil and $8,267,337 at December 31, 2003 and 2002, respectively.

(Continued)

Marketable securities and corporate equity securities sold, not owned, consist of the following at December 31, 2003 and 2002:

	2003		2002	
	Carrying value	Fair value	Carrying value	Fair value
Debt securities:				
Convertible bonds	$ —	—	11,025,640	11,014,948
Equity securities:				
Preferred stocks	—	—	5,742,746	5,652,773
	—	—	16,768,386	16,667,721
Corporate equity securities sold, not owned	—	—	(9,027,387)	(8,267,337)
Marketable securities, net of corporate equity securities sold, not owned	$ —	—	7,740,999	8,400,384

Gross unrealized gains and losses in marketable securities and corporate equity securities sold, not owned, at December 31, 2003 and 2002 are as follows:

	2003		2002	
	Gross unrealized gains	Gross unrealized losses	Gross unrealized gains	Gross unrealized losses
Debt securities:				
Convertible bonds	$ —	—	623,551	634,243
Equity securities:				
Preferred stocks	—	—	446,990	536,963
	—	—	1,070,541	1,171,206
Corporate equity securities sold, not owned	—	—	1,397,663	637,613
	$ —	—	2,468,204	1,808,819

For 2003 and 2002, gross realized gains on sales of securities amount to $3,464,452 and $4,102,091, respectively, and gross realized losses on sales of securities amount to $2,234,245 and $3,981,102, respectively.

(Continued)

(3) Property, Improvements, and Equipment

A summary of property, improvements, and equipment at December 31, 2003 and 2002 is as follows:

	2003	2002
Buildings	$ 61,928,237	61,939,473
Improvements	8,934,554	8,376,919
Furniture, fixtures, and equipment	1,571,322	1,506,006
	72,434,113	71,822,398
Less accumulated depreciation	25,500,901	23,042,517
	46,933,212	48,779,881
Land	56,169,781	35,621,784
Projects in progress	166,636	—
	$ 103,269,629	84,401,665

(4) Notes Payable to Bank

During 2001, the Company entered into a $25,000,000 note payable agreement with a bank. The note, which is due on October 1, 2008, has an outstanding balance of $25,000,000 at December 31, 2003 and 2002. Interest only payments are due monthly, quarterly, or semi-annually depending on the one-month, three-month, or six-month London Inter-Bank Offered Rate selected by the Company, plus 1% (2.14% at December 31, 2003).

During 2003, the Company entered into another note payable agreement with the same bank, which allows the Company to borrow up to an additional $7,000,000. The note, which is due on October 1, 2008, has an outstanding balance of $3,500,000 at December 31, 2003. Interest only payments are due monthly, quarterly, semi-annually, every nine months, or annually depending on the one-month, three-month, six-month, nine-month, or twelve-month London Inter-Bank Offered Rate selected by the Company, plus 1% (2.14% at December 31, 2003).

Interest paid on the notes amount to $599,995 and $709,047 during 2003 and 2002, respectively. The notes are secured by buildings, improvements, furniture, fixtures and equipment, and lease rental.

(Continued)

(5) Lease Rental

The Company's operations include the leasing of land and buildings. The leases are classified as operating leases. Minimum lease rentals to be received in each of the five years subsequent to December 31, 2003 and thereafter under the aforementioned lease agreements are as follows:

Year ending December 31:	
2004	$ 4,972,000
2005	4,033,000
2006	3,378,000
2007	2,259,000
2008	1,948,000
Thereafter	16,917,000
	$ 33,507,000

Contingent rentals included in rental income amount to $378,685 and $325,692 for the years ended December 31, 2003 and 2002, respectively. Contingent rentals are primarily determined as a percentage of lessees' gross revenue.

Most of the lease agreements require the lessees to pay maintenance, taxes, and insurance costs related to the properties.

