

Castle & Cooke
Homes Hawaii, Inc.

June 25, 2020

Mr. Daniel E. Orodener
Executive Officer
Land Use Commission
State of Hawaii
State Office Tower
Leiopapa A Kamehameha, 4th Floor
235 South Beretania Street
Honolulu, Hawaii 96813

Re: LUC Docket No. A11-793
Castle & Cooke Homes Hawai'i, Inc.
Koa Ridge Makai (Increment 1) and Castle & Cooke Waiawa (Increment 2)
2020 Annual Report

Dear Mr. Orodener:

Pursuant to Condition No. 27 of the Decision and Order dated June 21, 2012 in the above-named docket, Castle & Cooke Homes Hawai'i, Inc. ("Petitioner" or "CCHH") hereby submits its annual report on the Koa Ridge property which is the subject of the docket and on the progress in complying with the conditions imposed.

I. Overview and General Progress Of The Project.

By Findings of Fact, Conclusions of Law, and Decision and Order dated June 21, 2012 ("Decision and Order"), the Land Use Commission: (1) reclassified Koa Ridge Makai, Increment 1, consisting of approximately 576.435 acres ("Koa Ridge Makai") from the State Land Use Agricultural District to the State Land Use Urban District, subject to the conditions set forth in the Decision and Order and (2) granted incremental reclassification of Castle & Cooke Waiawa, Increment 2, consisting of approximately 191.214 acres ("Castle & Cooke Waiawa"), subject to the conditions set forth in the Decision and Order.

The City and County of Honolulu City Council approved the zone change of Koa Ridge Makai and related Ordinance 13-38 was enacted on November 27, 2013.

The Sierra Club and Senator Clayton Hee, intervenors in the LUC proceedings, filed an appeal of the LUC's decision to the Circuit Court, which subsequently affirmed the LUC's Decision and Order and dismissed the appeal by order dated April 11, 2013. The Hawaii Supreme Court, by Memorandum Opinion dated April 6, 2016, affirmed the Circuit Court's decision and order which affirmed the Land Use Commission's decision and order, and dismissed the Sierra Club's and Clayton Hee's appeal.

CCHH has received approval of several infrastructure master plans and is finalizing the remaining master plans for the project as they work to comply with conditions imposed in the Decision and Order for the reclassification of the Koa Ridge Makai property. Several infrastructure designs have been completed and submitted for review and approval.

II. Progress In Complying With Conditions Imposed.

According to the Land Use Commission's Decision and Order, Petitioner must comply with thirty (30) conditions. These conditions are each numbered as identified in the Decision and Order and set forth below, followed by a brief status summary.

Condition No. 1:

- "1. Affordable Housing. Petitioner shall provide affordable housing opportunities for residents of the State of Hawai'i in accordance with the applicable affordable housing requirements of the City. The location and distribution of the affordable housing or other provisions for affordable housing shall be under such terms as may be mutually agreeable between Petitioner and the City."**

Status:

An Affordable Housing Agreement dated May 5, 2014 was executed by and between the City and County of Honolulu and CCHH which is consistent with the City's affordable housing requirements.

Condition No. 2:

- "2. Compliance with section HRS 205-3.5, Relating to Agricultural Uses on Adjacent Agricultural Land. For all land in the Petition Area or any portion thereof that is adjacent to land in the State Land Use Agricultural District, Petitioner shall comply with the following:**
- A. Petitioner and its successors and assigns shall not take any action that would interfere with or restrain farming operations conducted in a manner consistent with generally accepted agricultural and management practices on adjacent or contiguous lands in the State Land Use Agricultural District. For the purpose of these conditions, "farming operations" shall have the same meaning as provided in HRS section 165-2; and**

Status:

Pending. No project construction interferes with or restrains any agricultural operations on adjacent or contiguous lands. CCHH intends to comply with this condition throughout construction.

- B. Petitioner shall notify all prospective developers or purchasers of land or interest in land in the Petition Area, and provide or require subsequent notice to lessees or tenants of the land, that farming operations and practices on adjacent or contiguous land in the State Land Use Agricultural District are protected under HRS chapter 165, the Hawai'i Right to Farm Act. The notice shall disclose to all prospective buyers, tenants or lessees of the Petition Area that potential nuisances from noise, odors, dust, fumes, spray, smoke, or vibration may result from agricultural uses on adjacent lands. The notice shall be included in any disclosure required for the sale or transfer of real property or any interest in real property."**

Status:

Pending. Prior to applicable transfers of land or interest in land in the Petition Area, CCHH will provide the required notices and disclosures to prospective developers and purchasers in compliance with this condition.

