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KUALOA RANCH, INC.

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of

KUALOA RANCH, INC., a Hawai'i
corporation

For Declaratory Order to Designate
Important Agricultural Lands for ap-
proximately 761.55 acres at O'ahu,
Hawai'i identified by TMK Nos. (1) 4-9-
002-001 (por.), 4-9-004-002 (por.), 4-9-
005-001 (por.), 5-1-001-001 (por.), 5-1-
001-016 (por.), 5-1-001-025, 5-1-004-001
(por.) and 5-1-007-001 (por.)

DOCKET NO. DR18-62

**PETITION FOR DECLARATORY
ORDER TO DESIGNATE
IMPORTANT AGRICULTURAL
LANDS**

EXHIBITS A – D

CERTIFICATE OF SERVICE

**PETITION FOR DECLARATORY ORDER
TO DESIGNATE IMPORTANT AGRICULTURAL LANDS**

Petitioner Kualoa Ranch, Inc. ("**Kualoa Ranch**") petitions the Land Use Com-
mission of the State of Hawai'i ("**Commission**") to issue a declaratory order
designating approximately 761.55 acres of land at O'ahu, Hawai'i (collectively, the
"**Property**"), more particularly described below, as Important Agricultural Lands
("**IAL**") pursuant to §§ 205-44 and -45 of the Hawai'i Revised Statutes ("**HRS**") and
§§ 15-15-98, -99, -120 and -121 of the Hawai'i Administrative Rules ("**HAR**"). In

support of this Petition for Declaratory Order to Designate Important Agricultural Lands (this “**Petition**”), Kualoa Ranch presents the following evidence:

I. Petition Content Requirements

The content requirements for Petition for Declaratory Order are set out in HAR § 15-15-99.

A. Name, address and telephone number of Petitioner. Kualoa Ranch is a Hawai‘i corporation. Kualoa Ranch’s mailing address is P.O. Box 650, Ka‘a‘awa, Hawai‘i 96730, and its telephone number is (808) 768-8049. Cades Schutte LLP represents Kualoa Ranch in accordance with HAR § 15-15-35(b). All correspondence and communication regarding this Petition shall be addressed to and served upon Calvert G. Chipchase, Cades Schutte LLP, 1000 Bishop Street, Suite 1200, Honolulu, Hawai‘i 96813.

B. Statement of Petitioner’s interest in the subject matter and reason for the submission. Kualoa Ranch owns and manages the Property, which is specifically identified and described in Exhibit A attached hereto. Kualoa Ranch requests that the Commission designate the Property as IAL pursuant to HRS §§ 205-44 and -45 and HAR §§ 15-15-98, -99, -120 and -121. As set out below, the proposed designation of the Property as IAL supports and advances Kualoa Ranch’s goals and plans for its lands, the goals of the IAL statute and the reason for the majority incentive, in accordance with which Kualoa Ranch proposes to designate a majority (51.5 percent or 761.55 acres) of its Agricultural and Urban lands as IAL.

Kualoa Ranch owns approximately 3,782 acres of land on the island of O‘ahu, Hawai‘i. Much of those lands have a long history of agricultural use. Kualoa Ranch is owned and operated by the decedents of Dr. Gerrit P. Judd, who purchased Kualoa Ranch’s initial 622 acres from King Kamehameha III in 1850. This initial acquisition included ranching land and fishing rights and was eventually followed by a significant expansion to the current 3,782 acres with the purchase of land from Queen Kalama in Hakipu‘u Valley and Ka‘a‘awa Valley, portions of which were cultivated by Hawaiians for kalo (taro production). The family has maintained the ranch for agricultural uses and supported those uses through environment-friendly accessory activities.

For more than 155 years, agriculture has served as the key component of Kualoa Ranch. Sugarcane cultivation on Kualoa Ranch’s land (including the Property) began in 1863, along with the establishment of Oahu’s first sugar mill, which operated until 1871. The sugarcane venture was followed by cattle ranching in the 1870s and pineapple cultivation in the early twentieth century. Today, within the Property Kualoa Ranch raises cattle, engages in diversified agricultural and conducts as accessory agribusiness uses agricultural tours of the Property and on-location filming.

