



LAND USE COMMISSION
STATE OF HAWAII

2018 DEC 10 A 8:25

December 5, 2018

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

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

Dear Mr. Orodenker:

This letter constitutes the 2018 annual report on the status of the Increment I property of the Mililani Technology Park ("Phase I Property") and compliance by Castle & Cooke Properties, Inc. (formerly Oceanic Properties, Inc., hereinafter sometimes referred to as "CCPI") with conditions imposed by the Land Use Commission of the State of Hawaii ("LUC") pursuant to the LUC's Findings of Fact, Conclusions of Law and Decision and Order of August 6, 1984 in Docket No. A83-551 which was amended on April 1, 1991 ("Decision and Order"). This report is submitted pursuant to the reporting requirements of condition #6 of the Decision and Order.

I. Overview

The Mililani Technology Park (then known as Hawaii Technology Park, hereinafter sometimes referred to as "MTP" or "Park") received its zoning approval from the City Council on July 9, 1986 (Ordinance No. 86-92). The ordinance rezoned 120 acres from AG-1 Restricted Agriculture District to I-1 Light Industrial District. The zoning became effective upon the Mayor's approval on July 22, 1986. In 1990, a Development Plan Amendment was applied for and ultimately approved on February 27, 1991 changing the Park's designation to mixed use commercial/industrial. An application to change the Park's zoning to IMX-1 to reflect the new DP designation was subsequently submitted to DLU. This zoning request was approved by the City Council and became law as Ordinance 92-64 on June 12, 1992. Another DP Amendment was initiated by the City Council following the passage of the IMX zoning to bring the previous DP Amendment into full consistency with the new Unilateral Agreement, and to clarify certain items. This DP Amendment was given unanimous approval by the Council on third reading July 14, 1993.

On March 15, 1994, Ordinance No. 94-10 to amend a portion of the State Land Use District Boundary from Agricultural to Urban District for a .83 acre remnant parcel was passed, and on June 8, 1994, Ordinance 94-40 was passed to rezone this parcel from AG-1 to IMX-1. This parcel,

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which was subsequently determined to be .6 acre, not .83 acre, has been consolidated with existing Lot 11. This lot is subject to the Park's Covenants, Conditions and Restrictions (CC&Rs), and the Unilateral Agreement and Declaration for Conditional Zoning dated May 20, 1994. A copy of Ordinance Nos. 94-10 and 94-40 and the Unilateral Agreement were included with the 1996 Annual Report to LUC.

A Development Plan Amendment was filed on January 14, 1994 to change the land use designation for 137 acres of the Park from Agriculture to Commercial-Industrial Emphasis Mixed Use. Ordinance No. 95-71, Bill No. 108 was approved by the Mayor on December 18, 1995. A copy of Bill No. 108 was included with the 1996 Annual Report to LUC.

To date, 83.00 acres or 81% of the 102 acres in Phase I of the Park have been sold. Approximately 46% of the Phase I acreage has been sold or leased to high tech or high tech related organizations as defined in a letter dated April 10, 1992 from the State High Technology Development Corporation (now known as Hawaii Technology Development Corporation) ("HTDC") to Honolulu City Council member Donna Mercado Kim attached to the 1996 annual report to the LUC for Increment I dated June 4, 1996, and included in the 1994 Hawaii High Technology Business Directory published by HTDC (a copy of which was included in the 1996 Annual Report to LUC).

Development has occurred up through Phase ID with the completed extension of Kahelu Avenue in 2008. An overall map of the Mililani Technology Park indicating the various phases and lots of the Park is attached as Exhibit "A".

an annual meeting of the Mililani Technology Park Association duly called and held on December 8, 2017, the members of the Association voted to change the name of the Mililani Technology Park to "Mililani Business Park". The Association is in the process of effecting and implementing the name change which will not modify the obligations, conditions or restrictions under the Phase I Decision and Order.

This report covers the status and compliance with conditions set forth in the Decision and Order relating to Phase I of the Mililani Technology Park. A separate report to the LUC is being submitted by Hawaii Technology Development Corporation (formerly known as the High Technology Development Corporation) ("HTDC") in respect of the status of Phase II and compliance with conditions relating to Phase II, pursuant to Findings of Fact, Conclusions of Law and Decision and Order of June 3, 1991. HTDC is the successor owner of the Phase II property which was sold and transferred to HTDC as of August 4, 2017.

