

## BEFORE THE LAND USE COMMISSION

## OF THE STATE OF HAWAI'I

In The Matter Of The Petition Of	)	DOCKET NO. DR10-42
	)	
CASTLE & COOKE HOMES HAWAI'I, IN	C. )	FINDINGS OF FACT,
	)	CONCLUSIONS OF LAW,
For A Declaratory Order To Designate	)	AND DECISION AND ORDER;
Important Agricultural Lands For	)	CERTIFICATE OF SERVICE
Approximately 902.066 Acres At Waialua,	)	
Wahiawā, And Waikele, O`ahu, Hawai`i	)	
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FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND DECISION AND ORDER
AND
CERTIFICATE OF SERVICE

STATE OF HAWAII



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Wahiawā, And Waikele, O`ahu, Hawai`i	)	
	)	

# FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER

CASTLE & COOKE HOMES HAWAI'I, INC. ("Petitioner"), filed a

Petition for Declaratory Order to Designate Important Agricultural Lands on December 29, 2010, and a First Amendment to the Petition for Declaratory Order to Designate Important Agricultural Lands on January 13, 2011 (collectively "Petition"), pursuant to Hawai'i Revised Statutes ("HRS") §§ 205-44 and 45, and Hawai'i Administrative Rules ("HAR") chapter 15-15, to designate as Important Agricultural Lands ("IAL") approximately 902.066 acres of land, situated at Waialua, Wahiawā, and Waikele, O'ahu, Hawai'i, and identified as Tax Map Keys ("TMK"): 1-6-8-006: por. 10, 1-6-4-004:

7, 1-7-1-002: por. 32, and 1-9-4-003: 2 (collectively "Petition Area").

The State of Hawai'i Land Use Commission ("Commission"), having heard and examined the testimony, evidence, and argument of counsel presented during the hearings, along with the pleadings filed herein, hereby makes the following Findings of Fact, Conclusions of Law, and Decision and Order:

#### **FINDINGS OF FACT**

#### PROCEDURAL MATTERS

- 1. On December 29, 2010, Petitioner filed the Petition, Verification, and Exhibits "A" through "D" of the Petition.
- 2. On January 13, 2011, Petitioner filed a First Amendment to the Petition, Verification, and Exhibits "E" through "G."
- 3. On February 22, 2011, the State of Hawai'i Office of Planning

  ("OP") filed comments on the Petition to the Commission, which included a February 9,

  2011, letter from the United States Department of Agriculture, Natural Resources

  Conservation Service ("NRCS"), also commenting on the Petition.
- 4. On February 23, 2011, the State of Hawai'i Department of Agriculture ("DOA") filed comments on the Petition to the Commission.
- 5. On February 24, 2011, the Commission held a site visit to view the Petition Area in Waialua, Wahiawā, and Waikele, Oʻahu, Hawaiʻi.

- 6. On March 2, 2011, OP filed a February 23, 2011, memorandum from the State of Hawai`i Department of Land and Natural Resources, Commission on Water Resource Management ("CWRM"), commenting on the Petition.
- 7. On March 4, 2011, OP filed a revised Figure 1 to replace the Figure 1 submitted with OP's comment letter dated February 22, 2011.
- 8. On March 8, 2011, the City and County of Honolulu Department of Planning and Permitting ("DPP") filed comments on the Petition to the Commission.
- 9. On March 14, 2011, the Petitioner filed a response to the comments of OP, DOA, DPP, and CWRM to the Commission.
- 10. On March 23, 2011, the Commission held an action meeting on the Petition in Honolulu, Oʻahu, Hawaiʻi. Benjamin M. Matsubara, Esq., Curtis T. Tabata, Esq., and Wyeth M. Matsubara, Esq., appeared on behalf of Petitioner. Also appearing were Bryan C. Yee, Esq., and Jesse Souki on behalf of OP, Dawn Takeuchi-Apuna, Esq., and Randy Hara on behalf of the DPP, and Russell Kokubun on behalf of the DOA.
- 11. The Commission entered the written comments of OP, DOA, DPP, CWRM, and NRCS, and Petitioner's response thereto as well as the written testimony of Frederick M. Mencher into the record in this proceeding.

#### **DESCRIPTION OF PETITION AREA**

- 12. The Petition Area consists of approximately 902.066 acres of land, situated in Waialua, Wahiawā, and Waikele, O`ahu, Hawai`i, and identified as TMKs: 1-6-8-006: por. 10, 1-6-4-004: 7, 1-7-1-002: por. 32, and 1-9-4-003: 2.
- 13. The Petition Area consists of the following four parcels: TMKs: 1-6-8-006: por. 10 (the "Waialua property"), 1-6-4-004: 7 (the "Dole Plantation property"), 1-7-1-002: por. 32 (the "Whitmore property"), and 1-9-4-003: 2 (the "Mililani South property"). The Waialua property is owned in fee simple by Castle & Cooke Waialua, LLC; the Dole Plantation property is owned in fee simple by Castle & Cooke Properties, Inc.; and the Whitmore and Mililani South properties are owned by Castle & Cooke, Inc.
- 14. Castle & Cooke Waialua, LLC; Castle & Cooke Properties, Inc.; and Castle & Cooke, Inc., have provided their written consent to the filing of the Petition.

