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TECHNICAL ADVISORY COMMITTEE MEETINGS AND ROSTER

IMPORTANT AGRICULTURAL LANDS TECHNICAL ADVISORY COMMITTEE

CHARTER OF COMMITMENTS AND RESPONSIBILITIES

Purpose of the Charter

This document identifies the purposes and procedures of the O'ahu Important Agricultural Lands Identification Project – Phase I (IAL) Technical Advisory Committee (TAC). This group charter is intended to clarify group processes and individual responsibilities and commitments to insure that meetings are efficient, fair to all participants and productive.

Goal of the IAL Technical Advisory Committee Review Process

The goal of the O'ahu IAL TAC review process is to identify, analyze and set priorities among criteria to be used to identify Important Agricultural Lands for the island of O'ahu. A successful outcome of the Committee will be a set of recommended criteria that the TAC regards as technically sound, can be mapped in a relative unambiguous way and will lead to wise use of agricultural lands.

Membership

The members of the TAC are:

- David Arakawa
- Mike Bajinting
- Bob Cherry
- Bill Durston
- Carl Evensen, PhD
- Alan Gottlieb

- Andy Hashimoto
- Shin Ho
- Larry Jefts
- Ken Kamiya
- Melvin Matsuda
- Dan Nellis
- Brian Nishida
- Dean Okimoto
- Mark Phillipson
- Charlie Reppun
- Leon Sollenberger
- Alan Takemoto
- William Tam
- Stephanie Whalen
- Larry Yamamoto

The ex-officio, non-voting members of the TAC are:

- Alenka Remec
- Jesse Souki
- Barry Usagawa
- Earl Yamamoto

Process Coordinators

The firm of Helber, Hastert & Fee, Planners (HHF) is responsible for assisting the TAC in developing a set of criteria for IAL designation. HHF's responsibilities include:

1. Arranging for TAC meetings including preparation of materials that may be required for the groups review;
2. Facilitating discussions among TAC members in ways that insure that all members have an opportunity to be heard---and that no individual or perspective dominates the discussion;

3. Encouraging the broadest possible agreement among participants;
4. Preparing maps of select combinations of criteria to facilitate understanding of the options the TAC is considering;
5. Remaining impartial with regard to the substance of discussions.

TAC Meeting Schedule

The TAC will meet six times between September 18, 2012 and _____.

Roles of TAC Members

Members of the TAC have been chosen based on their technical expertise, knowledge of aspects of the agricultural industry, experience and ability to effectively participate in a group planning process. To insure an effective and productive process, we anticipate that each TAC member will:

1. Participate in at least five TAC meetings;
2. Review materials and prepare for each meeting;
3. Share technical information that is not proprietary;
4. Strive to insure the most productive process; and
5. Listen with care to each participant and refrain from personal attacks.

Decision Making in the TAC

While we strive for the broadest possible agreement in the TAC, there may be instances in which the group needs to test the degree of agreement either about substantive questions, such as the possible addition of new designation criteria, or process questions, such as whether to extend the time of a meeting. Group

decision-making may occur in two ways: informal, non-binding expressions of the degree of consensus and more formal voting.

Informal expressions of the degree of consensus

We may ask how participants regard a particular substantive or procedural suggestion. To find out we will ask for the "degree of consensus" by asking participants the strength of their views by holding up the number of fingers that corresponds to their position where:

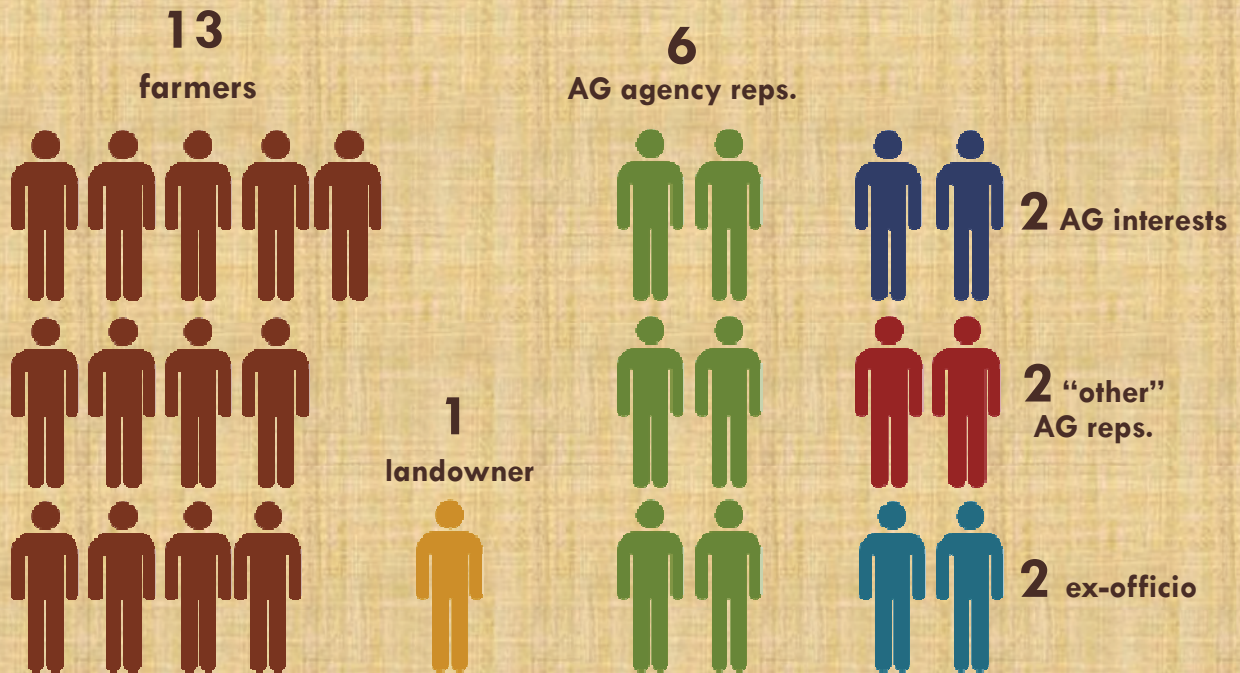
- 5 = I really like this idea and can support it enthusiastically.
- 4 = I like this idea. It suffices. It's good enough.
- 3 = Not necessarily my preference but it doesn't defeat my interests. I will support it.
- 2 = I have mixed feelings, but wouldn't stand in the way of this going forward.
- 1 = I cannot support this idea. I prefer something different.

Formal decision-making

We will need to make decisions about what recommendations to make regarding IAL criteria. While we strive for the broadest possible consensus we want to insure that no individual or small group can veto a group decision. Hence, when necessary we will seek to make decisions by super-majority of those attending the meeting at which decisions are made. Super-majority means two-thirds of those attending a meeting and voting by written ballot. [In general, alternates for TAC members may attend meetings, but not vote].

Technical Advisory Committee

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Technical Advisory Committee

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Farmers

- Bob Cherry, Flying R Livestock
- Bill Durston, Leilani Nursery
- Alan Gottlieb, HI Livestock Farmers Coalition
- Shin Ho, Ho Farms
- Larry Jefts, Sugarland
- Ken Kamiya, Kamiya Gold
- Melvin Matsuda, Kahuku Farms
- Dan Nellis, Dole Foods
- Brian Nishida, former Del Monte Fresh Produce
- Mark Phillipson, Syngenta Seeds
- Charlie Reppun, Waiahole
- Ernest Tottori, HPC Foods

AG Agency Representatives

- Mike Bajinting, USDA NRCS
- Andy Hashimoto, UH-CTAHR
- Carl Evensen, UH-CTAHR
- Earl Yamamoto, DOA
- William Tam, CWRM
- Jesse Souki, OP

"Other" AG Organizations

- Leon Sollenberger, consultant
- Alan Takemoto, Monsanto (MOVE TO FARMER, 9/13)
- Larry Yamamoto, retired

AG Interest Groups

- Dean Okimoto, HFBF
- Stephanie Whalen, HARC

Landowners

- David Arakawa, LURF

Ex-Officio

- Alenka Remec, City Office of Economic Dvlpmnt.
- Barry Usagawa, BWS



MEETING SUMMARY

Important Agricultural Lands Identification Project
Technical Advisory Committee Meeting #1
September 18, 2012, 4:00 to 5:45 pm
Mayor's Conference Room, Honolulu Hale Room 301

Recorded by: Corlyn Orr

Attendance: see attached

Reviewed by DPP, 9/18/12
Reviewed/Approved by TAC, 10/16/12

The first Technical Advisory Committee (TAC) meeting for the Important Agricultural Lands (IAL) Identification Project was held on Tuesday, September 18, 2012 at the Mayor's Conference Room, Honolulu Hale. The meeting was scheduled from 4:00 to 6:30 pm. The purpose of the meeting was to familiarize TAC members with the project and the City's process for mapping the IAL criteria, introduce the draft group charter, and begin the discussion about data sources. Handouts included: (1) copy of the PowerPoint presentation; (2) draft group charter; (3) list of available GIS data sources for mapping; and (4) graphic showing the process to identify and map the IAL criteria.

INTRODUCTIONS

Kem Lowry (Accord 3.0 Consultants) opened the meeting at 4:05 pm. He introduced Kathy Sokugawa, DPP Planning Division Chief, who welcomed and thanked attendees for participating. Duane Okamoto, the Mayor's Agricultural Liaison, also expressed his appreciation to the group and remarked on the number of talented individuals at the table. Members of the DPP-HHF project team introduced themselves. TAC attendees were then asked to introduce themselves, and share their affiliation and what they feel is the most important aspect for the group to remember in the process of designating IAL. A summary of attendees' comments follow below.

- Office of Planning represents the State at the Land Use Commission. TAC should not lose sight of the fact that the City's effort to identify IAL is a statutory requirement.
- Has a long history of involvement with State AG mapping, including the statewide LESA (Land Evaluation and Site Assessment) System to identify IAL in the 1980s. Is interested in seeing how O'ahu's IAL mapping effort will differ from Kaua'i's IAL project. The small farmer is not a criteria of Act 183. What role do small farms in rural areas have in IAL?
- HFBF helped push for the IAL legislation. Law is not perfect. Expects that there will be issues that the TAC will need to talk about and work through.
- UH-CTAHR Agricultural Working Group was involved in discussions to frame elements of the legislation. While the overall objective of the legislation is good, implementation will be key. End product needs to be rational and reasonable, and have group buy-in.

- The charge of this committee is important, given that AG lands are being threatened by development pressures. UH-CTAHR should be seen as a resource for information.
- Experience includes long career with USDA NRCS; also was involved with LESA mapping.
- Group will be successful if we honor our state's motto.
- Represents interests between the large and small farmers. Need to remember that IAL is an incentive-driven program.
- Long-time farmer of Kahuku and Haleiwa lands.
- 40+ years experience farming North Shore lands. Farmers want support for agriculture.
- Used to be farmer, but recently shut down farm because no longer physically able to farm. Currently running a business (200+ employees) that processes vegetables. 85% of vegetables processed are imported from CA. Need to ensure constant supply to maintain steady work for employees.
- Intent of IAL legislation is to encourage farming.
- Represents the small farmer. Family runs a small farm on the North Shore.
- 30+ years experience as a flower grower. Represents small farmer and nursery groups.
- Waialua/Mililani rancher. Can ranch on any type of land.
- Dole Food Company leases to both large and small farmers. Primary crops are pineapple, coffee and cacao.
- Purpose of IAL legislation is to make farming profitable. Took 30+ years for final legislation to pass. More than 80,000 acres have already been designated statewide. Three landowners have already designated more than 50% of their lands as IAL. Was involved with Kaua'i IAL process by providing information and attending meetings. Hawai'i Island will follow a different process.
- Provides tillage and irrigation services for farmers. Development pressures to urbanize AG lands on O'ahu are a major threat to the AG industry and the land area available for AG. Immediate action is needed for AG to survive.

PROJECT OVERVIEW

Following TAC introductions, Scott Ezer (HHF) provided an overview of the project (refer to Powerpoint presentation), including "ground rules" for the TAC; a summary of the key points of Act 183 and Act 233 that establish the IAL mapping process; the City's phased approach for mapping; the scope and methodology for Phase I; and the role of the TAC to help identify data sources and define the criteria and weighting system. Questions and comments are summarized below.

- Diversified farmers historically farmed lesser quality lands not used by the sugar and pineapple plantations. They were discriminated against and pushed to inferior lands

because the sugar and pineapple industries took the prime lands. Opposition to Ho'opili and Koa Ridge is evidence that those lands should be IAL. The process to identify IAL as set forth in the legislation is too complex. TAC needs to follow a simpler process - only need to use the tax maps to show ownership, and then IAL will be all the areas that are currently used for agriculture or that are classified for agricultural use.

- Agree with the previous comment that the tax maps, current use and current classification is a good starting point, but, the law says that lands that are classified by the State and County as "Urban" cannot be considered for IAL designation. This effectively eliminates Ho'opili and Koa Ridge (City policy has designated both areas for urban use for more than 20+ years). Also, other lands that cannot be considered for IAL include lands that belong to a landowner who has already designated more than 50% of their landholdings as IAL.
- Is there a data source for landowners that have designated their lands IAL?
RESPONSE: Yes, this is available.
- Of all lands designated as "AG" by the the State classification system (about 1.4 million acres), only 4% have been designated as IAL. IAL will be a sub-designation, or an overlay, of the AG designation.
- Identifying data sources, helping to find data, and defining criteria are the TAC's primary purpose. What other role does this group have? Can't the work be done in 2 meetings?
RESPONSE: Agree that it seems simple in theory. Kaua'i's IAL advisory committee met 14 times to discuss weighting system.
- The maps are also important. Maps showing productive AG areas would be helpful when discussing how to define the criteria. However, using the maps to define the criteria could bias the criteria and prejudice the outcomes. Process should be as fair as possible. A better approach would be to focus on defining the criteria first, then create maps of the criteria to test if the criteria are being used in the right way. The landfill selection committee used a similar blind process, which resulted in unbiased sites.
- Will be difficult to develop standard criteria because the criteria will differ according to the AG use. For example, kalo and ranching have very different requirements, and different types of crops grow at different elevations/climates. Hydroponics differ from truck farming needs. Important that the criteria address the various forms of AG and consider the different qualities of the land.
- Monsanto should be re-categorized as a "farmer." Monsanto is an agricultural company that grows seed for corn and soy bean, similar to Syngenta which is listed in the "farmer" category.

TAC PROCESS AND POSSIBLE GROUP CHARTER

Kem reviewed the draft group charter. The purpose of the group charter is to clarify group processes and individual responsibilities and commitments to ensure that meetings are efficient, productive and fair to all participants. Requirements for TAC membership as proposed in the draft group charter include:

- Participation in at least 5 TAC meetings
- Review materials and come prepared for each meeting
- Share technical information (if non-proprietary)
- Strive to ensure the most productive process
- Listen carefully to each participant and refrain from personal attacks.

Two group decision-making processes – one for an informal "degree of consensus" procedure and one for formal voting by written ballot – were also presented.

Comments about the proposed group charter follow below.

- Suggest switching the order of values for the "degree of consensus" procedure. (A show of 5 fingers should indicate support, and one finger should indicate no support.)
- Should there be a quorum for voting?
- Caution that setting the super-majority too high allows the minority group (and not the majority) to be the controlling, decision-making body.

DISCUSSION OF IAL CRITERIA

Rob James (HHF) presented the list of available data sources compiled from the State and City websites, and reviewed the mapping process in more detail. A summary of the group discussion follows.

- If the TAC is only providing recommendations on the criteria, who is responsible for the mapping?
RESPONSE: TAC will be reviewing maps of the individual criteria. Once the criteria and weighting system are defined, a small, select area will be mapped for the TAC to test/validate the assumptions before final recommendations are identified. Draft IAL maps will be developed during Phase 2.
- Understand that the mapping will evaluate the characteristics of the land and is not TMK parcel-specific. However, it would be interesting to observe how the criteria relates to TMK parcels. Will the City be using TMK parcels when identifying land for IAL designation? How will land be identified? An individual parcel can have a wide range of characteristics (e.g., topography, land use, soil quality, water source, etc.) This is expected to be a future source of contention.
RESPONSE: The TMK parcel boundaries will not be the basic unit for mapping. The TAC may want to address this subject when developing recommendations.
- The "unique crop" criteria in Act 183 was established to address the unique conditions needed for crops such as coffee and kalo.
- Possible to be successful ranching on any type of land, but kalo farmer cannot grow kalo on ridgeland. May be that certain uses are given a higher weight, or certain crops are given higher weights to account for this (e.g., the watercress farm next to Pearlridge).
- Value of the commodity being grown should also be considered. A non-soil-based nursery on Hawai'i Island may earn more per acre than ranching activity.

- Is there a certain percentage of AG land that will be designated IAL? What determines how much of the land will be designated IAL (i.e., what score will be used)?
RESPONSE: This largely depends on the TAC's recommendations for criteria. Lands that meet the conditions for IAL will be identified as part of Phase 2. The City administration will ultimately be responsible for the draft maps and final report that will be submitted to the City Council.
- Differentiation in the type of land use is not one of the criteria in Act 183. Some, if not most, communities will miss out on having AG land around their communities designated as IAL.

NEXT STEPS

Kem presented two possible dates -- either October 15 or 16 -- for the next meeting. (October 16, 2012 was subsequently announced as the meeting date for the 2nd TAC Meeting).

TAC members were asked to complete two assignments before the next meeting: (1) review the draft group charter and be prepared to discuss any proposed additions/edits; and (2) familiarize themselves with the IAL criteria and review the data sources.

Meeting was adjourned at 5:45.

TAC Meeting #1 Attendance

TAC Members: David Arakawa, LURF
Bob Cherry, Flying R Livestock Company
Bill Durston, Leilani Nursery
Carl Evensen, UH-CTAHR
Alan Gottlieb, Hawai'i Livestock Farmers Coalition
Andy Hashimoto, UH-CTAHR
Shin Ho, Ho Farms
Ken Kamiya, Kamiya Gold
Melvin Matsuda, Kahuku Farms
Dan Nellis, Dole Foods Company Hawai'i
Dean Okimoto, Hawai'i Farm Bureau Federation / Nalo Farms
Mark Phillipson, Syngenta Seeds
Alenka Remec, City Office of Economic Development (ex-officio)
Leon Sollenberger, Agricultural Enterprises
Jesse Souki, State Office of Planning
Alan Takemoto, Monsanto
William Tam, Commission on Water Resource Management
Ernest Tottori, HPC Foods
Barry Usagawa, Board of Water Supply (ex-officio)
Earl Yamamoto, State Department of Agriculture
Larry Yamamoto, USDA-NRCS Pacific Islands Area, retired

Others: Mark Takemoto, Pioneer Hi-Bred
Duane Okamoto, Mayor's Agricultural Liaison
Randy Hara, DPP
Tim Hata, DPP
Kathy Sokugawa, DPP
Tara DePonte, HHF
Scott Ezer, HHF
Rob James, HHF
Corlyn Orr, HHF
Bruce Plasch, Plasch Econ Pacific
Kem Lowry, Accord 3.0 Consultants
Peter Adler, Accord 3.0 Consultants



Reviewed by DPP, 11/8/12
Reviewed/approved by TAC, 11/13/12

MEETING SUMMARY

Important Agricultural Lands Identification Project
Technical Advisory Committee Meeting #2
October 16, 2012, 4:00 to 6:30 pm
Mayor's Conference Room, Honolulu Hale Room 301

Recorded by: Corlyn Orr

Attendance: see attached

The second Technical Advisory Committee (TAC) meeting for the Important Agricultural Lands (IAL) Identification Project was held on Tuesday, October 16, 2012 at the Mayor's Conference Room, Honolulu Hale. The meeting was scheduled from 4:00 to 6:30 pm. The purpose of the meeting was to define the IAL criteria and the specific characteristics associated with each criterion, and identify possible data sources. The draft group charter that was presented at the first meeting, and the draft written summary from the first TAC meeting were also finalized. Handouts included: (1) TAC Meeting #1 draft summary; (2) draft group charter; and (3) IAL criteria worksheet.

WELCOME / INTRODUCTIONS

Kem Lowry (Accord 3.0 Consultants) opened the meeting at 4:10 pm, and asked meeting attendees to introduce themselves.

REVIEW AND APPROVAL OF TAC MEETING #1 DRAFT SUMMARY

One correction was requested. On page 2, 13th bullet from the top, 2nd to the last sentence, add in "by providing info and attending meetings." after "was involved with the Kaua'i IAL process." Correction is to clarify individual's involvement was limited to attending meetings and providing a presentation about the background of IAL, and not as a member of the Kaua'i IAL Task Force.

With no other comments or revisions, and no other objections, the summary from TAC Meeting #1 was approved as corrected. (The group decided against formal adoption of meeting summaries).

REVIEW AND APPROVAL OF DRAFT GROUP CHARTER

Kem emphasized that the group charter is intended to guide the group, and should be flexible enough to deal with new situations as they arise. Discussion about the group charter and accepted revisions are summarized as follows.

- Meeting schedule will be left blank; to be filled in as the project progresses to allow for scheduling flexibility.
- Reverse the order of voting for the formal decision-making/voting process. One finger will mean "I don't like it," and 5 fingers will mean "I like it."

- The TAC includes 21 voting members. The four non-voting, ex-officio members are BWS, City Office of Economic Development, State OP and State DOA. OP and DOA requested to be non-voting members because their agencies take part in the formal IAL approval process (e.g., reviewing LUC applications).
- Super-majority will be based on the number of TAC members in attendance at the meeting, not the total TAC membership of 25. There was group consensus that the super-majority would be two-thirds of the members present at the meeting. In the absence of a super majority, the group would probably have to continue discussions until a super majority is reached, which may mean changing recommendations. The two-thirds requirement mirrors the language in HRS Chapter 205, which specifies a two-thirds majority approval by the LUC to designate lands as IAL or to re-classify lands that are already designated IAL.
- Quorum set at 11 TAC members, based on 21 voting members. Important to have a quorum present when making major decisions, so meetings without a quorum would be rescheduled
- Minority reports would be allowed for the record.
- Draft charter language that TAC members attend "5 of 6 meetings" is an aspiration desired for the TAC. The intent of the policy was to encourage participation and attendance, as greater participation would support the group's credibility and the legitimacy of decision-making. The charter language does not mean that individuals who do not meet that requirement would be automatically disqualified from the TAC.
- The group would be asked to decide how to proceed should a TAC member only attend meetings that involved critical decision-making.

DISCUSSION OF IAL DESIGNATION CRITERIA

TAC members were instructed that the next activity would be to review the IAL criteria worksheet and provide their suggestions for additional operational definitions and data sources. After the first round of discussion, the information would be summarized into a revised worksheet and the group would be asked to rank/weight the criteria. Assuming that the ranking would result in groupings of criteria, the weighted criteria would then be mapped as a test case to see if the screening expresses the TAC's desired outcome (not mapping all the AG lands in this project). Additional iterations would show how modifying the criteria could influence outcomes.

A TAC member reminded the group that HRS Chapter 205, Sections 42 and 43 sets forth the objectives and policies for IAL. It is important for the TAC to consider this guidance when evaluating the criteria.

Criteria #1: Land currently used for agricultural production

Operational Definition: either in cultivation, used for grazing, or temporarily fallow (to be returned to active production)

- The operational definition assumes a "snapshot in time" approach based on a particular date that may eliminate some potentially very suitable lands from consideration. Suggest that this definition be expanded to include "historically used" or "suitable but not currently used."

The historical use of the land is important. Lands currently not being farmed may be farmed in the future, and should be preserved. While land may not be currently used because of the costs of farming, future advancements – i.e., government incentives/support, technological advances – may allow farming of these lands to be profitable.

