Shall the Authority Approve the Kalaeloa Community Development District Operating Budget for Fiscal Year 2015-2016 in the Amount of $200,000.00 and Authorize the Issuance of Land User Assessments Pursuant to HRS §§ 206E-195 and 206E-196?

Staff Report
June 9, 2015

Background:

- On July 2, 1999, the Naval Air Station Barbers Point ("NASBP") formally closed through the Base Realignment and Closure process. The U.S. Navy retained roughly 1,055 acres, identified approximately 457 acres of excess land for transfer to various federal agencies, and designated roughly 2,180 acres of the remaining land as surplus.

- In 2002, Act 184, Session Laws of Hawaii 2002 of the Hawaii State Legislature transferred redevelopment responsibility from the NASBP Redevelopment Commission to the Hawaii Community Development Authority ("HCDA"). The Hawaii Revised Statutes ("HRS") §§206E-191 to 196 governs the administration of the Kalaeloa Community Development District ("Kalaeloa CDD") (see Exhibit A).

- HRS §§206E-195 and 196 established the Kalaeloa Community Development Revolving Fund and the requirement that an assessment of non-federal land users in the District is conducted on an annual basis to fund their fair share of costs to administer and operate the Kalaeloa CDD.

- In 2003, the HCDA established a Memorandum of Understanding with the non-federal land users and an annual operating budget of $200,000.00 was established.

Discussion:

- In 2004, as provided by HRS §206E-196, HCDA staff issued assessment invoices to the Department of Transportation ("DOT"), Department of Hawaiian Home Lands, Hawaii Army National Guard ("HIARNG"), University of Hawaii, Department of Education, Hawaii Housing Public Authority, City and County of Honolulu Department of Environmental Services, Board of Water Supply, Hunt Companies, Inc. ("Hunt") and Carmel Partners, Inc.

- All of the non-federal land users paid their designated assessment, except for the HIARNG that claimed that the HRS §206E-196 did not apply to their agency because of their quasi-federal designation (see Exhibit B).
• In 2009, the DOT also sent notification to the HCDA that they no longer intended to pay the annual assessments because the specifications of HRS §206E-196 represented a potential violation of Federal Aviation Administration grant assurances under which the DOT operates (see Exhibit C).

• The annual assessments are modified as appropriate to reflect any changes in landownership and/or users. In 2009, the Navy commenced a 40-year lease-to-fee agreement with Hunt for approximately 499 acres in the Kalaeloa CDD. This lease marked the first change of the Kalaeloa CDD acreage to non-federal land users; and the Kalaeloa assessment proportionate shares were modified accordingly.

• In 2011, Penrose/Walsh acquired the fee simple ownership of ten acres of land from Hunt to build the new Federal Bureau of Investigations complex. Again, the Kalaeloa assessment proportionate shares were modified accordingly. Subsequently, in 2013, Penrose/Walsh sold the fee simple ownership to Eagle River Investors and the assessment proportionate shares were modified accordingly.

• In 2014, Carmel Partners, Inc. sold their ownership of 77.926 acres of Kalaeloa land to RP Kalaeloa Landowner LLC and the Kalaeloa assessment proportionate shares were modified accordingly.

• From 2005 to 2015, all non-federal land users, with the exception of the HIARNG and the DOT have remitted their annual assessments in the full amount and in a timely manner.

• From 2005 to 2015, HCDA staff developed the annual operating budget, modified land ownership records and proportionate share assessments and sent assessment invoice packets. The Kalaeloa assessment invoice packet for FY 2015-2016 (July 1, 2015 to June 30, 2016) is attached as Exhibit D.

• The current operating budget is attached and generally provides for share of attorney general staff expenses, office and equipment operating expenses, roadway improvement project expenses, and safety improvements.

Recommendation: Staff recommends that the Authority approve the Kalaeloa Community Development District Operating Budget for Fiscal Year 2015-2016 in the amount of $200,000.00 and authorize the issuance of land user assessments pursuant to Hawaii Revised Statutes §§ 206E-195 and 206E-196.