Condition No. 3:

- “3. Integrated Solid Waste Management Plan. Petitioner shall cooperate with the DOH and the City to conform to the program goals and objectives of HRS chapter 342G and the City's approved integrated solid waste management plan in accordance with a schedule and timeframe satisfactory to the DOH. Petitioner shall, in coordination with appropriate State and City government agencies, plan and establish solid waste recycling facilities within the Petition Area.”**

Status:

Pending. CCHH will cooperate with the DOH and the City as required by this condition. During design, CCHH will ensure that site and building plans incorporate solid waste recycling facilities.]

Condition No. 4:

- “4. Water Resources Allocation. Petitioner shall provide drinking water source, storage, and transmission facilities and improvements, and to the extent feasible, non-drinking water system improvements, to accommodate development of the Petition Area, to the satisfaction of the BWS and other appropriate State and City agencies.”**

Status:

A Water Master Plan was approved by the BWS. CCHH will continue to update the Water Master Plan as required. CCHH will develop all water system source, storage, and transmission facilities for dedication to the BWS and in compliance with this condition.

Condition No. 5:

- “5. Water Conservation Measures. Petitioner shall implement water conservation measures and BMPs, such as use of endemic, indigenous and drought-tolerant plants and turf, and incorporate such measures into the Petition Area's site design and landscaping.”**

Status:

Many of the plants featured in the Koa Ridge community landscaping are native and have cultural and regional ties to the area. These plants have evolved in Hawai'i and have adapted to its environment. Native plants are better equipped to handle wind, sun, and drought conditions relying on the natural rainfall from the Ko'olau.

Condition No. 6:

- "6. Wastewater. Petitioner shall develop a wastewater collection and transmission system and other sewer improvements in the Petition Area and offsite, as required by the DOH and the City."**

Status:

Both an Engineering Report and Sewer Master Plan were approved by the City. CCHH will continue to update the Sewer Master Plan as required. The sewer collection and transmission system is being designed in accordance with all City and State requirements.

Condition No. 7:

- "7. Environmental Site Investigation and Remediation. Petitioner, in consultation with the DOH, Office of Hazard Evaluation and Emergency Response, shall undertake an environmental site investigation for each Increment of the Petition Area, and undertake reasonable measures or cause to have reasonable measures undertaken to remediate any environmental contamination hazards identified."**

Status:

Complete/Closed. A Site Characterization for the Koa Ridge property was completed in 2018 (attached). The site investigation was designed to provide a statistical level of confidence regarding contaminant concentrations on fifty-nine randomly-selected 1-acre decision units within the Koa Ridge property. Resulting data indicated that the property was not significantly impacted by residual contaminants associated with former sugarcane fields; therefore, there were no retained environmental hazards associated with the planned residential land use. The DOH Office of Hazard Evaluation and Emergency Response subsequently issued CCHH a letter indicating that "No Further Action" was required and that the property was appropriate for residential development (attached).

We request an official release from this condition.

Condition No. 8:

- "8. Civil Defense. Petitioner shall fund and construct adequate solar-powered civil defense measures serving the Petition Area prior to the delivery of the first residential unit, as determined by the DOD, OCD and the City Civil Defense Agency."**

Status:

Pending. Civil defense siren systems will be installed as required. CCHH working with City Civil Defense Agency on the first siren to be installed.

Condition No. 9:

- "9. Air Quality Monitoring. Petitioner shall participate in an air quality monitoring program if required by the DOH."**

Status:

Pending consultation with DOH.

Condition No. 10:

“10. Stormwater Management and Drainage. Petitioner shall fund, design, construct, and maintain stormwater and drainage system improvements, including offsite detention basins, to prevent runoff from adversely affecting State highway facilities, downstream properties, and receiving gulches, streams, estuaries, and coastal waters consistent with all federal, State, and City laws. Petitioner shall design, construct, and maintain "green infrastructure" to the extent practical and feasible and to the extent allowed by the City, and incorporate such measures into the Petition Area's site design and landscaping.”

Status:

Both a drainage master plan and storm water strategic plan were accepted by DPP. Stormwater capture techniques were discussed thoroughly with both DPP and DFM and have been incorporated into the construction plans and submitted to DPP for approval. The construction plans for the initial drainage infrastructure have also been completed and submitted for review and approval. The typical regulatory permit application processes for storm drainage infrastructure is complete. CCHH will continue to design, construct and maintain "green infrastructure" to the extent practical and feasible and allowed by the City.