- Caution against expanding the operational definition to recognize historic agricultural use since: (1) the language of the criteria is specific that the land is “currently used for agricultural production” and (2) practices used for sugar cane production allowed them to farm lands that cannot be farmed for other (modern-day) crops. Recommendation was made to incorporate the historical use into Criteria #2.
- The TAC agreed to make a decision about the “historical use” definition during the second round, following discussion of the other criteria.
- Suggestion was made to give a time period to the term “temporarily fallow.”
- Since cultivation narrowly means lands that are tilled, expanding the definition or using a broader term such as “in agricultural production” is preferred. Several options were suggested:
 1. Define “AG production” based on LUO Section 21-3 Master Use Table (see recognized AG uses).
 2. Use language in CH 205-42-1 for the operational definition, “are capable of producing sustained high agricultural yields when treated and managed according to accepted farming methods and technology.” Also recognize that the cultivation goes beyond that language, as it includes hydroponic farms on lava lands, ranching, etc.
- The following language was suggested and accepted by the group: “...has the potential to be returned to active production which conveys the notion of historic use”. This language acknowledges that land can be fallow for a longer period of time.
- Criteria is intentionally broad to be inclusive. Individuals that were involved with drafting the legislation agreed that cultivation was intended to mean AG production, including production on unique lands (e.g., coffee, flower farms on HI Island).
- ADDITIONAL DATA SOURCE: NRCS inventory of lands in current production (parcel-by-parcel inventory of land use created from aerial imagery).

Criteria #2: Land with soil qualities and growing conditions that support agricultural production of food, fiber, or fuel- and energy-producing crops.

Operational Definition:

1. Includes land currently used for agricultural production (see above) and past agricultural uses.
 2. Agricultural Land Use Maps (ALUM) are detailed land use maps of crop types. Commodities mapped include animal husbandry, field crops and orchards.
 3. Solar radiation
 4. Slopes
- Like criteria #1, this criteria is intentionally a broad category, since it was specifically crafted to address lands that did not meet ALISH ratings.

- Suggestion was made to add “feed and seed” to the operational definition.
- Verbiage of criteria is confusing. May be better to separate soil qualities and growing conditions into two criteria.
- ADDITIONAL DATA SOURCES:
 - OP’s Energy Division web-based TMK parcel locator map application – identifies land use, renewable energy use and LSB features
 - Historic Soil Survey air photos (1963 and forward) from NRCS and Farm Service Agency
 - NRCS Land Capability Classification (from soil survey maps)

Criteria #3: Land identified under agricultural productivity rating systems, such as the agricultural lands of importance to the State of Hawai’i (ALISH)

Operational Definition:

1. Land Study Bureau (LSB) ratings range from “A” (Very Good) to “E” (Not Suitable). Soils were grouped into land types based on soil and productive capabilities for certain crop types.
 2. ALISH rating system is based on soil, climate, moisture supply, input use, slope and generalized production factors. 3 classes of agricultural lands are identified: (1) Prime is best suited for production of food, feed, forage and fiber crops; (2) “Unique” has characteristics that make it useful for production of specific high-value food crops such as coffee, taro, rice and watercress; and (3) “Other,” which does not fall into the category of prime or unique, but is farmland of statewide or local importance.
 3. National Resources Conservation Service
- Correct operational definition to “Natural” Resources Conservation Service, not “National”
 - Note similarities between Criteria #2 and #3. If group agrees that ALISH (1977) is not an accurate or current scientific measurement, the preferred approach may be to use a low weighting for this criteria.

Criteria #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.

Operational Definition:

1. Land currently in taro production or with physical features to support future taro production
 2. Land currently in production or with physical features to support unique crops
- The term “unique” in this criteria does not refer to the ALISH “Unique” category. Unique refers to the niche-market crop being grown on the land. Growing coffee is not unique, except when its growing where it may not be traditionally grown.
 - Suggestion was made to expand the operational definition with an additional sentence that describes the physical features of the land: “Land currently in production or with physical features that support unique crops. Physical features can include but not be limited to soil, rainfall, water, elevation, etc...”

- Discussion followed about limiting the operational definition to wetland taro based on the identification of the areas where it's currently and historically grown, and where it can be grown. Such a definition would recognize the difficulty of identifying areas where dryland taro or other traditional native Hawaiian crops were grown. The TAC agreed to use "currently in wetland and dryland taro production."
- Recognizing the need for the definition to be inclusive, it was suggested that "other traditional crops" be added to the operational definition. It remains unclear at this time how the other traditional crops will be identified.
- Cultural practitioners should be consulted before their lands are designated IAL.
- ADDITIONAL DATA SOURCES:
 - UH-CTAHR studies that identify various crops with economic potential and the areas where such crops may be grown on Oahu
 - OP's Agricultural Resource Lands mapping effort (2010)
 - Sam Gon, Nature Conservancy conducted GIS assessment of lands capable of growing wetland taro
- Taro is the only food crop specified in the criteria, and food-self sufficiency is not addressed by any of the criteria. Should food self-sufficiency or crops grown for food consumption be added as a criteria? Should this operational definition support food self-sufficiency by identifying places where food crops can be grown, or by identifying specific crops? This would address the concern that only about 1/3 of the fruits and vegetables consumed on Oahu are grown on-island.

After some discussion, the group agreed that the operational definition should not name specific crops. Reasons discussed are listed as follows.

1. HI's agricultural history is evidence that crops evolve with time (lands used for sugar are now being used for different crops).
 2. Do not want to limit what is grown. Farmers will grow crops that are profitable.
 3. Purpose of IAL is to support farmers, not to increase sustainability.
 4. Such an approach would place greater value on land that is being farmed for food and divide the industry between food vs. non-food crops.
 5. The IAL criteria were intended to be as inclusive as possible, to protect the resource for future agriculture.
 6. State/County could provide incentives that encourage farmers to grow food crops. This could be one of the TAC's recommendation.
- For clarification, there are two ways to designate lands as IAL: (1) the landowner can independently petition the LUC (voluntary designation); and (2) the counties are required to identify candidate IAL lands (this process). The purpose of this effort is to define and weight the criteria that will be used by the City to screen for the priority AG lands. The weighting will only be used for the county designation process on Oahu; it is not used for voluntary designations.

Landowners whose lands are designated as IAL would be eligible for incentives. Having land designated IAL is not an automatic benefit, as landowners would have to choose to acquire the incentives. The TAC will not be identifying incentives.

- Even if a landowner does not want to designate their land as IAL, the county has the authority to do so. What is open to designation under the county process? Is it possible that the City could designate all of a landowner's property as IAL if he has not already gone through voluntary designation? HRS Section 205-49(a)(3) states that the county cannot ask the LUC to designate additional acreage as IAL if a landowner has already designated the majority (51%) of their land as IAL. However, it is unclear whether the City would apply this 51% rule in cases where landowners have not yet designated IAL (i.e., limit the IAL identification to 51% of a landowner's property), as the rule was intended to encourage landowners' voluntary designation.
- One of the incentives in Act 233 allows landowners to petition the LUC to reclassify up to 15% of the IAL area into a rural, urban, or conservation district, as long as the other 85% is designated IAL and the State Land Use District is consistent with the county's existing land use map designations. The 15% incentive was intended to encourage landowners to designate more than 51% of their lands as IAL. No landowner has requested redesignation/urbanization to date because the 15% threshold doesn't provide enough incentive (20% was identified as the ideal percentage for landowner).
- To date, Kauai is the only county that has gone through the designation process. Hawaii County is getting started and bringing together landowners in informal discussions. Maui County has not begun yet. TAC members who were involved in the Kauai IAL process shared their thoughts about what could be learned from the Kauai experience.
 - Decisions made by the TAC need to be reasonable to ensure the credibility of the group's recommendations. Follow the law so that the City Council cannot reject the TAC recommendations because of a flawed process.
 - Verify the accuracy and validity of the data being used. Kauai used stream data that reviewers' had disputed.
 - Kauai's decision-making process used "clickers" to indicate preference. Reaching consensus was difficult since the Kauai advisory group was comprised of diverse interests with different goals (conflict between open space/productive AG).
 - The intent of IAL is to identify the viable, productive best lands. Not all lands will meet the criteria.

Criteria #5: Land with sufficient quantities of water to support viable agricultural production
Operational Definition:

1. Rainfall (mostly for grazing lands, but may apply for fields having expensive water)
 2. Irrigation: currently irrigated with R-1 water or better, currently irrigated with R-2 water, planned for irrigation, formerly irrigated, or potential for irrigation, etc.
 3. Water rates, by area
- To be considered as part of the operational definition:
 - Irrigation (infrastructure and permitting)
 - Access to streams
 - Ability to take water out of the streams
 - Level/quantity of rainfall that makes grazing possible (about 50-60 inches annual rainfall, which is the evapo-transportation rate)
 - Quality of water source: not brackish, although there are salt-tolerant crops
 - Water rates
 - Operational definition needs to define the term "sufficient." The term incorporates: (1) availability; (2) adequate supply; (3) connection to supply

source (is it meter ready or requires infrastructure improvements?); (4) reliability (not affected by drought), (5) efficiency (amount of water loss, cost of getting water to the site).

- POSSIBLE DATA SOURCES:
 - Per Act 233 (see page 19, line 19), State AG Water Use Development Plan is being prepared
 - County Water Use Development Plan
 - DLNR Water Resources Management Plan
 - Hawaii Water Plan is made up of 8 components (, Water (see CWRM website) including stream flow, aquifer sustainable yields, etc.)
 - CWRM also has Drought Plan, mostly mitigation measures.

PROPOSED CONSTITUTIONAL AMENDMENT

The November election ballot includes a constitutional amendment about special purpose revenue bonds in support of landowners' financing of reservoirs repairs. This is necessary because the rules and regulations following the Kaloko Dam incident are making it too expensive for landowners to maintain their reservoirs (i.e., irrigation sources). A "YES" vote would be a way to repair/preserve existing reservoirs.

NEXT STEPS

The next TAC meeting would be scheduled for November, pending availability of the conference room. The purpose of the next meeting will be to complete discussion of the operational definitions and data sources. (November 13, 2012 was subsequently announced as the meeting date for the 2nd TAC Meeting).

Meeting was adjourned promptly at 6:30.

TAC Meeting #2 Attendance Record

TAC Members: David Arakawa, LURF
Bill Durston, Leilani Nursery
Carl Evensen, UH-CTAHR
Alan Gottlieb, Hawai'i Livestock Farmers Coalition
Andy Hashimoto, UH-CTAHR
Shin Ho, Ho Farms
Ken Kamiya, Kamiya Gold
Brian Nishida, Stepstone Business Development
Dan Nellis, Dole Foods Company Hawai'i
Dean Okimoto, Hawai'i Farm Bureau Federation / Nalo Farms
Charlie Reppun, Waiahole Poi Factory
Leon Sollenberger, Agricultural Enterprises
Jesse Souki, State Office of Planning
Alan Takemoto, Monsanto
Barry Usagawa, Board of Water Supply
Stephanie Whalen, Hawai'i Agriculture Research Center
Earl Yamamoto, State Department of Agriculture
Larry Yamamoto, USDA-NRCS Pacific Islands Area, retired

Others: Mark Takemoto, Pioneer Hi-Bred
Duane Okamoto, Mayor's Agricultural Liaison
Tim Hata, DPP
Steve Young, DPP
Tara DePonte, HHF
Scott Ezer, HHF
Rob James, HHF
Corlyn Orr, HHF
Bruce Plasch, Plasch Econ Pacific
Kem Lowry, Accord 3.0 Consultants

Lands under review for designation as Important Agricultural Lands are examined based upon their ability to support and encourage viable agricultural ventures. The specific criteria, per HRS Chapter 205-44, are listed in the following table.

Discussion during TAC Meeting #2 will focus on defining the criteria and the specific characteristics associated with each criterion. In preparation for the meeting, use the space below to organize your ideas about what each criterion means to you. Feel free to suggest additions or limitations to these criteria. In addition, please add other criteria that you think are especially relevant to the designation of Important Agricultural Lands. If you add a criterion, please try to suggest a data source that will help to identify land units that meet each criterion.

CRITERIA	OPERATIONAL DEFINITION	DATA SOURCES
1. Land <u>currently used</u> for agricultural production	Either in cultivation, used for grazing, or temporarily fallow (to be returned to active production)	Aerial imagery (2011) Consultations
2. Land with <u>soil qualities and growing conditions</u> that support agricultural production of food, fiber, or fuel- and energy-producing crops	Includes land currently used for agricultural production (see above) and past agricultural uses. Agricultural Land Use Maps (ALUM) are detailed land use maps of crop types. Commodities mapped include animal husbandry, field crops and orchards. Solar radiation Slopes	ALUM map, Office of Planning (1980) State GIS layer State GIS layer
3. Land identified under <u>agricultural productivity rating systems</u> , such as the agricultural lands of importance to the State of Hawai'i (ALISH)	Land Study Bureau (LSB) ratings range from "A" (Very Good) to "E" (Not Suitable). Soils were grouped into land types based on soil and productive capabilities for certain crop types. ALISH rating system is based on soil, climate, moisture supply, input use, slope and generalized production factors. 3 classes of agricultural lands are identified: (1) Prime is best suited for production of food, feed, forage and fiber crops; (2) "Unique" has characteristics that make it useful for production of specific high-value food crops such as coffee, taro, rice and watercress; and (3) "Other," which does not fall into the category of prime or unique, but is farmland of statewide or local importance. National Resources Conservation Service	LSB map, Office of Planning (1972) ALISH map, Office of Planning (1977)

CRITERIA	OPERATIONAL DEFINITION	DATA SOURCES
4. Land types associated with <u>traditional</u> native Hawaiian agricultural uses, such as taro cultivation, <u>or unique agricultural crops and uses</u> , such as coffee, vineyards, aquaculture, and energy production	Land currently in taro production or with physical features to support future taro production Land currently in production or with physical features to support unique crops	
5. Land with <u>sufficient quantities of water</u> to support viable agricultural production	Rainfall (mostly for grazing lands, but may apply for fields having expensive water) Irrigation: currently irrigated with R-1 water or better, currently irrigated with R-2 water, planned for irrigation, formerly irrigated, or potential for irrigation, etc. Water rates, by area	UH Rainfall Atlas USGS Hydrographic Data Consultations
6. Land whose designation as IAL is <u>consistent with general, development, and community plans</u> of the county	Lands designated for Agricultural Use by the Development Plans/Sustainable Communities Plans Land Use Maps Lands zoned either AG-1 Restricted Agricultural or AG-2 General Agricultural	To be confirmed City and County Zoning designations. DPP (2012)
7. Land that contributes to maintaining a <u>critical land mass</u> important to agricultural operating productivity	Combined acreage of abutting and nearby fields	
8. Land with or near support <u>infrastructure</u> conducive to agricultural productivity, such as transportation to markets, water, or power.		
9. SUGGESTION FOR NEW CRITERIA and DATA SOURCE	Nuisance and theft problems: distance to urban areas, upwind from urban areas, open or controlled access, visibility, natural or man-made buffers	
10. SUGGESTION FOR NEW CRITERIA and DATA SOURCE	Livestock operations: below the no-pass line, far removed from homes, all utilities	
11. SUGGESTION FOR NEW CRITERIA and DATA SOURCE		
12. SUGGESTION FOR NEW CRITERIA and DATA SOURCE		



Reviewed by DPP 11/20/2012
Reviewed/approved by TAC 4/8/13

MEETING SUMMARY

Important Agricultural Lands Identification Project
Technical Advisory Committee Meeting #3
November 13, 2012, 4:00 to 6:30 pm
Mayor's Conference Room, Honolulu Hale Room 301

Recorded by: Corlyn Orr

Attendance: see attached

The third Technical Advisory Committee (TAC) meeting for the Important Agricultural Lands (IAL) Identification Project was held on Tuesday, November 13, 2012 at the Mayor's Conference Room, Honolulu Hale. The meeting was scheduled from 4:00 to 6:30 pm. The purpose of the meeting was to complete the discussion from TAC Meeting #2 about defining the IAL criteria and identifying possible data sources. The TAC meeting process for remaining meetings was also presented for discussion. Handouts included a one-page outline of draft agendas for Meetings #3-5, and a draft sample voting ballot.

WELCOME / INTRODUCTIONS

Kem Lowry (Accord 3.0 Consultants) opened the meeting at 4:15 pm. He welcomed a new TAC member (Tony Rolfes of the USDA NRCS), and asked all attendees to introduce themselves.

REVIEW AND APPROVAL OF TAC MEETING #2 DRAFT SUMMARY

With no comments or revisions, and no other objections, the summary from TAC Meeting #2 was approved as drafted.

DISCUSSION OF IAL DESIGNATION CRITERIA (continued from TAC Meeting #2)

Discussion about the operational definitions and possible data sources for Criteria #6-#8 followed, based on the IAL criteria worksheet that was circulated at TAC Meeting #2.

Criteria #6: Land whose designation as IAL is consistent with general, development, and community plans of the county

Operational Definition:

1. Lands designated for Agricultural Use by the Development Plans/Sustainable Communities Plans Land Use Maps
 2. Lands zoned either AG-1 Restricted Agricultural or AG-2 General Agricultural
- Should this effort screen for IAL within areas that the City has designated for future urban use? (This is not an issue about Ho'opili and Koa Ridge lands which are already designated State Urban. Concern is about lands specified for urban use on the DPs/SCPs which are designated State AG and would require State LUC approval for designation as State Urban). Identifying IAL could result in changes to City's future policies.
 - DPP's Response: Act 183 gives deference to the counties' adopted policies and plans, such that lands specified for urban use in the DPs/SCPs cannot be eligible

for IAL designation. As long as land is not in an adopted plan or policy for urban use, it may be screened for IAL designation. Lands that are being proposed for future urban use as part of the City's DP/SCP 5-Year Review Program – such as Envision Laie – are eligible for IAL screening. (Under the City's current plans/policies, the Envision Laie project area is identified for Agricultural use).

- Intent of this criterion was to recognize the State's past planning efforts. There is enough acreage of good quality farm land within the State Agricultural District, without having to consider the areas planned for urban use.
- There was group consensus that the operational definition for Criteria #6 should be specific and indicate the need for consistency with adopted plans (such as DPs/SCPs approved/adopted by the City Council).

Criteria #7: Land that contributes to maintaining a critical land mass important to agricultural operating productivity

Operational Definition: Combined acreage of abutting and nearby fields

- The goal for this criterion is to preserve blocks of agricultural land as related to economic viability. It is not intended to identify the amount of land required to grow certain crops.
- There was consensus among group members that they did not want to use a specific acreage to define this criterion at this time. The "we'll know it when we see it" approach is preferred. It may be possible to specify a number as the mapping process continues (after data sources are mapped and the weighted criteria are being refined).
- Proximity and functionality are considered to be more important factors than acreage when defining critical land mass, for the following reasons.
 - Soil and water conservation are important ecological functions resulting from maintaining a critical mass. It was suggested that this operational definition include general guidelines for functionality by using a watershed approach (or *ahupua'a* designation) to identify critical land mass where there were no conflicting uses interspersing agricultural lands.
 - There are two different levels of critical land mass for consideration: (1) critical mass formed by having a number of farms located in close proximity to each other; and (2) overall mass of agricultural land that has inherent, intrinsic value as farm land. The advantage of farms operating in close proximity to each other creates a market for farm services to be viable (e.g., composting operation, farm suppliers).
 - An isolated 5-acre parcel is not as significant as a 5-acre parcel located in proximity to other small lots. Association with other parcels creates a compounding effect and increases its value/importance.
 - Using a specific acreage to define critical land mass does not protect agricultural areas from urban encroachment, or address the need to minimize conflicts between adjacent urban and agricultural activities (e.g., odor/noise/nuisance complaints typically result as urban uses encroach into agricultural areas).

- o Lack of contiguous agricultural lands and related road network results in increased costs and additional effort to move equipment (e.g., tractors, trailers). Recent example was given where equipment had to be transported using the State highway, because cane haul roads were no longer available.
 - o Acreage should be sufficient size to allow for crop rotation, which is a necessary function of farming.
 - o Statistics indicate that the median farm size is 5 acres, while the average farm size is 100 acres. There is uncertainty about how to define the criteria in a way that does not exclude the smaller farms, and a concern that smaller farms in Waimanalo, North Shore, Kahala'u, West O'ahu may not meet the IAL criteria.
- It was noted that: (1) small farmers typically sell their land as their retirement investment, and may not want to designate their land as IAL; (2) most small farms on the North Shore are leased; and (3) some small farms may be recreational/hobby farms, which may not be interested in IAL.

- The Kauai IAL Study was based on the acreage of land needed for food self-sufficiency. Food self-sufficiency is not one of the eight criteria, although it is an objective of Act 233 ("...to contribute to the viability of agriculture through the expansion of agricultural income and job opportunities and increase in food security for current and future generations..."(HRS 205-B)(3)(b)).

There was group consensus that this approach was not appropriate for O'ahu's IAL effort. TAC members recognized the difficulty of such a task, and agreed that such a task would be better addressed at the state-level, not on an individual county basis. Incentives that encourage food production could help to increase self-sufficiency, since food security is an objective of Act 233.

- Profitability is key for the future of the industry. For a small farmer, access to affordable water, the availability of infrastructure such as roads and electricity, and proximity to farm services/supplies are major factors affecting profitability.
- The ADC project in Wahiawā is helping to develop the infrastructure for farmers to be successful. By providing all the necessary systems for farming, the ADC project has the potential to attract new farmers to the area and create a critical mass. In the long-term, it is possible that small farms in other areas would consolidate/re-locate to Wahiawā, leaving those areas for higher-value crops (e.g., landscaping).

Criteria #8: Land with or near support infrastructure conducive to agricultural productivity, such as transportation to markets, water or power

Operational Definition: None provided in the worksheet

- Operational definition should include access to roads and the transportation network. Distance and difficulty of accessing an area are other factors for consideration (e.g., Kamilo Nui lands are more isolated and distant from the highway system than Kunia).
- Idea was presented that rail could be used to transport farm products during off-peak hours.

- After discussing the possible redundancy of addressing water in both Criteria #5 and #8, the group agreed that water should be addressed under both criteria. The availability of water (non-potable/irrigation water) would be addressed under Criteria #5, and access to potable water as part of an infrastructure system would be addressed under Criteria #8.

ADDITIONAL CRITERIA FOR CONSIDERATION

- TAC members agreed to add a 9th criterion that recognized properties with Agricultural easements, as a way for landowners to access the IAL incentives. AG easements are growing in popularity (e.g., HSPA has 100 acres, Turtle Bay Resort mauka lands, Sunset Ranch). The group agreed that this criterion would be limited to easements (other tools such as restrictive covenants or unilateral agreements would not be included).

An operational definition was proposed, "Government programs to protect AG lands in perpetuity that are recorded." Specific programs that were identified include: (1) City Natural Land and Water Reserve Fund; (2) State Legacy Lands Program; and (3) Federal Farmland Protection Program. Possible data sources include easements recorded with the Bureau of Conveyances, and the annual reports from the various programs.

- Other criteria proposed on the IAL criteria worksheet were dismissed. Specifically, there were concerns about the adding a criteria for the "no pass line for livestock operations."
- Do not understand the logic of IAL. If landowner incentives are the purpose of IAL, incentives should be made available to all farmers without having to go through the IAL designation process.
- Should the criteria include a distinction for lands that have flooding problems, since crop loss and productivity are affected by flooding? Several reasons were given for not adding this as a criteria:
 - o Periodic flooding is considered a function of agricultural land. It serves a purpose of protecting urban areas from flooding.
 - o Flooding is beneficial for soil conditions. Some of the most productive lands are flooded at times (e.g., Hanalei taro fields, Otake camp).
 - o Flooding is built into some of the soil classification rating systems.

