

BE IT FURTHER RESOLVED that the Nanakuli-Mailii Neighborhood Board # 36 hereby re-states its support for the development of the Nanakuli Community Baseyard Project, and states its support to amend the WSCP to provide for the development of a light-industrial park in Lualualei Valley, Nanakuli, Oahu, and which is identified on Map B of the 10/1/08 Draft;

BE IT FURTHER RESOLVED that the Nanakuli-Mailii Neighborhood Board # 36, except for the specific amendments previously requested by the Nanakuli-Mailii Neighborhood Board and the additional changes requested in Exhibit "C," hereby reserves judgment and makes no comment regarding other aspects of the 10/1/08 Draft; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor of the City and County of Honolulu, the Director of the Department of Planning and Permitting of the City and County of Honolulu, the Chairperson of the Honolulu Planning Commission and the Chairperson of the Honolulu City Council.

INTRODUCED AND SUPPORTED BY THE FOLLOWING MEMBERS OF THE NANAKULI-MAILII NEIGHBORHOOD # 36:

<u>Joseph U. Aye</u>	<u>Victory A. Kila</u>
<u>Antoinette J. Maianaununu</u>	<u>Patty K. Teruya</u>
<u>Clyde E. ...</u>	
<u>...</u>	
<u>J. P. Hokuli</u>	

The Nanakuli-Mailii Neighborhood Board # 36 adopted this Resolution at its meeting which was held on October 21, 2008.

Patty K. Teruya
Patty K. Teruya
Chairperson
10-21-08

EXHIBIT "A"

RESOLUTION

SUPPORTING THE DEVELOPMENT AND CONCEPT OF THE PROPOSED NANAKULI COMMUNITY BASEYARD PROJECT, A LIGHT-INDUSTRIAL PARK IN LUALUALEI VALLEY, NANAKULI, OAHU.

WHEREAS, a new 96-acre light industrial park is being proposed for development on a portion of TMK No. 8-7-9: 02 in Lualualei Valley, Nanakuli, Oahu (herein called "Industrial Park Project"); and

WHEREAS, the Industrial Park Project will be a center for many new employment in the construction trades, automotive repair, trucking, warehousing and other light-industrial businesses and that the type of employment created in this proposed project are quality jobs that pay well and are also the type of jobs that are being sought after by many Leeward Coast residents; and

WHEREAS, the Industrial Park Project is being planned to included an "incubator" facility for new or developing businesses in the Leeward Coast; and

WHEREAS, Tropic Land, LLC, the owner and developer of the Industrial Park Project, made a public presentation regarding the Industrial Park Project to the Planning and Zoning Committee of the Nanakuli-Mailii Neighborhood Board # 36 (herein "Neighborhood Board") on June 24, 2008; and

WHEREAS, in its recent presentation to the Planning and Zoning Committee, Tropic Land has made commitment with several unilateral agreements regarding the development of the Industrial Park Project which are attached hereto and incorporated herein as Exhibit "A;" and

WHEREAS, the Planning and Zoning Committee has received an informational booklet describing the project with more than 590 signatures/letters of support for the Industrial Park Project from many Leeward Coast residents and community groups; and

WHEREAS, in order for this project to become a reality for the residents of the Leeward Coast, various governmental approvals (herein collectively "Government Permitting Process") are required, which may include (i) an amendment of the Wai'anae Sustainable Communities Plan, (ii) the rezoning of the 96-acre site from P-2 (general preservation district) to I-1 (limited industrial district), (iii) a State Land Use Boundary amendment to reclassify the 96-acre site from Agricultural to Urban use, and (iv) an amendment of the Leeward Coast Enterprise Zone to include the 96-acre site; and

WHEREAS, the Planning and Zoning Committee, upon the unanimous vote of its members at the Committee's meeting held on June 24, 2008, adopted a motion to support the Industrial Park Project and recommend the action of the Nanakuli-Mailii Neighborhood Board #36 to support the Industrial Park Project at the Board's upcoming meeting on July 15, 2008; and

WHEREAS, the Nanakuli-Mailii Neighborhood Board No. 36 recognizes the need for a project in the Leeward Coast, which has traditionally "lagged" behind the rest of Oahu in terms of economic development and employment opportunities for its coastal residents; now, therefore,

BE IT RESOLVED that the Nanakuli-Mailii Neighborhood Board No. 36 supports the development of the Industrial Park Project; and

BE IT RESOLVED that the Nanakuli-Mailii Neighborhood Board No. 36 hereby supports and encourages the approvals of the various governmental agencies that will be reviewing the Industrial Park Project in the Government Permitting Process; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor of the City and County of Honolulu, the Director of the Department of Planning and Permitting of the City and County of Honolulu, the Chairperson of the Honolulu Planning Commission, the Chairperson of the Honolulu City Council, the Governor of the State of Hawaii, the Executive Director of the Office of Planning of the State of Hawaii, the Chairperson of the State Land Use Commission, and the Director of the Department of Business and Economic Development of the State of Hawaii.

INTRODUCED AND SUPPORTED BY:

NANAKULI-MAILII NB#36

James King Selin
Antoinette B. Miamau Mueruka
Karalei U. Aipoo-Jani
Chad H. W. H. M.
Merwina K. M. Casto-Kaio
Cynthia K. P. P. P.
John P. P. P. P.
John P. P. P. P., Chair, NB#36

The Nanakuli-Mailii Neighborhood Board # 36, hereby certifies that this Resolution was adopted by the Nanakuli-Mailii Neighborhood Board # 36 at its meeting held on July 15, 2008.

7-15-08

Tropic Land LLC agrees to the Unilateral Agreement and Promise to the Community along the Leeward Coast.

1. An MSW/composting/construction debris landfill *will not* be built on any Tropic's land LLC located in Nanakuli, Oahu.
2. A golf course *will not* be built on Tropic's land, LLC, Nanakuli, Oahu.
3. Any future housing development *will not* be built on Tropic's land.
4. Strip clubs, hostess bars, night clubs, or any alcohol establishments stores and pornography stores *will not* be allowed on Tropic's land, LLC, Nanakuli Oahu.
5. Tropic LLC, Nanakuli, Oahu *will* do an Environmental Impact Statement ("EIS") covering traffic, infrastructure and other pertinent issues. To be presented to the community and board members.
6. Tropic LLC, Nanakuli, Oahu *will* go green on energy consumption.
7. Tropic LLC, Nanakuli, Oahu *will* be sensitive to cultural practices and places and will work with Nanakuli or Leeward Coast residents cultural monitors.
8. Tropic LLC, Nanakuli, Oahu *will* contribute \$1,000,000 for the a community benefits program which will be used to benefit the Nanakuli and Maili communities.
9. Tropic LLC, Nanakuli, Oahu *will* apply for Enterprise Zone designation for the project.
10. Tropic LLC, Nanakuli, Oahu *will* find an appropriate permanent name for the project site, acceptable to the community and offer community involvement on names for the site. To add the word "Nanakuli", in naming the site.

The Planning and Zoning Committee has requested of Tropic Land the additional language to these promises which are indicated by the underlined text.



July 21, 2008

Kahu Victor Allen Kila
 Pacific Faith Fellowship Church
 Maili Commercial Center
 87-1784 Farrington Highway, Unit 8
 Wai'anae, Hawaii 96792

RE: Support of Tropic Land LLC proposed Light Industrial Project – Luahualei, O'ahu

Aloha Chair Teruya:

As you know I was on a religious mission in Jamaica and have recently returned home. Being away, I was unable to attend the Nanakuli-Maili NB#36 regular meeting on July 15, 2008. I understand that Tropic Land LLC did a presentation to the full board and the board introduced a Resolution and an exhibit agreement was supported unanimously of a vote 8 aye; 0 opposition.

As a member of the Planning & Zoning Committee which met on June 24, 2008, I was in attendance and voted with a motion to support this project and send to the full board meeting. This support recommendation did come from the P&Z Committee meeting.

This letter is to clarify my position and for the record as a member of the Nanakuli-Maili NB#36, and as the (9) ninth member of the board, I would like to state that my vote is to support this project and my vote be noted in the records through this process.

I'm very aware of this project and that Tropic Land LLC will continue to work with the board with updates but, this project will benefit our community with many opportunities.

Chair Teruya, I'm asking to be included in the support of Tropic Land LLC project and state my vote as "aye", as a member of the board I did not want my vote to be excluded.

Thank you and Aloha,

Ms. Victor Allen Kila, NB#36 member
 Committee Chair, Health & Public Safety

Cc: Neighborhood Commission Office
 P&Z Committee Chair, Eli





NANAKULI-MAILI NEIGHBORHOOD BOARD NO. 36

c/o NEIGHBORHOOD COMMISSION • 530 SOUTH KING STREET ROOM 408 • HONOLULU, HAWAII, 96813
PHONE (808) 768-3710 • FAX (808) 768-3711 • INTERNET: <http://www.honolulu.gov>

Townscape Inc.
900 Fort Street Mall, Suite 1160
Honolulu, Hawaii 96813

Attn: Ms. Harmonee Williams

RE: Revised Wai'anae Sustainable Communities Plan

Ladies and Gentlemen:

We have received and reviewed the Revised Wai'anae Sustainable Communities Plan (2009) Preliminary Draft dated September 5, 2008.