Condition No. 11:

“11. Highways. Petitioner shall fund, construct, and implement all transportation improvements and measures required to mitigate impacts to state roadway facilities caused by the Project as set forth in an MOA agreed to and executed between the DOT and Petitioner. Petitioner shall submit an updated TIAR to the DOT prior to application for a zone change. Petitioner shall obtain acceptance of the Project's TIAR from DOT and shall execute the MOA prior to final subdivision approval of the initial phase of onsite development by Petitioner. The executed MOA shall contain language that ensures that identified transportation improvements will be built concurrently with the commercial and residential improvements.

Petitioner shall fund and implement transportation improvements and mitigation measures that will alleviate the impacts generated by the Project as recommended or required by the revised TIAR and any required updates accepted by the DOT, consistent with the MOA, all at no cost to the State.

Recommendations for mitigation shall also include Petitioner's pro rata contribution to the cost of regional improvements to state highways and/or traffic mitigation measures that will help to alleviate the transportation impacts generated by the Project, as determined by Petitioner and DOT and consistent with the MOA.

Petitioner shall complete design and construction of the Pineapple Road Interchange including all associated on and offramps and necessary freeway

improvements in accordance with a development threshold or schedule acceptable to DOT, but no later than a development threshold for Koa Ridge Makai of 1,800 residential units with up to 328,000 square feet of commercial floor area. After the 1,800th residential unit is completed or after the 328,000 square feet of commercial floor area is completed, whichever comes first, the Pineapple Interchange and all on and offramps and freeway improvements shall be completed and operational before any further residential units or commercial space is occupied.

Petitioner shall close and remove, at its cost, the temporary RIRO only access to Kamehameha Highway upon completion of the proposed Pineapple Road Interchange, unless otherwise allowed by DOT and subject to any federal and State requirements."

Status:

An updated Traffic Impact Assessment Report (TIAR) dated July 2014 was submitted to and accepted by the DOT. A Memorandum of Agreement (MOA) was executed on January 3, 2017 with the DOT consistent with the requirements of Condition No. 11.

Condition No. 12:

"12. Public School Facilities. Petitioner shall contribute to the development, funding and/or construction of school facilities in compliance with the Educational Contribution Agreement for Castle & Cooke Waiawa and Koa Ridge Makai dated June 13, 2008, between Petitioner and the DOE."

Status:

Pending. A 12-acre site for the elementary school has been identified at Koa Ridge in consultation with DOE facilities planning.

Condition No. 13:

"13. Archaeological and Historic Preservation. Petitioner shall comply with the conditions recommended and approved by the SHPD, prior to issuance of any permit for grubbing and grading. Petitioner shall confirm in writing to the Commission that the SHPD has found Petitioner's preservation mitigation commitments to be acceptable and has determined that any required historic preservation measures have been successfully implemented."

Status:

Completed. SHPD issued a letter to CCHH, dated August 8, 2017, concurring with the mitigation commitments proposed by CCHH. SHPD issued a letter to the City Department of Planning and Permitting and copying the State Land Use Commission, dated May 21, 2018, determining that project initiation may begin in compliance with the grading permit.

Condition No. 14:

"14. Previously Unidentified Burials and Archaeological/Historic Sites. In the event that historic resources, including human skeletal remains, are identified during

construction activities, all work shall cease in the immediate vicinity of the find, the find shall be protected from additional disturbance, and the SHPD, O'ahu Island Section, shall be contacted immediately. Without any limitation to any other condition found herein, if any burials or archaeological or historic sites, such as artifacts, marine shell concentrations, charcoal deposits, stone platforms, paving, and walls not previously identified in studies referred to herein, are discovered during the course of construction of the Project, all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological clearance from the SHPD that mitigative measures have been implemented to its satisfaction."

Status:

Pending. Compliance requirements upon historic resource finds is acknowledged and will be communicated to all contractors.

Condition No. 15:

"15. Established Access Rights Protected. Petitioner shall preserve any established access rights of Native Hawaiians who have customarily and traditionally used the Petition Area to exercise subsistence, cultural, and religious practices, or for access to other areas."

Status:

No established access rights have been identified in the Petition Area, however, we have allowed interested Native Hawaiians access.

Condition No. 16:

"16. Sustainability. Petitioner shall comply with the implementation of the Sustainability Plan, Petitioner's Exhibit 14."

