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March 31, 2011

ORIGINAL

Chairperson Vladimir Devens     **HAND DELIVERY**  
Land Use Commission  
State of Hawaii  
235 South Beretania Street, Suite 406  
Honolulu, Hawaii 96813

Re:    Molokai Properties Limited; DR10-41 Petition for Declaratory  
      Order to Designate Important Agricultural Lands

2011 MAR 31 P 3:02  
LAND USE COMMISSION  
STATE OF HAWAII

Dear Chairperson Devens:

For reasons explained below, Petitioner Molokai Properties Limited ("Petitioner") hereby withdraws its Petition for Declaratory Order to Designate Important Agricultural Lands, filed November 30, 2010 ("Petition").

As stated in our Petition, the Petitioner's proposal for the approximately 5,093 acres of proposed important agricultural lands ("IAL") was to preserve and promote ranching on Molokai by expanding the ranch lands of James Duvauchelle's Pohakuloa Ranch to include the 5,093 acres, by granting to Mr. Duvauchelle a 20 year lease, and by granting to the Molokai Land Trust a 99 year agricultural easement. The combination of the increased acreage and IAL tax incentives would allow for the investment in expanded cattle operations to contribute towards a sustainable cattle industry on Molokai.

Fate has, however, dictated that the issue of sustainable energy and wind turbines on the island of Molokai be addressed at the same time our Petition is being processed.

As stated in the Governor's Position on Potential Molokai Wind Farm, dated March 3, 2011, a copy of which is attached hereto, the State is looking at both the islands of Molokai and Lanai as the sites for the "Big Wind" project. The Petitioner's efforts to cooperate with the State has included discussions with the parties involved, as well as

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the community in public meetings, regarding possible sites for wind turbines located on Petitioner's lands. This discussion regarding potential sites is ongoing, and it is not expected that the issues relating to the location of the wind turbines will be resolved in a timeframe that would be acceptable to the Commission in relation to this application..

Some of the lands being considered for the wind turbines include portions of our proposed IAL. The topics being discussed regarding the locations for the wind turbines include the requirements of the State, the technical needs of the wind farm operator, concerns of neighboring property owners, and the concerns of the Molokai community at large. At this stage of the process, it is unknown what portions, if any, of the 5,093 acres will be used for the wind turbines. As a result, we are unable to commit, without termination clauses in any lease, the total 5,093 acres to long term ranching at this time. Without knowing the configuration of the lands for long term ranching and not having the ability to make commitments before the Land Use Commission ("Commission"), we have no alternative but to withdraw the Petition.

The Petitioner wishes to express, however, that it is extremely disappointed that this withdrawal was made necessary given the time and costs that it and other parties involved have incurred in addressing the Petition. Furthermore, Petitioner expects to be in a position to re-file a petition for IAL once the potential State requirements for the siting of a wind turbine operation are determined, as Petitioner's goal of preserving cattle ranching on Molokai has not changed.

Very truly yours,

MATSUBARA - KOTAKE



Curtis T. Tabata

Encl.

cc: Orlando Davidson  
Bryan Yee, Esq.  
Michael Hopper, Esq.  
Molokai Properties Limited

**Governor Neil Abercrombie**  
Position on Potential Molokai Wind Farm  
March 3, 2011

Producing our own energy in Hawaii is crucial for our survival. As I have stated in the past, the proposed "Big Wind" project that would produce electricity on Lanai and Molokai can be a critical part of the equation. It would be an important step in my stated goal of connecting our islands so that we can be more self-sufficient and sustainable. My support revolves around these principles:

- The wind projects must proceed in a way that produces benefits for the people and communities of those islands. These community benefits should help move the islands toward sustainable futures of their own. Because I expect those benefits to be substantial, I believe it is imperative that both islands—Molokai and Lanai—have the opportunity to participate.
- There are two factors I am looking for:
  - The project must be financially and technically feasible. I am depending on the Department of Business, Economic Development and Tourism and other related state agencies to make this determination.
  - The project must represent the majority interests of residents of the respective islands. No individual or private interest should have the ability to veto the entire project because of their objections as long as their views are considered and discussed with respect.
- If the Molokai landowner is incapable of participating in a viable plan for the island, the state is willing to exercise its right to condemn lands for this public purpose, again, if residents agree that a project can be done in a pono way.
- My support for a project does not translate into support for any specific approach to the project by the electric utility, landowners, developers, or any individual interest. My sole concern is the development of a project that maximizes benefits to the people of Hawaii.

The wind projects present an opportunity for us to unite around common purposes. Unfortunately, they have too often been the source of bitter disputes, accusations and division. Private interests too often overpower discussions that should be about the public interest.

Our islands have no choice but to move toward energy independence. Future generations will be the beneficiaries of those who are willing to work together today and make wise decisions that will stand the test of time.