

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

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2018/GEN-9(ry)

August 8, 2018

Mr. Daniel Orodener  
Executive Officer  
State Land Use Commission  
Department of Business, Economic  
Development and Tourism  
P. O. Box 2359  
Honolulu, Hawaii 96804

2018 AUG - 9 A 7:43  
LAND USE COMMISSION  
STATE OF HAWAII

Dear Mr. Orodener:

SUBJECT: DR18-62 Kualoa Ranch, Inc.  
Petition for Declaratory Ruling to Designate Important Agricultural Lands  
(IAL) in Kaaawa, Kualoa, Hakipuu, Koolau Loa, and Koolau Poko, Oahu,  
Hawaii, Tax Map Keys: 4-9-002: Portion 001, 4-9-004: Portion 002,  
4-9-005: Portion 001, 5-1-001: Portion 001, 5-1-001: Portion 016, 5-1-001:  
Portion 025, 5-1-004: Portion 001, and 5-1-007: Portion 001

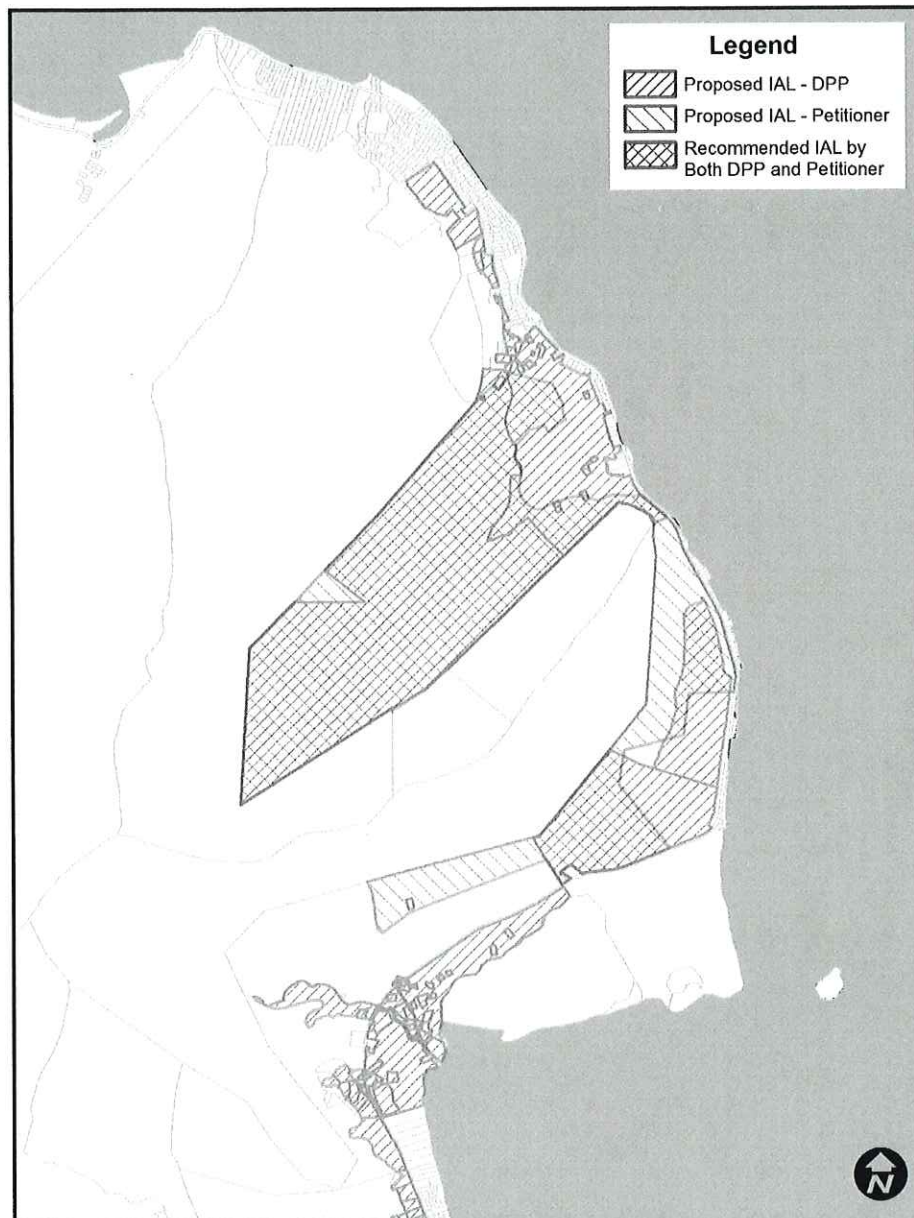
We have reviewed the subject petition and generally support the Petition. However, we believe that all qualified IAL lands should be included. Section 205-42, Hawaii Revised Statutes (HRS), relating to important agricultural lands, definition and objectives, is fundamentally intended to "identify and plan for 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." In order to achieve this objective, the State is charged with establishing incentives that promote agricultural viability, sustained growth of the agricultural industry, and the long-term agricultural use and protection of these productive agricultural lands. The State is also charged with promoting agricultural development and land use planning that delineates blocks of productive agricultural land and areas of agricultural activity for **protection from the encroachment of non-agricultural uses**.