Attachments: Exhibit A – Hawaii Revised Statutes §§206E-191 to 196
Exhibit B – Hawaii Army National Guard letter
Exhibit C – Department of Transportation letter
Exhibit D – Landowners Assessment Packet FY 2015-2016
HRS §206E-191 Barbers Point Naval Air Station redevelopment; power to redevelop established. (a) The Hawaii community development authority shall be the designated agency of the State to implement this part.

(b) The authority shall act as the local redevelopment authority to facilitate the redevelopment of Barbers Point Naval Air Station in accordance with the Barbers Point Naval Air Station community reuse plan. In addition to any other duties that the authority may have pursuant to this chapter, the authority's duties shall include but not be limited to:

(1) Coordinating with the Navy and other entities during the conveyance of properties and conducting remediation activities for the Barbers Point Naval Air Station community reuse plan;

(2) Assisting landholders designated by the plan to market their properties and process conveyance requests;

(3) Working with the Navy and others to ensure that infrastructure support is provided to the existing developed area, referred to as the "downtown area", and other federally retained areas;

(4) Developing the infrastructure necessary to support the implementation of the Barbers Point Naval Air Station community reuse plan; and

(5) Providing, to the extent feasible, maximum opportunity for the reuse of surplus property by private enterprise or state and county government.

HRS §206E-192 Designation of the Kalaeloa community development district. (a) The federal Department of Defense declared approximately two thousand one hundred fifty acres of land at the Barbers Point Naval Air Station to be surplus to its needs and under a base realignment is conveying these surplus lands to the various end users identified by the community reuse plan. The governor has approved and forwarded to the Navy the community reuse plan for these surplus lands. (b) The legislature hereby designates these surplus lands as the "Kalaeloa community development district". [L 2002, c 184, pt of §2]

HRS §206E-193 District established; boundaries. The Kalaeloa community development district is established. The district shall include that area within the boundaries described as follows: the eastern boundary begins at Geiger Gate and runs along East Hansen Road to the intersection with Essex Road until its termination at White Plains Beach Park, where it follows the eastern boundary of parcel 9-1-13:74 to the shoreline at the mean high water mark; the northern boundary begins at the eastern corner at the Geiger Road entry gate where it becomes Roosevelt Road and continues westward until its intersection with West Perimeter Road; the western boundary follows the West Perimeter Road until its termination and then follows the western border of parcel 9-1-13:30 to the shoreline at the mean high water mark; two parcels (9-1-13:01 and 9-1-13:09) lying west of West Perimeter Road toward its mauka end, and two parcels (9-1-31:28 and 9-1-31:47) lying west of West Perimeter Road on its makai end, all of which are physically separated from the western boundary by a storm water drainage canal, are also included; the southern boundary follows the shoreline at the mean

Exhibit A
high water mark from the western boundary of parcel 9-1-13:30 to the eastern boundary of White Plains Beach Park (9-1-13:74). All references to parcel numbers contained herein indicate the areas identified by such tax map key numbers as of March 18, 2002.

HRS §206E-194 Kalaeloa community development district; development guidance policies. The following development guidance policies shall generally govern the authority’s actions in the Kalaeloa community development district:

(1) Development shall be in accordance with the community reuse plan, except as it conflicts with the Hawaii state constitution and the Hawaii Revised Statutes, as they relate to the department of Hawaiian home lands;

(2) With the approval of the governor and concurrence of the Navy, and in accordance with state law governing lands owned by the department of Hawaiian home lands, the authority, upon the concurrence of a majority of its voting members, may modify and make changes to the reuse plan to respond to changing conditions; provided that prior to amending the reuse plan the authority shall conduct a public hearing to inform the public of the proposed changes and receive public input;