As shown in Figure 12 (City IAL Overlay Map) of the Agricultural Land Assessment for Kualoa Ranch’s Proposed Important Agricultural Land (“**Agricultural**

Land Assessment”) attached hereto as Exhibit D,¹ the majority of the IAL designation of the Property is consistent with the City and County of Honolulu’s (the “City”) proposed IAL lands. The differences between the City’s proposed IAL lands and the Property, which are discussed in further detail below in Section I.E.2.f.(iv), reflect Kualoa Ranch’s greater familiarity with its lands, application of more criteria under HRS § 205-44 and other considerations.

C. Designation of specific statutory provision, rule or order in question. This Petition arises under HRS §§ 205-44 and -45 and HAR §§ 15-15-98, -99, -120 and -121.

D. Statement of Petitioner’s position or contention. The Property is appropriate for designation as IAL under HRS § 205-44 and HAR § 15-15-120. Accordingly, the Commission should issue a declaratory order designating the Property as IAL pursuant to HRS § 205-45 and HAR § 15-15-121.

E. Memorandum of authorities, containing a full description of reasons and legal authorities in support of Petitioner’s position. HRS § 205-45(c) provides that a petition for declaratory order designating IAL shall be submitted in accordance with subchapter 14 of the Commission’s rules and include the additional requirements contained in HRS § 205-45(c).

The eight content requirements for a petition for declaratory order under subchapter 14 are found at HAR § 15-15-99 and are addressed in Sections I.A through I.H of this Petition.

¹ All Figures referenced herein are attached to Exhibit D and incorporated by reference.

The additional requirements of HRS § 205-45(c), which are repeated in HAR § 15-15-121(b), include the following:

1. Tax Map Key Numbers and verification and authorization from the applicable landowner(s). Kualoa Ranch seeks to designate as IAL approximately 761.55 acres of land on the island of O‘ahu, Hawai‘i. Attached hereto as Exhibit A and incorporated herein are documents identifying the location, the applicable tax map key number (“**TMK No.**”) and acreage of each parcel or portion thereof (the “**TMK Parcel**”) comprising the Property. Kualoa Ranch owns the lands comprising the TMK Parcels described in Exhibit A, subject to claims of descendants and grantees as to kuleana parcels, if any, that may be located within the Property. Kualoa Ranch is not aware of any unresolved claims to kuleana parcels.

Exhibit A illustrates the proposed IAL lands within the boundaries of the TMK Parcels. Exhibits A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8 and A-9 identify the individual TMK Parcels and the lands within such boundaries that are proposed to be designated IAL.

Attached hereto as Exhibit B and incorporated herein by reference is the Affidavit of John Morgan providing authorization for this Petition for the designation of the Property.

Attached hereto as Exhibit C and incorporated herein by reference is a letter by Title Guaranty of Hawaii verifying ownership of the Property.

2. Proof of qualification for designation as IAL under HRS § 205-44. HRS § 205-44(c) and HAR § 15-15-120(c) set out the criteria for identifying IAL. Lands

identified as IAL do not need to meet every criterion listed in section 205-44(c). Rather, lands meeting any criterion in section 205-44(c) shall be given initial consideration, and the designation of IAL shall be made by weighing criteria with each other to meet the constitutionally mandated purposes in article XI, section 3, of the Hawai'i Constitution and the objectives and policies for IAL identified in HRS §§ 205-42 and -43.

The Property is located in the Ko'olaupoko and Ko'olaupoko regions along the windward coast approximately ten miles north-northwest of Kāne'ohe and ten miles south-southeast of Lā'ie. The following summary provides an overview of the various characteristics of the Property. The Agricultural Land Assessment, attached hereto as Exhibit D and incorporated herein, further describes, illustrates and quantifies the characteristics of the Property.

a. Land currently used for agricultural production. The Property is comprised of lands that are currently in agricultural use or historically have been used for agricultural purposes. Current agricultural operations by Kualoa Ranch continue the Ranch's agricultural heritage. Kualoa Ranch's operations range from livestock production to diversified agriculture and aquaculture. The majority of the Property is devoted to pasture for the production of livestock. The Property also features several aquaculture ponds as well as areas for diversified food crops.

With approximately 500 head of cattle between the Property and the rest of its lands, Kualoa Ranch operates one of the largest ranches on O'ahu. The majority of the agricultural use on the Property (approximately 740 of the 761.55 acres) is

dedicated to livestock grazing on pasturelands, including large areas within the Hakipu'u, Kualoa and Ka'a'awa ahupua'a. Kualoa Ranch exclusively raises grass-fed cattle and works with a local slaughterhouse and processing market to offer its beef to the community. The grazing pastures also support the horses that Kualoa Ranch uses for ranching and horseback agricultural tours of the Property.