Status:

Pending. CCHH reaffirms its commitment to implementing its Sustainability Plan.

Condition No. 17:

"17. Energy Conservation Measures. Petitioner shall implement to the extent feasible and practicable measures to promote energy conservation, sustainable design, and environmental stewardship, such as use of solar energy and solar heating, consistent with the standards and guidelines promulgated by the Building Industry Association of Hawai'i, the USGBC, the Hawai'i Commercial Building Guidelines for Energy Star, and Green Communities into the design and construction of the Project and the structures within the Petition Area. Petitioner shall also provide information to home purchasers regarding energy conservation measures that may be undertaken by the individual homeowners."

Status:

Pending. CCHH reaffirms its commitment to implementing these energy conservation measures which are also reflected in its Sustainability Plan.

Condition No. 18:

“18. Recreational Facilities. Petitioner shall comply with the Park Dedication requirements of the City as approved by the Director of Parks and Recreation.”

Status:

Pending. CCHH's master plan reflects park acreage that is in compliance with the Park Dedication requirements.

Condition No. 19:

“19. BMPs. Petitioner shall implement all appropriate BMPs applicable to each proposed land use to minimize infiltration and runoff from construction and vehicle operations, reduce or eliminate soil erosion and ground water pollution, and formulate dust control measures to be implemented during and after the development process in accordance with DOH guidelines and City ordinances and rules.”

Status:

Pending. CCHH will implement BMPs as appropriate and as required by DOH and City grading standards.

Condition No. 20:

“20. Maintenance of Access to the WCF. Petitioner shall ensure that the WCF is accessible to road traffic at all times during the construction and full building of Castle & Cooke Waiawa.”

Status:

Pending. Castle & Cooke Waiawa Urban District reclassification was deferred by the LUC under Incremental Districting provisions and conditions more particularly described in the Decision and Order. CCHH will comply with Condition No. 20 during construction and full building of Castle & Cooke Waiawa.

Condition No. 21:

“21. Notification of Proximity to the WCF. Petitioner shall notify and disclose to all prospective buyers and/or lessees of Castle & Cooke Waiawa, as part of any conveyance document (deeds, leases, etc.) of the proximity of Castle & Cooke Waiawa to the WCF, and that there are inherent operational consequences of a correctional facility, including additional traffic on visiting days and shift changes, potential escapes, and the presence of work release or furloughed inmates.”

Status:

Pending. At the time of property sales, CCHH will provide the required disclosures to buyers and lessees of lands within Waiawa regarding the proximity to and operations of WCF.

Condition No. 22:

"22. Waiahole Ditch. Petitioner shall enter into a memorandum of agreement with the ADC that includes the following terms and conditions: (1) the Waiahole Ditch shall be covered or placed underground; (2) the surfaces and aboveground areas of the easement of the Waiahole Ditch where it traverses the Petition Area shall be maintained by Petitioner and its successors and not the ADC; (3) delivery of Waiahole Ditch water shall not be interrupted or impaired during construction and operation of the Project; and (4) ADC and/or DOA shall have reasonable access when necessary to repair, maintain, or improve the Waiahole Ditch."

Status:

Completed. CCHH and the ADC executed a memorandum of agreement dated April 23, 2015 in compliance with the requirements of Condition No. 22.

Condition No. 23:

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

Status:

CCHH acknowledges this obligation to develop the Petition Area of each Increment in substantial compliance with representations made to the Commission. CCHH supplements its representations made to the Commission with respect to development of the Petition Area by informing the Commission of its intent to donate for public use the following additional property: (1) one-acre of land to the City for a day care facility or another public use, and (2) over one-acre of land to the City for a fire station, in each case, subject to and in accordance with terms and conditions mutually agreed upon.

Condition No. 24:

"24. Infrastructure Deadline. Petitioner shall complete construction of the proposed backbone infrastructure required for each Increment, which consists of the primary roadway and access points, internal roadways, and water supply, sewer, stormwater and drainage and electrical infrastructure within ten years from the date of the Decision and Order approving the reclassification of the subject Increment."

Status:

Pending. CCHH acknowledges the infrastructure deadline.

