

CARLSMITH BALL LLP

JENNIFER A. LIM 8357  
DEREK B. SIMON 10612  
ASB Tower, Suite 2100  
1001 Bishop Street  
Honolulu, HI 96813  
Tel No. 808.523.2500  
Fax No. 808.523.0842

LAND USE COMMISSION  
STATE OF HAWAII

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Attorneys for Petitioner  
KAPOLEI PROPERTIES LLC  
f/k/a Kapolei Property Development LLC

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of

KAPOLEI PROPERTY DEVELOPMENT,  
LLC

To Amend the Agricultural Land Use District  
Boundary Into The Urban Land Use District  
for Approximately 344.519 Acres Of Land At  
'Ewa, O'ahu, Hawai'i, Tax Map Keys: 9-1-014:  
Por. 33, 34, And 35 And 9-1-15: Por. 20

DOCKET NO. A06-763

PETITIONER'S MOTION FOR  
EXTENSION OF TIME TO COMPLETE  
PROJECT AND TO CHANGE  
PETITIONER'S NAME AND AMEND  
CAPTION; MEMORANDUM IN  
SUPPORT OF MOTION; AFFIDAVIT OF  
STEPHEN H. KELLY; EXHIBITS A - M;  
CERTIFICATE OF SERVICE

**PETITIONER'S MOTION FOR EXTENSION OF TIME TO COMPLETE PROJECT  
AND TO CHANGE PETITIONER'S NAME AND AMEND CAPTION**

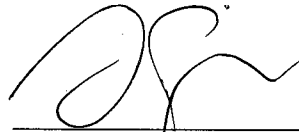
**I. RELIEF SOUGHT**

Petitioner KAPOLEI PROPERTIES LLC, formerly known as Kapolei Property Development LLC ("**Petitioner**"), by and through its legal counsel CARLSMITH BALL LLP hereby respectfully requests that the STATE OF HAWAII LAND USE COMMISSION ("**Commission**"): (1) issue an order modifying the Commission's *Findings of Fact, Conclusions of Law, and Decision and Order* filed November 20, 2007, to amend Condition No. 17 to allow additional time to complete the backbone infrastructure for the project; and (2) formally recognize Kapolei Properties LLC as the petitioner in Docket No. A06-763 and grant leave to

amend the caption to reflect the same. Pursuant to § 15-15-70(c), of Title 15, Subtitle 3, Chapter 15 of the Hawai'i Administrative Rules ("HAR"), Petitioner requests a hearing on this Motion.

## II. **GROUND FOR MOTION**

This Motion is made pursuant to Chapter 205, Hawai'i Revised Statutes and HAR §§ 15-15-70, 15-15-79, and 15-15-94, the other authorities and arguments stated in the attached Memorandum in Support of Motion, and the pleadings and files herein.



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JENNIFER A. LIM  
DEREK B. SIMON

Attorneys for Petitioner  
KAPOLEI PROPERTIES LLC

Dated: Honolulu, Hawai'i, August 8, 2018.



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MEMORANDUM IN SUPPORT OF  
MOTION FOR EXTENSION OF TIME TO  
COMPLETE PROJECT AND TO  
CHANGE PETITIONER'S NAME AND  
AMEND CAPTION

**MEMORANDUM IN SUPPORT OF MOTION**

**I. INTRODUCTION**

On November 20, 2007, the State of Hawaii Land Use Commission (the "**Commission**") reclassified approximately 344.519 acres of land situate at 'Ewa, O'ahu, Hawaii, then-identified by Tax Map Key Nos. (1) 9-1-014:033 (por.), 034 (por.), 035 (por.), and (1) 9-1-015:020 (por.) (the "**Petition Area**"), from the State Land Use ("**SLU**") Agricultural District into the SLU Urban District and issued its *Findings of Fact, Conclusions of Law, and Decision and Order* (the "**D&O**").

At the time of the D&O, the name of Petitioner was Kapolei Property Development LLC ("**KPD**"). The company's name was formally changed to Kapolei Properties LLC ("**Petitioner**") as of June 6, 2013, when the Articles of Amendment to Change Limited Liability Company Name was filed with the State of Hawaii Department of Commerce and Consumer Affairs. A certified copy of the Articles of Amendment is attached hereto as Petitioner's **Exhibit A**.

At the time of the D&O, the Petition Area was owned by three entities, KPD, Aina Nui Corporation, a Hawaii corporation ("**ANC**"), and James Campbell Company LLC ("**JCC**"). KPD and ANC were affiliate entities to JCC, which is the related company that was formed after the effective termination of the Estate of James Campbell.

Petitioner sought the reclassification for the development of Kapolei Harborside (the "**Project**"), which is a 361-acre industrial and commercial project surrounded by similar uses (approximately 16.5 acres of the Project site are outside of the Petition Area and within previously existing SLU Urban District lands). The Petition Area is adjacent to the Kalaeloa Barbers Point Harbor ("**Kalaeloa Harbor**") in Kapolei.

The Commission imposed 23 conditions of approval (the "**D&O Conditions**") upon the reclassification. D&O Condition No. 17 provides:

Petitioner shall complete the buildout of the Project, including completion of the backbone infrastructure consisting of Hanua Street improvements, drainage improvements, and sewer improvements by December 31, 2018.

Petitioner has taken numerous and significant steps toward development of the Project, but the on-site backbone infrastructure will not be completed by December 31, 2018. Based upon market conditions and the monumental scale of off-site infrastructure to support the Project, as more fully discussed herein, Petitioner anticipates completion by 2035, and therefore respectfully requests an amendment to D&O Condition No. 17 as follows:

Petitioner shall complete the buildout of the Project, including completion of the backbone infrastructure consisting of the State Harbor Access Road, ~~Hanua Street improvements~~, drainage improvements, and sewer improvements by December 31, 2035 2018.

Petitioner also requests formal recognition of Kapolei Properties LLC as the petitioner in Docket No. A06-763, and an amendment to the caption to reflect this change in name. As a housekeeping measure, Petitioner also asks that the Commission update and amend the reference to "Hanua Street improvements" in Condition No. 17 to the currently recognized name of the "State Harbor Access Road."

## **II. BACKGROUND**

### **A. The Project**

The Project will provide a mix of industrial and commercial uses, including wholesaling and distribution, storage and warehousing, general manufacturing, and office, retail, and industrial uses across approximately 250 acres of industrial lots. D&O Finding of Fact ("**FOF**")

¶48. The remaining acreage will be used for drainage improvements, roadways, and other utilities. A 6-acre preservation area has been established within the Petition Area to protect a collection of coral sinkholes. *Id.*

B. **Petition Area: Past & Current Uses**

The Petition Area consists of 344.519 acres of land and is only suited for Urban District uses. Prior to the 2007 reclassification, the Petition Area was an agricultural remnant surrounded by existing and planned urban development. D&O FOF ¶78. Full-time agricultural uses within the Petition Area ended in 1995 after O'ahu Sugar Company, Ltd. stopped its sugarcane cultivation operation within an approximately 145-acre portion of the Petition Area. *Id.* at ¶39. The Commission determined that the soils within the Petition Area are poorly suited for agricultural purposes. *See id.* at ¶¶44-46.

Industrial activities were taking place within the Petition Area even prior to the 2007 reclassification. Over 200 acres of the Petition Area were previously used for coral stockpiling and mining operations related to the dredging of Kalaeloa Harbor, and for the manufacture of cement and concrete products. The Petition Area also includes sites with waste and/or hazardous materials resulting from past on-site and off-site activities.

The Hawaiian Western Steel Waste Site contains a 7-acre asphalt capped containment area within a 12.845-acre parcel (Lot 14085), located in the southern portion of the Petition Area. Between 1970 and 1986, the Hawaiian Western Steel company used portions of the site for the disposal of hazardous material generated from the conversion of scrap metal into steel reinforcement bar (rebar). This site was capped consistent with a 1992 United States Environmental Protection Agency ("EPA") administrative order, which also ordered waste from other sites to be consolidated into the Hawaiian Western Steel Waste Site. In the time since the approval of the D&O, this former hazardous waste area has been repurposed into the Kapolei Sustainable Energy Park solar facility, which was developed within the Petition Area in 2011.

An approximately 5-acre area formerly affected by a hydrocarbon plume from a petroleum release that migrated from the adjacent Island Energy Services (fka Chevron) refinery is located in the south/west corner of the Petition Area. This site was remediated with oversight

from the EPA Region 9 and the State of Hawai'i Department of Health ("DOH") between 1998 and 2000, while natural bioattenuation of the hydrocarbon plume also occurred. In 2014, DOH concurred with the refinery operator that no further investigations of the hydrocarbon plume were warranted.

In close proximity to the hydrocarbon plume site is the approximately 2-acre Malakole Waste Pile. This area consists primarily of steel-reinforced concrete rubble, plastic sheeting, truck and heavy equipment tires, wood, and miscellaneous metallic debris, and was addressed in Environmental Site Assessments done in 2012 and 2014. In 2017, DOH determined that no further action for this site was required beyond following the measures specified in an Environmental Hazard Management Plan approved for the site.

The General Preservation (P-2) zoned portion of the Petition Area is a 6-acre coral sinkhole preserve containing paleontological deposits. Petitioner re-fenced the Preserve in 2008. On August 13, 2008, an event was held in conjunction with the Conservation Council for Hawaii to formally dedicate the preserve as the *Alan C. Ziegler Preserve*. A plaque commemorating the naming was placed on the property. Petitioner will continue to take the necessary steps to ensure the preservation of this area, and ultimately intends to transfer ownership of the preserve to the State Department of Land and Natural Resources ("DLNR") for inclusion within the Natural Area Reserve System once the property is subdivided.

In addition to these specific areas and uses, most of the remainder of the Petition Area has been heavily disturbed through various grading, excavation and stockpiling activities, past quarrying and agricultural uses, and utility easements, roadway corridors, and interim industrial uses.

There are several industrial activities occurring within the Petition Area. Portions of the Petition Area have been used as interim construction baseyards and laydown areas on an as-needed basis by local contracting firms. Current industrial and active construction activities occurring within the Petition Area include mass grading and excavation, including excavation related to a future regional drainage channel. The excavated material is either stockpiled on-site for later use or used as fill material onsite or for other projects in the region.

Where required, all grading operations are conducted pursuant to National Pollution Discharge Elimination System permits to protect regional surface and groundwater resources, minimize infiltration and runoff from construction and vehicle operations, and reduce or eliminate soil erosion and ground water pollution, as required by DOH and the City & County of Honolulu Department of Planning and Permitting ("**DPP**"). In addition, dust control Best Management Practices are incorporated into grading operations, as required by DOH and DPP.

As previously mentioned, an approximately 13-acre portion of the Petition Area contains the 1.18 megawatt solar energy facility, the Kapolei Sustainable Energy Park. The Petition Area also includes areas leased for green waste processing by Menehune Green and the Kanu Farms nursery. Utility easement corridors, including several fuel transmission lines and a coal transport conveyor system, high voltage overhead powerlines, and the semi-improved extension of Hanua Street, cross the Petition Area. Petitioner and the Honolulu Authority for Rapid Transportation entered into an option agreement in 2014 to make use of 35-acres of the Petition Area for a concrete pre-casting facility.

### **III. Land Use Designations and Conformance**

The Petition Area is entirely surrounded by SLU Urban District lands. *See* Petitioner's **Exhibit B** attached hereto. It is bounded on the east, west and south by existing industrial uses, including the James Campbell Industrial Park, Kapolei Business Park Phases 1 and 2, Malakole Industrial Park, Kapolei Business Park West, Kenai Industrial Park and Kalaeloa Harbor. The Kapolei West master-planned community is to the north of the Petition Area. *Id*; *see also* D&O FOF ¶¶34, 37. The State of Hawai'i Department of Transportation ("**DOT**") Kalaeloa Harbor, including port operational and laydown facilities and an area that DOT Harbors Division leases to Grace Pacific for an asphalt batch plant, is immediately to the west of the Petition Area.

The Petition Area is within the Community Growth Boundary for 'Ewa and the Secondary Urban Center under the O'ahu General Plan ("**General Plan**") and the 'Ewa Development Plan (the "**Ewa DP**"), the latter of which was updated and unanimously adopted by the Honolulu City Council on July 10, 2013 (Ordinance 13-26). At the time of the D&O, the Petition Area was also within the Community Growth Boundary for 'Ewa and the Secondary Urban Center under the General Plan. Under the 'Ewa, DP the Petition Area was designated

"Industrial" and identified as an area for future urban growth. FOF ¶¶61, 170.

The 'Ewa DP, as updated in 2013, reaffirms 'Ewa's "key role in implementing the directed growth policies of the General Plan of the City and County," and "amplifies how that role can be accomplished." 2013 'Ewa DP at 1-1. To this end, the 2013 'Ewa DP identifies the Petition Area as part of the Barbers Point Industrial Area, which the 2013 'Ewa DP recognizes "as one of O'ahu's and the State's most important industrial areas." *Id.* at 5-30.

The policies and guidelines under the 2013 'Ewa DP include developing the northern parts of Kapolei Business Park, Kapolei Harborside, and any Kalaeloa lands designated for industrial use for light industrial uses or compatible commercial uses, to provide a transition between heavy industry at Campbell Industrial Park and the City of Kapolei. *See* 2013 'Ewa DP at 5-30. The Project remains consistent with these land use designations, which form a key economic component of the 'Ewa DP and the O'ahu General Plan Secondary Urban Center directed growth public policy.

No portion of the Petition Area is within the Special Management Area. FOF ¶63. At the time of the Commission's reclassification the Petition Area was zoned Restricted Agriculture (A-1) and General Agriculture (A-2). Now, the Petition Area is zoned by the City & County of Honolulu as Intensive Industrial (I-2) and Industrial Mixed Use (IMX-1), with the 6-acre Zeigler Preserve area zoned General Preservation (P-2). A current zoning map is provided as Petitioner's Exhibit C. Petitioner obtained this industrial and preservation rezoning of the Petition Area from the Honolulu City Council through the unanimous adoption of Ordinance 08-25 in September 2008.

Under Ordinance 08-25, the Council rezoned 285.345 acres to the I-2 District, 53.441 acres to the IMX-1 District, and 6.0 acres to the P-2 District. In connection with the rezoning of the Petition Area under Ordinance 08-25, Petitioner, ANC, and JCC executed the Unilateral Agreement and Declaration for Conditional Zoning, dated September 11, 2008 (the "**Unilateral Agreement**"), which attached 8 conditions to the rezoning (the "**Rezoning Conditions**"). A copy of Ordinance 08-25 and the Unilateral Agreement is provided as Petitioner's Exhibit D.



#### IV. Petitioner's Progress in Developing the Project

Petitioner has made substantial progress in preparing and processing various plans required for the development of the Petition Area, and in constructing required infrastructure for the Project both off-site and on-site.

##### A. Preparation and Approval of Plans for the Petition Area

Petitioner has substantially commenced its use of the Petition Area in accordance with its representations to the Commission and has made significant progress on preparing infrastructure plans and obtaining approvals required for the development of the Project. Between 2008 and 2012, Petitioner prepared and received approval for several infrastructure master plans and other plans required for the development of the Project in satisfaction of the D&O Conditions and the Rezoning Conditions. Costs related to the preparation of the various plans are estimated at \$500,000.

With the exception of D&O Condition 17, Petitioner is in substantial compliance with the D&O Conditions and the Rezoning Conditions. *See* Petitioner's November 24, 2017, annual report to the Commission regarding the D&O Conditions, a copy of which is enclosed as Petitioner's **Exhibit E**; *and see* Petitioner's December 1, 2017, annual report to DPP regarding the Rezoning Conditions, a copy of which is enclosed as Petitioner's **Exhibit F**.

Based on subdivision and infrastructure planning, and consistent with the various plans and reports that have been approved by DPP, City & County of Honolulu Department of Transportation Services, and DOT, the Project is being developed in four phases (with several sub-phases), beginning in the northeastern corner of the Petition Area, and progressing southward and then westward. A Project Phasing Plan is provided as Petitioner's **Exhibit G**.

Petitioner's Regional Drainage Master Plan was approved by DPP in February of 2012, and Petitioner's Project Drainage Master Plan was approved by DPP in July of 2013. Petitioner continues working towards implementing appropriate drainage improvements in accordance with both the Regional Drainage Master Plan and Project Drainage Master Plan. Additionally, in 2016 and 2017, Petitioner coordinated and agreed with DOT to implement certain drainage improvements to facilitate DOT's development of the adjacent Kalaeloa Harbor property.

Petitioner is engaged in a multi-phase drainage improvement project consistent with the Regional Master Plan. *See generally* Exhibits E and F (Petitioner's Annual Reports).

Petitioner's Sewer Master Plan was prepared in compliance with DOH requirements and approved by DPP in October 2013. *See* Exhibit E. The City & County of Honolulu Board of Water Supply ("**BWS**") approved Petitioner's Water Master Plan in 2012. Petitioner has completed certain off-site improvements contemplated under the Sewer and Water Master Plans, and other off-site improvements are currently underway, as discussed *infra*. DPP approved Petitioner's Transit Ready Design Guidelines for the IMX-1 zoned portion of the Petition Area in March 2014.

The DLNR-State Historic Preservation Division ("**SHPD**") approved Petitioner's Archaeological Inventory Survey in February 2007. SHPD approved Petitioner's Preservation Plan for the four previously identified historic sites in August 2009. *See* SHPD approval letter enclosed as Petitioner's **Exhibit H**. The sites addressed in the Preservation Plan are: (i) Sites 6876 and 6977 (stacked stone habitations eligible under Criterion D), located in the most north/western tip of the Petition Area; (ii) Site 6878 (numerous sinkholes eligible under Criterion D and E), located within the P-2 zoned area within the Petition Area; and (iii) Site 9714 (the Oahu Rail & Land ("**OR&L**") right of way, eligible under Criterion A, B, C, and D), abutting a portion of the Petition Area. No portion of the OR&L right of way is located within the Petition Area, although a small portion of the Petition Area (approximately 690 feet), in the north/east corner, abuts the right of way.

Petitioner and DOT executed the comprehensive Master Kapolei Highway Agreement (the "**MKHA**") on June 1, 2010, and a copy of the MKHA was provided to the Commission later that year. In the MKHA, Petitioner and DOT agreed on the level of funding and participation in the construction of local and regional transportation-related improvements, including the construction of a four-lane divided highway (the "**State Harbor Access Road**") and several other significant roadway projects. The parties also agreed to the location of a 2-acre truck weigh station that will be conveyed at no cost to DOT. Petitioner has completed several projects pursuant to the MKHA, as more fully discussed *infra*. In June 2018, DOT Harbors Division sent Petitioner a letter stating its intent to condemn approximately 85.6-acres of land within the

Petition Area to expand Kalaeloa Harbor. See enclosed as Petitioner's Exhibit I.

B. Petitioner's Progress on Infrastructure Development

Petitioner has substantially commenced its use of the Petition Area in accordance with its representations to the Commission, and made significant progress on constructing infrastructure systems, both off-site and on-site, required for the development of the Project.

1. Off-site infrastructure projects that directly serve the Petition Area include:

- A \$24 million regional sewer pump station and force main system that will serve the Project. Construction of these improvements, located immediately across Kalaeloa Boulevard from the Petition Area, was completed in 2018 and the pump station and system are now operated by the City & County of Honolulu Department of Environmental Services.
- The multi-phase, \$40 million, four to six lane widening and improvement of Kalaeloa Boulevard, including rebuilding and signalizing the road from Lauwiliwili Street to Malakole Street. The final phase of construction of this project was completed in 2018, and the roadway is in the process of being dedicated to the City & County of Honolulu.
- The \$11.1 million first phase of the State Harbor Access Road (fka Hanua Street), from Kapolei Parkway intersection to its future connection to the Kapolei Interchange Complex. Construction began in August 2017 and will be completed in 2018.
- The \$3.5 million design and land contributions towards Phase 3 of the Kapolei Interchange Complex. The design of this project is complete and its construction is awaiting a DOT funding election consistent with the provisions of the MKHA.<sup>1</sup>
- Construction of an off-site water storage tank to be dedicated to BWS and installation of off-site water lines, at a cost of approximately \$5 million to Petitioner, to be completed in 2019.

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<sup>1</sup> Although not directly related to the Project, Petitioner, in compliance with the MKHA, completed Kapolei Interchange Complex Phase 1 in 2011, and Phase 2 is currently under construction (and approximately 50% complete).

This off-site infrastructure supports the Project and other area developments. Therefore, not all of the approximately \$84 million spent thus far toward off-site improvements is solely attributable to the Project. Of this amount approximately \$21 million is allocated to the Project.

2. On-site infrastructure projects undertaken by Petitioner include:

- Grading of the former Hawaiian Cement quarry area. Grades within the former quarry have now been elevated to future Project grades at a cost of \$2.5 million.
- Environmental remediation and restoration efforts at two hazardous waste sites located within the Petition Area at a cost of \$2.4 million.
- Miscellaneous grading operations, including permitting and excavation of the regional drainage channel through the Petition Area. Excavation of the drainage channel is occurring over the course of several phases and is being coordinated with DOT Harbors Division to ensure functionality for its neighboring properties. Work completed to date is valued at approximately \$580,000, not including excavation undertaken by others at their expense.
- The \$6.7 million construction of the Kapolei Sustainable Energy Park solar energy generating facility by a lessee of Petitioner in 2011.

**Table 1** lists several of the permits issued by DPP for on-site development of the Petition Area, not including the building and related permits for the active solar farm at TMK No. (1) 9-1-014:035.

<b>Table 1</b>		
<b><u>Closed Permits:</u></b>	Permit Number	Expiration Date
Kapolei Harborside Grace Pacific wash pond grading permit	GP2009-05-0251	5/13/2010
Kapolei Business Park West Kiewit precast facility grading permit	GP2012-09-0487	9/21/2013
West Kalaeloa Business Park grading permit	GP2011-05-0256	5/6/2012
Kapolei Sustainable Energy Park building permit	HID982516775	1/10/2026
Kapolei Harborside Malakole area grading permit	GP2016-09-0422	9/12/2017
<b><u>Open Permits:</u></b>		
Kapolei Harborside drain channel phase 1 grading permit	GP2018-06-0259	6/25/2019
Kapolei Harborside drain channel stockpile permit	GP2018-06-0260	6/25/2019

Kapolei Harborside drain channel phase 2 grading permit	GP2017-11-0506	11/7/2018
Kapolei Business Park West grading permit	GP2018-03-0104	3/7/2019
Kapolei Harborside Hawaiian Cement restoration grading permit	GP2017-09-0417	9/19/2018
<b><u>Permits Anticipated for 2018-2019</u></b>		
HECo 138kv overhead power line relocation permits	N/A	
Kapolei Harborside drain channel phase 3 grading permit	N/A	
Kapolei Harborside drain channel phase 3A – drain pipe interconnection building and grading permits	N/A	
Kapolei Harborside drain channel phase 4 grading permit	N/A	
Kapolei Harborside west area grading permit	N/A	

**V. AMENDMENT OF D&O CONDITION NO. 17**

Petitioner respectfully requests that the Commission amend D&O Condition No. 17 to provide Petitioner with additional time to complete build-out of the backbone infrastructure for the Project. As a housekeeping measure, Petitioner also asks that the Commission update and amend the reference to "Hanua Street improvements" in Condition No. 17 to the currently recognized name of the "State Harbor Access Road." The amendments sought are as follows:

Petitioner shall complete the buildout of the Project, including completion of the backbone infrastructure consisting of the State Harbor Access Road, Hanua Street improvements, drainage improvements, and sewer improvements by December 31, 2035 2018.

**A. Applicable Rules and Statutes**

Hawai'i Administrative Rules ("HAR") § 15-15-94(c) provides that "For good cause shown, the commission may act to modify or delete any of the conditions imposed or modify the commission's order." Relatedly, HAR § 15-15-79 provides that Petitioners shall make substantial progress within a reasonable period of time. Further, Hawai'i Revised Statutes ("HRS") § 205-16 provides that "[n]o amendment to any land use district boundary nor *any other action* by the land use commission shall be adopted *unless* such amendment or *other action conforms to the Hawaii state plan.*" (Emphasis added). HAR § 15-15-94 instructs that Motions to modify conditions must be served on all parties to the original boundary amendment proceeding, and any person with a property interest in the Petition Area as recorded in the

respective County's real property tax records at the time the Motion is filed.