  DESCRIPTION OF REQUEST
- 15. Petitioner seeks a determination from the Commission that the lands identified by Petitioner in this Petition should be designated as IAL pursuant to HRS §§ 205-44 and 45.
- 16. Petitioner is not seeking to reclassify any agricultural lands to the State Land Use Urban, Rural, or Conservation Districts.
- 17. Petitioner has represented that it is not claiming and will not claim any credits described in HRS § 205-45(h).

# CONFORMANCE WITH THE STANDARDS AND CRITERIA FOR THE IDENTIFICATION OF IAL

- 18. The Waialua property, consisting of approximately 242.085 acres of land, is currently entirely under cultivation and is being leased to six independent farms for the growing of a wide variety of diversified crops: ginger, bird of paradise, heliconia, daikon, tomato, okra, long bean, bitter melon, ti leaf, banana, taro, sweet potato, eggplant, sweet pepper, wing bean, sequa, pumpkin, basil, green onion, crown flower, bozo, squash, dragon fruit, asparagus, sweet onion, potato, seed corn, pepper, and zucchini. Prior to being used for diversified agriculture, the Waialua property was used for growing sugarcane for nearly 100 years from 1898 until the closure of Waialua Sugar Company in 1996.
- 19. The Mililani South property, consisting of approximately 231.754 acres of land, is also completely under cultivation for diversified agriculture and leased to Mililani Ag Park, LLC. Mililani Ag Park, LLC, cultivates approximately 60 acres with sweet potato, field grown trees, longan, and banana. The remaining 172 acres are subleased to approximately 50 independent farmers who collectively grow banana, basil, beet, Chinese cabbage, chive, daikon, eggplant, green onion, kale, lemongrass, long bean, mushroom, okra, onion, peanut, pumpkin, seed corn, squash, tapioca, taro, tomato, toon (taro), wing bean, yam, ornamental trees and shrubs, ground cover, mondo grass, and turf grass. Prior use of Mililani South was for the cultivation of pineapple until the early 1990s.

- 20. The Dole Plantation property, consisting of approximately 222.634 acres of land, has the majority of its acreage in use for the Tanada Reservoir and gulch, which serve as an irrigation source for current agricultural activities and drainage. Approximately 14 percent (31 acres) are in active cultivation of diversified agriculture, including pineapple, plumeria, banana, mango, star fruit, a'ali'i, bromelaid, cacao, 'iliahi, koa, lychee, moa, ohi'a lehua, papaya, pukiawe, rambutan, ti leaf, and tuberose. The Tanada Reservoir and gulch severely restrict the total area of the property available for cultivation. The cultivable land area is further limited by the steep slopes of the gulch which, together with the reservoir, fragment the property and contribute to an oddly configured parcel that is not conducive to the efficient layout of infrastructure and agricultural operations.
- 21. The Whitmore property, consisting of approximately 205.593 acres of land, is not currently in active agricultural production. The Whitmore property was used for the cultivation of pineapple for nearly 100 years until 2001, and is currently being evaluated for agricultural uses including seasonal crops, sugarcane, biofuel crops, forestry, and ranching.
- 22. The University of Hawai`i, Land Study Bureau ("LSB") developed the Overall Productivity Rating, which classified soils according to five levels, with "A" representing the class of highest productivity soils and "E" representing the lowest.

  The Waialua property consists of 57 percent "A," 43 percent "B," and a fraction of 1

percent "E" and unclassified. The Dole Plantation property consists of 38 percent "B," 51 percent "C" and "E," and 11 percent unclassified. A large portion of the property includes steep slopes that are located in the upper gulch areas to the east and in the lower gulch areas to the west of the Tanada Reservoir that limit the capability of the site for agricultural production. The Whitmore property consists of 63 percent "B" and 37 percent "E." The Mililani South property is 88 percent "A," 9 percent "B," and 3 percent "D" or "E."

23. Based on the Sunshine Maps prepared in 1985 by the Department of Business, Economic Development, and Tourism, formerly known as the State Department of Planning and Economic Development, Energy Division, 100 percent of the Waialua property receives an annual average 450 calories of solar energy per square centimeter per day, approximately 50 percent of the Dole Plantation property receives an annual average of 400 calories per square centimeter per day and the other 50 percent receives an annual average of 450 calories per square centimeter per day, approximately 96 percent of the Whitmore property receives an annual average of 400 calories per square centimeter per day and the other 4 percent receives an annual average of 350 calories per square centimeter per day, and approximately 46 percent of Mililani South receives an annual average of 400 calories per square centimeter per day and the other 54 percent receives an annual average of approximately 450 calories per square centimeter per day.

