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LAND USE COMMISSION
STATE OF HAWAII



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OCEANWIDE HOLDINGS

April 3, 2017

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

2017 Annual Report
Docket No. A04-753
Kapolei West

As stated in the Notice of Sale of Kapolei West Property filed with the Land Use Commission on October 31, 2016, Oceanwide Resort Community HI LLC ("Petitioner") is the new landowner of the subject Property. As such, Oceanwide submits this annual progress report to the LUC, the State of Hawaii Office of Planning, and the City and County of Honolulu Department of Planning and Permitting in accordance with Condition 22 of the April 10, 2006 LUC order in Docket No. A04-753. The subject of this annual report is the petition area currently identified as a portion of the "Kapolei West" project. The petition area is comprised of 174.209 acres located at Honouliuli, Ewa, Oahu, Tax Map Key Nos. 9-1-14:33 (por.), 9-1-15:4 (por.) and 9-1-14:20 (por.) (the "Property").

The conditions to reclassification are reproduced boldface followed by a description of the progress being made to comply with them.

- 1. Affordable Housing. Petitioner shall provide affordable housing opportunities for low, low-moderate, and gap group income residents of the State of Hawaii to the satisfaction of the City and County. The number, location, and distribution of the affordable housing or other provisions for affordable housing shall be under such terms as determined by the City and County, but the number shall not be less than 30 percent of the total residential units in the Petition Area. This Condition No. 1 shall be satisfied by no later than nine years from the issuance of the first building permit for the first residential unit in the Petition Area.**

Petitioner intends to provide affordable housing opportunities to the satisfaction of the City and County of Honolulu. The location and distribution of the affordable housing shall be under such terms as are mutually agreeable between the Petitioner and the City and County of Honolulu.

- 2. Public School Facilities.** Petitioner shall contribute to the development, funding, and/or construction of school facilities, on a fair-share basis, as determined by and to the mutual satisfaction of Petitioner and DOE. Terms of the contribution shall be agreed upon in writing by Petitioner and the DOE, prior to obtaining City and County final subdivision approval.

An Educational Contribution Agreement was reached with the State of Hawaii Department of Education on July 31, 2008 in accordance with the requirements of this condition. A copy of the agreement was previously provided to the Land Use Commission. The Educational Contribution Agreement has been assigned to Petitioner and Petitioner has agreed to assume the duties and obligations required of its predecessor under the terms of the Educational Contribution Agreement.

- 3. Wastewater Facilities.** Petitioner shall provide wastewater system improvements as required by the DOH and appropriate City and County agencies.

Petitioner will comply with this condition. Wastewater master plans conforming to DOH standards were previously approved by the City and County in 2013.

- 4. Transportation.** Petitioner shall participate in the implementation of the Ewa Highway Master Plan as determined by the DOT, the City and County's Department of Transportation Services, and the DPP.

Petitioner shall set aside land necessary for the future construction of Hanua Street to Malakole as a four-lane highway. In the event the Hanua Street extension is built, as part of Petitioner's fair-share requirements for future regional roadway improvements, Petitioner agrees it shall be built as a four-lane divided highway, or to an alternative design as identified by the DOT, in either case in accordance with State highway standards, so that the extension of Hanua Street may be dedicated to the State at the option of DOT with the option for dedication expiring five years after completion of the Hanua Street extension.

Petitioner shall submit a revised Traffic Impact Assessment Report ("TIAR") for

review and approval by the DOT and the City and County prior to submittal of a change of zone application with the City and County. The revised TIAR shall include the technical comments that were requested by the DOT in its letter to petitioner dated May 6, 2005.

Petitioner's predecessor in interest, Aina Nui Corporation, reached an agreement with the DOT on the level of funding and participation in the construction of local and regional transportation improvements in satisfaction of the terms of this condition. The Master Kapolei Highway Agreement ("MKHA") dated June 1, 2010 was previously provided to the LUC.

The MKHA also addresses the conceptual configurations of the State Harbor Access Road (Hanua Street extension) as specified in the condition. A new TIAR for the project was submitted with the zone change application for the project in 2007. A revised TIAR for the project was submitted to and accepted by the DOT and City and County in 2011.

- 5. Previously Unidentified Burial/Archaeological/Historic Sites. 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, pavings, and walls not previously identified in studies referred to herein, are discovered during the course of construction of the Project, then 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.**

Petitioner will comply with this condition.

- 6. Solid Waste Management Plan. Petitioner shall develop a Solid Waste Management Plan in conformance with the Integrated Solid Waste Management Act, chapter 342G, HRS. Petitioner's Solid Waste Management Plan shall be approved by the City and County Department of Environmental Services. The Plan shall address and encourage awareness of the need to divert the maximum amount of waste material caused by developments away from the City and County's landfills.**

Petitioner will comply with this condition.

7. **Air Quality Monitoring.** Petitioner shall implement soil erosion and dust control measures and participate in an air quality monitoring program as specified by the DOH.

Petitioner will comply with this condition.