In addition to its cattle operation, Kualoa Ranch maintains diversified agriculture on the Property. Approximately 18 acres of the Property are devoted to food crops and a piggery. These agricultural uses are conducted on land within the Ka'a'awa Valley, which is committed to diversified agriculture. Production crops include papaya, banana, taro, breadfruit, pineapple, sugar cane, coffee, jack fruit, macadamia nuts and cacao.

Approximately four acres of the Property are dedicated to several aquaculture ponds in the Ka'a'awa area. These aquaculture operations include six ponds in which Kualoa Ranch raises an assortment of fish and shellfish. Tilapia and fresh water prawns are currently being harvested and sold to local markets.

The following table provides a breakdown of the agricultural uses of the Property by percentage:

Agricultural Use	Acres	Percent
Diversified Agriculture	17.67	02.3%
Aquaculture	4.37	00.6%
Pasture	739.51	97.1%
Total	761.55	100.0%

Figure 2 (Agricultural Areas Map) depicts the areas of the Property used for diversified agriculture crops and aquaculture ponds, the piggery and pastureland for

livestock production. Figure 3 (Topography and Streams Map) shows the topography of the Property and also depicts streams through, adjacent to and surrounding the Property. The areas with relatively gentle grades are used for food crops, a piggery and aquaculture ponds. The areas with relatively steeper grades are well-established pastures used for cattle ranching and horse grazing. The following table provides a breakdown of the slope areas of the Property by percentage slope:

Slope	Total IAL	
	Acres	% of IAL
Less than 10%	180.29	23.7%
10%-20%	231.16	30.4%
20%-25%	95.35	12.5%
Greater than 25%	254.75	33.5%
Total	761.55	100.0%

All of the areas, including areas with a slope of more than 25%, are integral parts of the Property. In addition to their use for cattle grazing, these areas promote land stewardship, soil conservation and cohesion and continuity of agricultural uses. These areas also maintain a critical land mass that is essential to the overall agricultural operation productivity and contribute toward maintaining a continuous IAL area adjacent to the Conservation District.

Kualoa Ranch helps sustain its agricultural operations through accessory uses that are consistent with HRS § 205-2(d)(11) and the Honolulu Land Use Ordinance and that preserve, protect and enhance Hawai'i's natural beauty and culture and promote Hawai'i's natural environment, agriculture and rich cultural history. The diversified income has allowed Kualoa Ranch to restore riparian areas, protect

endangered plant species, sustain and expand its agricultural activities and invest in infrastructure. Through these activities, Kualoa Ranch is also able to educate the public about past and present agriculture. Without the synergy of primary and accessory uses, Kualoa Ranch would not be able to maintain the current level of agriculture production.

b. Land with soil qualities and growing conditions that support agricultural production for food, fiber or fuel and energy-producing crops. The Detailed Land Classification System and Agricultural Land Productivity Ratings by the Land Study Bureau (“LSB”), University of Hawai‘i, are based on a five-class productivity rating system using the letters A, B, C, D and E. See Figure 4 (Detailed Land Classification Map). The rating is based upon several environmental and physical qualities of the land such as soil condition, climate, surface relief and drainage.

The following table summarizes the productivity ratings of the Property as illustrated in Figure 4:

Productivity Rating	Total IAL	
	Acres	% of IAL
A	0.00	0%
B	20.17	2.7%
C	144.96	19.0%
D	62.40	8.2%
E	534.02	70.1%
Total	761.55	100.0%

Notably, the portion of the Property rated as E is generally consistent and proportional with the overall LSB E rating for O‘ahu agricultural land. As the LSB aptly points out, “[f]armers or ranchers are generally better informed than others

regarding the agricultural quality of the lands they operate for the uses to which the lands are presently being put.” Here, the Property has a long history of agriculture use, and the Property continues to be productive for livestock production, diversified agriculture, aquaculture and nurseries.

