Castle & Cooke
Properties, Inc.

October 17, 2017

Daniel Orodenker
Executive Officer
State Land Use Commission
P. O. Box 2359
Honolulu, Hawaii 96804

RE: Docket No. A83-551
Castle & Cooke Properties, Inc.
Mililani Technology Park (**Increment II**) - Annual Report

Dear Mr. Orodenker:

This letter constitutes the 2017 annual report on the status of the Increment II property of the Mililani Technology Park ("Phase II Property") and compliance by Castle & Cooke Properties, Inc. (formerly Oceanic Properties, Inc., hereinafter sometimes referred to as "CCPI") with conditions imposed by the Land Use Commission of the State of Hawaii ("LUC") pursuant to the LUC's Findings of Fact, Conclusions of Law and Decision and Order filed June 3, 1991 in Docket No. A83-551 relating to the Phase II Property ("Phase II Decision and Order"). This report is submitted pursuant to the reporting requirements of condition #17 of the Phase II Decision and Order.

I. Overview

Pursuant to the LUC's Findings of Fact, Conclusions of Law and Decision and Order of August 6, 1984 in Docket No. A83-551, as amended April 1, 1991 ("Phase I Decision and Order"), Phase I of the Mililani Technology Park consisting of approximately 120 acres was reclassified from the Agricultural District to the Urban District ("Phase I Property"), and Phase II of the Mililani Technology Park was approved for incremental redistricting from the Agricultural District to the Urban District, subject to the conditions set forth in the Phase I Decision and Order. Redistricting of Phase II was subsequently approved pursuant to the Phase II Decision and Order.

Phase I of the Mililani Technology Park received its zoning approval from the City Council on July 9, 1986 (Ordinance No. 86-92), and subsequent amendments. Phase I zoning, development and compliance with conditions set forth in the Phase I Decision and Order are reported in the 2017 annual report for the Phase I Property submitted to the LUC by CCPI contemporaneously with this report, as well as prior Phase I reports to the LUC.

The Phase II Property has not been rezoned, and remains undeveloped.

680 Iwilei Road, Suite 510, Honolulu, Hawai'i 96817 Telephone: (808) 548-4811

This report addresses compliance with LUC conditions relating to Phase II, as required by the Phase II Decision and Order. A separate report is being contemporaneously submitted to the LUC addressing compliance with LUC conditions relating to Phase I.

On August 4, 2017, all of the Phase II Property of the Mililani Technology Park was sold and conveyed to the Hawaii Technology Development Corporation (formerly known as the High Technology Development Corporation, a public body corporate and politic and an instrumentality and agency of the State of Hawaii ("HTDC"). HTDC is a dynamic State agency responsible for diversifying Hawaii's economy by developing a flourishing technology industry that provides high-paying jobs for Hawaii residents. HTDC aims to accelerate the growth of Hawaii's technology industry by providing capital, building infrastructure and developing talent to foster innovation and diversify Hawaii's economy. HTDC is attached to the State of Hawaii Department of Business, Economic Development and Tourism. HTDC has informed CCPI that it intends to develop the Phase II Property as a First Responder Tech Campus, which will be a community space for the State of Hawaii and City and County of Honolulu for joint training and operations and will include a cybersecurity data center. Located in Central Oahu, the campus will provide space for cybersecurity, police, fire, public safety, emergency services, technology services, and the Hawaii National Guard. HTDC has indicated that this project on the Phase II Property is in the early stages of development.

As an integral part and material term and condition of the purchase and sale of the Phase II Property, HTDC agreed to assume, perform, satisfy and comply with all of the conditions, obligations and restrictions relating to the ownership, use and development of the Phase II Property under State land use and County zoning conditions applicable to the Phase II Property, including the conditions and requirements of the "Petitioner" under the Phase II Decision and Order. HTDC is filing with the LUC contemporaneously with this report a letter dated October 9, 2017, confirming of its purchase of the Phase II Property and its agreement to assume, perform, satisfy and comply with all of such Phase II conditions and requirements, including future annual reports to the LUC pursuant to the reporting requirements of condition #17 of the Phase II Decision and Order. A copy of the October 9, 2017 letter from HTDC to the LUC is enclosed with this 2017 annual report.

II. Compliance with Land Use Commission Conditions

CCPI respectfully provides the following information in respect of compliance with the conditions set forth in the Phase II Decision and Order.

Condition #1.

Petitioner shall develop the Property for high technology-intensive industries, provided that no less than 45% of the net marketable acres of the Property may also be sold or leased to initial buyers or lessees in high technology-intensive

industries. The Property may also be developed for commercial/industrial mixed uses the development of improvements for which shall conform to the design and density concepts of the Property as a high technology park development.