However, based upon our review, it has come to our attention that the preliminary draft makes no mention of a proposed 96 acre light industrial park project in Luahualei Valley, that is supported by our Board and community.

Enclosed for your information is a copy of our formal support Resolution adopted and signed by all 8 Board members in attendance at our meeting held on July 15, 2008, supporting the proposed project and its inclusion in the Amendment to the Wai'anae Sustainable Communities Plan. Also enclosed is a copy of a letter dated July 21, 2008, signed by Mr. Victor Kila, the ninth Board member

who was unable to attend the meeting, also confirming his support of the resolution and the project.

It is also our understanding that you had previously been provided with a Community Support Report for the proposed light industrial project, that contains approx. 590 petition signatures and support letters evidencing the widespread community support for the proposed 96 acre light industrial park project.

We hereby request that the following language be added to the next Public Review Draft of the Revised Wai'anae Sustainable Communities Plan (2009), that is scheduled to be issued in early October, 2008. We propose that the following language be added to Section 2.4.11(new language in bold) :

“Other economic opportunities discussed include expansion of retail and commercial centers in the four major ahupua'a and the creation of a light industrial park in the **Lualualei/Ma'ili ahupua'a known as the Nanakuli Community Baseyard Project**. Similar to the other sectors, it is recommended that locally-owned businesses be given priority, and that they hire residents as much as possible.

The Nanakuli-Maili Neighborhood Board #36 at its formal meeting held on July 15, 2008, formally issued a support Resolution unanimously supported by all of its Board members, supporting the development of a proposed new 96 acre light industrial park known as

the Nanakuli Community Baseyard project, located in Lualualei Valley. The resolution issued by the Nanakuli-Mailii neighborhood board supports an amendment to the Wai'anae Sustainable Communities Plan, that would include the designation of the proposed project for the development of a light industrial park in Lualualei Valley. The proposed project has also received widespread community support along with endorsements from several business organizations located in the Leeward Coast."

Thank you for your consideration and kokua on this matter that is important to the economic future of our community.

Issued this 16th day of September, 2008:

NANAKULI-MAILII NEIGHBORHOOD BOARD #36

[Signature]
[Signature]
Antonette A. Mairamau-Munuka
Paalei U. Oupolani
[Signature]
Marvina K. M. Celkaco
[Signature]
[Signature]
[Signature]

Exhibit "C"

The 10/1/08 Draft includes the following language in the third paragraph on page 2-11:

"It is recognized that the four ahupua'a have different concerns and needs, and thus, the Wai'anae Sustainable Communities Plan must be flexible enough to take this into account. For example, the current land use and economic opportunities in Makaha Valley are very different from the circumstances in the Lualualei/Ma'ili and Nanakuli ahupua'a. As such, the land use policies and guidelines must allow for variance between the differing ahupua'a."

We believe that all ahupua'a along the Waianae Coast probably are in agreement with the concept in the above language; however, implementing the concept that we are all in agreement with must still be addressed.

The Nanakuli NB suggests that all further work on Townscape's Public Review Draft of the WSCP should progress with the understanding and agreement with the concept that greater weight be given to each ahupua'a's opinion when it comes to land use decisions made in their own ahupua'a. Although everyone should be able to voice their opinions, shouldn't there be greater weight given to the opinions of the residents in the ahupua'a involved?

This is especially true with respect to the drawing of the Wai'anae Concept Map in Section 2.3 and working out the details in Chapter 5, Implementation, both of which have not been prepared and circulated for review and comment. The Nanakuli NB strongly believes that the Nanakuli-Mailii communities should be given greater consideration and weight when deciding issues in the Lualualei/Mailii and Nanakuli ahupua'a. Likewise, we understand that that it is only fair and reasonable that the opinions of the Nanakuli-Mailii communities will have less weight when involving land use issues in the Wai'anae and Makaha ahupua'a.

The Nanakuli NB has already expressed its position to support the identification of the industrial park project in the Lualualei/Mailii ahupua'a as identified on Map B of the Wai'anae Concept Map in Section 2.3, and we hereby make no further comment and reserve our judgment with respect to the proposed land uses identified on the Wai'anae Concept Map for the other three ahupua'a.

APPENDIX J

Economic/Fiscal Impact Analysis of the Proposed Nanakuli
Community Baseyard. Hastings, Conboy, Braig & Associates, Ltd.,
February 2010

February 16, 2010

Ms. Nancy Nishikawa
Kimura International
1600 Kapiolani Boulevard, Suite 1610
Honolulu, Hawaii 96814

RE: Economic/Fiscal Impact Analysis of the Proposed Nanakuli Community Baseyard

Dear Nancy:

We have completed the following **Economic/Fiscal Impact Analysis of the Proposed Nanakuli Community Baseyard** in response to a written comment from the State Land Use Commission (LUC). The pertinent LUC comment, as set forth in a letter addressed to Mr. Glenn T. Kimura dated January 5, 2010, is as follows:

“Additionally, we believe that the proposed development would generate revenues to the State and the City and County of Honolulu as well as require governmental operating expenditures to support it. However, there is no economic and fiscal analysis of the proposed development in the DEIS. Accordingly, we request that an analysis that addresses the projected revenues and expenses of the development be provided. The analysis should include a discussion on the various revenues, including personal income, general excise, and real property taxes, that would be generated. Similarly, the analysis on governmental expenditures should include, but not be limited to, the following areas: roadways (improvements and maintenance), public safety, health and sanitation; human services; recreation; debt service; and governmental employee benefits.”

INTRODUCTION AND EFFECTIVE DATE OF THE ANALYSIS

This economic/fiscal impact analysis of the Proposed Nanakuli Community Baseyard focuses on the potential impact of the proposed development on future public sector revenues and expenditures. More specifically, the intent of this analysis is to provide the following information: (1) reasonable forecasts of potential, additional revenues to the State of Hawaii and City and County of Honolulu governments generated by the proposed subject development and (2) reasonable forecasts of potential, additional governmental operating expenditures by the State of Hawaii and the City and County of Honolulu necessitated by, or resulting from, the proposed subject development.

Prior to this assignment, we prepared a Market Analysis and Employment Forecast for the Proposed Nanakuli Community Baseyard as part of a more comprehensive Draft Environmental Impact Statement (DEIS). The effective date of our market analysis and employment forecast for the proposed subject development was March 31, 2008.

The effective date of our analysis corresponding to this economic/fiscal impact analysis of the proposed subject development is February 1, 2010, and all dollar amounts presented herein are generally expressed in terms of 2010 monetary values. Also, please note that for purposes of this assignment, we have not updated or revised any portion of our initial March 2008 market analysis and employment forecast report.

FRAMEWORK OF THE ANALYSIS

The two following statements are excerpted from the Nanakuli Community Baseyard Draft Environmental Impact Statement (DEIS), set forth under Chapter 3, Section 3, (i.e., 3.3 Preliminary Cost and Timetable):

Based on the conceptual site plan, the preliminary cost for mass grading and infrastructure construction is estimated at \$29 million.

As the master developer for the project, Tropic Land, LLC plans to construct the infrastructure for the light industrial park over a period of ten years.

The second statement, alluding to the planned construction of proposed subject infrastructure over a ten-year period, is particularly relevant to the framework of this analysis. As indicated within the accompanying Tables 1 and 2, our forecasts of the potential economic/fiscal impacts of the proposed subject development to the respective governmental entities of the State of Hawaii and the City and County of Honolulu are presented with respect to two distinct time periods of assessment.

The first time period of assessment is represented by an initial, 10-year period corresponding to the projected timetable for completion of proposed infrastructure construction. From a forecasting perspective, this first assessment period (i.e., ten years) is characterized as a short-range to mid-range economic forecast.

The second time period of assessment is represented by the period of time extending beyond the initial ten-year timetable for completion of proposed infrastructure improvements. From a forecasting perspective, this second assessment period (extending beyond ten years) is characterized as a long-range economic forecast.

Therefore, within the framework of this analysis, our forecasts of the potential economic/fiscal impacts of the proposed subject development on future state and local government revenues and expenditures are presented with respect to two distinct time periods of assessment:

- (1) A Short-Range to Mid-Range Forecast corresponding to the anticipated ten-year period required to complete incremental infrastructure construction; and
- (2) A Long-Range Forecast corresponding to the subsequent period of time beyond the ten-year construction period required to complete infrastructure improvements.

ECONOMIC/FISCAL IMPACT FOR THE STATE OF HAWAII

The potential economic/fiscal impacts of the Proposed Nanakuli Community Baseyard on future government revenues and expenditures for the State of Hawaii are summarized in Table 1.

REVENUES:

Impact on Revenues, Short-Range to Mid-Range Forecast (1 to 10 Years, Inclusive)

For purposes of this analysis, the proposed subject development's potential impact on generating additional State government revenues over the course of its anticipated ten-year construction period is measured in terms of two basic categories, or sources, of revenue: general excise taxes (State share) and personal income taxes.

