

**Ocean Pointe / Hoakalei
HASEKO (EWA), INC.**

**LAND USE COMMISSION
Docket No. A89-651
Condition 1, Job Credit**

EXHIBIT "5"

HASEKO (EWA), INC

**LAND USE COMMISSION DOCKET NO. A89-651
CONDITION 1, JOB CREDITS**

NO.	DATE	DESCRIPTION
1	03-28-1194	Declaration and Order Granting Motion for Approval of Job Credits and Motion for Clarification and/or Modification of Condition dated February 8, 1994
Annual Progress Reports (portions)		
2	10-18-1991	Too early to apply for credits
3	10-19-1992	Will be applying for credits
4	10-18-1993	Motion for approval pending: 2.47 credits through 1991
5	10-17-1994	Reported 6.22 credits for 1992; seeking 1.21 credits for 1993
6	01-05-1995	Corrects 1993 reported credits from 1.21 to 3.50
7	10-17-1995	Seeking 2.41 credits for 1994
8	10-15-1996	Seeking 1.156 credits for 1995
9	10-20-1997	Seeking 0.70 credits for 1996
10	10-19-1998	Seeking 1.32 credits for 1997
11	10-18-1999	Seeking 6.75 credits for 1998
12	10-27-2000	Seeking 9.11 credits for 1998 [1999]
13	10-22-2001	Seeking 7.64 credits for 2000
14	10-16-2002	Seeking 7.91 credits for 2001
15	10-27-2004	October 2002 through October 2004 report; seeking 9.28 credits for 2002 & 16.09 credits for 2003
16	12-08-2005	Seeking 149.29 credits for 2004
17	11-02-2006	Seeking 28.04 credits for 2005
18	10-03-2007	Seeking 96.97 credits for 2006
19	11-05-2008	Seeking 33.97 credits for 2007
20	10-15-2009	Seeking 64.63 credits for 2008
21	10-15-2010	Seeking 28.87 credits for 2009
22	10-14-2011	Seeking 32.62 credits for 2010

11-10-2011

HASEKO (EWA), INC.

**LAND USE COMMISSION DOCKET No. A89-651
CONDITION 1, JOB CREDITS**

Progress Reports (portions)

No.	Date	Description
23	1/28/2013 for 2011	Seeking 25.48 credits for 2011
24	10/16/2013	Seeking 37.38 credits for 2012
25	10/16/2014	Seeking 57.56 credits for 2013
26	10/16/2015	Seeking 24.59 credits for 2014
27	10/14/2016	Seeking 18.69 credits for 2015
28	10/13/2017	Seeking 18.62 credits for 2016
29	10/17/2018	Seeking 16.35 credits for 2017
30	10/17/2019	Seeking 6.39 credits for 2018 Seeking 29.66 credits for 2019
31	10/17/2021	Seeking 1.61 credits for 2020

11-17-2011

Ocean Pointe / Hoakalei

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HASEKO (EWA), INC.

LAND USE COMMISSION

Docket No. A89-651

Condition 1, Job Credit

(October 18, 1991 Annual Report)
(Too early to apply for credits)

(October 18, 1991 Annual Report)
(Too early to apply for credits)

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~~The Commission reclassified a portion of Phase I from "agriculture" to "urban" on September 21, 1984, Docket No. A83-558. Haseko filed an annual progress report with the Commission for Phase I on September 25, 1991. However, since both Phase I and Phase II are integral and complementary parts of the Project, this progress report on the Subject Property, Phase II, will also include a discussion of Phase I matters where appropriate.~~

Federal and State Approvals. Certain State agency approvals are required pursuant to the 1990 Decision and Order. Also, Haseko will apply for a National Pollutant Discharge Elimination System permit from the State Department of Health at the appropriate time. No other State or federal approvals are required for the Subject Property at this time.

City Approvals. Haseko applied for amendments to the Development Plan Maps and Development Plan in November, 1990, and for an amendment to the General Plan in March, 1991. These amendments are needed to develop the Golf Course and the Maritime Center. The amendments are now before the City Council.