Based on the above, we offer the following comments:

1. Mapping Differences

Much of the lands proposed by the Petitioner for IAL designation are the same

lands the City is proposing for IAL designation<sup>1</sup> under Section 205-4, HRS, relating to the counties' process for identifying IAL. However, significant portions



<sup>1</sup> The City's IAL Mapping Project's recommendations and draft IAL Map is anticipated to be transmitted to the City Council by end of August 2018.



located at the makai end of Kaaawa Valley and in the area of Kualoa Ranch improvements (base of operations and other agricultural supports uses and structures), are proposed by the Petitioner for exclusion from IAL designation (see IAL lands comparison map on the previous page).

The differences between the City's IAL proposal and that of the Petitioner appears to be those lands that are least impactful on agri-tourism operations, i.e., the visitor center and base of its agri-tourism operations, and at the mouth of Kaaawa Valley where additional agri-tourism operations are proposed for expansion. Within the IAL lands proposed by either the Petitioner or the City are lands currently being used for open area recreation and agricultural tourism (agri-tourism), which do not constitute agricultural uses but are permitted under Sections 205-2 and 205-4.5, HRS. Whereas under the City's Land Use Ordinance, agricultural tourism (referred to as "agri-business") is subject to a Conditional Use Permit, Minor.

In its IAL mapping project, the Department of Planning and Permitting (DPP), on the recommendations of the Technical Advisory Committee, based its proposed IAL map on essentially three criterias: 1) soil quality, 2) water availability, and 3) agricultural production. The DPP and its consultant applied the three main criterias consistently across the Island of Oahu while removing lands ineligible for designation by the county's identification process.

2. IAL and Agri-tourism

As indicated above and in the Office of Planning's testimony, the Petitioner proposes expansion of its agri-tourism operations pursuant to its Final Environmental Assessment (FEA) filed with the Office of Environmental Quality Control on July 27, 2018. For example, the FEA proposes an expansion from its permitted 100 patrons per day pursuant to Special Use Permit (SUP) File No. 85/SUP-2, to well over 2,000 patrons per day. On special events such as the Farm Fair, over 13,000 patrons per day attended the large events. Petitioner states that expansion of non-agricultural uses on its lands, including those that may be designated IAL, is essential for the ranch's long-term sustainability. On the other hand, Petitioner proposes expansion of its agricultural activities, much of it already occurring on lands proposed for IAL designation. The DPP supports the expansion of agricultural uses on IAL designated lands. However, the proposed expansion of non-agricultural uses on IAL designated lands is contrary to the intent of Section 205-42, HRS. Over the long-term, open area recreation, agri-tourism and other non-agricultural uses may proliferate across the Petitioner's IAL lands and the primary use of these lands would no longer be agriculture as intended by the IAL Law.

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Thank you for the opportunity to comment. Should you have any questions, please contact Raymond Young, of our staff, at 768-8049.

