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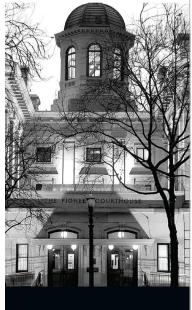
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## STATE OF HAWAII

## LAND USE COMMISSION

Hearing held on December 23, 2021 Commencing at 9:00 a.m.

Held via Zoom by Interactive Conference Technology

VI. CALL TO ORDER

VII. CONTINUED HEARING AND ACTION (IF NECESSARY)
DR21-73 HONOIPU HIDEWAY, LLC (Hawaii)

VIII. ACTION-DR21-76 PETITION OF KEKAHA AGRICULTURE ASSOCIATION (Kauai)

To Consider Petition for Declaratory Order to designate approximately 12,123 acres at Kekaha, Kauai; 4-1-2-002:001 por.IAL

IX. ADJOURNMENT

**BEFORE:** 



Hearing held on December 23, 2021
Commencing at 9:00 a.m.

Held via Zoom by Interactive Conference Technology

Good morning. This is the December 23rd Land Use
Commission meeting. This is being held using
interactive conferencing technology linking
videoconference participants and other interested
individuals of the public via the Zoom Internet
conferencing program in order to comply with state
and county official operational directives during
the ongoing COVID-19 pandemic. Members of the public
are able to view the meeting via the Zoom webinar
platform.

For meeting participants, I'd like to stress for you the importance of speaking slowly, clearly, and directly into your microphone. Before speaking, it is helpful if you state your name for the record to identify yourself.

Also, please be aware that this meeting is being digitally recorded. Your continued participation is your implied consent to be part of the public record for this event. If you do not wish to be part of the public record, you should exit the

meeting now.

As we now know, the Zoom conferencing technology allows all the parties and each participating commissioner individual remote access to the meeting via our own personal digital devices. Because of that, and often due to matters entirely outside of our control, occasional disruptions to connectivity may occur. If this happens, please let us know and please be patient as we try to restore audiovisual signals to be able to conduct business during the pandemic.

For members of the public who wish to testify during the public witness portion of this meeting, when it's that time, I will ask you to use the Raise Your Hand function in the Zoom software.

You can do this by pressing the Raise Hand button or, if you happen to be calling in from a telephone, by pressing the key sequence \*9. You also will need to press the key sequence \*6 to unmute. And if you're via the Zoom software, there's different controls.

We will take breaks from time to time, approximately 10 minutes every hour.

My name is Jonathan Likeke Scheuer, and I have the distinct pleasure and honor to be serving

as the Land Use Commission chair, and I reside on 1 2 the island of O'ahu. We currently have eight seated 3 commissioners of a possible nine, along with me, Commissioners Chang, Okuda, our Executive Officer 5 Daniel Orodenker, our Chief Planner Scott 6 Derrickson, our Staff Planner Riley Hakoda, our 7 Chief Clerk Natasha Quinones, and our Deputy Attorney General Linda Chow, all are on the island 8 of O'ahu. Commissioner Nancy Cabral is on Hawai'i 10 Island, Commissioner Lee Ohigashi is on Maui, and Commissioner Dan Giovanni is on the island of 11 12 Kaua'i. 13 Court reporting transcriptions are being done from the Zoom recording, so that is another 14 15 reason why it's important to speak slowly, 16 distinctly, and directly into your microphone. 17 I will note that Commissioners Arnold Wong 18 and Edward Aczon are excused from today's meeting. 19 Our agenda item for today is an action for 20 Docket No. DR21-76, Kekaha Agriculture Association 21 Kaua'i to consider a petition for declaratory order 22 to designate approximately 12,123 acres of Kekaha Kaua'i Tax Map Key 4-1-2-002:001, a portion thereof, 23 24 as Important Agricultural Lands.