- 24. In 1977, the State Department of Agriculture developed a classification system to identify Agricultural Lands of Importance to the State of Hawai'i ("ALISH"). The classification system is based primarily, though not exclusively, upon the soil characteristics of the lands. The three classes of ALISH lands are: "Prime," "Unique," and "Other," with all remaining lands termed "Unclassified." When utilized with modern farming methods, "Prime" agricultural lands have a soil quality, growing season, and moisture supply necessary to produce sustained crop yields economically. "Unique" agricultural lands possess a combination of soil quality, growing season, and moisture supply to produce sustained high yields of a specific crop. "Other" agricultural lands include those that have not been rated as "Prime" or "Unique." The Waialua property consists of 32 percent Prime, 66 percent Other, and 2 percent not classified. The Dole Plantation property consists of 42 percent Prime, 1 percent Unique, and 57 percent not classified. The Tanada Reservoir and gulch on the property contribute to the large percentage of the acreage being unclassified. The Whitmore property consists of 16 percent Prime, 45 percent Unique, and 39 percent not classified. The Mililani South property consists of 90 percent Prime, 4 percent Other, and 6 percent not classified.
- 25. Approximately 56 percent of the Petition Area is currently being cultivated in diversified agriculture, including taro and ti leaf.

- 26. Irrigation water for the Waialua property is obtained from Pump 1 which is owned by Dole Food Company, Inc. Pump 1 also serves adjacent Dole Food Company, Inc., lands. Pump 1's capacity is 6 million gallons per day ("mgd"), and the Waialua property's water consumption is approximately 1.2 mgd.
- 27. Located within the Dole Plantation property is the 158 million gallon capacity Tanada Reservoir and gulch which supplies irrigation water to the Dole Plantation property and to a greater extent to adjacent lands, including 2,468 acres of Dole Food Company, Inc., agricultural lands and 40 acres of diversified agriculture at Helemano Plantation. The lower gulch is west of and adjacent to the reservoir and serves a drainage function by receiving water flow from neighboring upper east lands and overflow from Tanada Reservoir via a spillway. None of the adjacent lands that are supplied with irrigation water from the Tanada Reservoir and gulch are part of the Petition, and there is insufficient information in the record to determine the importance of the Dole Plantation property in supporting agricultural activity on these lands.
- 28. The Tanada Reservoir and gulch constitute a significant portion of the Dole Plantation property and contribute to a fragmented and oddly configured parcel, precluding cultivation of much of the area.
- 29. The Whitmore property is without current water allocation.

  Poamoho Stream is in the vicinity of the Whitmore Property. CWRM approval of a stream diversion works permit, a stream channel alteration permit, and an amendment

of the interim instream flow standard would be required for the development of a surface water source to serve the parcel. The Whitmore property, however, does receive approximately 60 inches of rainfall annually.

- 30. The Mililani South property receives its water from the Waiahole Ditch system which lies just north of the site. The current allocation available for Mililani South is 1.18 mgd, and actual usage is approximately 0.88 mgd.
- 31. The agricultural classification of the Waialua, Whitmore, and Mililani South properties is consistent with the North Shore Sustainable Communities Urban Land Use Map and Central O`ahu's Sustainable Communities Urban Land Use Map, and none of these properties are within the Urban Community Boundary.
- 32. The Waialua, Whitmore, and Mililani South properties are situated within the State Land Use Agricultural District.
- 33. The Waialua, Whitmore, and Mililani South properties contribute to maintaining a critical land mass important to agricultural operating productivity.
- 34. The Waialua, Whitmore, and Mililani South properties are fully integrated with the infrastructure necessary to support agricultural production, harvesting, processing, and shipping of product.

#### **CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over the Petition pursuant to HRS §§ 91-8, 205-44, and 205-45 and HAR § 15-15-98.

- 2. Pursuant to HRS § 205-44(a), the Commission has the authority to designate lands as IAL so long as any of the criteria in HRS § 205-44(c) are met.
- 3. The Waialua and Mililani South properties are currently used for agricultural production in accordance with HRS § 205-44(c)(1).
- 4. The Waialua, Whitmore, and Mililani South properties have soil qualities and growing conditions that support agricultural production in accordance with HRS  $\S$  205-44(c)(2).
- 5. The Waialua, Whitmore, and Mililani South properties constitute lands identified under agricultural productivity rating systems, such as the ALISH system adopted by the Board of Agriculture on January 28, 1977, in accordance with HRS § 205-44(c)(3).
- 6. The Waialua and Mililani South properties include the cultivation of traditional Native Hawaiian agricultural uses such as taro and ti leaf in accordance with HRS  $\S$  205-44(c)(4).
- 7. The Waialua and Mililani South properties have sufficient quantities of water to support viable agricultural production in accordance with HRS § 205-44(c)(5).
- 8. The Waialua, Whitmore, and Mililani South properties' designation as IAL is consistent with the general, development, and community plans of the City and County of Honolulu in accordance with HRS § 205-44(c)(6).

