

P.O. Box 2780, Honolulu, Hawaii 96803

May 27, 1993

JUN 2 6 23 11 1993
LAND USE COMMISSION
STATE OF HAWAII

Land Use Commission
State of Hawaii
Old Federal Building, Room 103
335 Merchant Street
Honolulu, Hawaii 96813

Subject: Status Report of LUC Docket No. A87-609
Castle & Cooke Residential, Inc., formerly
known as Mililani Town, Inc. (Phase I)

Honorable Chairman and Members:

Pursuant to the Decision and Order in the above-named docket, Castle & Cooke Residential, Inc. ("Petitioner", formerly known as Mililani Town, Inc.) hereby submits its annual report on the project on the Phase I property which is the subject of the docket and on the progress in complying with the conditions imposed.

I. Status And Estimated Timetable Of Project

| A. <u>Land Use Approvals Secured</u> | <u>Date</u> |
|--|----------------|
| 1. State Land Use District Boundary Amendment | May 17, 1988 |
| 2. City and County General Plan Amendment | Jan. 17, 1989 |
| 3. City Development Plan Approval Area = 723 acres | Jan. 31, 1989 |
| 4. City Zoning Approval Area = 723 acres | Sept. 20, 1989 |
| 5. City Development Plan Approval Area = 198 acres (Phase II) | Jan. 16, 1992 |

| | | |
|----|---|----------------|
| 6. | City Zoning Approval Area = 198 acres (Phase II) | March 31, 1993 |
| B. | <u>Updated Capital Offsite Expenditures</u> | |
| 1. | Actual Expenditures to Dec. 31, 1992 | \$52,672,000 |
| | December 31, 1992 to April 24, 1993 | 3,689,000 |
| 2. | Budgeted Spending remaining of 1993 | 27,280,000 |
| | calendar year 1994 | 24,226,000 |
| C. | <u>General Construction Schedule</u> | |
| 1. | Offsite - commenced | November 1989 |
| 2. | Onsite - commenced | June 1990 |
| 3. | House Construction - commenced | November 1990 |
| D. | <u>Housing Delivery</u> - commenced | May 1991 |
| E. | <u>Units Occupied as of May 21, 1993</u> | 699 |

II. Progress in Complying With Conditions Imposed

As indicated above, the Petitioner has, since the approval of the State land use district boundary amendment, applied its time and effort toward the implementation of construction of the project. Approvals were obtained from the City and County of Honolulu for a General Plan amendment, two Development Plan amendments, and zoning for development of the project.

Zoning approval for the Phase I property was obtained on September 20, 1989 under Ordinance No. 89-123 enacted by the Honolulu City Council ("Zoning Ordinance"). As part of the Zoning Ordinance requirements, the Petitioner has executed a Unilateral Agreement and Declaration for Conditional Zoning dated September 15, 1989, recorded in the Bureau of Conveyances

of the State of Hawaii in Liber 23653 at Page 571 ("Unilateral Agreement"). The Unilateral Agreement subjects Petitioner to certain conditions which are the same or similar in purpose and intent as the conditions imposed by the Land Use Commission in the above-entitled docket. The Unilateral Agreement was made a part of the Zoning Ordinance.

According to the Decision and Order, Petitioner must comply with eleven conditions. These conditions are each numbered as identified in the Decision and Order and set forth below and followed by a brief status summary.

Condition No. 1:

"Petitioner shall provide housing opportunities for low, low-moderate, and moderate income Hawaii residents by offering for sale at least thirty percent (30%) of the units at prices which families with an income range of 80 to 120 percent of Oahu's median income can afford and twenty percent (20%) of the units which families with an income range of 120 to 140 percent of Oahu's median income can afford. This condition may be fulfilled through projects under such terms as may be mutually agreeable between the Petitioner, the City and County of Honolulu and the Housing Finance and Development Corporation of the State of Hawaii, or other appropriate governmental agencies."

Status:

The City Council, on April 25, 1990, by resolution approved details of a housing program prepared by the City Department of Housing and Community Development pursuant to the Zoning Ordinance. The master plan for the project was revised and is being implemented to address requirements for affordable housing. Following is a summary of completed and current affordable housing projects.

Kumelawai Court (MF-101) consists of 152 two- and three-bedroom townhouse units, 114 of which are

affordable units marked for the 120 - 140% of median income households. The remainder of the units carry no income restrictions. The project was completed in 1992.