(6) Related Party Transactions

(a) Note Payable

In connection with the 1998 construction of a building and improvements, FSIC borrowed $2,000,000 evidenced by a promissory note to the Estate. The promissory note, which is due on June 21, 2008, had a remaining balance of $1,829,473 and $1,876,590 as of December 31, 2003 and 2002, respectively. The interest rate of 2.60% and 3.43% at December 31, 2003 and 2002, respectively, is based on the six-month London Inter-Bank Offered Rate, plus 1.5%. Interest paid amount to $46,929 and $65,689 during 2003 and 2002, respectively. The promissory note is secured by the buildings, improvements, furniture, fixtures and equipment, and lease rental.

(b) Lease Rental

In 2001, the Company entered into an office space lease with the Estate under a noncancelable operating lease expiring on December 31, 2006. The Company received $1,312,404 and $1,284,163 in lease rental income from the Estate in 2003 and 2002, respectively.

(c) Acquisition of Land

In 2003, Aina acquired land as part of an exchange transaction with the Estate for approximately $20,900,000.

(Continued)

(d) Management Fees

The Company paid management fees to the Estate of $914,816 and $874,284 in 2003 and 2002, respectively.

(e) Guaranty

At December 31, 2003 and 2002, the Company has guaranteed the borrowings of the Estate on a $350,000,000 unsecured syndicated credit facility. The credit facility is used by the Estate for working capital purposes and terminates in October 2005 with all outstanding balances subject to a one-year term extension. The guarantee is for the entire term of the credit facility. The Estate's outstanding balance on the credit facility amounts to $313,000,000 and $149,000,000 at December 31, 2003 and 2002, respectively.

The Company has also guaranteed the borrowings of the Estate on a $40,000,000 unsecured revolving credit agreement at December 31, 2003. The revolving credit was used by the Estate for purposes of a real estate transaction and terminates in March 2004 with all outstanding balances subject to two three-month period extensions. The guarantee is for the entire term of the agreement. The Estate's outstanding balance on the revolving credit facility amounts to $40,000,000 at December 31, 2003. On March 26, 2004, the outstanding balance was paid in full.

(7) Investment in Limited Liability Companies

In January 2002, the Estate, FSIC, and Aina capitalized Campbell Hawaii Investor LLC (CHILL) and Kapolei Property Development LLC (KPD). The Estate and FSIC are 99% and 1% members of CHILL, respectively. CHILL was established to own, hold for investment and appreciation, and manage real property. The Estate and Aina are 99% and 1% members of KPD, respectively. KPD was established to own, hold for investment, develop, manage, lease, and dispose of real property.

(Continued)

Condensed financial information of CHILL and KPD obtained from audited financial statements prepared on a modified cash basis in accordance with Hawaii law and custom relating to trust accounting practices is presented as follows:

Statements of Assets, Liabilities, and Members' Equity

December 31, 2003 and 2002

(Prepared on a modified cash basis)

	Campbell Hawaii Investors LLC		Kapolei Property Development LLC	
Assets	**2003**	**2002**	**2003**	**2002**
Cash and cash equivalents	$ 4,477,935	1,650,239	11,410,688	7,493,363
Accounts receivable	88,488	59,255	2,925	567
Property, improvements, and equipment, at cost, less accumulated depreciation	50,790,901	48,660,233	31,037,969	40,118,593
Leasing costs, at cost, less accumulated amortization	5,467,344	5,527,934	151,729	153,716
Deferred charges, at cost, less accumulated amortization	238,703	276,034	195,225	146,760
Other	151,802	69,898	559	1,928
Total assets	$ 61,215,173	56,243,593	42,799,095	47,914,927
Liabilities and Members' Equity				
Accounts payable	$ 58,999	79,902	767	2,104
Deposits	752,484	744,021	—	—
Members' equity	60,403,690	55,419,670	42,798,328	47,912,823
Total liabilities and members' equity	$ 61,215,173	56,243,593	42,799,095	47,914,927

(Continued)

Statements of Changes in Members' Equity

Years ended December 31, 2003 and 2002

(Prepared on a modified cash basis)