- 9. The Waialua, Whitmore, and Mililani South properties contribute to maintaining a critical land mass that is important to agricultural operating productivity in accordance with HRS § 205-44(c)(7).
- 10. The Waialua, Whitmore, and Mililani South properties are within close proximity to or are near support infrastructure conducive to agricultural productivity, such as transportation to markets, water, or power in accordance with HRS § 205-44(c)(8).
- 11. The designation of the Waialua, Whitmore, and Mililani South properties as IAL meets the purposes of Article XI, Section 3, of the Hawai'i State Constitution by conserving and protecting agricultural lands, promoting diversified agriculture, increasing agricultural self-sufficiency, and assuring the availability of agriculturally suitable lands.
- 12. The designation of the Waialua, Whitmore, and Mililani South properties as IAL meets the objectives of HRS § 205-42(b) by contributing to the maintenance of a strategic agricultural land resource base that can support a diversity of agricultural activities and opportunities that expand agricultural income and job opportunities and increase agricultural self sufficiency for current and future generations.
- 13. The designation of the Waialua, Whitmore, and Mililani South properties as IAL meets the policies of HRS § 205-43(1) by promoting the retention of

IAL in blocks of contiguous, intact, and functional land units large enough to allow flexibility in agricultural production and management.

- 14. The designation of the Waialua, Whitmore, and Mililani South properties as IAL meets the policies of HRS § 205-43(7) by facilitating the access of farmers to IAL for long-term viable agricultural use.
- 15. The Waialua, Whitmore, and Mililani South properties meet the requirements of HRS § 205-45 for designation as IAL.
- 16. The Dole Plantation property does not meet the standards and criteria for the identification of IAL in accordance with HRS §§ 205-44(c)(2), (c)(3), and (c)(7).
- 17. The designation of the Dole Plantation property as IAL does not meet the purposes of Article XI, Section 3, of the Hawai'i State Constitution by conserving and protecting agricultural lands, promoting diversified agriculture, increasing agricultural self-sufficiency, and assuring the availability of agriculturally suitable lands.
- 18. Any conclusion of law herein improperly designated as a finding of fact should be deemed or construed as a conclusion of law; any finding of fact herein improperly designated as a conclusion of law should be deemed or construed as a finding of fact.

#### **DECISION AND ORDER**

This Commission, having duly considered the Petition, the oral and/or written comments of Petitioner, OP, DOA, DPP, CWRM, and the NRCS, and motions having been made and seconded at a meeting on March 23, 2011, in Honolulu, Hawai`i, and the motions having received the affirmative votes required by HAR § 15-15-13 and HRS § 205-45(e), and there being good cause for the motions,

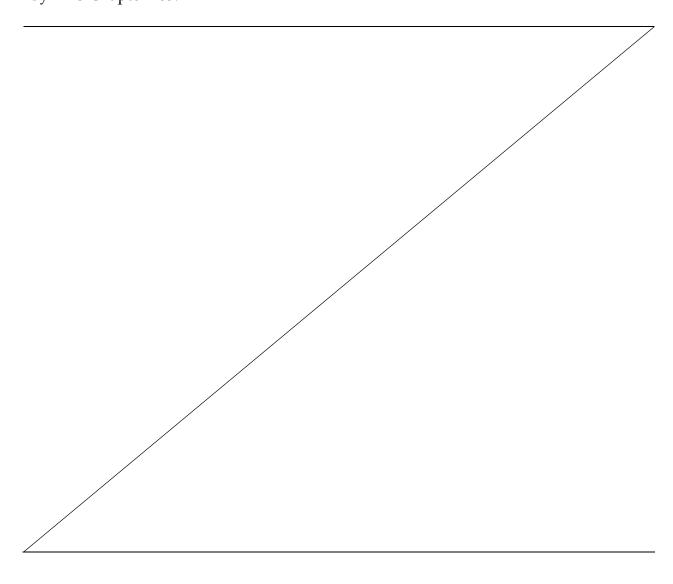
HEREBY ORDERS that the Waialua property, consisting of approximately 242.085 acres of land, situated in Waialua, Oʻahu, Hawaiʻi, and identified as TMK: 1-6-8-006: por. 10; the Whitmore property, consisting of approximately 205.593 acres of land, situated in Wahiawā, Oʻahu, Hawaiʻi, and identified as TMK: 1-7-1-002: por. 32; and the Mililani South property, consisting of approximately 231.754 acres of land, situated in Waikele, Oʻahu, Hawaiʻi, and identified as TMK: 1-9-4-003: 2, and shown approximately on Exhibit "1," attached hereto and incorporated by reference herein, shall be and are hereby designated as IAL as governed by HRS Chapter 205.

IT IS FURTHER ORDERED that the designation of the Waialua property, the Whitmore property, and the Mililani South property as IAL shall be subject to the following conditions:

1. Petitioner shall comply with representations made to the Commission with respect to not claiming any credits described in HRS § 205-45(h) with respect to the Waialua property, Whitmore property, and the Mililani South property.