Very truly yours,



Kathy K. Sokugawa  
Acting Director

KKS:ah

cc: Corporation Counsel

Doc 1621091r2

DAVID Y. IGE  
Governor

DOUGLAS S. CHIN  
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SCOTT E. ENRIGHT  
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER  
Deputy to the Chairperson

August 3, 2018

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LAND USE COMMISSION  
STATE OF HAWAII  
2018 AUG - 8 P 1:08

Dear Mr. Orodener:

Subject: Petition for Declaratory Order to Designate Important Agricultural Lands  
Docket No. DR18-62  
Kualoa Ranch, Inc.  
TMK: 4-9-02: por. 1; 4-9-04: por. 2; 4-9-05: por 1; 5-1-01: por. 1; 5-1-01:  
por. 16; 5-1-01: 25; 5-1-04: por 1; and 5-1-07: por. 1  
761.55 acres Kualoa, Oahu

Thank you for this opportunity to comment on this important petition. The Department of Agriculture (DOA) expresses its appreciation to the petitioner for seeking Important Agricultural Land (IAL) designation for 761.55 acres of their agricultural lands in Kualoa.

We note that the petitioner is not seeking a reclassification of land pursuant to Section 205-45(b), Hawaii Revised Statutes (HRS), in conjunction with this petition to designate IAL (Petition, p. 22). The petitioner is also voluntarily waiving all rights to claim any credits pursuant to Section 205-45(h), HRS (Petition, p. 22).

This is the sixth submitted IAL petition involving agricultural lands on the island of Oahu and the fifteenth IAL petition submitted statewide. Over 133,000 acres of agricultural land has been designated as IAL by the Land Use Commission since 2009.

In summary, the Department supports the petitioner's request for IAL designation, however we do have a concern about the potential impact of a proposed increase in visitors and activities on the agricultural operations within the proposed IAL. We





understand that the petitioner has applied to amend their existing Special Use (85/SUP-2) and Conditional Use (85/CUP-15) permits. If approved, this may result in more visitors to the Ranch and usage of all-terrain-vehicles (ATV) throughout the Hakipuu, Kualoa, and Kaaawa Valley areas.

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In the following, we are responding to the petitioner's statements as to how the petitioned lands meet the eight criteria used for identifying potential IAL (Section 205-44, HRS).

**1. Land currently used for agricultural production.** (Petition, p. 6-9)

According to the petition, the entire 761.55-acre petitioned area is currently in agricultural use or historically has been used for agricultural purposes. Presently, 740 acres is being grazed by about 500 head of cattle (300 mother cows, 200 calves) that are finished on grass, slaughtered, processed, and sold for local consumption. About 18 acres are in orchards (fruit, coffee, macadamia nut, and cacao), taro, pineapple, sugarcane, and an expanding piggery, and about 4 acres are in aquaculture.

DOA staff did additional research and discovered that, with the exception of 9.4 acres along the northwestern wall of Kaaawa Valley, the petitioned area is entirely dedicated to agricultural use pursuant to Section 8-7.3, Dedication of Lands for Agricultural Use, Revised Ordinances of Honolulu. The dedications come up for renewal in 2023. DOA uses dedication status as an indicator of current agricultural use. Furthermore, the 2015 Statewide Agricultural Land Use Baseline (Oahu Crop Summary, page 55) confirms pasture use in Kaaawa Valley, the sliver of land adjacent to Ka'o'io Point, the Kualoa plain, and the lands up to the mauka terminus of Hakipuu valley.

The pasturing of cattle is managed using intensive rotational grazing that reduces overgrazing and optimizes grass growth. The piggery is under roof and uses a Korean Natural Farming inoculated dry litter bed to accommodate composting of the manure. DOA staff met with the petitioner on May 16<sup>th</sup> and was informed that the goal is to market 500 pigs per year, along with sheep and chickens.

We were also informed by the petitioner during the May 16<sup>th</sup> meeting that the existing Special Use Permit (85/SUP-2) and Conditional Use Permit (85/CUP-15) and the visitor-oriented activities that occur within the Hakipuu, Kualoa, and Kaaawa Valley areas do not affect the cattle operation. During the site visit of June 28, 2016, DOA staff did see single-passenger ATVs operating on the main Kaaawa Valley road.

We note that about one-third (255 acres) of the petition area has slopes greater than 25 percent. DOA does not question the utility of the portions of the property in excess of 25 percent for grazing as staff did see cattle along the steep inclines along Kaaawa Valley's southeastern walls during the site visit of June 28, 2018. These steep areas are to "...promote land stewardship, soil conservation and cohesion and continuity of agricultural uses." (Petition, p. 8) The petition goes on to state that "[t]hese 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." We point out that maintaining a continuous IAL area adjacent to the Conservation District is not a consideration of the eight IAL identification criteria.