Kumelawai Garden (MF-100) consists of 160 one- and two-bedroom townhouse units similar in design to those at Kumelawai Court. The project is being marketed to those households earning not more than 80% of the median household income. Delivery in the first phase of the project has commenced, with complete occupancy expected in June 1993.

Hillsdale (MF-102) consists of 212 two- and three-bedroom townhouse units targeted toward households earning between 120 and 140% of median income. The project is currently under construction, with occupancy anticipated in October 1993.

Crescent Lane (MF-104) consists of 164 one-, two- and three-bedroom townhouse units targeted toward households earning up to 120% of median income. Construction of site improvements commenced in April 1993 with occupancy expected in June 1994.

Condition No. 2

"Petitioner shall coordinate with the Honolulu Board of Water Supply and the Department of Land and Natural Resources to obtain the required water for the project. In the event that water is not available from existing sources due to insufficient supply and/or the source is not contaminant free, the Petitioner shall fund and develop the necessary water source, storage, transmission facilities and filtration system."

Status:

Petitioner has constructed water storage and transmission facilities to Honolulu Board of Water Supply standards that will be adequate for approximately 2,000 dwelling units and has commenced

the construction of additional source, storage, and transmission facilities. The total estimated cost of the facilities is \$20 million.

Condition No. 3:

"Should any archaeological resources such as artifacts, shell, bone, or coral alignments, pavings or walls be encountered during the project's development, Petitioner shall immediately stop work and contact the State Historic Preservation Office."

Status:

Other than such archaeological resources which were identified in surveys made part of the record, no archaeological resources have been encountered to date. Petitioner shall adhere to this condition throughout the construction of the project.

Condition No. 4:

"Petitioner shall provide public access over the Property to public trail rights-of-way for the Waikakalaua and Kipapa Valleys and the ridge mauka of the Property."

Status:

The provision for public access over the Property to public trail rights-of-way for Waikakalaua and Kipapa Valleys and the ridge mauka of the Property will be incorporated by Petitioner in the planning and design of the project. Petitioner will need the assistance of the Office of State Planning (OSP) and the Department of Land and Natural Resources (DLNR) to identify the public trail rights-of-way and their locations so that appropriate access from the Property can be incorporated in the design and construction of the project on the Property. On April 2, 1993, Petitioner's attorney met with Abe Mitsuda of OSP and apprised Abe Mitsuda of the need for OSP and DLNR to identify and locate the public right-of-way trails.

Condition No. 5:

"Petitioner shall fund and construct the necessary improvements to the Mililani Interchange, including the transition to H-2, to accommodate traffic generated by the proposed project on a schedule acceptable and in coordination with the State Department of Transportation."

Status:

Petitioner has contributed \$51,385 toward the construction of traffic signalization at the interchange ramp terminal. Opening of the H-2 northbound ramps project is scheduled for June 8, 1993, with final completion anticipated in July 1993.

Also in coordination with the State Department of Transportation, the design of the future southbound ramps has commenced. (See copy of letter dated September 14, 1992 from the State Department of Transportation to Petitioner's consultant, Akira Fujita, marked Exhibit "A" attached hereto and made a part of this report.) The project is programmed for completion by December 1995. In the interim, installation of additional signals for the existing southbound ramps has been scheduled for this year.

Condition No. 6:

"Petitioner shall appoint and fund a transportation manager whose function is the formation, use and continuation of alternative transportation opportunities that would maximize the use of existing and proposed transportation systems. Petitioner shall construct and provide the operation of a park-and-ride facility or other activities to encourage transit use of ridesharing.

"In the alternative, Petitioner shall participate in a regional program for transportation management with other developers and/or land owners. This program shall address the formulation, use and

continuation of alternative transportation opportunities that would optimize the use of existing and proposed transportation systems."

Status:

Petitioner is a charter member of, and participates in the funding of, the Leeward Oahu Transportation Management Association (LOTMA), whose purpose is the formation, encouragement of use, and continuation of alternative transportation opportunities that would maximize the use of existing and proposed transportation systems.

As to the park-and-ride facility, the City determined that the Department of Transportation Services (DTS) shall construct and operate the facility. The Unilateral Agreement which was part of the Zoning Ordinance states that the Petitioner shall "fund the planning and engineering costs related to the design of a park-and-ride facility to be located on a five (5) acre site approved by DTS." A 5.749-acre site within the Property has been dedicated to the City for park-and-ride and child care use. Construction by the City has commenced with completion anticipated in June 1993.