Will the parties please identify

25

themselves for the record, beginning with the 1 petitioner, followed by the county, and Office of 3 Planning and Sustainable Development? Good morning, chair, commissioners, and 4 5 staff. My name is Doug Codiga, outside counsel for the Kekaha Agriculture Association, petitioner in 7 this matter. With me here today is Tom Schnell of PBR Hawai'i, our consultant, and also available to 8 answer questions as needed is Mr. Joshua Uyehara, 10 who is the manager of Hartung Brothers Hawai'i, one 11 of the members of the co-op, and also the president of the board of directors. 12 13 COMMISSIONER SCHEUER: Thank you. 14 Kaua'i County? 15 MS. BARZILAI: Good morning, chair, 16 commissioners, and staff. This is Laura Barzilai, 17 deputy county attorney representing the Planning 18 Department of the County of Kaua'i. With me is Marie 19 Williams, manager of our long-range division of our 20 Department of Planning. I don't think she's been 21 promoted as a panelist, but she is available. Thank 22 you very much. 23 COMMISSIONER SCHEUER: I will promote her 24 right now.

Thank you, chair.

MS. BARZILAI:

25

1	COMMISSIONER SCHEUER: OPSD?
2	MS. KATO: Alison Kato, deputy attorney
3	general for the Office of Planning and Sustainable
4	Development. Also here with me are Lorene Maki and
5	Mary Alice Evans from the Office of Planning and
6	Sustainable Development. Thank you.
7	COMMISSIONER SCHEUER: Thank you.
8	Now let me update the record. On December
9	2nd, the commission received a Petition for
10	Declaratory Order to designate Important
11	Agricultural Lands of verification, Exhibits A
12	through D, a certificate of service, and a filing
13	fee of \$1,000.
14	On December 6, 2021, the commission
15	received the Agribusiness Development Corporation's
16	testimony in reference to the KAA IAL petition.
17	On December 13th, the Land Use Commission
18	mailed a meeting agenda for the December 23rd, 2021,
19	meetings to the parties and to our statewide and
20	Kaua'i county mailing lists.
21	On December 15th, OPSD filed its response
22	to the petition. On December 16th, the County of
23	Kaua'i filed its response to the petition. Also, on
24	December 16th, the commission received the
25	Department of Agriculture's comments. And on

December 17th, the commission received the

Agribusiness Development Corporation's supplemental
testimony with additional maps for reference.

Also on the 17th, OPSD filed supplemental comments and certificate of service. In addition, public testimony was received from Grant Kunishima on behalf of Sunrise Capital and Kaua'i Shrimp.

And last night -- and this will be posted to the website -- at approximately 12 a.m., as the chair I was sent testimony from the Department of Hawaiian Homelands by its chairman, William Aila, seeking deferral of this matter, or in the absence of a deferral, a contested case. That testimony will be posted to the website. I also note Chairman Aila is an attendee in this room, so he will perhaps be giving oral testimony as well.

I'm going to pause now and ask for any disclosures at this time, and I'm going to go first. I was going to disclose this anyway. I work as a consultant for the Department of Hawaiian Homelands on implementation of their water policy plan. I have actually been involved in certain matters in an advisory capacity in this area as a number of parties, which includes the Agribusiness Development Corporation and DHHL, seek to implement what is

called the Waimea River Settlement, which was agreed 1 to by all the parties a number of years ago. 2 3 I believe I can be fair and impartial on this matter, so I would like to ask the parties if 5 there are any objections to my continued participation. That said, I will also note for you 7 that if there is an objection to my continued participation, I would hand over the duties, at 8 least temporarily, to the vice chair, Dan Giovanni, 10 to consider any objections and ruling upon them. 11 If it is ruled that I cannot participate in this matter, that would actually end today's 12 13 hearing, because for an Important Agricultural Lands matter, you need six commissioners to pass the 14 15 matter. So we would immediately defer action today. Mr. Codiga, any objections? 16 17 MR. CODIGA: Chair, thank you for the disclosure and for the information. Before I answer 18 19 that, may I just quickly request clarification as to 20 whether there would be an opportunity to caucus with 21 my client on that disclosure? If not, that's 22 understandable. I believe that there is no 23 objection; however, I am unable to confirm that with

my client, based on the information you just

24

25

provided.

