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Ref. No. P-15265

		August 8, 2010		
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To:		nker, Executive Officer se Commission	AUG - 8	TATE OF
From:	Leo R. Asunc	Leo R. Asuncion, Director PCC · D		
Subject:	DR16-56, Pet Petitioner: Location: Acreage:	ition to Designate Important Agricultural Lands Robinson Family Partners Makaweli, Kauai, Hawaii Approximately 20,888 Acres	: 27	

The designation of the most productive agricultural lands in Hawaii will help to realize the goals of sustainability and food security in Hawaii. The Office Planning (OP) appreciates the Petitioner's participation in the voluntary process for the designation of important agricultural lands (IAL).

Having reviewed the Petition after consulting with other agencies and applying the available information to the applicable IAL law, OP recommends that the Land Use Commission (LUC) approve the entire Petition area. The following is provided in support of this recommendation.

<u>Applicable Law</u>. The State law for important agricultural lands is contained within Hawaii Revised Statutes (HRS) §§ 205-41 through 205-44. Lands being considered for IAL designation must meet the definition of IAL pursuant to HRS § 205-42(a), which provides that IAL lands:

- "(1) Are capable of producing sustained high agricultural yields when treated and managed according to accepted farming methods and technology;
- (2) Contribute to the State's economic base and produce agricultural commodities for export or local consumption; or
- (3) Are needed to promote the expansion of agricultural activities and income for the future, even if currently not in production."

HRS § 205-44(c) lists eight (8) standards and criteria for the identification of IAL which will be assessed as part of OP's review. OP recognizes that lands identified as IAL need not meet every standard and criteria listed, however, HRS § 205-44(a) also requires that "the designation of important agricultural lands shall be made by weighing the standards and criteria

with each other to meet the constitutionally mandated purposes in article XI, section 3, of the Hawaii Constitution and the objectives, policies, standards, and criteria for important agricultural lands in sections 205-42 and 205-43."

<u>Summary of key elements of the Petition</u>. The Petitioner is requesting that the LUC issue a declaratory order designating 20,888 acres of land at Makaweli, Kauai as IAL. (Refer to the attached OP Exhibit 1). The Petitioner represents that if the Petition is approved, it is waiving all rights to any credits that may be earned under HRS § 205-45(h). Also, if this Petition is approved by the Land Use Commission (LUC), this would constitute a voluntary designation of a majority of their land holdings that are within the State Urban and Agricultural Districts, such that further involuntary IAL designation of its land holdings would be precluded, as provided for in HRS § 205-49(a)(3). According to the Petitioner and document, this table describes the Petitioner's approximate total land holdings and State Land Use designations.

Table 1		
State Land Use Districts	Petitioner's Land Holdings	
Conservation	22,630.0 Acres	
Urban	166.5 Acres	
Agricultural	27,500.0 Acres	
Total	50,296.5 Acres	
50% Urban and Agricultural Districts	13,833.0 Acres	
Petitioner's Proposal for IAL	20,888.0 Acres	

<u>Basis of review and comments</u>. OP's review is based on the Petition, Petition exhibits, supplemental information provided by Petitioner, and public data available on the proposed lands.

<u>Assessment of Petition lands</u>. The following assesses the proposed IAL areas relative to the eight (8) standards and criteria for the identification of important agricultural lands established in HRS § 205-44(c).

<u>\$205-44(c)(1)</u>, Land currently used for agricultural production. According to the Petitioner's Exhibit A, Makaweli Ranch herd within the upper and lower pastures contain about 3,500 to 4,000 head of cattle. This amounts to an average of one head of cattle per five acres of land. The un-irrigated upper pasture lands (11,940 acres) are managed to control invasive species and improve the grasses that are sustained by rainfall. The tables below summarize the current uses as provided by the Petition.

