



KAMEHAMEHA SCHOOLS

July 14, 2015

Daniel E. Orodener, Executive Officer
Land Use Commission
235 South Beretania Street, Suite 406
Honolulu, Hawaii 96813

Subject: **Docket No. A87-610**

Dear Mr. Orodener:

Pursuant to the Land Use Commission's Order in Docket Number A87-610, transmitted herewith is an annual report, plus one copy on the status of the Waiawa development and our progress over the past year in complying with conditions imposed by the Commission.

LAND USE COMMISSION
STATE OF HAWAII
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Project Status

ENTITLEMENTS

The Land Use Commission approved reclassification of 1,395 acres to the Urban District for the Waiawa planned community on May 17, 1988. The community master plan is consistent with the vision and development priorities set forth in the City & County of Honolulu Sustainable Communities Plan (formerly known as the Development Plan) adopted by the City Council in December 2002 and the project is fully consistent with the designated Urban Community boundary for Central Oahu.

Within the Urban District, City & County of Honolulu zoning approval has been obtained for approximately 1,049 acres. Ordinance No. 98-01 rezoned 874 acres (Increment I) from the AG-1 Restricted Agricultural District to R-5 Residential, A-1 Low Density Apartment, B-2 Community Business, IMX-1 Industrial-Commercial Mixed Use, B-1 Neighborhood Business, and P-2 General Preservation uses on January 15, 1998. Ordinance 98-01 was amended on December 17, 1998 by Ordinance 98-69 to limit the maximum allowable density for the IMX-1 and B-2 zoned lands to 1.7 million square feet and 2.2 million square feet, respectively, and to eliminate the City's option to lease and develop one of two proposed golf courses. Ordinance 03-01 which took effect on February 12, 2003, rezoned an additional 175 acres (Increment II) from AG-1 to R-5, A-1, A-2 and P-2 uses. Copies of these zoning ordinances were previously transmitted for your files.

DEVELOPMENT ACTIVITIES

A Motion for Order Amending the Waiawa Order was issued by the Commission in December 2014 authorizing the use of approximately 655 acres of land within the Petition Area for a solar farm development to include all related utility and other infrastructure for a period not to exceed 35 years. The use of the identified areas within the KS Property subject to the conditions imposed by the 2014 Order will be included below under the title "2014 Order".

2014 Order Conditions

No. 1) Revised Master Plan. Petitioner shall submit to the Commission a revised master plan and schedule for development for the approximately 1,395-acre KS Property within five (5) years from the date of the Commission's issuance of an order approving the Motion to Amend.

Status: Work has been initiated to revise the master plan to satisfy this condition. Once a plan is completed, petitioner will submit to the Commission.

No. 2) Access to the Waiawa Correctional Facility. Petitioner shall cause the solar farm operator to ensure that the construction and installation of the solar farm within the KS Property shall not prevent roadway access to the Waiawa Correctional Facility.

Status: Plans have been filed with the City & County of Honolulu to facilitate the start of construction. As development progresses and a project schedule is detailed, petitioner shall cause the solar farm operator to articulate roadway access strategies and review with the Waiawa Correctional Facility to satisfy this condition. Preliminary discussions have commenced with the Waiawa Correctional Facility.

No. 3) Previously Unidentified Burials and Archaeological/Historic Sites. A supplemental AIS for the entire 1,395-acre Petition Area shall be prepared by a qualified archaeologist to determine potential impacts and to ensure that appropriate mitigation is implemented as needed. The supplemental AIS shall be submitted to the SHPD and accepted prior to the start of construction.

In the event that historical 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, Oahu 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 solar farm project, all construction activity in the vicinity of the discovery shall stop until the issuance of an archaeological clearance from SHPD that mitigative measures have been implemented to its satisfaction.

Status:

- a) Submitted to SHPD on September 16, 2014 – Archaeological inventory Survey of 1,395 Acres of Kamehameha Schools' Land in Waiawa and Waipi'o Ahupua'a, 'Ewa District, O'ahu Island, Hawai'i (Monahan, September 2014) (the meets the requirement of a supplemental AIS).
- b) SHPD accepted the report (with requested revisions) on April 25, 2015 – Archaeological Inventory Survey of 1,395 Acres of Kamehameha Schools' Land in Waiawa and Waipi'o Ahupua'a, 'Ewa District, O'ahu Island, Hawai'i (Monahan, September 2014).
- c) Submitted a mitigation plan in the form of an Archaeological Site Preservation Plan per the requirements of the AIS on May 12, 2015 – Archaeological Preservation Plan for

State Site No. 50-80-09-2273, Features 14 (portion), 19, 22, & 23 (portion), Kamehameha Schools' Land in Waiawa ahupua'a, 'Ewa District, O'ahu Island, Hawai'i (Monahan, May 2015). KS is awaiting the site preservation plan to be accepted by SHPD.