II. Compliance with Land Use Commission Conditions

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

Condition #1 (as amended).

Petitioner shall develop subject property for high technology-intensive industries provided that no less than 45% of the net marketable acres of the subject property may also be sold or leased to initial buyers or lessees in high technology-intensive industries. The subject Property may also be developed for commercial/industrial mixed uses the development of improvements for which shall conform to the design and density concepts of the subject property as a high technology park development.

Comment

To date, approximately 83.00 acres or 81% of the total 102 acres in Phase I have been sold or leased. 46% of the Phase I acreage has been sold or occupied by high tech or high tech support organizations as defined in a letter dated April 10, 1992 from the HTDC to Honolulu City Council member Donna Mercado Kim and included in the 1994 Hawaii High Technology Business Directory published by HTDC.

To encourage the development of high technology at the Mililani Technology Park, CCPI has worked closely with HTDC and the Oahu Economic Development Board.

CCPI has also offered amenities to attract high technology firms to the MTP. These include fiber optic communication capabilities, inclusion in Hawaii's designated Foreign-Trade Zone, and other assorted benefits. CCPI has worked with the State and County governments in an effort to encourage relocation of mainland high tech firms to Hawaii such as co-sponsoring the Governor's Symposium on High Technology and participating in the Pacific Telecommunications Council's annual conferences.

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

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

- (b) Contribution of over twenty personal computers between 1993 and 1994 to Mililani High School, Leilehua High School, Mililani Waena Elementary School, and Waialua High School.
- (c) Establishment of a \$100,000 endowment through the Hawaii Community Foundation, making available a total of \$5,000 annually in scholarships to graduates from Mililani, Leilehua, and Waialua High Schools. The Castle & Cooke Mililani Technology Park Scholarship Fund gives priority to students furthering their studies in high technology-related fields in science and engineering. It is our hope that these scholarships will bring our college graduates into Hawaii's high technology industry.

In 2018, the following students will be awarded \$3,000 scholarships:

<u>Name</u>	<u>Major</u>	<u>College</u>
Cody Cacatian	Biomedical	-UC - Irvine
Jennifer Deuz	Biology	UH - Manoa

- (d) Co-sponsorship of the annual Hawaii Regional Science Bowl for four consecutive years with the U.S. Department of Energy to support science and math education from 1994 - 1997.
- (e) Co-sponsorship of the Central Oahu District Science and Engineering Fair from 1995 - 1997.
- (f) Sponsorship of Career and Job Fair at the Mililani Technology Park to promote career and employment opportunities with high technology and other firms in the Park. The fifth annual Career and Job Fair sponsored by Castle & Cooke Properties, Inc./Mililani Technology Park was held on Oct. 4, 1997. Over 625 attended the two-hour event. 47% came from Mililani and Wahiawa, 27% from leeward Oahu, 19% from Honolulu, 4% from the North Shore, 2% from windward Oahu and 1% miscellaneous (off-Oahu/P.O. Box). There were many high technology jobs offered such as EECAD supervisor, electrical and mechanical engineer, and networking controller.

The sixth annual Career and Job Fair was held on September 26, 1998, with an attendance of 290 people. 48% came from Mililani and Central Oahu, 24% from Leeward Oahu, 19% from Honolulu; 3% from the North Shore and 3% from Windward Oahu. Another 3% gave post office boxes or no zip codes. Jobs were available for data processing programmers and analysts, credit account

representatives, sales & service representatives, telemarketing representatives, instructors and assistants. The High Technology Development Corporation provided its Hawaii High Tech Job Link listing of available high technology positions in Hawaii.

- (g) Support for the creation of Enterprise Zones in the State, including the Mililani Technology Park, which involved providing input/testimony on both the City and State levels. The legislature voted to pass a bill which expands the type of jobs allowed in Enterprise Zones. Qualified businesses which locate in MTP will have among other benefits, GET exemptions, income tax credits, and real property tax breaks.
- (h) Prior participation as a board member (Lucien Wong, former CCPI Commercial Division President) of the Oahu Economic Development Board to promote Honolulu as a location to do business, especially as a hub linking the Pacific Rim nations. Past contacts have included Motorola, Booz, Allen & Hamilton, Advanced Technology Group, and VISA.
- (i) Formation of the Technology Council with Lucien Wong as the Council's first co-chair and Gregg Matsuura, former CCPI Senior Project Manager as past chair. The Council is an organization formed by the Oahu Economic Development Board comprised of both public and private parties interested in technology, with the mission of expanding and promoting technology jobs in Hawaii. It has provided valuable input in producing an award-winning video to market high tech activities in Hawaii to businesses outside of the State.