2. Within seven days of the issuance of the Commission's Decision and Order, Petitioner shall record it with the Bureau of Conveyances.

IT IS FURTHER ORDERED that the Dole Plantation property, consisting of approximately 222.634 acres of land, situated in Waialua, O`ahu, Hawai`i, and identified as TMK: 1-6-4-004: 7, and shown approximately on Exhibit "2," attached hereto and incorporated by reference herein, shall not be designated as IAL as governed by HRS Chapter 205.



### **ADOPTION OF ORDER**

This ORDER shall take effect upon the date this ORDER is certified by this Commission.

Done at Honolulu, Hawai'i, this <u>28th</u>, day of <u>March, 2011</u>, per motions on March 23, 2011.

LAND USE COMMISSION

APPROVED AS TO FORM

Deputy Attorney General

STATE OF HAWAI'I

VLADIMIR DEVENS

Chairperson and Commissioner

Filed and effective on:

3/28/2011

Certified by:

ORLANDO DAVIDSON

**Executive Officer** 

# EXHIBIT "1"

(Consisting of 4 pages)

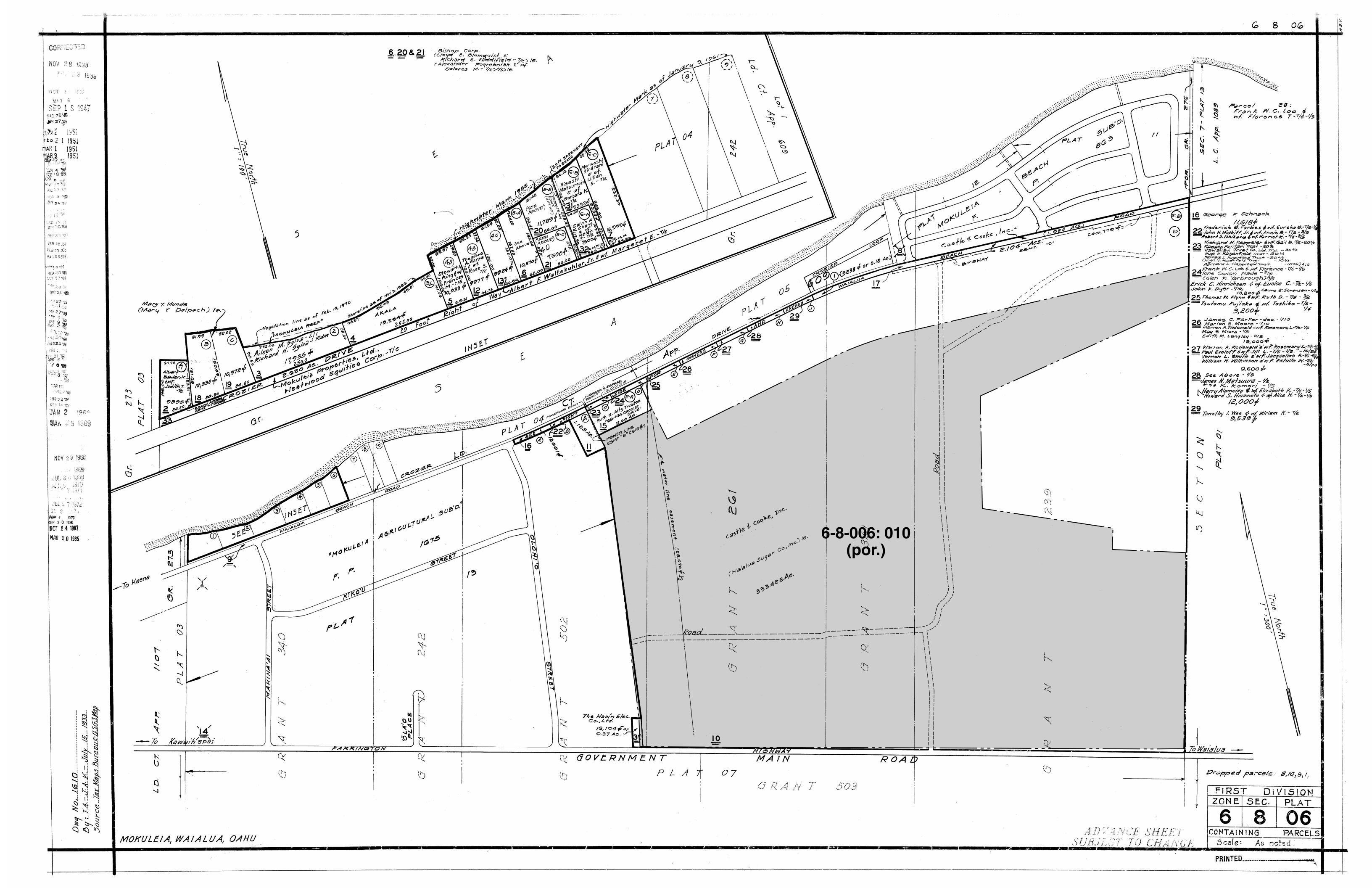
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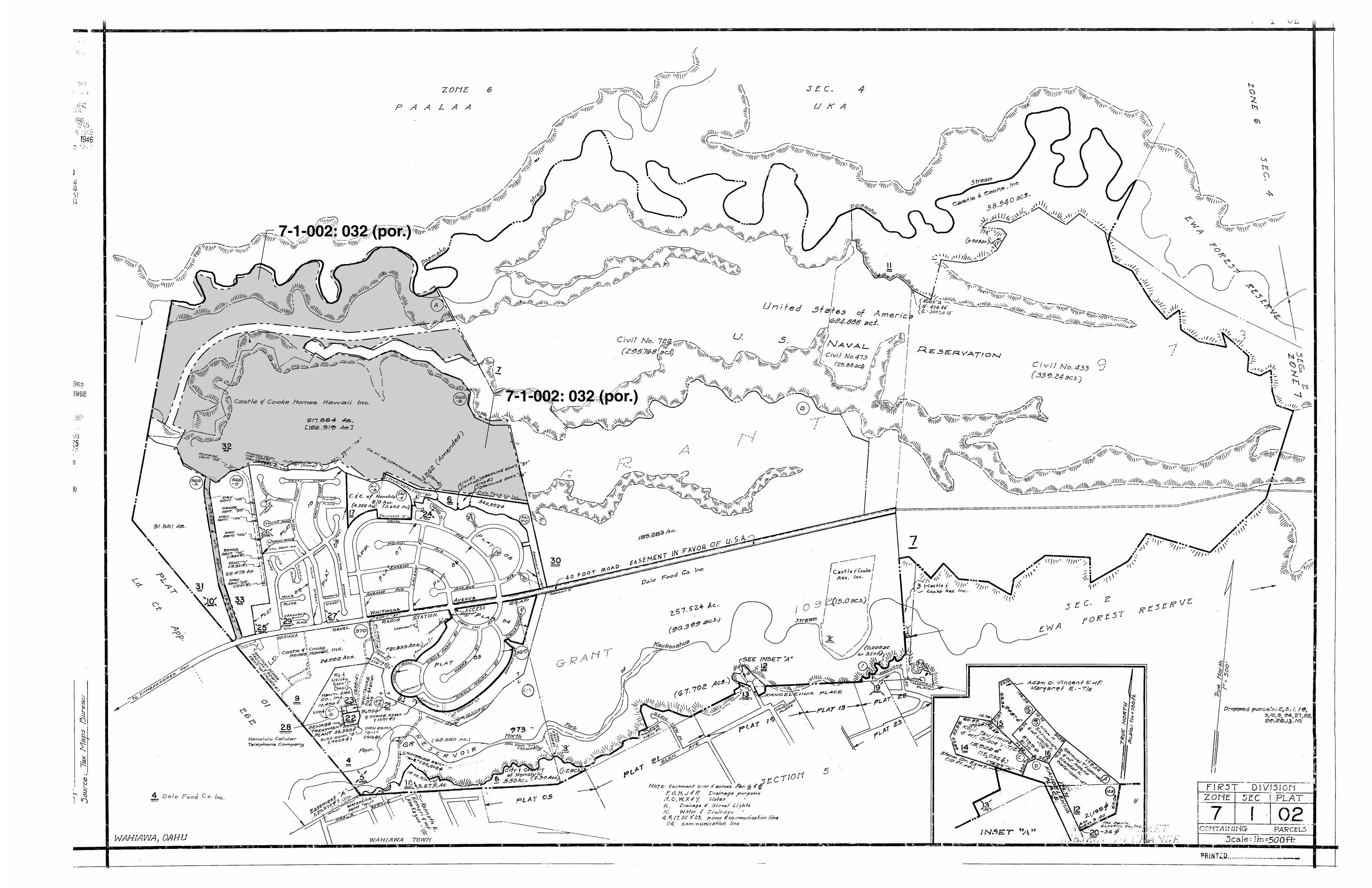
Approximately 679.432 acres of land owned by Petitioner's affiliated companies, Castle & Cooke, Inc., and Castle & Cooke Waialua, LLC, are designated as Important Agricultural Lands ("IAL"). The parcels are specifically described as TMK: 1-6-8-006: por. 10 (owned by Castle & Cooke Waialua, LLC); 1-7-1-002: por. 32 (owned by Castle & Cooke, Inc.); and 1-9-4-003: 2 (owned by Castle & Cooke, Inc.).

