

ORIGINAL

Of Counsel:

CARLSMITH, WICHMAN, CASE,
MUKAI AND ICHIKI

IVAN M. LUI-KWAN 1089-0

Attorney at Law
A Law Corporation

PRESLEY W. PANG 4013-0

2200 Pacific Tower
1001 Bishop Street
Honolulu, Hawaii 96813
Tel. No. (808) 523-2500

Attorneys for
The Estate of James Campbell

LAND USE COMMISSION
STATE OF HAWAII
SEP 26 3 53 PM '89

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
)
THE TRUSTEES UNDER THE WILL AND)
OF THE ESTATE OF JAMES CAMPBELL,)
DECEASED)

DOCKET NO. A87-613
FIRST ANNUAL REPORT;
CERTIFICATE OF SERVICE
(Kapolei City)

To Amend the Agricultural Land Use)
District Boundary into Urban Land)
Use District for Approximately)
813.02 acres of land at)
Honouliuli, Ewa, Island of Oahu,)
State of Hawaii, Tax Map Key)
Numbers: 9-1-15: Portion of 4;)
9-1-16: Portion of 1, Portion of)
4, 5, 6, Portion of 9, 12, 13,)
Portion of 16, 18, Portion of 24,)
30; 9-2-03 Portion of 2, 12; and)
9-2-19: Portion of 1)

FIRST ANNUAL REPORT

Pursuant to Condition No. 11 of those certain
"Findings of Fact, Conclusions of Law and Decision and Order"

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certified herein on September 23, 1988, as amended on March 29, 1989 and on May 30, 1989, Petitioner Trustees Under the Will and of The Estate of James Campbell, Deceased ("Petitioner") submits this first annual report on the status of the project and on Petitioner's progress in complying with conditions imposed.

I. PROCEDURAL BACKGROUND AND CURRENT STATUS

A. Petition and Original Decision and Order

On September 23, 1988 and pursuant to a petition filed on June 29, 1987, the Land Use Commission, State of Hawaii ("Commission") reclassified approximately 890 acres of land located in Honouliuli, Ewa, Island of Oahu, State of Hawaii from Agricultural District to Urban District. The reclassification allowed Petitioner to proceed with the development and planning of a second urban center for Oahu situated in the Petition area. Because it appeared that the entire 890 acres of land could not be fully developed within five years from the date of final approval by the City and County, 135 acres of land were apportioned into Increment I and the balance of 755 acres were classified as subsequent increments. Immediate reclassification for Increment I was approved, and incremental redistricting was granted for the subsequent increments pursuant to Section 15-15-78, subject to 14 conditions and preconditions. (Hereinafter, these conditions and preconditions will be referenced by their

respective paragraph number as set forth in the September 23, 1988 Decision and Order.)

B. First Amended Decision and Order: Deletion of Kapolei Knolls Area

On March 29, 1989 and pursuant to Petitioner's motion filed on January 10, 1989, the Commission filed and certified a "First Amended Findings of Fact, Conclusions of Law and Decision and Order". This first amendment deleted approximately 76.98 agricultural acres from the 755 acres constituting the subsequent increments. These 76.98 agricultural acres were the subject of an independent reclassification petition filed with the Commission by the Lusk Co. on August 31, 1988, Docket No. A88-628, and commonly known as "Kapolei Knolls". Pursuant to the first amendment, the total Petition area was reduced to approximately 813.02 acres (135 acres in Increment I; 678.02 acres in the subsequent increments).

C. Second Amended Decision and Order: Reconfiguration of Increment I

On May 30, 1989 and pursuant to a motion filed by the Petitioner on March 3, 1989, the Commission filed and certified a "Second Amended Findings of Fact, Conclusions of Law and Decision and Order." This second amendment effected a reconfiguration of Increment I by exchanging approximately 8.5 acres between Increment I and the subsequent increments. The

aggregate total number of acres for the Petition area, as amended, remained at 813.02; and the sub-total acres for Increment I remained at 135 with the balance of 678.02 acre in the subsequent increments. The reconfiguration permitted better siting and design of a proposed park.

D. Recordation of Conditions and Preconditions

On November 28, 1988 a document listing the 14 conditions and preconditions contained in the September 23, 1988 Decision and Order was recorded at the Bureau of Conveyances. No document listing the conditions in the First Amended Decision and Order of March 29, 1989 was recorded, because shortly thereafter, the March 29, 1989 order was superseded and replaced by the Second Amended Decision and Order of May 30, 1989. An amended document listing conditions and preconditions with respect to the Second Amended Decision and Order is being prepared, and will be recorded with the Bureau after being reviewed and cleared by the Commission.

E. Satisfaction of Preconditions

On June 6, 1989, by an "Order Approving Executed Agreements Satisfying Petitioner's Preconditions to Reclassification" and pursuant to Petitioner's motion and memoranda filed on April 4 and April 12, 1989, the Commission approved certain agreements executed by the Petitioner. The Commission concluded that these agreements satisfied

preconditions 9.a., 9.b., and 9.c. of the Commission's Second Amended Decision and Order dated May 30, 1989.