(3) Development shall seek to promote economic development and employment opportunities by fostering diverse land uses and encouraging private sector investments that utilize the opportunities presented by the receipt of property from the base closure consistent with the needs of the public;

(4) The authority may engage in planning, design, and construction activities within and outside of the district; provided that activities outside of the district shall relate to infrastructure development, area-wide drainage improvements, roadways realignments and improvements, business and industrial relocation, and other activities the authority deems necessary to carry out redevelopment of the district and implement this chapter. Studies or coordinating activities may be undertaken by the authority in conjunction with the county and appropriate state agencies and may address facility systems, industrial relocation, and other activities;

(5) Planning, re-planning, rehabilitation, development, redevelopment, and other preparation for reuse of Barbers Point Naval Air Station under this chapter are public uses and purposes for which public money may be spent and private property acquired;

(6) Hawaiian archaeological, historic, and cultural sites shall be preserved and protected. Endangered species of flora and fauna and significant military facilities shall be preserved to the extent feasible;

(7) Land use and redevelopment activities within the district shall be coordinated with and to the extent possible complement existing county and state policies, plans, and programs affecting the district; and

(8) Public facilities within the district shall be planned, located, and developed to support the redevelopment policies established by this chapter for the district, the reuse plan approved by the governor, and rules adopted pursuant to this chapter.

-2-
HRS §206E-195 Kalaeloa community development revolving fund. (a) There is established in the state treasury the Kalaeloa community development revolving fund, into which shall be deposited:

(1) All revenues, income, and receipts of the authority for the Kalaeloa community development district, notwithstanding any other law to the contrary, including section 206E-16;

(2) Moneys directed, allocated, or disbursed to the Kalaeloa community development district from government agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments of landowners for costs to administer and operate the Kalaeloa community development district; and

(3) Moneys appropriated to the fund by the legislature.

(b) Moneys in the Kalaeloa community development revolving fund shall be used for the purposes of this part. (c) Investment earnings credited to the assets of the fund shall become part of the assets of the fund.

HRS §206E-196 Assessment for operating costs. (a) The authority shall have the power to assess all land users, except the federal government, for their fair share of the costs required to administer and operate the Kalaeloa community development district, which may include costs associated with staffing. Assessments shall be based on each landowner's proportionate share of the total acreage of the Kalaeloa community development district.

(b) The assessment shall be set by the authority annually, based upon the operating budget for the district, and adjusted for any actual expenditures made in the prior year in excess of the prior approved budget. The assessments shall be paid to the authority in semiannual payments commencing thirty days after the beginning of the fiscal year.

(c) The authority may charge interest or other fees on assessment amounts not paid on a timely basis, and may withhold services or approval of governmental permits for land users delinquent in payments.

(d) For the purposes of this section, "land user" includes the owner of land; provided that the landowner may assign the responsibility for payment of assessments to the lessee or licensee of the land.
Ref. No.: PL KALAELOA 17.2.9

December 8, 2006

Major General Robert Lee
Adjutant General
Hawaii National Guard
Department of Defense
State of Hawaii
3949 Diamond Head Road
Honolulu, Hawaii 96816

Dear Adjutant General Lee:

Re: Landowner Assessments – Fiscal Years (FY) 2008 and 2009
Kalaeloa Community Development District

The Hawaii Community Development Authority (HCDA) is writing to follow-up on our prior correspondence to you (dated June 19, 2006) on this subject matter. In our previous letter, we had indicated that HCDA will need to conduct a new round of assessments of Kalaeloa landowners to cover our operating expenses for FY 2008 (July 1, 2007 to June 30, 2008) and FY 2009 (July 1, 2008 to June 30, 2009). HCDA has since finalized its operating budget for FY 2008 and FY 2009 and it amounts to $196,660.00 per fiscal year.

Based on a review of our records, the Department of Defense (DOD) currently holds title to 147.825 acres of land in Kalaeloa. This amounts to 10.853 percent of the total assessable lands. Therefore, DOD assessments for FY 2008 and FY 2009 will be $21,343.18 per year.