PROCESS FOR REMAINING MEETINGS / DRAFT BALLOT / NEXT STEPS

- A draft agenda for future meetings and a sample voting ballot were presented. The ballot would be emailed to TAC members following TAC Meeting #3. Each TAC member would be asked to allocate 100 points among the 9 criteria (e.g., 8 criteria defined by Act 183 and 1 added by the TAC for agricultural easements), allocated based on the criteria's degree of importance according to an individual's preference. (It is possible to allocate zero points to a criterion).

Following the voting exercise, the criteria receiving the highest number of points would be mapped, with a test case (mapping of a sample site) presented at TAC Meeting #4 to see if the screening expresses the TAC's desired outcome. If necessary, additional iterations would show how modifying the criteria could influence outcomes.

Members of the project team will be contacting various TAC members to assist with obtaining data sources.

- Consistency with county plans is a requirement of the law. It is also identified as one of the eight criteria (Criteria #6).
- *DPP Response:* The immediate purpose of the IAL process is to strengthen the State Agricultural District for agricultural uses. It now includes both AG lands and "remnant" lands. The IAL process will distinguish between the lands that have value for agriculture and the lands that are not suitable for agriculture, which could be used for other purposes, including urbanization.
- How to define a landowner is an important question that needs to be answered. Is it 50% of a landowner's property islandwide? Or is it 50% of each parcel? This affects which lands can be identified for IAL.
- It was clarified that the IAL designation is limited to lands in the State Agricultural District. Lands in the State Conservation District cannot be designated IAL.
- Proposal was made to add a 10th criterion, "Agricultural land that contributes to exceptional ecological functions". This would address TAC members' concerns that none of the criteria address the ecological value that the land provides (e.g., ecological services provided by grazing on marginal lands, flood and erosion control, wetland/taro loi serves as habitat for endangered birds).

The group decided against adding this as a formal criterion at this time because of difficulty with identifying indicators and developing the operational definition/mapping sources. Possible indicators would be considered during the interim.

Meeting was adjourned at 6:35.

TAC Meeting #3 Attendance Record

TAC Members: Mike Bajinting, USDA-NRCS Pacific Islands Area
Carl Evensen, UH-CTAHR
Alan Gottlieb, Hawai'i Livestock Farmers Coalition
Shin Ho, Ho Farms
Brian Nishida, Stepstone Business Development
Dean Okimoto, Hawai'i Farm Bureau Federation / Nalo Farms
Mark Phillipson, Syngenta Seeds
Alenka Remec, City Office of Economic Development
Charlie Reppun, Waiahole Poi Factory
Tony Rolfes, USDA-NRCS-Pacific Islands Area
Leon Sollenberger, Agricultural Enterprises
Jesse Souki, State Office of Planning
Stephanie Whalen, Hawai'i Agriculture Research Center
Earl Yamamoto, State Department of Agriculture
Larry Yamamoto, USDA-NRCS Pacific Islands Area, retired

Others: Mark Takemoto, Pioneer Hi-Bred
Duane Okamoto, Mayor's Agricultural Liaison
Randy Hara, DPP
Tim Hata, DPP
Kathy Sokugawa, DPP
Tara DePonte, HHF
Scott Ezer, HHF
Rob James, HHF
Corlyn Orr, HHF
Bruce Plasch, Plasch Econ Pacific
Kem Lowry, Accord 3.0 Consultants

IAL TECHNICAL ADVISORY COMMITTEE PROCESS (MEETINGS #3 - #6)

MEETING #3 DRAFT AGENDA [November 13, 2012]

- Review criteria remaining from Meeting 2
- Opportunity for TAC-nominated criteria
- Explain procedures for establishing priorities among criteria
- Explain proposed process for reviewing priority criteria in Meeting 4
- Introduce “ballots” for weighting criteria (100-point allocation basis)

Interim process [2-3 month period between Meeting #3 and #4]

- HHF develops operational measures for specific criteria such as “adequate water”
- HHF meets with individual experts to identify optimal data sources in order to develop draft map layers for specific criteria
- HHF develop maps for specific criteria at candidate sites to illustrate implications of specific criteria
- TAC members fill out ballots to weight criteria (could possibly include more than one round of filling out ballot)

MEETING #4 DRAFT AGENDA [Date TBD]

- Present TAC nominations for priority criteria
- Present HHF technical process for mapping each criterion
- HHF presents preliminary maps of priority criteria for IAL test sites
- TAC analyze strengths/weaknesses of each mapped criterion

Interim Process [1-2 month period between Meeting #4 and #5]

- HHF sends out notes summarizing TAC assessments of mapped criteria
- TAC members again allocate 100 points among criteria and return ballot to HHF (if necessary)

MEETING #5 DRAFT AGENDA

- TAC members review results of second round of voting
- TAC members decide whether additional map analysis is required in order to make decisions on criteria
- If no additional analysis is required, TAC members make final decisions on criteria
- DPP leadership describe Phase II of IAL criteria process and solicit TAC members participation

[If TAC members determine more mapped analysis is required, a sixth meeting will be necessary.]

November 13, 2012

Important Agricultural Lands Project TAC CRITERIA SCORING BALLOT

Use this ballot to indicate your preference for ranking the IAL criteria. Start with a total of 100 points, then allocate the 100 points among the criteria in the way that best reflects your opinion about the criteria's importance. The number of points given to a criteria reflects its importance. (The more points given, the more important you consider the criteria to be. Less points means less important; a value of zero points means the criteria should not be considered).

Please email your completed form to colsonorr@hhf.com by November 30, 2012.

CRITERIA	POINTS
1. Land currently used for agricultural production	
2. Land with soil qualities and growing conditions that support agricultural production of food, fiber, or fuel- and energy-producing crops	
3. Land identified under agricultural productivity rating systems, such as the agricultural lands of importance to the State of Hawai'i (ALISH)	
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	
5. Land with sufficient quantities of water to support viable agricultural production	
6. Land whose designation as IAL is consistent with general, development, and community plans of the county	
7. Land that contributes to maintaining a critical land mass important to agricultural operating productivity	
8. Land with or near support infrastructure conducive to agricultural productivity, such as transportation to markets, water, or power	
9. Government programs to protect AG lands in perpetuity that are recorded	
TOTAL = 100 points	0

November 20, 2012



Reviewed by DPP 5/6/13
Reviewed/approved by TAC 5/9/13

MEETING SUMMARY

Important Agricultural Lands Identification Project
Technical Advisory Committee Meeting #4
April 8, 2013, 4:30 to 7:00 pm
Pacific Guardian Center, Makai Tower Conference Room

Recorded by: Corlyn Orr

Attendance: see attached

The fourth Technical Advisory Committee (TAC) meeting for the Important Agricultural Lands (IAL) Identification Project was held on Monday, April 8, 2013 at the Pacific Guardian Center, Makai Tower Conference Room (733 Bishop Street, Honolulu). The meeting was scheduled from 4:30 to 7:00 pm. The purpose of the meeting was to receive comments on the preliminary criteria maps and discuss the proposed weighting methodology. The Powerpoint presentation of the preliminary criteria maps was the only handout distributed at the meeting.

Kem Lowry (Accord 3.0 Consultants) opened the meeting at 4:40 pm.

REVIEW AND APPROVAL OF TAC MEETING #3 DRAFT SUMMARY

With no comments or revisions, and no other objections, the written summary from TAC Meeting #3 was approved as drafted.

REVIEW OF TAC CRITERIA VOTING PROCESS AND RESULTS

Kem reviewed the voting process that was used to rank the criteria, and presented the results of the voting process. Each TAC member was asked to vote on the 9 criteria (8 criteria established by Act 183 and a 9th one added by the TAC). Voting entailed distributing 100 points across the 9 criteria. 23 out of 25 ballots were returned, representing 92% TAC participation.

Kem presented the criteria scores resulting from the TAC voting. Using median scores, the criteria that received the most points (15 points) were:

- #5 (*Sufficient Quantities of Water*),
- #1 (*Current Use for AG*) and
- #2 (*Soil Qualities and Growing Conditions*).

Criteria #8 (With or Near Support Infrastructure) and #3 (*AG Productivity Rating Systems*) were both ranked in the second tier (10 points each), followed by *Criterion #7 (Critical Land Mass)*, which received a median score of 9 points.

DISCUSSION OF PRELIMINARY CRITERIA MAPS AND PROPOSED WEIGHTING METHODOLOGY

Kem reminded the group that the TAC's role is to make recommendations to the county for IAL, and that the discussion should stay focused on the criteria. The purpose of the TAC is not to identify AG lands, but to identify what should be the priority criteria for the City to use as they designate IAL.

Rob then presented the preliminary criteria maps and provided a summary of the data used to prepare the maps. He noted that two criteria - #7 (Critical Land Mass) and #8 (With or Near Support Infrastructure) – have not been mapped yet because more guidance from the TAC is needed to clarify the operational definition. TAC members were encouraged to look critically at the maps and provide corrections, as needed.

Several TAC members – including Earl Yamamoto (DOA), Bill Tam and his staff (CWRM), Tony Rolfes (NRCS), Stephanie Whalen (HARC), Barry Usagawa (BWS) and Dan Nellis (Dole) – were recognized and thanked for supporting the data gathering effort and for sharing their information and time.

Questions and concerns are summarized as follows:

- State lands were excluded from the “qualified lands” map (i.e., Slide #7 showing 81,150 acres within the City's study area) because the State (as a collaboration of DOA and DLNR) is required to identify their own IAL for their lands.
- Suggest that a map be prepared to show Federal and State/DHHL-owned lands in the State Agricultural District and already-designated IAL. Important for the TAC to understand the island-wide AG situation. Knowing where the AG lands are located is important when addressing contiguity.
- In response to a question, Rob clarified that the white space on the Criterion #1 map between where the H-1 Freeway and Kunia Road intersects is the highway cloverleaf.
- Map of current AG production (Criterion #1 map) includes both pasture lands and crop-field farming. Ravines identified in the Criterion #1 map are related to the pasture/ranching activity. Ravines are not mapped as part of Criterion #2 because they were not identified in the NRCS land capability classifications.
- There is a possible discrepancy between the maps for Criterion #1 and #2. Need to clarify the extent of current farming activity along the upper slopes of Kunia, and the NRCS land capability classifications for Kunia. Does not appear that the maps accurately reflect topography/slope ranges.
- Would like to see a map of existing farms in the State Urban District as part of the background information on O'ahu's existing AG situation. This information could be useful to identify potential long-term AG land requirements, should farms currently operating in the Urban District need to be relocated to accommodate future urbanization.
- Hawai'i Kai's AG areas are in the State Urban District and are excluded from this study. Need to clarify the land use classifications for the Sumida watercress farm and Kamehameha Schools (KS) lands in Pearl City/Waipio Peninsula.
- Observation was made that AG lands in Aiea/Pearl City area identified in Criterion #2 do not show up in the Criterion #3 map.
- In response to a question, Rob clarified that the map of Criterion #3 includes land that meets at least one of the four classes (does not require land classes to overlap).

- Map of Criterion #4 (Native Hawaiian Use) shows lands that have the capability to support wetland taro production. Lands in Kahalu'u are not included in this map because they are in the State Urban District.
- Sustainable yield is not addressed in the definition for Criterion #5.
- Map of Criterion #5 identifies lands that have access to water for AG use (e.g., lands that have CWRM Water Use Permits, draw AG water from BWS, or have access to surface ditches). Mapping does not take into account the amount of water available for use. Current map does not include recycled water as an irrigation source.
- Lands in Kunia that are irrigated by CWRM Kunia Water Association wells and the Waiāhole Ditch System are not mapped correctly in Criterion #5 Map (refers to area on 'ewa side of Kunia Road, down to H-1 freeway). Sumida Watercress farm is irrigated by an on-site spring, and is not showing up on the map. KS lands at Waipi'o Peninsula and Pearl City Peninsula are also missing from this map.
- Suggestion was made to separate surface-water, gravity flow sources and groundwater sources because transmission can affect cost. Having access to water is meaningless if the water is too expensive to transport. There was general agreement among TAC members to include a statement in the report that the study did not look into the relative costs of providing water. This is an important point because the purpose of IAL is to make AG viable for the farmer. Even with sufficient water, if the cost of providing the water is too high, farming will not be viable.
- Important for the report to also explain that the scope of the study was limited to certain lands, and that this study does not identify all IAL on O'ahu. Lands belonging to the Federal government were excluded from this study because they are outside the county's jurisdiction. State-owned lands were excluded because State law mandates DOA and DLNR to go through their own identification process for State lands. The counties cannot designate IAL for the State.
- Per Chapter 205, the State was required to complete their IAL designation process by January 1, 2010, before the counties went through their IAL process. The State has not designated their lands yet. Knowing which lands were State-designated IAL would have been helpful in defining contiguousness (Criteria #7, Critical Land Mass). DOA started a state-wide mapping project under the previous administration, using available State GIS information to prepare an "AG Resource Lands" map in conjunction with the Office of Planning. DOA will need additional staffing and funding to complete their effort.
- Map of Criterion #6 (Consistent with County Plans) identifies lands that are consistent with both State and County plans. The lands shown on the Criterion #6 map meet all 3 conditions (e.g., in the State AG District, designated AG by the County DP/SCP, and county-zoned AG.) Comment was made that the Sumida Watercress Farm is not included in this map, while the other Pearl City AG lots are shown.
- Map of Criterion #9 (AG Easements) identifies lands that have existing AG easements, which means that they will be in AG for perpetuity. These lands are not eligible for tax incentives without the IAL designation.

- Acreages reported on the Top 3 Criteria and the Top 4 Criteria Maps (Slides 16 and 17) reflect the actual amount of land in each category. They should be considered additive, as shown on the following tables.

Map of Top 3 Criteria (Slide 16)

	Acreage Per Slide 16	Actual Acreage
Lands with All 3 Criteria	20,105 ac	20,105 ac
Lands with 2 of Top 3 Criteria	20,060 ac	40,165 ac
Lands with 1 of Top 3 Criteria	27,650 ac	67,815 ac

Map of Top 4 Criteria (Slide 17)

	Acreage Per Slide 17	Actual Acreage
Lands with All 4 Criteria	18,905 ac	18,905 ac
Lands with 3 of Top 4 Criteria	14,520 ac	33,425 ac
Lands with 2 of Top 4 Criteria	13,365 ac	46,785 ac
Lands with 1 of Top 4 Criteria	21,970 ac	68,755 ac

- Criteria #7 (Critical Land Mass) and #8 (Near or With Support Infrastructure) have not been mapped, as there was no consensus or measurable definitions given during previous TAC discussions and further TAC guidance is needed to define the two criteria.
 - The usefulness of mapping Criterion #7 was questioned. It was felt that it was more important to map State-owned AG lands in relation to the study area, as the State-owned AG lands would help identify contiguous AG acres. The lack of information about other existing AG entities distorts the City's mapping efforts.
 - Criterion #8 was deemed to be less important for O'ahu than for the neighbor islands, since transportation is not as critical for O'ahu as other islands (i.e., AG areas on Oahu are closer to major markets, whereas places like Molokai or Hawai'i Island involve barge/air shipping). Additional TAC guidance is needed to define the specific characteristics associated with infrastructure requirements for utilities such as water and electricity. It was generally agreed that developing this map would not materially change the current picture of the study area.

DISCUSSION ABOUT PRELIMINARY DECISION-MAKING PROCESS

The meeting was recessed at about 6:15 pm for a 20-minute break during which time meeting attendees were encouraged to review the criteria maps posted around the room and ask questions. The meeting was reconvened at about 6:35 pm, with the discussion about the need to map Criteria #7 and #8 continuing.

- Concern was raised that this study would not be in compliance with the law if the criteria maps were not prepared/ available. In response, it was clarified that the criteria were for both (1) weighting the criteria for purposes of the City's IAL designation process and (2)

applying the criteria to an individual landowner's parcel-specific IAL application. TAC members agreed that criteria which were not mapped or were not given priority weighting for this study were still important for IAL decision-making, and that IAL applicants should be required to provide written summary describing the criteria as part of their application.

- It was suggested to use the distance from paved roads as part of the definition for Criterion #8. After some discussion, the TAC agreed that this feature (i.e., transportation) could not be mapped with specificity. There was also agreement that access to roads was not truly significant because there is no place on O'ahu that is really that remote from a market. KS lands above Hale'iwa and Kahuku were identified as areas with good farmland that are associated with the greatest travel distances on O'ahu. KS lands are accessible via a good plantation road system that minimizes travel time. Kahuku is the farthest AG area from Honolulu and is known for its successful farming operations. These areas challenge the notion that areas with good farmland could not qualify for IAL because of accessibility.

Kem asked the group to consider the criteria selection process. *"Based on the maps being presented, did the group prioritize the right criteria? Is there a need to go through the criteria selection process (voting) again?"* The focus of the TAC is to identify criteria that the county will use to recommend candidate lands for IAL and to map the criteria. The second phase of the county's IAL process will focus on identifying lands for IAL.

- Although the voting process was fair, the TAC may want to reconsider and identify Criterion #4 (Native Hawaiian Use) as a key criteria. Taro lo'i are unique because the land characteristics cannot be reproduced (e.g., soils, hydrology, place in the landscape), and because they are relatively few in number. Top 3 Criteria Map appears to include most of the lo'i areas, but there is still value in prioritizing Criterion #4. Lo'i are productive as AG lands and should not be used for other kinds of purposes. Lo'i are typically wetland areas that are periodically flooded, and these lands are unsuitable for other uses/development.
- Agricultural self-sufficiency is important but the TAC agreed not to address this issue as part of this study. In the pre-contact Native Hawaiian era, taro was a valuable food source because it was an efficient crop to grow and it grew year-round (unlike *ulu* or *u'ala* which had growing seasons and required dedicated irrigation systems). Starch production is important for self-sufficiency. Taro is a starch that can be produced with minimal effort and it does not involve pumping irrigation water. Wetland taro, which requires as much as 100,000 gallons/acre/day, also represents a type of ecosystem, as water is directed from the stream through *lo'i*, returned to the stream, and then to the ocean where it supports *muliwai* (nearshore brackish ecosystems).
- Concern was expressed about identifying the sustainable yield for groundwater and streamflows. How much water will be needed to irrigate the lands designated IAL? A related concern was raised about the definition of "sufficient" water, as Criterion #5 identifies lands that HAVE water, but the amount of water needed to be sufficient depends on the crop being grown.
- There was consensus that a map showing both State-owned lands in the State AG District and lands eligible for IAL as part of this study ("Qualified Lands") would be helpful to understand the context of Oahu's AG situation, for informational purposes only. Map would be helpful for the general public to see that this study is only looking at a portion of the AG lands.

- GIS data on the State land use districts is available from the State GIS website. An inventory of Oahu includes 122,790 acres in the State AG District, 158,669 acres in Conservation and 104,232 acres in Urban.
- The TAC may want to consider the value of prioritizing the criteria. The 81,000 acres eligible for consideration as IAL is not a significant amount to begin with. Another option could be to use all 9 criteria, instead of prioritizing only the top 3 or 4 criteria.
- Ownership has not been part of this analysis because it does not affect criteria prioritization. However, ownership will affect the amount of land identified as IAL because the counties cannot identify more than 50% of a landowner's inventory.
- It was clarified that the 85%-15% rule allows a landowner to urbanize lands that are already designated for Urban use by the counties (i.e., within the county's urban growth boundaries), on the condition that the other 85% of their land will be designated for IAL. Only lands that are designated for future urbanization can be fast-tracked; lands that are eligible for IAL designation cannot be fast-tracked. Dole does not own any land within the Urban Growth Boundary.
- Suggestion was made for a comprehensive map of all the criteria. It would be useful to see if the areas identified on the Criterion #4 Map are included in the Top 3 Criteria Map. Would also be interesting to see how much of the other, lower-priority criteria were included.

Kem asked the group to identify information that was most pertinent to their decision-making process. *What would the TAC have to know and what would the TAC like to know to make recommendations?*

Necessary information (need-to-knows) includes:

- Map of State AG District in relation to the Qualified Lands
- Identifying county Urban Growth Boundaries on Criterion #6 map (supports 15% rule)
- Including gulches as part of the criteria maps. The group agreed that the gulches served an essential drainage function, and should be included in the criteria maps. Although flat areas are used for cultivation, the flat would not be usable without proper drainage. All recently-approved IAL petitions included gulches because they are recognized as part of ecosystem. The gulches are also included in the urbanization process and landowners pay property taxes on them. Excluding the gulch areas from the IAL process would devalue the land.

Desirable information (nice-to-knows) included land ownership.

The gulches are also important to contiguousness (Criterion #7). Kem suggested more time to think about measuring a critical land mass and contiguousness. The discussion about how to operational Criterion #7 was deferred until the next meeting.

Meeting was adjourned at approximately 6:50 pm.

TAC Meeting #4 Attendance Record

TAC Members: David Arakawa, Land Use Research Foundation
Dan Nellis, Dole Food Company Hawai'i
Katie Ersbek, Commission on Water Resource Management
Carl Evensen, UH-CTAHR
Alan Gottlieb, Hawai'i Livestock Farmers Coalition
Andy Hashimoto, UH-CTAHR
Ken Kamiya, Kamiya Gold
Brian Nishida, Stepstone Business Development
Dean Okimoto, Hawai'i Farm Bureau Federation / Nalo Farms
Mark Phillipson, Syngenta Seeds
Alenka Remec, City Office of Economic Development
Charlie Reppun, Waiāhole farmer
Jesse Souki, State Office of Planning
Alan Takemoto, Monsanto
Barry Usagawa, Board of Water Supply
Stephanie Whalen, Hawai'i Agriculture Research Center
Earl Yamamoto, State Department of Agriculture
Larry Yamamoto, USDA-NRCS Pacific Islands Area, retired

Others: Mark Takemoto, Pioneer Hi-Bred
Duane Okamoto
Randy Hara, DPP
Tim Hata, DPP
Kathy Sokugawa, DPP
Scott Ezer, HHF
Rob James, HHF
Corlyn Orr, HHF
Bruce Plasch, Plasch Econ Pacific
Kem Lowry, Accord 3.0 Consultants



MEETING SUMMARY

Important Agricultural Lands Identification Project
Technical Advisory Committee Meeting #5
May 9, 2013, 4:30 to 7:00 pm
Pacific Guardian Center, Makai Tower Conference Room

Recorded by: Corlyn Orr

Attendance: see attached

The fifth Technical Advisory Committee (TAC) meeting for the Important Agricultural Lands (IAL) Identification Project was held on Thursday, May 9, 2013 at the Pacific Guardian Center, Makai Tower Conference Room (733 Bishop Street, Honolulu). The meeting was scheduled from 4:30 to 7:00 pm. The purpose of the meeting was to respond to questions and information requests from the previous TAC meeting, and determine which/how many criteria would be recommended as the priority criteria.

Kem Lowry (Accord 3.0 Consultants) opened the meeting at about 4:40 pm.

REVIEW AND APPROVAL OF TAC MEETING #4 DRAFT SUMMARY

With no comments, additions, or corrections, the written summary from TAC Meeting #4 was approved as drafted.

PRESENT FOLLOW-UP MATERIALS IN RESPONSE TO QUESTIONS AND INFORMATION REQUESTS FROM TAC MEETING #4

Scott Ezer provided responses to questions and information requests that were raised during the previous TAC meeting. Discussion items are summarized as follows (see the meeting PowerPoint for a summary list).