The Development Plan and General Plan amendments passed first reading by the City Council on October 9, 1991, and were reviewed by the Planning Committee on October 16, 1991. Second reading before the Council is scheduled for October 23, 1991. At that time, a public hearing will be scheduled. Final Council action is anticipated before the end of the year.

Assuming Haseko receives Council approval, rezoning applications will be filed. If approvals are obtained according to currently anticipated schedules, Haseko plans to begin grading on Phase II by early 1993.

CONDITIONS OF THE 1990 DECISION AND ORDER

The 1990 Decision and Order contains twenty-one conditions. Each of these conditions is set forth below, followed by a brief status report on compliance efforts.

Condition 1.

Petitioner [Haseko and its successors and assigns] shall generate one (1) non-tourism related job, or the equivalent value thereof, for each hotel or hotel/condominium unit Petitioner is allowed to build. As used herein, "non-tourism related" means not related to hotels or residential

condominiums intended for use as transient accommodations, or recreational, entertainment or other facilities and services used primarily by tourists. The "equivalent value" of a non-tourism related job is in the range of \$25,000 to \$50,0

Satisfaction of this condition shall occur at the time Petitioner obtains a building permit and may be accomplished by the payment of \$25,000 for each hotel or hotel/condominium unit intended for transient accommodation for which a building permit is issued or in the following manner (provided that, with respect to subparagraphs a. and b., below, Petitioner shall satisfy the requirements of both subparagraphs for the same fa

a. I

Development of residential, commercial, industrial, recreational, institutional or other non-tourism related facilities generates construction jobs not related to tourism. Petitioner, therefore, directly or through local affiliates, may receive one job credit for each 25 man-years of labor generated by a qualified project, which may be either within or outside of the Petition Area. (Hereafter, Petitioner and/or its affiliates shall collectively be referred to as "Developer".) One man-year shall equal 1920 hours of labor generated by the construction of a project. This shall include all work performed by the Developer's team (architects, engineers, consultants, contractors and subcontractors) in the development and construction of a non-tourism related project.

Not more than 25% of Petitioner's total job-generation requirement may be satisfied in this manner.

Jobs Generated Via Development of Non-Tourism
Related Projects.

New facilities provide the means and opportunity for the establishment and/or growth of businesses and the generation of new, non-tourism related jobs. Petitioner, therefore, may receive credit for the development of new non-tourism related projects or facilities, either within or outside of the Petition Area. Credit for jobs created by such new facilities will be calculated on the basis of the degree of integration of the intended use of the facilities with the tourist industry. Credit for one (1) non-tourism related job shall be given for the specified amount of floor space in the following types of facilities:

<u>Type of Facility</u>	<u>Floor Space (square feet)</u>	<u>Credit</u>
Office	200	100%
Warehousing/Storage	1,000	100%
	300	100%
	150	100%
aters	1,000	100%
Private Schools and Day-Care Centers	300	100%
Agricultural Facility (e.g. Greenhouses and Processing Plants)	1,000	100%
Retailing	300	60%

Credit for other types of facilities will be determined on a case-by-case basis.

c. Start-Up Capital, Business Incentives and Job Training.

Petitioner may receive one (1) job credit for (i) each \$50,000 invested by Petitioner in a start-up of a non-tourism related business (by way of equity or investment into a loan fund for such business), (ii) each \$25,000 in incentives provided to a new, non-tourism related business, and/or (iii) each \$25,000 contributed in training programs for non-tourism related jobs. Petitioner shall consult with OSP to identify investments, incentives and training programs which qualify for credits under this category.

A minimum of 10% of Petitioner's job-generation requirement shall be satisfied in this manner.

d. Earning Job Credits.

Credits for jobs generated under subparagraphs a. through c., above, shall not be eligible for satisfaction of this condition unless, within two years after they accrue, they are reported to the LUC in Petitioner's annual report. Job credits shall be considered to have accrued under subparagraph a. when the Developer pays for the labor; under subparagraph b. when the certificate of occupancy is issued or such earlier date as may be approved by the LUC; and under subparagraph c. when the investment is made, the incentive is given, or the job training program is funded.

Petitioner's annual report to the LUC shall discuss in detail its progress in earning job credits. Additionally, Petitioner shall provide OSP with information concerning the manner in which Petitioner's claim for job credits is calculated as well as written certification by the Developer that all information provided is correct.