We have attached a formal Memorandum of Understanding (MOU) for your review and execution. The MOU specifies the assessment amount, payment schedule, and other provisions on HCDA’s use of the funds received.

Your attention and assistance in this matter is greatly appreciated, as it will help to bring about a better Kalaeloa from which we can all benefit. Should you have any questions or concerns, please contact me at (808) 587-2870.

Sincerely,

Daniel Dinell
Executive Director

DD:ak
Enc.
c: Mr. Chong Gu, HCDA

Exhibit B
not at the attached. I was told the real estate agent paid the first (and only)

PURPOSE OF REQUEST/DESCRIPTION:

PROJECT: Kakuaha Land Assessments

SUBJECT: Request for Attorney General Services

FROM: Daniel Dinelli, Executive Director

DEPARTMENT of the Attorney General

TO: John Womper/Melvin Y. Nimshomo, Deputy Attorney General

March 30, 2007
March 20, 2007

Mr. Daniel Dinell
Executive Director
Hawaii Community Development Authority
677 Ala Moana Boulevard, Suite 1001
Honolulu, Hawaii 96813

Dear Mr. Dinell:

This is in response to your December 8, 2006 letter proposing that the State of Hawaii, Department of Defense participate in your Kalaeloa Landowners assessment to cover your operating expenses for Fiscal Year (FY) 2008 and FY 2009.

Pursuant to Hawaii Revised Statues 206e-196(a), Hawaii Community Development Authority (HCDA), has “the power to assess all land users, except the Federal government, for their fair share of the costs required to administer and operate the Kalaeloa community district, which may include costs associated with staffing.”

When lands at Kalaeloa were transferred to the State, the Federal government retained ownership of certain parcels of land for use by the U.S. Navy and later the U.S. Army. The land parcels that were retained by the Federal government included 148,825 acres. This property is currently being utilized by the Hawaii Army National Guard issued under a licensing agreement with the United States Army Corps of Engineers as the federal executive agent for active duty military properties. The property used by the Hawaii Army National Guard is federally owned and operated.

The Hawaii National Guard (HING) is a dual federal and state military organization operating as a state agency in the form of the State of Hawaii, Department of Defense, and as a federally funded military organization as the Army National Guard under federal law. The operating funds of the HING are federal funds that cannot be used to pay taxes or landowner assessments to your organization under federal or state law.

I appreciate your understanding of this issue and will continue to work closely with HCDA and its vision for the development of Kalaeloa.
Mr. Daniel Dinell  
March 20, 2007  
Page 2

If you have any questions or need any additional information, please contact Lieutenant Colonel Marjean Stubbert, at (808) 672-1530 or email at Marjean.Stubbert@us.army.mil.

Sincerely,

[Signature]

ROBERT G. F. LEE  
Major General  
Hawaii National Guard  
Adjutant General
November 25, 2009

TO: MR. ANTHONY J. H. CHING, EXECUTIVE DIRECTOR
   HAWAII COMMUNITY DEVELOPMENT AUTHORITY

FROM: BRIAN H. SEKIGUCHI
      DEPUTY DIRECTOR – AIRPORTS

SUBJECT: PAYMENT FOR KALAELOA COMMUNITY DEVELOPMENT DISTRICT

Reference is made to your letter dated October 28, 2008, based on the Memorandum of Understanding dated December 8, 2006, that your office has not received payment of $217, 218.90 for Fiscal Years 2008 and 2009 from the Airports Division, Department of Transportation (DOT-A) for the Kalaeloa Community Development District assessments.

On June 5, 2009, I advised you that DOT-A is unable to provide payment, since there remains a question as to whether DOT-A can pay the assessment without potential violation of our grant assurances to the Federal Aviation Administration (FAA), and I was waiting for clarification from FAA on this issue.