Comment

The Phase II Property remains undeveloped. With respect to the Phase I Property, to date, approximately 82.00 acres or 81% of the total 101 acres in Phase I have been sold or leased. 47% of the Phase I acreage has been sold or occupied by high tech or high tech support organizations as reported in the 2017 annual report to the LUC submitted contemporaneously with this report.

To encourage the development of high technology at the Mililani Technology Park (including the Phase I Property and in the future development on the Phase II Property), CCPI has worked closely with the HTDC and the Oahu Economic Development Board. CCPI has also offered amenities to attract high technology firms to the Mililani Technology Park. These include fiber optic communication capabilities, inclusion in Hawaii's designated Foreign-Trade Zone, and other assorted benefits. CCPI has worked with the State and County governments in an effort to encourage relocation of mainland high tech firms to Hawaii such as co-sponsoring the Governor's Symposium on High Technology and participating in the Pacific Telecommunications Council's annual conferences.

CCPI and its affiliate companies ("Castle & Cooke") have focused on the development of a high technology community in Central Oahu. Related efforts include:

(a) Contribution of land in Mililani Mauka to the State for the establishment of Hawaii's first high tech school, Mililani Mauka Elementary which opened in 1993. The State plans to use this school as a model for future education. This facility includes a library, a resource room with 30 computer terminals, and each classroom is equipped with phones, video equipment and four computer terminals.

(b) Contribution of over twenty personal computers between 1993 and 1994 to Mililani High School, Leilehua High School, Mililani Waena Elementary School, and Waialua High School.

(c) Establishment of a $100,000 endowment through the Hawaii Community Foundation, making available a total of $5,000 annually in scholarships to graduates from Mililani, Leilehua, and Waialua High Schools. The Castle & Cooke Mililani Technology Park Scholarship Fund gives priority to students furthering their studies in high technology-related fields in science and engineering. It is Castle & Cooke's hope that these scholarships will bring our college graduates into Hawaii's high technology industry.

In 2017, the following students will be awarded $3,000 scholarships:

Name	Major	College
Samantha Lumbao	Biology	UH - Manoa
Pomaikai Canaday	Biomedical Engineering	Georgetown University

(d) Co-sponsorship of the annual Hawaii Regional Science Bowl for four consecutive years with the U.S. Department of Energy to support science and math education from 1994 - 1997.

(e) Co-sponsorship of the Central Oahu District Science and Engineering Fair from 1995 - 1997.

(f) Sponsorship of an annual Career and Job Fair at the Mililani Technology Park to promote career and employment opportunities with high technology and other firms in the Park. The fifth annual Career and Job Fair sponsored by Castle & Cooke Properties, Inc./Mililani Technology Park was held on Oct. 4, 1997. Over 625 attended the two-hour event. 47% came from Mililani and Wahiawa, 27% from leeward Oahu, 19% from Honolulu, 4% from the North Shore, 2% from windward Oahu and 1% miscellaneous (off-Oahu/P.O. Box). There were many high technology jobs offered such as EECAD supervisor, electrical and mechanical engineer, and networking controller.

The sixth annual Career and Job Fair was held on September 26, 1998, with an attendance of 290 people. 48% came from Mililani and Central Oahu, 24% from Leeward Oahu, 19% from Honolulu; 3% from the North Shore and 3% from Windward Oahu. Another 3% gave post office boxes or no zip codes. Jobs were available for data processing programmers and analysts, credit account representatives, sales & service representatives, telemarketing representatives, instructors and assistants. The High Technology Development Corporation provided its Hawaii High Tech Job Link listing of available high technology positions in Hawaii.

(g) Support for the creation of Enterprise Zones in the State, including the Mililani Technology Park, which involved providing input/testimony on both the City and State levels. The legislature voted to pass a bill which expands the type of jobs allowed in Enterprise Zones. Qualified businesses which locate in Mililani Technology Park will have, among other benefits, GET exemptions, income tax credits and real property tax breaks.

(h) Past participation as a board member (Lucien Wong, former CCPI Commercial Division President) of the Oahu Economic Development Board to promote Honolulu as a location to do business, especially as a hub linking the Pacific Rim nations. Past contacts have included Motorola, Booz, Allen & Hamilton, Advanced Technology Group, and VISA.