	Campbell Hawaii Investor LLC		Kapolei Property Development LLC	
	2003	2002	2003	2002
Members' equity at beginning of year	$ 55,419,670	—	47,912,823	—
Additions:				
Assets transferred from members	7,105,404	55,169,148	—	47,910,406
Net income	25,007,588	22,416,234	—	—
Net proceeds of condemnation	—	—	—	5,063,079
Gain on sales of property	—	—	3,482,203	2,594,384
	32,112,992	77,585,382	3,482,203	55,567,869
Deductions:				
Distributions to members	25,171,383	21,828,583	3,398,000	5,186,412
Loss on sale of property	1,747,076	—	—	—
Environmental costs	210,513	337,129	64,499	—
Assets transferred to members	—	—	2,075,885	—
Net loss	—	—	2,060,060	2,468,634
Net costs of condemnation	—	—	998,254	—
	27,128,972	22,165,712	8,596,698	7,655,046
Members' equity at end of year	$ 60,403,690	55,419,670	42,798,328	47,912,823

In 2003, CHILL and KPD paid management fees to the Company of $1,617,436 and $840,622, respectively.

In 2002, CHILL and KPD paid management fees to the Company of $1,663,983 and $965,390, respectively.

(8) Disclosure about Fair Value of Financial Instruments

(a) Cash in Bank, Money Market Funds and Time Certificates of Deposit, Receivables, and Other Liabilities

The carrying amounts of these assets and liabilities approximate fair values because of the short maturity of these instruments.

(Continued)

(b) Marketable Securities

The fair values of the Company's marketable securities are based on quoted or independently determined market values (see note 2).

(c) Corporate Equity Securities Sold, Not Owned

The fair values of corporate equity securities sold, not owned, are based on market repurchase prices (see note 2).

(d) Notes Payable to Stockholder and to Bank

The fair values of the notes payable is its carrying values as the interest rate is periodically adjusted to market rate.

The estimated fair values of certain financial instruments of the Company are summarized as follows:

	December 31, 2003		December 31, 2002	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Cash, money market funds, and time certificates of deposit	$ 6,342,574	6,342,574	13,948,056	13,948,056
Marketable securities	—	—	16,768,386	16,667,721
Receivables	5,836	5,836	19,364	19,364
Corporate equity securities sold, not owned	—	—	9,027,387	8,267,337
Note payable to stockholder	1,829,473	1,829,473	1,876,590	1,876,590
Notes payable to bank	28,500,000	28,500,000	25,000,000	25,000,000
Other liabilities	287,924	287,924	122,089	122,089

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidating Schedule – Assets, Liabilities, and Stockholder's Equity

December 31, 2003

(Prepared on a modified cash basis – note 1)

	James Campbell Corporation	Fort Street Investment Corporation	Aina Nui Corporation	Total	Eliminations debit (credit)	Consolidated
Assets						
Cash and cash equivalents:						
Cash in bank	$ 288,036	958,925	233,003	1,479,964		1,479,964
Money market funds	255,561	39,617	551,079	846,257		846,257
Time certificates of deposit	—	4,016,353	—	4,016,353		4,016,353
	543,597	5,014,895	784,082	6,342,574		6,342,574
Receivables	—	4,854	982	5,836		5,836
Property, improvements, and equipment, at cost, less accumulated depreciation	—	51,817,627	51,452,002	103,269,629		103,269,629
Leasing costs, at cost, less accumulated amortization	—	461,213	422	461,635		461,635
Investment in subsidiaries	108,632,791	—	—	108,632,791	(108,632,791) (1)	—
Investment in limited liability companies	—	604,037	427,983	1,032,020		1,032,020
Other assets, at cost, less accumulated amortization	137,290	179,791	2,300	319,381		319,381
Total assets	$ 109,313,678	58,082,417	52,667,771	220,063,866	(108,632,791)	111,431,075
Liabilities and Stockholder's Equity						
Liabilities:						
Note payable to stockholder	$ —	1,829,473	—	1,829,473		1,829,473
Notes payable to bank	28,500,000	—	—	28,500,000		28,500,000
Other liabilities	—	210,689	77,235	287,924		287,924
Total liabilities	28,500,000	2,040,162	77,235	30,617,397	—	30,617,397
Stockholder's equity:						
Common stock	100,000	100,000	100,000	300,000	200,000 (1)	100,000
Additional paid-in capital	80,711,694	59,902,913	52,936,714	193,551,321	112,839,627 (1)	80,711,694
Retained earnings (accumulated deficit)	1,984	(3,960,658)	(446,178)	(4,404,852)	(4,406,836) (1)	1,984
Total stockholder's equity	80,813,678	56,042,255	52,590,536	189,446,469	108,632,791	80,813,678
Total liabilities and stockholder's equity	$ 109,313,678	58,082,417	52,667,771	220,063,866	108,632,791	111,431,075

