

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:

Type of Facility	Floor Space (square feet)	Credit
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%
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 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: To date, no approved job credits have been earned. Currently pending before the Land Use Commission is a Motion for Approval of Job Credits, which seeks approval of a total of 2.47 job credits for payments and contributions made through December, 1991. A hearing on the motion is scheduled for October 21, 1993.

For disbursements made during the calendar year 1992, HASEKO is seeking, by way of a motion to be filed separately, approval of 6.22 job credits. These credits sought fall within subparagraph a. and subparagraph c. of Condition 1.

Job Credits Pursuant to Subparagraph a. of Condition 1. The jobs upon which both motions for job credits are based were generated by the Ewa Marina Community Development and also by several non-tourism related projects being developed by local affiliates of HASEKO. The non-tourism related projects being developed by HASEKO's local affiliates which have been included in these motions for job credits include:

a. Keeaumoku Office/Retail Project. This is a leasehold office/retail project being developed at Makaloa, Keeaumoku, and Rycroft Streets in Honolulu, Hawaii. It is anticipated that this project will contain at least 400,000 square feet of retail space and at least 135,000 square feet of office space. Structurally connected to the Keeaumoku Project and included, for purposes of these motions, in the account of the Keeaumoku Project, is the Sheridan Residential Condominium Project. In 1991, the land lease for the Keeaumoku Project and fee simple title for the Sheridan Project were obtained. Master planning, market studies and other pre-leasing activities were begun for both projects. Also, existing structures on the site were demolished and soils investigation was conducted.

Under consultation with the State Department of Health, during 1992, 23 underground storage tanks were removed from the site as well as approximately 2,300 cubic yards of contaminated soil surrounding those tanks. A final report on this clean-up effort is currently being prepared for final review.

b. Beretania Condominium Project. This fee simple residential condominium project located on South Beretania Street in Honolulu will include a total of 34 residential units. Architectural and engineering design work was done in 1991, and the foundation permit was obtained from the City in late 1991.

Construction began in December 1991 and continued throughout 1992. Completion is anticipated soon.

c. Pu'uhonua Project. Located in North Kona on the Island of Hawaii, this residential development project encompasses approximately 143 acres. Phase I of the project was completed and sold in 1990. In 1991, a request for zone change to facilitate Phase II of the development was approved by the Hawaii County Council. A new water well, Keopu Well (State well No. 3957-01), was drilled for this project.

Pursuant to this subparagraph, HASEKO requested approval of 1.37 job credits for payments for labor made through December 1991, and 4.02 job credits for payments made

in 1992. The motions for job credits indicate in detail the number of hours paid for by HASEKO and its affiliates to the various vendors, and translates these into man-years and job credits.

Job Credits Pursuant to Subparagraph c (iii) of Condition 1. Contributions were made by HASEKO to West Oahu Employment Corporation (WOEC) in the form of cash contributions and provision of rent-free office space to enable WOEC to maintain a presence in Ewa Beach. WOEC facilitates a program to provide educational and basic skills instruction to prepare Ewa residents for future job opportunities which will be created with the development of Ewa Marina's maritime commercial complex.

Through WOEC, HASEKO also provided grants to Ewa Beach schools for needed equipment and for programs, such as the Agriculture/Horticulture program at James Campbell High School which focuses on providing students with learning experiences and skills in landscaping, golf course maintenance and nursery management.

Contributions were also made to Marimed Foundation's Ocean Skills and Education Program for Youth. This ocean-based program provided "hands on" education, counselling, and preventive intervention for Ewa Beach youth.

A contribution to Historic Hawai'i Foundation was used to develop a historic preservation course at Hawaii Pacific University.

Pursuant to this subparagraph, HASEKO requested approval of 1.10 job credits for contributions made through December 1991, and 2.2 job credits for contributions made in 1992.

The motions for job credits provide details of the amounts contributed and translates these amounts into job 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. Ewa Marina's golf course is primarily intended to serve as an amenity to the development of the approximately 4,850 residences and visitor complex. Forty~~

(October 17, 1994 Annual Report)
(Reported 6.22 credits for 1992,
Seeking 1.21 credits for 1993)

(October 17, 1994 Annual Report)
(Reported 6.22 credits for 1992; seeking 1.21 credits for 1993)

Ms. Esther Ueda
October 17, 1994
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~~Conditions of the Decision and Order~~

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

Condition 1²

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 apply any credit accrued and earned under both subparagraphs for the same facility to satisfy this condition):

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 1920 hours of work; labor generated by the construction of a project shall

²As amended by the Commission's Order Granting Motion for Approval of Job Credits and Motion for Clarification and/or Modification of Condition in this docket dated February 8, 1994.