There is good cause to extend the timeframe for Petitioner to complete the backbone infrastructure for the Project. At considerable cost, Petitioner has made progress toward development of the Project as originally presented to the Commission. Petitioner has been timely with the filing of its Annual Reports and is timely in making this request to the Commission. In addition, an extension of time is consistent with the Hawai'i State Plan ("State Plan"). Finally, this Motion has been properly served on all necessary parties in compliance with HAR § 15-15-94.

**B. Good Cause Shown for Amending D&O Condition No. 17**

The Commission is authorized to amend the D&O upon a showing of good cause under HAR § 15-15-94(b). "The term 'good cause' has been defined to mean 'a substantial reason amounting in law to a legal excuse for failing to perform an act required by law.'" *Miller v. Tanaka*, 80 Hawai'i 358, 363, 910 P.2d 129, 134 (Ct. App. 1995) (citation omitted). "'Good cause' also 'depends upon [the] circumstances of [the] individual case, and [a] finding of its existence lies largely in [the] discretion of [the] officer or court to which [the] decision is committed.'" *Id.* at 363-64, 910 P.2d at 134-35 (citation omitted). "As a general rule, 'good cause' means a substantial reason; one that affords a legal excuse." *State v. Estencion*, 63 Haw. 264, 267, 625 P.2d 1040, 1042 (1981) (citations omitted). For the following reasons, Petitioner respectfully submits that good cause exists to amend D&O Condition No. 17 as requested.

The Petition Area is only suited for the SLU Urban District. Prior to the 2007 reclassification, the Petition Area was an Agricultural District remnant surrounded by Urban District lands. The Petition Area is heavily altered by past and current uses and development activity. It is located in the center of the City & County of Honolulu's Secondary Urban Center, the fastest growing area in the State of Hawai'i and the area designated for directed economic and employment growth for the coming decades. It is immediately adjacent to the State's second busiest commercial port. It is not a question of if the Petition Area will be fully developed; rather it is just a matter of timing, which is largely dictated by industrial market conditions.



At the time of reclassification, there was a built up and growing demand for industrial land. In 2004 total pent-up industrial property demand within the City & County of Honolulu was estimated at 73 acres. D&O FOF ¶66. Less than 2% of the available land in the City & County of Honolulu was for industrial uses. D&O FOF ¶65. Vacancy rates for industrial land in the City & County of Honolulu had gone from 3% to only 1.5% between 2002 and mid-2005. In other words, demand for new industrial space was extremely strong and growing. Rents were increasing, and the Commission recognized that without additional industrial land rents would continue to increase to the detriment of local businesses and consumers. D&O FOF ¶67. However, that was before the Great Recession.

Beginning in September of 2008, just a few months after the Honolulu City Council rezoned the Petition Area for industrial uses, the worst global financial crisis since the Great Depression of the 1930s began. The 2008 financial crisis crippled real estate markets across the globe, and few business sectors were harder hit than real estate development. Moreover, as real estate values and demand plummeted, many sources of financing for real estate development, including debt and equity financing, also disappeared. The Great Recession had a significant impact on the demand for industrial property on O'ahu.

A project of the financial magnitude of Kapolei Harborside cannot be built without appropriate market demand that allows infrastructure capital investments to be financed. Current estimates on the costs for the completion of on-site backbone infrastructure for the industrial lots range from \$215 - \$260 million, not including funds already expended. Nor should an industrial project be developed prematurely to meet a deadline detached from economic feasibility. To help estimate the appropriate timing for development of the Project, Petitioner retained Colliers International ("**Colliers**") to prepare a market assessment (the "**Market Assessment**"), a copy of which is provided as Petitioner's Exhibit J. Colliers is a leading global real estate services and investment management company with its Hawai'i office specializing in Oahu's industrial real estate market.

The Market Assessment describes how the Great Recession resulted in five years of sub-par absorption in the O'ahu industrial market. Demand for industrial property slowly began to rebound in 2012, but did not hit 2005 levels until 2015. *See* Market Assessment at 11. While the

Great Recession resulted in decreased demand for industrial property and lower rents, construction costs have nevertheless moved steadily upward since 2003. Between 2013 and 2016, warehouse construction costs in Honolulu have risen by 236% (with an average annual increase of 18%). *See* Market Assessment at 18. Increased construction costs in a climate of restrictive financing further limits the pool of developers and business owners who want to expand or relocate their businesses.

O'ahu's industrial market is now moving in a positive direction. Several planned projects were delayed through the Great Recession but are now being developed and brought to market. Adjacent industrial projects, including Kapolei Business Park Phase 1 and Phase 2, and Malakole Industrial Park, are either fully developed or nearing the sellout of industrial lots. Kapolei Business Park West is expected to bring industrial lots to market in 2018. *See* Market Assessment at 21. These projects have resulted in a supply of industrial lots that consequently delays the demand for the industrial lots at the Project.

Colliers took various market variables into consideration, including the acreage within each phase, as shown on the Project Phasing Plan, and analyzed those variables under four different demand models. Under each demand model it was assumed that Petitioner would begin site development of phase 1 (36.5 acres of IMX-1 zoned land) in 2019-2020, allowing for initial lot sales starting in 2021. Colliers' four demand models range from 2032 to 2041 for sufficient demand warranting the completion of phase 4 (the last phase of industrial lots) of the Project. From that range, Colliers estimated that the last phase of industrial lots within the Project could be warranted for delivery to market by 2035. *See* Market Assessment at 24. Although this is 16 years later than originally projected, the Market Assessment shows that the then-expected ballooning demand for industrial property with the anticipated increased rents slowed considerably in the aftermath of the Great Recession.

The estimate that the last phase of industrial land within the Project could be warranted in the available industrial land market by 2035 is a guiding consideration for Petitioner's request to extend the date in D&O Condition No. 17, backbone infrastructure completion within the Petition Area, to 2035. Although this development timeframe is different from the original proposal, the Project itself has not changed in size, scope, intensity, use or location.

Furthermore, there will be no significant effect from this change in timing, as the Petition Area and surrounding properties all continue to be planned and developed for similar industrial uses. *See, e.g., Unite Here! Local 5 v. City and County of Honolulu*, 123 Hawai'i 150, 178, 231 P.3d 423, 451 (2010). The surrounding area has not changed in any significant ways that were not contemplated when the Commission first considered the Project.

Consistent with proposed amendment to the D&O seeking an extension of time, the following is the estimated development timeframes of the Project:

<b>Table 2</b>			
<b>Project Phase</b>	<b>Approximate Acreage</b>	<b>Estimated Start of Design/Construction</b>	<b>Estimated Start of Lot Absorption</b>
Phase 1	55	2019-2020	2021-2022
Phase 2	63	2024-2025	2026-2027
Phase 3	73	2029-2030	2031-2032
Phase 4	60	2033-2034	2035-2036

C. **Petitioner Has Made Substantial Progress**

Notwithstanding the fallout from the Great Recession, and as discussed above and in Petitioner's Annual Reports, in the period since the D&O, Petitioner has prepared extensive plans for the Project, negotiated comprehensive infrastructure agreements, and obtained approvals from regulatory agencies for numerous development-related plans. As discussed in Section IV.B (Petitioner's Progress on Infrastructure Development) *supra*, approximately \$96 million has been invested toward the development of the Project, with approximately \$84 million directed to off-site infrastructure in support of the Project and other area developments, and approximately \$12 million is attributable to on-site work.

D. **Amending the D&O Condition is in Compliance With the State Plan**

HRS § 205-16 provides that no action by the Commission shall be adopted unless the action conforms to the State Plan. The State Plan is a comprehensive guide for the future long-range development of the State of Hawai'i. The requested amendment of D&O Condition No. 17 is consistent with applicable goals, objectives and policies of the State Plan, HRS Chapter 226.

The State Plan identifies the goals, objectives, policies, and priorities for the State of Hawai'i, provides a basis for allocating limited resources, and seeks to improve coordination between Federal, State and County agencies. The Commission has already determined that the reclassification of the Petition Area to allow for the development of the Project was in conformance with the State Plan. *See* D&O FOF ¶171. The Commission found that the reclassification of the Petition Area supported the State's objectives and policies related to the economy, jobs, and the wellbeing and quality of life of people in the 'Ewa region. *Id.* The Commission also found that the Project was consistent with the State Plan's goals regarding directing population growth to places that provide people an opportunity to pursue their economic aspirations. *See id.*

The Commission also found that the reclassification and development of the Project was appropriate because of the poor quality of the soils within the Petition Area, which "is, for the most part, marginal land for agricultural productivity." *Id.*; *see also* HRS §226-104(b)(2) ("Make available marginal or nonessential agricultural lands for appropriate urban uses while maintaining agricultural lands of importance in the agricultural district."). The Commission further found that the reclassification conformed to the State Employment and Transportation Functional Plans. FOF ¶172. The requested amendment of D&O Condition No. 17 will merely further Petitioner's ability to develop the Project as previously approved, and therefore conforms to the State Plan, as well as the City & County of Honolulu General Plan, the 'Ewa DP, and Ordinance 08-25 that codified the rezoning of the Petition Area for industrial uses.

E. **The Motion Was Properly Served**

Pursuant to HAR § 15-15-94, Petitioner must serve a copy of this Motion "on all parties to the boundary amendment proceeding in which the condition was imposed or in which the order was issued, and to any person that may have a property interest in the subject property as recorded in the county's real property tax records at the time that the motion is filed." This Motion was properly served.

The Petition Area is currently owned by Petitioner (as to 327.833 acres) and KSEP LLC (as to 12.845 acres), which is a Hawai'i limited liability company managed by ANC. In addition, a 3.841-acre portion of the Petition Area (the "**Return Parcel**") is temporarily held by

Oceanwide Resort Community HI LLC ("**Oceanwide**").<sup>2</sup>

Oceanwide is not an affiliate of any of the Campbell entities. Oceanwide acquired a 79.404-acre parcel designated as TMK No. (1) 9-1-014: 041 from ANC in October 2016. A 3.841 acre portion of the Petition Area (the "**Return Parcel**") is within the far eastern corner of said Parcel 041. Because it was not a subdivided lot at the time that Oceanwide acquired Parcel 041, Oceanwide's acquisition of Parcel 041 included the Return Parcel. As required under the purchase contract between Oceanwide and ANC, this Return Parcel will be re-conveyed from Oceanwide to Petitioner upon completion of subdivision at Land Court. Oceanwide's participation in this matter is limited to providing fee owner authorization to Petitioner. It is understood between Petitioner and Oceanwide that any rights and duties related to the Return Parcel arising under this Motion shall be the responsibility of Petitioner, as the future owner of the Return Parcel, and not Oceanwide.

Final Subdivision Approval for the Return Parcel was issued by DPP on February 23, 2018. See enclosed as Petitioner's **Exhibit K** the DPP-approved Land Court map showing the subdivision of Lot 18250-B from the larger (66.329-acre) Lot 18250-A. The subdivision of Lot 18250 into Lots 18250-A and 18250-B must now be processed through Land Court before the Return Parcel (Lot 18250-B) can be re-conveyed to Petitioner. Petitioner expects to complete the re-conveyance by year-end 2018.

<sup>2</sup> Ownership of the Petition Area at the time of the D&O and lot designations, and current ownership and lot designations, as well as lessees within the Petition Area, are shown in Table 3.

Table 3			
TMK	Land Court Lot	Area	Ownership
<b>Ownership and lot designations as of November 2007</b>			
9-1-014: 033 (por.)	Lot 14082 (por.)	137.529	KPD/ANC
9-1-014: 034	Lot 16914 (por.)	19.947	KPD/ANC
9-1-014: 035	Lot 14085	12.845	JCC
9-1-015: 020 (por)	Lot 16914 (por.)	174.198	KPD/ANC
Total		344.519	
<b>Current ownership and lot designations</b>			
TMK	Land Court Lot	Area	Ownership
9-1-014: 042 (por.)	Lot 18251	327.833	Kapolei Properties LLC
9-1-014: 035	Lot 14085	12.845	KSEP LLC (Lessee - Gatehouse Solar, LLC)
9-1-014: 041 (por)	Lot 18250-B	3.841 (" <b>Return Parcel</b> ")	Oceanwide Resort Community HI LLC
Total		344.519	

Petitioner has fee owner authorization from KSEP LLC and Oceanwide to file and process this Motion. *See* Petitioner's **Exhibit L** and **Exhibit M** attached hereto. In addition, KSEP LLC and Oceanwide have been served with this Motion.

The State Office of Planning and DPP are parties to this proceeding, and each have been served with a copy of this Motion. In addition, based on a title review of recorded interests within the Petition Area, Petitioner has served a copy of this Motion on all persons with a recorded interest in the Petition Area.

**VI. CHANGE OF NAME AND AMENDMENT OF CAPTION**

On June 1, 2013, Petitioner legally changed its name from Kapolei Property Development LLC to Kapolei Properties LLC. Kapolei Properties LLC is a wholly-owned affiliate company of the James Campbell Company LLC based in Kapolei, Hawai'i. The 2013 change of name is reflected in the State of Hawai'i Department of Commerce and Consumer Affairs filings. *See* Petitioner's Exhibit A. Accordingly, Petitioner respectfully requests that the Commission formally recognize Kapolei Properties LLC as the petitioner in Docket No. A06-763 and grant leave to amend the caption to reflect the same.

**VII. SUMMARY AND CONCLUSION**

Based on the foregoing, HAR §§ 15-15-70, 15-15-94, and the records and files in this Docket, Petitioner respectfully requests that the Commission: (1) issue an order modifying the D&O to amend D&O Condition No. 17 to provide Petitioner until December 31, 2035 to complete the backbone infrastructure for the Project; and (2) formally recognize Kapolei Properties LLC as the petitioner in Docket No. A06-763 and grant leave to amend the caption to reflect the same.





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JENNIFER A. LIM  
DEREK B. SIMON

Attorneys for Petitioner  
KAPOLEI PROPERTIES LLC

Dated: Honolulu, Hawai'i, August 8, 2018

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition Of

**KAPOLEI PROPERTY DEVELOPMENT,  
LLC**

To Amend the Agricultural Land Use District  
Boundary Into The Urban Land Use District  
for Approximately 344.519 Acres Of Land At  
'Ewa, O'ahu, Hawai'i, Tax Map Keys: 9-1-014:  
Por. 33, 34, And 35 And 9-1-15: Por. 20

**DOCKET NO. A06-763**

**AFFIDAVIT OF STEPHEN H. KELLY**

**AFFIDAVIT OF STEPHEN H. KELLY**

I, STEPHEN H. KELLY, being first duly sworn on oath, deposes and says:

1. I am Vice President of James Campbell Corporation, a Hawai'i corporation ("JCC"). Kapolei Properties LLC, a Hawai'i limited liability company, formerly known as Kapolei Property Development LLC ("**Petitioner**"), is a wholly-owned affiliate company of JCC.
2. Both Petitioner and JCC are affiliated companies of the James Campbell Company LLC, a Delaware limited liability company.
3. My duties as Vice President of JCC include managing activities on or related to the Kapolei Harborside project ("**Project**").
4. The Project includes 344.519-acres of land ("**Petition Area**") that is the subject the State of Hawai'i Land Use Commission's ("**Commission**") November 20, 2007, Findings of Fact, Conclusions of Law, and Decision and Order in Docket No. A06-763 ("**D&O**").
5. With respect to the Project, my responsibilities include overseeing and managing development activities related to land use approvals, planning, design, construction, sales, leasing, partnerships, and related activities.
6. I submit this affidavit in support of Petitioner's Motion for Extension of Time to Complete Project and to Change Petitioner's Name and Amend Caption ("**Motion**").

7. Petitioner owns 327.833 acres of the Petition Area.
8. Oceanwide Resort Community HI LLC owns 3.841 acres of the Petition Area. Oceanwide and JCC are under contract for Oceanwide to convey the 3.841-acre area to Petitioner upon the completion of the subdivision registration of said property at Land Court.
9. Petitioner acknowledges that any rights and duties related to the 3.841-acre area arising under the Motion will be the responsibility of Petitioner as the future owner of that property.
10. KSEP LLC, a Hawaii limited liability company affiliated with JCC, owns 12.845 acres of the Petition Area.
11. I have read the Motion and know the contents thereof, and attest that it is true to the best of my knowledge and belief.
12. Attached to the Motion as Petitioner's Exhibit A is a certified copy of the Articles of Amendment to Change Limited Liability Company Name, evidencing Petitioner's change in name from Kapolei Property Development LLC to Kapolei Properties LLC.
13. Attached to the Motion as Petitioner's Exhibit B is a graphic showing the Petition Area outlined in dashed lines, and showing that the Petition Area is surrounded by Urban District lands with existing industrial uses.
14. Attached to the Motion as Petitioner's Exhibit C is a graphic showing the Petition Area outlined in dashed lines, and showing the City and County of Honolulu zoning within the Petition Area as Intensive Industrial I-2 District, Industrial Mixed Use IMX-1 District, and General Preservation P-2 District.
15. Attached to the Motion as Petitioner's Exhibit D is a copy of City and County of Honolulu Ordinance 08-25 that rezoned the Petition Area, adopted September 24, 2008, and a copy of that certain Unilateral Agreement and Declaration for Conditional Zoning, dated September 11, 2008, and filed as Land Court Document No. 3788916, making the conditions therein run with the land.

16. Attached to the Motion as Petitioner's Exhibit E is a copy of Petitioner's most recent Annual Report to the Commission, which is dated November 24, 2017, regarding the status of Petitioner's compliance with the conditions imposed under the D&O.

17. Attached to the Motion as Petitioner's Exhibit F is a copy of Petitioner's most recent Annual Report to the Honolulu Department of Planning and Permitting, which is dated December 1, 2017, regarding the status of Petitioner's compliance with the conditions imposed under Ordinance 08-25 and the aforesaid Unilateral Agreement and Declaration for Conditional Zoning.

18. Attached to the Motion as Petitioner's Exhibit G is graphic showing the Project phasing plan, consisting of phases one through four and sub phases.

19. Attached to the Motion as Petitioner's Exhibit H is a true and correct copy of a letter from the State Department of Land and Natural Resources - State Historic Preservation Division, dated August 26, 2009, granting its approval of that certain Preservation Plan For Four Historic Properties Located in or Adjacent to Kapolei Harborside Project.

20. Attached to the Motion as Petitioner's Exhibit I is a true and correct copy of a letter to me dated June 7, 2018, from Darrell T. Young of the State of Hawaii Department of Transportation, regarding the Department's potential condemnation of approximately 85.6 acres within the Petition Area.

21. Attached to the Motion as Petitioner's Exhibit J is a true and correct copy of the report prepared by Colliers International ("**Colliers**") dated February 27, 2018, titled *Industrial Land Market Assessment for the Kapolei Harborside Project Area* ("**Market Assessment**").

22. Petitioner retained Colliers to prepare the Market Assessment in order to inform Petitioner on market conditions for industrial properties so that Petitioner could determine a reasonable timeframe for bringing the last phase of industrial lots within the Project to market.

23. Attached to the Motion as Petitioner's Exhibit K is a true and correct copy the subdivision map approved by the Department of Planning and Permitting on February 23, 2018, which

subdivision established a 3.841-acre lot, designated as Lot 18250-B, located within the Petition Area.

24. Attached to the Motion as Petitioner's Exhibit L is fee owner authorization executed by KSEP LLC (as to Lot 14085; TMK No. 9-1-014: 035), authorizing the filing and processing of the Motion.

25. Attached to the Motion as Petitioner's Exhibit M is fee owner authorization executed by Oceanwide Resort Community HI LLC (as to Lot 18250-B; TMK No. 9-1-014:041 (por.)), authorizing the filing and processing of the Motion.

26. Pursuant to the D&O, the Commission ordered, among other things, that Petitioner shall complete the buildout of the Project, including completion of the backbone infrastructure consisting of Hanua Street improvements, drainage improvements, and sewer improvements by December 31, 2018.

27. Market demand for industrial lots was reduced during the Great Recession, which started almost one year after the Commission issued the D&O.

28. The Project infrastructure will be constructed in phases, based upon the infrastructure plans prepared on behalf of Petitioner and approved by the applicable regulatory agencies.

29. Since the Commission's approval of the D&O, Petitioner has spent some \$84 million toward the development of off-site infrastructure in support of the Project. In addition, approximately \$12 million has been spent toward on-site development, and Petitioner has spent at least \$500,000 in commissioning various infrastructure master plans and other plans required for the development of the Project, and getting those plans approved by the appropriate regulatory bodies.


30. Based on the latest engineering cost estimates prepared by R.M. Towill Corporation, the current estimates on the costs for the completion of on-site backbone infrastructure for the Project range from \$215 - \$260 million, not including the funds already expended.

31. Petitioner has substantially commenced its use of the Petition Area in accordance with its representations to the Commission, and made significant progress on constructing infrastructure

systems, both off-site and on-site, required for the development of the Project. Petitioner cannot complete development of the Project by December 31, 2018. Petitioner will need at least until December 31, 2035, to complete Project infrastructure.

I declare under the penalty of perjury that the foregoing is true and correct.

EXECUTED: Honolulu, Hawai'i, August 8, 2018.

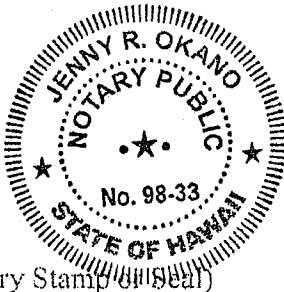
  
STEPHEN H. KELLY

Vice President  
JAMES CAMPBELL CORPORATION



STATE OF HAWAII )  
CITY AND ) ss.  
COUNTY OF HONOLULU )

On this 8th day of August, 2018, before me personally  
appeared Stephen H. Kelly, personally known/proved to me on  
the basis of satisfactory evidence, who, being by me duly sworn or affirmed, did say that such  
person executed the foregoing instrument as the free act and deed of such person, and if  
applicable in the capacity shown, having been duly authorized to execute such instrument in such  
capacity.



(Notary Stamp or Seal)

Jenny R. Okano  
Name: Jenny R. Okano

Notary Public, State of Hawaii

My commission expires: 1/20/2022

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Affidavit of Stephen H. Kelly

Document Date: August 8, 2018

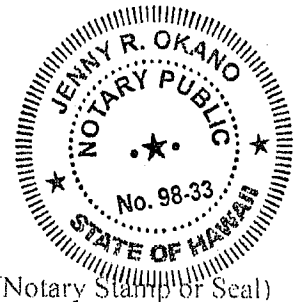
No. of Pages: 6

Jurisdiction (in which notarial act is performed): First Circuit

Jenny R. Okano  
Signature of Notary

August 8, 2018  
Date of Notarization and  
Certification Statement

Jenny R. Okano  
Printed Name of Notary



(Notary Stamp or Seal)

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition Of

KAPOLEI PROPERTY DEVELOPMENT,  
LLC

To Amend the Agricultural Land Use District  
Boundary Into The Urban Land Use District  
for Approximately 344.519 Acres Of Land At  
'Ewa, O'ahu, Hawai'i, Tax Map Keys: 9-1-014:  
Por. 33, 34, And 35 And 9-1-15: Por. 20

DOCKET NO. A06-763

CERTIFICATE OF SERVICE

**CERTIFICATE OF SERVICE**

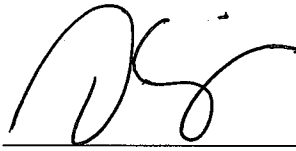
I hereby certify that service of a copy of the foregoing document was made to the  
following parties by the methods indicated, on August 8, 2018, to the addresses below:

Donna Y.L. Leong, Corporation Counsel Department of Corporation Counsel City and County of Honolulu 530 South King Street, Room 110 Honolulu, Hawaii 96813	[Via Hand Delivery]
Kathy K. Sokugawa, Acting Director Department of Planning And Permitting City and County of Honolulu 650 South King Street, 7th Floor Honolulu, Hawaii 96813	[Via Hand Delivery]
Leo Asuncion, Director Office of Planning State of Hawaii 235 South Beretania Street, 6th Floor Honolulu, HI 96813	[Via Hand Delivery]
Dawn T. Apuna, Deputy Attorney General Office of the Attorney General State of Hawaii 425 Queen Street Honolulu, Hawaii 96813	[Via Hand Delivery]

AES Hawaii, Inc. 1600 Pauahi Tower 1003 Bishop Street Honolulu, HI 96813	[Via U.S. Mail, postage prepaid]
Aloha Petroleum LLC 1132 Bishop Street, Suite 1700 Honolulu, Hawaii 96813	[Via U.S. Mail, postage prepaid]
Bradford J. Myers Aina Nui Corporation James Campbell Building, Suite 250 1001 Kamokila Boulevard Kapolei, Hawaii 96707	[Via U.S. Mail, postage prepaid]
Chevron U.S.A. Inc. 6001 Bollinger Canyon Road San Ramon, California 94583	[Via U.S. Mail, postage prepaid]
Gatehouse Hawaii Solar, LLC 5080 Cameron St Las Vegas, Nevada 89118	[Via U.S. Mail, postage prepaid]
Maggie M. H. Hamamoto Grace Pacific LLC 949 Kamokila Boulevard, Suite 100 Kapolei, Hawaii 96707	[Via U.S. Mail, postage prepaid]
John Moore Honolulu Authority for Rapid Transportation 1099 Alakea Street, 17th Floor Honolulu, Hawaii, 96813	[Via U.S. Mail, postage prepaid]
Hawaii MMGD LLC Two Newton Place 255 Washington Street, Suite 300 Newton, Massachusetts 02458	[Via U.S. Mail, postage prepaid]
Hawaiian Electric Company, Inc. Attn: Corporate Secretary P.O. Box 2750 Honolulu, Hawaii 96840	[Via U.S. Mail, postage prepaid]

Hawaiian Telcom, Inc. Legal Department P.O. Box 2200 Honolulu, Hawaii 96841	[Via U.S. Mail, postage prepaid]
IES Downstream, LLC 91-480 Malakole Street Kapolei, Hawaii 96707	[Via U.S. Mail, postage prepaid]
Milton T. Hiura James Campbell Company LLC James Campbell Building, Suite 200 1001 Kamokila Boulevard Kapolei, Hawaii 96707	[Via U.S. Mail, postage prepaid]
Kapolei Lot 16916 Holdings, VII L.L.C. 900 North Michigan Ave, Suite 1900 Chicago, Illinois 60611	[Via U.S. Mail, postage prepaid]
Kapolei Lot 16915-A Holdings, VII L.L.C. 900 North Michigan Ave, Suite 1900 Chicago, Illinois 60611	[Via U.S. Mail, postage prepaid]
Shellee Machado Kanu Farms LLC 41 984 Kakaina Place Waimanalo, Hawaii 96795	[Via U.S. Mail, postage prepaid]
Menhune Green, LLC c/o Char Sakamoto Ishii Lum & Ching 841 Bishop Street, Suite 850 Honolulu, Hawaii 96813	[Via U.S. Mail, postage prepaid]
Oceanwide Resort Community HI LLC 1099 Alakea Street, Suite 2400 Honolulu, Hawaii 96813	[Via U.S. Mail, postage prepaid]
Par Hawaii Refining, LLC 1136 Union Mall, Suite 301 Honolulu, Hawaii 96813	[Via U.S. Mail, postage prepaid]

DATED: Honolulu, Hawaii, August 8, 2018.