(1) Elimination of investment in subsidiaries.

See accompanying independent auditors' report.

JAMES CAMPBELL CORPORATION
(Wholly Owned by The Estate of James Campbell)
AND SUBSIDIARIES

Consolidating Schedule – Revenues, Costs and Expenses,
and Retained Earnings Accumulated (Deficit)

Year ended December 31, 2003

(Prepared on a modified cash basis – note 1)

	James Campbell Corporation	Fort Street Investment Corporation	Aina Nui Corporation	Total	Eliminations debit (credit)	Consolidated
Revenues:						
Rental income	$ —	8,376,966	567,284	8,944,250		8,944,250
Management fee	—	1,617,436	1,101,180	2,718,616		2,718,616
Interest	488,916	39,994	5,254	534,164		534,164
Coral sales, net	—	—	25,822	25,822		25,822
Other	596	5,112	95,418	101,126		101,126
	489,512	10,039,508	1,794,958	12,323,978		12,323,978
Cost and expenses:						
Payroll costs and employee benefits	146,429	1,851,192	1,314,864	3,312,485		3,312,485
Depreciation and amortization	28,391	2,515,963	48,573	2,592,927		2,592,927
Property maintenance and utilities	—	1,466,720	234,659	1,701,379		1,701,379
Management fees	29,508	502,803	439,736	972,047		972,047
Taxes, other than income	24,217	746,183	150,219	920,619		920,619
Insurance, office, and sundry	22,469	340,962	61,007	424,438		424,438
Professional services	26,058	14,045	37,273	77,376		77,376
Rent	—	7,676	—	7,676		7,676
	277,072	7,445,544	2,286,331	10,008,947		10,008,947
Operating income (loss)	212,440	2,593,964	(491,373)	2,315,031		2,315,031
Other income (expense):						
Net earnings from subsidiaries' operations	2,289,756	—	—	2,289,756	2,289,756 (1)	—
Gain on sales of securities, net	1,230,207	—	—	1,230,207		1,230,207
Earnings from limited liability companies, net	—	230,500	3,594	234,094		234,094
Interest expense	(600,122)	(46,929)	—	(647,051)		(647,051)
	2,919,841	183,571	3,594	3,107,006	2,289,756	817,250
Net earnings (loss)	3,132,281	2,777,535	(487,779)	5,422,037	2,289,756	3,132,281
Retained earnings (accumulated deficit) at beginning of year	14,775	(4,240,269)	41,601	(4,183,893)	(4,198,668) (1)	14,775
Distributions to stockholder	(3,145,072)	(2,497,924)	—	(5,642,996)	(2,497,924) (1)	(3,145,072)
Retained earnings (accumulated deficit) at end of year	$ 1,984	(3,960,658)	(446,178)	(4,404,852)	(4,406,836)	1,984

(1) Elimination of net earnings (loss), retained earnings (accumulated deficit), and distributions to stockholder of subsidiaries.

See accompanying independent auditors' report.

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

In the Matter of the Petition of WEST BEACH ESTATES, a Hawai'i general partnership To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 372.6 Acres at Honouliuli, 'Ewa, O'ahu, Hawai'i, TMK 9-1-15: 18 and portion of 4 and 9-1-56: portion of 11 and portion of 12	DOCKET NO. A90-655 ORDER GRANTING MOTION TO AMEND FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:30

This is to certify that this is a true and correct copy of the document on file in the office of the State Land Use Commission, Honolulu, Hawaii.