General Excise Taxes -- Over the course of the proposed project's anticipated ten-year construction phasing, the State's share of generated general excise tax revenue is forecast at four percent of the project's estimated total construction cost. In this case, the total construction cost estimate is \$29 million. Four percent of this total cost estimate equals \$1,160,000.

Personal Income Taxes -- As set forth in our Market Analysis and Employment Forecast report of March 2008, the total short-term, or short-range, employment forecast for the proposed subject development is estimated at 120 to 150 person-years (the term "person-year" refers to the equivalent of one year of full-time work for one worker). For purposes of this analysis, we utilize a single, point-estimate forecast of 135 person-years.

The gross workforce income generated by the proposed project's anticipated construction is forecast at \$8,100,000 based on the following factors: (a) a total employment forecast estimated at 135 person-years; and (b) a gross average annual wage per person-year estimated at \$60,000 [135 x \$60,000 = \$8,100,000]. The average annual wage estimate of \$60,000 is based on data pertaining to Construction Industry wages for Honolulu County, as compiled by the State Department of Labor and Industrial Relations.

Personal income tax revenue is forecast at five percent (5%) of gross workforce income. A five percent capture rate is generally consistent with the following historical data, as reported within the State of Hawaii Data Book:

<u>Calendar Year</u>	<u>Gross Family Income Level</u>	<u>State/Local Taxes Paid</u>	<u>Percent of Income</u>
2007	\$50,000	\$3,239	6.48%
	\$75,000	\$5,352	7.14%
2006	\$50,000	\$2,919	5.84%
	\$75,000	\$5,305	7.07%
2005	\$50,000	\$2,177	4.35%
	\$75,000	\$4,224	5.63%

Estimated Tax Burden for a Four-Person Family on Oahu in 2006,
As a Percentage of Gross Family Income:

Federal Income Tax	6.3%
State Income Tax	4.1
Social Security Tax	15.2
General Excise Tax	5.5
Real Property Tax	1.5
Employment Insurance Tax	5.2
Specific Excise Tax	0.3
Automobile Tax	<u>0.7</u>
Total Tax Burden	38.8%

Five percent of the gross workforce income estimate of \$8.1 million equals \$405,000.

Forecasted Impact on Revenues -- The forecasted impact on general excise tax revenue is estimated at \$1,160,000. The forecasted impact on personal income tax revenue is estimated at \$405,000. Therefore, the potential impact on State government revenues over the ten-year period corresponding to the project's construction of infrastructure improvements is forecast at \$1,565,000.

Impact on Revenues, Long-Range Forecast (Beyond 10 Years, Annual Basis)

The proposed subject development's potential impact on generating additional State government revenues on a long-range, stabilized operational basis is also measured in terms of two basic categories, or sources, of revenue: general excise taxes (State share) and personal income taxes.

The proposed development is not anticipated to achieve immediate, stabilized build-out and/or operational occupancy upon completion of construction. Given the scale of the proposed development and depending upon future market conditions, stabilized market absorption and build-out is likely to require multiple months, if not years, to accomplish. This analysis, however, is based on the assumption that the proposed subject development has attained a stabilized operational condition. As such, this portion of the analysis provides a general indication of the long-range revenue-generating potential associated with the proposed subject development, on an annual basis.

General Excise Taxes -- Economic/sales activity either conducted at the project site or generated by business entities based at the project site will generate general excise tax revenue to the State. Forecasting the future level of such activity and the amount attributable to a net increase in general excise tax revenue is not a straightforward procedure. First, the tenant mix and type of businesses that will ultimately locate and operate at the project site are presently unknown. Second, it must be assumed that some percentage of business activity at the project site will merely represent a geographic relocation of pre-existing sales, and this would not imply any net increase to the general excise tax base.

For illustrative and analytical purposes, we have estimated a stabilized level of forecasted additional business activity at \$37.5 million per year. This figure is derived by multiplying an estimated building area of 300,000 square feet by an average sales factor of \$125 per square foot of building area. A building floor area estimate of 300,000 square feet equates to approximately ten percent of

Kimura International

February 16, 2010

Page 5

the project's net developable land area of 70 acres. An average sales factor of \$125 per square foot of building area is considered reasonable for the subject's proposed light industrial development concept. Again, it is important to note the limitations inherent within this portion of the analysis as a result of present unknowns and possible future variables.

Based on the factors outlined above, the annual impact on general excise tax revenue is forecast at four percent of \$37.5 million, or \$1,500,000 per year.

Personal Income Taxes -- As set forth in our Market Analysis and Employment Forecast report of March 2008, the total long-term, or long-range, employment forecast for the proposed subject development on a stabilized operational basis is estimated at 840 to 1,260 full-time jobs. For purposes of this analysis, we have utilized a single, point-estimate forecast of 1,050 jobs associated with the long-range operational aspect of the proposed development.

The gross workforce income utilized as the basis for estimating the long-range impact on personal income tax revenue is forecast at \$6,400,000 based on the following factors: (a) annual net additional employment is estimated at 15 percent of 1,050 jobs, or approximately 160 new jobs created; and (b) the gross average annual wage per new job created is estimated at \$40,000 [160 x \$40,000 = \$6,400,000]. The average annual wage estimate of \$40,000 is based on data pertaining to Manufacturing, Service Providing, and Transportation and Utilities Industry wages for Honolulu County, as compiled by the State Department of Labor and Industrial Relations.

Personal income tax revenue is forecast at five percent (5%) of gross workforce income. Five percent of the estimated annual gross workforce income of \$6.4 million equals \$320,000 per year.

Forecasted Impact on Revenues -- The forecasted annual impact on general excise tax revenue is estimated at \$1,500,000 per year. The forecasted annual impact on personal income tax revenue is estimated at \$320,000. Therefore, the potential annual impact on additional State government revenues associated with this long-range forecast for the proposed subject development is estimated at \$1,820,000 per year.

EXPENDITURES:

The potential impact of the proposed subject development on State government expenditures is measured as a function of additional residential population growth. In essence, the proposed development is forecast to create additional job opportunities and personal income growth. In turn, the forecasted increases in employment and personal income would then be theoretically capable of supporting or resulting in some incremental increase in the number of people residing within the State of Hawaii.

As one example, it might be possible for new job openings to potentially attract an in-migration of labor to Hawaii or provide an opportunity for someone to return to Hawaii from out-of-State. As another example, new job opportunities could possibly provide an existing resident sufficient income to support additional household members, be it in the form of friends or family moving to Hawaii from out of state, increases to an existing family size, or a variety of alternative means.

One of the key aspects associated with this methodology of forecasting the impact on State government expenditures is estimating the anticipated additional population growth associated with the proposed development. Our employment forecast for the Proposed Nanakuli Community Baseyard, as of March 2008, estimated the potential impact of the subject development at 560 to 840 on-site jobs, plus an additional 280 to 420 off-site jobs resulting from a macro-economic, multiplier effect.

Only a given percentage of this estimated employment forecast has a reasonable expectation of representing incremental new employment, or a net increase in jobs, for the State. Some percentage of the jobs created at the project site is likely to be associated with pre-existing businesses relocating and/or expanding to the site from other areas of Oahu and/or the Neighbor Islands. Under these circumstances, this would not necessarily represent the creation of additional, new jobs to the State but, rather, a physical relocation of existing jobs.

Based on the high unemployment rate within the local construction industry, the residential population impact of the proposed subject development is forecast to be negligible, or nominally insignificant, during the ten-year infrastructure construction period. For illustrative and analytical purposes, the resident population impact of the proposed subject development in terms of a stabilized operational time frame beyond the ten-year infrastructure construction period is forecast at an estimated 160 new residents.

Impact on Expenditures, Short-Range to Mid-Range Forecast (1 to 10 Years, Inclusive)

We do not foresee and, therefore, do not forecast any significant increases in State government expenditures associated with the proposed subject development during the course of its anticipated, incremental construction of infrastructure improvements.

Impact on Expenditures, Long-Range Forecast (Beyond 10 Years, Annual Basis)

Resident Population Increase -- The forecasted potential impact of 160 new residents resulting from the proposed subject development is based on a factor equal to fifteen percent (15%) of the total employment forecast of 1,050 jobs attributable to the proposed development. A fifteen percent factor and the resulting projection of 160 new residents are identical to the annual, additional employment forecast utilized previously within our revenue forecasting model. In essence, we have assumed that each new, additional job created at the project site will result in the addition of one new resident to the State of Hawaii.

Annual Expenditures Per Capita -- As reported by the Hawaii State Department of Accounting and General Services, total government expenditures by the State of Hawaii for the fiscal year ending June 30, 2008 were \$8.22 billion; annual debt service is included as part of total government expenditures. The resident population estimate for the corresponding time period, as reported in the State of Hawaii Data Book, was approximately 1,283,000. Dividing total government expenditures by the resident population estimate results in an indicated annual per capita governmental expenditure of \$6,400 per resident [$\$8,220,000,000 \div 1,283,000$, as rounded].