- All of the criteria maps have been updated to include State-owned land in the State AG district (encompasses about 11,000 acres).
- All of the criteria maps have been updated to include the county's Urban Growth Boundaries.
- There was discussion at the last TAC meeting about mapping the gulches and ravines as part of criteria maps. This topic remains unresolved at this time, as there are still outstanding questions about the value of mapping these areas and the ramifications for the identification of IAL.
- The Office of Planning provided a map of private landowners (map was posted during the meeting). The TAC's decision-making is not meant to be influenced by land ownership, and this information will not be included in the report. It is important that the TAC's decision-making process is based strictly on the merits of the criteria and the value of the land relative to the criteria. There are possible legal ramifications associated with using land ownership as a criterion.

- Several TAC members (Stephanie Whalen, Earl Yamamoto and Dan Nellis) were recognized for attending and participating in HHF's informal lunchtime working session. The map of Criterion #1 was modified to correctly show current farming activity along the upper slopes of Kunia, based on the discussion at the working session.
- No mapping changes have been made regarding the use of NRSC land capability classifications (first 3 categories are still being used).
- Questions about the land use classifications for Sumida Watercress Farm were brought up several times during TAC Meeting #4. The watercress farm is in the State AG District, outside the county's Urban Growth Boundary, and zoned AG. However, it is designated Preservation on the county's SCP Map, and is therefore not eligible for IAL consideration under the county's process. Concerns were raised about the soundness of the law, when Sumida Watercress Farms could not be eligible for the IAL incentives. It was noted that Sumida could petition the LUC for IAL status as a private landowner.
- Several criteria maps have been modified to include Kamehameha Schools' lands in Pearl City and Waipio Peninsula, in response to comments raised during the last TAC meeting.
- Lands that were shown as irrigated did not adequately address lands served by the Kunia Water Association Wells. Criterion #5 map was adjusted accordingly. No mapping changes have been made for Central O'ahu lands irrigated by the Waihole Ditch System (data was verified).
- Acres as reported on the maps showing the Top 3 Criteria and the Top 4 Criteria were changed to be additive.
- Existing farms in the State Urban District will not be a consideration for determining the land's qualifications for IAL. Based on the current law, lands in the State Urban District cannot be considered for IAL under the county process, and are therefore not able to qualify for incentives. However, it would be useful to include a map identifying such farms as part of the report (for informational purposes only).

Developing this map would be a rigorous, labor-intensive exercise of looking at aerial satellite photos to identify the numerous small farms scattered throughout the Urban District (i.e., landscaping nurseries, food crops and flower farms, as well as taro farms which are difficult to identify). This will most likely include small farms in Kahalu'u and Wai'anae, and larger sections in 'Ewa and Central O'ahu. Although preparing this map is outside the scope of this study, it may be included in the report, if the information can be culled from existing data sources (e.g., may be possible to use county's real property tax AG dedication database or the BWS data for AG water rates). One possible strategy to collect this information could be to ask for public input to help create a registry of existing farms in the Urban District during the second phase of the project.

If the purpose of IAL is to support agriculture and provide incentives that make it easier for farmers to farm, it doesn't seem logical that farms in the Urban District are not eligible for the incentives. Most of these farms are small operations with farmers living on their farms (e.g., Kahalu'u, Hawai'i Kai, Palolo Valley), and moving into AG areas outside the Urban District is simply not possible. The logic of the law which requires that land be designated as IAL to receive incentives was already questioned at a

previous TAC meeting. It was noted that these farmers could dedicate their lands with an AG easement for tax incentives. The IAL incentives are restricted to resource lands because public funding mechanisms have resource limitations, and it is necessary to focus public investment (i.e., incentives that support infrastructure improvements) on "important" lands.

- Criterion #8 (With or near Support Infrastructure) has not been mapped yet, and will not be mapped. This criterion addresses the relationship between a farm, the market and infrastructure. Discussion at the last TAC meeting indicated that O'ahu could be considered to be one market, as all areas have reasonable accessible to roadways, harbors, and airports. No additional comments followed, and there was general agreement from the TAC that Criterion #8 would not be mapped.
- A definition for Criterion #7 (Critical Land Mass) has not been developed yet, despite previous TAC discussion (see TAC Meeting #3 written summary, "proximity and functionality are more important factors than acreage when defining critical mass", as a concentration of farms creates a market for farm services such as shared processing facilities and farm suppliers).

TAC members who were involved in drafting Act 183 noted that the intent of this criterion was to prevent large tracts of AG lands from being broken up by urban development, as has been the case in other states where residential subdivisions have been developed in the middle of AG areas. The concept of preserving critical land mass was to minimize nuisance issues between AG and residential uses, and to limit potential urban encroachment on AG lands.

It was agreed that the language in Chapter 205, HRS does not require the definition to address "contiguousness," and that the difficulty with developing a definition is determining a metric for measurement (e.g., # of contiguous farms or acres). Several options were suggested: (1) providing a reference to O'ahu's critical land mass, in terms of the island's gross number of acres as it relates to maintaining O'ahu's agricultural industry; (2) clarifying that even though land may be separated from other AG lands, it still contributes to critical land mass because of its island-wide benefit to AG; (3) using the priority criteria map to identify AG lands aggregated together that could be considered to be O'ahu's critical land mass.

The notion that this criterion may not be quantified and may be better served as a guideline for the county mapping process than operationalized as a map was discussed. Determining critical land mass seems to involve subjective review of surrounding urban uses, which is more appropriate for evaluating private/individual landowner petitions that propose to add/remove AG lands than for the counties' IAL effort. The TAC agreed that Criteria #7 was inconsequential because the county's Urban Growth Boundaries identify where urbanization is allowed.

- Chapter 205, HRS assigns responsibility for the identification of IAL on State-owned lands to DOA and DLNR. In response to questions raised during the last TAC meeting about the extent of DOA's and DLNR's jurisdiction over "public lands", the public lands definition (Chapter 171, HRS) was distributed for reference (i.e., included in the presentation and also distributed as a separate one-page handout). A copy of Chapter 205-44.5, HRS, which is the section of the law that specifically mentions Chapter 171, HRS was also distributed as a separate handout.

REVIEW THE TAC'S ROLE IN THE CITY'S PROCESS TO IDENTIFY IAL

Phase II. Scott presented a general overview of Phase II and explained how the criteria and associated maps developed during Phase I would be used in Phase II. The scope and funding for Phase II has not been determined yet. Funding is pending City Council approval of the FY-2014 budget. The City has not selected a consultant yet, and will negotiate the scope of work with the selected consultant. In general, Phase II will consist of a series of community meetings and landowner meetings to educate the community and landowners on the materials produced during Phase I, including presentation of the criteria maps and the process that was used to develop the maps and discussion about determining the threshold for IAL.

Tim Hata, DPP project manager, summarized the overall decision-making process to be used by DPP and the TAC's role in developing recommendations. The products resulting from Phase I - including the report, conceptual maps and TAC recommendations - provide an important foundation for Phase II. During Phase II, the work products from Phase I would be refined before the draft maps will be submitted to the City Council for review/approval, then to the LUC for final consideration.

Kathy Sokugawa clarified that the phasing will depend on how much money is given for funding. Although DPP anticipates two separate phases, additional phases may be needed to complete the work, if the necessary funding is not available. The total amount allocated in the current City budget is \$300,000, consisting of \$150,000 requested by the City Administration and an additional \$150,000 added by the City Council.

Map of Private Ownership. It was suggested that the draft report should include a map of private landownership. Scott re-emphasized that the purpose of Phase I is to establish the manner in which the criteria are operationalized and rated, and the way that the data sets are used to create the maps. Land ownership is immaterial to the recommendations of Phase I. The second phase will consider land ownership, and the size and location of the parcels. A TAC member commented that private landownership would be of interest to the general public, since the counties can only propose 50 % of a landowner's land as IAL. Due to confusion among meeting attendees about the 50% rule, the discussion was deferred for legal review.

Farms in the Urban District. A section in the report will present "lessons learned," or recommendations for minor changes to improve the existing law. This includes describing the concern that farms in the Urban District cannot qualify for incentives. Incentives that support these farms are important, if the long-term goal is to continue farming in these areas. A provision that allows farms with a dedicated AG easement to qualify for the incentives was suggested.

TAC'S CRITERIA RECOMMENDATIONS (NON-BINDING VOTE)

Kem explained the next agenda item, which involved TAC members voting on the criteria ranking. Developing the TAC's criteria recommendations will consist of a two-step decision-making process: (1) the first decision involves determining the TAC's satisfaction with the current priority criteria (Criteria #5, #1 and #2, per the original TAC vote) and the desire for a re-vote on the criteria ranking; and (2) the second decision involves identifying how the priority criteria should be combined to define the IAL threshold.

The voting process was summarized before the ballot was passed out. Kem also noted that per the group charter, two-thirds of those attending a meeting and voting by written ballot

constitutes a super-majority. Only TAC members in attendance would vote. The vote would be anonymous, and the results would be announced after a 20-minute break. The question on the ballot read: "Given the TAC discussions and review of criteria data, do you want to re-rank the 9 criteria?" If the majority voted YES in favor of a re-vote, then the meeting would be adjourned and ballots would be emailed to TAC members for additional voting on ranking. If the majority voted NO in favor of the current criteria ranking, then the meeting would continue, and a second vote would be conducted to determine which criteria would be used (e.g., Top 3, Top 4 or Top 6 priority criteria).

There was some discussion that the entire TAC process could be compromised if the criteria were changed after the preliminary criteria maps were reviewed.

The vote was taken, followed by a 20-minute break. The meeting was reconvened, and the voting results were announced (10 NO votes, 1 YES vote). Given that the majority of TAC members present indicated satisfaction with the current criteria ranking, the meeting continued and the second ballot was passed out. The second ballot presented three choices: (1) My preference is to continue with the top 3 priority criteria (Criteria #5, #1 and #2); (2) My preference is to continue with the top 4 priority criteria (Criteria #5, #1, #2 and #3). I agree that Criterion #8 is not critical for O'ahu; and (3) My preference is to continue with the top 6 priority criteria (Criteria #5, #1, #2, #3, #7 and #4).

Prior to voting, Scott reviewed the maps/acreages associated with the Top 3 and Top 4 criteria (see PowerPoint slides #21 and #22), and then opened up the meeting for questions and comments. Discussion is summarized as follows.

- One TAC member commented that even though his personal bias supports the notion of including as much land as possible to protect AG, the TAC would lose credibility if they recommended all of the AG lands for IAL, without considering the quality of the land. In reviewing the Top 3/Top 4 Criteria Maps, it appears that the areas with only 1 or 2 criteria shown are not good farmland (i.e., high elevation, along ridges, in gulches or located too high for gravity-fed irrigation). Using either 2 of the top 3 criteria or all 3 criteria would be preferred.
- A second TAC member expressed his preference for using the top 3 criteria. A recommendation that supports designating all AG lands as IAL would defeat the intent of the law, which is to preserve and protect the best AG lands. Not all AG lands are meant to be IAL. It could set precedence for future landowner petitions, if the TAC broadened the definition to include lesser-quality lands.
- A third TAC member commented that he would have difficulty adding a fourth criteria because the top 3 criteria (water, current AG use, and soil qualities) reflect the key factors that contribute to successful AG operations. In addition, the median scores show a clear separation among the top 3 criteria.
- A fourth TAC member agreed that using the top 3 criteria would be consistent with the voting results. It is unclear how to justify adding additional criteria, when only the top 3 are grouped closely together.
- It was clarified that the data used to map Criteria #5 (sufficient quantities of water) was based on existing irrigation systems, and that the criterion did not account for sustainable yield. The operational definition was based on the current availability of

water, not the potential to irrigate in the future. It was noted that lands that do not meet this criterion at this point in time may still be designated as IAL in the future. For properties without irrigated water, landowners would have to provide their own improvements before petitioning the LUC for IAL designation.

- It has not been possible to predict the LUC's decision-making process when reviewing IAL petitions. In recent cases, it seems that each petition is being evaluated on its own merits, on a case-by-case basis, and that the LUC is not being consistent in their review of the petitions. Observers of the process sense that the decision-making process is still evolving, as individual petitions which were previously denied may now have a chance of being approved (e.g., case of reservoirs or gulch areas). The LUC has not articulated what criteria they will be using to evaluate the counties' recommendations for IAL.
- Food security and food self-sufficiency. While food self-sufficiency is recognized as an important AG consideration that is referenced in both the State Constitution and the state law, the issue is outside the scope of this project. One TAC member suggested that food self-sufficiency should be addressed in the report as background information for decision-making, and that the total acres needed to achieve island-wide self-sufficiency should be identified. The approach used in Kaua'i's IAL effort - which involved preparing food self-sufficiency scenarios that identified acreages needed to support different population projections - was cited as a possible strategy.

Discussion in response to this suggestion is summarized below.

- Food self-sufficiency requires favoring one type of AG use over another, which is counter to the law. The intent of IAL is to protect AG land, and the law is structured to recognize all different AG producers without specifically focusing on food crops. This is evidenced by the description of Criteria #2, "land with soil qualities and growing condition that support agricultural production of *food, fiber, fuel, and energy producing crops*." The IAL evaluation process is not crop-based. It is based on the characteristics of the land, as land currently used for other crops may be converted to support food crops in the future.
- Shifting the focus of IAL to food crops could increase competition among AG producers for land. Lands designated as IAL qualify for incentives which could make the land more affordable than non-IAL designated properties, which may encourage farmers to grow food crops. There are already competing interests for AG land (e.g., different types of farmers/AG producers need land priced at different points to be viable). The IAL designation is not meant to resolve differences among competing interests.
- With respect to statewide issues of food self-sufficiency/sustainability, DOA assisted the Office of Planning in their development of the "Food Security and Food Self-Sufficiency Strategy" that focuses on programs that can guide and support increasing food self-sufficiency in Hawai'i. Additionally, DOA is directing a food metrics project, funded by The Ulupono Initiative to establish food reliance metrics which is fundamental to tracking progress toward food self-sufficiency, and expanding its "Buy Local, It Matters" statewide program that encourages residents to support Hawai'i farmers by making conscious decisions to purchase locally grown produce.

- It may be more appropriate to examine food self-sufficiency as a statewide issue. Under previous administrations, the State Plan prepared by the Office of Planning identified O'ahu as the primary business-gathering place and the neighbor islands were the "bread basket." This was part of the state's economic strategy to support agricultural industries on the neighbor islands. There could be negative impacts to AG employment on the neighbor islands if O'ahu wanted to become 100% self-sufficient without imported neighbor islands produce.
- It can be argued that 100% self-sufficiency is impractical and risky. In the event of a natural disaster that wipes out the supply of local products, it would be highly unlikely that off-island suppliers would be willing to respond to the need for imports.
- Scott indicated that conducting a food self-sufficiency study was outside of the scope for this project, and that food self-sufficiency was more appropriate for discussion during Phase II. The law does not require the county to consider food self-sufficiency. Kaua'i chose to address self-sufficiency because of the local community's attitudes and opinions.
- The scenarios prepared for Kaua'i's study identified a range of about 25,000-65,000 acres of land needed to meet various levels of food self-sufficiency, based on 65,000 residents and the de facto visitor population. A TAC member who attended the final meeting of the Kaua'i County IAL advisory committee commented that individual members of Kaua'i's advisory committee were clearly biased about selecting criteria that would result in the greatest amount of IAL acreage. In contrast, landowner interests acknowledged that designating 60,000 acres for IAL was not attainable, and recommended criteria that would result in attainable IAL acreages. (Kaua'i currently has about 4,500 acres of land that have been designated IAL. This acreage reflects more than 50% of the land owned by the island's large landowners, Grove Farm and A&B.) The various interests on Kaua'i's advisory committee have been unable to agree on a recommendation.
- 50% Rule. Scott presented the language of Chapter 205-49 (3), HRS which states, "If the majority of landowners' landholdings is already designated as IAL, excluding lands held in the conservation district, pursuant to section 205-45 or any other provision of this part, the commission shall not designate any additional lands of that landowner as IAL except by a petition...." This citation provides clarification that the counties are able to propose 100% of a landowner's land as IAL, if the landowner has not already voluntarily designated at least 50% of their land as IAL. The intent of the "50% Rule" was to create an incentive for voluntary designations, before the counties designated IAL.

The second vote was taken, and ballots were collected. Voting results would be announced via email. Scott thanked the TAC for attending the meeting, and expressed his appreciation for everyone's patience and willingness to consider different viewpoints.

For the record, the majority of TAC members chose to continue with the top 3 priority criteria. The record of votes is as follows:

- 10 votes in favor of continuing with the top 3 priority criteria (Criteria #5, #1 and #2)
- 0 votes for continuing with the top 4 priority criteria (Criteria #5, #1, #2 and #3)
- 1 vote for continuing with the top 6 priority criteria (Criteria #5, #1, #2, #3, #7 & #4)

7. WRAP-UP

TAC Meeting #6 will be the last TAC meeting, and is targeted for the first week of June. (Meeting has subsequently been scheduled for June 19, 2013). Proposed agenda items for the next meeting include the TAC's recommendation for which combination of criteria to use, and the content of the draft report.

Meeting was adjourned at 7:01 pm.

TAC Meeting #5 Attendance Record

TAC Members: Alan Gottlieb, Hawai'i Livestock Farmers Coalition
Andy Hashimoto, UH-CTAHR
Brian Nishida, Stepstone Business Development
Charlie Reppun, Waiāhole taro farmer
Dan Nellis, Dole Food Company Hawai'i
David Arakawa, Land Use Research Foundation
Dean Okimoto, Hawai'i Farm Bureau Federation / Nalo Farms
Earl Yamamoto, State Department of Agriculture
Leon Sollenberger,
Mark Phillipson, Syngenta Seeds
Stephanie Whalen, Hawai'i Agriculture Research Center

Others: Randy Hara, DPP
Tim Hata, DPP
Kathy Sokugawa, DPP
Scott Ezer, HHF
Rob James, HHF
Corlyn Orr, HHF
Bruce Plasch, Plasch Econ Pacific
Kem Lowry, Accord 3.0 Consultants

1	Currently used for agricultural production	4. NON-BINDING VOTE
2	Soil qualities and growing conditions	
3	Agricultural productivity rating systems	<input type="checkbox"/> My preference is to continue with the top 3 priority criteria (Criteria #5, #1 and #2).
4	Traditional native Hawaiian uses, or unique agricultural crops and uses	<input type="checkbox"/> My preference is to continue with the top 4 priority criteria (Criteria #5, #1, #2 and #3). I agree that Criterion #8 is not critical for O'ahu.
5	Sufficient quantities of water	<input type="checkbox"/> My preference is to continue with the top 6 priority criteria (Criteria #5, #1, #2, #3, #7 and #4).
6	Consistent with county general, development, and community plans	
7	Contributes to maintaining a critical land mass	
8	With or near support infrastructure	
9	Government programs to protect AG lands in perpetuity	
TAC Meeting #5 May 9, 2013		



7/31/13

Reviewed by DPP 7/3/13

Reviewed by TAC 7/17/13

MEETING SUMMARY

Important Agricultural Lands Identification Project
Technical Advisory Committee Meeting #6
June 19, 2013, 4:30 to 7:00 pm
Pacific Guardian Center, Makai Tower Conference Room

Recorded by: Corlyn Orr

Attendance: see attached

The sixth and final Technical Advisory Committee (TAC) meeting for the Important Agricultural Lands (IAL) Identification Project was held on Wednesday, June 19, 2013 at the Pacific Guardian Center, Makai Tower Conference Room (733 Bishop Street, Honolulu). The meeting was scheduled from 4:30 to 7:00 pm. The purpose of the meeting was to finalize the TAC recommendations for the priority criteria, discuss expectations for Phase II of the City's IAL mapping initiative, and discuss the content to be included in the draft report. Meeting handouts included the PowerPoint presentation and the draft report table of contents.

Kem Lowry (Accord 3.0 Consultants) opened the meeting at about 4:40 pm. Thirteen TAC members were in attendance.

INTRODUCTIONS

Kem recognized and introduced the City's new AG liaison, Dr. Po-Yung Lai, and then asked TAC members to introduce themselves.

REVIEW AND APPROVAL OF TAC MEETING #5 DRAFT SUMMARY

Earl Yamamoto requested a correction to the draft meeting summary. On page 6 of the draft, the second to the last bulleted item under "food security and food self-sufficiency" reads, "In response to a question, it was confirmed that DOA is not currently looking at statewide issues of food self-sufficiency/sustainability"). The statement is to be replaced with the following:

"With respect to statewide issues of food self-sufficiency/sustainability, DOA assisted the Office of Planning in their development of the 'Food Security and Food Self-Sufficiency Strategy' that focuses on programs that can guide and support increasing food self-sufficiency in Hawai'i. Additionally, DOA is directing a food metrics project, funded by The Ulupono Initiative to establish food reliance metrics which is fundamental to tracking progress toward food self-sufficiency, and expanding its "Buy Local, It Matters" statewide program that encourages residents to support Hawai'i farmers by making conscious decisions to purchase locally grown produce.

With no other comments, additions, or corrections, the written summary from TAC Meeting #5 was approved as drafted.

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REVIEW TAC CRITERIA RECOMMENDATIONS

Kem summarized the results of the vote taken during the last meeting, which indicated that the majority of TAC members present preferred to use the top 3 priority criteria. Kem also presented the map showing the top 3 priority criteria (Criteria #1: current AG production; Criteria #2: soil and growing conditions; and Criteria #5: sufficient quantities of water), and opened the floor for discussion. There were no comments or objections to the top 3 criteria being recommended to DPP.

Kem then asked for comments about the application of the criteria, and the TAC's position on the inference that lands recommended for IAL designation would need to meet all 3 of the criteria. Questions and comments are summarized as follows.

- Question was raised about the mapping of TMK parcels. How were TMK parcels with more than one type of land use mapped? This concern was raised during a previous meeting, as it is possible for a TMK parcel to have a mixture of uses (e.g., can have a working farm, gulch/stream and office complex within a single TMK parcel).

Scott Ezer responded that the TMK parcel boundaries are not reflected in this mapping effort. Scott also acknowledged that the integration of TMK parcel boundaries would be worked out during Phase II, since it will be necessary to identify which parcels are being recommended for IAL designation.

- There was confusion about what was meant by the bulleted item on Slide #5, "inference to require that all 3 criteria are present to qualify for IAL." Following discussion, the group agreed that the wording should be changed, and that that it was NOT the intent to require all 3 criteria be present to qualify for IAL designation. Lands that have all 3 criteria present should be given the highest priority for IAL. A combination of the 3 criteria was preferred, since a requirement to meet all 3 criteria would exclude some farms.

It was agreed that the report would include a statement about the criteria being specific to the City's IAL designation process, and that the City's use of the 3 criteria should not influence the LUC review of individual-landowner applications (i.e., a petition for voluntary designation should not be required to have all 3 criteria).

- A TAC member expressed concern that the criteria selected for the City's IAL designation process could set precedence for LUC decisions regarding future voluntary landowner designations on O'ahu (i.e., LUC may judge all future voluntary landowner designations against the top 3 criteria used in the City's designation process).

In response, Scott commented that none of the counties have completed/submitted their IAL packages to the LUC for review as of yet, and the LUC's decision-making process and assumptions about LUC deliberations are unknown. In light of this, it is important for the City to establish sound policies that can withstand both public and LUC scrutiny. He also stated that landowners who did not qualify for an IAL designation through the City's process could voluntarily apply for IAL designation on their own.

- Question was raised about the operational definition of Criteria #1. The current definition is limited to land currently used for agricultural production, which is of

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concern because it automatically eliminates from consideration lands that are not currently in AG production, regardless of soil qualities or water availability.

It was noted that the current definition includes “lands in cultivation, used for grazing or temporarily fallow.” It was also noted that the map of Criteria #1 includes most of the lands that were previously used for sugar cane production, and the land that Dole currently has in fallow. A suggestion was made to change the operational definition to “land used in the last 10 years.”