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JENNIFER A. LIM  
DEREK B. SIMON

Attorneys for Petitioner  
KAPOLEI PROPERTIES LLC

FILED 06/03/2013 08:16 AM  
Business Registration Division  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
State of Hawaii

COM

FORM LLC-2  
7/2008

STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
Business Registration Division  
335 Merchant Street  
Mailing Address: P.O. Box 40, Honolulu, Hawaii 96810  
Phone No. (808) 586-2727



# ARTICLES OF AMENDMENT TO CHANGE LIMITED LIABILITY COMPANY NAME

(Section 428-204, Hawaii Revised Statutes)

8211C5

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

The undersigned, for the purpose of amending the Articles of Organization, do hereby certify as follows:

1. The present name of the limited liability company is:  
Kapolei Property Development LLC
2. The name of the limited liability company is changed to:  
Kapolei Properties LLC
3. The amendment was adopted with the consent of all, or a lesser number of, the members of the limited liability company as authorized by the operating agreement.

We certify, under the penalties set forth in the Hawaii Uniform Limited Liability Company Act, that we have read the above statements, we are authorized to make this change, and that the statements are true and correct.

Signed this 6th day of June, 2013

Alma Nui Corporation, Its Manager  
By Stephen H. Kelly, Its Vice President

(Type/Print Name & Title)

(Type/Print Name & Title)

[Signature]  
(Signature)

(Signature)

Instructions: Articles must be typewritten or printed in **black ink**, and must be **legible**. The articles must be signed and certified by at least one manager of a manager-managed company or by at least one member of a member-managed company. All signatures must be in **black ink**. Submit original articles together with the appropriate fee.

Line 1. State the full name of the limited liability company prior to the change.

Line 2. State the new name of the limited liability company. The company name must contain the words **Limited Liability Company**, or the abbreviation, **L.L.C.** or **LLC**.

Filing Fees: **Filing fee (\$25.00) is not refundable.** Make checks payable to DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS. Dishonored Check Fee \$25.00.

For any questions call (808) 586-2727. Neighbor Islands may call the following numbers followed by 6-2727 and the # sign:  
Kauai 274-3141; Maui 984-2400; Hawaii 974-4000, Lanai & Molokai 1-800-468-4644 (toll free).  
Fax: (808) 586-2733 Email Address: breg@dcca.hawaii.gov

NOTICE: THIS MATERIAL CAN BE MADE AVAILABLE FOR INDIVIDUALS WITH SPECIAL NEEDS. PLEASE CALL THE DIVISION SECRETARY, BUSINESS REGISTRATION DIVISION, DCCA, AT 586-2744, TO SUBMIT YOUR REQUEST.

ALL BUSINESS REGISTRATION FILINGS ARE OPEN TO PUBLIC INSPECTION. (SECTION 92F-11, HRS)

I HEREBY CERTIFY that this is a true and correct copy of the official record(s) of the Business Registration Division.



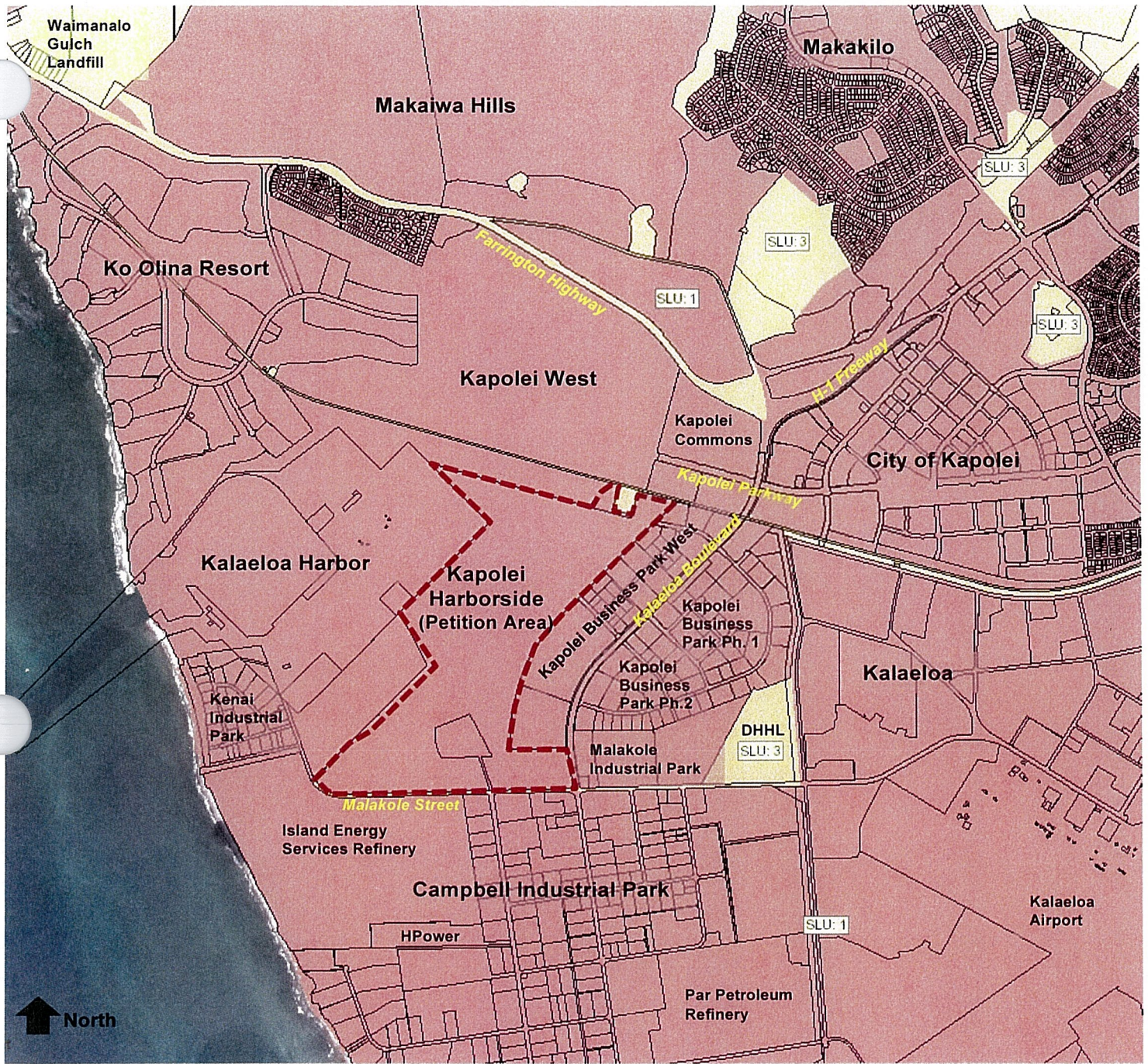
[Signature]  
DIRECTOR OF COMMERCE  
AND CONSUMER AFFAIRS

January 15, 2018

Exhibit A

Validate online at <http://hbe.ehawaii.gov/documents>  
Document ID: 8XB-5HL-4LY-6DP-12942327





- Urban District (SLU: 1)
- Agricultural District (SLU: 3)

**Kapolei Harborside**, Docket No. A06-763, 344.519 acres, State Land Use Urban District





**Kapolei Harborside**, Docket No. A06-763, 344.519 acres, State Land Use Urban District

Exhibit C





# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE 08-25

BILL 46 (2008), CD1

## A BILL FOR AN ORDINANCE

REZONE LAND IN KAPOLEI, EWA, OAHU, HAWAII.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Zoning Map No. 14, Barbers Point-Kahe-Nanakuli, Ordinance 86-116, is hereby amended as follows: Land situated at Kapolei, Ewa, Oahu, Hawaii, hereinafter described, is hereby rezoned from AG-1 Restricted Agricultural District and AG-2 General Agricultural District to P-2 General Preservation District, I-2 Intensive Industrial District with a 60-foot height limit, and IMX-1 Industrial-Commercial Mixed Use District with a 60-foot height limit. The boundaries and area of said Districts shall be described as shown on the map attached hereto, marked Exhibit "A" and made a part hereof, and further identified as Tax Map Keys 9-1-014:033 (por.), 035, and 9-1-015:020 (por.)

SECTION 2. A Unilateral Agreement marked "Exhibit B" is by reference incorporated herein and made a part hereof.

Exhibit D



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE 08-25

BILL 46 (2008), CD1

**A BILL FOR AN ORDINANCE**

SECTION 3. This ordinance shall take effect upon its approval.

INTRODUCED BY:

Barbara Marshall (BR)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE OF INTRODUCTION:

June 17, 2008  
Honolulu, Hawaii

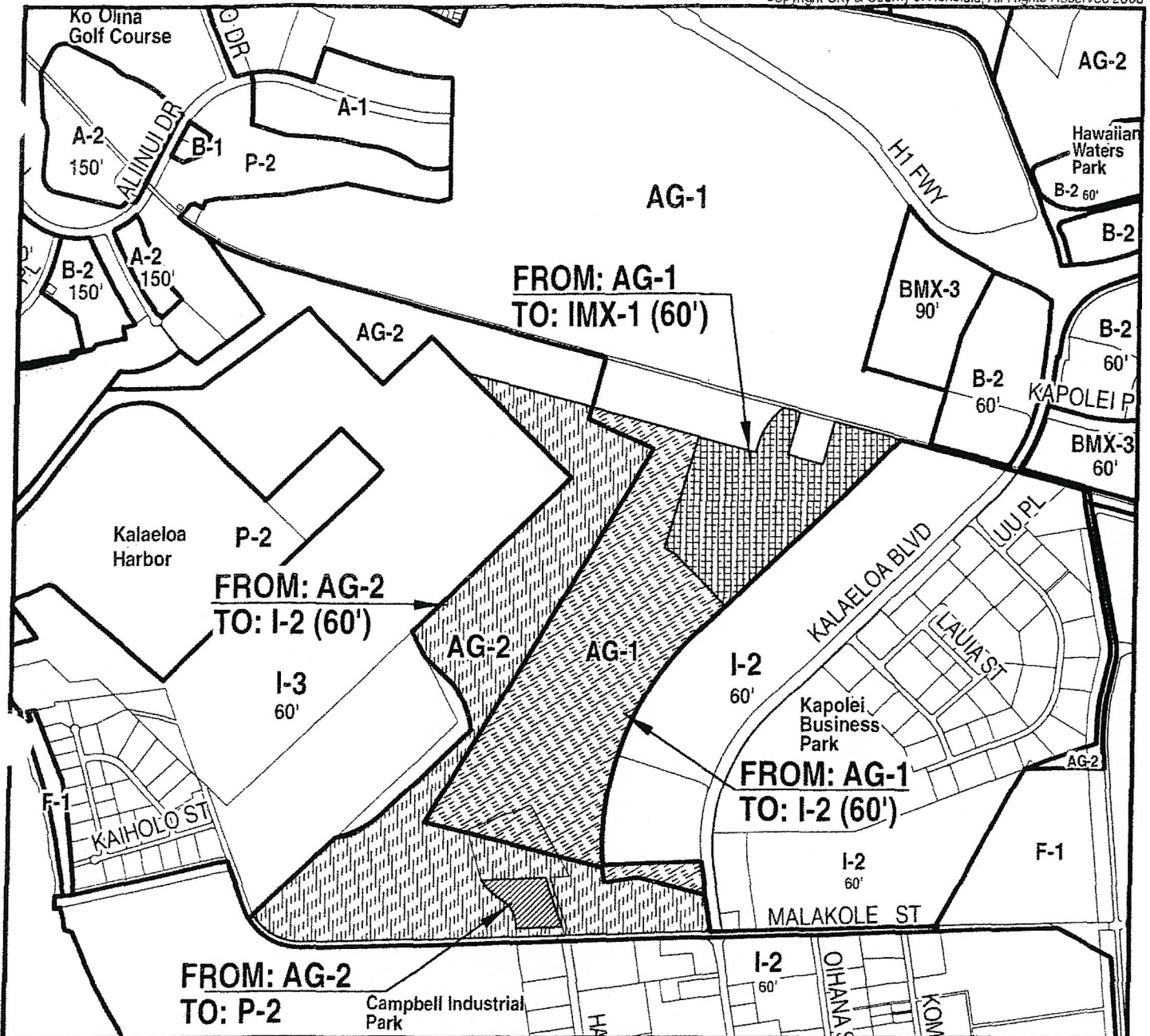
\_\_\_\_\_  
Councilmembers

APPROVED AS TO FORM AND LEGALITY:

*Don S. Kirtley*  
Deputy Corporation Counsel

APPROVED this 29<sup>th</sup> day of September, 2008.

*Mufi Hannemann*  
MUFU HANNEMANN, Mayor  
City and County of Honolulu



PORTION OF  
**ZONING MAP NO. 14**  
 (BARBERS POINT - KAHE - NANAKULI)



0 750 1,500

Scale in Feet



APPLICANT: KAPOLEI PROPERTY DEVELOPMENT LLC

TAX MAP KEY(S): 9-1-014: Por. 33, 35; 9-1-015: Por. 20

FOLDER NO.: 2008/Z-3

LAND AREA: 344.519 ACS.

PREPARED BY: DEPARTMENT OF PLANNING & PERMITTING  
CITY AND COUNTY OF HONOLULU

PUBLIC HEARING

PLANNING COMMISSION

CITY COUNCIL

ORD. NO. 08-25

MAY 28 2008

AUG 20 2008

2008/Z-3

EFF. DATE: SEP 20 2008

EXHIBIT A

BILL 46 (2008), CD1



Doc 3788916  
 CTN AS LISTED HEREIN  
 SEP 12, 2008 03:29 PM

## LAND COURT

## REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL ( ) PICKUP ( ) TO:

Imanaka Kudo & Fujimoto  
 745 Fort Street, 17th Floor  
 Honolulu, Hawaii 96813  
 Attn: Benjamin A. Kudo, Esq.

Tax Map Key Nos. (1) 9-1-014: por. 033, (1) 9-1-014: 035,  
 (1) 9-1-015: por. 020

Certificate of Titles 812,048, 729,804, 827,201

*Agreement No. A02099200*

Title of Document: Unilateral Agreement and Declaration for  
 Conditional Zoning

Party to Document: KAPOLEI PROPERTY DEVELOPMENT LLC, a Hawaii  
 Limited Liability Company, 1001 Kamokila  
 Boulevard, Suite 250, Kapolei, Hawaii 96707

AINA NUI CORPORATION, a Hawaii corporation,  
 1001 Kamokila Boulevard, Suite 255,  
 Kapolei, Hawaii 96707

JAMES CAMPBELL COMPANY LLC, a Delaware  
 Limited Liability Company, 1001 Kamokila  
 Boulevard, Suite 200, Kapolei, Hawaii 96707

EXHIBIT B

Total Pages: 18

UNILATERAL AGREEMENT  
AND DECLARATION FOR CONDITIONAL ZONING

THIS INDENTURE (hereinafter referred to as this "Unilateral Agreement" or this "Declaration"), made this 11th day of September, 2008, by KAPOLEI PROPERTY DEVELOPMENT LLC, a Hawaii limited liability company, and its successors and assigns, whose address is 1001 Kamokila Boulevard, Suite 250, Kapolei, Hawaii 96707; AINA NUI CORPORATION, a Hawaii corporation, and its successors and assigns, whose address is 1001 Kamokila Boulevard, Suite 255, Kapolei, Hawaii 96707; and JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, and its successors and assigns, whose address is 1001 Kamokila Boulevard, Suite 200, Kapolei, Hawaii 96707 (hereinafter collectively referred to as the "Declarants"),

WITNESSETH:

WHEREAS, the Declarants are the owners in fee simple of certain parcels of land situated in Ewa, Oahu, Hawaii, consisting of approximately 344.519 acres, described as Tax Map Key ("TMK") Nos. (1) 9-1-014: por. 033, (1) 9-1-014: 035, and (1) 9-1-015: por. 020, and more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof, and also described by Land Court lot in Exhibit "B" attached hereto and made a part hereof (the "Land"), and desires to make the Land subject to this Unilateral Agreement; and

WHEREAS, the Declarants plan to develop the Land for industrial and related business uses, known as Kapolei Harborside, along with drainage, roadways, a capped hazardous materials area which is being investigated for possible reuse for solar energy production, and a preservation area to protect sinkholes of scientific value (the "Project"); and

WHEREAS, the City Council (the "Council") of the City and County of Honolulu (the "City"), pursuant to the provisions of the Land Use Ordinance ("LUO"), Revised Ordinances of Honolulu 1990 ("ROH") Section 21-2.80, as amended, relating to conditional zoning, is considering a change in zoning under the LUO of the Land from the AG-1 Restricted Agricultural District and AG-2 General Agricultural District to I-2 Intensive Industrial District with a 60-foot height limit, IMX-1 Industrial-Commercial Mixed Use District with a 60-foot height limit, and P-2 General Preservation District (Department of

Planning and Permitting ("DPP") File No. 2008/Z-3); and

WHEREAS, a public hearing regarding the change in zoning, Bill 46 (2008), was held by the Council on August 20, 2008; and

WHEREAS, the Council recommended by its Zoning Committee Report No. 263 (2008) that the said change in zoning be approved, subject to the following conditions contained in this Declaration to be made pursuant to the provisions of ROH Section 21-2.80, as amended, relating to conditional zoning, and to become effective on the effective date of the zoning ordinance approving the change of zoning (the "Rezoning Ordinance");

NOW, THEREFORE, the Declarants hereby covenant and declare as follows:

1. OR&L Right-of-Way ("ROW"). The Declarants shall provide a fifty (50)-foot building setback along the length of the ROW that abuts the Project area. No development, except crossings of the ROW for the regional drainage way and roadway(s) for interconnectivity purposes between the Project and the planned Kapolei West development, shall be permitted within the setback unless it is directly related to the operation of the railroad or consistent with the use of the ROW for open space and bikeway purposes.
2. Transit Ready Development. The Declarants shall submit design guidelines for the IMX-1 zoned area of the Project consistent with Transit Ready Development principles to the DPP for review and approval prior to subdivision approval, except those for bulk lot purposes. All construction within the IMX-1 zoned area shall be consistent with these guidelines.
3. Drainage. The Declarants shall carry out the following requirements related to drainage for the Project area:
  - a. Regional Drainage Master Plan.
    - i. The Declarants along with the declarants of the Makaiwa Hills project (DPP File No. 2008/Z-1) and Kapolei West project (DPP File No. 2008/Z-2) shall prepare and submit a regional drainage master plan (hereafter



referred to as "Regional Drainage Master Plan"), for review and approval by the DPP.

- ii. The Regional Drainage Master Plan shall: include and identify drainage areas and the major drainage infrastructure requirements for the entire watershed; establish and identify the design discharges at the bottom of each development; identify the regional drainage improvements; include an implementation schedule for the construction of said regional drainage improvements and identify the party responsible for the construction of each component of said regional drainage improvements.
  - iii. The Declarants must have an approved Regional Drainage Master Plan prior to the issuance of any tentative subdivision approvals for the Makaiwa Hills (2008/Z-1), Kapolei West (2008/Z-2), and Kapolei Harborside (2008/Z-3) projects.
  - iv. The Regional Drainage Master Plan and the Project Drainage Master Plan (described below) approved by the DPP Director shall not be revised or otherwise modified without the express written approval of the DPP Director.
- b. **Project Drainage Master Plan.** The Declarants shall submit a master drainage plan for the Project ("Project Drainage Master Plan") for approval by the DPP prior to issuance of tentative subdivision approval. The Project Drainage Master Plan shall be consistent with the approved Regional Drainage Master Plan and shall be amended, if needed, as the approved Regional Drainage Master Plan is amended. The Project Drainage Master Plan shall identify the proposed drainage improvements, including the drainage areas, size of the drainage facilities and the design discharges. The Project Drainage Master Plan shall also include an implementation schedule for the regional drainage improvements

in relation to the development of the various phases of the Project.

- c. The Declarants shall comply with the approved Regional Drainage Master Plan and Project Drainage Master Plan.

4. **Transportation.** The Declarants shall carry out the following requirements related to traffic and transportation improvements for the Project area:

- a. The Declarants shall execute the Master Kapolei Highway Agreement ("MKH") or receive written consent from the State Department of Transportation ("DOT"), as proposed in the DOT letters to DPP dated November 30, 2007 (HWY-PS 2.6445) and April 21, 2008 (HWY-PS 2.7783), prior to subdivision or conveyance of any portion or property interest in the Makaiwa Hills (2008/Z-1), Kapolei West (2008/Z-2), or Kapolei Harborside (2008/Z-3) projects. The Declarants shall file copies of the executed MKH and any amendments thereto with the DPP.
- b. The Declarants shall prepare and receive approval for an updated Traffic Impact Analysis Report ("TIAR") and roadway master plan for the Project area prior to the issuance of tentative subdivision approval; provided that, said approval shall be limited to a determination of whether the updated TIAR provides an adequate discussion, analysis, and recommended mitigation measures, if any, based upon reasonably anticipated traffic impacts generated by the Project. The TIAR shall further refine and identify traffic impacts and associated mitigation measures directly attributable to vehicular rates being generated by the Project. The TIAR shall include but not be limited to, locations warranting traffic signals, provisions for auxiliary turn lanes and lengths, channelized right turn lanes, size of pedestrian islands, a timeline identifying the anticipated start and completion dates of major Project phases and associated roadway improvements and other considerations related to traffic, as required.



The Declarants shall consult with the DPP, Department of Transportation Services ("DTS"), and DOT prior to submitting the TIAR and roadway master plan to the DPP for review and approval.