On November 24, 2009, I received the enclosed letter dated November 20, 2009, from the FAA informing me that the payment of assessment fees using airport revenue is NOT permitted for the following reasons:

1. Payments of airport revenue to other State government departments for reasons unrelated to the airport is a prohibited use of airport revenue.
2. Use of airport revenue for general economic development unrelated to the airport is a prohibited use of airport revenue.
3. Use of airport revenue may not pay for impact fees or other assessments that exceed the value of services provided to the airport or that are unrelated to the airport and its operations.

Until these issues are resolved, we are unable to process your request for payment.

Exhibit C
November 20, 2009

Mr. Brian H. Sekiguchi
Deputy Director - Airports
State of Hawaii, DOT
400 Rodgers Blvd., Suite 700
Honolulu, Hawaii 96819-1880

Dear Mr. Sekiguchi:

Kalaeloa Airport
Hawaii Community Development Authority (HCDA)
Assessment Fees

We acknowledge receipt of your letter dated June 5, 2009, AIR-A 09.0082, requesting guidance on the eligibility of the HCDA Assessment Fees levied upon the landowners of the Kalaeloa Community.

We have reviewed the information and provide the following comments:

1. Policy and law prescribe permitted and prohibited uses of airport revenue as more fully specified in USC 47107(b), 47133, and the Revenue Use Policy (64FR7696 2/16/99). The following reasons explain why the payment of assessment fee using airport revenue is not permitted.

   a. The payments of airport revenue to other State government departments for reasons unrelated to the airport is a prohibited use of airport revenue. In effect, the payment would go directly to pay for staff and operations of HCDA. That would represent a prohibited revenue diversion.

   b. The use of airport revenue for general economic development unrelated to the airport is a prohibited use of airport revenue. Airport revenue may not be used to subsidize or promote economic development that is unrelated to the airport.

   c. The use of airport revenue may not pay for impact fees or other assessments that exceed the value of services provided to the airport or that are unrelated to the airport and its operations.

HDOT is fully responsible for the maintenance, operation, improvement, and development of Kalaeloa Airport and HCDA does not make any financial contribution towards the betterment of airport infrastructure or airport
land. The airport endeavors to be self-sustaining. Payments from airport
revenue to support community costs with assessment fees would represent an
illegal use of airport revenue.

Should you have further questions, please do not hesitate to call Mr. Steven
Wong, program Manager at (808) 541-1225.

Sincerely,

Ronnie V. Simpson
Manager, Honolulu Airports District Office
Ref. No.: PL KALAELOA 17.2.5a

June 15, 2015

Ms. Erika Lacro
Chancellor
Honolulu Community College
874 Dillingham Boulevard
Honolulu, Hawaii 96817

Dear Chancellor Lacro:

Re: Landowner Assessment – Fiscal Year ("FY") 2015-2016
Kalaeloa Community Development District

The Hawaii Community Development Authority ("HCDA") was designated in 2002 by the Hawaii State Legislature to be responsible for the overall planning, regulation and development of the 3,700-acre Kalaeloa Community Development District ("Kalaeloa"). In order to fulfill this responsibility, the Legislature granted the HCDA the authority to assess non-federal Kalaeloa land users their proportionate share of HCDA’s administrative and operating expenses as detailed in §206E-196, Hawaii Revised Statutes (Exhibit A).

Since 2002, the HCDA has, in large part, relied upon assessments of Kalaeloa land users for funding operating expenses. Assessment funds received were deposited in HCDA’s Kalaeloa Community Development Revolving Fund and used for maintaining a field office, responding to community concerns, coordinating efforts with land users and implementing improvement projects. This letter is to inform you that a new round of assessments is due for FY 2015-2016 (July 1, 2015 to June 30, 2016).