(i) Formation of the Technology Council with Lucien Wong as the Council's first co-chair and Gregg Matsuura, former CCPI Senior Project Manager as past chair. The Council is an organization formed by the Oahu Economic Development Board comprised of both public and private parties interested in technology, with the mission of expanding and promoting technology jobs in Hawaii. It has provided valuable input in producing an award-winning video to market high tech activities in Hawaii to businesses outside of the State.

The Technology Council has formulated marketing plans and served as a business attraction organization for Oahu. The Technology Council has met continuously on a monthly basis to further high tech job creation in Hawaii. It is a private sector-driven organization for business attraction and expansion. Public section participation has been by the Department of Business, Economic Development & Tourism, the High Technology Development Corporation, the University of Hawaii and the East-West Center.

(j) Castle & Cooke is one of the founding sponsors of The Hawaii Technology Trade Association, the State's first private organization whose sole purpose is to foster and facilitate a healthy business, financial, educational and government environment for the technology industry in Hawaii.

Further information regarding Condition #1 has been submitted with prior annual reports to the LUC for Phase I.

Condition #2.

Petitioner shall develop a management plan for the high technology park. The management plan shall include provisions for overall management responsibility by Petitioner or an ongoing management corporation.

Comment:

The management plan for the Mililani Technology Park is found in the extensive Covenants, Conditions and Restrictions (CC&Rs) which run with the land. The CC&Rs were recorded in January 1988. Under the CC&Rs, the actual operation of the Mililani

Technology Park is in the hands of the Mililani Technology Park Association, a non-profit corporation. Every owner of an annexed lot in Phase I of the Park is a member of the Association. The Association enforces the CC&Rs which govern the Park's quality, including design requirements and the control of hazardous wastes. A copy of the CC&Rs was made a part of the record in Docket No. A83-551 in support of the motion filed by CCPI on November 15, 1990 to amend the order and to approve Phase II for incremental redistricting. Pursuant to the LUC order approving Phase II, and the County zoning Ordinance 92-64, these CC&Rs cannot be amended without the prior approval of the LUC and County Department of Planning and Permitting (formerly known as the DLU). Copies of the First and Second amendments were included in the 1996 Annual Report to LUC; the Third Amendment was included in the 2007 Annual Report; the Fourth Amendment was included in the 2010 Annual Report; the Fifth Amendment was included in 2011 Annual Report, and the Sixth Amendment is included with the 2017 annual report relating to the Phase I Property submitted to the LUC contemporaneously with this report.

Condition #3.

Petitioner shall cause 142 acres of former Oahu Sugar Company Limited's cane fields to be replanted in pineapple at Waiawa, Oahu, by Dole Processed Foods Company to replace an equivalent amount of the acreage removed from pineapple production for development of the Property.

Comment

Condition #3 was satisfied as evidenced in the LUC order approving Phase II through replanting of pineapple at the Waiawa Field No. 4113 by Dole Processed Fruits Companies; the replanting was completed on July 2, 1985.

Condition #4.

Petitioner shall obtain a water development permit from the State of Hawaii Board of Land and Natural Resources to withdraw adequate water for the project from the Pearl Harbor Groundwater Control Basin.

Comment

Water for the Park is being provided by the Board of Water Supply (BWS), which has approved CCPI's construction plans for the Phase I water system consisting of a waterline from Wahiawa to the Park, an expansion of the water supply at the BWS's "Wahiawa Wells II" project, and the construction of two new pipelines and a 1.5 million gallon reservoir at the eastern end of the Park. HTDC will be responsible for constructing

additional waterlines and reservoirs as needed for the Phase II Property and in accordance with BWS standards.

Condition #5.

Petitioner shall maintain development covenants, conditions, and restrictions to maintain an attractive location for high technology companies and users. Any proposed amendment to the development covenants, conditions, and restrictions shall be subject to approval by the Office of State Planning and the City and County of Honolulu, Department of Land Utilization.

Comment

The existing development covenants, conditions, and restrictions discussed in Condition #2 remain in place at the Mililani Technology Park.

Condition #6.

Petitioner shall participate in the funding and construction of regional traffic improvements, on a pro rata basis, determined by the State Department of Transportation.

Comment

The State Department of Transportation made no specific requests for CCPI to participate in the funding of regional traffic improvements in the past year. HTDC is responsible for participating on a fair share basis at the appropriate time if there is an appropriate request to the extent relating to the development of the Phase II Property.

Condition #7.

Petitioner shall fully coordinate the project with other planned projects in the area. Petitioner shall submit all reports and plans as may be required by and to the satisfaction of the State Department of Transportation.