MAR 06 1997 by
Date Executive Officer

ORDER GRANTING MOTION TO AMEND FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER

LAND USE COMMISSION
STATE OF HAWAII
MAR 6 9 56 AM '97

EXHIBIT "14"

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

In the Matter of the Petition of WEST BEACH ESTATES, a Hawai'i general partnership To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 372.6 Acres at Honouliuli, 'Ewa, O'ahu, Hawai'i, TMK 9-1-15: 18 and portion of 4 and 9-1-56: portion of 11 and portion of 12	DOCKET NO. A90-655 ORDER GRANTING MOTION TO AMEND FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER

ORDER GRANTING MOTION TO AMEND FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER

On November 20, 1996, West Beach Estates, a Hawai'i general partnership ("Petitioner"), filed a Motion to Amend Findings of Fact, Conclusions of Law, and Decision and Order ("Motion"), pursuant to sections 15-15-70 and 15-15-94, Hawai'i Administrative Rules. The Motion requested the Land Use Commission ("Commission") to revise Condition No. 1 of the Findings of Fact, Conclusions of Law, and Decision and Order ("Decision and Order") filed on February 14, 1991, in its entirety and to replace it with the following:

1) Petitioner shall 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 or other provisions for affordable housing shall be under such terms as are mutually agreeable between the Petitioner and the City and County of Honolulu.

Attached in support of the Motion was an Affidavit of Jan Naoe Sullivan, Esq., Petitioner's counsel ("Affidavit"),

which stated that the current affordable housing requirement for the project in the subject docket, as set forth by the Department of Housing and Community Development ("DHCD") (Exhibit "A") requested that 30 percent of the housing units that are developed be sold or rented to households whose incomes do not exceed 120 percent of O'ahu's median income, and that at least 10 percent of the total units be sold or rented to households earning 80 percent or less of O'ahu's median income, or that Petitioner provide an in-kind substitute that is acceptable to the City and County of Honolulu ("City & County").

The Affidavit also stated that the current affordable housing requirement of the City & County for the project was inconsistent with the affordable housing requirement that was contained in Condition No. 1, and that the State's affordable housing policies have changed over time such that the State's current policy was to assign responsibility to the counties to establish and enforce affordable housing requirements in land use reclassifications. Also attached in support of the Motion was a letter from Roy S. Oshiro, Executive Director, Housing and Finance Development Corporation ("HFDC") (Exhibit "B"), which stated that HFDC had no objections to Petitioner's Motion

The Motion came on for hearing before this Commission on December 12, 1996, in Honolulu, Hawai'i, with the parties listed in the minutes being present. At the hearing, the Commission heard public testimony from Henry Curtis, Executive Director, Life of the Land. The Office of Planning and the City

& County Planning Department ("Planning Department") had no objections to Petitioner's Motion.

Following a discussion on Petitioner's Motion, this Commission requested the Planning Department to provide further information to clarify its comments contained in Petitioner's Exhibit "A" regarding an in-kind substitute as it applied to the City & County's affordable housing requirement for the subject docket. This Commission deferred action on the Motion to its meeting on January 31, 1997, without objection

On January 2, 1997, this Commission received a letter dated December 30, 1996, from Cheryl D. Soon, Chief Planning Officer, Planning Department, which provided additional information regarding the City & County's policy on affordable housing and on the use of the term, in-kind substitute, as used by DHCD.

On January 31, 1997, this Commission deferred action on the Motion, without objection.

On February 28, 1997, this Commission held a continued action meeting on the Motion

This Commission, having duly considered Petitioner's Motion, Affidavit, Exhibits "A" and "B," the additional information provided by the City & County, and the arguments provided by the parties present in this proceeding, and good cause existing therefrom

IT IS HEREBY ORDERED that Condition Number 1 be amended as follows:

1. Petitioner shall 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 or other provisions for affordable housing shall be under such terms as are mutually agreeable between the Petitioner and the City and County of Honolulu.

All other conditions to the Decision and Order filed on February 14, 1991, are hereby reaffirmed and shall continue in effect.