Forecasted Impact on Expenditures -- For illustrative purposes, the long-range employment forecast associated with the proposed subject development is projected to result in a net increase of 160 additional residents to the State of Hawaii. An analysis of general governmental expenditures by the State of Hawaii on an average per capita basis indicates an annual expenditure of \$6,400 per resident. Based on these factors, the potential annual impact on additional State government expenditures associated with this long-range forecast for the proposed subject development is estimated at \$1,024,000 per year [160 x \$6,400 per year].

ECONOMIC/FISCAL IMPACT FOR THE CITY AND COUNTY OF HONOLULU

The potential economic/fiscal impacts of the Proposed Nanakuli Community Baseyard on future government revenues and expenditures for the City and County of Honolulu are summarized in Table 2.

REVENUES:

Impact on Revenues, Short-Range to Mid-Range Forecast (1 to 10 Years, Inclusive)

For purposes of this analysis, the proposed subject development's potential impact on generating additional County government revenues over the course of its anticipated ten-year construction period is measured in terms of two basic categories, or sources, of revenue: general excise taxes (County share) and permit fees.

General Excise Taxes -- Over the course of the proposed project's anticipated ten-year construction phasing, the County's share of generated general excise tax revenue is forecast at one-half percent of the project's estimated total construction cost. This one-half percent share of the general excise tax corresponds to the designated Transit Tax currently in effect through December 31, 2022. As mentioned previously, the total construction cost estimate is \$29 million. One-half percent of this total cost estimate equals \$145,000.

Permit Fees -- County permit fees associated with the proposed subject development are projected to total approximately \$160,000 based on information provided by the developer's civil engineering consultant, Hida, Okamoto & Associates, Inc.

Forecasted Impact on Revenues -- The forecasted impact on the County's share of general excise tax revenue is estimated at \$145,000. The forecasted impact on increased permit fees revenue is estimated at \$160,000. Therefore, the potential impact on City and County government revenues over the ten-year period corresponding to the project's construction of infrastructure improvements is forecast at \$305,000.

Impact on Revenues, Long-Range Forecast (Beyond 10 Years, Annual Basis)

The proposed subject development's potential impact on generating additional County government revenues on a long-range, stabilized operational basis is measured in terms of a single, principal category/source of revenue: real property taxes.

The proposed development is not anticipated to achieve immediate, stabilized build-out and/or operational occupancy upon completion of construction. Given the scale of the proposed development and depending upon future market conditions, stabilized market absorption and build-out is likely to require multiple months, if not years, to accomplish. This analysis, however, is based on the assumption that the proposed subject development has attained a stabilized operational condition. As such, this portion of the analysis provides a general indication of the long-range revenue-generating potential associated with the proposed subject development, on an annual basis.

Real Property Taxes -- The presently unimproved site of the proposed subject development is a

Kimura International

February 16, 2010

Page 9

non-subdivided portion of First Division, Tax Map Key (TMK) 8-7-9, Parcel 2. The current annual real property tax corresponding to TMK 8-7-9, Parcel 2 is approximately \$20,000. The Proposed Nanakuli Community Baseyard, upon completion of its proposed infrastructure improvements, will add 70 acres of developable urban land, zoned for industrial use, to the County's real property tax base. As future build-out occurs over time, an additional layer of tax revenue will be generated by related increases in building assessment values.

Real property tax revenue is a function of real property assessment values multiplied by the applicable tax rate. The annual real property tax rate for unimproved, urban-zoned land classified as industrial use is \$12.40 per \$1,000 of assessment value.

For long-range forecasting purposes, the subject site's average fee simple land value assessment, following completion of planned infrastructure improvements, is estimated at \$1.0 million per acre, or approximately \$23.00 per square foot. This equates to a total, overall land value assessment of \$70 million for property taxation purposes. The long-range forecast of an overall additional building value assessment associated with the proposed subject development is based on a total floor area estimate of 300,000 square feet and an average assessment factor of \$100 per square foot of floor area.

Forecasted Impact on Revenues -- Based on the factors outlined above, the potential annual impact on additional City and County government revenues from real property taxes associated with this long-range forecast for the proposed subject development is estimated at \$1,240,000 per year $[(\$70,000,000 + \$30,000,000) \div \$1,000] \times \12.40 per year].

EXPENDITURES:

The potential impact of the proposed subject development on City and County government expenditures is also measured as a function of additional residential population growth. As stated previously, the proposed development is forecast to create additional job opportunities and personal income growth, and this forecasted increases in employment and personal income would then be theoretically capable of supporting or resulting in some incremental increase in the number of people residing within the City and County of Honolulu.

As consistent with our State impact analysis, the residential population impact of the proposed subject development for the City and County of Honolulu is forecast to be negligible, or nominally insignificant, during the ten-year infrastructure construction period based on the high unemployment rate within the local construction industry. Also, for illustrative and analytical purposes, the resident population impact of the proposed subject development in terms of a stabilized operational time frame beyond the ten-year construction period is similarly forecast at an estimated 160 new residents.

Impact on Expenditures, Short-Range to Mid-Range Forecast (1 to 10 Years, Inclusive)

We do not foresee and, therefore, do not forecast any significant increases in City and County government expenditures associated with the proposed subject development during the course of its anticipated, incremental construction of infrastructure improvements.

Impact on Expenditures, Long-Range Forecast (Beyond 10 Years, Annual Basis)

Resident Population Increase -- The forecasted potential impact of 160 new residents resulting from the proposed subject development is based on a factor equal to fifteen percent (15%) of the total employment forecast of 1,050 jobs attributable to the proposed development. A fifteen percent factor and the resulting projection of 160 new residents are identical to the annual, additional employment forecast utilized previously within our revenue forecasting model for the State of Hawaii. In essence, we have assumed that each new, additional job created at the project site will result in the addition of one new resident to the City and County of Honolulu.

Annual Expenditures Per Capita -- As reported by the Honolulu Department of Budget and Fiscal Services, total government expenditures by the City and County of Honolulu for the fiscal year ending June 30, 2009 were \$1.808 billion; annual debt service is included as part of total government expenditures. The resident population estimate for the City and County of Honolulu as of July 1, 2008, as reported in the State of Hawaii Data Book, was approximately 905,000. Dividing total government expenditures by the resident population estimate results in an indicated annual per capita governmental expenditure of \$2,000 per resident [$\$1,808,000,000 \div 905,000$, as rounded].

Forecasted Impact on Expenditures -- For illustrative purposes, the long-range employment forecast associated with the proposed subject development is projected to result in a net increase of 160 additional residents to the City and County of Honolulu. An analysis of general governmental expenditures by the City and County of Honolulu on an average per capita basis indicates an annual expenditure of \$2,000 per resident. Based on these factors, the potential annual impact on additional County government expenditures associated with this long-range forecast for the proposed subject development is estimated at \$320,000 per year [$160 \times \$2,000$ per year].

LIMITING CONDITIONS AND ASSUMPTIONS

The following conditions and assumptions embodied in this report constitute the framework of our analysis and conclusions.

- This analysis is based upon the condition of the national economy and the purchasing power of the dollar as of the date of the report.
- This report expresses the opinion of the signers as of the date of the report; in no way has it been contingent upon the reporting of specified values or findings.
- The appraisers have extensive experience in the economic analysis of proposed subdivision development properties and are considered competent to undertake and complete this assignment. A summary of the appraisers' qualifications is included in the Addenda of this report.
- It is assumed that the subject property is free and clear of any and all encumbrances other than those referred to herein, and no responsibility is assumed for matters of a legal nature. This report is not to be construed as rendering any opinion of title, which is assumed to be good and marketable. Responsible ownership and competent management of the subject property is also assumed, unless otherwise stated within the report.
- It is assumed that any existing or proposed uses of the subject property's land and improvements will occur within the legal boundaries or property lines of the subject property and that no encroachment or trespass exists, now or in the future, unless otherwise stated within the report.
- It is assumed that any and all required licenses, certificates of occupancy and/or other legislative or administrative authorizations relating to any existing or proposed uses of the subject property upon which our value conclusion is based will be obtained readily from the appropriate local, state, or federal government agencies, private institutions, or other organizational entities that exercise jurisdiction over these types of licensing and administrative matters.
- Any maps or plot plans reproduced and included in this report are intended only for the purpose of showing spatial relationships. These maps do not necessarily represent measured surveys or measured maps, and the appraiser is not responsible for the possible existence of any topographic or surveying errors within such maps. No engineering tests were furnished, and, therefore, no liability is assumed for the soil conditions, bearing capacity of the subsoil or building engineering matters relating to the subject property.
- Information provided by informed local sources such as governmental agencies, financial institutions, realtors, buyers, sellers and others, was interpreted in the manner in which it was supplied and, whenever possible or practical, was checked and verified by secondary means. However, no responsibility is assumed for any possible misinformation contained in these sources of information.
- The presence of hazardous wastes or toxic materials such as underground storage tanks, asbestos, urea-formaldehyde foam insulation or other potentially harmful substances may have an adverse affect on the value of a given property. The value conclusions reported herein are predicated on the assumption that there is no such hazardous material on or in the subject property that would result in this type of loss in value. No responsibility is assumed for any potentially adverse environmental conditions or for the lack of any expertise or engineering knowledge required to discover such conditions.
- The appraisers are not required to give testimony or appear in court because of having made this

Kimura International

February 16, 2010

Page 12

appraisal unless arrangements for the appearance and the fee for such appearance have been agreed upon by the person or corporation requiring such testimony.