The petition states that the petitioner's agricultural operations are sustained "...through accessory uses that are consistent with HRS Section 205-2(d)(11) and the Honolulu Land Use Ordinance and that preserve, protect and enhance Hawaii's natural beauty and culture and promote Hawaii's natural environment, agriculture and rich natural history." (Petition, p. 8) DOA believes that the reference to "accessory uses" may be the activities and uses permitted by and related to the existing Special Use Permit (85/SUP-2) and Conditional Use Permit (85/CUP-15). As we mentioned on the second page of this letter, the petitioner is seeking to amend both permits to allow, among other things, an increase in the number of daily visitors and the usage of ATVs. Section 205-2(d)(11) refers to "Agricultural tourism conducted on a working farm, or a farming operation as defined in section 165-2, for the enjoyment, education, or involvement of visitors; provided that the agricultural tourism activity is accessory and secondary to the principal agricultural use and does not interfere with surrounding farm operations; and provided further that this paragraph shall apply only to a county that has adopted ordinances regulating agricultural tourism under section 205-5;" It is our understanding that the City has not adopted ordinances regulating agricultural tourism, therefore the petition may be technically incorrect in stating that the "accessory uses...are consistent with HRS Section 205-2(d)(11)..."

The petition did not indicate that there would be a change in the number of head in the cattle operation in the future.

**DOA position on Criterion 1:** This criterion is satisfactorily met; however, we are concerned about the impact of the increased number of visitors and usage of ATVs on existing and proposed agricultural activities within the Hakipuu, Kualoa, and Kaaawa Valley areas.



**2. Land with soil qualities and growing conditions that support agricultural production for food, fiber or fuel and energy-producing crops. (Petition, p. 9-10)**

70.1% (534 acres) of the 761.55 acres in the petition area have a Land Study Bureau (LSB) Overall Productivity Rating of "E". There are 20 acres of "B", 145 acres of "C", and 62 acres of "D" (See Petition, Exhibit D, Figure 4, Detailed Land Classification System). There are no "A" rated soils. DOA staff looked into the LSB Land Types found in the petition area and found that most of the "E" rated soils which occupy the higher sloped areas have fair crop productivity ratings for grazing. The floor of Kaaawa Valley to the makai boundary of the petitioned area has fair to good productivity potential for most crops. (Oahu, LSB maps 74, 75, 89, 90)

The petition quotes from the LSB report for Oahu that "farmers or ranchers are better informed than others regarding the agricultural quality of the lands they operate for the uses to which the lands are presently being used." We were not able to confirm the location of this quote in the "Island of Oahu, LSB Bulletin No. 11" (December 1972).

**DOA position on Criterion 2:** This criterion is satisfactorily met.

**3. Lands 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. (Petition, p. 10)**

The ALISH footprint (Petition, Exhibit D, Figure 5, Agricultural Lands of Importance to the State of Hawaii (ALISH)) is more inclusive of lower rated LSB soils ("D" and "E") than what DOA staff usually sees. Given the fact that the primary use of the petitioned area is unirrigated pasture for cattle, the dissimilarity between ALISH and LSB is not a concern for DOA. 83% of the petitioned lands are classified as ALISH "Prime" (157 acres) and "Other Important" (479 acres). Only 16% is not classified according to ALISH.

**DOA position on Criterion 3:** This criterion is satisfactorily met.

**4. 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. (Petition, p. 12)**



Petition states there was taro cultivation in Hakipuu Valley. There was sugarcane cultivation in Kualoa from 1863 to 1871, followed by cattle ranching. Pineapple was grown in the early 1900's. From the 1970's to the present, crop cultivation includes vegetables, fruits, tropical plants, flower and nursery plants. The petition lists "unique" crops, however only taro (wetland variety) qualifies as Unique. There is one aquaculture facility (shrimp, prawns, catfish, tilapia) within the northern makai tip of Kaaawa valley (Petition, p. 13 and Exhibit D, Figure 2, Agricultural Areas).

**DOA position on Criterion 4: This criterion is satisfactorily met from the perspective of historical crops and what appears to be existing small-scale taro cultivation.**

**5. Lands with sufficient quantities of water to support viable agricultural production. (Petition, p. 13-14)**

The petition states there is sufficient water supply to support "viable" agricultural production. Irrigation needs within Kaaawa Valley are met by Board of Water Supply sources at agricultural water rates. There are also two existing wells (one on standby) in the valley with a third well planned for future agricultural needs. Hakipuu water is sourced from a stream and stored in a tank for distribution to and use by livestock. There is no discussion of irrigation water needs of the diversified agricultural area of the northern makai corner of Kaaawa valley.