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

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

Copies of articles relating to (a) and (b) were included with the 1996 annual report to LUC. Copies of articles and letters relating to (d)-(e) were included with the 1997 annual report

to LUC. Information regarding (c), (f) and (i) were included with the 1998 annual report to LUC.

Condition #2.

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

Comment:

The management plan for the Park is found in the extensive Covenants, Conditions and Restrictions (CC&Rs) which run with the land. The CC&Rs were recorded in January 1988. Under the CC&Rs, the actual operation of the Mililani Technology Park is in the hands of the Mililani Technology Park Association, a non-profit corporation. Every owner of a lot in the Park is a member of the Association. The Association enforces the CC&Rs which govern the Park's quality, including design requirements and the control of hazardous wastes. A copy of the CC&Rs was made a part of the record in Docket No. A83-551 in support of the motion filed by CCPI on November 15, 1990 to amend the order and to approve Phase II for incremental redistricting. Pursuant to the LUC order approving Phase II, and the County zoning Ordinance 92-64, these CC&Rs cannot be amended without the prior approval of the LUC and County Department of Planning and Permitting (formerly known as the DLU).

Under Ordinance 92-64 (Bill 25), the City & County of Honolulu accepted a Unilateral Agreement and Declaration for Conditional Zoning dated May 22, 1992 ("Revised Unilateral Agreement") superseding the Unilateral Agreement and Declaration for Conditional Zoning dated October 7, 1986. The revised Unilateral Agreement required the amendment of the Declaration to reflect the uses permitted and excluded by Ordinance 92-64 (Bill 25) under the IMX-1 zoning. The Second Amendment to the CC&Rs reflecting this requirement was adopted on November 5, 1993 by the Association. A copy of the First and Second amendments were included in the 1996 Annual Report to LUC; the Third Amendment was included in the 2007 Annual Report; the Fourth Amendment was included in 2010 Annual Report; the Fifth Amendment was included in the 2011 Annual Report, and the Sixth Amendment is included with the 2017 Annual Report.

Condition #3.

Petitioner shall cause 142 acres of former Oahu Sugar Company Limited's canefields to be replanted in pineapple at Waiawa, Oahu, by Dole Processed Foods

Company to replace an equivalent amount of the acreage removed from pineapple production for development of the subject property.

Comment:

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

Condition #4.

Petitioner shall, at its sole expense, make the offsite roadway and traffic improvements for the proposed project as may be required by the State Department of Transportation.

Comment:

Petitioner has met this condition by realigning Leilehua Golf Course Road to lead directly into the MTP and has realigned Wikao Street and the access road to Leilehua Golf Course.

Condition #5.

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

Comment:

Water for the Park is being provided by the Board of Water Supply (BWS), which approved CCPI's construction plans for Phase IA through ID. CCPI has constructed a waterline from Wahiawa to the Park, at a cost of approximately \$900,000. In addition, CCPI participated in the expansion of the water supply at Wahiawa, by contributing 28% of the cost of the BWS's "Wahiawa Wells II" project. The CCPI contribution was approximately \$788,000.

For the development of Phase IB, CCPI also constructed two new pipelines and a 1.5 million gallon reservoir at the eastern end of the Park. The new reservoir meets BWS water requirements for the development of the initial 120 salable acres of the Park and has been dedicated to the BWS. The total expense for these projects was approximately \$4.1 million.

Condition #6.

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Petitioner shall submit annual progress reports to the Land Use Commission, the Department of Planning and Economic Development, the High Technology Development Corporation, and the City Department of General Planning as to its progress in satisfying the above conditions and as to general status of development of the project.

Comment:

This report is intended to meet the requirements of this condition in respect of progress in satisfying the above conditions in respect of development of the Phase I Property and the general status of development of the Phase I project. Copies will be transmitted to the other agencies cited in the condition.

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

Sincerely,

CASTLE & COOKE PROPERTIES, INC.



Christopher M. Lovvorn
Vice President – Commercial Operations

Enclosures

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