DOCKET NO. A90-655 - WEST BEACH ESTATES

Done at Honolulu, Hawai'i, this 6th day of March 1997, per motion on February 28, 1997.

LAND USE COMMISSION
STATE OF HAWAI'I

TRUDY K. SENDA
Chairperson and Commissioner

RUPERT K. CHUN
Vice Chairperson and Commissioner

By _____
LAWRENCE N.C. ING
Commissioner

(opposed)
M. CASEY JARMAN
Commissioner

By _____
HERBERT S.K. KAOPUA, SR.
Commissioner

By (absent)
LLOYD F. KAWAKAMI
Commissioner

MERLE A. K. KELAI
Commissioner

By (absent)
EUSEBIO LAPENIA, JR
Commissioner

By (absent)

Filed and effective on
March 6, 1997

Certified by:

Executive Officer

October__, 2004

Notification of Petition of Filing

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:39

This is to advise you that a petition to amend the State Land Use District Boundaries with the following general information has been submitted to the State of Hawaii Land Use Commission:

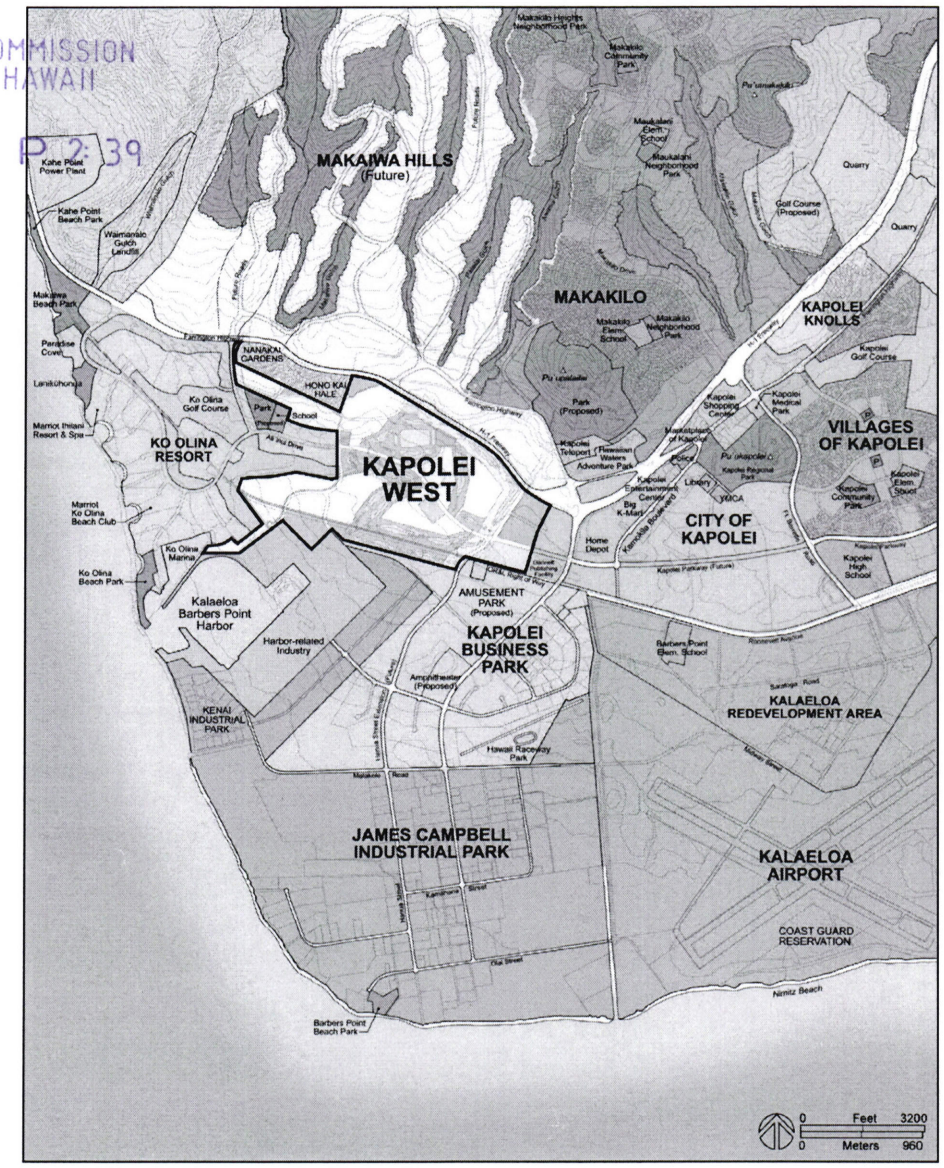
Docket No:	_____
Petitioner/Address:	Aina Nui Corporation 1001 Kamokila Boulevard, Suite 255 Kapolei, Hawaii 96707
Landowners:	Aina Nui Corporation and The Estate of James Campbell (Aina Nui Corporation is the authorized agent for The Estate of James Campbell for the purposes of this petition)
Tax Map Key Numbers:	(1) 9-1-14: por. 33 (1) 9-1-15: por. 4 and por. 20
Location:	Honouliuli, Ewa District, Oahu, Hawaii
Request Reclassification:	Agricultural to Urban
Acreage:	Approximately 174 acres
Proposed Uses:	Residential, golf course, recreational, park, open space, and roadways