- c. The Declarants shall prepare a Construction Management Plan ("CMP") prior to the issuance of grading or demolition permits and shall identify the type, frequency, and route of heavy trucks and construction related vehicles traversing in and around the construction site, as it relates to the use of any public street. Every effort shall be made to limit and minimize impacts from these vehicles and the associated construction activities. The CMP shall include provisions to limit vehicle activity to periods outside of the peak periods of traffic, utilizing alternate routes for heavy trucks, utilizing off-site parking areas for construction workers and other traffic related considerations, as required. The Declarants shall consult with the DPP, DTS, and DOT prior to submitting the CMP to the DPP for review and approval. The Declarants shall comply with the approved CMP.
- d. The Declarants and/or the assigned responsible party shall prepare and receive approval for a Transportation Management Plan ("TMP") for the Project area prior to the issuance of tentative subdivision approval, which incorporates various modes of travel, including transit, vehicle, bicycle, and pedestrian. The TMP should be designed to establish and promote a safe and efficient balance between the various travel modes, such as grade separated bicycle and pedestrian facilities, convenient and centrally located transit stops and terminals, traffic calming devices and other transportation elements, as necessary. The TMP should incorporate Traffic Demand Management ("TDM") strategies in an effort to reduce the overall vehicular demand in and around the Project area. The TDM strategies could include opening commercial properties during the early stages of the development in an effort to increase internal capture within the Project site and other TDM

strategies. The TMP, along with the TDM strategies, should be updated periodically every two (2) years as determined by a phasing plan, in part, to determine the relative effectiveness of the TDM strategies. The Declarants shall consult with the DPP, DTS, and DOT prior to submitting the TMP to the DPP for review and approval. The Declarants shall comply with the approved TMP.

- e. The Declarants shall fund, construct or cause to be constructed, their fair share of roadway improvements to mitigate Project impacts directly attributable to the Project area as described in the TIAR, and supplemental updates as may be required by State and City transportation agencies. These improvements shall be completed in accordance with the anticipated time frames set forth in the approved TIAR.
5. **Water.** The Declarants shall submit a water master plan (for both potable and non-potable water systems) and implementing schedule for the water improvements required for development of the Project. The water master plan and implementing schedule shall be approved by the Board of Water Supply ("BWS") prior to subdivision approval, except those for bulk lot purposes. The Declarants shall comply with the water master plan and implementing schedule. The water master plan or implementing plan may be modified, updated, or amended with the approval of the BWS.
6. **Compliance with Other Governmental Requirements.** The Declarants acknowledge that approval of this zone change does not constitute compliance with other LUO or other governmental requirements. They are subject to separate review and approval. The Declarants shall be responsible for ensuring that the final plans for the Project comply with all applicable LUO and other governmental provisions and requirements.
7. **Annual Reports.** On an annual basis, the Declarants shall submit a written status report to the DPP documenting their satisfaction of and/or describing their progress toward complying with each condition of approval for this zone change. The status report shall be submitted to the DPP by December 31 of each

year until such time as the DPP has determined that all conditions of approval have been satisfied. Failure to do so may result in delays in processing of further permits.

8. **Noncompliance With Any Conditions.** In the event of noncompliance with any of the conditions set forth herein, the Director of DPP shall inform the Council and may seek civil enforcement or take appropriate action to terminate or stop the Project until applicable conditions are met, including but not limited to revoking any permits issued under this zoning and withholding issuance of other permits related to the Project. Noncompliance also may be grounds for the enactment of ordinances making further zone changes, including revocation of the underlying zoning, upon initiation by the proper parties in accordance with the Revised City Charter.

NOW, THEREFORE, the Declarants hereby make the following additional Declarations:

As used herein, any references to a specific City department or agency shall be deemed to include a reference to any successor department or agency.

That the conditions imposed herein are reasonably conceived to fulfill public service demands created by the requested change in zoning and are rationally related to the objective of preserving the public health, safety, and general welfare and the further implementation of the General Plan of the City;

That the development of the Land shall conform to the aforesaid conditions with the understanding that, at the request of Declarants and/or upon the satisfaction of the conditions set forth in this Unilateral Agreement, DPP may fully or partially release, as applicable, any of the foregoing conditions that have been fulfilled;

That, if there are any conflicts between this Unilateral Agreement and any previous unilateral agreement(s) applicable to the Land, the terms and conditions of this Unilateral Agreement shall apply; and

THAT IT IS EXPRESSLY UNDERSTOOD AND AGREED that the conditions imposed in this Declaration shall run with the Land



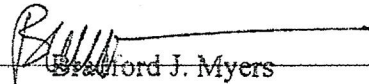
and shall bind and constitute notice to all the parties hereto and subsequent lessees, grantees, assignees, mortgagees, lienors, successors, and any other persons who have or claim to have an interest in the Land, and the City shall have the right to enforce this Declaration by rezoning, appropriate action at law or suit in equity against all such persons, provided that Declarants or their successors and assigns may file a petition with DPP for amendment or removal of any conditions or termination of this Declaration, such petition to be processed in the same manner as petitions for zone changes.

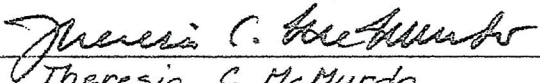
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IN WITNESS THEREOF, this Unilateral Agreement and Declaration for Conditional Zoning is executed on the day and year first above written.

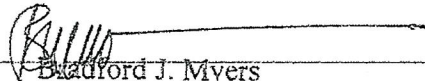
KAPOLEI PROPERTY DEVELOPMENT LLC,  
a Hawaii limited liability company

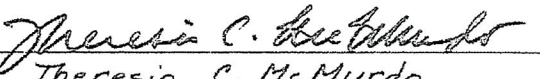
By Aina Nui Corporation, a Hawaii  
corporation, its Managing Member

By   
Bradford J. Myers  
President  
Its \_\_\_\_\_


By   
Theresa C. McMurdo  
Vice President  
Its \_\_\_\_\_

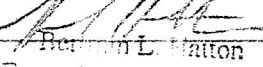
AINA NUI CORPORATION, a Hawaii  
corporation

By   
Bradford J. Myers  
President  
Its \_\_\_\_\_

By   
Theresa C. McMurdo  
Vice President  
Its \_\_\_\_\_

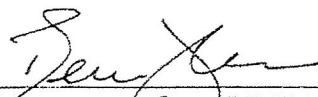
JAMES CAMPBELL COMPANY LLC, a  
Delaware limited liability company

By   
Landon H. W. Chun  
Executive Vice President  
Its \_\_\_\_\_  
Chief Financial Officer

By   
Benjamin L. Walton  
Executive Vice President  
Its \_\_\_\_\_  
Hawaii Land Management

APPROVED AS TO FORM:

Imanaka Kudo & Fujimoto

  
Attorneys for DECLARANTS

("DECLARANTS")

STATE OF HAWAII )  
 ) SS  
 CITY AND COUNTY OF HONOLULU )

On this 11th day of September, 2008, before me personally appeared Bradford J. Myers and Theresia C. McMurdo to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

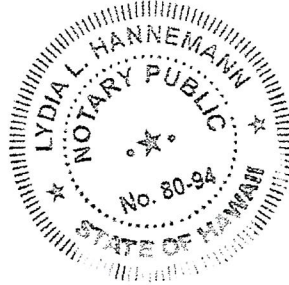


Lydia L. Hannemann  
 Name: Lydia L. Hannemann

Notary Public, State of Hawaii

My commission expires: Feb. 11, 2012

Doc Date 9/11/2008 # Pages 18  
 Lydia L. Hannemann First Circuit  
 Doc Description Unilateral Agreement &  
Declaration for Conditional Zoning  
Lydia L. Hannemann 9/11/2008  
 Notary Signature Date  
 NOTARY CERTIFICATION



STATE OF HAWAII

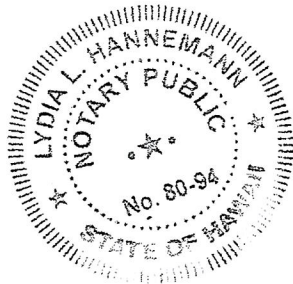
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) SS

CITY AND COUNTY OF HONOLULU

)

On this 11th day of September, 2008, before me personally appeared Bradford J. Myers and Theresia C. McMurdo to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Lydia L. Hannemann  
Name: Lydia L. Hannemann

Notary Public, State of Hawaii

My commission expires: Feb. 11, 2012

Doc Date 9/11/2008 # Pages 18  
Lydia L. Hannemann First Circuit  
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STATE OF HAWAII

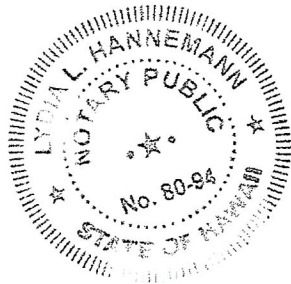
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) SS

CITY AND COUNTY OF HONOLULU

)

On this 11th day of September, 2008, before me personally appeared Landon H. W. Chun and Bertram L. Hatton to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

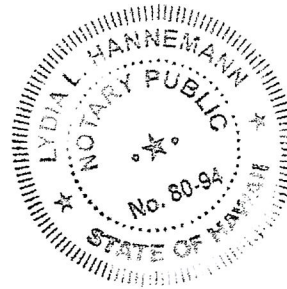


Lydia L. Hannemann  
Name: Lydia L. Hannemann

Notary Public, State of Hawaii

My commission expires: Feb. 11, 2012

Doc Date 9/11/2008 # Pages 18  
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## KAPOLEI HARBORSIDE CENTER

## LOT A

Being all of Lot 14085 as shown on Map 1083 and being portions of Lots 14082 and 16914 as shown on Maps 1083 and 1316, respectively of Land Court Application 1069.

Situate at Honolulu, Ewa, Oahu, Hawaii

Beginning at the North corner of this parcel of land on the South side of Exclusion 2 as shown on Map 1 of Land Court Application 1069, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUA/NEW" being 17,448.57 feet South and 8,602.51 feet West and running by azimuths measured clockwise from true South:

1. 285° 23' 182.65 feet along the South side of Exclusion 2 (Map 1) of Land Court Application 1069;
2. 15° 23' 450.00 feet along Lot 172-A-2 (Map 275) of Land Court Application 1069;
3. 285° 23' 350.00 feet along same;
4. 195° 23' 450.00 feet along same;
5. 285° 23' 685.44 feet along the South side of Exclusion 2 (Map 1) of Land Court Application 1069;
6. 45° 14' 2,858.38 feet along Lot 16915 (Map 1316) of Land Court Application 1069;
7. Thence along Lots 16915 and 16916 (Map 1316) of Land Court Application 1069, on a curve to the left with a radius of 3,054.00 feet, the chord azimuth and distance being:  
20° 39' 45" 2,539.87 feet;
8. 268° 26' 39" 1,001.26 feet along Lot 16916 (Map 1316) of Land Court Application 1069;

9. Thence along the West side of Kalaeloa Boulevard, Lot 172-C (Map 132) of Land Court Application 1069, on a curve to the left with a radius of 2,054.00 feet, the chord azimuth and distance being:  
353° 17' 48.5" 118.06 feet;
10. 351° 39' 530.66 feet along the West side of Kalaeloa Boulevard, Lot 172-C (Map 132) and Lot 14283 (Map 1118) of Land Court Application 1069,
11. Thence along the North side of Malakole Road, Lots 14283, 14284 (Map 1118) and Lot 425-B (Map 320) of Land Court Application 1069, on a curve to the right with a radius of 65.00 feet, the chord azimuth and distance being:  
40° 02' 49.5" 97.21 feet;
12. 88° 26' 39' 4,017.62 feet along the North side of Malakole Road, Lot 425-B (Map 320), and Lot 3159 (Map 322) of Land Court Application 1069;
13. Thence along the North side of Malakole Road, Lot 3159 (Map 322) of Land Court Application 1069, on a curve to the right with a radius of 542.96 feet, the chord azimuth and distance being:  
119° 49' 52" 566.56 feet;
14. 225° 00' 1,118.90 feet along Lot 9541 (Map 711) of Land Court Application 1069;
15. Thence along the remainder of Lot 14082 (Map 1083) of Land Court Application 1069, on a curve to the left with a radius of 473.00 feet, the chord azimuth and distance being:  
247° 01' 18" 354.71 feet;
16. 225° 00' 1,428.25 feet along same;
17. Thence along same, on a curve to the left with a radius of 807.50 feet, the chord azimuth and distance being:  
154° 47' 55" 547.02 feet;
18. 135° 00' 389.74 feet along same;

19. 152° 40' 240.39 feet along Lot 9541 (Map 711) of Land Court Application 1069;
20. 225° 00' 2,235.96 feet along Lot 9540 (Map 710) and Lot 9542-B (Map 1019) of Land Court Application 1069;
21. 135° 00' 1,530.76 feet along Lot 9542-B (Map 1019) of Land Court Application 1069;
22. 285° 23' 3,058.01 feet along the remainder of Lots 14082 (Map 1083) and 16914 (Map 1316) of Land Court Application 1069;
23. 195° 23' 79.79 feet along remainder of Lot 16714 (Map 1316) of Land Court Application 1069;
24. Thence along same, to the point of beginning, on a curve to the right with a radius of 720.00 feet, the chord azimuth and distance being:  
213° 43' 46" 453.25 feet  
and containing an area of 344.519 acres.

November 7, 2007  
Honolulu, Hawaii



Gary S. Takamoto  
Gary S. Takamoto  
Licensed Professional Land Surveyor  
Certificate Number 7940  
License Expires 4/08



## EXHIBIT B

All of those certain parcels of land situate at Honouliuli, City and County of Honolulu, Island of Oahu, State of Hawaii, more particularly described as follows:

## LOT A:

Property Description	Map	Certificate of Title	Owner
Lot 14085	Map 1083	812,048	James Campbell Company LLC
Lot 14082 (portion)	Map 1083	729,804	Aina Nui Corporation and Kapolei Property Development LLC
Lot 16914 (portion)	Map 1316	827,201	Aina Nui Corporation and Kapolei Property Development LLC

End of Exhibit B



CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE 08-25

BILL 46 (2008), CD1

Introduced: 06/17/08 By: BARBARA MARSHALL (BR)

Committee: ZONING

Title: A BILL FOR AN ORDINANCE TO REZONE LAND IN KAPOLEI, EWA, OAHU, HAWAII

Links: [BILL 46 \(2008\)](#)  
[BILL 46 \(2008\), CD1](#)  
[ORDINANCE 08-25](#)  
[CR-219](#)  
[CR-263](#)

COUNCIL	07/23/08	BILL PASSED FIRST READING AND REFERRED TO COMMITTEE ON ZONING.			
	APO Y	CACHOLA Y	DELA CRUZ Y	DJOU Y	GARCIA Y
	KOBAYASHI Y	MARSHALL Y	OKINO Y	TAM	
ZONING	7/29/08	CR-219 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING. (CURRENT DEADLINE FOR COUNCIL ACTION 9/14/08. GRANTED A 60-DAY EXTENSION OF TIME. NEW DEADLINE: 11/13/08)			
PUBLISH	08/09/08	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.			
COUNCIL/PUBLIC HEARING	08/20/08	CR-219 ADOPTED, BILL PASSED SECOND READING, PUBLIC HEARING CLOSED AND REFERRED TO ZONING COMMITTEE. (DEADLINE: 11/13/08)			
	APO Y	CACHOLA Y	DELA CRUZ Y	DJOU Y	GARCIA Y
	KOBAYASHI Y	MARSHALL E	OKINO Y	TAM Y	
PUBLISH	08/27/08	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.			
ZONING	09/02/08	CR-263 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING AS AMENDED IN CD1 FORM.			
COUNCIL	09/24/08	CR-263 ADOPTED AND BILL PASSED THIRD READING AS AMENDED (BILL 46 (2008), CD1)			
	APO Y	CACHOLA Y	DELA CRUZ Y	DJOU Y	GARCIA Y
	KOBAYASHI Y	MARSHALL Y	OKINO Y	TAM Y	

  
DENISE C. DE COSTA, CITY CLERK

  
BARBARA MARSHALL, CHAIR AND PRESIDING OFFICER



KAPOLEI

LAND USE COMMISSION  
STATE OF HAWAII

2017 NOV 24 A 8:16

November 18, 2017

Mr. Daniel Orodener  
Executive Officer  
Land Use Commission  
P. O. Box 2359  
Honolulu, HI 96804-2359

Dear Mr. Orodener:

2017 Annual Report  
Docket No. A06-763  
Kapolei Harborside

Kapolei Properties LLC, an affiliate of the James Campbell Company LLC, submits this annual progress report to the Land Use Commission ("LUC"), the State of Hawaii Office of Planning, and the City and County of Honolulu Department of Planning and Permitting pursuant to Condition 20 of the November 20, 2007 LUC Decision and Order in Docket No. A06-763.

The subject of this annual report is the reclassification of approximately 344 acres of land located in Honouliuli, Ewa, Island of Oahu, State of Hawaii ("Petition Area") from the Agricultural District to the Urban District.

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

1. **Wastewater Facilities. Petitioner shall provide wastewater system improvements on the Petition Area as required by the DOH and appropriate City and County agencies.**

Petitioner will comply with this condition. A sewer master plan for the Petition Area has been approved by the City and County of Honolulu's Department of Planning and Permitting ("DPP").

2. **Transportation. Petitioner shall reach an agreement with the DOT and the DPP for the construction of a four-lane divided highway meeting applicable state highway standards from the anticipated Palailai Interchange extension to Kalaeloa Harbor. This agreement shall be executed prior to the submittal of Petitioner's application for subdivision for development of the Petition Area.**

**Based upon the change in anticipated roadway alignments to be defined by the aforementioned agreement, Petitioner shall prepare a revised TIAR subject to the approval and acceptance by the DOT and the DPP. The TIAR shall not include assumptions that the State will construct traffic improvements to serve the Petition Area other than improvements to the Palailai Interchange. Petitioner shall implement traffic improvements and mitigation measures consistent with the revised TIAR.**



**Petitioner shall set aside two acres for a DOT weigh station in the Petition Area. The precise location of the weigh station and the terms of any land purchase(s) or exchange(s) shall be determined by mutual agreement between Petitioner and the DOT.**

**Petitioner shall contribute its fair share for regional transportation improvements, as required by the City and County's Ewa Highway Master Plan Impact Fee ordinance (Chapter 33A, Revised Ordinances of Honolulu).**

The Petitioner reached agreement with the Department of Transportation ("DOT") on the level of funding and participation in the construction of local and regional transportation improvements, including the construction of a four-lane divided highway meeting applicable state highway standards and the location of a future weigh station in the Petition Area. A copy of the Master Kapolei Highway Agreement with the DOT dated June 1, 2010 is on file with the LUC.

The Petitioner completed a revised TIAR in 2012 and was accepted by DOT and DPP. The Petitioner will comply with other transportation related conditions.

3. **Harbor Security. Petitioner shall enter into an agreement with the DOT, Harbors Division, under terms and conditions acceptable to the DOT, to provide an adequate security zone between the Petition Area and Kalaeloa Harbor. The agreement shall be entered into prior to the commencement of any construction of individual lot buildings or structures along the common boundary between the Petition Area and Kalaeloa Harbor.**

Petitioner will comply with this condition.

4. **Previously Unidentified Burial/Archaeological/Historical 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 discover 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.

5. **Solid Waste Management Plan. Petitioner shall develop a Solid Waste Management Plan for the Petition Area 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.



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

Petitioner will comply with this condition.

7. **Notification of Potential Harbors Nuisances.** Petitioner shall notify and disclose to all prospective buyers and/or lessees of the Project, in the accordance with State law, of the potential adverse impacts of Kalaeloa Harbor operation, such as but not limited to noise, lights, truck and car traffic, dust fumes, odor, temporary construction activities, operations that occur 24 hours per day, seven days per week, and other incidences of harbor operations.

Petitioner will comply with this condition.

8. **Notification of Potential Airports Nuisances.** Petitioner shall notify and disclose to all prospective buyers and/or lessees of the Project, in accordance with State law, of the potential adverse impacts of aircraft and airport activity from the adjacent airfields at Kalaeloa and Honolulu International Airport, such as but not limited to noise, right of light, emissions, vibrations and other incidences of aircraft operations.

Petitioner shall implement procedures and provide covenants in any grant or transfer of interest in the Petition Area, or portion thereof, to buyers and lessees and to other future owners, lessees or occupants, to release claims against the State of nuisance relating to aircraft and airport operations.

Petitioner will comply with this condition.

9. **Drainage Plan.** Petitioner shall prepare and submit a detailed Petition Area drainage plan to the DPP and the DOT for review and approval. In preparing its drainage plan, Petitioner shall consider and incorporate the drainage requirements for other regional developments within the same watershed.

Regional and project drainage master plans have been approved for the Petition Area.

10. **Drainage Improvements.** Petitioner shall construct drainage improvements, including interim detention basins as may be necessary, as a result of the development of the Petition Area, to the satisfaction of appropriate State and City and County agencies, including the DOT, Harbors Division.

Petitioner will comply with this condition. Petitioner continues to strive toward implementing appropriate drainage improvements in accordance with the approved regional and project drainage plans, as this is an essential aspect of the required backbone infrastructure within the Petition Area. In 2017, the Petitioner coordinated with and agreed to implement drainage improvements for the DOT, Harbors Division to facilitate their development of adjoining Kalaeloa Harbor properties.

- 11. Water Conservation Measures.** Petitioner shall implement water conservation measures and BMPs, 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.

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

Petitioner will comply with this condition. Ongoing drainage improvements within the Petition Area have implemented BMPs approved in conjunction with grading and drainage plans.

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

Petitioner will comply with this condition.

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

Petitioner will comply with this condition.

- 15. Energy Conservation Measures.** Petitioner shall, to the extent possible, incorporate energy conservation measures and sustainable design measures, such as the standards and guidelines promulgated by the Building Industry Association of Hawaii, the U.S. Green Building Council, the Hawaii Commercial Building Guidelines for Energy Efficiency, the Guidelines for Sustainable Building Design in Hawaii, and the applicable City and County building codes for Energy Efficiency, the Guidelines for Sustainable Building Design in Hawaii, and the applicable City and County building codes, as amended, into the design and construction of the Project and the structures within the Petition Area.

To the extent possible, Petitioner will incorporate energy conservation measures and sustainable design measures, as set forth in Condition 15, into the design of buildings within the Petition Area.

- 16. Sinkhole Preserve.** Petitioner shall implement measures to protect and preserve the coral sinkholes within the Petition Area.

In 2008, the Sinkhole Preserve area was rezoned to P-2, General Preservation under City and County of Honolulu zoning. Petitioner has also installed a new chain-link fence to protect and preserve the sinkholes within the identified preservation area. Petitioner will continue to take steps, as necessary, to ensure the preservation of the identified sinkholes. Petitioner intends to

transfer ownership of the sinkhole preserve at a future date to the State of Hawaii Department of Land and Natural Resources.

- 17. Completion of the Project.** Petitioner shall complete build out of the Project, including completion of the backbone infrastructure consisting of Hanua Street improvements, drainage improvements, and sewer improvements, by December 31, 2018.

While significant site improvements, including mass grading of portions of the Project and excavation of a major regional drainage channel are underway, build out of the Project is not expected by December 31, 2018. The Project, including backbone infrastructure, will be constructed in phases as market demand allows. The Petitioner will request an opportunity to address the Project status with the LUC prior to the date specified in the condition.

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

- 19. 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 interest in the Petition Area, prior to development of the Petition Area.

No changes in ownership interest occurred within the past year. Please note that the Petitioner's company name changed from Kapolei Property Development LLC to Kapolei Properties LLC effective June 1, 2013.

- 20. Annual Reports.** Petitioner shall timely provide without any prior notice, annual reports to the Commission, OP, and 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 report shall be submitted in a form prescribed by the Executive Officer of the Commission.

This annual report is being submitted in satisfaction of this condition.

- 21. 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 the Commission's authority to release any of the aforementioned conditions.



Mr. Daniel Orodener  
November 18, 2017  
Page 6

- 22. Notice of Imposition of Conditions.** Within seven days of the 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.

Petitioner complied with this condition.

- 23. 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.

Petitioner complied with this condition.

If you have any questions, please call me at 674-3289.

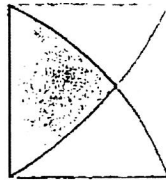
Sincerely,



Steve Kelly  
Vice President, Development

jlr:15036600\WK11785

cc: Leo R. Asuncion Jr., Director, Office of Planning  
Kathy Sokugawa (Acting Director),  
Department of Planning & Permitting



KAPOLEI

00030700

A00606900

FN 1058,003

December 1, 2017

Mr. Robert Stanfield, Branch Chief  
Development Plans and Zone Changes Branch  
Department of Planning and Permitting  
City and County of Honolulu  
650 S. King Street, 7th Floor  
Honolulu, HI 96813

Dear Mr. Stanfield:

2017 Annual Reports for  
Ordinances 86-128; 90-30, 91-65 and 04-45;  
92-106 and 96-22; 94-81 and 98-08; 97-75; 08-25; and 08-26

Enclosed are the annual reports due by December 31, 2017 for Ordinances 86-128 for the Kapolei Shopping Center; 90-30, 91-65 and 04-45 for the City of Kapolei; 92-106 and 96-22 for the Kapolei Maritime Industrial Park; 94-81 and 98-08 for the Kapolei Power Center II; 97-75 for Park Commercial; 08-25 for Kapolei Harborside; and 08-26 for Makaiwa Hills.