8. **Notification of Potential Nuisances.** Petitioner shall inform all prospective purchasers of properties in the Petition Area of the potential impacts, including, but not limited to, noise, dust, lighting, fumes, soot, smoke, light, heat, vapors, odors, chemicals, vibrations, and other substances and phenomena of every description to be discharged, emitted, or transmitted over and upon the properties or other industrial events associated with commercial marine activities that may be generated by Kalaeloa Barbers Point Harbor which may affect the properties and may be considered a nuisance.

The disclosure shall be made through a Disclosure Document which shall be signed by the prospective purchaser as an affirmative acknowledgement of the potential impacts. A copy of the form of the Disclosure Document shall be provided to the OP for its review and approval prior to commencement of sales. In addition, the disclosure shall be included as a covenant in the deed to purchasers, releasing the State of Hawaii from all liability for nuisance claims and shall be recorded so as to run with the land.

This condition in no way prohibits, prevents, or restricts Petitioner from modifying the disclosure to include other uses and additional disclosures to prospective purchasers.

- a. Petitioner shall notify all prospective buyers and/or lessees of the Petition Area that the Petition Area is subject to aircraft over flights and shall provide covenants in the deed to initial purchasers releasing the State of Hawaii and the United States government from all liability.

Petitioner will comply with this condition.

9. **Drainage Master Plan.** Petitioner shall prepare and submit a detailed drainage master plan to the DPP and the DOT for review and approval.

Regional and project drainage master plans were submitted to DPP and DOT in 2010. The plans were approved in 2012.

- 10. Drainage Improvements.** Petitioner shall fund the design and construction of drainage improvements, including interim detention basins as may be necessary, required as a result of the development of the Petition Area to the satisfaction of appropriate State and City and County agencies. Drainage improvements affecting Kalaeloa Barbers Point Harbor shall be submitted to the DOT for review and approval.

Petitioner will comply with this condition.

- 11. Water Master Plan.** Petitioner shall prepare and submit a water master plan to the BWS for review and approval.

A project water master plan was submitted to BWS in 2010. The water master plan was approved in 2013.

- 12. Water Resources Allocation.** Petitioner shall provide adequate potable and non-potable water source storage and transmission facilities and improvements to accommodate the development of the Petition Area as approved by appropriate State and City and County agencies.

Petitioner will comply with this condition.

- 13. Best Management Practices.** Petitioner shall implement Best Management Practices ("BMP") to protect surface and groundwater resources. The BMP shall be designed to minimize infiltration and runoff from construction and vehicle operations, reduce or eliminate soil erosion and ground water pollution, and effect dust control measures during and after the development process in accordance with DOH guidelines.

Petitioner will comply with this condition.

- 14. Water Conservation Measures.** Petitioner shall implement water conservation measures and best management practices, such as use of indigenous and drought tolerant plants and turf and the use of non-potable water alternatives, and incorporate such measures into the landscape planting.

Petitioner will comply with this condition.

- 15. Hazardous Materials.** Storage and/or disposal of hazardous materials/wastes on the Petition Area shall be in conformance with all applicable DOH and Environmental Protection Agency requirements.

Petitioner will comply with this condition.

- 16. Fire Protection.** Petitioner shall submit all roadway and water system designs for the Project to the City and County Fire Department for review and approval.

Petitioner will comply with this condition.

- 17. Golf Course.** Petitioner shall comply with the principles of the DOH's "Guidelines Applicable to Golf Courses in Hawaii" including, but not limited to, irrigating the golf course with non-potable water.

Petitioner will comply with this condition should a golf course be built in the Petition Area.

- 18. Civil Defense.** Petitioner shall fund and construct its fair-share of adequate civil defense measures serving the Petition Area as required by the State of Hawaii Department of Defense, Office of Civil Defense, and the City and County Civil Defense Agency.

Petitioner will comply with this condition.

- 19. Energy Conservation Measures.** Petitioner shall implement energy conservation measures such as the use of solar energy and solar heating and incorporate such measures into the Project.

Petitioner will comply with this condition.

- 20. Compliance with Representations to the Commission.** Petitioner shall develop the Petitioner Area in substantial compliance with the representations made to

the Commission. Failure to so develop the Petition Area may result in reversion of the Petition Area to its former classification, or change to a more appropriate classification.

Petitioner will comply with this condition.

- 21. 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 development of the Petition Area.

Petitioner will comply with this condition.

- 22. 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 development of the Petition Area and Petitioner's progress in complying with the conditions imposed herein. The annual reports shall be submitted in a form prescribed by the Executive Officer of the Commission.

Petitioner submits this Annual Report to the Land Use Commission, the State of Hawaii Office of Planning and the City and County of Honolulu Department of Planning and Permitting to show the current status of the Project and the progress in complying with the conditions.

- 23. 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.

Petitioner acknowledges that the Commission may fully or partially release the conditions provided herein.

- 24. 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 a statement that the Petition Area is subject to 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.

This condition has been complied with.

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

This condition has been complied with.

Sincerely,



Song Feng
President
Oceanwide Resort Community HI
LLC

Cc: Leo R. Asuncion, Jr., Office of Planning
Kathy Sokugawa, Department of Planning and Permitting