I would like to assure you that we continue to be mindful of your agency’s economic vitality and we have not implemented any assessment increases in the past decade. Therefore, the FY 2015-2016 budget will remain at the same level as the FY 2014-2015 budget at $200,000.00 per year. These funds will cover certain administrative and operating expenses, including the maintenance of a field office and services of the State’s Attorney General office.
As we strive to transform Kalaeloa into a *Wahi Hoʻokela*, a center for excellence within the ‘Ewa District, the HCDA continues to support the Kalaeloa Heritage Park on 77 acres in the District that contain irreplaceable natural, cultural and historical resources. The HCDA will also continue on the work to complete two new infrastructure projects, the Enterprise Energy Corridor and East Energy Corridor, which are expected to cost at least $14 million dollars. In the past year, HCDA staff completed an archaeological/environmental report for the Enterprise Energy Corridor.

The assessment funds will also be used to engage community stakeholders for their input and participation. We anticipate holding a workshop to update the Kalaeloa Strategic Plan and hold the 6th Annual Kalaeloa Landowners Summit.

Based on a review of our records, there were no land changes for the Honolulu Community College (“HCC”) since the last round of assessments and you currently hold title to 4,520 acres of land in Kalaeloa. This amounts to 0.37% of the total accessible lands (Exhibit A). There has been no increase in the assessment amount due for the HCC. An invoice for payment is enclosed; **please note that the first payment is due on September 15, 2015.** The FY 2015-2016 budget is enclosed for your review (Exhibit B).

Your attention and assistance in this matter is greatly appreciated as it will help to bring about a better Kalaeloa from which we can all benefit. Should you have any questions regarding this round of assessments, please contact Ms. Tesha Malama, Kalaeloa Director of Planning and Development, at (808) 620-9643.

Sincerely,

Anthony J. H. Ching
Executive Director

AJHC/PLF:ak
Encs.
c:   Ms. Tesha Malama, HCDA
Exhibit A

Hawaii Revised Statutes [§206E-196] Assessment for operating costs.

(a) The authority shall have the power to assess all land users, except the federal government, for their fair share of the costs required to administer and operate the Kalaeloa community development district, which may include costs associated with staffing. Assessments shall be based on each landowner’s proportionate share of the total acreage of the Kalaeloa community development district.

(b) The assessment shall be set by the authority annually, based upon the operating budget for the district, and adjusted for any actual expenditures made in the prior year in excess of the prior approved budget. The assessments shall be paid to the authority in semiannual payments commencing thirty days after the beginning of the fiscal year.

(c) The authority may charge interest or other fees on assessment amounts not paid on a timely basis, and may withhold services or approval of governmental permits for land users delinquent in payments.

(d) For the purposes of this section, "land user" includes the owner of land; provided that the landowner may assign the responsibility for payment of assessments to the lessee or licensee of the land. [L 2002, c 184, pt of §2]

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Kalaeloa Landowners/Users Chart FY 2015-2016

<table>
<thead>
<tr>
<th>Landowner</th>
<th>Number of Acres July 1, 2015</th>
<th>Proportionate Share-to-Date</th>
<th>Assessment FY 2015-2016 $200,000/yr</th>
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<tbody>
<tr>
<td>RP Kalaeloa Landowner LLC</td>
<td>77.926</td>
<td>6.36%</td>
<td>$12,717.22</td>
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<tr>
<td>City Board of Water Supply</td>
<td>20.029</td>
<td>1.63%</td>
<td>$3,268.66</td>
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<td>Hunt Companies</td>
<td>539.752</td>
<td>44%</td>
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<td>Eagle River Investors Hawaii LLC</td>
<td>10.000</td>
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<td>State Department of Hawaiian Home Lands</td>
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<td>State Hawaii Homeless Programs Office</td>
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<td>State Department of Education</td>
<td>14.458</td>
<td>1.18%</td>
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<td>University of Hawaii - HCC</td>
<td>4.520</td>
<td>0.37%</td>
<td>$737.65</td>
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<td>1,225.519</td>
<td>100%</td>
<td><strong>$200,000.00</strong></td>
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</table>