The Property receives sufficient solar radiation to support agricultural production. The Property’s mean annual solar radiation ranges from 196 to 163 watts per square meter per hour according to the February 2014 Evapotranspiration of Hawai‘i Final Report by University of Hawai‘i’s Department of Geography for U.S. Army Corps of Engineers Honolulu District and State of Hawai‘i Commission on Water Resource Management (Giambelluca, et al., 2014). Figure 6 shows the solar radiation levels received on the Property in graphic form.

c. Lands identified under agricultural productivity ratings systems, such as the agricultural lands of importance to the State of Hawai‘i (“ALISH”) system adopted by the board of agriculture. The ALISH classification system was developed in 1977 by the State Department of Agriculture. The system was primarily, but not exclusively, based on the soil characteristics of lands and existing cultivation. There are three classes of ALISH land—Prime, Unique and Other.

Prime ALISH is land best suited for the production of food, feed, forage and fiber crops. The land has the soil quality, growing season and moisture supply that are needed to produce high yields of crops economically when the land, including water resources, is treated and managed according to modern farming methods.

Unique ALISH is land other than Prime ALISH that is used for the production of specified high-value food crops. The land has the special combination of soil quality, growing season, temperature, humidity, sunlight, air drainage, elevation, aspect, moisture supply or other conditions, such as nearness to market, that favor the production of a specific crop of high quality or high yield when the land is treated and managed according to modern farming methods. In Hawai'i, examples of such crops are coffee, taro, rice, watercress and non-irrigated pineapple.

Other ALISH is land other than Prime or Unique that is of statewide or local importance for the production of food, feed, fiber and forage crops. The land is important to agriculture in Hawai'i, yet it exhibits properties, such as seasonal wetness, erodibility, limited rooting zone, slope, flooding or droughtiness, that exclude the land from Prime or Unique agricultural land use classifications. Other ALISH land includes land that does not have an adequate moisture supply to be qualified as Prime and land that has similar characteristics and properties as Unique, except that the land is not currently in use for the production of an identified crop. Other ALISH lands can be farmed sufficiently by applying greater amounts of fertilizer and other soil amendments, drainage improvement, erosion control practices and flood protection. When managed properly, Other ALISH land can produce fair to good crop yields.

As shown in Figure 5 (ALISH Map) and summarized in the table below, approximately 83.6 percent of the Property is classified under the ALISH system, 20.7 percent being classified as Prime and 62.9 percent being classified as Other.

The following table summarizes the ALISH classifications for the Property:

ALISH Classifications	Total IAL	
	Acres	% of IAL
Prime	157.41	20.7%
Unique	0.00	0.0%
Other	479.19	62.9%
Not ALISH	124.95	16.4%
Total:	761.55	100.0%

Although the balance of the Property is not classified under the ALISH system, those lands are in active agricultural production and are an integral to overall use of the Property for agricultural operations and Kualoa Ranch's land stewardship. The Property provides for a unified and defined IAL area that generally follows the boundaries of the State Agricultural District and Kualoa Ranch's current agricultural use of its land.

d. Lands with traditional native Hawaiian agricultural uses, such as taro cultivation or unique agricultural crops and uses, such as coffee, vineyards, aquaculture and energy production. Agriculture has long been a part of the Property. Before the mid-1800s, there was extensive taro cultivation by Hawaiians in Hakipu'u valley. A decade after the Judd family purchased Kualoa Ranch, it commenced sugarcane operations. Kualoa Ranch became home to O'ahu's first sugar mill, which was in operation from 1863 until it closed in 1871. Soon after the sugar cane era, the family began its cattle ranching operations. Pineapple cultivation began in the early 1900s.

By the 1970s, Kualoa Ranch began maintaining a vegetable, fruit, tropical plant, flower and nursery plant business, which continues today. Among these unique crops are taro, breadfruit, papaya, jack fruit, banana, pineapple, bamboo, sugar cane, coffee and macadamia nuts. Kualoa Ranch has started raising native and exotic hardwood tree species on the upper slopes of the Property where there are higher rainfall conditions.

Kualoa Ranch began producing fish and prawns for local markets in the 1990s. Currently, Kualoa Ranch runs two modern aquaculture facilities where shrimp, prawns, catfish and tilapia are raised, one of which is located on the Property.

e. Lands with sufficient quantities of water to support viable agricultural production. The Property has sufficient quantities of water and infrastructure to support viable agricultural production. Figure 7 shows both the water resources and the agricultural infrastructure on the Property.

(i) Water Resources. The majority of current agricultural operations are serviced by potable water from the City Board of Water Supply (“BWS”). There are 30-inch and 6-inch BWS water mains that run parallel to the portion of the Property along Kamehameha Highway. The Property has access to BWS water via a water lateral and a 4-inch water line running from the BWS 6-inch water main along Kamehameha Highway. Irrigation water for existing agricultural production within the Ka’a’awa Valley sites are supplied by BWS agricultural water meter.