Comment

CCPI worked with Towne Development of Hawaii, Inc. to coordinate the infrastructure necessary for its housing projects in the gulch below the Mililani Technology Park, and for CCPI's development needs. The traffic studies completed by CCPI relating to its projects have been shared with Towne Development of Hawaii, Inc. and were also submitted to the State Department of Transportation. HTDC will be responsible to continue to

communicate and work together with other planned projects in the area and to submit reports and plans as required by and to the satisfaction of the State Department of Transportation in respect of development of the Phase II Property.

Condition #8.

Petitioner shall fund and implement the following prior commitments at such time as deemed appropriate by the State Department of Transportation:

a. *Construction of a second bridge to carry traffic over the H-2 freeway in addition to the existing bridge. This new bridge would serve eastbound vehicular traffic headed toward the Mililani Technology Park.*
b. *Widening of all approaches to the Kamehameha Highway intersection with the access road.*
c. *Provision of additional traffic lanes for southbound and northbound vehicles entering and departing the H-2 freeway.*

Comment

This obligation has been assumed by HTDC, and when the State Department of Transportation deems it appropriate, this obligation will be performed by HTDC to the extent relating to the development of the Phase II Property. Finding of Fact No. 22 of the LUC Phase II Decision and Order dated June 3, 1991 indicates that based on traffic studies which have been done, the State Department of Transportation may request the above traffic improvements when employment at the Mililani Technology Park (inclusive of Phase I and Phase II) reaches 5,000 full-time employees. The current population of the Mililani Technology Park is approximately 1,207 full-time workers. In addition, HTDC will continue to be responsible to work with Towne Realty/Towne Development of Hawaii, Inc. to coordinate fair participation in these obligations.

Condition #9.

Petitioner shall coordinate with the City and County of Honolulu and the State Department of Health regarding the establishment of appropriate systems to contain spills and prevent materials associated with industrial uses such as petroleum products, chemicals or other pollutants, from leaching or draining into the storm drainage systems and adversely affecting the groundwater.

Comment

The Mililani Technology Park has a set of hazardous materials guidelines which tenants and lot owners of the Park are subject to. These guidelines have been submitted to the Department of Health (copies of letters dated July 3, 1991, August 27, 1991 and January 9, 1992 between CCPI and the Department of Health were attached to the Phase II annual report to the LUC dated August 17, 1992).

Condition #10.

Petitioner shall comply with the requirements of the State Department of Health and the City and County of Honolulu Department of Public Works with respect to the installation of the sewage system in respect of the project to be developed on the Phase II Property.

Comment

Sewer improvements for the development of the entire Phase I were designed and construction by CCPI, and approved by the Department of Wastewater Management at various phases of Park development.

At such time as the installation of new sewage infrastructure is needed for the development of the Phase II Property, HTDC will be responsible to comply with and coordinate with the appropriate state and county agencies.

Condition #11.

Petitioner shall participate in an air quality monitoring program as specified by the State Department of Health.

Comment

As reported in the 1993 annual report, Petitioner has developed an air quality monitoring plan (attached to the 1993 annual report) which was submitted to the State Department of Health ("DOH") for its approval which is still pending. Since the 1993 annual report, Castle & Cooke Homes Hawaii, Inc. ("CCHHI"), with whom CCPI worked on the monitoring the plan, recommended to DOH that a comprehensive regional monitoring program may be more meaningful as set forth in its letter dated November 23, 1993. HTDC will be responsible to participate with other developers to the extent relating to development of the Phase II Property. A copy of the correspondence, including CCPI's letter to the DOH were included with the 1996 annual report to LUC. Wilfred Nagamine of DOH indicated in his letter dated May 16, 1994 that DOH does not routinely require air

quality monitoring but an air quality analysis should be performed. A copy of the Air Quality Analysis dated May 18, 2000 prepared by Brewer Environmental Industries was included with the 2000 annual report to LUC.

Condition #12.

Storage and/or disposal of hazardous wastes shall be approved by the Department of Health prior to their establishment on the Property.

Comment

The Mililani Technology Park has established a set of hazardous materials guidelines which all tenants and lot owners of the Mililani Technology Park are subject to. These guidelines have been submitted to the Department of Health.

Condition #13.

Petitioner shall implement effective soil erosion and dust control measures during all phases of the development of the Phase II Property.

Comment

HTDC will be responsible to include soil erosion and dust control measures in all future phases of development of the Phase II Property.

Condition #14.

Petitioner shall fund and install the necessary number of emergency siren units (including infrastructure) within the development area to the satisfaction of the State Office of Civil Defense.