$200,000
### Exhibit B

**Kalaeloa Budget FY 2015-2016**

<table>
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<tr>
<th>Description</th>
<th>Projected Expenditure FY2015-2016</th>
<th>Projected Revenue Source</th>
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<td>HCDA Funded</td>
<td>CIP Funded</td>
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<td>Operating expenditure</td>
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<td>HRS §206E-196</td>
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<td>2 personnel</td>
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<td>$208,097.00</td>
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<td>Share of AG service</td>
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<td>Office and equipment</td>
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<td><strong>Subtotal - Operating expenditure</strong></td>
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<td>$208,097.00</td>
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<tr>
<td></td>
<td></td>
<td>$100,000.00</td>
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<tr>
<td>Project expenditure</td>
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<tr>
<td>Acquisition, planning &amp; design for roadway improvements</td>
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<td>$70,000.00</td>
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<td>Safety improvements at the District entrances</td>
<td>$30,000.00</td>
<td>$30,000.00</td>
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<td>Enterprise Enegy Corridor</td>
<td>$8,600,000.00</td>
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<td>East Energy Corridor</td>
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<td><strong>Subtotal - Project expenditure</strong></td>
<td>$14,200,000.00</td>
<td>$3,600,000.00</td>
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<td></td>
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<td>$10,500,000.00</td>
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<td>$100,000.00</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$3,808,097.00</strong></td>
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<td><strong>$10,500,000.00</strong></td>
</tr>
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HAWAII COMMUNITY DEVELOPMENT
AUTHORITY
547 Queen Street
Honolulu, Hawaii  96813
Telephone (808) 594-0300
Facsimile (808) 587-0299

University of Hawaii -
Honolulu Community College
374 Dillingham Boulevard
Honolulu, Hawaii 96817

Date: June 15, 2015

SUBJECT: Kaeloa Community Development District
Pursuant to HRS §206E-196

<table>
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<th>DESCRIPTION</th>
<th>DUE DATE</th>
<th>ASSESS. AMT</th>
<th>LATE FEES</th>
<th>AMOUNT DUE</th>
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</table>
| PAYMENT OPTION 1
Annual payment for FY2015-16                  | September 15, 2015 | $ 737.65   | $         | $ 737.65   |
| PAYMENT OPTION 2
Semi-annual payment for FY2015-16 (1st installment) | September 15, 2015 | $ 368.83   | $         | $ 368.83   |
| Semi-annual payment for FY2015-16 (2nd installment) | December 15, 2015  | $ 368.82   | $         | $ 368.82   |

Hawaii Revised Statutes §206E-196-Assessment for operating costs.
(a) The authority shall have the power to assess all land users, except the federal government, for their fair share costs required to administer and operate the Kaeloa community development district, which may include costs associated with staffing. Assessments shall be based on each landowner’s proportionate share of the total acreage of the Kaeloa community development district.
(b) The assessment shall be set by the authority annually, based upon the operating budget for the district, and adjusted for any actual expenditures made in the prior year in excess of the prior approved budget. The assessments shall be paid to the authority in semi-annual payments commencing thirty days after the beginning of the fiscal year.
(c) The authority may charge interest or other fees on assessment amounts not paid on a timely basis, and may withhold services or approval of governmental permits for land users delinquent in payments.
(d) For the purpose of this section, “land user” includes the owner of land; provided that the landowner may assign the responsibility for payment of assessments to the lessee or licensee of the land. [L2002, c184, pt of §2]

Failure to pay an installment when due may bear a penalty of 10% per month, or portion of a month from the due date.

Please make your check payable to: HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Mail to: 547 Queen Street
Honolulu, Hawaii 96813

OR

Please use the following for the credit entry
for the Journal Voucher: 805 S-10.326-B 0640 0001 B0001

Please keep us informed of your CURRENT mailing address so that there will be no delays in your payments...Mahalo!

Thank you for your prompt remittance!