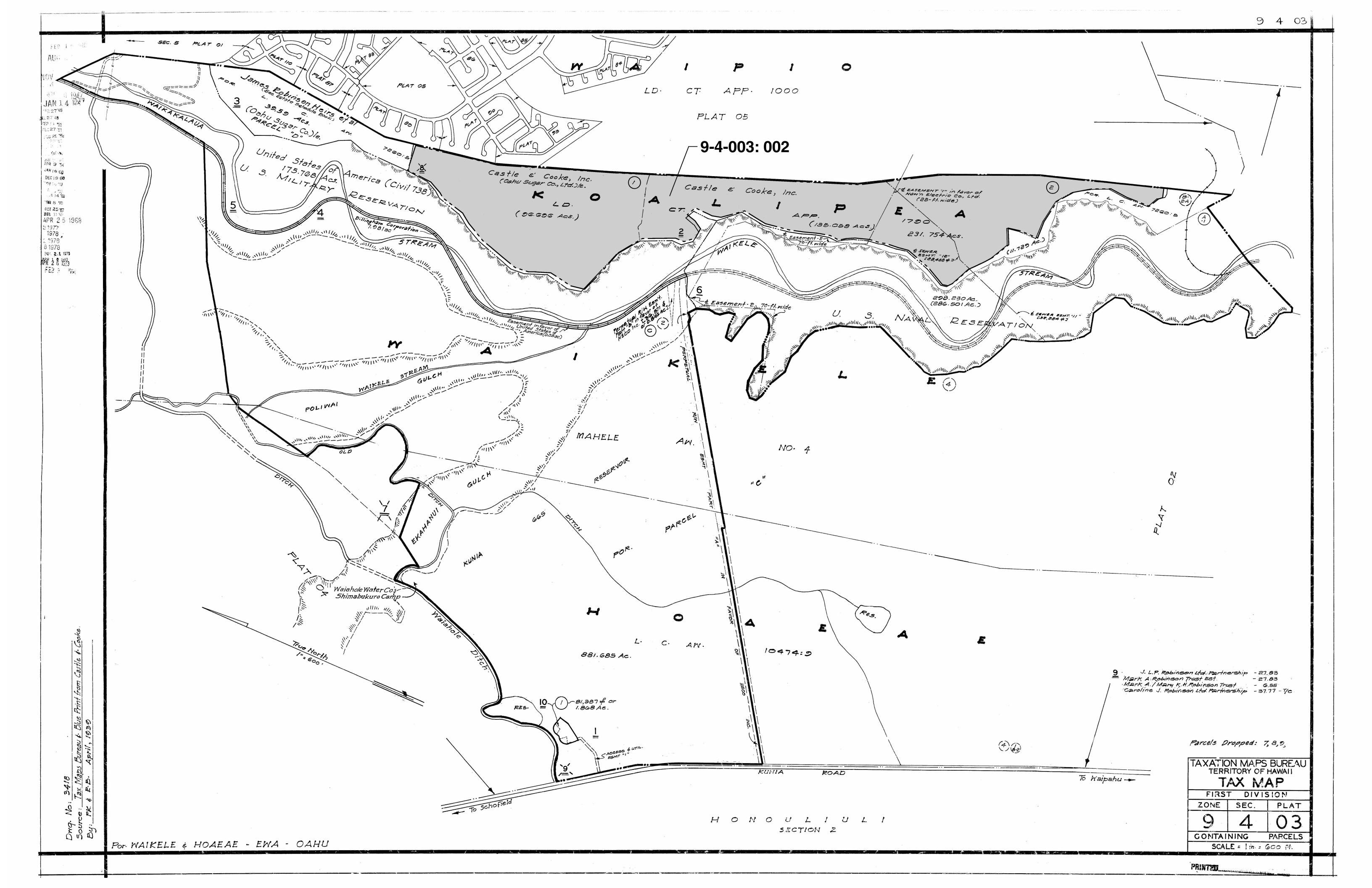
The following table shows a summary of the TMKs and approximate acreage for the IAL lands:

		Approximate
	TMK	Acreage
Waialua	1-6-8-006: por. 10	242.085
Whitmore	1-7-1-002: por. 32	205.593
Mililani South	1-9-4-003: 2	231.754
Total		679.432

The above table identifies the IAL lands and the related TMK parcels. The tax maps that follow further identify the individual TMK parcels and portions thereof that are designated IAL.







# EXHIBIT "2"

(Consisting of 2 pages)