Please call me at 674-3289 if you have any questions regarding these reports.

Sincerely,

Steve Kelly  
Vice President, Development

jo:15033200K11794

Enclosures (8)

**FILE COPY**



**2017 STATUS REPORT: COMPLIANCE WITH THE CONDITIONS OF ORDINANCE 08-25  
KAPOLEI HARBORSIDE**

CONDITION	STATUS	EXPLANATION	PROJECTED TIMEFRAME
<p><b>1. OR&amp;L Right-of-Way ("ROW")</b>—The Declarants shall provide a fifty-foot (50) building setback along the length of the ROW that abuts the Project area. No development, except crossings of the ROW for the regional drainage way and roadway(s) for interconnectivity purposes between the Project and the planned Kapolei West development, shall be permitted within the setback unless it is directly related to the operation of the railroad or consistent with the use of the ROW for open space and bikeway purposes.</p>	In progress.	The Declarant will comply with this condition.	Compliance is ongoing.
<p><b>2. Transit Ready Development</b>—The Declarants shall submit design guidelines for the IMX-1 zoned area of the Project consistent with Transit Ready Development principles to the DPP for review and approval prior to subdivision approval, except those for bulk lot purposes. All construction within the IMX-1 zoned area shall be consistent with these guidelines.</p>	Met.	The design guidelines were approved in March 2014.	Completed.
<p><b>3. Drainage</b>—The Declarants shall carry out the following requirements related to drainage for the Project area:</p> <p>a. Regional Drainage Master Plan</p> <p>i. The Declarants along with the declarants of the Makaiwa Hills project (DPP File No. 2008/Z-1) and Kapolei West project (DPP File No. 2008/Z-2) shall prepare and submit a drainage master plan for the region (hereafter referred to as "Regional Drainage Master Plan"), for review and approval by the DPP.</p> <p>ii. The Regional Drainage Master Plan shall: include and identify drainage areas and the major drainage infrastructure requirements for the entire watershed; establish and identify the design discharges at the bottom of each development; identify the regional drainage improvements; include an implementation schedule for the construction of said regional drainage improvements and identify the party responsible for the construction of each component of said regional improvements.</p>	Met.	The Regional Drainage Master Plan was approved in February 2012.	Completed.

**Status Term**

Met: Used when the Declarant is in full compliance with the condition.  
Partially Met: Used when the Declarant has partially complied with the condition.  
Not Met: Used when the Declarant has failed to comply with the condition.  
Not Yet Started/Inactive: Used when the project development has not commenced or development has temporarily stopped for a valid reason.  
In Progress: Used when work towards satisfying a condition is underway.

CONDITION	STATUS	EXPLANATION	PROJECTED TIMEFRAME
<p>iii. The Declarants must have an approved Regional Drainage Master Plan prior to the issuance of any tentative subdivision approval for the Makaiwa Hills (2008/Z-1), Kapolei West (2008/Z-2) and Kapolei Harborside (2008/Z-3) projects.</p> <p>iv. The Regional Drainage Master Plan and the Project Drainage Master Plan (described below), approved by the DPP Director, shall not be revised or otherwise modified without the express written approval of the DPP Director.</p> <p>b. Project Drainage Master Plan (2008/Z-2)—The Declarants shall submit a master drainage plan for the Project ("Project Drainage Master Plan") for approval by the DPP prior to issuance of tentative subdivision approval. The Project Drainage Master Plan shall be consistent with the approved Regional Drainage Master Plan and shall be amended, if needed, as the approved Regional Drainage Master Plan is amended. The Project Drainage Master Plan shall identify the proposed drainage improvements, including the drainage areas, size of the drainage facilities and design discharges. The Project Drainage Master Plan shall also include an implementation schedule for the regional drainage improvements in relation to the development of the various phases of the Project.</p> <p>c. The Declarants shall comply with the approved Regional Drainage Master Plan and Project Drainage Master Plan.</p>	<p>Met.</p> <p>In progress.</p>	<p>The Project Drainage Master Plan was approved in July 2013.</p> <p>The Declarant will comply with this condition.</p>	<p>Completed.</p> <p>Compliance is ongoing.</p>
<p><b>4. Transportation</b>—The Declarants shall carry out the following requirements related to traffic and transportation improvements for the Project area:</p> <p>a. The Declarants shall execute the Master Kapolei Highway Agreement ("MKH") or receive written consent from the State Department of Transportation ("DOT"), as proposed in the DOT letters to DPP dated November 30, 2007 (HWY-PS 2.6445) and April 21, 2008 (HWY-PS 2.7783), prior to subdivision or conveyance of any portion or property interest in the Makaiwa Hills (2008/Z-1), Kapolei West (2008/Z-2) or Kapolei Harborside (2008/Z-3) projects. The Declarants shall file copies of the executed MKH and any amendments thereto with the DPP.</p>	<p>Met.</p>	<p>Declarant executed the Master Kapolei Highway Agreement with the Department of Transportation on June 1, 2010.</p>	<p>Completed.</p>

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CONDITION	STATUS	EXPLANATION	PROJECTED TIMEFRAME
<p>b. The Declarants shall prepare and receive approval for an updated Traffic Impact Analysis Report ("TIAR") and roadway master plan for the Project area prior to the issuance of tentative subdivision approval; provided that, said approval shall be limited to a determination of whether the updated TIAR provides an adequate discussion, analysis, and recommended mitigation measures, if any, based upon reasonably anticipated traffic impacts generated by the Project. The TIAR shall further refine and identify traffic impacts and associated mitigation measures directly attributable to vehicular rates being generated by the Project. The TIAR shall include but not be limited to, locations warranting traffic signals, provisions for auxiliary turn lanes and lengths, channelized right turn lanes, size of pedestrian islands, a timeline identifying the anticipated start and completion dates of major Project phases and associated roadway improvements and other considerations related to traffic, as required. The Declarants shall consult with the DPP, Department of Transportation Services ("DTS"), and DOT prior to submitting the TIAR and roadway master plan to the DPP for review and approval.</p>	Met.	The TIAR was submitted and approved in 2012.	Completed.
<p>c. The Declarants shall prepare a Construction Management Plan ("CMP") prior to the issuance of grading or demolition permits and shall identify the type, frequency, and route of heavy trucks and construction-related vehicles traversing in and around the construction site, as it relates to the use of any public street. Every effort shall be made to limit and minimize impacts from these vehicles and the associated construction activities. The CMP shall include provisions to limit vehicle activity to periods outside of the peak periods of traffic, utilizing alternate routes for heavy trucks, utilizing off-site parking areas for construction workers and other considerations related to traffic, as required. The Declarants shall consult with the DPP, DTS, and DOT prior to submitting the CMP to the DPP for review and approval. The Declarants shall comply with the approved CMP.</p>	In progress.	The Declarant will comply with this condition.	Submittal expected prior to permits.

Status Term

Met:  
 Partially Met:  
 Not Met:  
 Not Yet Started/Inactive:  
 In Progress

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CONDITION	STATUS	EXPLANATION	PROJECTED TIMEFRAME
<p>d. The Declarants and/or the assigned responsible party shall prepare and receive approval for a Transportation Management Plan ("TMP") for the Project area prior to the issuance of tentative subdivision approval, which incorporates various modes of travel, including transit, vehicle, bicycle, and pedestrian. The TMP should be designed to establish and promote a safe and efficient balance between the various travel modes, such as grade separated bicycle and pedestrian facilities, convenient and centrally located transit stops and terminals, traffic calming devices and other transportation elements, as necessary. The TMP should incorporate Traffic Demand Management ("TDM") strategies in an effort to reduce the overall vehicular demand in and around the Project area. The TDM strategies could include opening commercial properties during the early stages of the development in an effort to increase internal capture within the Project site and other TDM strategies. The TMP, along with the TDM strategies, should be updated periodically every two (2) years as determined by a phasing plan, in part, to determine the relative effectiveness of the TDM strategies. The Declarants shall consult with the DPP, DTS, and DOT prior to submitting the TMP to the DPP for review and approval. The Declarants shall comply with the approved TMP.</p> <p>e. The Declarants shall fund, construct or cause to be constructed, their fair share of roadway improvements to mitigate potential Project impacts directly attributable to the Project area as described in the TIAR, and supplemental updates as may be required by State and City transportation agencies. These improvements shall be completed in accordance with the anticipated time frames set forth in the TIAR.</p>	<p>Met.</p> <p>In progress.</p>	<p>The TMP was approved in 2012.</p> <p>The Declarant will comply with this condition.</p> <p>Compliance is ongoing.</p>	<p>Completed.</p>

Status Term

Met:  
 Partially Met:  
 Not Met:  
 Not Yet Started/Inactive:  
 In Progress

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 Used when work towards satisfying a condition is underway.

CONDITION	STATUS	EXPLANATION	PROJECTED TIMEFRAME
<p><b>5. Water</b>—The Declarants shall submit a water master plan (for both potable and nonpotable water systems) and implementing schedule for the water improvements required for the development of the Project. The water master plan and implementing schedule shall be approved by the Board of Water Supply ("BWS") prior to subdivision approval, except those for bulk lot purposes. The Declarants shall comply with the water master plan and implementing schedule. The water master plan and implementing schedule may be modified, updated, or amended with the approval of the BWS.</p>	Met.	The Water Master Plan was approved in 2012.	Completed.
<p><b>6. Compliance with Other Governmental Requirements</b>—The Declarants acknowledge that approval of this zone change does not constitute compliance with other LUO or governmental requirements. They are subject to separate review and approval. The Declarants shall be responsible for ensuring that the final plans for the Project comply with all applicable LUO and other governmental provisions and requirements.</p>		The Declarant will comply with this condition	Compliance is ongoing.
<p><b>7. Annual Reports</b>—On an annual basis, the Declarants shall submit a written status report to the DPP documenting their satisfaction and/or describing their progress toward complying with each condition of approval for this zone change. The status report shall be submitted to the DPP by December 31 of each year until such time as the DPP has determined that all conditions of approval have been satisfied. Failure to do so may result in delays in processing of further permits.</p>		The Declarant will comply with this condition	Compliance is ongoing.
<p><b>8. Noncompliance with Any Conditions</b>—In the event of noncompliance with any of the conditions set forth herein, the Director of DPP shall inform the Council and may seek civil enforcement or take appropriate action to terminate or stop the Project until applicable conditions are met, including but not limited to revoking any permits issued under this zoning and withholding issuance of other permits related to the project. Noncompliance also may be grounds for the enactment of ordinances making further zone changes, including revocation of the underlying zoning, upon initiation by the proper parties in accordance with the Revised City Charter.</p>		The Declarant acknowledges that non-compliance is grounds for the City to take appropriate measures.	Compliance is ongoing.

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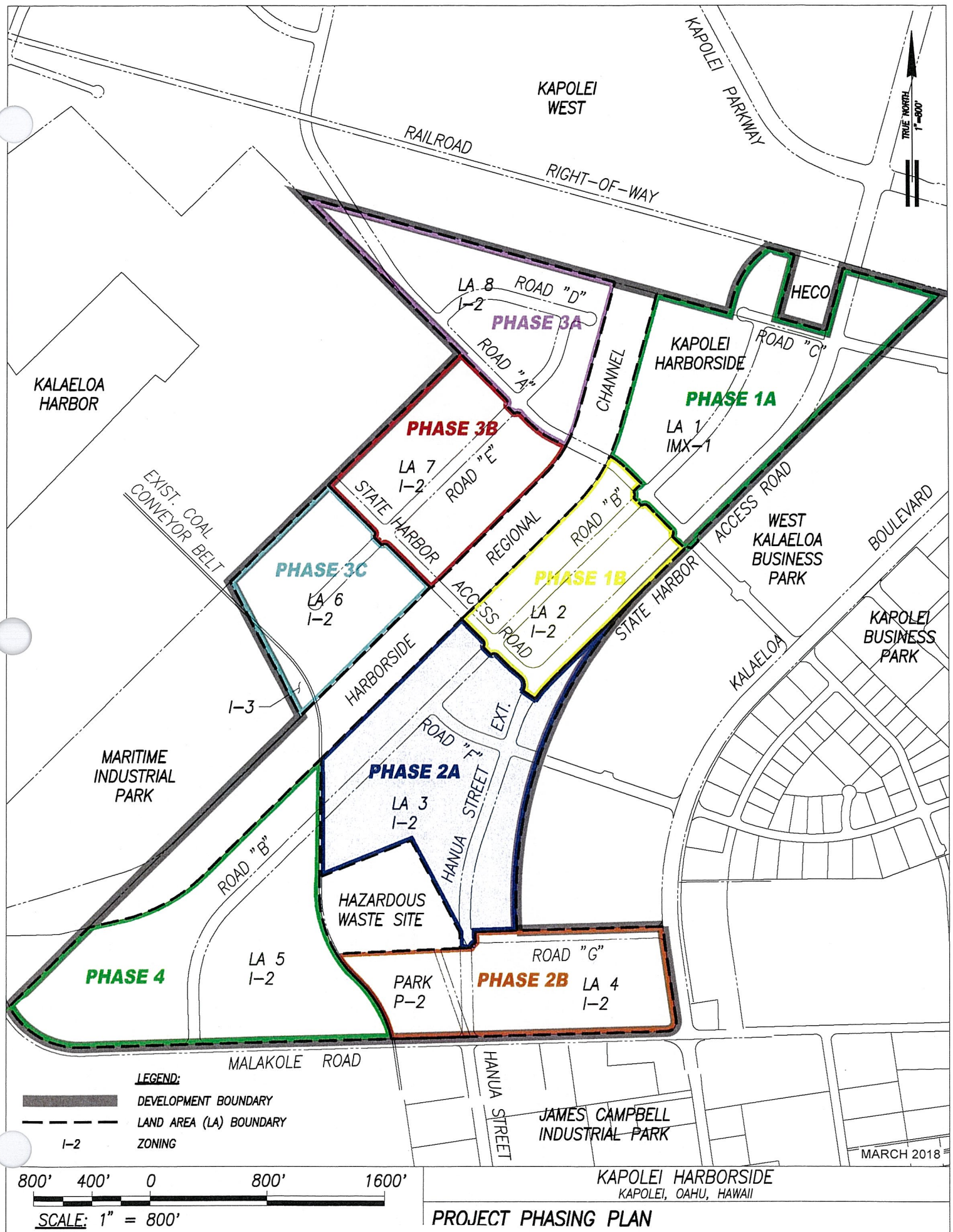


Exhibit G

LINDA LINGLE  
GOVERNOR OF HAWAII



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

August 26, 2009

STATE HISTORIC PRESERVATION DIVISION  
601 KAMOKILA BOULEVARD, ROOM 555  
KAPOLEI, HAWAII 96707

Mr. David Schideler  
Cultural Surveys Hawai'i  
P.O. Box 1114  
Kailua, Hawai'i 96734

LOG NO: 2009.3175  
DOC NO: 0907NM80  
Archaeology

LAURA H. THIELEN  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI  
FIRST DEPUTY

KEN C. KAWAHARA  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

Dear Mr. Schideler:

**SUBJECT: 6E-42 Historic Preservation Review—  
Preservation Plan For Four Historic Properties Located in or Adjacent to Kapolei  
Harborside Project SIHP 50-80-12-6876, 6877, 6778, 9714  
Hono'uli'uli Ahupua'a, 'Ewa District, O'ahu, Hawai'i  
TMK: (1) 9-1-14: 33 & 9-1-15: 20**

Thank you for providing the opportunity to review this Preservation Plan (*Preservation Plan For Four Historic Properties Located in or Adjacent to Kapolei Harborside Project SIHP 50-80-12-6876, 6877, 6778, 9714, Hono'uli'uli Ahupua'a, 'Ewa District, O'ahu, Hawai'i, TMK: (1) 9-1-14: 33 & 9-1-15: 20 [Simonson, Shideler and Hammatt, PhD et al, July 2009]*) which we received on July 17, 2009. The preservation plan covers a 6 acre preserve for archaeological/paleoenvironmental elements.

This plan covers preservation of four historic properties: #6876 (stacked stone habitation, eligible under Criterion D); #6877 (stacked stone habitation, eligible under criterion D); # 6878 (Sinkhole, eligible under Criterion D and E); and #9714 (OR &L ROW, preservation, eligible under Criterion a, b, c, and D). The OR&L ROW (#9714) is currently listed on the Hawai'i and National Historic Registers. Long-term preservation protocols include educational and/or warning signage. No restoration, vegetation clearing, landscaping, pathways and lighting are planned.

Consultation was completed prior to this final report and comments have been incorporated in this document. These include what type of fencing will be used to buffer the sites out to a 20-foot buffer zone, and recommendations for access by Native Hawaiians for religious and cultural practice purposes. Our Culture and Historic Branch also suggest you get the community to form a curatorship group to help maintain the preserve.

The report is of good quality. The revisions are acceptable. It is now approved.

Please send along with a copy of this review letter and a text-searchable PDF version on CD to the attention of the "SHPD Library" at the Kapolei SHPD office.

Please contact me at (808) 692-8015 if you have any questions or concerns regarding this letter.

Aloha,

Nancy A. McMahon (Deputy SHPO),

Exhibit H

Mr. David Schideler  
Page 2

Archaeology and Historic Preservation Manager



DAVID Y. IGE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
HARBORS DIVISION  
79 S. NIMITZ HIGHWAY  
HONOLULU, HAWAII 96813

JADE T. BUTAY  
DIRECTOR

Deputy Directors  
ROY CATALANI  
ROSS M. HIGASHI  
EDWIN H. SNIFFEN  
DARRELL T. YOUNG

IN REPLY REFER TO:

DEP-H 7105.18

June 7, 2018

Steve H. Kelly  
Kapolei Properties LLC  
James Campbell Building, Suite 250  
1001 Kamokila Boulevard  
Kapolei, HI 96707

Dear Mr. Kelly:

In accordance with your recent discussions with Deputy Director Darrell Young, the State of Hawaii Department of Transportation formally advises you of our intention to acquire a portion of Lot 18251 (Map 1415 of Land Court Application No. 1069) consisting of approximately 85.6 acres between Kalaeloa Harbor to the West and South, the future regional drain channel to the East, and the Kapolei West project to the North. The Department is considering formal condemnation proceedings to effect this acquisition in the event mutually agreeable purchase terms cannot be reached. Funding for this acquisition will be through the Department's normal appropriation process.

Sincerely,

A handwritten signature in dark ink, appearing to read "Darrell T. Young".

DARRELL T. YOUNG  
Deputy Director of Transportation  
Harbors Division

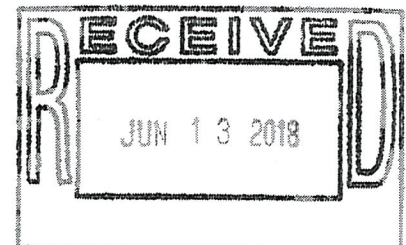
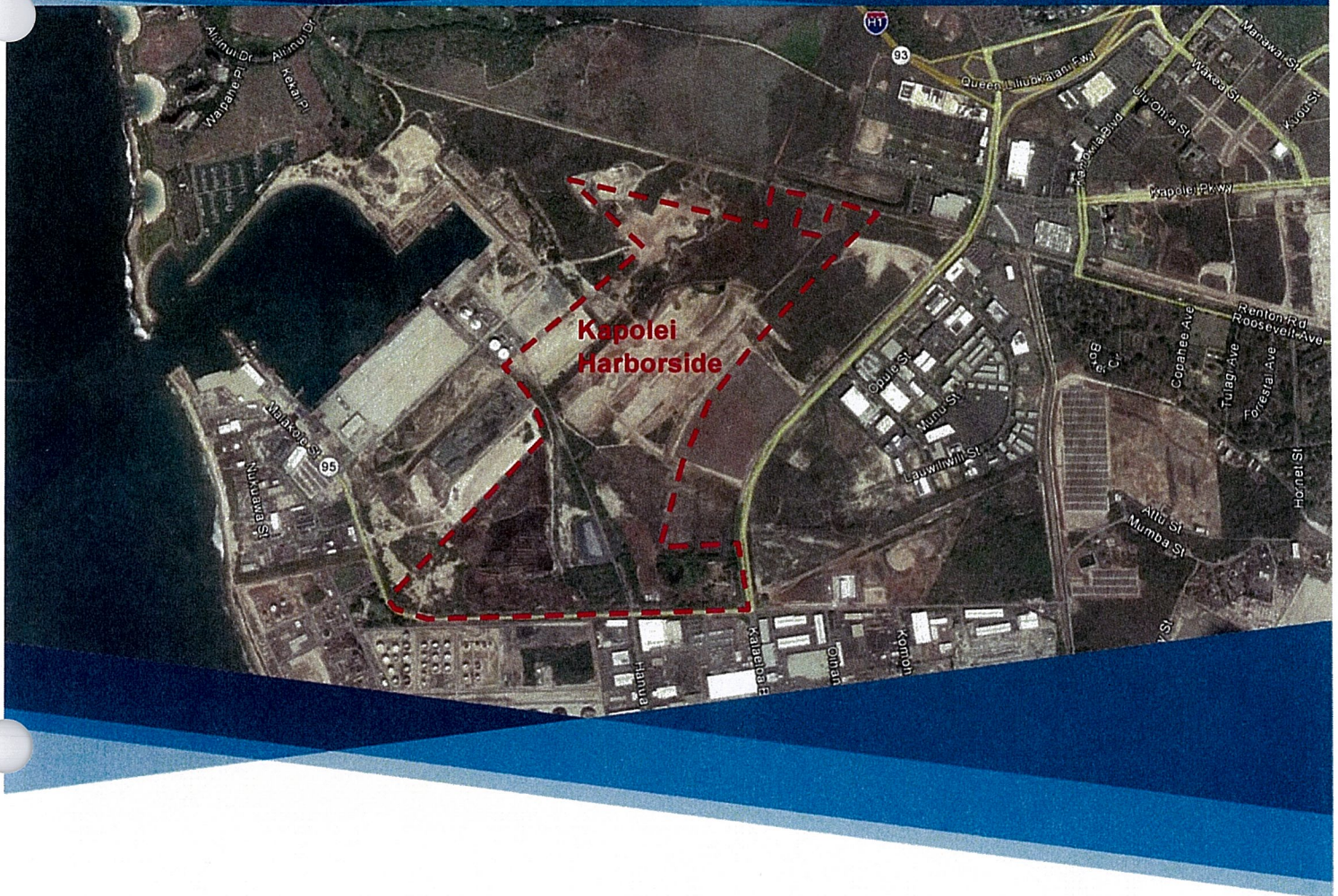


Exhibit I





# Industrial Land Market Assessment for the Kapolei Harborside Project Area

Prepared for:

The Kapolei Properties Division of the  
James Campbell Company LLC / Kapolei Properties LLC

Prepared by:

COLLIERS INTERNATIONAL HAWAII

220 S. King Street  
Suite 1800  
Honolulu, HI 96813  
808.524.2666

## Final Draft Report

February 27, 2018

Exhibit J



## **LIMITING CONDITIONS**

The research undertaken in our report and which underpins the estimates of future performance of the project are prepared in accordance with industry practice. Colliers Hawaii Research & Consulting ("Colliers") undertakes steps to determine whether the Client's assumptions underlying the estimates included in our report are fair and reasonable in the light of information provided and available. In our experience, these assumptions will have to be reviewed and revised by the Client periodically to reflect changes in the underlying market trends, trading patterns and the competitive environment.

Accordingly, we can offer no guarantees or warranties (expressed or implied) that the assumptions and resulting estimates set out in our report will be achieved. Our report identifies these hypothetical events or assumptions and any limitations to the usefulness of the presentation. Even if the hypothetical assumptions were to occur, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material.

The Client is responsible for representations about its plans, expectations, final assumptions to be used in the model and for disclosure of significant information that might affect the ultimate realization of the projected results. Our findings constitute only one of several factors for the Client to consider in its decision making process. The ultimate decision to move forward with the project rests with the project's management team.

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# I. PROJECT OBJECTIVES AND METHODOLOGY



Colliers International was engaged by the Kapolei Properties Division ("KPD") of the James Campbell Company LLC to provide a revised timeline and projections for the absorption of approximately 250 acres of industrial lots within Kapolei Harborside.