Job credits shall be considered earned only upon approval by the LUC. In the event Petitioner has earned job credits prior to the issuance of a building permit for the construction of hotel or hotel/condominium units, Petitioner may accumulate such job credits.

At the time Petitioner obtains a building permit, Petitioner shall satisfy this condition by depositing cash or posting a bond or a letter of credit, in a form satisfactory to OSP, in an amount equal to the product of \$25,000 multiplied by the number of hotel or hotel/condominium units for which a building permit is issued, less any job credits previously earned. As job credits are earned and applied in satisfaction of this condition, Petitioner may submit a motion to the LUC for the refund of the funds paid to OSP or a reduction of the bond or letter of credit issued in favor of OSP. Five (5) years after the date the building permit is issued, OSP shall have the right to retain cash or make claim on the bond or letter of credit in an amount equal to the product of \$25,000 multiplied by the number of hotel or hotel/condominium units for which the building permit is issued, less any job credits previously earned.

Prior to the expiration of the five-year period, Petitioner may seek an extension of time to satisfy its job-generation requirement. An extension may be granted upon such additional terms as may be appropriate, provided that Petitioner establishes substantial compliance with this condition and specifies the methods, means and time in which it intends to satisfy this condition.

Except for the limitations regarding subparagraphs a. and b. and the 10% minimum required by subparagraph c., Petitioner shall determine the manner in which the remainder of its job-generation requirement may be allocated.

All funds obtained by OSP under this condition shall be applied to any one or more of the programs specified in subparagraph c., above.

Status: In addition to the non-tourism related jobs that would be generated in portions of the Project, Haseko, through its affiliates, is currently involved in several non-tourism related projects which, once completed, will serve to provide a substantial portion of the non-tourism related jobs, or equivalent, required by this Condition 1.

a. Keeaumoku Office/Retail Project. Keeaumoku Partners, a general partnership which is seventy percent (70%) owned by Haseko Keeaumoku, Inc., an affiliate of Haseko, is developing a leasehold office/retail project to be located on Makaloa, Keeaumoku and Rycroft Streets in Honolulu, Hawaii. It is anticipated that the project will contain at least 400,000 square feet of retail space and at least 135,000 square feet of office space. Based on that square footage, completion of the project would, pursuant to subparagraph b. of Condition 1, generate 1,475 non-tourism related jobs, seventy percent (70%) of which (i.e. 1,032 non-tourism related jobs) would be credited to Haseko.

It is also possible that Haseko, rather than calculating the jobs generated in accordance with subparagraph b. of Condition 1, will calculate the jobs generated by this project pursuant to subparagraph a., which pertains to jobs created by way of construction. Although some jobs have been generated by the office/retail project thus far, because the project is still in its early stages, with full-on construction not anticipated for some time yet, the jobs generated to date are not that great in number and it is still difficult to estimate the number of construction jobs which may be generated by the time the project is complete. In any event, Haseko will determine at a later date whether to calculate the jobs pursuant to subparagraph a. or b. of Condition 1.

b. Sheridan Condominium Project. Sheridan Partners, a general partnership which is seventy percent (70%) owned by Haseko Sheridan, Inc., an affiliate of Haseko, is developing a fee simple residential condominium project to be located on Sheridan Street in Honolulu, Hawaii. Since the project is currently in the design phase, it is generating non-tourism related jobs pursuant to subparagraph a. of Condition 1. However, because the project is still in the early phases, it is not yet practicable to apply for credits.

c. Beretania Condominium Project. Beretania Partners, a general partnership which is fifty percent (50%) owned by Haseko Beretania, Inc., an affiliate of Haseko, is developing a fee simple residential condominium project to be located on Beretania Street in Honolulu, Hawaii. The project is currently in the design phase and an

application has been submitted to the City and County for building permit processing. Although it is generating non-tourism related jobs pursuant to subparagraph a. of Condition 1, because the project is still in the early stages, it is not yet practicable to apply for credits.

Condition 2.