You may review detailed information regarding the petition at the Land Use Commission ("Commission") office or the City and County of Honolulu, Department of Planning and Permitting.

The Commission's office is located at 235 S. Beretania Street, Room 406, Honolulu, Hawaii. Office hours are from 7:45 a.m. to 4:30 p.m., Mondays through Fridays.

A hearing on this petition will be scheduled at a future date. If you are interested in participating in the hearing as a public witness, please write or call the Commission office at P.O. Box 2359, Honolulu, Hawaii 96804-2359; Phone: (808) 587-3822.

If you intend to participate in the hearing as an intervenor, pursuant to § 15-15-52, Hawaii Administrative Rules, you should file a Notice of Intent to Intervene with the Commission within 30 days of the date of this notice. Please contact the Commission office for further information.



Project Location **Figure 1**

Kapolei West
O'ahu, Hawai`i

EXHIBIT "15" DRAFT

Of Counsel:
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AINA NUI CORPORATION

DRAFT

LAND USE COMMISSION
STATE OF HAWAII
2004 AUG 23 P 2:39

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of AINA NUI CORPORATION To Amend the Agricultural Land Use District Boundaries into the Urban Land Use District for Approximately 174 Acres in Ewa District, Island of Oahu, Tax Map Key Nos. (1) 9-1-014:033 and (1) 9-1-015:004 and 020	DOCKET NO. [redacted] AFFIDAVIT OF NAOMI U. KUWAYE ATTESTING TO SENDING OF NOTIFICATION OF PETITION OF FILING

AFFIDAVIT OF NAOMI U. KUWAYE ATTESTING TO SENDING OF NOTIFICATION OF PETITION OF FILING

STATE OF HAWAII)
) SS:
CITY AND COUNTY OF HONOLULU)

NAOMI U. KUWAYE, being first sworn on oath, deposes and says that:

EXHIBIT "16"

1. Affiant is one of the attorneys for Petitioner, AINA NUI CORPORATION ("Petitioner"), is licensed to practice law in the State of Hawaii, is duly authorized to make this affidavit, and does so upon personal knowledge and belief.

2. This affidavit is made to comply with section 15-15-50(d), Hawaii Administrative Rules for the State of Hawaii, Land Use Commission ("Commission").

3. On _____, Petitioner filed with the State of Hawaii Land Use Commission a petition for a boundary amendment ("Petition") in Docket No. _____.

4. On _____, the same day that the Petition was submitted to the Commission and pursuant to HAR § 15-15-50(d), Petitioner sent a Notification of Petition of Filing to persons included on the statewide and City and County of Honolulu mailing lists provided to Petitioner by the Commission on _____.

Further affiant sayeth naught.

DRAFT

_____
NAOMI U. KUWAYE

Subscribed and sworn to before me
this _____ day of _____, 2004.

_____
Notary Public, State of Hawaii

_____
Printed Name
My commission expires:_____