No. 4) Aircraft Hazard. If glint or glare from the photovoltaic array creates a hazardous condition for pilots, Petitioner shall cause the solar farm facility operator shall be prepared to immediately mitigate the hazard upon notification by the Department of Transportation Airports Division or the Federal Aviation Administration.

Status: Discussions have started between the solar farm facility operator and the Airports Division regarding panel specifications, specifically related to glint and glare to satisfy this condition.

No. 5) Traffic Impacts.

a. *Phase 1. Prior to the start of construction of Phase 1 of the solar project, Petitioner shall cause the solar farm operator to address any comments that may be made by the Department of Transportation regarding the August 1, 2014, "Construction Traffic Assessment for the Proposed Waiawa Solar Farm" that was prepared for the solar farm project, and to implement the mitigations recommended in the Fehr & Peers Traffic Assessment.*

Status: Contact with the Department of Transportation has been initiated to discuss satisfaction of this condition. As planning, design, and development progress, petitioner will develop and implement mitigations as specified.

b. *Phase 2. Petitioner shall cause the solar farm operator to prepare and submit to the Department of Transportation for review and to obtain acceptance of a Traffic Assessment for Phase 2 of the solar project prior to the start of construction of Phase 2.*

Status: More information will be provided at a later date as Phase 2 timing is defined.

No. 6) Development Schedule. Phase 1 of the solar farm shall be substantially completed within five (5) years from the date of the Commission's issuance of an order approving the Motion to Amend. Phase 2 of the solar farm shall be substantially completed within ten (10) years from the date of the Commission's issuance of an order approving the Motion to Amend.

Status: The Solar Farm operator is on-schedule to complete the build-out of Phase 1 within 5 years (2019).

No. 7) Interim Use of the Petition Area. The interim use of the Petition Area shall be limited to a utility-scale solar energy development, or solar farm. No other use shall be permitted without prior written approval of the Commission.

Status: A utility-scale solar farm is being planned for the Petition Area and an Agreement to Lease has been executed with Sun Edison.

No. 8) Timeframe of Interim Use. The interim use of the Petition Area for the proposed solar farm, including any and all permitting, construction, operation, and decommissioning activities associated with the solar farm, shall not exceed a period of 35 years from the date of this Decision and Order without prior written approval of the Commission.

Status: A utility-scale solar farm is being planned for the Petition Area and an Agreement to Lease has been executed with Sun Edison for a term not to exceed 35 years.

No. 9) Metes and Bounds Map and Description. The proposed solar farm shall be limited to the acreage and boundaries identified in Petitioner's Phasing Plan shown in Petitioner's Exhibit 8 Errata (filed 6/20/14). Petitioner shall provide a metes and bounds map and description of both phases to the Commissioner within one year from the date of this Decision and Order.

Status: A metes and bounds map and description of both phases is in process with expected delivery to the Commissioner within one year from the date of this Decision and Order.

No. 10) Decommissioning of the Solar Farm. The Solar Farm shall be decommissioned following its operational timeframe. The decommissioning activities shall include, but not be limited to, the complete removal of the foundational piers and modules and all associated components. All metal components shall be recycled to the extent possible and no solar farm components shall be disposed of in any landfill in the State of Hawaii. Any future use of the Petition Area following decommissioning of the solar farm shall be subject to the environmental review process promulgated under HRS chapter 343, as applicable, and shall require the filing of a motion to amend the Decision and Order with the Commission. Such motion to amend shall include a revised master development plan of the proposed use and shall further include, but not be limited to, a revised Traffic Impact Analysis Report, Engineering Report, Socioeconomic Analysis Report, Environmental Report, and AIS.

Status: At the time of decommissioning, requirements to satisfy the conditions stated will be reported.

No. 11) Compliance with Representations. Petitioner shall cause the solar farm operator to develop Phase 1 and Phase 2 of the solar farm, including the implementation of measures to mitigate potential impacts of the development, in substantial compliance with the representations made to the Commission as reflected in the Decision and Order. Such mitigation measures include, but are not limited to, the use of temporary and permanent BMP's to ensure that the development and operation of the solar farm do not result in an increase in stormwater runoff that adversely impacts downstream properties. Failure to do so may result in reversion of the Petition Area to its former classification, or change to a more appropriate classification.