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1
             COMMISSIONER SCHEUER: Do you want a two-
 2
   minute recess?
 3
             MR. CODIGA: I would like -- yes, if I
 4
   may.
 5
             COMMISSIONER SCHEUER: Okay. We'll give
 6
   you five. It's 9:09. We will reconvene at -- two
 7
   minutes is fine?
 8
             MR. CODIGA:
                          Yes.
 9
             COMMISSIONER SCHEUER: It's 9:09. We'll
   reconvene at 9:11.
10
11
             MR. CODIGA:
                          Thank you.
12
              (Recess taken from 9:09 a.m. - 9:11 a.m.)
13
             COMMISSIONER SCHEUER: It's 9:11. We're
14
   back on the record.
15
             Mr. Codiga?
16
             MR. CODIGA:
                          Thank you, chair, for the
17
   opportunity to caucus with my client. We appreciate
   that and apologize for any inconvenience. We have no
18
19
   objection for moving forward.
20
             COMMISSIONER SCHEUER: Okay. Thank you
21
   very much.
22
             Kaua'i County?
23
             MS. BARZILAI: Chair, my client and I have
24
   no objection.
25
             COMMISSIONER SCHEUER:
                                     Okay. Thank you.
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OPSD? 1 2 MS. KATO: No objection. Thank you. 3 COMMISSIONER SCHEUER: Okay. Thank you. 4 Commissioners, are there any other 5 disclosures that people wish to make? Commissioner Okuda? 6 7 COMMISSIONER OKUDA: Thank you, Mr. Chair. 8 To the extent necessary, I'd like to disclose the fact that I worked with Patricia Teruya, one of the 10 commissioners on the Hawaiian Homes Commission, with 11 respect to a vaccination clinic in Nanakuli. 12 Commissioner David Ka'apu I know for decades from 13 the practice of law, although I have not spoken to 14 him since the time that he has been appointed to the 15 commission. 16 I have spoken with Randy Awo, another 17 commissioner, with respect to some issues regarding 18 long-range planning, but since the time he was 19 appointed to the commission, I don't really recall 20 speaking to him about any pending matters. So I make 21 those disclosures. 22 COMMISSIONER SCHEUER: Thank you, 23 Commissioner Okuda. 24 Any objections to Commissioner Okuda's 25 continued participation, Mr. Codiga?

1 MR. CODIGA: No objections. 2 **COMMISSIONER SCHEUER:** Ms. Barzilai? 3 MS. BARZILAI: No objection, chair. **COMMISSIONER SCHEUER:** Ms. Kato? 5 MS. KATO: No objections. 6 COMMISSIONER SCHEUER: Thank you. 7 Commissioners, anything further? Okay. Now 8 let me go over --9 Oh, Commissioner Giovanni? 10 COMMISSIONER GIOVANNI: Let me get my video on here. Just a point of clarification, chair. 11 12 Mr. Uyehara was introduced as a member of the co-op. 1.3 Could you clarify, please, the organization in more detail, who he represents? 14 15 **COMMISSIONER SCHEUER:** Mr. Codiga? 16 MR. CODIGA: Yes. Thank you, Commissioner 17 Giovanni. The petitioner is an agricultural 18 cooperative formed pursuant to Chapter 421 Hawai'i 19 Revised Statutes. It is led by -- or governed by a board of directors. The board of directors, of 21 course, has a president, and Mr. Uyehara is 22 president of the Kekaha Agriculture Association 23 board of directors, and he is participating today in 24 that capacity. And that is the -- that is because 25 the petitioner is the KAA.

The KAA, of course, is a co-op comprised 1 2 of members. One of the members is Hartung Brothers, 3 and Mr. Uyehara is the manager of Hartung Brothers. 4 **COMMISSIONER GIOVANNI:** Very good. Thank 5 you for that clarification. 6 MR. CODIGA: Absolutely. 7 COMMISSIONER SCHEUER: Thank you, Commissioner Giovanni. 8 9 Thank you, Mr. Codiga. 10 Anything further, commissioners? 11 Let me go over now procedures for this 12 docket. First, I will give the opportunity for 13 petitioner to comment on their agreement or 14 disagreement with the commission's policy governing 15 reimbursement of hearing expenses. 16 Next, I will -- before proceeding further on the matter, we will acknowledge any written 17 18 testimony. I will then ask for a commission's 19 discussion regarding -- and ask the parties to 20 address some concerns over the ability of the 21 petitioner to file this petition -- specifically, 22 whether or not there is a requirement that they need 23 the assent of the Board of prior to us considering 24 this petition. 25 Should those issues be resolved in full to