Other portions of the Property are serviced by an existing on-site non-potable water system that draws water from Hakipu’u Stream in the Hakipu’u Valley,

providing water for livestock within raised in the valley. The non-potable water is collected and stored in a private water tank (6.5 feet tall and 20 feet in diameter, with a capacity of approximately 15,000 gallons) located on the Property mauka of the Ranch Headquarters. See Figure 7.

In Ka'a'awa Valley, there are two wells on the Property. See Figure 7. A drilled well is currently used for existing aquaculture operations and an older alluvial well offers access to additional water resources despite not being in current use. Kualoa Ranch also plans to drill a new well on the Property within Ka'a'awa Valley for future agricultural cultivation.

In addition to water from the on-site non-potable water system and wells and the BWS connections, the Property receives a mean annual rainfall of approximately 51 to 78 inches, providing significant water resources (Giambelluca T. Q., 2013). Notably, the areas that receive the highest amounts of rainfall are in the portions of the Property that are not currently serviced by existing irrigation systems.

(ii) Agricultural Infrastructure. The Property has adequate agricultural infrastructure, including agricultural roads. Figure 7 shows agricultural roads through the Property. Kamehameha Highway is also capable of supporting farming equipment and direct road transportation to and from markets. In addition to roads, the Property has aquaculture ponds, a composting facility, fences, gates, berms and windbreaks to further improve overall agricultural productivity.

f. Land whose designation as IAL is consistent with general, development and community plans of the Sustainable Communities Plan and the State Land Use District Boundary Map.

(i) Stand Land Use District. HRS chapter 205 authorizes the Commission to designate all lands in the State into one of four districts: Urban, Rural, Agricultural and Conservation. As shown in Figure 8 (State Land Use District Map), the Property is located entirely within the Agricultural District. The boundaries of the Property are contiguous to, but not within, the Conservation District boundary. HRS § 205-2(d) specifies that lands within the State Agricultural District shall include (among other things) (1) activities or uses as characterized by the cultivation of crops, (2) farming activities or uses related to animal husbandry, (3) aquaculture, (4) agricultural tourism conducted on a working farm or a farming operation and (5) open area recreational facilities.

Current uses on the Property are consistent with the uses permitted within the State Agricultural District.

(ii) City General Plan. The General Plan for the City and County of Honolulu (2002) (“**General Plan**”) is a comprehensive statement of objectives and policies that sets forth the long-range aspirations of O’ahu’s residents and the strategies of actions to achieve them. See General Plan § Introduction. The General Plan includes 11 subject areas that provide the framework for the City’s expression of public policy concerning the needs of the people and the functions of government. See id. § Preamble.

Among the General Plan's objectives is to maintain the viability of agriculture on O'ahu. See General Plan § Economic Activity (Objective C). The designation of the Property as IAL is consistent with this objective and furthers the implementing policies as the designation will (1) contribute toward the continuation of agriculture as an important source of income and employment, (2) help to ensure sufficient agricultural land in the Ko'olaupoko and Ko'olaupoko regions to encourage the continuation of agriculture in these areas, (3) reduce urbanization and (4) encourage more intensive use of productive agricultural land. See id.

As of June 2018, the City is in the process of updating the General Plan. In December 2017, the City presented the updated draft of the General Plan ("**Proposed Revised General Plan**"). The Planning Commission transmitted the draft to the City and County of Honolulu Council ("**Council**") in April 2018. As of June 2018, the Council has not scheduled a hearing on the draft.

Among the Proposed Revised General Plan's objectives is to ensure the long-term viability and continued productivity of agriculture on O'ahu. See Proposed Revised General Plan § The Economy. The designation of the Property as IAL is consistent with this objective and it will further the implementing policies as it will (1) help to ensure the continuation of agriculture as an important component of O'ahu's economy, (2) encourage active use of high-quality agricultural land for agricultural purposes, (3) preserve agricultural land with high productivity potential, (4) contribute toward lessening the urbanization of agricultural land located outside the City's growth boundaries and (5) encourage investment to improve and expand

agricultural infrastructure, such as irrigation systems, agricultural processing centers and distribution networks. See id.