Colliers provided a market overview of the Honolulu County and West Oahu industrial markets. We reviewed contributing economic and real estate cyclical market factors that impact the level of sales activity for Kapolei/West Oahu industrial land.

Colliers identified the cyclical patterns from the prior economic cycle and incorporated this pattern into its forecast for land sales.



## II. EXECUTIVE SUMMARY

Colliers International Research and Consulting was engaged by KPD to identify past and current industrial land absorption projections in the Kapolei area. The following is a 2006 land absorption forecast prepared by Robert Charles Lesser & Co., LLC (RCLCo) in 2006:

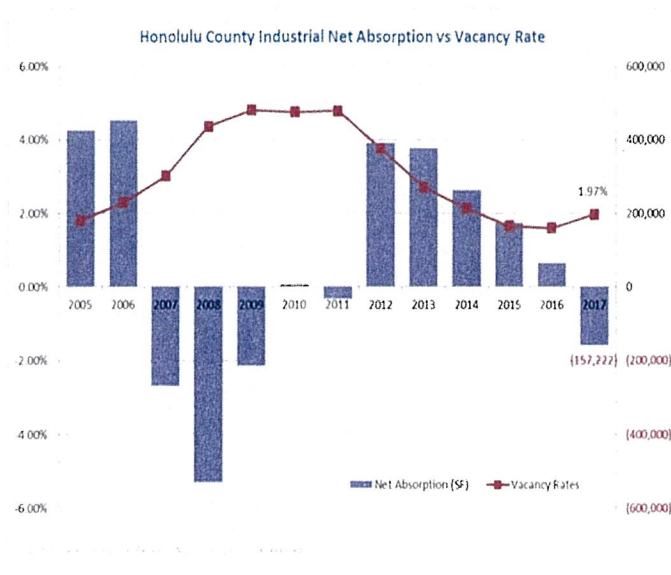
### RCLCo's Land Absorption Forecast (2006)

Demand Source	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Employment Driven Annual Demand		17	17	17	17	17	17	17	17	17
Annual Transient Demand		11	11	11	11	11	11	11	11	11
West Kalaheo Capture of Transient Demand	82%	9	9	9	9	9	9	9	9	9
Total Annual On-site Land Absorption		26	26	26	26	26	26	26	26	26
Cumulative On-Site Land Absorption		26	52	78	104	130	156	182	208	234
Subject Site Remaining Developable Land (Acres)	240	214	188	162	136	110	84	58	32	6

The RCLCo analysis prepared for KPD in 2006 was based on the best available information at the time. However, several external events affected the ultimate absorption of industrial land in the Kapolei area and in the State of Hawaii between 2006 and the present.

### Financial Crisis and Great Recession of 2007

The most prominent factor in the Kapolei industrial land market between 2006 and present was the 2007 financial market crisis which resulted in a dramatic downturn to global financial markets that pushed Hawaii into a recession. The Great Recession negatively impacted the availability of capital, severely reduced business activity and virtually shut down access to investment funds that were used for the acquisition and development of industrial land and properties.



### Honolulu County Industrial Market Downturn

From 2007 to 2011, Honolulu County's industrial market posted lost occupancy resulting in rising vacancy rates that rose from 1.7% in 2007 to 4.78% at the end of 2011. In West Oahu, vacancy rates jumped from a miniscule 0.4% in 2004 to 9.3%. In 2010, several projects that began development between 2007 and 2009 went into foreclosure.

For Honolulu County, industrial space demand dropped by more than 1.0 million square feet from 2007 to 2011. This resulted in a dramatic 29.8% drop to the industrial average base rent. Industrial businesses that had been buying industrial land for company expansion curtailed their plans until the economy improved.

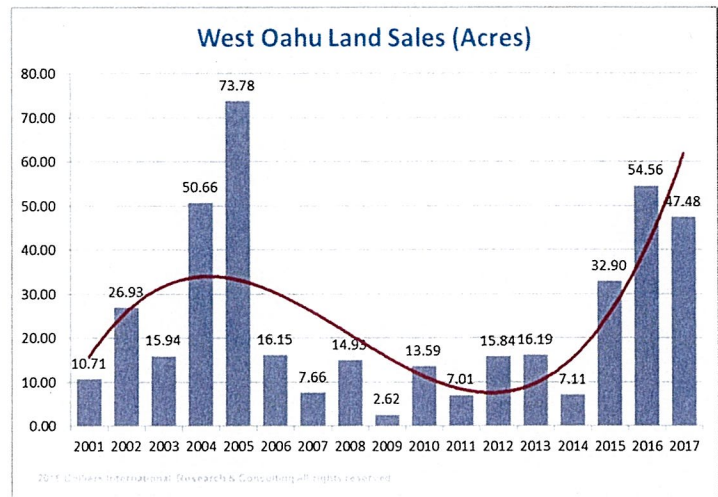


## II. EXECUTIVE SUMMARY

### West Oahu Land Sales Decline

Colliers tracked I-2 and IMX-1 zoned land sales between 2001 and 2017, as noted by the adjacent chart, West Oahu land sales declined dramatically between the peak of 73.78 acres in 2005 to a low of 2.62 acres in 2009.

RCLCo projected that 26 acres of West Oahu land would be absorbed per year. From 2006 to 2014, the average annual acreage sold was 11.23 acres, a sizeable 57% difference from RCLCo's projection.



### Extenuating Circumstances

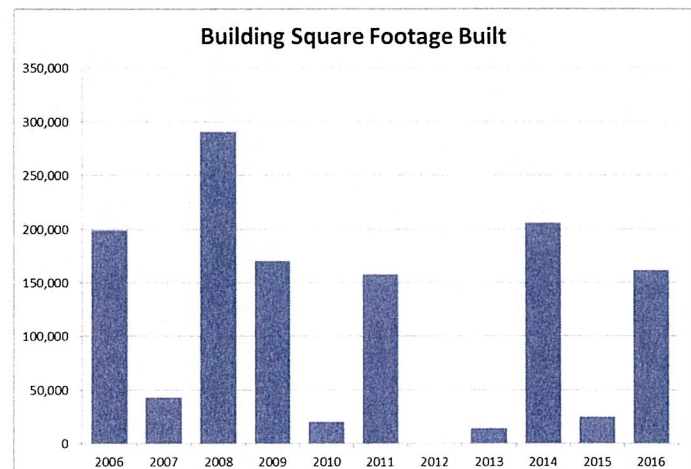
#### Restrictive Labor Market

Honolulu's industrial market is uncharacteristically difficult to predict because a number of economic, market and indirect variables. RCLCo's 2006 analysis incorporated employment driven demand based on the number of industrial jobs but did not take into account the island's is constantly adjusting. By year-end 2017, Honolulu County's unemployment rate had fallen to 1.8%. Many businesses, including construction and warehousing sectors, faced hiring challenges. It would not be possible to assume that Honolulu's industrial market would continue to hire 6,500 industrial positions per year without running out of manpower. As an alternative, the Colliers land absorption model incorporated past cyclical patterns in land absorption and does not project growth based on hiring activity.

#### Rising Construction Costs

For Honolulu County, a combination of rising land prices, skyrocketing construction costs and low warehouse rental rates restricted industrial building developments to a few owner-user projects. From 2006 to 2016, the Honolulu industrial market inventory grew by 1.2 million square feet or roughly 2.9% and currently stands at 40.3 million square feet.

This is an annual inventory growth rate of 117,217 square feet or roughly 0.29% per year. From 2001 to 2017 the average annual rate of industrial space absorption was 90,344 square feet. The residual amount of 27,217 square feet would barely make a dent into increasing available space on this market and contributed to the severe shortage situation the currently exists among Honolulu County's industrial sector.





## II. EXECUTIVE SUMMARY

### Colliers Land Absorption Projection

It is inherently risky to try to predict the performance of Honolulu's industrial land sales marketplace. So many factors could negatively or positively impact the pace of absorption. Colliers developed four land absorption demand models that took into account two primary factors that would influence the pace of land absorption.

**1. New Supply Added to the Market** – Colliers demand models took into account the accuracy of the estimated delivery dates for land parcel sales for competitive industrial parks. Colliers also incorporated a development probability percentage that the industrial park would be delivered as proposed.

**2. Real Estate/Economic Cycle** - Real estate land development is an extremely cyclical business. The Colliers model incorporated annual growth/contraction rates into the pace of land sales into its forecast model. Two of the models used the average annual rate of land absorption over a seventeen year period (2001 to 2017). The other land absorption demand models used the annual percentage changes in land sales to project land sales activity into the future. These would take into account the cyclical nature of land sales.

### Kapolei/West Oahu Land Absorption Projections

Colliers compiled a table of the proposed industrial parks planned for the next five years. This table highlights the acreage, the potential gross leasable area (GLA) that could be built at each site (0.40 FAR). Colliers also forecasted the probability (ranging from 25% to 100%) that the planned industrial park would have parcels for sale by the delivery date.

Industrial Park Development					
Name of Park	Total Acreage	Probability Percentage	Residual Developable Land	Total Potential GLA (0.40 FAR)	Delivery Date for Parcel Sales
Kapolei Business Park West (Avalon/Walton Street Capit	65	100%	65.00	1,132,560	2018
Honouliuli (Gentry Homes)	32	25%	8.00	139,392	2020
Ho'opili IMX Land (DR Horton)	45	50%	22.50	392,040	2021
Koa Ridge Industrial (Castle & Cooke)	10	50%	5.00	87,120	2021
Royal Kunia (HRT)	123	25%	30.75	535,788	2022
Hunt Industrial Lands (Barbers Point)	25	25%	6.25	108,900	2022
Former Kiewit Site (Avalon Development)	35	35%	12.25	213,444	2023
Total:	435		154.75	3,924,756	

There are two major variables that will impact our industrial land absorption projections. The first factor involves the probability that the park will be delivered by the planned delivery date. Currently, Kapolei Business Park West is the only park that has a planned delivery date in 2018. Uncertainty still exists for the other parks which are in various phases of the entitlement process as a result Colliers incorporated a probability percentage into its calculations, reducing the amount of land likely to be delivered to market for sale.

The second factor is the pace of land absorption. Colliers tracked industrial land sales for West Oahu from 2001 to 2017 and determined that the average annual sales was 21.14 acres during this time period even though this period included a significant lack of absorption through the Great Recession. Land sales are positively and negatively impacted by the current economy resulting in land sales spiking during economic boom periods and land sales declining during an economic downturn.



## II. EXECUTIVE SUMMARY

Colliers created four land absorption models that took into account the delivery of competitive industrial projects as well as the cyclical nature of industrial land sales. KPD provided Colliers with their project phasing for the 250 acres of industrial lots within Kapolei Harborside.

### DEMAND MODEL 1 – ALL DEVELOPMENTS DELIVERED AS PLANNED/USE AVERAGE LAND SALES

**Demand Model 1** assumes that all planned industrial projects will be built and delivered as currently planned. Additionally, land sales would remain static at 21.14 acres per year. Based on KPD beginning Kapolei Harborside site development design in 2019, and beginning construction of Phase 1 in 2020-2021, the first industrial lots in the project could be available in 2021-2022. The Collier's *Demand Model 1* anticipates that the 60-acre Phase 4, the last phase of Kapolei Harborside, would be delivered in 2038.

Kapolei Harborside Development Phases	Estimated Acres	Zoning
Phase 1A	36.5	IMX-1
Phase 1B	18.2	I-2
Phase 2A	43.1	I-2
Phase 2B	20	I-2
Phase 3A	26.4	I-2
Phase 3B	25.1	I-2
Phase 3C	21.4	I-2
Phase 4	60.1	I-2/I-3
Totals	250.8	

MODEL 1 - All Developments Are Delivered as Planned	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
HARBORSIDE PHASES				1A									1B	2A		2B	3A	3B		3C	4		
Oahu Potential New Supply 2018	65.00	0	32.00	91.5	148.00	35.00	0	0	0	0	0	0	18.20	43.10	0.00	20.00	26.40	25.10	0.00	21.40	60.10		
West Oahu Pent-Up Demand	16.50																						
Average West Oahu Land Sales	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14
land supply	27.36	6.22	32.00	91.50	148.00	161.86	140.72	119.58	98.44	77.30	56.16	35.02	32.08	54.04	32.90	31.76	37.02	40.98	19.84	20.10	59.06	37.92	16.78

### DEMAND MODEL 2 – USE DEVELOPMENT PROBABILITY /USE AVERAGE LAND SALES

**Demand Model 2** assumes that there is a probability that many of the planned industrial projects will not be built and delivered as planned. This model incorporates a probability percentage reducing the amount of land available for sale. Additionally, land sales would remain static at 21.14 acres per year. *Demand Model 2 anticipates that the 60-acre Phase 4, the last phase of Kapolei Harborside, would be delivered in 2032.*

MODEL 2 - Development Percentages Incorporated	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
HARBORSIDE PHASES				1A					1B	2A	2B	3A		3B	3C	4	
Oahu Potential New Supply 2018	65.00	0	8.00	64.00	37.00	12.25	0.00	18.20	43.10	20.00	26.40	0.00	25.10	21.40	60.10	0.00	0.00
less pent up demand	16.50			13.14													
average annual land sales (2001-2017)	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14
land supply	27.36	6.22	0.00	29.72	45.58	36.69	15.55	12.61	34.57	33.43	38.69	17.55	21.51	21.77	60.73	39.59	18.45



## II. EXECUTIVE SUMMARY

### DEMAND MODEL 3 – ALL DEVELOPMENTS DELIVERED AS PLANNED/USE CYCLICAL LAND SALES

**Demand Model 3** assumes that all planned industrial parks will be built and delivered as planned. This model incorporates the cyclical land sales projections into its land absorption calculations.

**Demand Model 3 anticipates that the 60-acre Phase 4, the last phase of Kapolei Harborside, would be delivered in 2041.**

MODEL 3 - With Cyclical Land Sales and All Development	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
HARBORSIDE PHASES				1A										1B	2A					2B	3A	3B	3C	4	
Oahu Potential New Supply	65.00	0.00	32.00	91.50	148.00	35.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.20	43.10	0.00	0.00	0.00	0.00	20.00	26.40	25.10	21.40	60.10	0.00
less pent up demand	16.50																								
cyclical annual sales with projected sales (using 2001-20;	32.60	10.26	17.33	6.89	10.39	4.93	9.61	40.17	20.73	46.82	47.87	21.03	34.87	30.35	20.84	6.56	11.08	4.40	6.64	34.41	17.76	40.11	41.01	18.02	29.87
land supply	15.90	5.64	20.31	104.93	242.53	272.60	262.99	222.82	202.09	155.26	107.39	86.36	51.49	39.34	61.60	55.05	43.97	39.57	32.92	18.51	27.15	12.14	7.47	34.62	4.74

### DEMAND MODEL 4 –USE DEVELOPMENTS PROBABILITY/CYCLICAL LAND SALES

**Demand Model 4** assumes that there is a probability that many of the planned industrial parks will not be built and delivered as planned. This model incorporates a probability percentage reducing the amount of land available for sale. This model incorporates cyclical land sales into its land absorption calculations. **Demand Model 4 anticipates that phase 4, the last phase of Kapolei Harborside would be delivered in 2032.**

MODEL 4 - With Cyclical Land Sales and Development Pe	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
HARBORSIDE PHASES				1A						1B	2A	2B	3A	3B	3C	4			
Oahu Potential New Supply 2018	65.00	0.00	13.64	65.96	37.00	12.25	0.00	0.00	18.20	43.10	20.00	26.40	25.10	21.40	60.10	0	0	0.00	0.00
less pent up demand	16.50														2.31				
annual land sales	32.60	10.26	17.33	6.89	10.39	4.93	9.61	40.17	20.73	46.82	47.87	21.03	34.87	30.35	20.84	6.56	11.08	4.40	6.64
land supply	15.90	5.64	1.96	61.02	87.63	94.95	85.34	45.17	42.63	38.91	11.04	16.41	6.63	-2.31	36.95	30.40	19.32	14.92	8.28

### CONCLUDED DEMAND MODEL

**Phase 4 of the Kapolei Harborside development would likely be developed between 2032 (aggressive models) and 2041 (conservative model). Colliers concludes that there is a high probability that development of the last phase of industrial lots within Kapolei Harborside would likely be warranted by 2035 when the amount of available industrial land for sale declines to a projected 24 to 25 acres.**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Available Land For Sale (Concluded Values)	20.49	5.87	13.08	74.03	137.76	149.97	135.75	106.83	100.02	80.40	54.50	41.34	28.15	26.27	48.29	39.90	30.08	24.54



### III. RCLCO'S REPORT FINDINGS

RCLCo was engaged by Aina Nui Corporation (a division of James Campbell Corporation) in 2006 to evaluate Kapolei Harborside's capture of regional industrial demand and to forecast the potential annual land absorption. RCLCo's methodology analyzed historical industrial market trends including supply, absorption, vacancies and rents based on Colliers International's industrial market reports. Additionally, RCLCo examined local and regional economic forecasts for employment and industry sectors to project industrial space demand and an annual absorption schedule for Kapolei Harborside.

RCLCo determined that industrial demand in Honolulu County is comprised of pent-up demand, annual employment driven demand and transient demand. Pent-up demand is the amount of demand that would be needed to be absorbed to return the market to equilibrium at 5% vacancy. This component of demand was estimated at 73 acres for 2004. Employment-driven demand was projected to be roughly 25 acres per year and was calculated using a historical ratio between industrial acreage and employment for Honolulu County (80 square feet of industrial space per worker). Lastly, RCLCo quoted a study by Colliers International that estimated transient demand of roughly 11 acres per year.

RCLCo's analyses forecasted that Kapolei Harborside (also referred to as West Kalaeloa) would capture a significant share of Honolulu's County's industrial demand resulting in 240 acres of demand over a period of nine years (2009-2017). Additionally, RCLCo anticipated that the delivery of Kapolei Harborside would begin in 2009 with roughly 5.89 million square feet of built industrial inventory. West Oahu (Kapolei Business Park Phase 2 and West Kalaeloa) would comprise approximately 89% of the available inventory. The subject site is estimated to represent 82% of West Oahu land available for development and West Oahu would represent 87% of the land available for development on Oahu.

#### RCLCo's 2006 Demand Projections

Demand Source	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Employment Driven Annual Demand		17	17	17	17	17	17	17	17	17
Annual Transient Demand		11	11	11	11	11	11	11	11	11
West Kalaeloa Capture of Transient Demand 82%		9	9	9	9	9	9	9	9	9
Total Annual On-site Land Absorption		26	26	26	26	26	26	26	26	26
<b>Cumulative On-Site Land Absorption</b>		<b>26</b>	<b>52</b>	<b>78</b>	<b>104</b>	<b>130</b>	<b>156</b>	<b>182</b>	<b>208</b>	<b>234</b>
<b>Subject Site Remaining Developable Land (Acres)</b>	<b>240</b>	<b>214</b>	<b>188</b>	<b>162</b>	<b>136</b>	<b>110</b>	<b>84</b>	<b>58</b>	<b>32</b>	<b>6</b>



### III. RCLCO'S REPORT FINDINGS

#### Schedule of Industrial Park Development (2006)

Area	Net Developable Acres	Square Footage	Probability Percentage	Estimated Square Footage
Mill Town	15	261,000	100%	261,000
Mililani Tech Park	30	523,000	25%	131,000
1-3 Waterfront Industrial Land	71	1,237,000	50%	619,000
I-2 Zoned Land	123	2,143,000	50%	1,072,000
Hawaii Raceway Park	54	941,000	40%	376,000
Hawaiian Cement	29	505,000	100%	505,000
Tesoro	71	1,037,000	25%	309,000
Honouliuli	43	749,000	10%	75,000
KBP Phase 2	53	923,000	100%	923,000
West Kalaheo - Subject Site	240	4,182,000	100%	4,182,000
Total Oahu Potential New Supply Year-end 2005	729			8,453,000
Less: Pent Up Demand	73			1,273,000
Less: Employment Driven Demand	74			1,287,000
Oahu Year-end 2008 Land Supply	582			5,893,000
Year-end 2005 West Oahu Percentage of Oahu	40%			60%
Year-end 2008 West Oahu Percentage of Oahu	50%			87%
Year-end 2008 West Kalaheo Percentage of Oahu	82%			82%

Based on RCLCo's demand analysis, the subject site should have captured a total of 26 acres of demand for industrial space per year between 2009 and 2017. The total demand combined employment driven with transient demand estimates and estimated that within a nine-year period, the subject property development site would be completely leased.

RCLCo also based their industrial demand estimates on a number of assumptions:

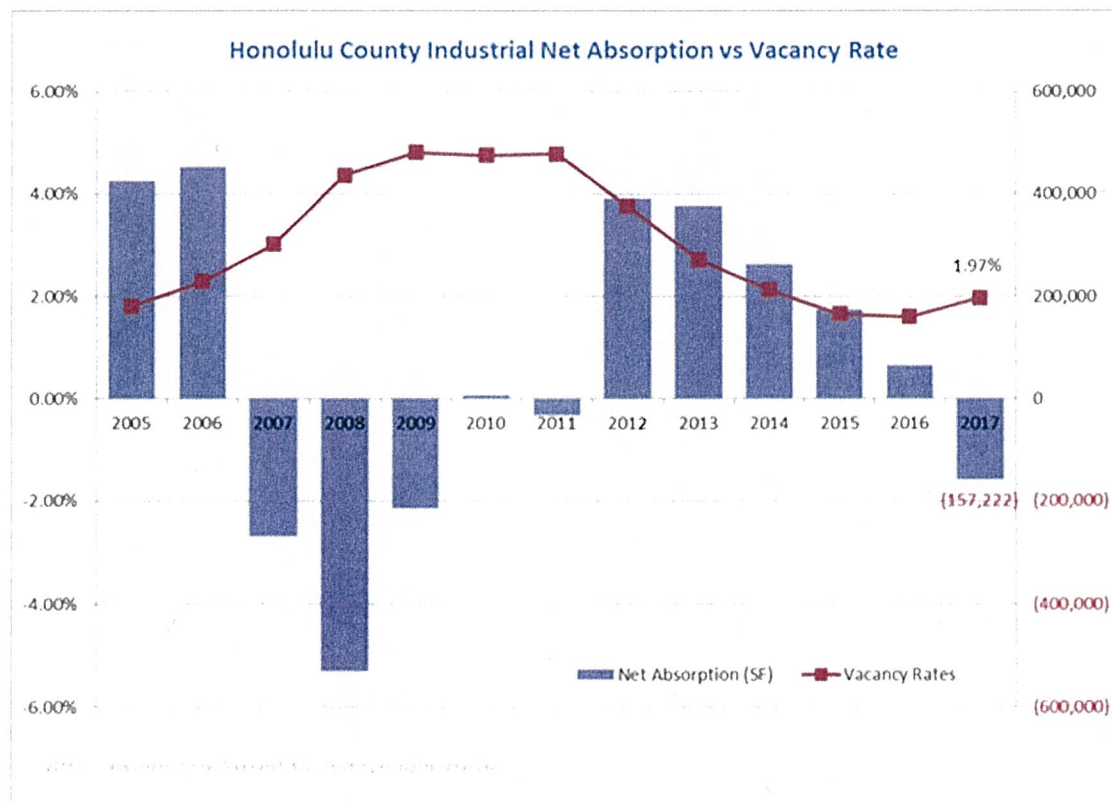
- A continuation in a steady economic growth environment
- The lack of a major economic shock or economic boom that will impact the real estate cycle.
- Economic growth, employment and household growth would move in accordance with current expectations and follow fairly standard demographic and economic patterns.
- RCLCo's demand projections did not take into account major changes to the cost of construction, tax rates, mortgage financing and cost of capital etc.

## IV. OAHU INDUSTRIAL MARKET OVERVIEW

In the twelve years following the 2006 RCLCo market report, Oahu's economy and its industrial sector encountered the Great Recession of 2007 and the subsequent crash of the real estate and financial markets. This global economic shock was not anticipated by the RCLCo report, which had projected steady economic conditions and a continual demand for industrial land and warehouses.

