

Castle & Cooke
Homes Hawaii, Inc.

July 1, 2013

Land Use Commission
State of Hawaii
State Office Tower
Leiopapa A Kamehameha, 4th Floor
235 South Beretania Street
Honolulu, Hawaii 96813

2013 JUL - 5 P 3: 30
LAND USE COMMISSION
STATE OF HAWAII

Re: Status Report of LUC Docket No. A11-793
Castle & Cooke Homes Hawai'i, Inc.

Honorable Chairman and Members:

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") hereby submits its annual report on the Koa Ridge Makai, Increment 1 property which is the subject of the docket and on the progress in complying with the conditions imposed.

I. General Progress Of The Project.

Koa Ridge Makai, Increment 1, consists of approximately 576.435 acres ("Property"). An application for zone change of the Property was submitted and accepted by the City and County of Honolulu Department of Planning & Permitting on December 3, 2012.

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 and 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:

Pending. CCHH intends to comply fully 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 has been started which would interfere with or restrain any agricultural operations on adjacent or contiguous lands.

- 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. At the time of property sales, CCHH will provide the needed disclosures to buyers of lands within Koa Ridge of any adjacent agricultural activities.

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. During design, CCHH will assure 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 draft Water Master Plan has been submitted to BWS for review. CCHH will develop all water system source, storage, and transmission facilities for dedication to the BWS.

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:

CCHH is preparing its landscape master plan to include the use of plants which are drought tolerant or able to thrive in area's microclimate.

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:

Design plans are being finalized for a gravity sewer collection system for dedication to the City.

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:

Pending. Additional soils testing will be undertaken to determine the presence of residual agricultural-related contaminants in the soils.

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.

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:

Drainage master plan has been submitted to DPP for review. Preliminary design plans and regulatory permit applications for storm drainage basins are under preparation.

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:

Traffic Impact Assessment Report (TIAR) was submitted to DOT in June 2012. The Petitioner is working with DOT to address DOT's comments and a revised TIAR is pending. Acceptance of the TIAR is pending.

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 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:

Pending. Preservation and mitigation to be undertaken upon zoning approval.

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 development activities. 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.

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. Waiawa Urban District reclassification was deferred by the LUC under Incremental Districting provisions until adequate access and infrastructure are provided to the ridge.

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 needed 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:

Pending. CCHH will work with ADC on a memorandum of agreement including the terms and conditions in 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.

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 this 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 need to comply with the deadline for completing backbone infrastructure.

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:

Acknowledged. CCHH will notify the Commission of any changes in ownership.

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 2013 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: Mr. Jesse K. Souki (Office of State Planning)
Mr. George I. Atta (Department of Planning and Permitting)