(iii) Sustainable Communities Plans. The City Sustainable Communities Plans are policy documents that guide more detailed zoning maps and regulations and public and private sector investment decisions. The island of O‘ahu is organized into eight community plan regions.

The Property is split almost evenly between two regions with a slightly larger portion within the Ko‘olauloa Sustainable Communities Plan (“**Ko‘olauloa Plan**”) region and a slightly smaller portion in the Ko‘olaupoko Sustainable Communities Plan (“**Ko‘olaupoko Plan**”) region.

According to the Ko‘olaupoko Plan’s Land Use Map, the Property is designated Agricultural Area. See Ko‘olaupoko Plan § Land Use Map. According to the Ko‘olauloa Plan’s Land Use Map, the Property is designated Agricultural with certain streams and their edges being designated Preservation. See Ko‘olauloa Plan § Land Use Map.

The Property is located outside of the growth boundaries² as shown on the Ko‘olaupoko Plan and Ko‘olauloa Plan Land Use Maps. See Ko‘olaupoko Plan § Land Use Map; see also Ko‘olauloa Plan § Land Use Map. Figure 9 shows the Ko‘olaupoko Plan and Ko‘olauloa Plan Land Use Maps combined to illustrate the land use designation across the Property.

² The Ko‘olaupoko Plan refers to a “Community Growth Boundary” and the Ko‘olauloa Plan refers to a “Rural Community Boundary.”

The City is currently in the process of updating the Ko‘olaupia Plan (“**Pre-Final Revised Ko‘olaupia Plan**”). The Pre-Final Revised Ko‘olaupia Plan’s Land Use Map continues to designate the area of the Property as Agriculture. See Pre-Final Revised Ko‘olaupia Plan § Land Use Map. The Property also remains outside of the growth boundary. See id. Figure 10 shows the Pre-Final Revised Ko‘olaupia Plan and Ko‘olaupia Plan Land Use Maps combined to illustrate land use designation across the Property.

(iv) IAL Study. In July 2012, the City initiated its Important Agricultural Land Study to identify lands for IAL designation. The study consists of two phases. Phase 1 was completed in April 2014.

Phase 1 included defining the IAL site selection criteria, identifying available data sets to assist in mapping the defined criteria and developing methodology for weighing or ranking the criteria. Public review and comment and notification to affected landowners were not part of the Phase 1 tasks.

The City’s four IAL site selection criteria are (1) currently used for agricultural production, (2) soil qualities and growing conditions, (3) sufficient quantities of water to support viable agricultural production and (4) agricultural productivity rating systems. In connection with Phase 1, the City prepared two composite maps of the City’s four priority criteria by utilizing geographic information system.

The City began Phase 2 of the Study after the completion of Phase 1 with public meetings held as recently as November 2017. In Phase 2, the City is also devising incentives for landowners to designate their lands as IAL and has produced draft

maps of proposed IAL lands on O‘ahu based on the City’s top three criteria: (1) land currently used for agricultural production, (2) land with soil qualities and growing conditions suitable for agricultural production and (3) land with sufficient quantities of water to support viable agricultural production.

Figure 12 shows the Property in relation to the City’s current proposed IAL lands. All land possessing at least one of these three priority criteria was included in the City’s current proposed designation as IAL. As previously mentioned, Figure 12 shows that the majority of the designation of the Property as IAL is consistent with the City’s proposed IAL lands. Although the proposed designations do not completely overlap, the overall acreage of 761.55 to be designated does not radically differ from the City proposal to designate 977.47 acres. Specifically, Kualoa Ranch proposes more land be designated IAL than the City does in the Hakipu‘u ahupua‘a area, while the City proposes more land be designated IAL than Kualoa Ranch does in the Ka‘a‘awa Valley mouth and Kualoa ahupua‘a areas. Kualoa Ranch has informed the City of its disagreement with the City’s current proposed designation.

The differences in the boundaries of the Property and those of the City’s current proposed IAL lands are a result of Kualoa Ranch’s greater familiarity with its lands, application of more criteria under HRS § 205-44 and other considerations. For instance, the City’s proposed IAL lands, which were determined through mass analysis of GIS data, include lands that are currently paved or otherwise encumbered with improvements, lands that border residential neighborhoods in Ka‘a‘awa and lands that are makai of Kamehameha Highway and border Mōli‘i Fishpond. In

contrast, Kualoa Ranch employed a thorough, on-the-ground review process to identify important agricultural lands for designation. In identifying those lands, Kualoa Ranch considered its current uses and future plans, the intent of HRS Chapter 205 and the objectives and policies for IAL set forth in HRS § 205-42 and HRS § 205-43 and the standards and criteria for the identification of important agricultural lands set forth in HRS § 205-44. This process led Kualoa Ranch to propose to designate a majority (51.5 percent or 761.55 acres) of its land as IAL.³ In following the “majority incentive” in HRS § 205-49(a)(3), Kualoa Ranch’s proposed designation is consistent with important objectives of the law.