Following group discussion, the TAC agreed to continue with the current definition (“currently in AG production”), since that is how the criteria is defined in the State law and veering from the language of the law could increase the risk of legal challenge from a party who objects to the City’s IAL project. In the section of the report that defines the operational definition for each criterion, a definition of “currently” should be included to minimize confusion about the timeframe being used for fallow lands.

- In response to a question about the difference in acreages reported on the maps for Criteria #1 (“currently used for agricultural production,” 49,485 acres) and Criteria #2 (“soil qualities and growing conditions,” 42,920 acres), Rob James clarified that Criteria #1 includes grazing lands, which are not by nature high quality agricultural lands. Ranching activities typically use marginal lands (i.e., poor soils, steep slopes, unirrigated), which would not be accounted for in Criteria #2.

DISCUSSION OF EXPECTATIONS FOR PHASE II

Kem presented a general overview of the approach used for Phase I and the approach being proposed for Phase II, which was also discussed during TAC meeting #5 (refer to Slide #5). Scott commented that the timing of Phase II is uncertain at this time, given that the City still needs to conduct the RFQ/consultant selection process and develop a scope of work. Comments and questions about Phase II are summarized as follows.

- The identification of IAL incentives is an integral part of Phase II, and needs to be included early in the process, preferably at the beginning of the public process before public hearings are scheduled and landowners are notified about potential IAL designations. According to the law, the county is required to have their incentives in place before lands can be proposed for IAL designation. The incentives are necessary to ensure compliance with the law and to minimize the risk of litigation. At its core, the law establishes an incentive-based program designed to make agriculture viable. In addition, the incentives are intended to motivate landowners to initiate voluntarily IAL designation before the county’s IAL process. Landowners are expecting that the City will proceed with the incentives before the draft IAL maps are revealed.

Kathy Sokugawa commented that DPP’s primary role in the IAL designation process is to develop a coherent set of boundaries for the State LUC, to the extent that the LUC can define important lands within the State AG District. DPP’s primary mission is to manage land use, and providing economic incentives to farmers is secondary to land use. It remains undecided how the incentives will be addressed during Phase II.

- Meeting attendees agreed to a continuing role for an advisory committee in Phase II, which could be a recommendation in the report. This TAC has had an important role in

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the work to date. If incentives are included in Phase II, an advisory committee made up of industry professionals would be invaluable in framing and developing incentives.

- Kaua’i County has been working on their incentive package. DPP should consult with Kaua’i for information.
- The law (HRS 205) provides broad guidelines for incentives at both the State and county level, with an incentive framework for state-administered programs. While it may be possible to interpret the county’s efforts to implement the state-mandated incentives as a starting point for the county’s incentives package, the City should be introducing additional incentives. Landowners would benefit from county property tax incentives.
- Voluntary designation – where landowners petition the LUC on their own – is very costly (due to the need for consultants and attorney representation). For the most part, small landowners will not be able to afford voluntary designation. Although it would be more affordable for a landowner to designate their lands through the county’s IAL effort, a landowner gives up their ability to choose which lands will be designated and the selection becomes subject to the City Council’s political process.
- An incentives structure that ties the number of incentives to the number of criteria present (i.e., more criteria = more/better incentives) was suggested. Meeting attendees did not support this because it discriminated against farmers working with lower-quality soils or limited water availability.
- Land being used for agricultural support functions, such as processing facilities and AG worker housing, cannot be designated as IAL because the lands are not actively farmed and thus, do not fit the definition of IAL. Without an IAL designation, these landowners – whose operations provide an invaluable and fundamental function for the agricultural industry – cannot qualify for IAL incentives. Two specific examples were discussed:
 - The non-profit Hawai’i Agriculture Research Center (HARC) owns about 100 acres of AG-1 zoned land used for AG worker housing and processing infrastructure that supports small farmers (formerly Del Monte land that was auxiliary to AG). HARC has an agricultural easement that binds them to the current AG use, and the property deed restricts them to be auxiliary to AG. Despite this, HARC cannot qualify for IAL because the land is not used for active farming.
 - Castle and Cooke owns an AG processing/industrial area in Whitmore which would similarly not qualify for IAL under the current definition.

Kem commented that these particular examples suggest the difficulty of anticipating all the unique situations that can result from applying general criteria to specific land units. The report can acknowledge that there are unusual situations which need to be considered when the incentives are drafted.

- Farms in the State Urban District would not qualify for any incentives either. Many of these farmers have been farming for 30-40 years, and would benefit from the incentives. It was noted that Kahalu’u has a good number of farms in the State Urban District. Two options to the IAL incentives were discussed: (1) downzoning to the State

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AG District followed by voluntarily applying for IAL; and (2) dedicating lands for AG use (It was noted that while an AG easement provides property tax relief, a landowner would not be able to qualify for other incentives associated with IAL).

Kem suggested that the report could include a discussion about the AG lands located in Urban District, particularly because of the significance that the Urban District has on O'ahu. Although this would be outside the scope of HRS Ch. 205, it implies that the county assumes a responsibility in recognizing that some Urban areas are intended to continue in farming. A TAC member commented that the topic was beyond the purview of this project, and suggested that the law was crafted to acknowledge areas identified for future urbanization (e.g., Central O'ahu and 'Ewa).

There was general agreement about the group's desire to add an addendum to the report – for information purposes only – that described the following:

- o number of acres within the State Urban District currently being used for agriculture (this corresponds to Criteria #1 – current AG production)
- o incentives available to farms in the State Urban District (e.g., downzoning to State AG District and AG easements)
- o suggestion to create an inventory of landowners with land in the State Urban District that would be interested in pursuing an IAL designation.

Discussion about Proposed Draft Report Outline

Kem asked the group to review the proposed draft report outline, and provide their observations, questions, and comments about the proposed content. Scott indicated that the draft report would be circulated via email for TAC review/comment. Comments and questions are summarized as follows.

- Suggestion was made to clarify and strengthen the discussion under Item 10.3 about the lack of information available on State-owned IAL, since this affected the TAC's understanding of contiguousness. Although the law required the DOA and DLNR to designate State-owned IAL in 2009, the State still has not completed the IAL process. The report should indicate that the TAC's ability to apply the criteria was affected by the State's lack of compliance. This could provide a safeguard against a landowner wanting to challenge the City's IAL designation (e.g., this anticipates that a dissenting landowner will challenge the process and accuse the City and TAC of flawed recommendations, on the grounds that the State has not identified their lands for IAL designation).

Meeting attendees agreed that the lack of State-generated information did not affect the outcomes of the TAC recommendations because Criteria #7 addressing contiguousness was not identified as a priority criteria. There was overall agreement that the topic is important to framing the public's perception about IAL, especially given that there are 11,000 acres of State-owned AG land under consideration. The additional acreage of State-owned AG land provides a comprehensive view of O'ahu's agricultural future, which is more accurate than considering the City's IAL process in isolation.

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- Recommend changing the heading of Item 10 from "Recommendations to Improve the Existing Law," to "Concerns/Issues Identified through TAC Discussions." The current law took many years to pass, and involved input from many stakeholders. The heading implies that the TAC wants to amend the current law, which is not the case.
- Use correct references to HRS sections (not Act 183, SLH 2005 and Act 233, SLH 2008).
- Suggestion was made to include historical rates of urbanization of agricultural lands as part of the background. This would help describe the context for IAL, since the rate of urbanization has occurred is an important consideration that has affected land use on O'ahu. In response, Scott clarified that the content of Sections 3.1 and 3.2 would be based on information compiled from the February 2011 trend report prepared for DPP's General Plan Update Project. Some historical information about urbanization and land use on Oahu would be woven into the report, along with statistical information that describes the AG situation and a general discussion about the purpose and value of IAL. Other information that is anticipated in the report includes background/history about the law, and discussion about self-sufficiency, per the HRS language.
- Important for the report to clarify expectations about what the IAL designation provides. Assuming that the City's effort will result in about 20,000 acres of IAL-designated land, it should be pointed out that IAL will not address food self-sufficiency.
- For many small, independent farmers, their retirement income comes from selling their land. While IAL is the best method available to create a land bank of contiguous farm land and minimize the conversion of agricultural land, the IAL designation will hurt some of the independent farmers who need to sell their land upon retirement.
- Suggestion was made to add a section about diversified agriculture between Item 3.2.1: Food Self-Sufficiency and Food Security and Item 3.2.2: Urbanization of AG Lands. Diversified agriculture, like food self-sufficiency, is recognized in the State statute. Item 3.2.1 would report the percentage of food that imported, followed by the diversified agriculture section which would report the percentage of Oahu-grown products that are exported. Presented in this manner, the data would demonstrate that farmers will choose what crops to grow (and cannot be forced to grow certain crops).
- Clarification was given that the report will include the criteria maps, and that the state-owned lands in the State AG District were added to the criteria maps (shown in yellow).

Next Steps / Follow-on Actions

Scott presented a general overview of the next steps (see Slide #9). The next steps involved in completing Phase I consist of: (1) preparing a draft report with DPP input; (2) TAC review/comment of draft report, followed by; (3) completion of the final report anticipated by the end of the year (2013). Phase II would involve preparation of the draft IAL maps, public meetings and landowner consultations, followed by City Council review and LUC approval. Comments and questions are as follows.

- In response to a question, Kathy indicated that the timeline for Phase II is undetermined. Although the effort for Phase II will depend on funding and staffing, the

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City Council has already appropriated \$300,000. It is DPP's responsibility to initiate the scope identification and consultant selection process.

- Concern was raised that the availability of State-owned IAL could influence the outcome of the City's IAL process and result in an IAL inventory that differs greatly from the recommendations of Phase I. Scott responded that the State-owned IAL would be added to the criteria maps, if/when the information became available. It is possible that the information could influence outcomes, although it would not be expected to have much effect since the focus of Phase I has been to establish the policy that will be used to determine IAL. Knowing that the State owns 11,000 acres in the State AG District and the State's contribution to the total acreage of IAL will be helpful for the public to understand that that the City's IAL acreage is not the only source of IAL for O'ahu.

DOA has been working on the State's IAL designation package, but lacks dedicated staff to focus on the work. DOA will complete the analysis necessary to identify potential IAL once the transfer of lands from DLNR to DOA is approved. It was noted that the process established by HRS 205 only requires LUC approval (i.e., no public review process).

Kathy asked the group for their suggestions for community input during Phase II. DPP is seeking participation techniques to engage/involve AG stakeholders. Two specific suggestions were offered: (1) hold meetings with organizations; and (2) consult with BWS for facilitation techniques and organizational strategies used in the watershed management plan meetings.

One TAC member has been involved with the other counties IAL efforts, including attending almost all of Kauai's IAL meetings and working with both Maui and Hawai'i counties. He commended DPP and the consultant team for the diligence and speed in completing Phase I, and commented that the City's effort could serve as a model for Maui and Hawaii counties (i.e., TAC formation, how to run meetings).

Meeting attendees were asked to take 5 minutes to complete a project evaluation form that was passed out. Kem thanked all attendees for their energy, commitment and expertise, and stated that the process worked well because of the way that everyone participated.

Meeting was adjourned at about 6:20 pm.

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TAC Meeting #6 Attendance Record

TAC Members: Alan Gottlieb, Hawai'i Livestock Farmers Coalition
Barry Usagawa, Board of Water Supply
Brian Nishida, Stepstone Business Development
Carl Evensen, UH-CTAHR
Charlie Reppun, Wai'āhole taro farmer
Dan Nellis, Dole Food Company Hawai'i
David Arakawa, Land Use Research Foundation
Dean Okimoto, Hawai'i Farm Bureau Federation / Nalo Farms
Earl Yamamoto, State Department of Agriculture
Larry Yamamoto, USDA-NRCS Pacific Islands Area, retired
Leon Sollenberger, Agricultural Enterprises
Stephanie Whalen, Hawai'i Agriculture Research Center
Tony Rolfes, USDA-NRCS-Pacific Islands Area

Others: Dr. Po-Yung Lai, City Agricultural Liaison
Mark Takemoto, Pioneer Hi-Bred
Randy Hara, DPP
Tim Hata, DPP
Kathy Sokugawa, DPP
Scott Ezer, HHF
Rob James, HHF
Corlyn Orr, HHF
Bruce Plasch, Plasch Econ Pacific
Kem Lowry, Accord 3.0 Consultants

Phase II TAC Roster

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Farmers

- Bob Cherry, Flying R Livestock
- Alan Gottlieb, HI Livestock Farmers
- Shin Ho, Ho Farms
- Ken Kamiya, Kamiya Gold
- Dan Nellis, Dole Foods
- Dean Okimoto, Nalo Farms
- Mark Phillipson, Syngenta Seeds
- Charlie Reppun, Waianu Farm
- Alan Takemoto, Monsanto
- *Mark Takemoto, Pioneer Hi-Bred

* Indicates new member

AG Agency Representatives

- Anthony Rolfes, USDA NRCS
- *Ashley Stokes, UH-CTAHR
- Earl Yamamoto, DOA
- William Tam, CWRM
- *Ruby Edwards, OP
- *James Nakatani, ADC

AG Interest Groups

- Stephanie Whalen, HARC

"Other" AG Organizations

- Leon Sollenberger, consultant
- Larry Yamamoto, retired

Landowners

- David Arakawa, LURF

Ex Officio

- Barry Usugawa, BWS

Phase II
TAC



MEETING SUMMARY

Date: December 8, 2014
Time: 4:30-6:15 pm
Location: Pacific Guardian Center
Makai Tower Conference Room
Attendees: see attached
Subject: Technical Advisory Committee Meeting #1

HHF Project No. 2014120
Project Name: O'ahu IAL Phase 2
Recorded by: Corlyn Orr
Reviewed by DPP:
Reviewed by TAC:

The first Technical Advisory Committee (TAC) meeting for Phase 2 of the City's Important Agricultural Lands (IAL) Mapping Project was held on Monday, December 8, 2014 at the Pacific Guardian Center, Makai Tower Conference Room (733 Bishop Street, Honolulu). The meeting was scheduled from 4:30 to 6:30 pm. The purposes of the meeting were to: (1) review the overall purpose/objective of the City's IAL project and the outcomes of Phase 1; (2) discuss the TAC's role in Phase 2; and (3) gather feedback on the public participation program proposed for Phase 2. Meeting materials were emailed to TAC members in advance of the meeting: (1) copy of the PowerPoint presentation; (2) meeting agenda; (3) Phase 1 group charter; (4) unofficial copy of HRS Chapter 205; and (5) Phase 1 Final Report.

INTRODUCTIONS, PHASE 1 CRITERIA MAPPING SUMMARY, AND PHASE 2 OVERVIEW

Kem Lowry (Accord 3.0 Consultants) opened the meeting at roughly 4:35 pm. Thirteen TAC members were in attendance. Following introductions, Kem provided an overview of the project purpose and the City's IAL mapping process, reviewed the criteria weighting system and outcomes from Phase 1 and presented the public participation strategies planned for Phase 2 (refer to PowerPoint slides 3-18). The general intent of Phase 2 is to present the draft criteria maps to the general public, asking for input on missing/additional information that needs to be considered when putting together the draft IAL maps to be presented to the City Council.

Kem also provided an overview of the TAC's role in Phase 2, the expectations for TAC members and the operational norms governing the group. TAC members were selected because of their expertise and experience. The TAC is viewed as an advisory group to help shape and facilitate the community outreach efforts. It is hoped TAC members will help to identify individuals who should be involved in the focus groups and the larger community meetings, and use their networking capabilities to inform and engage individuals who should be involved in the designation process. The following is a summary of the group discussion.

- One TAC member asked if the map of the top 3 priority criteria includes the 5,440 acres identified in the map of Criterion #4: Traditional Native Hawaiian Uses and Unique Crops. (How much of the 5,440 acres of Criterion #4 are in the top 3 criteria?) Since Criterion #4 is the only criteria that specifies crop types, these lands should be recognized as having a special/unique value for IAL.

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The question was tabled until the next TAC meeting. HHF will find out which Criterion #4 lands are mapped/omitted from the Top 3 Criteria map and bring the information to the next TAC meeting for consideration.

Other observations related to this question ensued:

- If lands are not currently in production, they would have been omitted from the map of Criterion #1: Currently Used for AG.
 - The ALISH "Unique" category was intended to capture wetland taro areas. Technically, lands used for traditional cultural agriculture would be mapped if the "Unique" category was used as a mapping dataset. However, the ALISH maps were prepared in 1977 and it is unclear what methodology was used to prepare those maps (i.e., not known if historical maps and windshield surveys were used to identify upland taro areas). Also, the ALISH "Prime" and "Unique" classifications were used to map Criterion #3: Productivity Ratings Systems (Criterion #3 was not one of the top 3 priority criteria).
 - What was recognized as "unique" by the ALISH maps in the 1970s differs from what may be considered unique today. Besides wetland taro, the ALISH "Unique" category also included coffee. When the ALISH maps were prepared in the 1970s, coffee was a unique crop specific to Kona (this was the only place in Hawai'i where coffee was being grown). The ALISH maps also identify the pineapple lands in Central Oahu as "Unique" based on growing conditions suited to a particular crop.
 - The Nature Conservancy's GIS model of pre-contact traditional agricultural areas (Ladefoged, Thegn, Kirch and Gon, 2009) was the primary dataset that HHF used to map Criterion #4: Traditional Native Hawaiian Uses and Unique Crops.
 - The TAC's recommendations for the Top 3 Criteria were the outcome of in-depth dialogue and deliberation during Phase 1. The process to prepare the criteria maps and prioritize the criteria was designed to be methodical and transparent. Private property that is not identified for IAL designation by DPP's mapping process is still eligible for IAL designation. A landowner/farmer could either (1) request that the City Council add their property to the City's Draft IAL maps being transmitted to the Land Use Commission, or (2) petition the Land Use Commission for IAL designation on their own.
- The second question sought revision to the last sentence on page 2-1 of the Final Phase 1 report, "To accommodate projected population growth and provide for future development needs..." *Accommodate* suggests that the rate of development cannot be modified or slowed, when in actuality, the State and City's policies for economic development *promote* population growth. The Final Phase 1 report should also include an expanded discussion about the differing economic development ideologies at play so people understand the underlying premise of the IAL designation. While both the State Constitution and the City's general plan call for stabilizing population growth, the State's policies promote continued growth in the construction industry. It is a fact that construction workers earn twice as much as agricultural workers.

In response, it was clarified that the Phase 1 Report has been published, and cannot be revised. If appropriate, this may be incorporated into the report to be transmitted to the City Council.

George Atta, DPP Director, and Kathy Sokugawa, DPP Planning Division Head, joined the meeting at about 5:05 pm. Following introductions by Kem, George thanked everyone for their participation and

shared his concerns that the IAL designation would compromise the long-term agricultural use of AG lands that do not qualify for the IAL designation.

TAC members asserted that IAL is not a land use regulatory (zoning) initiative. The purpose of the IAL law is to protect qualified agricultural lands by offering incentives to help farmers be successful. Twenty years after plantation agriculture, the diversified farming industry is still evolving. Independent farmers who once farmed 5-10 acres are finding it increasingly difficult to be profitable with the same size farm. New farmers will need larger farms to be profitable, and land will need to be available to accommodate them.

HRS Chapter 205 requires each county to adopt their own set of incentives to support IAL and promote agriculture. The incentives are not part of this phase, and there is no on-going or planned program to address the incentives. While the General Plan and DPs/SCPs include language to support IAL, the zoning regulations and implementing programs need to be revised accordingly. The County Council's AG Development Task Force (currently on hiatus) is an advisory group that has discussed these issues.

Public Participation Strategies

Corlyn reviewed the public participation strategies and the proposed meeting schedule planned for Phase 2, including the focus group meetings, community meetings and outreach methods to generate public interest and participation (refer to PowerPoint slides 20-24).

Focus Group Meetings

Three focus group meetings are being planned. These meetings will be helpful to prepare for the public participation process and gauge the general public's response to the Phase 1 recommendations, as well as identify issues and concerns that may arise. Focus groups will be structured to represent a cross-section of interests, with a different group of participants at each meeting. TAC members were asked to share their thoughts on possible focus group candidates. A list of individuals organized by interest (farming organizations, environmental interests, Neighborhood Boards, landowners, and others) was presented for discussion. (See Attachment 1 for the initial list and TAC comments, including suggestions for additional candidates/organizations for the focus groups.)

Community Meetings

Three rounds of community meetings are also planned: the first round will consist of 3 regional meetings, the second will consist of 2 regional meetings, and the third will be a single island-wide meeting. A project website will be set up to share project information and announcements, and provide a mechanism to receive public comments. Other outreach methods include e-mail communication, social media networks, press releases and media/news programming announcements. The following is a summary of the group discussion.

- One way to make people aware of the City's IAL initiative and get feedback on the work done to date is to provide copies of the Phase I report to all individuals identified as potential focus group members and ask for their comments.

- Howard Dicus is following the IAL initiative, and would be a resource for morning news programming.
- Proposed locations for the first round of community meetings are intended to target regional populations: Mililani location to serve Central Oahu, Kaena Point to Kawela Bay, Windward Community College location to serve Waimanalo to Koolau Loa, and Kapolei Hale for Ewa and West O'ahu communities. TAC members commented that the proposed locations are not close enough to the majority of farmers (i.e., make it easy for farmers to attend).
- Suggestion was made to add an additional meeting in town—perhaps at UH—to attract students and decision-makers interested in agriculture, sustainability, food security and related environmental issues. Others that might attend include chefs, developers, and anti-Kakaako interests. This could be an educational opportunity for the City to garner support for existing land use policies that promote development within the urban core to preserve AG lands. This could also be an opportunity to generate broader community support from urban Honolulu, which could be helpful when the Draft IAL maps are before the City Council. Social media may be a useful communication tool to reach this audience.
- The meeting schedule and proposed outreach strategies are a reflection of the available budget. Given the budget constraints, the first round of community meetings can only handle three community meetings. The TAC discussed their preferred meeting places: (1) Drop Kapolei Hale and replace with a Downtown meeting; or (2) Drop both Kapolei and Mililani and replace with a Waianae and Wahiawa/Haleiwa location.
- Suggestion was made to record and broadcast community meetings. OLELO TV or high school film production companies could provide services.
- The majority of people do not understand IAL. Education will be the key to mobilizing the community, as most people are not familiar with AG issues and IAL is not a popular, frequently-discussed topic. A fact sheet that provides basic information about IAL and the mapping process would be helpful to educate the public and generate interest in the project. TAC members could help to circulate the fact sheet. An informational video that explains IAL could be posted on the project website or YouTube before the community meeting. Although this is a great idea, DPP does not have the resources to produce a video.
- A short phrase that catches the public's attention and quickly explains the purpose of the project would be helpful. For example, "Farm to Table" is used in the restaurant industry. TAC members may be able to help develop such a slogan/tag line.
NOTE: As a follow-on to the TAC meeting, DPP and the project team is favoring Great Lands for Great Farms as a possible tag line.

NEXT STEPS

HHF will be circulating the draft meeting summary for review. In addition, TAC members are asked to complete two assignments: (1) submit additional names for the focus group and contact information (email and phone numbers); and (2) submit suggestions for a project slogan/tagline.

Meeting was adjourned at about 6:15.