- The appraisers' prior written consent and approval must be obtained in the event that this report should be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- The appraisers will not disclose the contents of this report except as provided for in the Uniform Standards of Professional Appraisal Practice.

CERTIFICATION

The undersigned hereby certifies that, to the best of their knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined conclusion or direction in conclusion that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this analysis.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).
- Robert R. Braig, MAI, SRA and Ricky P. Minn have conducted a personal inspection of the property that is the subject of this report.
- No one provided significant analytical assistance to the persons signing this certification.
- As of the date of this report Robert R. Braig, MAI, SRA has completed the requirements of the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

February 16, 2010

Robert R. Braig, MAI, SRA
State Certified General Appraiser CGA-149
Certificate Expires: December 31, 2011

Table 1

POTENTIAL FISCAL IMPACT ON STATE GOVERNMENT FINANCES
Proposed Nanakuli Community Baseyard
Waianae District, Island of Oahu, State of Hawaii

IMPACT ON REVENUES**Short-Range to Mid-Range Forecast (1 to 10 Years, Inclusive)**

General Excise Tax:	Construction Budget/Costs		\$29,000,000
	General Excise Tax Rate (State Share)	x	<u>0.040</u>
	Forecasted Additional Revenue		\$1,160,000
Personal Income Tax:	Gross Workforce Income		\$8,100,000
	State Income Tax Rate	x	<u>0.050</u>
	Forecasted Additional Revenue		\$405,000
Total Potential Impact, Over Period of 10 Years			\$1,565,000

Long-Range Forecast (Beyond 10 Years, Annual Basis)

General Excise Tax:	Annual Business Activity/Sales		\$37,500,000
	General Excise Tax Rate (State Share)	x	<u>0.040</u>
	Forecasted Additional Revenue		\$1,500,000
Personal Income Tax:	Gross Annual Workforce Income		\$6,400,000
	State Income Tax Rate	x	<u>0.050</u>
	Forecasted Additional Revenue		\$320,000
Total Potential Impact, Beyond 10 Years, Annual Basis			\$1,820,000

IMPACT ON EXPENDITURES**Short-Range to Mid-Range Forecast (1 to 10 Years, Inclusive)**

Total Potential Impact, Over Period of 10 Years **None Identified**

Long-Range Forecast (Beyond 10 Years, Annual Basis)

All General Expenditures:	Resident Population Increase		160
	Per Capita Annual Expenditures	x	<u>\$6,400</u>
	Forecasted Additional Expenditures		\$1,024,000
Total Potential Impact, Beyond 10 Years, Annual Basis			\$1,024,000

Source: Hastings, Conboy, Braig & Associates, Ltd., February 2010.

/7371-A.State

Table 2

**POTENTIAL FISCAL IMPACT ON COUNTY GOVERNMENT FINANCES
Proposed Nanakuli Community Baseyard
Waianae District, Island of Oahu, State of Hawaii**

IMPACT ON REVENUES

Short-Range to Mid-Range Forecast (1 to 10 Years, Inclusive)

General Excise Tax:	Construction Budget/Costs		\$29,000,000
	General Excise Tax Rate (County Share)	x	<u>0.005</u>
	Forecasted Additional Revenue		\$145,000
County Permit Fees:	Forecasted Additional Revenue		\$160,000
Total Potential Impact, Over Period of 10 Years			\$305,000

Long-Range Forecast (Beyond 10 Years, Annual Basis)

Real Property Tax:	Annual Assessment Value (\$1,000s)		\$100,000
	Annual Tax Rate (Per \$1,000)	x	<u>\$12.40</u>
	Forecasted Additional Revenue		\$1,240,000
Total Potential Impact, Beyond 10 Years, Annual Basis			\$1,240,000

IMPACT ON EXPENDITURES

Short-Range to Mid-Range Forecast (1 to 10 Years, Inclusive)

Total Potential Impact, Over Period of 10 Years		None Identified
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Long-Range Forecast (Beyond 10 Years, Annual Basis)

All General Expenditures:	Resident Population Increase		160
	Per Capita Annual Expenditures	x	<u>\$2,000</u>
	Forecasted Additional Expenditures		\$320,000
Total Potential Impact, Beyond 10 Years, Annual Basis			\$320,000

Source: Hastings, Conboy, Braig & Associates, Ltd., February 2010.

/7371-A.County

APPENDIX K

Correspondence related to Lualualei Naval Access Road



DEPARTMENT OF THE NAVY

COMMANDER
NAVY REGION HAWAII
850 TICONDEROGA ST STE 110
PEARL HARBOR HI 96860-5101

11011
Ser N4/04200
July 6, 2009

Mr. Arik B. Yanagihara
Project Manager
Tropic Land LLC
1001 Bishop Street, Suite 2690
Honolulu, HI 96813

Dear Mr. Yanagihara:

SUBJECT: TROPIC LAND LLC REQUEST FOR FORMAL ACCESS EASEMENT FOR
USE OF LUALUALEI NAVAL ACCESS ROAD

The Navy is willing to issue a one-year license agreement, with possibility of extensions, to authorize Tropic Land LLC's use of the Lualualei Naval Access Road (LNAR). The issuance of a license agreement is consistent with the access rights over the LNAR that the Navy has granted to other adjacent landowners to include PVT Land Company, Pineridge Farms, and Pacific Shopping Mall.

In accordance with Navy policy, all costs associated with the processing of the license will be borne by Tropic Land LLC. This includes costs for the preparation of National Environmental Policy Act documentation, appraisal of the fair market value of the license, and preparation of the license agreement. Cost estimates are currently being prepared and will be provided to you as soon as they are available.

I am happy to meet with you to discuss. Please contact Ms. Lynn Tanaka at (808) 471-1170 extension 248 or e-mail lynn.tanaka@navy.mil.

Sincerely, \

A handwritten signature in black ink, appearing to read "B. J. Muilenburg".

B. J. MUILENBURG
Captain, CEC, U. S. Navy
Regional Engineer
By direction of the
Commander

TROPIC LAND LLC
1001 Bishop Street, Suite 2690
Honolulu, HI 96813
Phone: (808) 457-1172 FAX: (808) 533-1486

December 4, 2009

Navy Region Hawaii (Code N4)
Attn: Captain Bret J. Muilenburg
850 Ticonderoga Street, Suite 110
Pearl Harbor, HI 96860-5101

Re: Tropic Land LLC Request for Formal Access Easement for Use
of Lualualei Naval Access Road

Dear Captain Muilenburg:

In response to your letter of July 6, 2009 and in accordance with the prior meetings and discussions that have transpired to date on the subject matter of private use of Lualualei Naval Access Road ("Road"), the purpose of this letter of information is to confirm the desire and intent of the Tropic Land LLC and/or other adjacent land owners (to be determined), to enter into a long term easement agreement with the Navy for the long term use and access to the Road. From a conceptual point of view, some of the proposed terms and conditions that will need to be worked out and formally agreed to would include the following:

- The proposed private signatory to the agreement would be a formal user Association or LLC organized by Tropic Land LLC and current adjacent landowners, whose employees and invitees currently use the Road. These include, but are not limited to, PVT Land Company, Pineridge Farms and Pacific Mall LLC.
- The easement will grant the Association/LLC formal access and ability to use the Road and at the same time will require that Association/LLC maintain and manage the Road based upon mutually agreeable standards, terms and conditions which include the following:
 - o The Navy reserves the right to use the Road for any and all government purposes.
 - o The Association/LLC will set up an operation and maintenance account to track in-kind improvements/work performed in satisfaction of rent obligations. These in-kind improvements/work would be done to the satisfaction of the Navy.
 - o The Association/LLC shall indemnify, defend, and hold harmless the Navy, and its officers, agents, servants, employees, contractors and representatives, and hold them harmless, from and against any and all claims, damages, costs and liabilities whatsoever (including but not limited to any loss of or damage to any vehicles or injury to or death of any person or persons) which may arise or be alleged by anyone to arise in any manner in connection with the use of Road by the

Captain Bret J. Muilenburg
December 4, 2009
Page 2

Association/LLC, including but not limited to all costs, expenses and reasonable attorney's fees for all trial, appellate and post-judgment proceedings in connection with any claims, suits or actions related thereto.

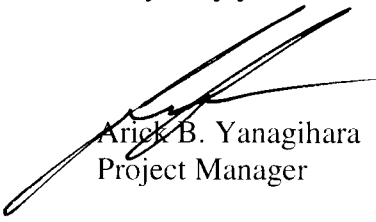
- The Association/LLC shall provide to the Navy comprehensive general liability insurance from a reputable insurance company or companies satisfactory to the Navy in an amount satisfactory to the Navy and to continue in full force and effect for the term of the easement. The insurance shall name the Department of the Navy and the United States of America as additional insured, and shall contain an endorsement reading:

"The insurer waives any right of subrogation against the United States of America or the Department of the Navy which might arise by reason of any payment made under this policy."