The mean annual rainfall of 51 (makai) to 78 inches (mauka) and its distribution appears sufficient to maintain pasture grasses.

**DOA position on Criterion 5: This criterion is satisfactorily met.**

**6. Land whose designation as Important Agricultural Land is consistent with general, development, and community plans of the County. (Petition, p. 15-20)**

The petitioned area is entirely within the State Agricultural District. The petition states that "Current uses on the Property are consistent with the uses permitted within the State Agricultural District." (Petition, p. 15) In the prior paragraph, the following activities and uses that are permitted on Agricultural District land are listed - agricultural tourism and open area recreation facilities. On page 3 of this letter, we explained why the reference to agricultural tourism may be technically incorrect.

The area is split between the Koolauloa and Koolaupoko Sustainable Communities Plans. Both plans designate their respective portions of the petitioned area as agriculture. The Koolaupoko plan also designates two feeder streams and Kaaawa stream in Kaaawa Valley as Preservation.

With respect to the City's identification of potential IAL, we compared the mapped footprints of the petitioned area to the City's potential IAL and found that there is more consistency than inconsistency (Petition, Exhibit D, Figure 12, City and County of Honolulu Important Agricultural Lands Overlay). As for the areas that the petitioner has excluded from their petition but is included in the City's potential IAL map, we believe it is the petitioner's prerogative to do so pursuant to Section 205-45 (petition by farmer or landowner). As for the inclusion of lands that were not identified as potential IAL by the City but are included in the petitioned area (Hakipuu), we generally concur with the assertion in the petition that the petitioner has full familiarity with its lands and its utility. Also, the use of these lands for cattle grazing according to the 2015 Statewide Agricultural Land Use Baseline (see reference on page 2 of this letter) would lend support to IAL designation. Further, DOA staff did see cattle in the lower Hakipuu section during the site visit of June 28, 2018.

**DOA position on Criterion 6: This criterion is satisfactorily met.**

**7. Land that contributes to maintaining a critical land mass important to agricultural operating productivity. (Petition, p. 20-21)**

The Petition cites the long history of agricultural activity in the petitioned area as the reason for meeting this criterion. The Kualoa area has an agricultural use history of over 150 years and the Ranch continues to utilize and maintain their lands from Hakipuu Valley to Makaua Gulch as a stand-alone economic unit that appears to be separate from adjacent land uses along either side of their property.

**DOA position on Criterion 7: This criterion is satisfactorily met.**

**8. Land with or near support infrastructure conducive to agricultural productivity, such as transportation to markets, water, or power. (Petition, p. 21)**

Existing infrastructure includes groundwater wells (and a proposed well), a water tank, streams, composting facility and internal roadways. Kamehameha Highway is the major thoroughfare. Other infrastructure includes aquaculture ponds, fixed and electric



Mr. Daniel Orodener  
August 3, 2018  
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fencing, gates, berms and windbreaks. DOA staff also noticed cattle corrals, chutes, and pig pens during the June 28, 2018 site visit.

**DOA position on Criterion 8: This criterion is satisfactorily met.**

**Overall Comments and Recommendations:**

The Department supports the petitioner's request for IAL designation of 761.55 acres of agricultural land in the Hakipuu Valley, Kualoa, and Kaaawa Valley areas. These areas possess characteristics that meet all 8 of the IAL identification criteria.

We believe this is the first petition for IAL designation that involves activities that are linked to an existing Special Use Permit. We are concerned about the potential impact of an increase in the number of visitors and activities on the agricultural operations within the proposed IAL. However, we recognize that the petitioner has successfully integrated their agricultural activities and their existing Special Use Permit activities to date.

Should you have any questions, please contact Earl Yamamoto at 973-9466, or email at [earl.j.yamamoto@hawaii.gov](mailto:earl.j.yamamoto@hawaii.gov).

Sincerely,



Scott E. Enright, Chairperson  
Board of Agriculture

c: Mr. Leo Asuncion, Director, Office of Planning  
Ms. Kathy K. Sokugawa, Acting Director,  
City Department of Planning and Permitting  
Ms. Dawn Apuna, Deputy Attorney General