INITIAL LIST OF FOCUS GROUP CANDIDATES

INDIVIDUAL	AFFILIATION	TAC NOTES
FARMING		
1. Pam Boyer	HI Farmers Union United	
2. Jean Brokish	Oahu Resource Cons. & Dev. Council	Moved from HI; still active RC&D member
3. Mike Buck	CWRM, Waimanalo farmer	
4. Mark Fergusson	HI Organic Farming Assn.	
5. Brian Miyamoto	HI Farm Bureau Federation	
6. Wayne Ogasawara	Mililani Agricultural Park	
7. Pauline Sato	Agricultural Leadership Program	
8. Alex Sou	Aloun Farms	
9. Jari Sugano	UH-CTAHR Extension Agent	
ENVIRONMENTAL INTERESTS		
10. Doug Cole	North Shore Community Land Trust	
11. Kioni Dudley	Friends of Makakilo	
12. Robert Harris	Sierra Club	No longer with Sierra Club
13. Lea Hong	Trust for Public Land	TPL's GreenPrint project mapped O'ahu land resources for possible OHA/TPL acquisition
NEIGHBORHOOD BOARDS		
14.	Waianae Coast N.B. #24	
15.	Nanakuli-Maili N.B. #36	
16.	Wahiawa N.B. #26	
17.	North Shore N.B. #27	
18.	Koolau Loa N.B. #28	
19.	Kahaluu N.B. #29	
20.	Waimanalo N.B. #32	
LANDOWNERS		
21. Neil Hannahs	Kamehameha Schools	
22. John Morgan	Koolau Ranch	
23. James Nakatani	Agribusiness Development Corp.	Good candidate, ADC is State land
24. Mark Suiso	Hawaii Tropical Fruit Growers	
OTHERS		
25. Murray Clay	Ulupono	
26. Kyle Datta	Ulupono	
27. Russell Hata	Y. Hata	
28. Matthew Loke	UH-CTAHR	
29. Claire Sullivan	Whole Foods	
30. Jackie Kozal Thiel	Governor's Sustainability Coordinator	
31. Tish Uyehara	Armstrong Produce	

TAC SUGGESTIONS FOR FOCUS GROUP CANDIDATES

INDIVIDUAL	AFFILIATION
FARMERS	
1. Susan Matsushima	Alluvion, North Shore Econ. Vitality Partnership Co-Chair
2. Mel Matsuda	Kahuku Farms
3. Clifford Nigita	Waimanalo Farmers Association
4. Tim and Alvin Law	Fat Law's Farm HI
5. Sharon Peterson Cheape	Petersons Upland Farm
6. Lee Bryant	May's Wonder Gardens, North Shore N.B. AG Committee
7. Ron Wiedenbach	HI Fish Co., HI Aquaponics Aquaculture Assn.

8. Gary Maunakea Forth	MAO Farms
9. Eric Enos	Kaala Farms
10. Kapua Sproat Fonoimoana	
11. Larry Jefts	Sugarland Farms, West O'ahu Soil & Water Cons. District, Chair
RANCHERS	
12. Bud Gibson	T&C Stables in Waimanalo
13. Greg Smith	Gunstock Ranch
AG SUPPORT AND RELATED INDUSTRIES	
14. Ron Kauhaahaa	Crop Protection Services (pesticides)
15. Gordon Ogi	American Machinery
16.	Farm Credit Services of HI
17. Stan Kodama	Waimanalo Feed Store
18. Jason Shitanishi	USDA Farm Service Agency, Farm Programs
19. Bernadette Luncsford	USDA NRCS Field Office, District Conservationist
20. Susan Kubo	USDA NRCS Field Office, Civil Engineer
21. Ted Radovich	UH-CTAHR Organic Farming, Waimanalo N.B.
22. Dave Ringuette	WCC Agriculture Dept, GOFarm Hawai'i Program
23. Lisa Zemen	South O'ahu Soil & Water Conservation District, Chair
WHOLESALE/CONSUMERS	
24. Kacey Robello	HI Farm Bureau, Farmers' Market GM
25. Kevin Vacarello	Sustain HI, Sweet Home Waimanalo Restaurant
26. Conrad Nonaka	Culinary Institute of the Pacific
27. Alan Wong	Alan Wong's Restaurants
28. Mark Noguchi	The Pili Group, Mission Restaurant
29. Ed Kenney	TOWN Restaurant
LANDOWNERS	
30. Carlton Ching	Castle and Cooke
31.	Hawaii Reserves Inc.
32.	US Military (Federal lands are excluded from the county mapping process, but they could participate as a landowner and consumer)
ENVIRONMENTAL INTERESTS	
33. Deborah Ward	Sierra Club, AG/Conservation Committee Chair
34. Sam Gon	Nature Conservancy
35. Alexandria Avery	Outdoor Circle president
36. Tim Vandever	Defend O'ahu Coalition
37. Donna Wong	Hawaii's Thousand Friends, Kailua N.B.
STATE AGENCIES	
38. Brian Kau	DOA AG Resource Management Division
39. Russell Tsuji	DLNR Land Division
NATIVE HAWAIIAN INTERESTS (TAC felt strongly about having representation from Native Hawaiian community)	
40.	UH-Hawaiian Studies
41.	Office of Hawaiian Affairs

TAC Meeting #1 Attendance Record

TAC Members: Ruby Edwards, State DBEDT, Office of Planning
Alan Gottlieb, Hawai'i Livestock Farmers Coalition
Ken Kamiya, Kamiya Gold, Inc.
Dan Nellis, Dole Food Company Hawai'i
Dean Okimoto, Nalo Farms
Mark Phillipson, Syngenta Seeds
Charlie Reppun, Wai'āhole taro farmer
Tony Rolfes, USDA-NRCS-Pacific Islands Area
Ashley Stokes, UH-CTAHR
Mark Takemoto, Pioneer Hi-Bred
Stephanie Whalen, Hawai'i Agriculture Research Center
Earl Yamamoto, State Department of Agriculture
Larry Yamamoto, USDA-NRCS Pacific Islands Area, retired

Others: Linda Chu-Takeyama, Mayor's Office
George Atta, DPP Director
Randy Hara, DPP
Tim Hata, DPP
Kathy Sokugawa, DPP Planning Division Head
Scott Ezer, HHF
Rob James, HHF
Corlyn Orr, HHF
Peter Adler, ACCORD3.0 Network
Kem Lowry, ACCORD3.0 Network
Bruce Plasch, Plasch Econ Pacific



MEETING SUMMARY

Date: December 8, 2015	HHF Project No. 2014120
Time: 4:30-6:30 pm	Project Name: O'ahu IAL Phase 2
Location: Pacific Guardian Center Makai Tower Conference Room	Recorded by: Corlyn Orr <i>Reviewed by DPP: January 2015</i> <i>Reviewed by TAC: January 2015</i>
Attendees: see attached	
Subject: Technical Advisory Committee Meeting #2	

The second Technical Advisory Committee (TAC) meeting for the O'ahu Important Agricultural Lands (IAL) Mapping Project was held on Monday, December 8, 2015 at the Pacific Guardian Center, Makai Tower Conference Room (733 Bishop Street, Honolulu). The meeting was scheduled from 4:30 to 6:30 pm. The purposes of the meeting were to: (1) discuss outcomes from the community outreach phase; and (2) receive the TAC's input on the methodology that will be used to prepare the draft IAL maps. Meeting materials were emailed to TAC members in advance of the meeting: (1) written summaries from the 3 focus group meetings; (2) written summary from Community Meeting 1; (3) written comments received during the 60-day public comment period; and (4) meeting agenda.

INTRODUCTIONS, PROJECT UPDATE, AND PHASE 2 OVERVIEW

The first 15 minutes of the meeting were set aside for meeting attendees to view the open house stations that were displayed during the community meeting. At roughly 4:45, Kem Lowry called the meeting to order and opened with introductions. Ten TAC members were in attendance, including two new TAC members (Amy Koch, USDA NRCS and Jeff Pearson, CWRM replacing Tony Rolfes and Bill Tam, respectively). Following the introductions, Kem reviewed the meeting agenda. Scott Ezer then presented an update of O'ahu's current IAL acreage, followed by a review of the comments received during the public outreach campaign, which involved a website, focus group meetings, three community meetings, and a 60-day public comment period. The remainder of the meeting was designated for group discussion to consider the suggested criteria refinements being proposed by DPP.

The following is a summary of the opinions expressed during the group discussion.

- Land Use Research Foundation (LURF), which represents large agricultural landowners, has four specific concerns about the City's designation process.
 - 1) The IAL law is about agricultural viability, not land use. This was not effectively conveyed during the community outreach process, as evidenced by the community's list of concerns. (See attached testimony from LURF and Hawai'i Farm Bureau submitted during the legislative proceedings.)
 - 2) County incentives are required, per HRS 205-46.
 - 3) County incentives are required BEFORE the county proposes to designate land for IAL. Authors of the IAL legislation—including three individuals who are present for this meeting—foresaw state and county incentives as a motivation for landowners to seek voluntary designation of IAL before the counties proceeded to identify lands for IAL. The law provides for a three-year window between the time that the counties pass their incentives and then put forth their recommendations for county-designated IAL. This

O'ahu IAL Phase 2
TAC Meeting #2 | December 8, 2015
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was meant to encourage voluntary designations, and also discourage takings lawsuits from landowners who did not want to be included in IAL.

- 4) The county process outlined in HRS 205-47 lists "consultation and cooperation with landowners" before "public involvement." This is interpreted that landowner consultation should come before public engagement. Consulting landowners first would result in better/fuller information for the general public. Authors of the IAL legislation can attest that working with landowners to voluntarily designate land is the most important component of the law. Following the process outlined in the law is important to prevent lawsuits from unwilling landowners. Recent cases like Superferry and TMT were based strictly on following process.
- The intent, purpose and mission of IAL prescribed in the law is important, especially since it took 20+ years for the parties to find a single concept they could agree on and pass. With so many landowners and farmers, agricultural viability (i.e., farmer success and keeping farmers on the land) was the only premise that all parties agreed upon. Initial discussions about land use and preserving land were unsuccessful. Framing the issue in terms of agricultural viability was the key to passing the law. DPP should be following the law precisely as drafted; the authors spent hours debating each section of the law. It will get contentious if landowners are not on board.
- The public does not understand IAL. The project has been presented in a way that provokes certain feedback. Terminology used to define the project purpose/need in the media and community meetings focused on land use and preventing future development, which antagonized landowners and spurred public opposition (e.g., Hoopili was an issue at the Kapolei meeting, even though the law does not allow it to be considered for IAL; Star-Advertiser article on IAL played up the Malaekahana/HRI proposal.) Public outreach efforts would gain traction if agricultural viability was the premise of IAL.

The irony is that the same parties who fought against the IAL legislation are now using IAL as a tool to oppose development.
- George Atta responded that DPP would be willing to talk to major landowners about the preliminary maps before the information is presented to the general public. Community outreach efforts to date have not generated much landowner interest.
- Scott Ezer confirmed that DPP's intention is to notify landowners before recommendations are transmitted to the City Council. The criteria maps were prepared based on physical characteristics of the land, without consideration of who owned the land; the intent has always been to engage landowners after looking at the land qualities. Scott also acknowledged budgetary constraints that make it desirable for DPP to work with LURF to convene a meeting with landowners. The budget does not allow for numerous individual meetings.
- The need for county IAL incentives was discussed at the last meeting of the City Council's AG Task Force. The City could face potential lawsuits if they proceed without an incentives package.

DISCUSSION QUESTIONS

In addition to the group discussion, a blank questionnaire of these questions was passed out at the meeting and later emailed to meeting attendees. Attendees were encouraged to submit their individual responses to the questions in writing. Comments received during the meeting are summarized below. Written responses are recorded verbatim in Attachment 1.

Question 1: Should the definition and datasets used to map IAL be revised to exclude steep lands? If so, what percentage slope should be used?

This question is being raised because there were several comments that slope should have been included as a separate criterion. As a result, DPP is considering omitting lands in excess of 20% slope from the study area.

TAC members felt that the current definition and maps were satisfactory for the following reasons.

- Slope is already included in the NRCS land capability classes (LCC) which were used to map Criterion 2: Soil Qualities and Growing Conditions. The TAC has discussed this at several meetings and decided to use LCC I, II and III, which includes lands up to 15% slope. The TAC consciously chose to use LCC I, II and III as a measure of high quality farmland.
- Changing the definition at this point essentially dismisses the NRCS data. The methodology should support the NRCS and other soil classification studies.
- Ravines and gullies with steep slopes are recognized components of drainage systems within larger areas. Since the Land Use Commission assumes a contiguous approach and includes these steep areas when urbanizing lands, there should be no distinction when defining IAL.
- Criterion 1: Current AG Production includes steep slopes being used for ranching. Ranching uses provides fire control and stewardship benefits in areas too steep for crops. These areas would be omitted from Criterion 1 if slope were added as a criterion.
- Kona coffee grows on steep lands, which implies that certain crops/farmers can be productive regardless of the slope.

A suggestion was given to better label the maps so that the public can easily see that the NRCS datasets being mapped include certain slopes. If the maps are not communicating the information, then they should be tweaked accordingly. Unfortunately, nobody takes the time to read metadata.

In response to a question, the relationship between the NRCS LCC and ALISH Unique classifications was clarified. The ALISH classifications are based on the USDA's farmland inventory classification schema—that is, the soil types that USDA determines meet the federal prime classification and then locally derived soil types that meet the broad federal criteria for locally defined unique and other important agricultural classifications. The LCCs are soils classified as to categories, but the relationship of LCC to ALISH is through the soil types that meet the three broad federal criteria for agricultural lands.

Question 2: Should additional consideration be given for high solar radiation as a separate, stand-alone criteria?

This question is being raised in response to community concern that solar radiation is not considered in the identification process. Island wide, solar radiation values range from the highest measurement of 500 calories per square centimeter per day (cal/cm²/day) in Kapolei, Kahuku and Waianae, to 450 cal/cm²/day along the North Shore, to 350 cal/cm²/day in Kunia and Central O'ahu.

First, it was confirmed that solar radiation is not explicitly captured in the NRCS LCC or soil survey ratings.

TAC members felt that the current definition were satisfactory for the following reasons.

- Adding solar radiation as a criteria would be a limiting factor. There were concerns that different crops have different capabilities to utilize light, and productive land could be overlooked because of a lower solar radiation factor. It is true that the areas with the most

sunlight have the highest production of sugar cane because sugar cane needs strong sunlight to thrive; however, other crops do not require as much sunlight to be productive.

- Climate change is affecting weather and rainfall patterns. For example, the average rainfall in Waimanalo has dropped from 70 inches/year to 30 inches/year this past year.

Question 3: Should the definition and datasets used to map Criterion 1: Current AG Production be revised to recognize aquaculture as a form of agriculture?

This question is being raised because there were several comments that the definition of agriculture should be expanded to include specific production methods such as Native Hawaiian traditional growing practices and aquaculture

TAC members felt that the current definition was satisfactory for the following reasons.

- The TAC has discussed the definition of agriculture at several meetings, and each time decided against specifying certain technologies and methods as the determining factor for IAL. The methodology the City is using to qualify land for IAL is based on land characteristics. Growing practices are irrelevant, given the current methodology.
- Productive aquaculture does not require a certain soil type or soil quality. Aquaculture can be successful in areas without soil (e.g., NELHA set up tanks on lava fields in Kona).
- Aquaculture is not a distinct land use classification. It falls within the City's definition of agriculture, and is an allowable use within the City's Agricultural zoning district.
- The City's IAL designation process is not the only way for a landowner to seek IAL. A landowner omitted from DPP's proposed IAL package could ask the City Council to add their land to the City's package. Petitioning the LUC for voluntary landowner designation is another option.
- Aquaculture is already mapped as part of Criterion 4: Traditional Native Hawaiian and Unique Crops. Criterion 4 is not one of top 3 criteria, but much of the land mapped in Criteria 4 is captured by the top 3 criteria.
- The public comments reflect individuals' reactions to the maps of the priority criteria (i.e., people are responding negatively because they are concerned that the criteria that mean the most to them are being excluded). Adding a footnote to the IAL maps about the excluded criteria would help to communicate the other factors that were considered, but did not rise to the level necessary for this process.

Question 4: Do the top 3 criteria (Criteria 1: Current AG Production, 2: Soil Qualities and Growing Conditions and 5: Sufficient Quantities of Water) represent the characteristics most important for the designation process, or is there a need to add additional criteria? (e.g., Criterion 3: AG Productivity Rating Systems)

A TAC member noted that adding Criterion 3 would address concerns from those who want IAL to recognize traditional Hawaiian agriculture because the ALISH classifications map taro, coffee and other unique crops. It would not make much difference in terms of overall acreage, but it would allow DPP to respond to community concerns about productive wetland taro lands. Neither Criterion 1 which identifies current agricultural production or Criterion 2 which maps the NRCS LCC classifications adequately identifies areas used for wetland taro.

TAC members offered the following comments regarding the use of just the top 3 criteria or the addition of other criteria.

- The top 3 priority criteria were identified by the TAC based on a ranking system. A lot of thought went into the criteria definitions and the selection of the priority criteria.
- Requiring that multiple criteria be met could have the effect of limiting the pool of lands eligible for IAL designation, when the goal is to be inclusive as possible. The community has expressed a strong opinion that “all AG land should be IAL.” It would be contradictory for the TAC to require multiple criteria be satisfied if it limits the pool of IAL-eligible lands, given the community’s sentiment. Two of the 3 priority criteria (i.e., Criterion 3: Water and Criterion 2: Soil Qualities and Rating Systems address the factors most needed for productive farming: farmers cannot farm without water (Criterion 5) or good soils (Criterion 2). Land currently in AG production (Criterion 1) is evidence that the land can be farmed.
- The datasets used to map Criterion 3—ALISH Prime and Unique categories, and LSB A and B classifications—were clarified.
- Rob James commented that the addition of Criterion 3: AG Productivity Rating Systems would expand the inventory and add about 1,000 acres to the amount of land eligible for IAL because of the extent of overlap with the other criteria. (Much of the land in Criterion 3 is also identified in Criterion 1 and Criterion 2.)
- Bruce Plasch commented in support of using both Criterion 2 (NRCS ratings) and Criterion 3 (ALISH and LSB ratings) to include all lands having high soil ratings, regardless of the rating system. This would increase the supply of land eligible for IAL, and would avoid having to explain why some highly rated lands were omitted. In addition to including all lands that meet Criterion 1 (Current AG Production), Bruce is in support of combining Criteria 2 and 3 with Criterion 5 (water) to include only lands that are viable for agriculture (i.e., lands having both good soils and water).

Question 5: In order to be designated IAL, should a land unit meet all 3 criteria (or all 4 criteria if we add a criteria)? Or should meeting 1 or 2 of the criteria be satisfactory for IAL designation (or 3 if we add a criteria)? Alternatively, should it meet some combination of the criteria—specifically (a) land that is currently in AG production (Criterion 1) OR (b) land having both good soils and sufficient quantities of water (Criteria 2 and 5)? [NOTE: If land has to meet only one criterion to be IAL, some recommended acreage may not be high-quality farmland. For example, land could have good soils (Criterion 2) but lack sufficient quantities of water, or land could have extremely stony soils but have sufficient water (Criterion 5).]

The number of criteria used to identify IAL and how they are applied determines the acreage amount. If 3 criteria are used and land only has to meet 1 of the 3 criteria to be designated IAL, 56,000 acres of land would qualify for IAL. If land has to meet 2 of the 3 criteria, 32,000 acres of land would qualify for IAL. However, in both scenarios, some of the land considered eligible for IAL would not be viable for agricultural use, and could be difficult to justify for IAL. If land has to meet all 3 of the criteria to be IAL, 18,000 acres of land would qualify (but this would exclude some highly rated land having access to water which is not currently farmed). If a fourth criteria is added and land only has to meet 1 of the 4 criteria to be designated IAL, 57,000 acres of land would qualify for IAL (adding an additional 1,000 acres to the 1 of 3 scenario).

TAC members felt that meeting only 1 of the 3 priority criteria was satisfactory for the following reasons.

- 56,000 acres represents about 83% of the land area eligible for county-IAL designation. This number assumes that all of the land in the study area would be eligible for designation. It does not take into consideration the 50% rule, which restricts the county from designating land that

belongs to a landowner who has designated at least 50% of their land for IAL. Also, some of these lands would not be viable for agricultural use, which would be difficult to explain why they are being considered for IAL.

- There is a desire to be as inclusive as possible while at the same time identifying the best candidate lands. As such, landowners should be required to prove that their land cannot be farmed. This approach requires landowners to decide that they do not want to be included in IAL, and ask to be omitted. DPP needs to have a process to allow for open discussion with landowners.
- The process to voluntarily designate IAL typically involves hiring an attorney and is expensive, especially for small landowners. Therefore, the county designation process should include an option for landowners who are excluded from the top 3 criteria screen to add their lands to the City’s mapping inventory. The process should be simple to get included (or excluded, if lands are not viable for agriculture, such as not having water available). It could be a two-tier process: the first tier representing the best-candidate lands that qualify based on the top 3 criteria, and the second tier representing the remaining criteria (i.e., not the top 3 criteria). To be eligible for this second tier, a landowner would have to demonstrate that they meet one of the criteria.
- George Atta indicated that his personal preference would be to rely primarily on a set of specific technical criteria, while allowing for flexibility to use other criteria as well. DPP’s goal is to develop a baseline inventory for City Council and LUC review.

NEXT STEPS

- Landowner notification will be the next step in the process. The form of notification remains undetermined, pending the possibility that LURF would provide assistance to engage landowners. Following landowner notification, DPP would develop recommendations for IAL and present the recommendations at the next community meeting. There is no date set for the next community meeting. The next TAC meeting would follow Community Meeting 2.

Meeting was adjourned at about 6:35 PM.

ATTENDANCE RECORD

TAC Members: David Arakawa, Land Use Research Foundation
Ruby Edwards, State DBEDT, Office of Planning
Dan Nellis, Dole Food Company Hawai’i
Dean Okimoto, Nalo Farms
Jeff Pearson, Commission on Water Resource Management
Amy Saunders Koch, USDA-NRCS
Alan Takemoto, Monsanto
Mark Takemoto, Pioneer Hi-Bred
Earl Yamamoto, State Department of Agriculture
Larry Yamamoto, USDA-NRCS Pacific Islands Area, retired

Others: Dr. Po-Yung Lai, Mayor’s Agricultural Liaison
George Atta, DPP Director
Kathy Sokugawa, DPP Planning Division Head
Tim Hata, DPP
Scott Ezer, HHF Planners

Erin Higa, HHF Planners
Rob James, HHF Planners
Corlyn Orr, HHF Planners
Peter Adler, ACCORD3.0 Network
Kem Lowry, ACCORD3.0 Network
Bruce Plasch, Plasch Econ Pacific

ATTACHMENT 1 | QUESTIONAIRRE WRITTEN REPSONSES

A total of seven completed questionnaires were received. The questions and responses are recorded below. The responses under each question are numbered to correspond to each individual questionnaire.

SHOULD THE DEFINITION AND DATASETS USED TO MAP IAL BE REVISED TO EXCLUDE STEEP LANDS? IF SO, WHAT PERCENTAGE SLOPE SHOULD BE USED?

1. I support leaving the current criterion for slope unchanged.
2. No. We shouldn't revise. Gulch drainage acreage within large TMK's makes the plateau areas usable for farming. Upland steep areas are traditionally used for livestock, cattle and goats, which qualifies for "active agricultural use".
3. Yes, but may already be done sufficiently by NRCS LCC?
At the last TAC meeting, was 15% slope the agreed-upon limit? Did we also select NRCS land capability classification III as a standard? This value incorporates slope. Do we need both?
Got potential stumbling blocks if we use both the slope percentage and LCC – I don't know if they are important. For instance, the LCC for some soils (i.e. Lahaina silty clay 3-7%) is IVe if non-irrigated, and IIle if irrigated. In this case, while slope is OK (3-7%), the LCC of IV is not. Will this become a substantial problem (involve many acres)?
4. As discussed, since the USD LCC classes used accounts for slopes, there is no need to map separately to exclude steep slopes. However, unless captured under the other criteria used, this might exclude some coffee lands that may not be under current production. Recommend using labeling on map to communicate that classes exclude steep slopes whatever the percent is.
5. No. The LCC criteria (Criterion #2) already incorporates slope.
6. No. Already included by existing rating system NRCS.
7. No. IAL can be any lands that are productive (i.e., coffee, trees, etc.)