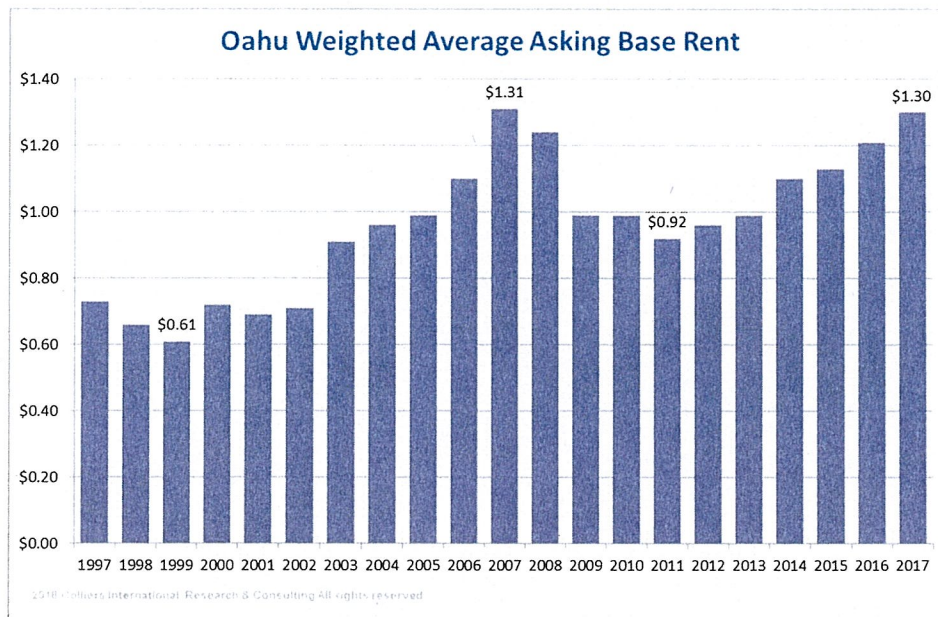
As noted by the graph below, Honolulu County's industrial market posted three years of occupancy losses between 2007 and 2009 when more than 1.0 million square feet of tenants had closed or reduced their space requirements. Industrial vacancy rates, which had fallen to 1.8% for 2005 had more than doubled as the rate jumped to 4.8% by 2009. This would be the highest vacancy rate to have been recorded between 2000 and 2017.

The aftermath of the Great Recession resulted in nearly five years (2007-2011) of sub-par absorption performance for the Oahu industrial marketplace. Vacancy rates hovered near 5% for three consecutive years (2009-2011) as many businesses had to downsize or close shop as a result of a slowdown in the economy.





## IV. OAHU INDUSTRIAL MARKET OVERVIEW



Corresponding to the slowdown in tenant demand that occurred between 2007 and 2011, the direct weighted average industrial rent which had peaked at \$1.31 psf/mo in 2007, declined to \$0.92 per square foot per month ("psf/mo") at year-end 2011, a 29.7% decline in rents during this four year period. This also was the lowest recorded rental rate level since the \$0.91 psf/mo reported for 2003.

At the end of 2017, Colliers estimated that the Honolulu County industrial warehouse marketplace is comprised of roughly 40.3 million square feet of space. Colliers tracked 6.9 million square feet of inventory for the West Oahu marketplace. This is 17.05% of the total Oahu industrial leasable area. The West Oahu industrial vacancy rates continued to trend downward since its peak in 2010, when it reached a high of 9.3%. At year-end 2017, this market posted a 3.27% vacancy rate.



## IV. OAHU INDUSTRIAL MARKET OVERVIEW

This combination of the lack of industrial tenant space demand and the decline in industrial rents that occurred between 2007 and 2011 resulted in very little industrial development during this five year period. Additionally, the industrial market witnessed the foreclosure of Waipio Business Center and Kapolei Trade Center, two industrial condominium projects that delivered more than 300,000 square feet of new developments to the market in 2007-2008. Industrial units at these projects had originally been marketed for sale at \$320 per square foot in 2008, would later sell for \$220 per square foot in 2017. This compounded the negative effects on industrial land absorption.

### 4th QUARTER 2017 Oahu Industrial Market Statistics

#### INDUSTRIAL MARKET - BY SUBMARKET AREA

	NO. OF BUILDINGS	BUILDING AREA (SF)	TENURE*	AVAILABLE SPACE (SF)	4Q17 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	VACANCY RATE	DIRECT WTD. AVG. NET ASKING RENT (NNN) (PSF/MO)**	AVG. NET OP. EXP. (PSF/MO)
<b>HONOLULU</b>									
Iwilei	97	2,355,935	Fee Simple	73,961	(24,070)	13,211	3.14%	\$1.25	\$0.45
Kalihi	701	9,478,051	Fee Simple	211,171	30,749	(6,188)	2.23%	\$1.28	\$0.38
Sand Island	74	663,005	Leasehold	5,097	(5,097)	403	0.77%	\$1.36	\$0.32
Mapunapuna	107	4,214,301	Leasehold	18,506	34,072	(10,352)	0.44%	\$1.08	\$0.33
Airport	125	4,641,933	Fee Simple	0	0	35,800	0.00%	\$0.85	\$0.28
<b>Total Honolulu</b>	<b>1,104</b>	<b>21,353,225</b>		<b>308,735</b>	<b>35,654</b>	<b>32,874</b>	<b>1.45%</b>	<b>\$1.26</b>	<b>\$0.39</b>
<b>CENTRAL OAHU</b>									
Bougainville	20	806,460	Leasehold	0	0	20,257	0.00%	\$1.25	\$0.38
Halawa	84	2,672,089	Leasehold	36,930	25,954	9,542	1.38%	\$1.11	\$0.38
Pearl City Area	45	1,660,582	Fee Simple	6,581	3,944	12,119	0.40%	\$1.30	\$0.48
Pearl City Industrial Park***	32	762,292	Fee Simple	19,150	(2,674)	(19,150)	2.51%	\$1.23	\$0.36
Gentry Business Park	67	1,778,759	Fee Simple	10,686	(8,646)	(661)	0.60%	\$1.18	\$0.46
Miltohn	37	443,120	Fee Simple	42,491	(12,491)	(42,491)	9.59%	\$1.35	\$0.44
Waipahu	128	2,722,540	Fee Simple	25,256	4,755	(8,256)	0.93%	\$1.12	\$0.34
<b>Total Central Oahu</b>	<b>381</b>	<b>10,845,842</b>		<b>141,094</b>	<b>10,842</b>	<b>(28,640)</b>	<b>1.30%</b>	<b>\$1.21</b>	<b>\$0.35</b>
<b>WEST OAHU</b>									
Campbell Industrial Park	121	4,960,296	Fee Simple	71,139	5,201	(21,430)	1.43%	\$1.19	\$0.20
Kapolei Business Park	53	1,574,865	Fee Simple	153,296	(42,764)	(76,473)	9.73%	\$1.20	\$0.43
Malakole Industrial Park	3	197,000	Fee Simple	0	0	0	0.00%	\$1.19	\$0.20
Kenai Industrial Park	12	90,680	Fee Simple	0	0	0	0.00%	\$1.19	\$0.20
Kalaheoa Industrial	5	47,137	Fee Simple	0	0	0	0.00%	\$1.19	\$0.20
<b>Total Kapolei</b>	<b>194</b>	<b>6,869,978</b>		<b>224,435</b>	<b>(37,563)</b>	<b>(97,903)</b>	<b>3.27%</b>	<b>\$1.19</b>	<b>\$0.26</b>
<b>WINDWARD OAHU</b>									
Kapaa Industrial ****	61	623,361	Fee Simple	114,679	(50,125)	(68,679)	18.40%	\$1.80	\$0.31
Kaneohe	41	602,851	Fee Simple	6,814	2,250	5,126	1.13%	\$0.50	\$0.66
<b>Total Windward</b>	<b>102</b>	<b>1,226,232</b>		<b>121,493</b>	<b>(47,875)</b>	<b>(63,553)</b>	<b>9.91%</b>	<b>\$1.73</b>	<b>\$0.33</b>
<b>OAHU TOTALS</b>	<b>1,781</b>	<b>40,295,277</b>		<b>795,757</b>	<b>(38,942)</b>	<b>(157,222)</b>	<b>1.97%</b>	<b>\$1.30</b>	<b>\$0.37</b>

\* Leasehold tenure is associated with industrial parks with 75% or more of land under ground lease

\*\* Weighted average rents are calculated on I-1 and I-2 zoned properties. I-1, I-2 zoned properties which can be used for retail have been excluded from this rent calculation

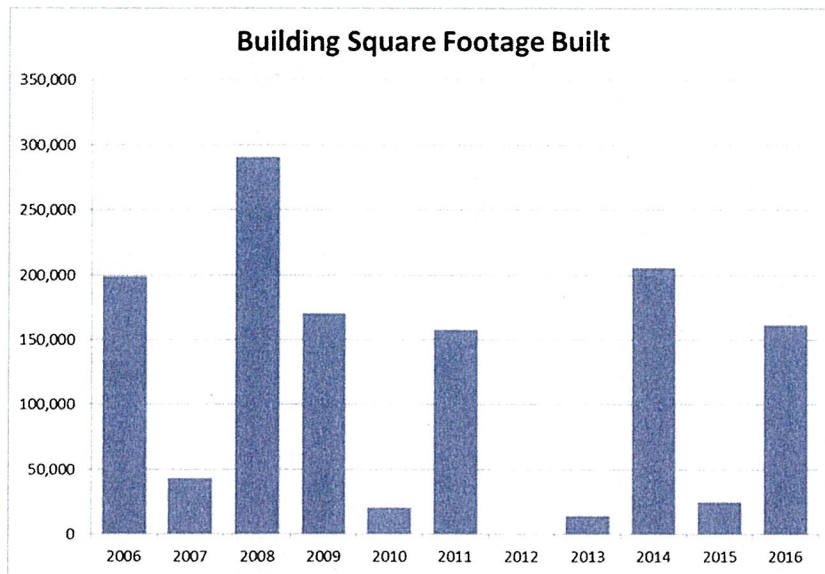
\*\*\* Pearl City Industrial Park is a submarket associated with Pearl City Area trade area

\*\*\*\* Only gross rents are quoted

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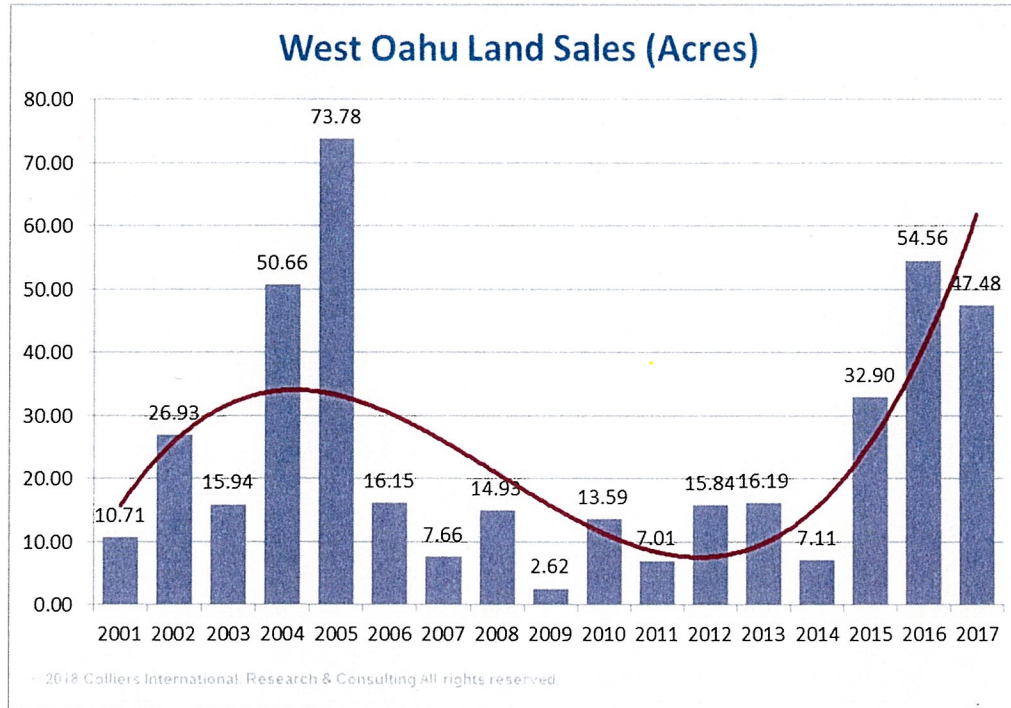
## IV. OAHU INDUSTRIAL MARKET OVERVIEW



In the aftermath of the Great Recession, increased government regulations on financial markets and tightened bank underwriting standards made it increasingly challenging for borrowers to secure funding for acquisition, development, and construction loans. This inability to secure a loan curtailed many industrial businesses from pursuing West Oahu land acquisition and was instrumental in curtailing warehouse and distribution development activity. Colliers tracked the square footage of building built on I-2 and IMX-1 zoned land between 2006 and 2016. After the initial surge in 2008-2009, industrial construction activity slowed between 2010 and 2013. The majority of these industrial projects were for owner-users.

While underwriting standards remain more stringent than before the Great Recession, the low interest rate environment combined with the overall improvement in economic conditions has resulted in the increased industrial land absorption by industrial owner users and project developers since 2013. This trend continues to be moderated by the continuing high construction cost climate and rising interest rates. Going forward industrial land absorption estimates take these considerations into account.

## V. WEST OAHU LAND SALES ANALYSIS



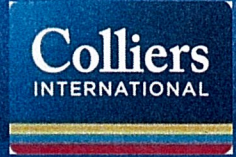
Colliers tracked I-2 and IMX-1 zoned land sales in West Oahu from 2001 to 2017. For the past 17 years, a total of 414 acres have been sold for an average annual rate of 24.36 acres. West Oahu industrial land sales peaked in 2005 when 73.78 acres of land was sold. This surge in sales corresponded to the boom in the economy which resulted in tremendous growth in commercial real estate investment activity and development. Once the Great Recession hit (2008-2009), the average annual amount of land sold between 2008 and 2014 declined to 11.04 acres, a sizeable 54.6% decline. Subsequently, between 2015 and 2017, land sales have begun to surge upward as positive economic, market and financial factors motivate businesses to acquire development land.

The cyclical nature of industrial land sales is evident in our table. During economic boom periods when businesses expand, demand for developable industrial land surges. For industrial businesses that have the available capital to acquire land and to build their own facilities, as long as financing is available, development becomes a viable option. Additionally, during healthy economic growth periods, available warehouse spaces have declined dramatically leaving a severe shortage situation resulting in sharp spikes in rental rates.

In addition to determining that the annual absorption of land would be consistent at 26 acres per year, the RCLCo report based their transient demand on a 2005 Colliers report which combined relocating tenants from Kapalama Military Reserve ("KMR"), industrial tenants moving due to gentrification of Kakaako and expiring ground leases at the Airport/Mapunapuna industrial region. Colliers estimated that of the combination of these events would result in a 9 to 11 acre demand for West Oahu.



## V. WEST OAHU LAND SALES ANALYSIS



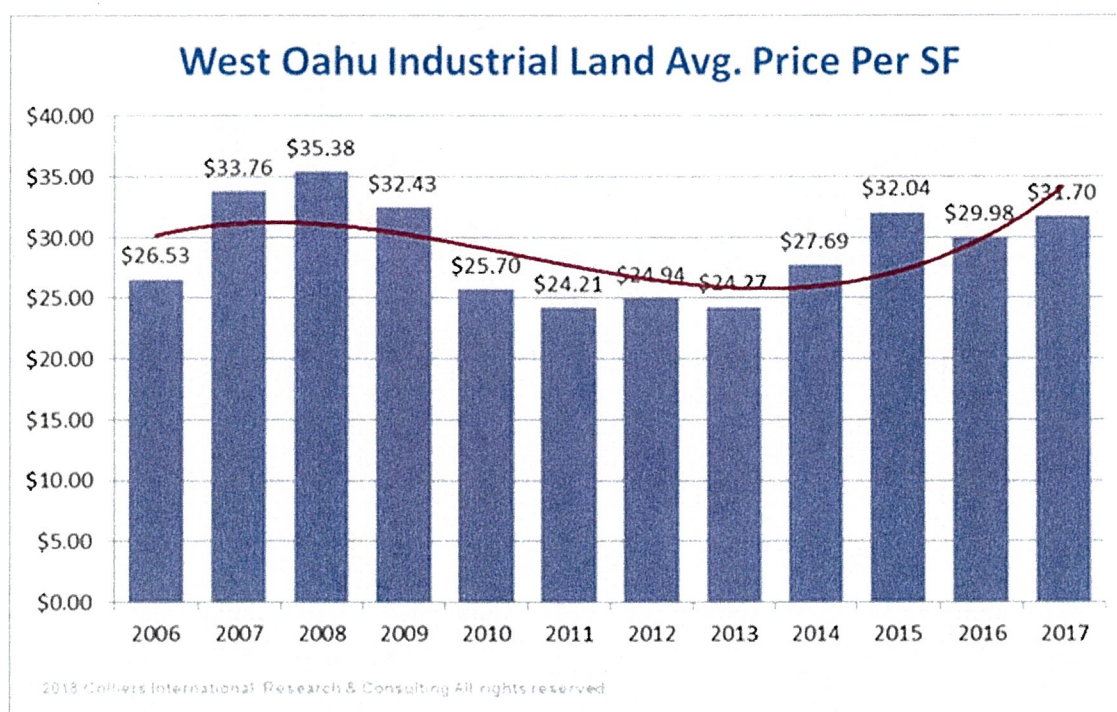
Several factors influenced the subsequent results of the findings for the 2005 Colliers report. The owner of the Airport/Mapunapuna land (Select Income REIT), which originally was known to be difficult to negotiate with, became more amenable to discussions on ground lease extensions and rent renegotiations. Fewer leasehold lessees decided to relocate to West Oahu as a result of their pending ground rent renegotiations.

The closure of Kapalama Military Reserve by the State of Hawaii for Harbor expansion did not start in earnest till 2013. While this project has been on the drawing boards since 2003, the State of Hawaii did not begin notifying tenants of their pending lease terminations until 2013, nearly ten years after the initial announcement. Many KPR tenants delayed relocation efforts until the last minute. The Colliers report had anticipated that these tenants would transition from 2004 to 2008 to West Oahu locations; instead there was a surge in tenant relocations that impacted urban Honolulu markets during 2013-2014. Honolulu industrial vacancy rates declined from roughly 4% to 2% during this time period.

## VI. WEST OAHU LAND PRICING ANALYSIS

### V. West Oahu Land Pricing Analysis

There was a lag period for West Oahu industrial finished lot land prices, which declined sharply roughly a year after the start of the Great Recession. Prices for West Oahu land which had risen to an average of roughly \$35.38 per square foot during 2008 had declined to \$24.21 per square foot for 2011, for a 31.6% decline land prices.



Coincidentally, despite the lower land values that occurred between 2009 and 2014, the annual amount of industrial finished lots sold averaged only 10.39 acres per year, well below the annual average of 24.36 acres recorded for 2001 to 2017. Historically, real estate market conditions combined with Honolulu County's economic performance will influence the amount of land sales activity that occurs.

Since the end of the Great Recession, Honolulu's economy has recovered and steadily improved with rising job counts and gains in personal income. In fact, Honolulu County recorded a 1.8% unemployment rate at the end November 2017, resulting in tying a record low. Industrial businesses appear more confident as expansion plans have led to increased land sales. At the end of 2017, pricing for West Oahu industrial finished lots averaged \$34 per square foot.

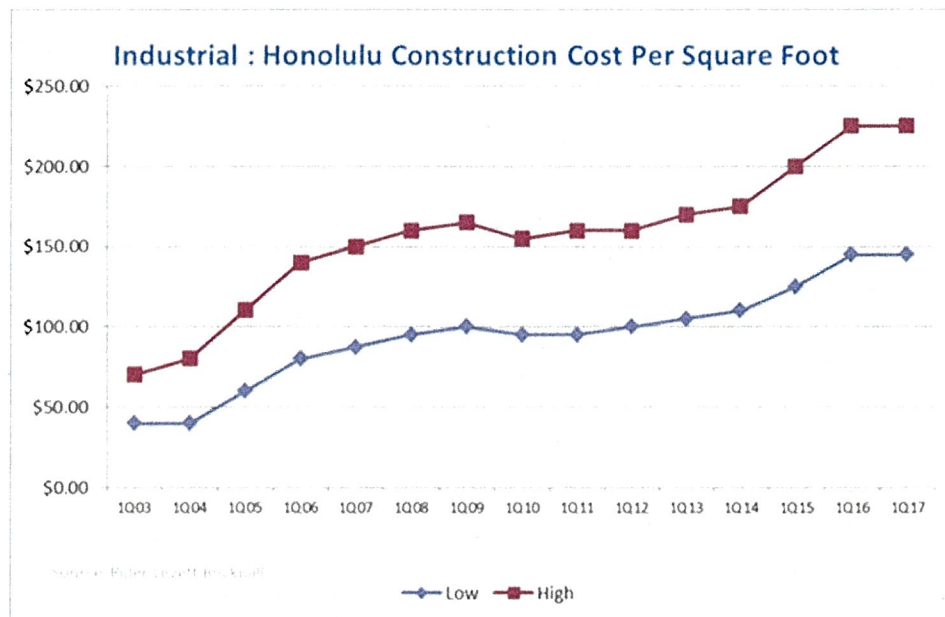


## VII. HISTORICAL CONSTRUCTION COST ANALYSIS



### VI. Historical Construction Costs Analysis

Rider Levett Bucknall, a construction cost estimation firm, compiled historical data that compared warehouse development costs for Honolulu. Over the past thirteen years (1Q2013 to 1Q2016) warehouse construction costs have risen by 236%. The average annual increase in warehouse development costs during this time was 18%. During this time period, there have been only a few speculative industrial developments, most of which were industrial condominiums which were built during the peak of the Great Recession. These projects unfortunately resulted in foreclosures during the 2008 to 2010 timeframe.



Development is an inherently risky endeavor, the existence of just one of the following: poor economic conditions, volatile financial markets, and rapidly rising construction and land costs could easily jeopardize the feasibility of a new project. Should rental rates not keep up with rising land and construction costs, the project will not be financeable.

Using average West Oahu industrial finished lot values of \$34 per square foot of land and an FAR of 0.40, this equates to a land price of \$85.00 square foot. Using construction costs of \$135 per square foot, the developer's costs to build a warehouse would be roughly \$220 per square foot. For a 40,000 square foot warehouse, the total costs would be \$8,800,000. Should industrial space lease rents rise to \$1.40 per square foot per month in rent, the annual return on this ground up development would be 7.64%, well-below most financing and development required return rates.

## VIII. WEST OAHU INDUSTRIAL MARKET PERFORMANCE

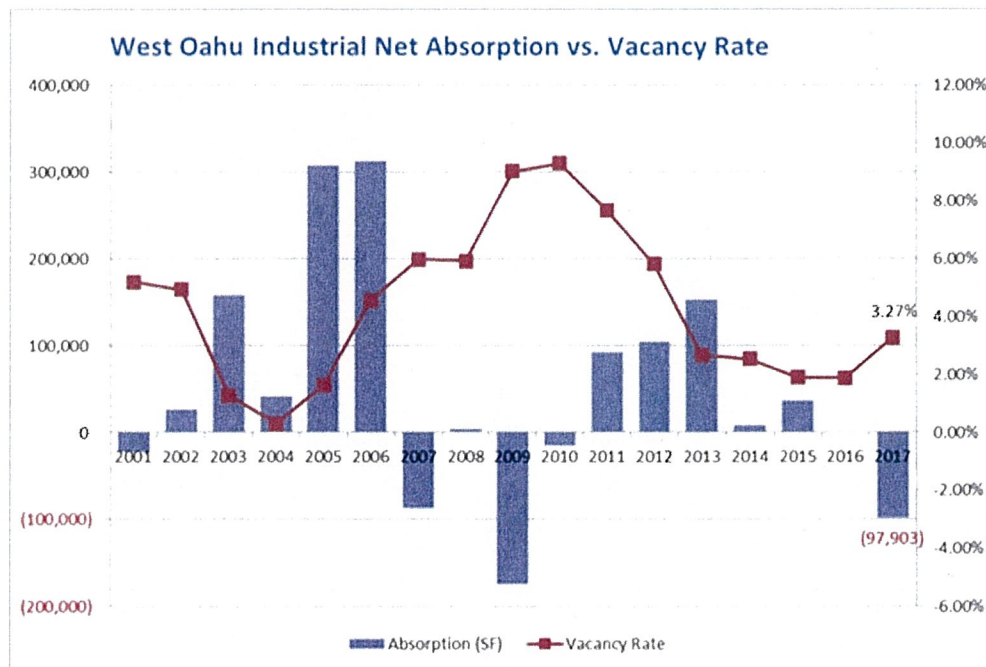


### VII. West Oahu Industrial Market Performance

The spike in vacancy rates that occurred from 2007 and 2010 was the direct result of more than 273,000 square feet of vacant industrial condominiums that were constructed during the height of the recession. As a result of this development, vacancy rates rose to a high of 9.3% at the end of 2010.