Condition No. 7:

"Petitioner shall inform prospective occupants of possible noise impacts from Wheeler Air Force Base and other military activities in the area, and will provide covenants in the deeds to prospective occupants to indemnify and defend the State of Hawaii and City and County of Honolulu in the event any suit is brought arising out of and resulting from inconvenience, disturbance and/or injury due to noise and/or other military activities in the area."

Status:

Petitioner is providing purchasers with a notice of potential noise impacts at the time of sale. The noise of potential noise impacts and the covenant of homeowner to indemnify and defend the State and county in the event suit is brought for damages arising out of noise and military activities in the area are contained in the deed covering the conveyance of lot or dwelling unit. A current copy of the form of the subject notice and covenant as contained in the deeds issued is attached hereto as Exhibit "B" and made a part of this report.

Condition No. 8:

"Petitioner shall participate in an air quality monitoring program with the State Department of Health."

Status:

Petitioner has caused the development of an air quality monitor plan for Mililani Mauka project including Phase I and Phase II based on the requirements imposed by the State Department of Health. A copy of the plan was attached as Exhibit "D" to the 1993 annual report covering Phase II and which plan is incorporated herein by reference. The plan is pending approval of the State Department of Health. In the meantime, Petitioner has begun soliciting proposals from qualified contractors.

Condition No. 9:

"Petitioner shall ensure that there will be no loss of pineapple production as a result of the proposed development."

Status:

Pineapple production on the Property has been phased out. In anticipation of the loss of pineapple production by the removal of the Property from pineapple cultivation, production had been increased in the Whitmore-Wahiawa area to compensate for the anticipated loss.

Condition No. 10:

"Areas designated by Petitioner for the University shall not be used for other purposes without prior Land Use Commission review and approval of the proposed alternative use or uses, unless the University of Hawaii notifies Petitioner not to locate at Mililani at the designated site."

Status:

The area designated and set aside within Phase I of the Mililani Mauka project for use by the University of Hawaii has been determined by the University to be insufficient to meet the projected University needs; the University has notified Petitioner by letter dated July 31, 1992 that it is unable to utilize the subject area. A copy of said letter dated July 31, 1992 is attached to this annual report as Exhibit "C". Any use which may be proposed for the area will be first submitted to the Commission for its review.

Condition No. 11:

"Petitioner shall submit an annual report to the Land Use Commission and the Department of Business and Economic Development in connection with the status and the project and Petitioner's progress in complying with the conditions imposed."

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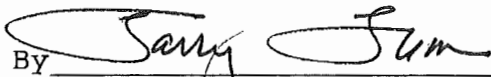
Status:

This letter constitutes the 1993 annual report submitted to the Land Use Commission in compliance with this condition. Service of a copy of this report to the Office of State Planning (successor to the Department of Business Economic Development) is being made simultaneously with the submittal.

The foregoing constitutes Petitioner's status report. Should you have any questions or desire any additional information with respect to the matters discussed above, please feel free to contact our attorney, James T. Funaki, at 543-9800.

Very truly yours,

CASTLE & COOKE RESIDENTIAL, INC

BY 
Its VICE PRESIDENT

cc: Harold Masumoto/Abe Mitsuda
(Office of State Planning)



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

REX D JOHNSON
DIRECTOR
DEPUTY DIRECTORS
JOYCE T. OMINE
AL PANG
JEANNE K. SCHULTZ
CALVIN M. TSUDA

IN REPLY REFER TO:

HWY-CM 2.3727
ID No. 0-92-41

September 14, 1992

RECEIVED
SEP 21 1992

FUJITA & ASSOCIATES

Mr. Akira Fujita, President
Fujita & Associates, Inc.
765 Amana Street, Suite 201
Honolulu, Hawaii 96814

Dear Mr. Fujita:

Subject: Interstate Route H-2, Mililani Interchange
Southbound Loop On-Ramp From Mililani Mauka
Your Letter of July 8, 1992

We concur with the single-lane loop ramp and return the plans with the following comments:

1. There may be an operational problem for motorists making left turns to Mililani Mauka at new ramp intersection with Meheula Parkway. They may not know whether the right-lane motorists, westbound on Meheula Parkway, will enter the new loop ramp or continue straight ahead. Widening of the separation bridge will provide a longer deceleration lane and an earlier commitment into the new loop ramp;
2. Plans should show existing and proposed lanes for the entire interchange. Appropriate dimensions, such as distance between the two loops, radius, acceleration/deceleration length, etc., should also be provided;
3. Appropriate details of FAI Project No. IR-H2-1(27) "Interstate Route H-2, HOV Lanes, Phase II, Mililani Interchange to Waipio Interchange" should be shown on plans. Tie-in with new loop ramp should also be shown; and

EXHIBIT "A" 51

Mr. Akira Fujita, President
Page 2


HWY-CM 2.3727

4. Two lanes on Ramp MH-1 should be carried as far as possible before merging into one lane.

Please prepare the construction plans accordingly, and submit three sets for our review.