SHOULD ADDITIONAL CONSIDERATION BE GIVEN FOR HIGH SOLAR RADIATION AS A SEPARATE, STAND-ALONE CRITERION?

1. I do not support adding solar radiation as a stand-alone criterion.
2. No. Solar radiation is sufficient anywhere on this island to support agriculture, either crops or livestock.
3. No.
4. This is a more difficult question to answer. We would defer to CTAHR, DOA, or crop scientists as to appropriate cutoff or if there should even be one. AS a standalone criterion, it could produce unrealistic results by identifying land with high solar insolation, but absolutely no hope of water.
5. No. This is too variable and hard to quantify as a criterion.
6. No. You have enough criteria already.
7. No. Some of the mauka and windward lands are very productive ag land. Cloud cover varies from region to region.

SHOULD THE DEFINITION AND DATASETS USED TO MAP CRITERION 1: CURRENT AG PRODUCTION BE REVISED TO RECOGNIZE AQUACULTURE AS A FORM OF AGRICULTURE?

1. I believe that aquaculture is already included in the current definition of agriculture. I think it is unnecessary to recognize it separately.
2. If aquaculture is not currently recognized under the DoA as a current agricultural operation then it should be included.

3. If we do this for aquaculture, should we do the same for other Chapter 205-listed agricultural activities such as beekeeping, dairies, etc?
4. Aquaculture is defined as an ag use in Ch 205, and is certainly as form of agriculture. Depending on what datasets were used to map current ag production, factors supporting aquaculture should be mapped under the other criteria. Inclusion of aquaculture in the current ag production shouldn't result in a large increase in land mapped. If this is the case, there is no harm in including aquaculture in the mapping of this criteria.
5. No. Aquaculture is recognized in Criterion #4. This is not a practice that is tied to the land – soil, climate, etc.
6. No. Aquaculture minimal and not an issue of enough importance.
7. No. I think it already includes aquaculture as defined "ag use," so it doesn't have to be redefined.

DO THE TOP 3 CRITERIA (CRITERIA 1: CURRENT AG PRODUCTION, 2: SOIL QUALITIES AND 5: SUFFICIENT QUANTITIES OF WATER) REPRESENT THE CHARACTERISTICS MOST IMPORTANT FOR THE DESIGNATION PROCESS, OR IS THERE A NEED TO ADD ADDITIONAL CRITERIA? (E.G., CRITERION 3: AG PRODUCTIVITY RATING SYSTEMS)

1. I support staying with the current 3 critical criteria. I do not think it is necessary to add additional criteria.
2. No need
3. As someone pointed out, adding criterion 3 (especially ALISH) may address some of the public's call for representation of culturally important crops like wetland taro without dramatically changing the mapped area. How do we address the several thousands of acres of currently "Unique" classified unirrigated pineapple to the north and south of Wahiawa that are now irrigated?
4. It would be a mistake to exclude use of the ALISH system at a minimum. ALISH accommodates taro, tree crops, watercress, ranching, unirrigated pine, etc., that might not otherwise be picked up under the other criteria. The ALUM maps might also be another source for understanding what types of crops were viable where when those maps were made. LSB is less useful for resource mapping purposes, except that it is linked to Ch 205 for permitting purposes.
5. There would not be significant additional lands added if Criterion 3 is included. However, Criterion 4 does account for some native and specialty crop areas to be accounted for that are otherwise left out of proposed IAL designation. Otherwise, the top 3 criteria capture most of the main agriculturally significant areas.
6. No need to add criteria. Current AG production likely implies good soil quality and sufficient water. Otherwise would not be "current AG production."
7. I think we should use all of the criteria stated in the State IAL law. Selecting top 3 criteria is good or ok, but unnecessary.

IN ORDER TO BE DESIGNATED IAL, SHOULD A LAND UNIT MEET ALL 3 CRITERIA (OR ALL 4 CRITERIA IF WE ADD A CRITERIA)? OR SHOULD MEETING 1 OR 2 OF THE CRITERIA BE SATISFACTORY FOR IAL CRITERIA (OR 3 IF WE ADD A CRITERIA)? ALTERNATIVELY, SHOULD IT MEET SOME COMBINATION OF THE CRITERIA—SPECIFICALLY (A) LAND THAT IS CURRENTLY IN AG PRODUCTION (CRITERION 1) OR (B) LAND HAVING BOTH GOOD SOILS AND SUFFICIENT QUANTITIES OF WATER (CRITERIA 2 AND 5)? [NOTE: IF LAND HAS TO MEET ONLY ONE CRITERION TO BE IAL, SOME RECOMMENDED ACREAGE MAY NOT BE HIGH-QUALITY FARMLAND. FOR EXAMPLE, LAND COULD HAVE GOOD SOILS (CRITERION 2) BUT LACK SUFFICIENT QUANTITIES OF WATER, OR LAND COULD HAVE EXTREMELY STONY SOILS BUT HAVE SUFFICIENT WATER (CRITERION 5).]

1. I believe that it is in the best interest of everyone to encourage the dedication of productive farmland as IAL. As such, I support the identification of land as IAL when meeting at least one of the three critical criteria. While requiring that all three critical criteria be present for IAL designation would signify the best farmlands, other productive farmlands would be excluded if by doing so. This would limit the benefits of the program.

2. If Criterion 1, current AG production, is met then that should be enough to be included in IAL. For Criteria 2 and 5 the requirement should be that both are met. Not sufficient soil or water should exclude land from IAL. Only one of the combination is not sufficient to be IAL.
3. As someone pointed out, adding criterion 3 (especially ALISH) may address some of the public's call for representation of culturally important crops like wetland taro without dramatically changing the mapped area. How do we address the several thousands of acres of currently "Unique" classified unirrigated pineapple to the north and south of Wahiawa that are now irrigated?
4. As agriculture and the viability of ag is in large part a function of crop suitability and farmer skill and ingenuity, it's hard to exclude lands that meet any one of the key criteria. Stony soils with water would support aquaculture, hydroponics, horticulture, etc. Our preference is to retain lands that meet any one of the criteria; it's important to retain as much land base for future ag scenarios. Perhaps a second screen could be done to then determine if the lands meeting any one of the key criteria should be excluded based on an analysis of any combination of the key criteria.
5. Meeting one criteria should be sufficient for consideration. Otherwise, classification will become very complicated.
6. It should meet some level of the 3 top criteria. These are the basics. If other criteria are needed by a landowner, he can bring it up.
7. Again, we should use the existing criteria as stated in the IAL law. WE should use all of the criteria to give the best opportunity.

ADDITIONAL COMMENTS OR THOUGHTS?

3. IAL, once designated, offers exclusive access to incentives to those inclined to undertake agricultural production. There is no penalty for not using IAL for agricultural production. All uses permitted in Chapter 205 are possible on IAL. Reclassification of the designated IAL has to address additional considerations but is not prohibited. At this stage of the project, being constructive, seeking solutions and moving the effort forward should be the TAC's focus. How will the other counties and the Legislature view a project that stalls and/or fails at the criteria mapping stage? We owe the Agriculture Working Group participants and the State Legislature to take this effort full term.

Since the 2013 tax year, 4 of the 6 landowners (4 of which are LURF members) of agricultural land who have voluntarily identified and have received IAL designation, have taken advantage of the IAL Qualified Agricultural Cost Tax Credit (Section 235-110.93, HRS) totaling about \$1.7 million in DOA-certified tax credits. On Oahu, Castle and Cooke (679 acres, Whitmore and Mokuleia) and Kamehameha Schools (9,592 acres, Kawaioloa and Punaluu) have received IAL designation but neither has applied for the tax credits. DOA is not aware that any of the other State incentives have been sought by these landowners (farm dwellings and employee housing, loan guaranty, and priority processing of permits for agricultural processing facilities). All landowners have waived the 85%-15% simultaneous reclassification or credit. DOA has received over 30 informal inquiries from small landowners/farmers or their agents about the IAL identification and designation process, the IAL tax credit, and the farm dwellings and employee housing IAL incentives, but none have applied for IAL designation. According to the 2012 Census of Agriculture, there are 999 farms on Oahu (including the 2 with IAL status), so the "next steps" may take some time.

6. Is David Arakawa opposed to this process?
7. The County IAL process should align with the State IAL process as written. Incentives should be included as well. Need to work closely with landowners and farmers.



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"Encourage the viability of Hawaii's farmers and ranchers"

April 15, 2008

Senate President Colleen Hanabusa
The Honorable Clayton Hee
The Honorable Jill N. Tokuda
The Honorable Russell S. Kokubun
The Honorable Carol Fukunaga
The Honorable Rosalyn H. Baker
The Honorable Paul Whalen
The Honorable Sam Slom
The State Senate
Hawaii State Capitol
Honolulu, Hawaii 96813

Speaker of the House Calvin Say
The Honorable Representative Ken Ito
The Honorable Representative Clift Tsuji
The Honorable Jon Riki Karamatsu
The Honorable Tom Brower
The Honorable Faye P. Hanohano
The Honorable Colleen Rose Meyer
The State House of Representatives
Hawaii State Capitol
Honolulu, Hawaii 96813

Re: Conferences on SB 2646 HD2, relating to Important Agricultural Lands, and SB 546 SD2 HD1, relating to Land Use.

Dear Senate President Hanabusa, Speaker Say, Conference Committee Chairs and Conference Committee Members:

On behalf of the Hawaii Farm Bureau Federation (HFBBF) and the Land Use Research Foundation of Hawaii (LURF), we respectfully request your strong support for the passage of a comprehensive and meaningful incentives package for farmers, agribusiness operators and landowners who make a commitment—and sacrifice—to designate their agricultural lands as Important Agricultural Lands (IAL). These bills are based on a consensus of HFBBF, LURF and other agricultural and government stakeholders, and are consistent with the goals and objectives of creating a viable agricultural industry and protecting IAL, as stated in Act 183 and the Hawaii Constitution. Act 183 and the proposed incentive legislation are based on the following principles:

- IAL is not an open space or land use initiative. It is an agricultural viability initiative;
- While land is the basic resource for agriculture, it alone will not save agriculture. The long-term viability of agriculture depends on a number of factors that affect the profitability of agriculture;
- The promotion of productive, viable agriculture and IAL are Constitutional and statutory mandates; keys to increasing Hawaii's food and energy self-sufficiency; and a major component in combating invasive species and thus should be of equal or a higher priority and importance to the people of Hawaii as the state tax benefits and funding support for the technology industry and funding of the preservation of open space on the North Shore and Central Oahu;

- State and County incentives and support are key to achieving a viable and sustainable agricultural industry in this state and thus ensuring the long-term use and protection of IAL for agricultural use;
- Opportunities should be made for farmers and landowners with the commitment and resources to advance and promote the long-term viability of agricultural use of lands;
- The more favorable the farmer incentives are, the higher the odds that there will be more farmers, and more successful farmers to maintain and grow viable agricultural operations on good agricultural lands; and
- The more favorable the landowner incentives are, the higher the likelihood that there will be more lands voluntarily identified by landowners—and maintained—for IAL designation.

Background. The genesis for IAL was a result of the 1978 Constitutional Convention, in which voters adopted Article XI, Section 3, to the Hawaii State Constitution "to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands." This Article, which was passed when sugar cane and pineapple were major industries in Hawaii, set out the framework for state policies to promote agriculture and the conservation of productive agricultural lands.

Act 183. In 2005, approximately 27 years later, Act 183 was passed by the Legislature—after many, many years of unsuccessful efforts—to finally implement Article XI, Section 3. Act 183 set forth the policies and procedures to identify and designate IALs. In recognition of the realities of today, Act 183 is premised on protecting the viability of agricultural businesses rather than on protecting land uses. Act 183 recognizes that the only real, long-term way to ensure lands remain in agricultural use is to support viable agricultural operations on these lands. Accordingly, the Act provides for the development of incentives to assist agricultural viability on good agricultural lands in Hawaii—incentives that will help farmers farm profitably and help landowners viably make their lands available for farming activities.

IAL Incentives Consensus Legislation - SB 2646, HD2 relating to Important Agricultural Lands, and SB 546, SD2 HD1 relating to Land Use. Since the enactment of Act 183, HFBBF and LURF have been working together and with the Department of Agriculture, Office of Planning and Department of Taxation to develop consensus on a comprehensive IAL incentives package that promotes the retention of IAL for viable agricultural use, by offering benefits to both farmers and landowners. The elements of this comprehensive package include a wide range of incentives which address the critical areas for long-term agricultural viability in Hawaii and were developed over time based on many discussions among the agricultural stakeholders. These incentives include, but are not limited to, various tax credits, farm worker housing, loan guarantees, recognition of water needs, expedited processing of agriculture-related permits, and a streamlined land use approval process which is consistent with the current County land use process.


We believe that a sustainable agricultural industry needs to be nurtured and protected in our state and that the IAL incentive package is the perfect mechanism to both protect agriculture and agricultural lands. "A complete win-win." By passing these bills, this legislature has the opportunity to take the visible lead in promoting IAL and agricultural

viability and sustainability. As such, we urge your Conference Committee to consider retaining these bills as a basis for the comprehensive IAL incentives package you will pass this session.

Conclusion. A comprehensive IAL incentive package is urgently needed, and if not passed this session, we may see a continuation of the recent closures of farms, dairies and poultry operations on a state-wide basis. The State's policy to promote and mandate diversified agriculture is a complex and challenging task in light of the ever-changing economic, environmental, and political landscape. Economic stimuli (incentives) have long been the method to promote, enhance and encourage industry to make commitments. For IAL to succeed, commitments from both agribusinesses/farmers and landowners will be key, and therefore a comprehensive incentive program is needed. Thus, we respectfully urge your strong support to include the above provisions in any final IAL package that the Legislature moves this session. In closing, we would also like to emphasize that the above-referenced bills are a result of input and consensus between the HFBB, LURF and other agricultural stakeholders, and that the purpose of Act 183 and this IAL legislation is to promote agricultural viability on a sustained basis, so as to achieve the long-term protection of important agricultural lands for agricultural use. While we all agree that open space has a place in land planning for our communities, that is not the purpose of these bills. We ask that you maintain the focus on the viability and sustained growth of agriculture as you consider the proposed incentives for both farmers and landowners.

We humbly thank you and look forward to your favorable and timely consideration.

Sincerely,



Dean Okimoto
President
Hawaii Farm Bureau Federation



David Z. Arakawa
Executive Director
Land Use Research Foundation

COUNTY INCENTIVES ARE REQUIRED

- HRS Sections 205-46 (a), (b) and (d) of the IAL law requires the Counties to create and implement incentives and incentive programs to enable and promote the economic sustainability of agriculture and to achieve long-term agricultural viability.
- HRS Section 205-46 (c) and (d) of the IAL law identifies numerous examples of possible county IAL incentives which could enhance agricultural viability; and encourages the counties to create additional incentives and modify current incentives.

[§205-46] Incentives for important agricultural lands. (a) To achieve the long-term agricultural viability and use of important agricultural lands, the State and each county shall ensure that their:

- (1) Agricultural development, land use, water use, regulatory, tax, and land protection policies; and
- (2) Permitting and approval procedures, enable and promote the economic sustainability of agriculture.

Agricultural operations occurring on important agricultural lands shall be eligible for incentives and protections provided by the State and counties pursuant to this section to promote the viability of agricultural enterprise on important agricultural lands and to assure the availability of important agricultural lands for long-term agricultural use.

(b) State and county incentive programs shall provide preference to important agricultural lands and agricultural businesses on important agricultural lands. The State and each county shall cooperate in program development to prevent duplication of and to streamline and consolidate access to programs and services for agricultural businesses located on important agricultural lands.

(c) Incentive and protection programs shall be designed to provide a mutually supporting framework of programs and measures that enhance agricultural viability on important agricultural lands, including but not limited to:

- (1) Grant assistance;
- (2) Real property tax systems that support the needs of agriculture, including property tax assessments based on agricultural use valuation;
- (3) Reduced infrastructure requirements and facilitated building permit processes for dedicated agricultural structures;
- (4) Tax incentives to offset operational costs, promote agricultural business viability, and promote the long-term protection of important agricultural lands;
- (5) Agricultural business planning, marketing, and implementation grants;
- (6) Tax incentives and programs for equity investments and financing for agricultural operations, including agricultural irrigation systems;
- (7) Other programs and mechanisms that promote investment in agricultural businesses or agricultural land protection, such as the purchase of development rights;
- (8) State funding mechanisms to fund business viability and land protection programs;
- (9) Water regulations and policies that provide farmers of important agricultural lands access to adequate and cost-effective sources of water;
- (10) Other measures that would ensure that state capital investments, projects, programs, and rules are consistent with this part; and
- (11) Agricultural education and training for new farmers; upgrading the skills of existing farmers and other agriculture-related employees through the use of mentoring, business incubators, and public or private scholarships; and increasing the returns of farming by adding value to food processing and other tools and methods.

(d) State and county agencies shall review the protection and incentive measures enacted for important agricultural lands and agricultural viability pursuant to this chapter at least every five years to:

(1) **Determine their effectiveness in sustaining agriculture in Hawaii, assuring agricultural diversification, and increasing agricultural self-sufficiency;**

(2) Determine whether the effectiveness of **tax credits or incentive programs** will be enhanced by **creating revolving funds or increasing rates** based upon the tax revenues generated by enhanced investment and agricultural activities on important agricultural lands; and

(3) **Modify measures and programs as needed.**

(e) This section shall apply only to those lands designated as important agricultural lands pursuant to sections 205-45 and 205-49. [L 2005, c 183, pt of §2]

**COUNTIES ARE REQUIRED TO ESTABLISH COUNTY IAL INCENTIVES FIRST.
THE LAND USE COMMISSION MAY ONLY DESIGNATE LANDS AS IAL
AND ADOPT THE COUNTY MAPS FOR IAL DESIGNATION
THREE YEARS AFTER THE COUNTY INCENTIVES ARE ESTABLISHED.**

[§205-49] Designation of important agricultural lands; adoption of important agricultural lands maps. (a) After receipt of the maps of eligible important agricultural lands from the counties and the recommendations of the department of agriculture and the office of planning, the commission shall then proceed to identify and designate important agricultural lands, subject to section 205-45. **The decision shall consider the county maps of eligible important agricultural lands; declaratory orders issued by the commission designating important agricultural lands during the three year period following the enactment of legislation establishing incentives and protections contemplated under section 205-46,** as provided in section 9 of Act 183, Session Laws of Hawaii 2005; landowner position statements and representations; and any other relevant information.

In designating important agricultural lands in the State, pursuant to the recommendations of individual counties, the commission shall consider the extent to which:

(1) The proposed lands meet the standards and criteria under section 205-44;

(2) The proposed designation is necessary to meet the objectives and policies for important agricultural lands in sections 205-42 and 205-43; and

(3) The commission has designated lands as important agricultural lands, pursuant to section 205-45; provided that if the majority of landowners' landholdings is already designated as important agricultural lands, excluding lands held in the conservation district, pursuant to section 205-45 or any other provision of this part, the commission shall not designate any additional lands of that landowner as important agricultural lands except by a petition pursuant to section 205-45.

Any decision regarding the designation of lands as important agricultural lands and the adoption of maps of those lands pursuant to this section shall be based upon written findings of fact and conclusions of law, presented in at least one public hearing conducted in the county where the land is located in accordance with chapter 91, that the subject lands meet the standards and criteria set forth in section 205-44 and shall be approved by two-thirds of the membership to which the commission is entitled.

(b) Copies of the maps of important agricultural lands adopted under this section shall be transmitted to each county planning department and county council, the department of agriculture, the agribusiness development corporation, the office of planning, and other state agencies involved in land use matters. The maps of important agricultural lands shall guide all decision-making on the proposed reclassification or rezoning of important agricultural lands, state agricultural development programs, and other state and county land use planning and decision-making.

(c) The land use commission shall have the sole authority to interpret the adopted map boundaries delineating the important agricultural lands.

(d) The land use commission may designate lands as important agricultural lands and adopt maps for a designation pursuant to:

(1) A farmer or landowner petition for declaratory ruling under section 205-45 at any time; or

(2) **The county process for identifying and recommending lands for important agricultural lands under section 205-47 no sooner than three years, after the enactment of legislation establishing incentives and protections contemplated under section 205-46,** as provided in section 9 of Act 183, Session Laws of Hawaii 2005; [L 2005, c 183, pt of §2]

Note

Section 9 of Act 183, Session Laws of Hawaii 2005, is printed after section 205-41.

**COUNTY PROCESS FOR IDENTIFICATION OF IMPORTANT AGRICULTURAL LANDS
RESPECTS THE RIGHTS OF PRIVATE PROPERTY OWNERS WHO MAY BE AFFECTED
AND REQUIRES CONSULTATION AND COOPERATION WITH LANDOWNERS
BEFORE PUBLIC MEETINGS
AND COUNTY IAL DESIGNATIONS CAN ONLY TAKE EFFECT
THREE YEARS AFTER COUNTY IAL INCENTIVES ARE ENACTED**

[§205-47] Identification of important agricultural lands; county process. [See Note below.] (a) Each county shall identify and map potential important agricultural lands within its jurisdiction based on the standards and criteria in section 205-44 and the intent of this part, except lands that have been designated, through the state land use, zoning, or county planning process, for urban use by the State or county.

(b) Each county shall develop maps of potential lands to be considered for designation as important agricultural lands in consultation and cooperation with landowners, the department of agriculture, agricultural interest groups, including representatives from the Hawaii Farm Bureau Federation and other agricultural organizations, the United States Department of Agriculture – Natural Resources Conservation Service, the office of planning, and other groups as necessary.

(c) Each county, through its planning department, shall develop an inclusive process for public involvement in the identification of potential lands and the development of maps of lands to be recommended as important agricultural lands, including a series of public meetings throughout the identification and mapping process. The planning departments may also establish one or more citizen advisory committees on important agricultural lands to provide further public input, utilize an existing process (such as general plan, development plan, community plan), or employ appropriate existing and adopted general plan, development plan, or community plan maps.

(d) The counties shall take notice of those lands that have already been designated as important agricultural lands by the commission.

Upon identification of potential lands to be recommended to the county council as potential important agricultural lands, the counties shall take reasonable action to notify each owner of those lands by mail or posted notice on the affected lands to inform them of the potential designation of their lands.

In formulating its final recommendations to the respective county councils, the planning departments shall report on the manner in which the important agricultural lands mapping relates to, supports, and is consistent with the:

- (1) Standards and criteria set forth in section 205-44;
- (2) County's adopted land use plans, as applied to both the identification and exclusion of important agricultural lands from such designation;
- (3) Comments received from government agencies and others identified in subsection (b);
- (4) Viability of existing agribusinesses; and
- (5) Representations or position statements of the owners whose lands are subject to the potential designation.

(e) The important agricultural lands maps shall be submitted to the county council for decision-making. The county council shall adopt the maps, with or without changes, by resolution. The adopted maps shall be transmitted to the land use commission for further action pursuant to section 205-48. [L 2005, c 183, pt of §2]

Note

L 2005, c 183, §7 provides:

"SECTION 7. Each county shall submit its report and maps with recommendations for lands eligible for designation as important agricultural lands to the land use commission no later than sixty months from the date of county receipt of state funds appropriated for the identification process. Upon receipt of the county maps, the land use commission shall review and adopt maps designating important agricultural lands to the State in accordance with section [205-49]."