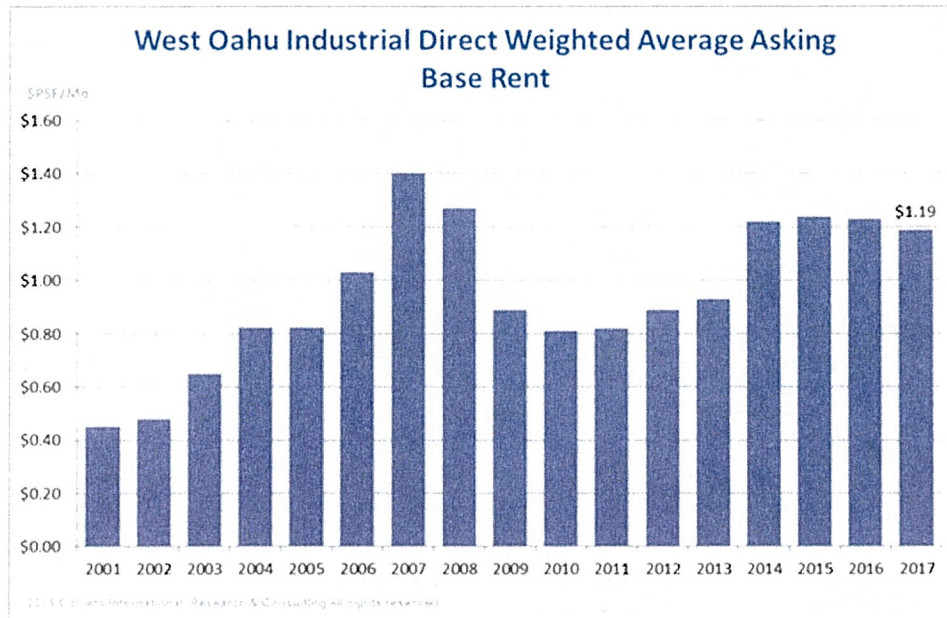
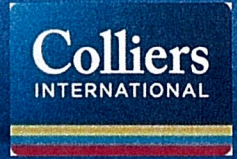
West Oahu weathered this storm and generated positive occupancy growth from 2011 to 2015 when a total of 394,334 square feet was absorbed. Vacancy rates fell below 2% by the end of 2015. At the end of 2017, the West Oahu industrial market posted a loss of 97,903 square feet of negative net absorption with vacancy rates rising to 3.27%.

Typically, as industrial vacancy rates decline, industrial tenants have fewer space options to choose from. This incites increased competition among prospective tenants for limited space that is available and generally results in landlords increasing their rents. We have witnessed this phenomenon when vacancy rates declined below 4% and most recently during the 2014 to 2017 time period.





## VIII. WEST OAHU INDUSTRIAL MARKET PERFORMANCE



The West Oahu direct weighted average asking base rent, which had surged upward between 2010 and 2014, appears to have plateaued at \$1.19 psf/mo at the end of 2017. This rental rate level is still below the record achieved in 2007, when several new industrial developments hit the market with \$1.55 psf/mo asking rental rates.

As urban Honolulu's industrial markets continually posted sub-2% vacancy rates and rents escalate quickly, increasingly West Oahu is the focal point for industrial owner users wanting to stabilize their occupancy costs by acquiring land and constructing their own facility. For industrial businesses that have available capital to acquire land and build their own facilities, West Oahu is one of only a very few locations on Oahu that has developable industrial zoned land at a price that supports owner user project development.



## IX. PLANNED INDUSTRIAL DEVELOPMENT

Over the past twenty years, West Oahu industrial land transactions expanded and contracted with the economy. Several new industrial projects such as Malakole Industrial Park, Kapolei Business Park Phase I and II have been developed with industrial lots for sale or development. For the most part, these projects are nearly sold out warranting the commencement of development of Kapolei Business Park West 65-acre project.

Industrial Park Development					
Name of Park	Total Acreage	Probability Percentage	Residual Developable Land	Total Potential GLA (0.40 FAR)	Delivery Date for Parcel Sales
Kapolei Business Park West (Avalon/Walton Street Capital)	65	100%	65.00	1,132,560	2018
Honouliuli (Gentry Homes)	32	25%	8.00	139,392	2020
Ho'opili IMX Land (DR Horton)	45	50%	22.50	392,040	2021
Koa Ridge Industrial (Castle & Cooke)	10	50%	5.00	87,120	2021
Royal Kunia (HRT)	123	25%	30.75	535,788	2021+
Hunt Industrial Lands (Barbers Point)	25	25%	6.25	108,900	2021+
Former Kiewit Site (Avalon Development)	35	35%	12.25	213,444	2023
<b>Total:</b>	<b>435</b>		<b>154.75</b>	<b>3,924,756</b>	
Kapolei Harborside (KPD)	250				
DLNR Olai Street*	100	5%	5.00	87,120	N/A

\*Leasehold

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The above table provides a list of industrial parks that are being planned with their estimated delivery dates. There are eight developments that are slated for delivery by 2023. The Department of Land and Natural Resources ("DLNR") Olai Street property is a 100-acre parcel owned by the State of Hawaii and is available to developers on a long-term ground lease. While there was a pending 2017 development agreement with a renewable energy company, HECO declined their purchase power agreement and this State land is currently available for use. Currently there are two potential uses being proposed, one is for the Department of Agriculture, and the other is pending legislation for this land to be used as a potential homeless village. Colliers has removed this site from the list of potential competitive industrial parks.

Of the above list of planned industrial parks, Kapolei Business Park West is currently the only industrial project with finished lots available for sale. Most of the other parks do not have available infrastructure or have several years of entitlement and subdivision approvals in advance of lots being available. Colliers incorporated a probability factor into determining the potential industrial gross leasable area ("GLA") using a 0.40 FAR. The result was the potential for 177 available acres for sale and an estimated 3.9 million square feet of new inventory to be built by 2023.



## IX. PLANNED INDUSTRIAL DEVELOPMENT

### Kapolei Harborside Development Plans

Kapolei Harborside is expected to provide 240 to 250 acres of industrial finished lots. Plans for the project reflect a staged phasing of infrastructure development that will correlate to the pace of absorption of lot sales. Absorption will be impacted by economic and real estate market cycle conditions.

There are several phases projected for Kapolei Harborside. The first phase will include 36.5 acre of finished lots with IMX-1 zoning. KPD anticipates beginning site development design in the 2019-2020 time frame. This would be followed with site development construction and first lot sales projected for 2021.

Kapolei Harborside Development Phases	Estimated Acres	Zoning
Phase 1A	36.5	IMX-1
Phase 1B	18.2	I-2
Phase 2A	43.1	I-2
Phase 2B	20	I-2
Phase 3A	26.4	I-2
Phase 3B	25.1	I-2
Phase 3C	21.4	I-2
Phase 4	60.1	I-2/I-3
Totals	250.8	

# X. INDUSTRIAL LAND ABSORPTION DEMAND PROJECTIONS



Colliers created four land absorption models that took into account the current annual land sales, the pent-up demand for land, and the amount of new supply of vacant industrial zoned land that is being added to the market.

## DEMAND MODEL 1 – ALL DEVELOPMENTS DELIVERED AS PLANNED/USE AVERAGE LAND SALES

**Demand Model 1** assumes that all planned industrial parks will be built and delivered as planned. Additionally, land sales would remain static at 21.14 acres per year. Based on KPD beginning Kapolei Harborside site development design in 2019, and construction in 2020-2021, the first industrial lots in the project could be available in 2021-2022. The Collier's ***Demand Model 1 anticipates that the 60-acre Phase 4, the last phase of Kapolei Harborside, would be delivered in 2038.***

MODEL 1- All Developments Are Delivered as Planned	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
HARBORSIDE PHASES				1A									1B	2A		2B	3A	3B		3C	4		
Oahu Potential New Supply 2018	65.00	0	32.00	91.5	148.00	35.00	0	0	0	0	0	0	18.20	43.10	0.00	20.00	26.40	25.10	0.00	21.40	60.10		
West Oahu Pent-Up Demand	16.50																						
Average West Oahu Land Sales	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14
land supply	27.36	6.22	32.00	91.50	148.00	161.86	140.72	119.58	98.44	77.30	56.16	35.02	32.08	54.04	32.90	31.76	37.02	40.98	19.84	20.10	59.06	37.92	16.78

## DEMAND MODEL 2 – USE DEVELOPMENT PROBABILITY /USE AVERAGE LAND SALES

**Demand Model 2** assumes that there is a probability that many of the planned industrial parks will not be built and delivered as planned. This model incorporates a probability percentage reducing the amount of land available for sale. Additionally, land sales would remain static at 21.14 acres per year. ***Demand Model 2 anticipates that the 60-acre Phase 4, the last phase of Kapolei Harborside, would be delivered in 2032.***

MODEL 2 - Development Percentages Incorporated	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
HARBORSIDE PHASES				1A					1B	2A	2B	3A		3B	3C	4	
Oahu Potential New Supply 2018	65.00	0	8.00	64.00	37.00	12.25	0.00	18.20	43.10	20.00	26.40	0.00	25.10	21.40	60.10	0.00	0.00
less pent up demand	16.50			13.14													
average annual land sales (2001-2017)	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14	21.14
land supply	27.36	6.22	0.00	29.72	45.58	36.69	15.55	12.61	34.57	33.43	38.69	17.55	21.51	21.77	60.73	39.59	18.45



# X. INDUSTRIAL LAND ABSORPTION DEMAND PROJECTIONS

## DEMAND MODEL 3 – ALL DEVELOPMENTS DELIVERED AS PLANNED/USE CYCLICAL LAND SALES

**Demand Model 3** assumes that all planned industrial parks will be built and delivered as planned. This model incorporates the cyclical land sales projections into its land absorption calculations.

**Demand Model 3 anticipates that the 60-acre Phase 4, the last phase of Kapolei Harborside, would be delivered in 2041.**

MODEL 3 - With Cyclical Land Sales and All Development	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
HARBORSIDE PHASES				1A										1B	2A					2B	3A	3B	3C	4	
Oahu Potential New Supply	65.00	0.00	32.00	91.50	148.00	35.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.20	43.10	0.00	0.00	0.00	0.00	20.00	26.40	25.10	21.40	60.10	0.00
less pent up demand	16.50																								
cyclical annual sales with projected sales (using 2001-20:	32.60	10.26	17.33	6.89	10.39	4.93	9.61	40.17	20.73	46.82	47.87	21.03	34.87	30.35	20.84	6.56	11.08	4.40	6.64	34.41	17.76	40.11	41.01	18.02	29.87
land supply	15.90	5.64	20.31	104.93	242.53	272.60	262.99	222.82	202.09	155.26	107.39	86.36	51.49	39.34	61.60	55.05	43.97	39.57	32.92	18.51	27.15	12.14	-7.47	34.62	4.74

## DEMAND MODEL 4 – USE DEVELOPMENTS PROBABILITY/CYCLICAL LAND SALES

**Demand Model 4** assumes that there is a probability that many of the planned industrial parks will not be built and delivered as planned. This model incorporates a probability percentage reducing the amount of land available for sale. This model incorporates cyclical land sales into its land absorption calculations. **Demand Model 4 anticipates that phase 4, the last phase of Kapolei Harborside would be delivered in 2032.**

MODEL 4 - With Cyclical Land Sales and Development Pe	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
HARBORSIDE PHASES				1A						1B	2A	2B	3A	3B	3C	4			
Oahu Potential New Supply 2018	65.00	0.00	13.64	65.96	37.00	12.25	0.00	0.00	18.20	43.10	20.00	26.40	25.10	21.40	60.10	0	0	0.00	0.00
less pent up demand	16.50														2.31				
annual land sales	32.60	10.26	17.33	6.89	10.39	4.93	9.61	40.17	20.73	46.82	47.87	21.03	34.87	30.35	20.84	6.56	11.08	4.40	6.64
land supply	15.90	5.64	1.96	61.02	87.63	94.95	85.34	45.17	42.63	38.91	11.04	16.41	6.63	-2.31	36.95	30.40	19.32	14.92	8.28

## CONCLUDED DEMAND MODEL

**Phase 4 of the Kapolei Harborside development would likely be developed between 2032 (aggressive models) and 2041 (conservative model). Colliers concludes that there is a high probability that development of the last phase of industrial lots within Kapolei Harborside would likely be warranted by 2035 when the amount of available industrial land for sale declines to a projected 24 to 25 acres.**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Available Land For Sale (Concluded Values)	20.49	5.87	13.08	74.03	137.76	149.97	135.75	106.83	100.02	80.40	54.50	41.34	28.15	26.27	48.29	39.90	30.08	24.54



APPROVED  
DEPARTMENT OF COMMERCE SECRETARIAT

93-3 MD 31 Q22 110

09-06-2017 10:08 AM

FEB 23 2018

For \_\_\_\_\_  
Date 3.7.12  
County of Derby and District

## LAND COURT

STATE OF HAWAII

## LAND COURT APPLICATION 1069

SUBDIVISION OF LOT 18250  
AS SHOWN ON MAP 1415  
INTO LOTS 18250-A AND 18250-B  
AND DESIGNATION OF EASEMENT  
AFFECTING LOT 18250-B

AT HONOLULU, EWA, OAHU, HAWAII

CONTROLPOINT SURVEYING INC.



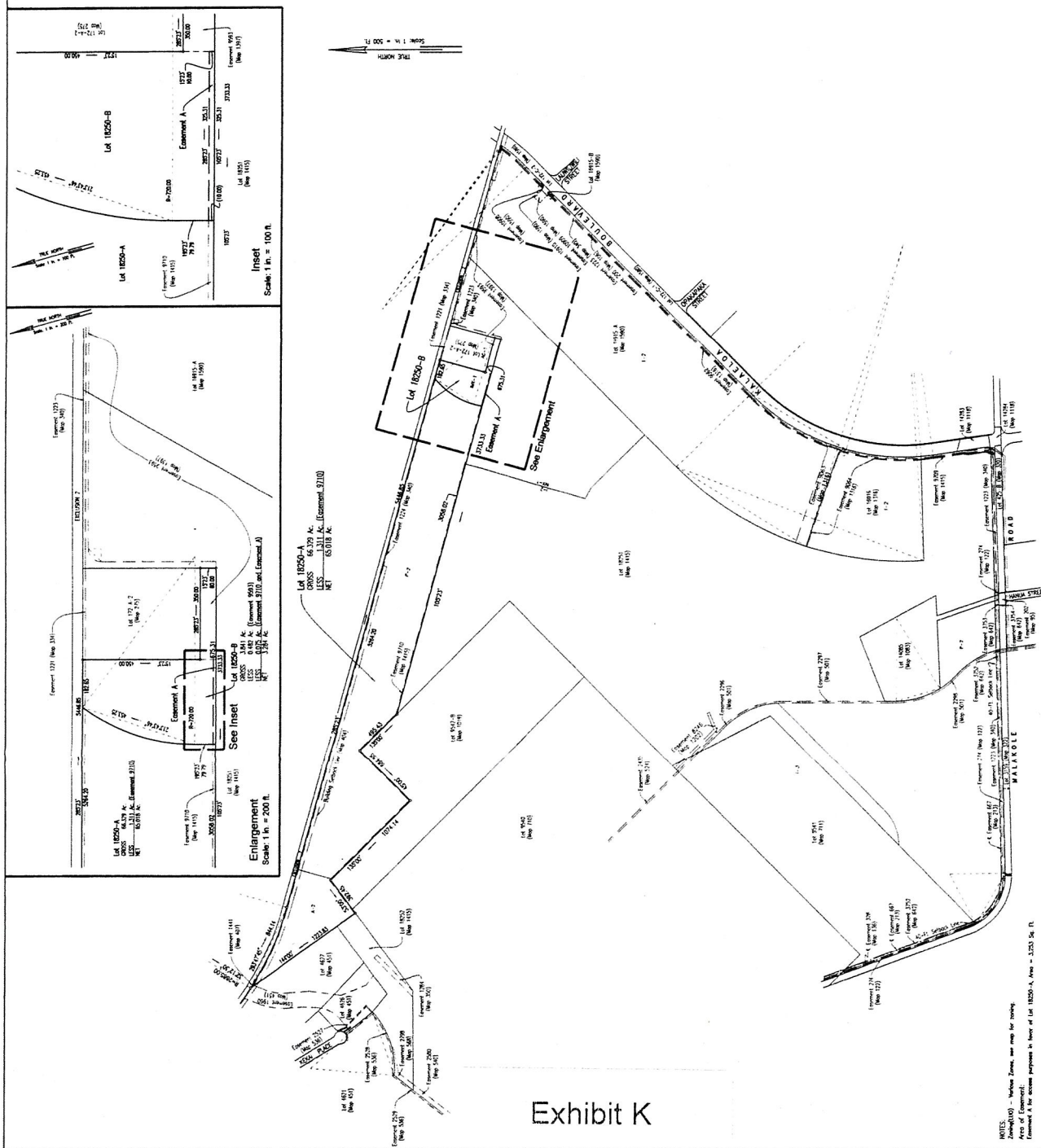
615 Pihoi Street  
Suite 700  
Honolulu, Hawaii 96814  
November 27, 2015

By Chad T. Kodama  
 Licensed Professional Land Surveyor  
 Certificate Number 11249  
 Land Court Certificate Number 125

OWNER: ANA NUI CORPORATION  
TRANSFER CERTIFICATE OF TITLE:

AUTHORIZED AND APPROVED BY ORDER OF THE JUDGE  
OF THE LAND COURT DATED \_\_\_\_\_  
BY ORDER OF THE COURT.

REGISTRAR OF THE LAND COURT



NOTES.

Various Zones, see map for zoning.

Comment A for access purposes in favor of List 1B2

1940

100-910-1-6 (1) Rev. 8/84

THE UNIVERSITY OF CHICAGO LIBRARY

Exhibit K

## Oceanwide Resort Community HI LLC

1099 Alakea Street, Suite 2400  
Honolulu, Hawaii 96813-4591  
Tel: 808.689.9888  
Fax: 808.689.9889



### FEE OWNER'S LETTER OF AUTHORIZATION

Tax Map Key: (1) 9-1-014:041 (por.), DPP File No. 2016/SUB-17, Lot 18250-B  
Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii

Oceanwide Resort Community HI LLC ("Oceanwide") is the fee owner of the real property identified above. Under 2016/SUB-17, on February 23, 2018, the Department of Planning and Permitting of the City and County of Honolulu approved the subdivision of Lot 18250 (area 70.170 acres, as shown on Map 1415 of Land Court Application No. 1069) into Lot 18250-A (66.329 acres) and Lot 18250-B (3.841 acres).

Oceanwide is under contract with Aina Nui Corporation, an affiliate of the James Campbell Company LLC and Kapolei Properties LLC, to convey Lot 18250-B (3.841 acres) to Kapolei Properties LLC upon Land Court approval of the subdivision, making Lot 18250-B a conveyable lot.

Lot 18250-B is subject to that certain Declaration of Conditions Applicable to an Amendment of District Boundary from Agricultural to Urban, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3437501, and is subject to the State of Hawaii Land Use Commission Findings of Fact, Conclusions of Law, and Decision and Order in Docket A06-763 (for Kapolei Harborside). Lot 18250-A is not subject to this Declaration or Decision and Order.

Oceanwide hereby authorizes Kapolei Properties LLC, formerly known as Kapolei Property Development LLC, and its attorneys, CARLSMITH BALL LLP, to submit a motion to, and participate in any proceedings before, the State of Hawaii Land Use Commission in connection with Docket No. A06-763, and to do all things necessary thereunder to effect the purpose of said motion with respect to Lot 18250-B.

Oceanwide executes this Fee Owner's Letter of Authorization upon the express understanding and agreement that, as the current owner of Lot 18250-B or otherwise, it will not be responsible for any new obligations or liabilities that may arise as a result of motions filed with the Land Use Commission in Docket No. A06-763, or actions taken by the Land Use Commission or others pursuant thereto (collectively, the "Obligations and Liabilities"). Any and all such Obligations and Liabilities shall be the sole responsibility of Kapolei Properties LLC, as the future owner of Lot 18250-B, and Kapolei Properties LLC hereby covenants and agrees to indemnify and hold Oceanwide harmless from any and all such Obligations and Liabilities.

An electronic copy of this executed Fee Owner's Letter of Authorization shall also be considered as effective and valid as the original.

**OCEANWIDE RESORT COMMUNITY HI LLC**  
a Delaware limited liability company

By: Oceanwide Real Estate Development HI Corp.,  
a Delaware corporation

Its: Manager

By: 

Name: Song Feng

Its: President

Date: April 16, 2018

Exhibit L

STATE OF HAWAII

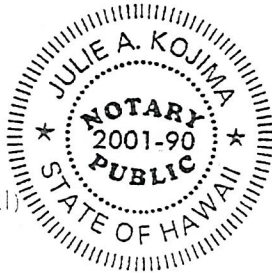
)

) SS:

CITY AND COUNTY OF HONOLULU

)

On this APR 16 2018, before me personally appeared SONG FEUG,  
to me personally known/proved to me on the basis of satisfactory evidence, who, being by me duly sworn or  
affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person and if  
applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



(Stamp or Seal)

Julie A. Kojima  
Name: Julie A. Kojima

Notary Public, State of Hawaii

Notary Public, First Judicial Circuit  
State of Hawaii

My commission expires: April 1, 2021

NOTARY CERTIFICATION STATEMENT

Document Identification or Description:

FREE DWYER'S VERSION OF

AUTHORIZATION

Document Date: APR 16 2018

No. of Pages: 2

Jurisdiction (in which notarial act is performed):

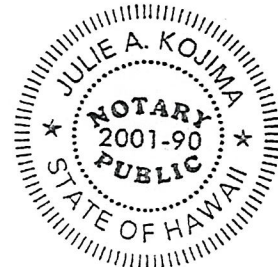
Notary Public, First Judicial Circuit  
State of Hawaii  
My commission expires: April 1, 2021

Julie A. Kojima  
Signature of Notary

APR 16 2018  
Date of Notarization and  
Certification Statement

Julie A. Kojima

Printed Name of Notary



(Notary Stamp or Seal)



**FEE OWNER'S LETTER OF AUTHORIZATION**


**Tax Map Key: (1) 9-1-014:035**  
Honouliuli, District of Ewa, Oahu, State of Hawaii


KSEP LLC is the fee owner of the real property identified above, and hereby authorizes Kapolei Properties LLC, formerly known as Kapolei Property Development LLC, and its attorneys, Carlsmith Ball LLP, to submit a motion to, and participate in any proceedings before, the State of Hawaii Land Use Commission in connection with Docket No. A06-763, and to do all things necessary thereunder to effect the purpose of said motion.

An electronic copy of this executed Fee Owner's Letter of Authorization shall also be considered as effective and valid as the original.

**KSEP LLC,**  
a Hawaii limited liability company

By Aina Nui Corporation, a Hawaii Corporation  
Its Manager and Sole Member

By:   
Bradford J. Myers  
Its: President  
Date: August 1, 2018

By:   
Stephen H. Kelly  
Its: Vice President, Development  
Date: August 1, 2018

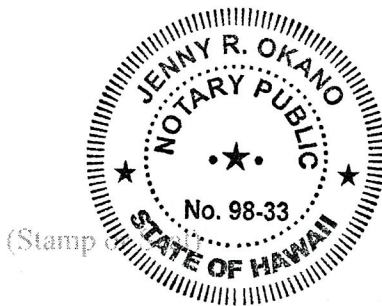
(The remainder of the page was left blank intentionally; notary page to follow)

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)  $SS:$

CITY AND COUNTY OF HONOLULU )

On this 1st day of August, 2018, before me personally appeared **Bradford J. Myers** and **Stephen H. Kelly**, the President and Vice President, Development, respectively, of Aina Nui Corporation, Manager and Sole Member of KSEP LLC, to me personally known/proved to me on the basis of satisfactory evidence, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Name: Jenny R. Okano

Notary Public, State of Hawaii

My commission expires: 1/20/2022

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Fee Owner's Letter of Authorization

Document Date: August 1, 2018

No. of Pages: -2-

Jurisdiction (in which notarial act is performed): First Circuit

Jenny R. Okano  
Signature of Notary

August 1, 2018  
Date of Notarization and  
Certification Statement

---

Jenny R. Okano

Printed Name of Notary