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the commission's satisfaction, we'll then proceed to
 1
 2
   hearing on the full petition.
 3
             Commissioner Chang?
 4
             COMMISSIONER CHANG: Thank you, Mr. Chair.
 5
   I would like, as a procedural matter, in light of
 6
   DHHL's notice -- and I have not read the
 7
   correspondence or what they filed -- if they are
 8
   requesting a contested case hearing, I am concerned
   about further procedure, us conducting a hearing on
10
   this matter without addressing the contested case,
11
   if that is a request.
             So I'd like at some point in time for us
12
13
   to address that.
14
             COMMISSIONER SCHEUER: So, thank you,
15
   Commissioner Chang.
16
             So, Mr. Orodenker, obviously, things have
17
   been moving around a little bit. If we allow for
18
   public testimony prior to taking up any of the
19
   further deliberation about the timing of this case,
   would that -- would we be able to address those
20
21
   concerns?
22
             MR. ORODENKER: I do not have. I will
23
   defer to counsel on that.
24
             COMMISSIONER SCHEUER:
                                     Ms. Chow?
25
             MS. CHOW: Yes. Maybe I can better address
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I will defer to our counsel's advice on that.

23

24

25

**COMMISSIONER SCHEUER:** Okay.

COMMISSIONER CHANG: So thank you.



1	COMMISSIONER SCHEUER: So my preference
2	is, seeing a number of people in the waiting room,
3	if people are here to testify, my inclination I
4	guess this is a question for counsel, for our
5	counsel.
6	If people are here to testify, are we
7	harming the process in any way by allowing people to
8	testify prior to taking up the issue of deferral?
9	MS. CHOW: I think if you ask people to
LO	limit their testimony to the issue of deferral
L1	first, then, no. You know, obviously, if that's the
L2	issue that's going to be taken up, you can obviously
13	get their testimony on that. As far as testimony on
L4	the petition itself, I think it would be better if
L 5	we could hold off on accepting that testimony until
L 6	we get to the issue of whether or not you can even
L7	hear or proceed with that IAL petition in substance
L 8	
L 9	COMMISSIONER SCHEUER: Okay.
20	MS. CHOW: before you deal with the
21	contested case request.
22	COMMISSIONER SCHEUER: Okay.
23	MR. ORODENKER: Mr. Chair?
24	COMMISSIONER SCHEUER: Mr. Orodenker?
25	MR. ORODENKER: Assuming for the moment



that we are addressing an IAL petition with regard to public maps, Section 205-44.5, just for everyone's understanding, says that section (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." So as -- basically, that section is 

So as -- basically, that section is consistent with the rest of the IAL statute currently unclear, but it appears that the rules regarding declaratory rulings may not be applicable in this case. So I don't know where that lands us, though.

in the discussion of procedures for today. So my preference is in the interest of -- if people show up from the public and they want to testify, unless it's prejudicial to the proceedings, I like to provide people the opportunity to testify. And I will give actual parties the chance to comment on this just as I would normally when I lay out the procedures for today.

So my proposed procedures are this. I'm going to acknowledge written testimony. I'm going to

allow for oral testimony from any members of the public, but I would like it to be limited to the issue of potentially deferring this item because of an ongoing question, whether or not KAA is able to properly bring this matter before us prior to having an action and assenting to this from the Board of Land and Natural Resources.

After the closure of that portion of

public testimony, the commissioners will allow -the chair will allow for each of the parties to
comment on this, the commissioners to ask questions.
We will then make a determination on whether or not
to proceed or not.

I will then -- if we choose to proceed and not defer, I will then open up testimony again to have people testify on the substance of the proposed IAL. If we propose to defer, people will get an opportunity if and when the petition comes before us again.

I'm going to check with the parties. Is the procedure clear, and do you have any concerns with the procedure? Starting with Mr. Codiga.

MR. CODIGA: No objections, chair. That's clear.

COMMISSIONER SCHEUER: Thank you.