The Petitioner shall make available adequate golf tee times (no less than 40% of total tee times) at affordable rates for public play by Hawaii residents based on prevailing rates for public play at privately owned golf courses. This condition may be fully satisfied by the development by the Petitioner of an 18-hole public play course within and/or outside the Petition Area acceptable to the Office of State Planning.

Status. Haseko is committed to providing at least ^{\$}forty percent (40%) of tee times to the public at prevailing rates for public play at privately owned golf courses. The City Council has recently passed Bill No. 129 (CD-2) ("Bill 129"), which formalizes the City's policy in evaluating golf course applications. Bill 129, among other things, requires golf course applicants to work with the Department of General Planning ("DGP") in formulating a community integration program, which may include a similar provision for availability for public play. Haseko will coordinate compliance with this Condition 2 and the standards of Bill 129.

Condition 3.

Petitioner shall not construct residential units or condominium units within areas exposed to composite (Honolulu International Airport and Naval Station Barbers Point) noise levels of 65 Ldn or greater.

Status. Residential and condominium units will not be built on approximately 180 acres of land along the western boundary of Ewa Marina, which includes a portion of both Phase I and Phase II, as shown on Exhibit II attached hereto. This area will be limited to uses such as the marina and related facilities (such as boat launch and haul-out facilities), ~~commercial and retail space, archaeological sites, wetland preservation and the Golf Course.~~

(October 19, 1992 Annual Report)
(Will be applying for credits)

(October 19, 1992 Annual Report)
(Will be applying for credits)

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~~variance to be filed with the City's Department of Land Utilization.~~

Assuming the governmental approvals described above are obtained according to currently anticipated schedules, HASEKO plans to begin excavation of the marina in 1994.

Conditions of the Decision and Order

The 1990 Decision and Order contains twenty-one conditions. Each of these conditions is set forth below, ~~followed by a brief status report on compliance efforts.~~

Condition 1

Petitioner [HASEKO and its successors and assigns] shall generate one (1) non-tourism related job, or the equivalent value thereof, for each hotel or hotel/condominium unit Petitioner is allowed to build. As used herein, "non-tourism related" means not related to hotels or residential condominiums intended for use as transient accommodations, or recreational, entertainment or other facilities and services used primarily by tourists. The "equivalent value" of a non-tourism related job is in the range of \$25,000 to \$50,000.

Satisfaction of this condition shall occur at the time Petitioner obtains a building permit and may be accomplished by the payment of \$25,000 for each hotel or hotel/condominium unit intended for transient accommodation for which a building permit is issued or in the following manner (provided that, with respect to subparagraphs a. and b. below, Petitioner may not receive credit under both subparagraphs for the same facility):

a. Jobs Generated Via Construction

Development of residential, commercial, industrial, recreational, institutional or other non-tourism related facilities generates construction jobs not related to tourism. Petitioner, therefore, directly or through local affiliates, may receive one job credit for each 25 man-years of labor generated by a qualified project, which may be either within or outside of the Petition Area. (Hereafter, Petitioner and/or its affiliates shall collectively be referred to as "Developer".) One man-year shall equal

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October 19, 1992
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1,920 hours of work; labor generated by the construction of a project shall include all work performed by the Developer's team (architects, engineers, consultants, contractors and subcontractors) in the development and construction of a non-tourism related project.

Not more than 25% of Petitioner's total job-generation requirement may be satisfied in this manner.

b. Jobs Generated Via Development of Non-Tourism Related Projects

New facilities provide the means and opportunity for the establishment and/or growth of businesses and the generation of new, non-tourism related jobs. Petitioner, therefore, may receive credit for the development of new non-tourism related projects or facilities, either within or outside of the Petition Area. Credit for jobs created by such new facilities will be calculated on the basis of the degree of integration of the intended use of the facilities with the tourist industry. Credit for one (1) non-tourism related job shall be given for the specified amount of floor space in the following types of facilities:

<u>Type of Facility</u>	<u>Floor Space (square feet)</u>	<u>Credit</u>
Office	200	100%
Warehousing/Storage	1,000	100%
Manufacturing	300	100%
Research Facility (e.g. High-Tech	150	100%
Recreation and Other Activity Centers	1,000	100%
Private Schools and Day-Care Centers	300	100%