Comment

As reported in the Phase II annual report dated August 17, 1992, with the accompanying letter submittals dated August 1, 1991 from the State Director of Civil Defense and August 12, 1991 from Mililani Technology Park to the Director of Civil Defense, CCPI has been informed by the Director of Civil Defense that two emergency siren units should be placed within the Mililani Technology Park. The first of these sirens has been installed and is operating. HTDC will be responsible for locating the second siren in Phase II of the Mililani Technology Park at such time as HTDC develops the Phase II Property.

Condition #15.

Petitioner shall develop the Property in substantial compliance with representations made to the Land Use Commission in obtaining the reclassification of the Property. Noncompliance shall result in reversion of the Property to its former classification, or change to a more appropriate classification.

Comment

HTDC will be responsible for compliance in respect of the development of the Phase II Property.

Condition #16.

Petitioner shall give notice to the Land Use Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interest in the subject property covered by the approved application, prior to development of the Property.

Comment

As stated in the Overview above, all of the Phase II Property was sold and conveyed to HTDC on August 4, 2017. This report constitutes notice to the LUC of the sale of the Phase II Property to HTDC prior to the development of the Phase II Property. The sale and conveyance of the Phase II Property to HTDC, and HTDC's assumption of responsibility for observance and performance of the Phase II conditions, is confirmed in a letter to the LUC dated October 9, 2017 from Roberta L.K. Melton, Executive Director and CEO of HTDC, a copy of which is enclosed with this 2017 annual report.

Condition #17.

Petitioner shall submit annual reports to the Land Use Commission, the Office of State Planning and the City and County of Honolulu, Department of General Planning in connection with the status of the subject project and Petitioner's progress in complying with the conditions imposed.

Comment:

This report is intended to meet the requirements of this condition in respect of the status of the Phase II project and progress in complying with conditions imposed on the development of the Phase II Property. Copies will be transmitted to the other agencies

cited in the condition. Future annual reports in respect of the Phase II Property will be submitted to the LUC and such other agencies by HTDC.

Condition #18.

These conditions may be fully or partially released by the Land Use Commission as to all or any portion of the subject properties upon timely motion and the provision of adequate assurance of satisfaction of these conditions by Petitioner.

Comment

HTDC will submit the appropriate motions at the appropriate time to release conditions imposed by the Phase II Decision and Order which have already been satisfied.

Please call the undersigned at 548-3714 if you require any additional information.

Sincerely,

CASTLE & COOKE PROPERTIES, INC.

Christopher M. Lovvorn
Vice President – Commercial Operations

Enclosures
cc: City and County of Honolulu Department of Planning and Permitting
Department of Business, Economic Development & Tourism at luc@dbedt.hawaii.gov

htdc

Hawaii Technology Development Corporation
2800 Woodlawn Dr, Ste 100 | 808-539-3806
Honolulu, Hawaii 96822 | www.htdc.org

October 9, 2017

Daniel Orodenker
Executive Officer
State of Hawaii Land Use Commission
P.O. Box 2359
Honolulu, Hawaii 96804

RE: Docket No. A83-551
Mililani Technology Park (**Increment II**)
Hawaii Technology Development Corporation Confirmation of Purchase of Increment II Property and Assumption of LUC Conditions

Dear Mr. Orodenker:

This confirmation letter is being submitted to the State of Hawaii Land Use Commission ("LUC") together with the 2017 annual report to the LUC for the Mililani Technology Park Increment II property, submitted by Castle & Cooke Properties, Inc. ("CCPI") pursuant to condition #17 set forth in Findings of Fact, Conclusions of Law and Decision and Order dated June 3, 1991 in Docket No. A83-551 ("Phase II Decision and Order") relating to the Increment II property of the Mililani Technology Park ("Phase II Property").

Hawaii Technology Development Corporation (formerly known as High Technology Development Corporation) ("HTDC") hereby confirms to the LUC that as noted in CCPI's 2017 annual report:

1. On August 4, 2017, HTDC purchased from CCPI all of the approximately 135 acres of Phase II Property covered by the Phase II Decision and Order;
2. HTDC agreed to assume, perform, satisfy and comply with all of the conditions, obligations and restrictions relating to the ownership, use and development of the Phase II Property under State land use and County zoning conditions applicable to the Phase II Property, including the conditions set forth in the Phase II Decision and Order; and
3. HTDC intends to develop the Phase II Property as a First Responder Tech Campus.

I may be contacted at 539-3601 if you require additional information or would like to discuss this matter.

Sincerely,

Roberta L. K. Melton
Executive Director & CEO