1 MS. BARZILAI: It's clear, chair. COMMISSIONER SCHEUER: 2 3 MS. KATO: Same. 4 COMMISSIONER SCHEUER: Okay. 5 So we have -- that's our procedures for 6 today. The only thing I left out in that last thing 7 is that I need you to go over whether or not you assent to the reimbursement of hearing expenses as 8 explained in our administrative rules. Mr. Codiga? 10 MR. CODIGA: No objection. 11 COMMISSIONER SCHEUER: Okay. Thank you. 12 So what we're next going to do is we're 13 going to offer the opportunity for public testimony 14 on this matter, but I'm asking all members of the 15 public who wish to testify to limit their testimony 16 solely to the matter of whether or not this 17 petition's consideration should be deferred today or 18 not. If you are here to testify, please either 19 use the Raise Your Hand function in the Zoom 21 software, or if you are calling in by phone, and we 22 have one phone-in caller, use the key sequence \*9 to 23 raise your hand. 24 I see one hand raised at this point. Beth 25 Tokioka. I will admit people to be panelists. I will

swear them in, ask them to identify themselves by 1 2 name and address for the record, and then give them 3 the opportunity to testify. So Beth Tokioka, followed by William Aila. 4 5 Okay. 6 You should now be able to enable your 7 audio and video, Beth. There you are. Okay. 8 MS. TOKIOKA: Good morning. 9 COMMISSIONER SCHEUER: Good morning. So 10 I'm going to swear you in and ask you to identify 11 yourself, and then proceed with your testimony. Do you swear or affirm the testimony you're about to 12 13 give is the truth? 14 MS. TOKIOKA: Yes. I do. 15 COMMISSIONER SCHEUER: Okay. Thank you. So 16 state your name and address and affiliation for the 17 record, and then give your testimony, please. 18 MS. TOKIOKA: Aloha. My name is Beth 19 Tokioka. I am with Kaua'i Island Utility 20 Cooperative. Our address is 4463 Pahee Street, Suite 21 1, in Lihue. Appreciate the opportunity to address 22 the matter of deferral. 23 We at KIUC do support deferral of the 24 matter. We have some concerns about the petition as 25 it is presented. Unfortunately, we only learned