II. STATUS OF COMPLIANCE WITH CONDITIONS

1. With respect to Condition No. 1, considerable progress has been made during the past year toward the establishment of Kapolei as a commercial, industrial, government, and business center.

On September 30, 1988, Petitioner applied to the City and County of Honolulu to rezone 92.7 acres of the 135-acre first increment. The Planning Commission recommended approval of this rezoning in concurrence with the Director of the Department of Land Utilization. Bill No. 101 to rezone this area passed the second reading on August 9, 1989 and was heard by the Honolulu City Council on September 20, 1989. The Petitioner is preparing a unilateral agreement to be submitted to the Council in consideration of third reading.

The application for rezoning for the balance of 42.3 acres was submitted on June 27, 1989, and accepted for processing by the Department of Land Utilization on July 31, 1989. It is expected to go to the Planning Commission in October.

A traveling exhibit has been prepared to attract additional interest in Kapolei City. In April, 1989 this exhibit was shown to the National Conference of the American Institute of Planners in Atlanta (3,000 delegates); in May 1989

the exhibit was displayed at the International Council of Shopping Centers in Las Vegas (10,000 delegates). A tour of Kapolei City is planned as a kick-off to the Hawaii Congress of Planning Officials' conference in Honolulu this October 1989. This represents just a small part of a larger effort, both locally and globally, to attract businesses to Kapolei.

2. With respect to Condition No. 2, infrastructure to serve Increment I has been designed. Construction of sewer oversizing in conjunction with Ko Olina has been completed. Construction drawings are being reviewed by the appropriate government agencies for approval. This includes widening Farrington Highway and constructing Kapolei Boulevard between Farrington Highway and Kalaeloa Boulevard.

3. With respect to Condition No. 3, the Petitioner has participated with the state Department of Health in an air quality monitoring program. The Petitioner has purchased an air monitoring system at a cost of \$250,000 to provide the state with necessary equipment to monitor air quality standards in the area.

4. With respect to Condition No. 4, no significant archeological resource has been uncovered during the past year.

5. With respect to Condition No. 5, water service needs are being addressed. The Ewa Plain Water Development Corporation consists of Campbell Estate, West Beach Estates, HASEKO, and Gentry and is funding the Ewa water system which

has a projected cost of \$23,400,000. As of June 30, 1989, \$16,300,000 had been expended. Completion of this phase of the project is expected by July 1990. A joint venture pilot project between Campbell Estate and the State of Hawaii on the desalting plant will be completed by September 1990 and is expected to yield one million gallons per day of potable water from brackish water. The project cost is \$5.7 million of which the Petitioner is contributing \$2.0 million. The Petitioner has donated 3.5 acres for the project site.

6. With respect to Condition No. 6, drainage improvements have been coordinated with the state Housing Finance and Development Corporation and the Barbers Point Naval Air Station. State officials have attended and participated in meetings of Petitioner's recently formed Kapolei Advisory Panel whose purpose is to assure the greatest degree of coordination for the various projects.

7. With respect to Condition No. 7, the Campbell Office Building, the first building in the 92.7-acre area, will contain 120,000 square feet of office space, of which 25 percent will be occupied by the Estate. Groundbreaking on this project will occur next year.

As a result of meetings with city and state government officials, efforts are well underway to plan for the establishment of city and state government offices in Kapolei.

The city and state have each retained consultants to prepare detailed plans for these facilities.

8. With respect to Condition No. 8, the Kapolei Shopping Center has secured Safeway and Longs as anchor tenants. A strong response to a preleasing program has resulted in full commitment to planned commercial spaces. Groundbreaking is expected to occur next year.

9. With respect to the preconditions listed in paragraph 9, the Petitioner has entered into various agreements with the State of Hawaii. These agreements have been documented and approved by the Commission as satisfying the preconditions imposed by paragraph 9. See discussion at Section I.E. above.

10. With respect to Condition No. 10, on September 18, 1989, Petitioner filed for Probate Court approval of a portion of the pre-condition relating to Barbers Point Harbor. (Equity No. 2388, Petition for Approval of 1987 Account for Instructions.)

11. With respect to Condition No. 11, the Petitioner submits this annual report.

12. With respect to Condition No. 12, the preceding paragraphs demonstrate that the petition area is being developed in substantial conformity to and compliance with Petitioner's representation to the Commission.

13. With respect to Condition 13, Petitioner has not formed any plan or intent to sell, lease, assign, or otherwise alter its ownership interest in the petition area prior to the development of the property.

WHEREFORE, Petitioner submits this first annual report on the status of the development of Kapolei City.

DATED: Honolulu, Hawaii, SEP 26 1989.



IVAN M. LUI-KWAN
PRESLEY W. PANG

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing "First Annual Report" was duly served upon the following persons on SEP 26 1989, by depositing said copy, postage prepaid, in a United States Post Office, Honolulu, Hawaii, addressed as follows:

HAROLD S. MATSUMOTO, DIRECTOR
Office of State Planning
State Capitol, Room 410
Honolulu, Hawaii 96813

DONALD A. CLEGG
Chief Planning Officer
Department of General Planning
City and County of Honolulu
650 S. King Street
Honolulu, Hawaii 96813

DATED: Honolulu, Hawaii, SEP 26 1989.



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