- The Navy and its personnel and invitees will be allowed unrestricted access and use of the road and will not be subject to any charge or assessment etc. for the maintenance and management of the Road.
 - The Navy will have the absolute right and authority to take control of the Road and restrict access thereto in the event of war, a national emergency or other predetermined events.
- The costs and/or fees to the Association/LLC will still need to be determined.
 - Other terms, conditions and covenants are to be agreed upon and determined.

It is to be clearly understood that this letter of information is an indication of Tropic Land LLC's desire and intent, based upon discussions and correspondences that have transpired to date. We look forward to further meetings and discussions to finalize a formal easement agreement as discussed herein on a mutually acceptable basis with all parties concerned.

Very truly yours,



Ariek B. Yanagihara
Project Manager

Acknowledged this 24th day of Dec, 2009

By: B.J. Muilenburg
B.J. Muilenburg,
Captain, CEC, U.S. Navy, Regional Engineer

APPENDIX L

Statements on Past Farming Activity

Tadashi Araki
84-1024 Farrington Hwy
Waianae, HI 96792

April 1, 2010

Arick B. Yanagihara
Tropic Land LLC
1001 Bishop Street, Suite 2690
Honolulu, HI 96813

Re: Summary of Historical Usage and Knowledge of Tropic Land
Property in Lualualei. Oahu TMK: 8-7-09:02

Dear Mr. Yanagihara:

I am Tadashi Araki. I am 76 years old. You have asked me to summarize my recollections about farming in Lualualei on the property (the "Property") next to the Lualualei Naval Base that Tropic Land proposes to develop.

I am very familiar with this Property. My late brother, Kazuto Araki, and I were directly involved with attempting to farm there for approximately 25 years. I don't remember the exact years, but we started around 1955, the year the military plane crashed into the mountain behind the Property.

Our attempts to farm the Property involved very hard work and were very costly. It was a time in my life that I'd like to forget.

We originally farmed on 54 acres of land that is now the Makaha Golf Resort. Our farm was successful and we sold produce to the military ships and local markets. The landowner, Chinn Ho, then decided to develop that property and we then moved to another property he owned across Makaha Beach. We farmed there until they also decided to develop the second property. We then moved to Lualualei.

We leased about 59 acres of land right next to the Naval Base on Lualualei Naval Road from the McCandless family. The guy we dealt with at the time was named Ross, who represented the McCandless family. Of the 59 acres, only 17 acres was flat and could be used for farming. The area we farmed ran along the Naval Road, next to the Naval Base fence and up the hillside.

The ground contained a lot of rocks, which we had to clear before any farming could be done. My friend, Willy Ferreira and the Bradley boys helped us clear the land. We piled the rocks into rock piles and built some loose stonewalls. Someone later told us that they heard that the rock piles that we created had cultural significance, which I don't understand because we cleared the land and stacked the rocks.

In the 17 acre area we farmed, there were two water wells that were capped. These wells were dug by the plantations for testing as a source of water to grow sugar cane. However the water was salty and not good for farm use. I do not think that sugar cane was ever grown on the Property.

Over the years, we tried to grow several different crops on the Property without much success. The crops we tried included corn, watermelon, round onions, bell peppers, cucumber, tomatoes and green onions.

The problem we had was that the soil was adobe clay and water did not drain into the ground. The crops did not grow properly, and a lot of crops failed. Because we were having a hard time, we went to the University of Hawaii Agriculture Department for help. Dr. Gilbert provided us with assistance. We brought in a lot of cattle and chicken manure and tilled them into the soil. The crops still failed. We also brought in coral slag from a quarry off of Hakimo and Paakea Road. We mixed this into the soil for aeration. However the Lualualei clay continued to harden and water still could not seep into the ground for the plants.

We sought financial aid from the State. We originally asked for a \$50,000 loan but were only able to get a farm loan for \$25,000. The loan officer from the State was Richard Marumoto. After a lot of hard work, we were eventually able to repay the loan. We later tried to get further financial assistance, but could not because the State thought that farming the Property was a poor risk.

Some other problems that we had with the Property were the strong winds that sometimes came down the mountains and the short, but heavy rains along with periods of very high heat that damaged the crops.

Dr. Gilbert from the University of Hawaii also recommended several other things to help us with the weather conditions. We used screens to cover part of the fields where we had sensitive vegetables, but the winds would destroy the screens. We tried using telephone poles to support the screens, but the poles didn't help.

We also had all kinds of pests to deal with – fruit flies, leaf worms, cut worms, stink bugs, African snails, field mice and cardinal birds. We used several different kinds of pesticides and chemicals. We sprayed the pesticides with large fans powered by generators, but didn't use protective masks and gear. We stored the chemicals in thousand gallon tanks. I believe that my brother and I were contaminated and affected by the exposure to these chemicals that we used on the farm. My brother had seven surgeries to remove tumors. I now have diabetes.

The area had hundreds of field mice. We would mix barley with poison and spread it throughout the farm. The next day there would be dead mice all over the place. We applied poison around the planted areas to kill the African snails. However the snails were smart and figured out how to follow along the poisoned areas until they found an opening that they could enter and eat the crops.

The cardinal birds would eat the crops and we had to hire a guy to shoot them on a daily basis. All these pests did a lot of damage to the leaves, stems and fruits of the crops, and it took a lot of time and money to fight them.

Because of the difficulty with farming, we also tried to raise a bee farm with over 150 box hives. However, because the fan blown chemicals spread into the bee area, the State Health Department did not approve the honey production and this operation was eventually discontinued.

We also had over 150 goats that were used to produce milk. Goat milk is good for children with Asthma. However, the weather also caused problems with the goats.

We also built a shooting range up against the mountain side behind the farm. We had targets at 100, 200 and 300 yards. The range did not create a problem, because the military personnel would come over and use the range.

Sometime in the early 1980's we attempted to extend the lease with the McCandless family because we already had put a lot of time, labor and money into the property and farm. By then Ross had died and a man named Kitamura handled the leases. He wanted to raise the rents a lot and also wanted to get 10% of the crop yield. We then left the property.

We moved back to Makaha. We now have a small farm land leased to us by Albert Silva's cousin. We raise Pikake flowers and sell them to the lei stands. This operation is profitable and we continue this farm today. We also grow fruits and vegetables for home use.

I know that a guy named Higa moved onto the Lualualei Property after us. He raised lettuce and was unsuccessful. After about a year or so, he left the Property.

This is my summary about my history and experience and attempts to farm the Property. It was very hard work and very costly.

Very Truly Yours,



Tadashi Araki

APPENDIX M

Environmental Impact Statement Preparation Notice (EISPN):
Comments Received

Comments on the EISPN/EA

Agency	Date	Comments	Relevant Section in the DEIS
FEDERAL AGENCIES			
U.S. Army Corps of Engineers, Civil Works Branch	Letter dtd 5-27-09	Concurrence with flood hazard determination in EISPN (p. 3-8)	Sec. 4.4
U.S. Army Corps of Engineers, Regulatory Branch	Letter dtd 6-26-09	Identify all streams and wetlands Describe all ground-disturbing activities on the project site	Sec. 4.3; 4.5 Sec. 4.1
STATE AGENCIES			
Department of Agriculture	Letter dtd 6-25-09	Recommend consulting with Harry Choy, Director of the West Oahu County Farm Bureau (Ph. 676-9100)	Phone conversation with Mr. Choy on October 16, 2009
Dept of Health	Letter dtd 6-16-09	<p><u>Wastewater Branch</u> Project is located in the Critical Wastewater Disposal Area—no new cesspools allowed. Property is located in both the Pass and No Pass Zones. Disposal of wastewater in the No Pass Zone is restricted.</p> <p>No objections to the private WWTP. Highly recommend that effluent disposal system be located in the Pass Zone area of property</p> <p>On-site WWTP should not be used to treat industrial wastewater</p> <p>Encouraged to use recycled wastewater</p> <p>Wastewater plans to meet HAR Chapter 11-62</p> <p><u>Clean Water Branch</u></p> <p>1. Any project impacts to State waters must comply with antidegradation policy, designated uses, and water quality criteria</p>	<p>Sec. 4.15.3</p> <p>Sec. 4.15.2; 4.15.3</p> <p>Sec. 4.15.2 Sec. 4.15.3</p> <p>Sec. 4.3</p>