Since the publication of the City’s draft maps of proposed IAL lands, the City has presented the draft maps at public meetings, received comments from the public and affected landowners and notified affected property owners. As of June 2018, DPP is in the process of refining the draft proposed IAL maps and finalizing its recommendations before formally presenting them to the Council. The City’s tentative schedule is to present its IAL recommendations to the Council in 2018. The Council will review the proposed IAL recommendations and maps and make any adjustments before the City would present the recommendations and maps to the Commission for review and decision.

g. Land that contributes to maintaining a critical land mass important to agricultural operating productivity. Kualoa Ranch seeks to designate as IAL

³ Under HRS § 205-49, land in the Conservation District is excluded from the calculation. Accordingly, the calculation of the land that Kualoa Ranch is proposing to designate as IAL uses Kualoa Ranch’s total land in the Agricultural District and Urban District. Kualoa Ranch owns no land in the Rural District.

approximately 761.55 acres of land in the Ko'olauloa and Ko'olaupoko regions of O'ahu. See Figure 1 (Proposed IAL Map). As discussed in detail above, the Property has a long and established history of agricultural use. As shown in Figures 2 and 12, the designation of the Property as IAL contributes to maintaining a critical land mass for continued agricultural operations.

h. Land with or near support infrastructure conducive to agricultural productivity, such as transportation to markets, water or power. The proposed IAL lands have sufficient support infrastructure conducive to agricultural productivity. Existing infrastructure serving the Property includes wells, water tanks, streams, composting facility and roads. See Figure 7. Kualoa Ranch also plans to drill a new well on the Property within Ka'a'awa Valley for future agricultural use. The Property is located close to Kamehameha Highway, which is capable of supporting farming equipment and direct road transportation to and from markets.

3. The current or planned agricultural use of the area sought to be designated as IAL. The current agricultural uses of the Property are detailed in Section I. E. 2.a. of this Petition. Kualoa Ranch plans to continue to raise cattle on the Property and conduct other diverse agricultural activities, including fruits and vegetables and aquaculture activities such as raising assorted fish and shellfish.

F. Names of any other potential parties. Other potential parties include the Department of Agriculture, Office of Planning and Planning Director of the City and County of Honolulu.

G. Signature of each Petitioner. This Petition is signed below by Kualoa Ranch's attorney, who has been authorized by John Morgan, in his fiduciary capacity to sign and file this petition on Kualoa Ranch's behalf.

H. Statement whether this Petition relates to any commission docket for district boundary amendment or special permit. This Petition is not related to any commission docket for district boundary amendment or special permit.

II. Waiver of 85/15 Reclassification Incentive

Kualoa Ranch is not seeking reclassification of land pursuant to HRS § 205-45(b) in conjunction with this Petition to designate IAL. Kualoa Ranch also voluntarily waives all rights to assert, claim or exercise any credits pursuant to HRS § 205-45(h), as effective as of the date of this Petition, that may be earned by Kualoa Ranch in the event that this Petition is granted. This waiver is limited to the use of credits for the sole purpose of reclassifying other lands that are not the subject of this Petition to the Urban, Rural or Conservation District pursuant to HRS § 205-45(h), as of the date of this Petition, and shall not apply to any other credits, incentives, rights or privileges that Kualoa Ranch may possess now or in the future, whether known or unknown. All such credits, incentives, rights or privileges are expressly reserved.

III. Conclusion

Kualoa Ranch respectfully requests that the Commission (1) find that the Petition meets the standards for designating IAL pursuant to HRS §§ 205-44 and 45 and (2) designates the Property as IAL.

DATED: Honolulu, Hawai'i, June 29, 2018.

CADES SCHUTTE
A Limited Liability Law Partnership

A handwritten signature in black ink, appearing to read "Calvert G. Chipchase", is written over a horizontal line.

CALVERT G. CHIPCHASE
JACOB L. GARNER

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KUALOA RANCH