



December 6, 2021



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

Dear Mr. Orodener:

2021 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.

On November 20, 2007, the LUC reclassified approximately 344.519 acres of land situate at 'Ewa, O'ahu, Hawai'i (the "Petition Area"), into the Urban District, subject to 23 conditions of approval and issued its Findings of Fact, Conclusions of Law, and Decision and Order (the "Original D&O"). Kapolei Properties LLC filed a Motion for Extension of Time to Complete Project and Change Petitioner's Name and Amend Caption on August 8, 2018 ("Petitioner's 2018 Motion"). On December 13, 2018, the LUC considered Petitioner's 2018 Motion, and on January 11, 2019, the LUC issued its Order Granting Petitioner's Motion for Extension of Time to Complete Project and to Change Petitioner's Name And Amend Caption (the "2019 LUC Order"), which amended Condition Nos. 8 and 17 of the Original D&O, and acknowledged Kapolei Properties LLC as the Petitioner in the aforementioned Docket No. A06-763 and amended the caption in the docket accordingly.

Kapolei Properties LLC, as Petitioner, pursuant to Condition 20 of the Original D&O, hereby submits its annual progress report on the status of the conditions of approval under the Original D&O as amended by the 2019 LUC Order (collectively, the "Harborside Conditions"). The Harborside Conditions are reproduced in 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 2-acre truck weigh station that will be conveyed at no cost to DOT. A copy of the Master Kapolei Highway Agreement with the DOT dated June 1, 2010 is on file with the LUC. Petitioner has completed several projects pursuant to the Master Kapolei Highway Agreement and will comply with its agreement with DOT.

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 at the appropriate time, in accordance with the terms of the 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 Daniel K. Inouye International Airports, 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 shall coordinate with the Department of Transportation, Airports Division, on practical property management measures within the Petition Area to discourage avian wildlife from interfering with flight safety operations at Kalaeloa and the Daniel K. Inouye International Airports as a result of the development at the Project. Petitioner shall incorporate such property management measures into the Project's Conditions, Covenants, and Restrictions that shall run with the land.

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. Petitioner expects that these improvements agreed upon with DOT-H were completed in November 2018, such that stormwater flows that have sometimes affected DOT-H properties at Kalaeloa Barbers Point Harbor were redirected to the interim drainage basins within the Petition Area.

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. 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”).

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 Harbor Access Road improvements, drainage improvements, and sewer improvements, by December 31, 2035.

Petitioner will comply with this condition. Petitioner has substantially commenced its use of the Petition Area. Significant site improvements, including mass grading of portions of the Project and excavation of regional drainage improvements are underway. The Project, including backbone infrastructure, will be constructed in phases as market demand allows.

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.

On October 24, 2019, the "Return Parcel" (as defined in Petitioner's 2018 Motion), a 3.841 acre portion of the Petition Area – Lot 18250-B, formerly owned by Petitioner, was conveyed from Oceanwide Resort Community HI LLC back to Petitioner. No other 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. 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. On October 25, 2019, The Department of Land and Natural Resources ("DLNR"), on behalf of the DOT Harbors, appeared before the Board of Land and Natural Resources ("BLNR"), requesting the BLNR approval for DLNR/DOT Harbors Division to proceed with acquiring approximately 85.6-acres of the Petition Area for the public purposes for the expansion of the Kalaeloa Barbers Point Harbor. The BLNR approved the request on October 25, 2019, and DOT Harbors Division has begun conducting its own due diligence activities for the portion of the Petition Area it is seeking to acquire by condemnation.

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.

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 recorded a Declaration of Conditions Applicable to an Amendment of District Boundary from Agricultural to Urban, dated January 21, 2008, as Document No. 2006-105645 and filed in the Office of Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3703757 (the "Original Declaration"). Although not required under the Harborside Conditions, submitted as an attachment to the 2019 Annual Report was an unrecorded Amended and Restated Declaration of Conditions Applicable to an Amendment of District Boundary From Agriculture to Urban ("A&R Declaration") for review and approval by the executive officer in accordance with HAR § 15-15-92(b). The A&R Declaration sets forth the Harborside Conditions, i.e., the amendments to Conditions 8 and 17 under the LUC's 2019 Order

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and all of the other conditions under the Original D&O which continue in full force and effect. The executive officer provided comments to the A&R Declaration and issued its approval subject to comments provided in the Land Use Commission's February 6, 2020 correspondence to Petitioner. Petitioner then recorded the Amended and Restated Declaration of Conditions Applicable to an Amendment of District Boundary from Agricultural to Urban, dated March 6, 2020, and filed in the Office of Assistant Registrar, Land Court of the State of Hawai'i as Document No. T-11022329 (the "Amended Declaration"). A copy of the Amended Declaration is submitted herewith.

If you have any questions, please call me at 674-3272.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Caires". The signature is fluid and cursive, with a large loop at the end.

Matt Caires
Manager, Development

cc: Mary Alice Evans, Director, Office of Planning
Dean Uchida, Department of Planning & Permitting