Agency	Date	Comments	Relevant Section in the DEIS
Dept of Health (continued)		<p>2. NPDES permit needed.</p> <p>3. Wastewater discharges not covered by NPDES general permit may require an individual permit</p> <p>4. Copy of NPDES permit application also must be submitted to DLNR and SHPD</p> <p>5. Discharges must comply with water quality standards</p>	<p>Sec. 1.6</p> <p>Sec. 1.6</p>
DLNR, Commission on Water Resource Management	Memo dtd 6-17-09	<p>Recommend coordination with County to incorporate project into Water Use and Development Plan</p> <p>Recommend coordination with Dept of Agriculture to incorporate reclassification into the Agricultural Water Use and Development Plan</p> <p>Recommend use of water efficient fixtures and practices</p> <p>Recommend use of BMPs for storm water management</p> <p>Recommend use of alternative water sources where practical</p> <p>Review by DOH needed to determine requirements to protect water quality</p> <p>* CWRM has records for three wells on TMK site, but there are discrepancies in pump testing levels between their records (200, 65, 100 gpm) and level (225 gpm) indicated in EISPN.</p> <p>* Drawdown in one well was below sea level and is expected to salt up, making it unsuitable for irrigation</p>	<p>Sec. 4.3</p> <p>Sec. 4.15.3; 6.3</p> <p>Sec. 4.2</p>
DLNR, Engineering Division	Memo dtd 6-15-09	<p>Confirmation that project site is in FIRM Zone D. There are no regulations for development in Zone D.</p>	Sec. 4.4
DLNR, Division of Aquatic Resources	Memo dtd 6-12-09	<p>There have been no DAR stream surveys on Ulehawa Stream</p> <p>Details on the drainage improvements—locations and routes, capacity of detention ponds, detention period for water, and water quality issues need to be addressed in the DEIS to determine impacts on aquatic resource values in the area</p>	Sec. 4.3

Agency	Date	Comments	Relevant Section in the DEIS
DLNR, Division of Forestry & Wildlife	Memo dtd 5-27-09	No objections	Sec. 4.5; 4.6
Dept. of Transportation	Memo dtd 6-17-09	<p>1. Traffic Impact Analysis Report (TIAR) needed to assess project-generated impacts to Farrington Hwy and intersections. TIAR should evaluate alternative access routes (Hakimo, Lualualei Naval Access). TIAR should address how vehicles would be prevented from using Lualualei Naval Access Rd if restricted by Navy</p> <p>2. TIAR to address full build-out conditions with mitigation recommendations.</p> <p>3. Construction plans required for work in State highway ROW.</p>	Sec. 4.9 Sec. 4.9
Office of Hawaiian Affairs	Letter dtd 6-19-2009	<p>Agree that golf course is not best and highest use of property, but concerns about using "limited agricultural lands for other purposes than agriculture and probable impacts to cultural and environmental resources"</p> <p>Comply with Sec 6E-46.6, HRS regarding inadvertent finds of significant cultural deposits or human skeletal remains</p> <p>Landscape with drought-tolerant native or indigenous species for erosion control, shade, and aesthetics</p>	Sec. 4.7; 4.8 Sec. 4.8 Sec. 6.3
Office of Planning	Letter dtd 7-1-09	<p>1. <u>Water</u>: discuss water requirements, potable and non-potable water sources, measures to reduce water demand and promote water reuse. Identify whether project is within a designated Water Management Area, impact of the project on sustainable yield of affected aquifers, impact of project on projected water use and system improvements in County's water use and development plan.</p> <p>2. <u>Ag Lands</u>: discuss how loss of ag lands is justified</p> <p>3. <u>Public Health</u>: quantify volume of solid waste likely to be generated and impact on County's existing and planned capacity for managing solid waste. Mitigation measures to</p>	Sec. 4.15.1; 4.15.3 Sec. 4.7 Sec. 4.15.4; 6.3

Agency	Date	Comments	Relevant Section in the DEIS
Office of Planning (continued)		<p>reduce solid waste generation. If project will have a potential to generate hazardous materials. Identify any contamination from past or present use of the site, including findings from Phase 1 or 2 ESAs.</p> <p>4. <u>Cultural Resources</u>: include archaeological inventory, status of any monitoring or preservation plans, describe cultural resources and practices on project site and ahupua'a in which the property is located, discuss impact of project on any cultural resources and practices.</p> <p>5. <u>Environmental, Recreation and Scenic Resources</u>: include updated flora and fauna inventory, including "rare" species and ecosystems, describe recreational uses on or near project site, describe scenic resources and impacts to them.</p> <p>6. <u>Coastal Zone Management</u>: discuss how storm water and wastewater generated by the project will be prevented from reducing the quality of nearshore waters. Describe hazard conditions and mitigation measures.</p> <p>7. <u>Energy Use</u>: quantify projected energy requirements by type of use and discuss measures to reduce energy demand, promote energy efficiency, promote use of alternative, renewable energy sources. Recommends use of LEED rating system and sustainable design. Identify generating or transmission capacity constraints. Discuss promotion of transportation energy savings.</p> <p>8. <u>Impact on State Facilities</u>: discuss impacts on State facilities, including highways, roads, harbors, and airports.</p> <p>9. <u>Access</u>: provide detailed information regarding easement agreements with Navy for use of Lualualei Naval Access Roads and any restrictions, responsibilities, or liabilities this will create for Tropic Land or future project tenants.</p> <p>10. <u>Conformance with County Plan Designations and Growth Boundaries</u>: discuss consistency with County land use plans, including alternative site considered, impacts on surrounding</p>	<p>Sec. 4.8</p> <p>Sec. 4.5; 4.6</p> <p>Sec. 4.3; 4.15.2</p> <p>Sec. 4.15.5; 6.3</p> <p>Sec. 4.9</p> <p>Sec. 4.9</p> <p>Sec. 5.7</p>

Agency	Date	Comments	Relevant Section in the DEIS
Office of Planning (continued)		lands, significant public benefit, existing unilateral agreement (which conditions have been met and which have not). 11. <u>Development Timetable</u> : provide a schedule of development for each phase of the total development and provide a map showing location and timing of each increment of development.	Sec. 3.3
CITY AND COUNTY AGENCIES			
Board of Water Supply	Letter dtd 7-2-09	The existing water system cannot provide adequate fire protection for the project. To provide adequate fire flow, a new 16-inch water main is needed from the intersection of Pa‘akea and Hakimo Roads. The new water line will eliminate the need for the 1.0 MG reservoir on site. All water mains should be located in the public right-of-way. A non-potable water system should be installed. Proposed development should be master-metered	Sec. 3.3; 4.15.1 Sec. 3.3; 4.15.3
Honolulu Dept of Design and Construction	Letter dtd 6-9-09	No comments at this time	
Honolulu Dept of Facility Maintenance	Letter dtd 6-22-09	No comments; improvements on private property will have negligible impact on DFM facilities and operations Understand that on-site roads, parking, drainage system, storm water detention basins and other roadway improvements will be privately owned and maintained and not dedicated to City	
Honolulu Dept of Planning and Permitting	Letter dtd 7-2-09	1. What is current status of plans for Lualualei Naval facility? 2. List all possible permits needed in Sec 1.7 3. Check location of 100-foot buffer. Should be described as “northwesterly” not “southwesterly” 4. Natural Hazards section should include rockfall and fire hazards. EIS should include rockfall, erosion, and slide studies.	Sec. 1.6 Sec. 4.4

Agency	Date	Comments	Relevant Section in the DEIS
Honolulu Dept of Planning and Permitting (continued)		<p>5. Mention that a private refuse collection service will be used.</p> <p>6. Chapter 4, “federal” should be dropped if federal plans not discussed.</p> <p>7. Because project is in a rural area, drop “Economic Activity, Objective G” and “Physical Development and Urban Design, Objective D” from discussion of General Plan policies. Mention that part of the site is classified as Prime Ag Lands under Economic Activity Objective C.</p> <p>8. Delete statement that the site is close to the freeway since Kalaehoa interchange is 8 miles away.</p> <p>9. Show Waianae SCP land use policies more clearly in Fig. 13</p> <p>10. Under Significance Criteria, discuss:</p> <ul style="list-style-type: none"> • Permanent loss of Prime ag land • Urbanization will alter natural environment • Potential noise, air quality, and industrial hazard impacts that might adversely affect public health • Rock and fire hazards make this an environmentally sensitive area • Project may substantially increase electrical consumption in this area even if solar power is used. Separate energy impact from potential reduction in gasoline use due to reduced commuter travel. <p>11. Under Hydrological Conditions locate and discuss the no-pass line and the UIC line and any impacts on groundwater resources</p> <p>12. Under Surface Water show location of the stream and discussion how project will accommodate stream flow, protect stream from industrial run-off and protect the project from flooding. Discuss drainage improvements and project’s “Storm Water Quality Plan”</p>	<p>Sec. 4.15.4</p> <p>Sec. 5.7</p> <p>Fig. 23 and 24</p> <p>Sec. 4.7</p> <p>Sec. 4</p> <p>Sec. 4.11; 4.10</p> <p>Sec. 4.4</p> <p>Sec. 4.15.5; 6.3</p> <p>Sec. 4.15.3</p> <p>Sec. 4.3</p>