	Table 2		
Current Use		Approximate Acres	
Makaweli Ranch Cattle Ranching		Total Ranch lands 18,700 Acres	
a.	Upper Pasture, unirrigated land, year	11,940 Acres	
	round breeding		
b.	Lower Pasture, unirrigated land	5,255 Acres	
с.	Lower Pasture, irrigated land	400 Acres	
d.	Lower Pasture, potential for irrigation	1,105 Acres	
Leased Seed Production		Total Seed Production 2,188 Acres	
Total IAL Acres		20,888 Acres	

<u>§205-44(c)(2)</u>, Land with soil qualities and growing conditions that support agricultural production of food, fiber, or fuel- and energy-producing crops. The proposed lands are mostly of poor soil quality. As illustrated in Table 3 below, LSB overall productivity ratings show only 17% of the soils in the Petition area are rated A, B and C. 83% of the lands are rated D and E. The area receives a sufficient amount of annual rainfall ranging between 85 inches at the higher elevations to 25 inches in the lower lands. The Petition area also contains various ditches, reservoirs, and rivers, as noted on Petitioner's Exhibit A, Figure 5. Petitioner has also included information on solar radiation in Petitioner's Exhibit A, Figure 4.

The attached OP Exhibit 2, illustrates the land slope associated with the proposed IAL area. Of the 20,888-acre Petition area, 14,397 acres of land are at a slope gradient equal to or greater than 20 percent. This is applicable to mostly crop agricultural production in that steep slope gradients typically hinder machinery and labor operations due to geographic features such as ravines, gulches and steep terrain as well as soil quality. Most of the very steep gradients, 40, 60 and 80 percent slopes are within the north east and north west corners of the Petition area. The north west portion of the Petition area contains Makaweli and Olokele Rivers. The middle portion of the upper pasture lands contain primarily 20 percent slopes.

§205-44(c)(3), Land identified under agricultural productivity rating systems, such as the agricultural lands of importance to the State of Hawaii (ALISH) system adopted by the board of agriculture on January 28, 1977. The Petition provides ALISH and Land Study Bureau (LSB) data in Petitioner Exhibits A Figures 3 and 6. The Petition's ALISH and LSB information is summarized on Tables 3 and 4 below. LSB ratings were described in the previous section. Relative to ALISH in the Petition area, 27 percent are rated as Prime or Other Important Agricultural Lands, while 73 percent are not in ALISH.

Table 3				
LSB Rating	Approximate Petition Area			
A (Very Good)	1,540 Acres	7%		
B (Good)	1,371 Acres	7%		
C (Fair)	536 Acres	3%		
D (Poor)	1,330 Acres	6%		
E (Very Poor)	16,110 Acres	77%		
Not in LSB	1 Acres	0%		
Total:	20,888 Acres	100%		

Table 4 ALISH Rating of Petition Area			
ALISH Rating	Acres	Percent	
Prime	2,685	13%	
Other	2833	14%	
Unique	4	0%	
Not in ALISH	15,366	73%	
Total:	20,888	100%	

<u>§205-44(c)(4)</u>, Land types associated with traditional native Hawaiian agricultural uses, such as taro cultivation, or unique agricultural crops and uses, such as coffee, vineyards, aquaculture, and energy production. The proposed lands have been in ranching, sugar and other crop cultivation, and conservation for over 150 years under the same family. The Petition's Exhibit A, pages 3-6, and Figures 2a Current Agricultural Use, 2b Makaweli Ranch Operation, and Figure 2C, Site Photographs, describe in detail the ranch operations that occur throughout the entire 18,700 acres within the Petition area. Although the Petitioner has a unique place in the agricultural history of Hawaii, the Petition lands are not unique agricultural lands under this criterion.

 $\underline{\$205-44(c)(5)}$, Land with sufficient quantities of water to support viable agricultural production. The proposed lands appear to meet this criterion. The entire Petition Area includes a network of streams, irrigation ditches, and reservoirs that provide the needed infrastructure to irrigate lower elevated lands. Higher elevation lands appear to be naturally irrigated by rainfall. Refer to Figure 5 in Exhibit A of the Petition.

§205-44(c)(6), Land whose designation as important agricultural lands is consistent with general, development, and community plans of the county. The proposed lands partially meet this criterion. The Kauai County 2000 General Plan designates the proposed IAL areas as Agriculture and Open in the North. The IAL designation would not appear to be consistent with

the Kauai General Plans policy's for Open Lands as indicated in Section "5.3.1 Policy. The intent of the Open designation is to preserve, maintain or improve the natural characteristics of non-urban land and water areas that: ... (b) Lands ... areas of predominately steep slopes (20 percent or greater) ..."