Designations made pursuant to this section take effect three years after incentives and protections for important agricultural lands and agricultural viability are enacted. L 2005, c 183, §14(2).



MEETING SUMMARY

Date: November 14, 2017 **HHF Project No.** 2014120

Time: 4:30-6:00 pm **Project Name:** O'ahu IAL Phase 2

Location: Pacific Guardian Center **Recorded by:** Corlyn Orr
Makai Tower Conference Room *Reviewed by DPP: February 23, 2018*

Attendees: see attached

Subject: Technical Advisory Committee Meeting #3

The third and final Technical Advisory Committee (TAC) meeting for the O'ahu Important Agricultural Lands (IAL) Mapping Project was held on Tuesday, November 14, 2017 at the Pacific Guardian Center, Makai Tower Conference Room (733 Bishop Street, Honolulu). The meeting was scheduled from 4:30pm to 6:00pm. Meeting objectives were to review the work done in the past two years, present DPP's map of recommendations for IAL designation, and discuss the next steps to share the map with the general public before transmittal to the City Council.

INTRODUCTIONS AND PROJECT UPDATE

At roughly 4:40pm, Scott Ezer called the meeting to order and introduced Kathy Sokugawa, DPP's Acting Director. Following Kathy's opening remarks, Scott introduced the planning team and DPP staff, including Raymond Young, DPP's new project manager, and the 10 TAC members in attendance introduced themselves. Scott then presented an update on the input received during the latest round of community meetings and public comment phase, and provided an overview of the proposed IAL map that will be transmitted to the City Council. DPP's current recommendation includes about 50,000 acres for IAL designation. (Several landowners have voluntarily designated roughly 11,000 acres as IAL.)

GROUP DISCUSSION

The remainder of the meeting was designated for questions and discussion. Key points from the group discussion are summarized below.

STATUS OF IAL MAPPING EFFORTS BY OTHER COUNTIES

Maui and Hawai'i County have not started mapping yet. Kaua'i completed their mapping, but has not transmitted the information for County Council review. Individuals have heard that the County does not intend to pursue LUC approval for county-designated IAL because the acreage of voluntary designations approved by the LUC (is close to the County's quota of 40,000+ acres that were initially specified). Major landowners with IAL landholdings include Gay & Robinson, Alexander & Baldwin, and Grove Farm.

STATE QUALIFIED AG COST TAX CREDIT

The State Qualified AG Cost Tax Credit provides a tax credit of up to \$1 million per taxpayer for investments in AG infrastructure, facilities, etc. The credit is refundable which means a taxpayer could receive a tax refund if the credit is larger than the tax owed, unlike a non-refundable tax credit which can only reduce a taxpayer's liability up to the amount of tax owed. Specific questions about the tax credit—such as the credit's applicability to non-profits—should be directed to the Tax Department.

The credit expires at the end of 2017 because last year's legislature did not pass the measure re-authorizing the credit. Department of Agriculture (DOA) is working on a new bill for next legislative

*O'ahu IAL Phase 2
TAC Meeting #3 | November 14, 2017
Page 2 of 3*

session. DOA is proposing that the credit be retroactive to cover this year. Testimony in support of the bill is needed to ensure that the measure passes.

COUNTY INCENTIVES

The project purpose has been to address the criteria and mapping, not develop incentives. DPP has an internal working list of incentives currently offered by the county to AG properties. There are a fair number of county incentives currently available (e.g., property tax exemptions, special water rate for AG properties, certain farm structures qualify for a State exemption from building codes and permitting). DPP welcomes suggestions for additional incentives. DPP intends to complete the mapping, and continue the conversation about the incentives during the interim before the maps are sent to Council. Suggestions that were brought up include:

- The BWS Stakeholder Advisory Group has discussed and will be recommending a reduced rate for water meter installation. A ¾-inch meter currently costs \$10,000 to install; \$40,000 for a 1.5-inch meter.
- Applying for a 10-year AG dedication is an arduous process. Giving a permanent exclusion from re-dedicating land every 10 years, or allowing for an automatic rollover, would be helpful.
- The Mayor's AG Liaison is currently funded as a half-time position. It could be funded full-time, with additional responsibilities to work directly with farmers.
- Allow farm vehicles to be exempt from paying the gasoline tax.
- Create a special AG tax rate for IAL. (Real property tax revenues generated by AG parcels on O'ahu is minimal, accounting for only 0.5% of the total tax generated for the entire island. People need to be reminded about this.)
- Community service grants for skills training or marketing assistance directed towards IAL farmers are part of the incentives listed in HRS, Chapter 205-46.
- Bill 79 currently under review by the City Council provides a property tax exemption for USDA-certified organic farms. Only a handful of farms would benefit from this measure (less than 10 certified USDA-organic farmers). The proposal could be expanded and made available to farms on IAL-designated land, and then be presented as a county incentive.

TAC members agree that the County is supportive of AG. Concern that the County identify incentives before the maps are presented to the City Council stems from the need to be in compliance with the law. If the County does not identify incentives specific to IAL, a legal challenge is possible when the maps are transmitted to the City Council because the law specifically calls for the counties to designate IAL-related incentives.

The authors of the IAL legislation crafted the incentives to give landowners who may oppose designation under the county process a reason to agree to the designation. The incentives are the cornerstone of the legislation. The incentives make IAL fair for both landowners and farmers. Land is the only asset that a farmer has, and becomes a commodity once a farmer retires. If landowners put farmers on the land to farm, they wanted a mechanism to help farmers be successful.

PUBLIC REACTION TO IAL

LURF commends the City and County process. Kaua'i had a different process where they had equal representation among different interests, including farmers, ag owners, business, hotels. They also used clickers, results were questionable because of clickers. Honolulu was more focused on farmer representation.

TAC members appreciate the rigor of DPP's process and commend DPP for a good process that invited a fair amount of representation from AG interests.

The general public does not understand the legislation and its benefits for the future of the AG industry. More effort is needed to educate the public about what IAL is really about, and motivate landowners to come forward and designate their land.

Some of the resistance to IAL comes from landowners who bought AG land as an investment for non-AG purposes, and have no intention to use the land to farm.

The lack of funding from the State has been a major downfall in the process. When the legislation was written, it was assumed that the State would fund the county-level and state-level mapping efforts.

POTENTIAL LITIGATION

The County is risking litigation by not following the process as outlined in the law. Land Use Research Foundation (LURF) distributed a handout that listed 10 specific concerns about the City's designation process (see Attachment I for handout).

Meeting was adjourned at about 6:35 PM.

ATTENDANCE RECORD

TAC Members: David Arakawa, Land Use Research Foundation
Alan Gottlieb, Hawai'i Livestock Farmers Coalition
Ken Kamiya, Kamiya Gold, Inc.
Dan Nellis, Dole Food Company Hawai'i
Dean Okimoto, Nalo Farms
Jeff Pearson, Commission on Water Resource Management
Amy Saunders Koch, USDA-NRCS
Alan Takemoto, Monsanto
Stephanie Whalen, Hawai'i Agriculture Research Center
Earl Yamamoto, State Department of Agriculture

Others: Dr. Po-Yung Lai, Mayor's Agricultural Liaison
Kathy Sokugawa, DPP Acting Director
Eugene Takahashi, DPP
Raymond Young, DPP
Scott Ezer, HHF Planners
Erin Higa, HHF Planners
Corlyn Orr, HHF Planners
Kem Lowry, ACCORD3.0 Network
Bruce Plasch, Plasch Econ Pacific

OBJECTIONS TO CITY'S IAL PROCESS AND PROPOSED DESIGNATIONS

1. **NEW PARADIGM - IAL IS AN AGRICULTURAL VIABILITY INITIATIVE – IAL IS NOT A LAND USE INITIATIVE.** IAL does not change the LUC classification and county zoning ("not land use change"), but requires the state and counties to implement IAL incentives to make IAL viable, productive and profitable, thereby encouraging landowners to designate IAL for a long term.
2. **PUBLIC PRESENTATIONS BY CITY AND ITS CONSULTANTS MISREPRESENTED IAL AS "A WAY TO STOP DEVELOPMENT"**
3. **COUNTY INCENTIVES REQUIRED - NO CITY INCENTIVES YET** – Counties are required to implement IAL Incentives first; then allow a 3-year window for voluntary IAL designations. AFTER implementing county incentives and the 3-year window - - then the county planning departments can propose IAL designations and maps to the county Council (**HRS §205-46**)
4. **CITY HASN'T EVEN STARTED ON INCENTIVES?** No excuse, examples of IAL incentives are provided (**Act 183 (2005)** and **HRS §205-46**)
5. **NO 3-YEAR VOLUNTARY DESIGNATION WINDOW YET** (**HRS §205-49**)
6. **CITY'S "ONE CRITERIA" AS BASIS FOR IAL DESIGNATION IS UNREASONABLE**
7. **IAL LAW REQUIRES COUNTY CONSULTATION AND COOPERATION WITH LANDOWNERS BEFORE PUBLIC MEETINGS** (**HRS §205-47**) City violated the law, by starting public meetings before consultation and cooperation with landowners.
8. **CITY HAS NOT RESPONDED TO 10-PAGE AND 20-PAGE LETTERS FROM PVT LAND COMPANY AND GRACE PACIFIC AND HAS NOT RESPONDED TO REQUESTS FOR MEETINGS**
9. **CITY POSITION ON RECENT IAL PETITION TO LUC: "ALL PETITIONER'S LANDS SHOULD BE IAL"**
10. **DPP SHOULD POSTPONE ITS PROPOSED IAL DESIGNATIONS AND MAPS ON NOVEMBER 20, 2017**



"Encourage the viability of Hawaii's farmers and ranchers"

April 15, 2008

Senate President Colleen Hanabusa
The Honorable Clayton Hee
The Honorable Jill N. Tokuda
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Agricultural operations occurring on important agricultural lands shall be eligible for incentives and protections provided by the State and counties pursuant to this section to promote the viability of agricultural enterprise on important agricultural lands and to assure the availability of important agricultural lands for long-term agricultural use.

(b) State and **county incentive programs** shall provide preference to important agricultural lands and agricultural businesses on important agricultural lands. The State and **each county** shall cooperate in program development to prevent duplication of and to streamline and consolidate access to programs and services for agricultural businesses located on important agricultural lands.

(c) **Incentive and protection programs** shall be designed to provide a mutually supporting framework of programs and measures that enhance agricultural viability on important agricultural lands, including but not limited to:

- (1) Grant assistance;
- (2) Real property tax systems that support the needs of agriculture, including property tax assessments based on agricultural use valuation;
- (3) Reduced infrastructure requirements and facilitated building permit processes for dedicated agricultural structures;
- (4) Tax incentives to offset operational costs, promote agricultural business viability, and promote the long-term protection of important agricultural lands;
- (5) Agricultural business planning, marketing, and implementation grants;
- (6) Tax incentives and programs for equity investments and financing for agricultural operations, including agricultural irrigation systems;
- (7) Other programs and mechanisms that promote investment in agricultural businesses or agricultural land protection, such as the purchase of development rights;
- (8) State funding mechanisms to fund business viability and land protection programs;
- (9) **Water regulations and policies** that provide farmers of important agricultural lands access to adequate and cost-effective sources of water;
- (10) Other measures that would ensure that state capital investments, projects, programs, and rules are consistent with this part; and
- (11) Agricultural education and training for new farmers; upgrading the skills of existing farmers and other agriculture-related employees through the use of mentoring, business incubators, and public or private scholarships; and increasing the returns of farming by adding value to food processing and other tools and methods.

(d) State and **county agencies** shall review the protection and incentive measures enacted for important agricultural lands and agricultural viability pursuant to this chapter at least every five years to:

- (1) Determine their effectiveness in sustaining agriculture in Hawaii, assuring agricultural diversification, and increasing agricultural self-sufficiency;
- (2) Determine whether the effectiveness of tax credits or incentive programs will be enhanced by creating revolving funds or increasing rates based upon the tax revenues generated by enhanced investment and agricultural activities on important agricultural lands; and
- (3) Modify measures and programs as needed.

(e) This section shall apply only to those lands designated as important agricultural lands pursuant to sections 205-45 and 205-49. [L 2005, c 183, pt of §2]

L 2005, c 183, §§9 and 10 provide:

"SECTION 9. (c) Incentives and other programs to **promote agricultural viability**, sustained growth of the agricultural industry, and the long-term use and protection of important agricultural lands for agricultural use in Hawaii by farmers and landowners to be considered by the department of agriculture shall include but not be limited to the following:

- (1) Assistance in identifying federal, state, and private grant and loan resources for agricultural business planning and operations, assistance with grant and loan application processes, and the processing of grants and loans;
- (2) Real property tax systems that support the needs of agriculture, including property tax assessment of land and improvements used or held only for use in agriculture based on agricultural use value rather than fair market value;
- (3) Reduced infrastructure requirements and facilitated building permit processes for the construction of dedicated agricultural structures;
- (4) Tax incentives that include but are not limited to:
 - (A) Tax credits for the sale or donation of agricultural easements on important agricultural lands; and
 - (B) General excise tax exemption for retail sales of farm produce;
- (5) Incentives that promote investment in agricultural businesses or value-added agricultural development, and other agricultural financing mechanisms;
- (6) Incentives and programs that promote long-term or permanent agricultural land protection, and the establishment of a dedicated funding source for these programs;
- (7) Establishment of a permanent state revolving fund, escalating tax credits based on the tax revenues generated by increased investment or agricultural activities conducted on important agricultural lands, and dedicated funding sources to provide moneys for incentives and other programs;
- (8) Establishment of a means to analyze the conformity of state-funded projects with the intent and purposes of part I of this Act [sections 205-41 to 205-52], and a mechanism for mitigation measures when projects are not in conformance;
- (9) Institution of a requirement for the preparation of an agricultural impact statement that would include mitigation measures for adverse impacts for proposed state or county rulemaking that may affect agricultural activities, operations, and agricultural businesses on important agricultural lands; and
- (10) Other programs to carry out the intent of part I of this Act [sections 205-41 to 205-52].

[§205-49] Designation of important agricultural lands; adoption of important agricultural lands maps. (a) After receipt of the maps of eligible important agricultural lands from the counties and the recommendations of the department of agriculture and the office of planning, the commission shall then proceed to identify and designate important agricultural lands, subject to section 205-45. The decision shall consider the **county** maps of eligible important agricultural lands; declaratory orders issued by the commission designating important agricultural lands during the three year period following the enactment of legislation establishing incentives and protections contemplated under section 205-46, as provided in section 9 of Act 183, Session Laws of Hawaii 2005; landowner position statements and representations; and any other relevant information.

In designating important agricultural lands in the State, pursuant to the **recommendations of individual counties**, the commission shall consider the extent to which:

- (1) The proposed lands meet the standards and criteria under section 205-44;
- (2) The proposed designation is necessary to meet the objectives and policies for important agricultural lands in sections 205-42 and 205-43; and
- (3) The commission has designated lands as important agricultural lands, pursuant to section 205-45; provided that if the majority of **landowners'** landholdings is already designated as important agricultural lands, excluding lands held in the conservation district, pursuant to section 205-45 or any other provision of this part, the commission shall not designate any additional lands of that **landowner** as important agricultural lands except by a petition pursuant to section 205-45.

Any decision regarding the designation of lands as important agricultural lands and the adoption of maps of those lands pursuant to this section shall be based upon written findings of fact and conclusions of law, presented in at least one public hearing conducted in the county where the land is located in accordance with chapter 91, that the subject lands meet the standards and criteria set forth in section 205-44 and shall be approved by two-thirds of the membership to which the commission is entitled.

(b) Copies of the maps of important agricultural lands adopted under this section shall be transmitted to each county planning department and county council, the department of agriculture, the agribusiness development corporation, the office of planning, and other state agencies involved in land use matters. The maps of important agricultural lands shall guide all decision-making on the proposed reclassification or rezoning of important agricultural lands, state agricultural development programs, and other state and county land use planning and decision-making.

(c) The land use commission shall have the sole authority to interpret the adopted map boundaries delineating the important agricultural lands.

(d) The land use commission may designate lands as important agricultural lands and adopt maps for a designation pursuant to:

- (1) A **farmer or landowner petition** for declaratory ruling under section 205-45 **at any time**; or
- (2) The **county process for identifying and recommending lands for important agricultural lands under section 205-47 no sooner than three years, after the enactment of legislation establishing incentives and protections contemplated under section 205-46**, as provided in section 9 of Act 183, Session Laws of Hawaii 2005. [L 2005, c 183, pt of §2]

Note

Section 9 of Act 183, Session Laws of Hawaii 2005, is printed after section 205-41.

**COUNTY PROCESS FOR IDENTIFICATION OF IMPORTANT AGRICULTURAL LANDS
RESPECTS THE RIGHTS OF PRIVATE PROPERTY OWNERS WHO MAY BE AFFECTED
AND REQUIRES CONSULTATION AND COOPERATION WITH LANDOWNERS
BEFORE PUBLIC MEETINGS
AND COUNTY IAL DESIGNATIONS CAN ONLY TAKE EFFECT
THREE YEARS AFTER COUNTY IAL INCENTIVES ARE ENACTED**

- It took over 25 years for the final IAL law to be passed, and the HFBF and landowners worked very hard on this legislation, to make sure that it was as fair as it could be – consult landowners BEFORE public meetings.
- *Involuntary* county designation (over landowner's objection) and SLUC approval of IAL, places restrictions on the use of private property and severely restricts the ability of a landowner to amend the State land use boundary designation. It is very difficult for a land owner to remove an IAL designation and change the state land use designation to a non-agricultural use. A major concern of HFB and landowners were "takings" claims from landowners whose lands were *involuntarily* designated as IAL by county and LUC action.
- To avoid "takings" claims, HFBF and the landowners loaded the IAL law with requirements for State and county incentives to support agricultural viability, so that there could be "added value" in IAL; specifically provided for county consultation with landowners relating to the establishment of incentives, and the preparations of maps, BEFORE publicizing the proposed IAL maps to the public.
- Public input is required, AFTER county consultation with landowners
- The "order" of the paragraphs are very important, it confirms that consultation and cooperation with landowners comes FIRST (not after public meetings).
- The language of the IAL law is also important, and requires the consultation and cooperation with the landowners, BEFORE publicizing the maps at public meetings:
 - Consultation and cooperation with landowners is required as each county develops maps of potential lands to be considered for designation.
 - The IAL law also requires the planning department to develop an inclusive process for public involvement in the identification of potential lands and the development of maps of lands to be recommended as important agricultural lands, including a series of public meetings throughout the identification and mapping process. planning department, shall develop an inclusive process for public involvement in the identification of potential lands and the development of maps of lands to be recommended as important agricultural lands, including a series of public meetings throughout the identification and mapping process.
- As of the date of the last City Technical Advisory Committee meeting, the City has not done the consultation and cooperation with all affected landowners, as required by the IAL law.
- The "3-year Window" allows landowners and their financial consultants to determine whether the State and county incentives are favorable enough to voluntarily designate IAL.
- In its presentations to the public, the City has already misrepresented IAL as a land use tool to stop development. The City never explained that IAL was based on agricultural viability (providing incentives for lands that have the greatest likelihood of producing viable and sustainable agricultural operations – and convincing landowners to voluntarily designate their lands as IAL).
- The City has already made presentations that have resulted in public misunderstanding of the IAL law, and its purpose and intent. If the City attempts to designate IAL without consultation with landowners, without county incentives and without allowing landowners a "3-year window" to consider voluntary designations – we believe that landowners subject to *involuntary* designations will detail the violations of the IAL law; and if the Council approves the map designations, those designations will could be successfully challenged in court.
- One good note: DPP was working on county incentives (Tim HATA) - if those could be discussed with, and supported by AG stakeholders and passed by the council, it would be a "big Win" for the City and start the 3-year clock ticking!

[§205-47] Identification of important agricultural lands; county process. [See Note below.] (a) Each county shall identify and map potential important agricultural lands within its jurisdiction based on the standards and criteria in section 205-44 and the intent of this part, except lands that have been designated, through the state land use, zoning, or county planning process, for urban use by the State or county.

(b) Each county shall develop maps of potential lands to be considered for designation as important agricultural lands in consultation and cooperation with landowners, the department of agriculture, agricultural interest groups, including representatives from the Hawaii Farm Bureau Federation and other agricultural organizations, the United States Department of Agriculture – Natural Resources Conservation Service, the office of planning, and other groups as necessary.

(c) Each county, through its planning department, shall develop an inclusive process for public involvement in the identification of potential lands and the development of maps of lands to be recommended as important agricultural lands, including a series of public meetings throughout the identification and mapping process. The planning departments may also establish one or more citizen advisory committees on important agricultural lands to provide further public input, utilize an existing process (such as general plan, development plan, community plan), or employ appropriate existing and adopted general plan, development plan, or community plan maps.

(d) The counties shall take notice of those lands that have already been designated as important agricultural lands by the commission.

Upon identification of potential lands to be recommended to the county council as potential important agricultural lands, the counties shall take reasonable action to notify each owner of those lands by mail or posted notice on the affected lands to inform them of the potential designation of their lands.

In formulating its final recommendations to the respective county councils, the planning departments shall report on the manner in which the important agricultural lands mapping relates to, supports, and is consistent with the:

- (1) Standards and criteria set forth in section 205-44;
- (2) County's adopted land use plans, as applied to both the identification and exclusion of important agricultural lands from such designation;
- (3) Comments received from government agencies and others identified in subsection (b);
- (4) Viability of existing agribusinesses; and
- (5) Representations or position statements of the owners whose lands are subject to the potential designation.

(e) The important agricultural lands maps shall be submitted to the county council for decision-making. The county council shall adopt the maps, with or without changes, by resolution. The adopted maps shall be transmitted to the land use commission for further action pursuant to section 205-48. [L 2005, c 183, pt of §2]

Note

L 2005, c 183, §7 provides:

"SECTION 7. Each county shall submit its report and maps with recommendations for lands eligible for designation as important agricultural lands to the land use commission no later than sixty months from the date of county receipt of state funds appropriated for the identification process. Upon receipt of the county maps, the land use commission shall review and adopt maps designating important agricultural lands to the State in accordance with section [205-49]."

Designations made pursuant to this section take effect three years after incentives and protections for important agricultural lands and agricultural viability are enacted. L 2005, c 183, §14(2).

**STATE SHALL IDENTIFY AND PREPARE MAPS OF STATE LANDS
THAT SHOULD BE DESIGNATED AS IAL BEFORE DECEMBER 31, 2009
AND
BEGINNING JANUARY 1, 2010, COMMISSION SHALL DESIGNATE PUBLIC LANDS
AS IAL AND ADOPT MAPS OF THOSE LANDS AS IAL**

[§205-44.5] Important agricultural lands; public lands. (a) Notwithstanding any law to the contrary, before December 31, 2009, the department of agriculture and the department of land and natural resources shall collaborate to identify public lands as defined under section 171-2 that should be designated important agricultural lands as defined in section 205-42 and shall cause to be prepared maps delineating those lands. In making the designations, the departments shall use the standards and criteria of section 205-44.

(b) The designation of important agricultural lands pursuant to this section shall not be subject to the district boundary amendment procedures of section 205-3.1 or 205-4 or declaratory order procedures of section 205-45.

(c) Notwithstanding any law to the contrary, beginning January 1, 2010, after receipt of the maps of public lands identified as important agricultural lands pursuant to subsection (a), the commission shall designate the public lands as important agricultural lands and adopt the maps of those public lands. Upon designation, the public lands shall be subject to this chapter. [L 2008, c 233, §2]