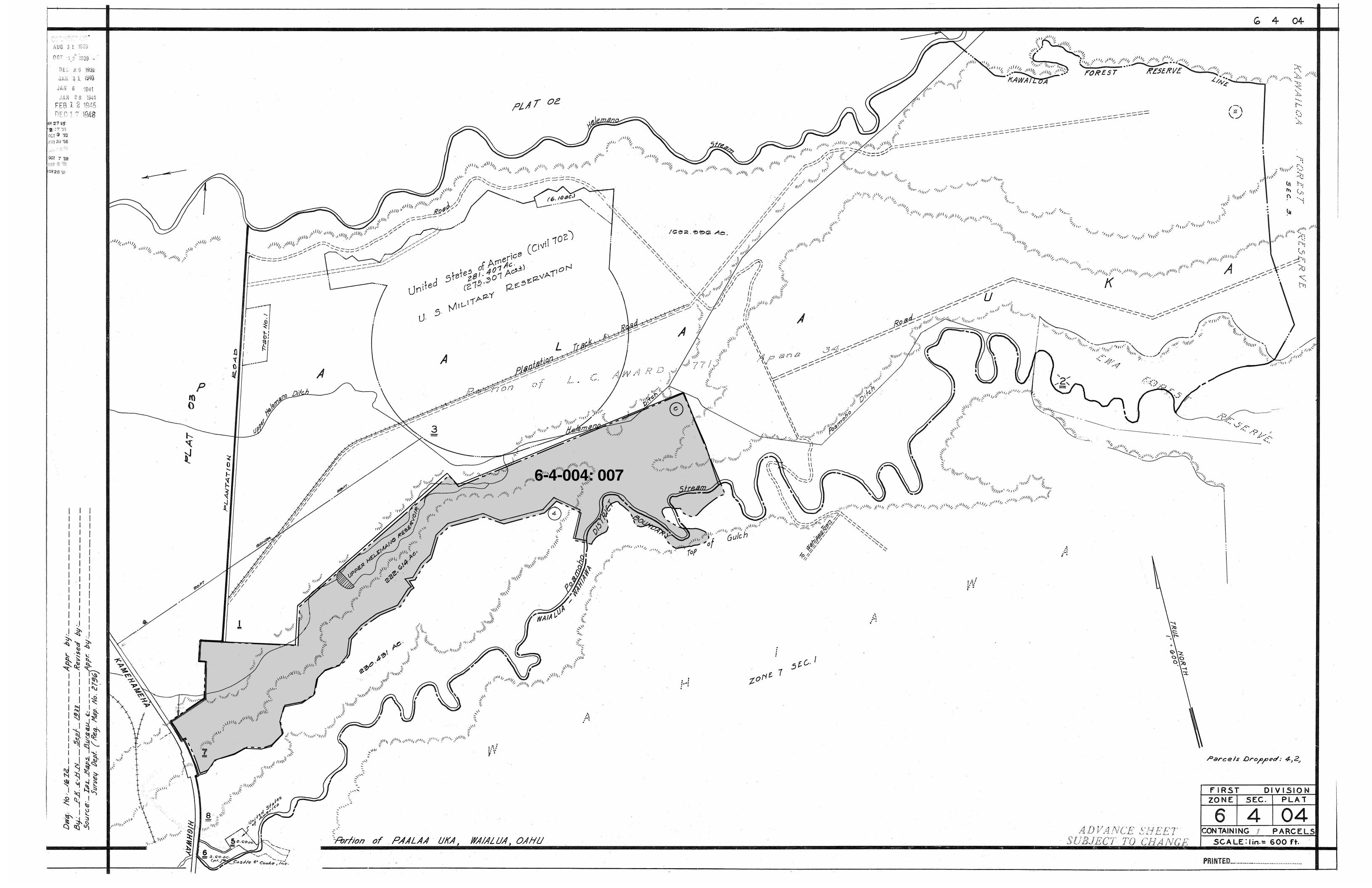
DR10-42

Approximately 222.634 acres of land owned by Petitioner's affiliated company, Castle & Cooke Properties, Inc., are not designated as Important Agricultural Lands ("IAL"). The parcel is specifically described as TMK: 1-6-4-004: 7.

The following table shows a summary of the TMK and approximate acreage for the non-IAL land:

	TMK	Approximate Acreage
Dole Plantation	1-6-4-004: 7	222.634
	Total	222.634

The above table identifies the non-IAL land and the related TMK parcel. The tax map that follows further identifies the individual TMK parcel that is not designated IAL.





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Wahiawā, And Waikele, O`ahu, Hawai`i	)	
	_)	

#### CERTIFICATE OF SERVICE

I hereby certify that a copy of the FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER dated March 24, 2011 was served upon the following by either hand delivery or depositing the same in the U. S. Postal Service by regular or certified mail as noted:

	HAND DELIVERED	REGULAR MAIL	CERTIFIED MAIL
JESSE SOUKI, DIRECTOR Office of Planning 235 S. Beretania Street Rm. 600 Honolulu, Hawai'i 96813	x		
BRYAN YEE, ESQ. Deputy Attorney General Hale `Auhau, Third Floor 425 Queen Street Honolulu, Hawai`i 96813		X	

	HAND DELIVERED	REGULAR MAIL	CERTIFIED MAIL
David Tanoue-Director of Planning City and County of Honolulu 650 South King Street Honolulu, HI, 96813		X	
Dawn Takeuchi-Apuna, Esq. Deputy Corporation Counsel City and County of Honolulu 530 South King St Honolulu, HI 96813		X	
BENJAMIN M. MATSUBARA, Esq. WYETH MATSUBARA, Esq. CURTIS T. TABATA, Esq. Matsubara-Kotake 888 Mililani Street, 8th Floor Honolulu, Hawaii 96813			x

Dated Honolulu, Hawai'i, March 28, 2011.

ORLANDO DAVIDSON