Agency	Date	Comments	Relevant Section in the DEIS
Honolulu Dept of Planning and Permitting (continued)		<p>13. Under Circulation and Traffic, discuss steps and approvals needed to provide access to the industrial park.</p> <p>14. Under Water, identify the location of the 1.0 mgd water storage facilities and transmission lines needed. Discuss (a) how much of the 8-inch transmission line is available to meet the anticipated water demand and (b) the anticipated non-potable water demand and system.</p> <p>15. Under Wastewater System, discuss anticipated wastewater flows and potential impacts of wastewater treatment.</p> <p>16. Under Waianae SCP, indicate the project's location outside the Rural Community Boundary and why the project (as urban development) should be located in an agricultural area.</p>	<p>Sec. 4.9</p> <p>Sec. 3.1; 4.15.2</p> <p>Sec. 4.15.2</p> <p>Sec. 5.7</p>
Honolulu Dept of Transportation Services	Letter dtd 6-16-09	TIAR should include impacts on area roads, such as Hakimo Rd. DTS requests copy of the TIAR for review and comment.	Sec. 4.9
Honolulu Fire Dept	Letter dtd 6-17-09	<p>1. Provide fire access road for every facility or building when any part of an exterior wall is located more than 150 ft from a fire access road</p> <p>2. Provide water supply capable of supplying required fire flow for fire protection to all premises on which a facility or building will be constructed. Provide fire hydrants and mains if any part of the facility or building is more than 150 feet from a water supply on a fire access road.</p> <p>3. Submit civil drawings to HFD for review and approval</p>	<p>Sec. 3.1; 4.15.1</p> <p>Sec. 4.15.1</p>
Honolulu Police Dept	Letter dtd 6-2-09	No significant impacts on the facilities or operations of HPD	Sec. 4.16.1
UTILITIES			
Hawaiian Electric Co.	Letter dtd 7-9-09	HECO has existing 11.5kV overhead facilities along Luualalei Naval Access Road. Request that development plans show all affected HECO facilities and address any conflicts. Continue	Sec. 4.15.5

Agency	Date	Comments	Relevant Section in the DEIS
Concerned Elders of Wai‘anae (continued)		<p>Document extensive cultural history and traditional practices of the region affected by the project</p> <p>Will the industrial park block access to the Nioiula Heiau? What access path to the heiau will be allowed?</p> <p>Where is the stone that Maui sunned himself on? What impact to this sacred pohaku?</p> <p>Where is the cave Maui used as a child? What effect will the project have on this cultural site?</p> <p>What will be done to protect Ulehawa Stream?</p> <p>What will be done to preserve the loi terraces documented in the area of the project site?</p> <p><u>Endangered Species</u></p> <p>What is the state of the endangered nehe? ...</p> <p>What impact will construction on the site have on the ecology downhill? This area was set aside as sacred, which may indicate that disturbing the soil here might have detrimental consequences on the land and ocean below it.</p> <p><u>Air Pollution</u></p> <p>Concerns about the increase to annual average for particulate, sulfur dioxide, daily maximum 1-hour values recorded for ozone and carbon monoxide, especially because air quality along Farrington Hwy and Luualalei Naval Road is already impacted by heavy vehicle emission of diesel particulates</p> <p>If project proceeds, air quality monitoring station must be established and quarterly air quality reports released to the public.</p> <p>Assess impacts to residents, especially children and elderly, from exposure to truck emission/exhaust</p> <p><u>Wastewater</u></p> <p>Cumulative impact of greater lot coverage threatens erosion of</p>	<p>Sec. 4.8</p> <p>Sec. 4.8</p> <p>Sec. 4.8</p> <p>Sec. 4.8</p> <p>Sec. 4.3</p> <p>Sec. 4.8</p> <p>Sec. 4.5</p> <p>Sec. 4.5</p> <p>Sec. 4.10</p> <p>Sec. 4.10</p> <p>Sec.4.3</p>

Agency	Date	Comments	Relevant Section in the DEIS
Concerned Elders of Wai'anāe (continued)		<p>natural stream banks...resulting in flood conditions</p> <p>Is the proposed on-site WWTP in keeping with urban city-like characterization?</p> <p>Storm water runoff will negatively impact surrounding properties. What is the storm water management plan? Will it provide percolation into landscaped areas? Will there be dry wells to ensure no increase in runoff from the previous land use?</p> <p>What is the general drainage pattern of the project site? Where is the nearest storm drain connection? What are your plans for the municipal storm drain facility?</p> <p>Will the project be allowed to increase surface runoff onto adjoining properties? Where will surface waters be directed?</p> <p>Is the sanitary system adequate to meet the needs of activities for the Urban District?</p> <p>Will pre-treatment be required for the plant's wastewater before it enters the public wastewater system?</p> <p>Retention/detention basins should be established to contain runoff</p> <p>Collection/separation systems should be constructed to collect and separate contaminants from runoff.</p> <p><u>Ground and Soil</u></p> <p>Are there plans to remove soil?</p> <p>What are the plans for altering the topography?</p> <p>How many acres are planned for soil disturbance?</p> <p>Development on unstable soils could be hazardous.</p> <p>Conduct soil study. Soils on this property are not suitable for safely constructing warehouses.</p> <p><u>Quality of Life in Nanakuli</u></p> <p>Noxious, commercial activities on properties abutting</p>	<p>Sec. 3.1; 4.15.2</p> <p>Sec. 4.3</p> <p>Sec. 4.3</p> <p>Sec. 4.3</p> <p>Sec. 3.1; 4.15.2</p> <p>Sec. 4.15.2</p> <p>Sec. 4.3</p> <p>Sec. 4.3</p> <p>Sec. 4.1</p> <p>Sec. 4.1</p> <p>Sec. 4.1</p> <p>Sec. 4.1; 4.4</p> <p>Sec. 4.1</p>

Agency	Date	Comments	Relevant Section in the DEIS
Concerned Elders of Wai‘anae (continued)		<p>Lualualei Naval Road have compromised QOL for residents along Farrington Hwy and Hakimo Rd</p> <p>Adding “urban-like” use next to working farms and residential communities without reducing, eliminating, or preventing serious public health issues is immoral. Changing district boundary from agricultural to urban will further compromise public health for citizens of the Lualualei ahupua‘a.</p> <p><u>Noise</u></p> <p>Project will increase noise due to large volumes of traffic and heavy vehicles that will use Hakimo Rd, the primary access to the project.</p> <p>What are the project’s hours of operation?</p> <p><u>Water Supply</u></p> <p>How will building be served if there are no existing laterals?</p> <p>Are existing water lines for agricultural lots of sufficient size to serve urban needs?</p> <p>If water of sub-standard quality is used for irrigation, food safety is a concern for downstream farm lands.</p> <p>Will there be an automated irrigation system? Will treated wastewater be used to irrigate?</p> <p>Is the water supply adequate to meet fire requirements?</p> <p>Will raw water for industrial use be drawn from on-site wells?</p> <p>Are there specific funded plans for expansion of the water supply to the project site?</p> <p>What type of wastewater treatment technology will be employed?</p> <p>What becomes of the sludge collected from the WWTP?</p> <p><u>Traffic Congestion</u></p> <p>The existing roadway is nonstandard. Access to the project site is via an existing “non-city-like” road. More discussion</p>	<p>Sec. 4.14</p> <p>Sec. 4.14; 5.3; 5.7</p> <p>Sec. 4.11</p> <p>Sec. 3.1; 4.15.1</p> <p>Sec. 3.1; 4.15.1</p> <p>Sec. 4.2</p> <p>Sec. 4.15.1</p> <p>Sec. 4.15.1</p> <p>Sec. 4.2</p> <p>Sec. 3.1; 4.15.1</p> <p>Sec. 4.15.2</p> <p>Sec. 4.15.2</p> <p>Sec. 4.9</p>

Agency	Date	Comments	Relevant Section in the DEIS
Concerned Elders of Wai‘anae (continued)		<p>with Hakimo residents is warranted regarding roadway improvements.</p> <p>Use of Hakimo Road access will inevitably increase Existing Hakimo Rd and intersection with Farrington Hwy is not adequate to serve the project which will result in increased traffic flow through the residential community at Princess Kahanu Estates.</p> <p>“We’re not building our way out of congestion with this TL proposal.”</p> <p>Is the project site served adequately by access roads? Are additional access roads planned?</p> <p>Is traffic congestion a problem on the access road to the project? On State highways? In supplier areas? In market areas?</p> <p>What are the road limits?</p> <p>Complete a traffic study for the anticipated increased traffic on H-1, Farrington Hwy, Hakimo Rd, and any other access ways.</p> <p><u>Sense of Community</u></p> <p>Project site does not offer easy access to existing industrial centers or transportation. If the project proposes to link to regional businesses, which ones?</p> <p>What is the demand to locating in a region far from centers of commerce and with traffic access challenges? Proposed land use is not appropriate to State and City transportation policies and development plans?</p> <p>Does our State General Plan and regional development plan support urban development and industrial commercial growth moving to rural Waianae? Is there a plan in effect or proposed?</p> <p>Prepare a study to capture observed historical economic trends to forecast the vocational behavior of the individual</p>	<p>Sec. 4.9</p> <p>Sec. 4.9</p> <p>Sec. 4.9</p> <p>Sec. 3.1; 4.9</p> <p>Sec. 4.9</p> <p>Sec. 4.9</p> <p>Sec. 4.9</p> <p>Sec. 2; 5.5; 5.7</p> <p>Sec. 2</p> <p>Sec. 5.1; 5.2; 5.7</p> <p>Sec. 2; 4.13</p>