Status: The solar farm operator has hired numerous consultants to evaluate various mitigation measures and BMP's to ensure that the development and operation of the solar farm is in compliance with representations made to the Commission.

No. 12) Notice of Change of Ownership. Petitioner shall give notice to the commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Petition Area, prior to the development of the Petition Area.

Status: Petitioner as entered into an Agreement to Lease with Sun Edison for the purpose of developing a solar farm in the petition area.

No. 13) Annual Reports. Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP, and the DPP in connection with the status of the subject property 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.

Status: This annual report has been prepared to satisfy this condition. Copies of this report will also be transmitted to the Office of Planning, the Department of Business, Economic Development and Tourism, and the Department of Planning and Permitting, City & County of Honolulu.

No. 14) 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.

Status: At this time, Petitioner has not requested release from the stated conditions.

No. 15) Notice of Imposition of Conditions. Within seven (7) days of the issuance of the Commission's Decision and order granting the Motion to Amend, Petitioner shall:

(a) record with the Bureau of Conveyances a statement that the Petition Area is subject to conditions imposed herein by the Commission in the granting of the Motion to Amend; and (b) shall file a copy of such recorded statement with the Commission.

Status: **Condition No. 15 has been met.**

No. 16) Recordation of Conditions. Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to HAR § 15-15-92.

Status: **Condition No. 16 has been met.**

Land Use Conditions

Condition No. 1: A study funded by the U.S. Department of the Navy to review the potential for groundwater contamination resulting from the urbanization of the Property shall be completed prior to any site development and construction unless the Department of Health after consultation with the United States Navy and after review of the proposed study scope makes a determination that development and construction within a specified area will not cause groundwater contamination to wells in the area. Petitioner shall not proceed with the project until the study shows to the satisfaction of the Department of Health that groundwater contamination will not occur as a result of the proposed project, or until the Department of Health makes a determination that development or partial development may be allowed.

Status: Condition No. 1 has been met. A study to assess the potential for groundwater contamination due to proposed urban development in the vicinity of the Navy's Waiawa Shaft was completed in November 1989 by the University of Hawaii Water Resources Research Center. The final recommendations of this investigation indicate that the potential for groundwater contamination related to development of Waiawa can be greatly reduced with proper urban management practices.

Condition No. 2: Any urban development within the Property shall be subject to further review and subsequent approval by the Department of Health. The Department of Health may require appropriate mitigative measures and conditions relating to the proposed development's impact on the groundwater resources in the area.

Status: In order to comply with this condition, The University of Hawaii Water Resources Research Center conducted a study in November 1989 and then the Department of Health Safe Drinking Water Branch (DOH), in conjunction with the U.S. Geological Survey, University of Hawaii, Department of Land and Natural Resources and the Board of Water Supply, delineated a hydrologic zone of contribution (ZOC) for the Waiawa Shaft.

Based on these studies, Petitioner has confined urban development to lands situated outside the zone of contribution (ZOC) until additional studies can be performed to demonstrate to the satisfaction of DOH that development can occur without significant adverse impact to the Navy water source or the source can be improved to reduce its vulnerability to contamination.

Condition No. 3: For the first 1,000 dwelling units which may be constructed on the Property, 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 thirty percent (30%) 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 Petitioner and the Housing Finance and Development Corporation of the State, or other appropriate governmental agency. This condition may also be fulfilled, with the approval of the Housing Finance and Development Corporation, through the construction of rental units to be made available at rents which families in the specified income ranges can afford.

Status: In 2008, WRD worked with the Department of Planning and Permitting (DPP), City & County of Honolulu, on an Affordable Housing Agreement for the entire Project. In 2009, WRD initiated discussions with DPP regarding the processing of an Affordable Housing Agreement for its lands only. As required, KS will initiate further work with appropriate agencies and enter into necessary agreements in accordance the overall development program.

Condition No. 4: For the balance of the Property, the affordable housing requirements shall be satisfied in a manner that meets with the approval of the City and County of Honolulu and the State Housing Finance and Development Corporation. Said requirements shall take into consideration affordable on-site or off-site housing units or cash payments that satisfy the then current housing needs, or other necessary or desirable community facilities as determined above.

Status: In 2008, Gentry/WRD worked with the Department of Planning and Permitting (DPP), City & County of Honolulu, on an Affordable Housing Agreement for the entire Project. In 2009, WRD initiated discussions with DPP regarding the processing of an Affordable Housing Agreement for its lands only. As required, KS will initiate further work with appropriate agencies and enter into necessary agreements in accordance the overall development program.