Also, please confirm that the EIS approved in February 1987 is applicable to this project, or whether a new Environmental Assessment must be prepared in accordance with current guidelines.

Very truly yours,


ja T. HARANO
Chief
Highways Division

Enclosure

successors and assigns, does hereby covenant and agree as follows:

A. Declaration. Grantee does hereby accept and approve the Mililani Town Declaration as mentioned in said Exhibit A attached hereto, and covenant and agree to pay all assessments as therein provided and to observe and perform all of the other terms and conditions therein contained and to be observed and performed by an owner as therein defined.

B. Conditions Affecting Property. The Grantee understands, acknowledges, covenants and agrees to the following:

1. Military Effects. The Property is located in the vicinity of Wheeler Army Airfield (the "Base"), aircraft from the Base may fly in the proximity of or directly over the Property, military activities will be conducted on or near the Base, and such overflights and other military activities may result in noise, dust, vibration, and other nuisances, disturbances or hazards (collectively the "Military Effects") to persons and property on or within the Property.

2. Agricultural Effects. The Property is located on and is near or adjacent to land and easements used for and in connection with agricultural operations, which may include, but are not limited to, open burning, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigation, and all other activities incidental to the planting, cultivation, harvesting, and processing of crops, including night time activities, and the grazing and raising of livestock, poultry and other animals, which may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, insect pests and other substances and phenomena of every description (collectively the "Agricultural Effects") to be discharged, emitted, dispersed or transmitted over and upon the Property which may bother or be a nuisance or hazard to the Grantee and to persons or property on or within the Property. Grantee also acknowledges that the Hawaii Right To Farm Act (Chapter 165 of the Hawaii Revised Statutes) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance.

3. Utility Effects. The Property is or may be located adjacent to or in the vicinity of electric, water and other utilities and public roads and thoroughfares including, without limitation, such things as electrical substations, high-powered electrical transmission lines, water pump stations, water tanks, reservoirs, freeways and exit ramps which may result in nuisances, such as noise and dust, disturbances or hazards (collectively the "Utility Effects") to persons and to property on or within the Property.

4. Development Effects. (a) The Property is or may be located adjacent to or in the vicinity of various construction activities, including, but not limited to, ongoing residential and related construction, proposed construction of future residential subdivisions and roads, commercial and office buildings, land development activities, and one or more recreational centers and facilities; (b) such construction activity (hereinafter "Construction Activity") by Grantor, related entities and others may continue after Grantee has occupied the Property, and that this activity may result in noise, dust, vibration and other nuisances, disturbances or hazards to Grantee and to persons or property on or within the Property and may limit Grantee's access to the subdivision wherein the Property is located (the "Subdivision"); (c) sales activities, including the use of model homes, signs and extensive sales displays and activities will continue in or adjacent to the Subdivision (hereinafter "Sales Activity"); (d) no representations or warranties are made by Grantor, its employees or agents concerning plans, or the absence of plans, by Grantor or others for future development of the Subdivision, adjacent or nearby properties, and any plans for the future development of the Subdivision, adjacent and nearby properties by Grantor are subject to change in the sole and absolute discretion of the Grantor or its successors and assigns; (e) when and if completed, the Subdivision may result in traffic, lights, noise or other nuisances or hazards to Grantee and persons or property on or within the Property; and (f) Grantor makes no representations or warranties regarding the view from the Property or any view easements or rights, and that views from the Property are not guaranteed and may be altered, diminished, blocked or eliminated entirely by future development of the Subdivision and adjacent and surrounding properties (items (a) through (f) above are collectively referred to as the "Development Effects"). Grantee hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Construction Activity and Sales Activity for a period of ten (10) years after recordation of this Deed and Repurchase Option.