Condition No. 25:

- "25. Order to Show Cause. If Petitioner fails to complete the proposed backbone infrastructure within ten years from the date of the Decision and Order approving reclassification of the subject Increment, the Commission may issue and serve upon Petitioner an Order to Show Cause and Petitioner shall appear before the Commission to explain why the Petition Area of the subject Increment should not revert to its previous State Land Use Agricultural District classification, or be changed to a more appropriate classification."**

Status:

CCHH acknowledges the authority of the Commission with respect to the issuance of an Order to Show Cause.

Condition No. 26:

- "26. Notice of Change of Ownership. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Petition Area, at any time prior to completion of development of the Petition Area."**

Status:

CCHH acknowledges its obligation to notify the Commission of such changes in ownership of the Petition Area prior to completion of development.

Condition No. 27:

- "27. Annual Reports. Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP, and the City, and their respective successors, in connection with the status of the development of the Petition Area and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission. The annual report shall be due on or before the anniversary date of the Decision and Order for the reclassification of the Petition Area."**

Status:

This letter constitutes the 2020 Annual Report to be submitted to the Land Use Commission with copies to the State Office of Planning and the City and County of Honolulu Department of Planning and Permitting in compliance with this condition.

Condition No. 28:

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

Status:

Acknowledged. CCHH will seek the release of conditions as warranted.

Condition No. 29:

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

Status:

Petitioner recorded the notice of conditions by the Land Use Commission with the Bureau of Conveyances on June 27, 2012 as Document No. A-45610754.

Condition No. 30:

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

Status:

Petitioner recorded the declaration of conditions with the Bureau of Conveyances on August 15, 2012 as Document No. A-46100932.

The foregoing constitutes the Petitioner's status report. Should you have any questions or desire any additional information with respect to the matters discussed above, please contact me at 548-4825.

Sincerely,

CASTLE & COOKE HOMES HAWAII, INC.



Laura M. Kodama
Director, Planning & Development

cc: Ms. Mary Alice Evans, Director (Office of State Planning)
Ms. Kathy K. Sokugawa, Acting Director (Department of Planning and Permitting)

DAVID Y. IGE
GOVERNOR OF HAWAII



BRUCE S. ANDERSON, Ph.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:
File: HEER Office

172827 MGC

January 28, 2019

Mr. Garret J. Matsunami, P.E.
Vice President-Residential Operations
Castle and Cooke Homes Hawaii, Inc.
680 Iwilei Road, Suite 510
Honolulu, HI 96817

Facility/Site: Koa Ridge Development

Subject: No Further Action Determination, Koa Ridge Development Site, Ka Uka
Boulevard, Waipio, Oahu, TMK (1) 9-4-006: Parcel 047; TMK (1) 9-5-003:
Parcel 004

Dear Mr. Matsunami:

The State of Hawaii, Department of Health (HDOH), Hazard Evaluation and Emergency Response (HEER) Office has reviewed the Site Characterization Report for the Koa Ridge Development received in our office on January 23, 2020.

Multi-increment samples were collected from 59 Decision Units (DUs) randomly selected in an ungraded area of approximately 290 acres located on the central and northern part of the property. A total of 77 multi-increment samples (includes 18 replicates) were analyzed for total arsenic and organochlorine pesticides. Laboratory analytical results indicated levels of organochlorine pesticides below the Environmental Action Levels (EAL) for residential land use. Total Arsenic was detected above the EAL of 24 mg/kg in 14 of the 59 sampled DUs. Based on this result, 25 percent of the 59 sampled DUs were analyzed for bioaccessible arsenic to determine the fraction of the contaminant that is available for uptake in a person's blood stream via the stomach and small intestines. Bioaccessible arsenic results indicated levels below EAL of 23 mg/kg for unrestricted land use.

The graded southern portion of the property was not sampled. HDOH concurs that the results of this site characterization using 59 sampled DUs from 290 acres is a good representation of the environmental condition of the entire property (576 acres total) based on historical land use. Based on Phase I report the whole area was formerly used as an agricultural field and has no records indicating presence of former pesticide mixing areas.

Based on the results of the above investigation, the site warrants a **No Further Action Determination**. The site can be used for residential development.

Mr. Garret Matsunami
January 28, 2020
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Please be aware that if future information indicates that previously undisclosed contamination is identified at the site at a level that poses a threat to human health and the environment the HDOH could require additional investigation and cleanup to be performed.

Should there be any questions, please do not hesitate to contact Melody Calisay of my staff at 808-586-7577 or email her at melody.calisay@doh.hawaii.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fenix Grange", written over the printed name.

Fenix Grange, Supervisor
Site Discover, Assessment and Remediation Section
Hazard Evaluation and Emergency Response