Pursuant to HRS § 205-47, the County of Kauai Planning Department initiated a study on IAL and has provided a final study, titled, "County of Kauai Important Agricultural Lands Study," by the University of Hawaii, Department of Urban & Regional Planning (DURP), and the University of Hawaii, Economic Research Organization (UHERO), dated August 2015. The study indicates that a threshold score of 28 or above (on a scale of 0 to 40), meets all eight (8) of the criteria at some level. Petitionerp's Exhibit A refers to this study, however, it assesses the Petitioner's Exhibit A Page 11, indicates that a consultation with the County Planning Department led to the Petitioner voluntarily proposing to designate 20,888 acres of land as IAL, with the understanding that the threshold score of 23 is appropriate since Makaweli Ranch lands provide for beef production, which is an important resource for food security and Island self-sufficiency. As the table below indicates, approximately 4,960 acres of land are rated 23 and above.

Table 5		
County Ial Score	Approximate Area (Acres)	
23 and above	4,960	
Between 20 and 23	808	
Between 15 and 20	2,967	
Between 10 and 15	5,920	
Below 10	5,233	
Total:	20,888	

<u>§205-44(c)(7)</u>, Land that contributes to maintaining a critical land mass important to agricultural operating productivity. This Petition appears to meet this criterion. As the Petitioner's Exhibit A describes, the operations of Makaweli Ranch fully utilizes the entire 18,700 acres for its cattle operation. The entire Petition area is needed to sustain and manage its large and growing local grass fed beef production.

§205-44(c)(8), Land with or near support infrastructure conducive to agricultural productivity, such as transportation to markets, water, or power. The proposed lands appear to meet this criterion with respect to the availability of water for irrigation and proximity to the Petitioner's slaughterhouse, as well as reasonably close access to roads, markets, harbors, and power.

Summary and Recommendation

Based on available information and Petitioner representations, and having weighed the IAL standards and criteria in consideration of the constitutionally mandated purposes in article XI, section 3, of the Hawaii Constitution and the objectives and policies for important agricultural lands in sections 205-41 through 205-44, OP recommends that the LUC approve proposed IAL in its entirety. OP further recommends that a condition of approval be imposed on the Petition waiving any and all rights to credits under HRS § 205-45(h), as represented by the Petitioner in its Petition.

OP appreciates the Petitioner's commitment to long-term agriculture, noting that the Petitioner is dedicated to providing good quality beef to an expanding local market. The ranch will continue to contribute to and be a productive and vital component of the island's agricultural industry. However, OP has concerns with much of the proposed 20,888 acres of the Petition lands being designated as IAL. Large areas of this parcel are considered less productive agricultural lands due to steep land slopes over 20 percent consisting of ravines and gulches (refer to attached OP Exhibit 2) and overall poor soil qualities as indicated by ALISH and LSB (refer to Tables 2 and 3, and Petitioner's Exhibit A, Figures 3 and 6). In addition, the majority of the land area is rated below the threshold number of 23 from the County of Kauai's IAL study. Also, the Kauai General Plan has designated much of the upper pasture land area as Open, not Agriculture.

We note however, Makaweli Ranch's 150-year history of ranching on the lands, the presence of active ranching operations, even in the upper steep sloped areas as evidenced by fencing and corrals, as well as the Petitioner's representation that sufficient water supplies are available for sustained ranching activity. As such, OP believes the proposed lands meet this criterion for cattle production.

Finally, OP notes that the proposed lands constitute approximately 76 percent of all the land owned by the Petitioner that lies within the State Agricultural and Urban Land Use Districts. Thus, under Section 205-49(a)(3), HRS, the Commission is barred from designating any additional land owned by the Petitioner that may be identified by the County for designation as IAL under Section 205-49, HRS. See Table A above for a summary of the Petitioner's land holdings.

Thank you for the opportunity to comment on the Petition. If you have any questions, please contact Rodney Funakoshi at 587-2885 or Lorene Maki at 587-2888.

Attachments

c: Department of Agriculture County of Kauai, Department of Planning Matsubara-Kotake