5. Waiver and Release. Grantee represents and warrants to Grantor that Grantee, in Grantee's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh the Military Effects, the Agricultural Effects, the Utility Effects, and the Development Effects (collectively the "Property Conditions"). Grantee hereby covenants and agrees to assume all risks of impairment of the Grantee's use and enjoyment of the Subdivision and the Property, loss of market value of the Property, and property damage or personal injury arising from the Property Conditions and similar nuisances. Grantee, for the Grantee, the Grantee's heirs, personal representatives, successors, assigns and on behalf of any person using or occupying the Property hereby (i) waives, releases and agrees to indemnify, hold harmless and defend the Grantor, its affiliated entities and their respective officers, directors,

employees, agents, successors and assigns (collectively "Grantors Group"), the City and County of Honolulu, the State of Hawaii, and any of either of their agencies or subdivisions, from any and all actions (whether brought in nuisance, trespass, or any other area of law or equity), claims for damages and costs, including attorneys' fees, arising directly or indirectly out of or from the Property Conditions; and (ii) covenants to disclose the Property Conditions to Grantee's occupants and transferees of the Property.

C. Building Restrictions; Maintenance of the Property.

The Grantee further acknowledges and agrees that the Grantor, as the developer of Mililani Town, has a continuing interest in the manner in which the Property is improved and maintained, and the Grantee therefore hereby further covenants and agrees as follows:

1. Additions and alterations to the dwelling unit on the Property shall require the review and approval of the Director of Land Utilization of the City and County of Honolulu, following written approval of such additions and alterations by the Design Committee ("Design Committee") established pursuant to the Mililani Town Declaration. Lot coverage on the Property is limited to 50% of the lot area. No additions or improvements to the Property shall be made which would exceed this limitation. Maximum building areas, yards and height of structures on the Property shall comply with the City and County of Honolulu's Land Use Ordinance requirements for R-5 Residential District zoning. White or any highly reflective material or color shall not be used on the roof of any structure on the Property.

2. That the Grantee shall not erect, construct, alter, remove, destroy, replace, modify or amend fences or walls or other improvements on the Property without first obtaining the prior written approval of the Grantor or, if applicable, the Design Committee and in accordance with the Wall and Fencing Guidelines for the Property, receipt of a copy of which is acknowledged by Grantee.

3. Grantee shall maintain the ground slopes and swales of the Property to lessen chances of erosion and undercutting near the foundation. Slopes shall be planted in conformance with applicable ordinances of the City and County of Honolulu; slope planting is recommended on cut and fill slopes to lessen erosion.

4. The Grantee understands and acknowledges that one or more trees may have been planted in the front yard of the Property and/or within public or governmental rights-of-way on the Property by Grantor, and agrees that Grantor, as the developer of Mililani Town, has a continuing interest in the appearance and maintenance of such trees. Grantee therefore hereby covenants and agrees, for the duration of the covenants in this Indenture, (i) to use its best efforts to maintain and



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AUG 5 1992

Castle & Cooke Residential, Inc.

UNIVERSITY OF HAWAII

VICE PRESIDENT FOR FINANCE AND OPERATIONS

July 31, 1992

LC
AA
FAX Ty Kusao

Castle & Cooke Residential, Inc.
Attention: Mr. Wallace Miyahira
650 Iwilei Road
Honolulu, Hawaii 96817

Gentlemen:

The University understands that a condition of the Orders of the State Land Use Commission in Docket No. A87-609, approving the petitions of Castle & Cooke Residential, Inc. (formerly known as Mililani Town, Inc.) for the reclassifications of Phase I and Phase II lands of the Mililani Mauka project, reads as follows:

"10. Areas designated by Petitioner for the University shall not be used for other purposes without prior Land Use Commission review and approval of the proposed alternative use or uses, unless the University of Hawaii notifies Petitioner not to locate at Mililani at the designated site."

The purpose of this letter is to inform you that the 100-acre site designated in the Mililani Mauka project for the proposed UH-West Oahu Campus is insufficient to meet projected University needs. Therefore, the University is unable to utilize the 100-acre site designated in the Mililani Mauka project.

The University is committed to the establishment of a new campus in the West Oahu area as that campus will greatly benefit the residents of the Leeward and Central Oahu communities and provide unique opportunities for the rest of the State. Hopefully, we will be successful in obtaining a site of sufficient acreage to meet our requirements.

The continued support of the University by Castle and Cooke is much appreciated.

Sincerely,

Ralph T. Horii, Jr.

Ralph T. Horii, Jr.
Vice President for Finance
and Operations

EXHIBIT " C "