Condition No. 5: Petitioner shall fund and construct the necessary improvements as determined by the State Department of Transportation which would mitigate impacts from the subject project. These improvements shall be implemented on a schedule acceptable to and approved by the Department of Transportation.

Status: Lands have been dedicated at a value in excess of \$637,000 for construction of the Waipio Interchange and the prior Petitioner paid \$1.4 million to the State of Hawaii for improvements to Ka Uka Boulevard and the construction of HOV lanes between the Waiawa and Waipio Interchanges of the H-2 Freeway. To further comply with this condition and the Unilateral Agreements for Ordinance 98-01 and Ordinance 03-01, a plan for implementing transportation related improvements to mitigate traffic impacts at Ka Uka Boulevard and Waipio Interchange was submitted to DOT and DOT's written concurrence was received on September 8, 2005 (copy previously provided).

Condition No. 6: Petitioner shall appoint and fund a transportation manager whose function is the formulation, use, and continuation of alternative transportation opportunities that would maximize the use of existing and proposed transportation systems. This will include construction and operation of a park and ride facility or other activities to encourage transit use or ridesharing. These activities and facilities shall be implemented on a schedule acceptable to and approved by the State Department of Transportation.

In the alternative, Petitioner may participate in a regional program for the transportation management with other developers and/or landowners. This program shall address the formulation, use and continuation of alternative transportation opportunities that would optimize the use of existing

and proposed transportation systems.

Status: Condition No. 6 is being met. Petitioner is an active participant in the Leeward Oahu Transportation Management Association (LOTMA), a regional program which seeks to promote alternative transportation opportunities and optimize the capacity and use of existing and proposed transportation systems.

Condition No. 7: Petitioner shall participate in an air quality monitoring program as specified by the State Department of Health.

Status: Contact with the Department of Health has been initiated to discuss satisfaction of this condition. As planning, design, and development progress, petitioner will develop and implement a program as specified by the Department of Health.

Condition No. 8: Petitioner shall immediately stop work and contact the State Historic Preservation Office should any archaeological resources such as artifacts, shell, bone, or charcoal deposits, human burial, rock or coral alignments, pavings or walls be encountered during the project's development.

Status: An Archaeological reconnaissance and inventory-level survey was completed by the Bishop Museum and was approved by the State Historic Preservation Division on July 7, 1992. Data recovery reports were approved by the State Historic Preservation Division in March 1995. A Cultural Resources Preservation Plan was approved by the State Historic Preservation Division on October 25, 2007 (a copy of the letter was provided with the 2008 annual report).

There are no known significant historic or cultural resources within the Urban District that would be affected by the project's implementation. Should any archaeological resources be encountered during construction, the Petitioner will comply with State laws.

Condition No. 9: Petitioner shall provide public access to the Conservation District land mauka of the Property.

Status: Gentry/WRD met in May 1999 with the Department of Land and Natural Resources (DLNR) Forestry and Wildlife Division to discuss public access to the Conservation District lands mauka of the property. At that time, DLNR personnel acknowledged that the Waiawa Correctional Facility Access Road is the only available means of accessing the site and confirmed that there are no public hiking trails or hunting areas that presently require Petitioner to provide public access across its lands. In the future, as the development of Waiawa proceeds mauka, access to the Conservation District lands may become feasible via public roadways to be constructed as part of the project. A letter from the DLNR Forestry and Wildlife Division was previously transmitted for your files.

Condition No. 10: Petitioner shall provide annual reports to the Land Use Commission, the Department of Business and Economic Development and the City and County of Honolulu

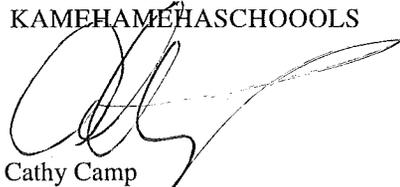
Department of General Planning in connection with the status of the project and Petitioner's progress in complying with the conditions imposed.

Status: This annual report has been prepared to satisfy this condition. Copies of this report will also be transmitted to the Office of Planning, the Department of Business, Economic Development and Tourism, and the Department of Planning and Permitting, City & County of Honolulu.

Please feel free to contact me at 534-8033 if you have any questions regarding this report.

Very truly yours,

KAMEHAMEHASCHOOLS



Cathy Camp
Development Director
Commercial Real Estate Division

Enclosure(s)

cc: w/o enclosures
Mr. Leo Asuncion,
Mr. George Atta
Mr. Luis Salaveria
Ms. Cathy Camp