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about the petition yesterday, so deferral would
 1
   allow us time to better address the concerns and for
 3
   your consideration at a later date. So thank you
 4
   very much.
 5
             COMMISSIONER SCHEUER: Okay. Let me see if
 6
   there's any questions from the parties or the
 7
   commissioners for you.
 8
             Mr. Codiga?
 9
             MR. CODIGA: Thank you, chair. We have no
10
   questions.
11
             COMMISSIONER SCHEUER: Kaua'i County?
12
             MS. BARZILAI: No questions, chair.
13
             COMMISSIONER SCHEUER:
                                     OPSD?
14
             MS. KATO: No questions. Thank you.
15
             COMMISSIONER SCHEUER: Commissioners?
16
             Commissioner Okuda?
17
             COMMISSIONER OKUDA: Thank you very much,
   Mr. Chair.
18
19
             May I ask how did you find out about this
   petition and if you had any suggestions on how --
21
   and maybe communication might be better in the
22
   future -- whether or not such procedures are really
23
   required by the rules or the statute?
24
             MS. TOKIOKA: We just -- someone alerted
25
   someone our staff, our senior staff, that this item
```

was up on the agenda. We have not -- anticipate --1 we are concerned about the agenda item as it relates 3 to the West Kaua'i Energy Project, which we're 4 currently developing. 5 And there are a number of agencies that we 6 monitor regularly for agendas when we anticipate 7 items might be coming up related to the project. The LUC is not something that has been recently on our 8 radar screen, so we weren't really monitoring. But I didn't take the call, but someone was alerted that 10 11 the agenda item was there and could potentially have 12 an impact on the project, so. 13 COMMISSIONER OKUDA: Okay. Thank you. 14 MS. TOKIOKA: I'll be monitoring the 15 agendas more fully in the future. 16 COMMISSIONER OKUDA: No, no, no. No 17 apologies are necessary, and thank you very much for 18 participating in the process. I believe more 19 participation is usually better than less 20 participation, so thank you very much. 21 No further questions, Mr. Chair. Thank 22 you. 23 COMMISSIONER SCHEUER: Thank you, 24 Commissioner Okuda. 25 Commissioner Ohigashi?

1	COMMISSIONER OHIGASHI: I'm sure that it
2	might be too early for you to determine this, but
3	are you also going to consider joining in any
4	intervention in this matter, if it is allowed?
5	MS. TOKIOKA: We have not discussed that,
6	so I'm unable to answer that question at this time.
7	But a deferral, I think, would address our concern
8	to be able to more fully prepare and share with you
9	our concerns about the submittal as presented.
LO	COMMISSIONER OHIGASHI: You mentioned that
L1	there was some project that was adjacent or close to
L2	this area. Do you have any kind of interest
L3	adjoining the project area or in the project area or
L 4	in the area to be designated? Is there some kind of
L 5	interest in your company, I guess?
L 6	MS. TOKIOKA: Yes. There is. I'm not sure
L7	if it's proper to get into the content, chair.
L 8	COMMISSIONER SCHEUER: I think if you
L 9	would give that just enough context.
20	MS. TOKIOKA: Okay. Sure.
21	COMMISSIONER SCHEUER: The broad basis of
22	why you're even concerned, why you're here and
23	concerned to seek a deferral.
24	MS. TOKIOKA: Sure. Very briefly, the West
25	Kaua'i Energy Project is a renewable project that we

are developing on the west side of Kaua'i. It's a pump storage hydro project and encompasses infrastructure on state lands, including ADC lands, including the Mana reservoir, and would require us to construct some facilities at the reservoir, also rehabilitate the reservoir.

And we just want to make sure that these facilities that are -- and it's a very small amount of acreage, but it is primarily for energy production, although the project will support, with the rehabilitation of the reservoir, will support the agricultural purpose of KAA.

needed for energy production that are not -- don't have a direct nexus to agriculture that would need to be constructed on these lands. Again, it's a very small, small acreage, but we would ask that that acreage be carved out or acknowledged in whatever decision is made, that those could be constructed on these lands and that the project could go forward.

COMMISSIONER OHIGASHI: If there is a deferral, I look forward to reviewing what's submitted on that. Thank you.

MS. TOKIOKA: Thank you.

COMMISSIONER SCHEUER: Thank you,



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Commissioner Ohigashi.
 1
             Commissioners, further questions for the
 2
 3
   witness?
             Seeing none, thank you very much, Ms.
 4
 5
   Tokioka.
 6
             MS. TOKIOKA: Thank you.
 7
             COMMISSIONER SCHEUER: I'm going to move
 8
   you back to being an attendee, and I'm going to
   promote William Aila.
10
             And anybody else who wishes to testify
11
   should use your Raise Your Hand function to indicate
   your desire to testify. If you are calling in by
12
13
   phone, use the key sequence *9.
14
             Mr. Aila, if you can enable your audio and
15
   video? There we go.
16
             MR. AILA: Thank you, chair. And I
17
   apologize, and I'll answer some of the questions up
18
   front.
19
             COMMISSIONER SCHEUER: Mr. Aila, I need to
20
   swear you in.
21
             MR. AILA: Oh. Sorry.
22
             COMMISSIONER SCHEUER: Do you swear or
   affirm the testimony you're about to give is the
24
   truth?
25
             MR. AILA:
                        Yes.
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we would assign subsistence agricultural lots in

West Kaua'i based upon the implementation of the

24

25

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energy project, we just need more time to understand
 1
   how this action could impact that process moving
 3
   forward.
 4
             COMMISSIONER SCHEUER: Are there any
 5
   questions for the witness?
 6
             Mr. Codiga?
 7
             MR. CODIGA: Thank you, chair. We have no
 8
   questions for this witness at this time.
 9
             COMMISSIONER SCHEUER:
                                   Okay.
10
             The county, Ms. Barzilai?
11
             MS. BARZILAI: No questions, chair. Thank
12
   you.
13
             COMMISSIONER SCHEUER: Ms. Kato?
14
             MS. KATO: No questions. Thank you.
             COMMISSIONER SCHEUER: Commissioners?
15
16
   Questions for Mr. Aila, Chair Aila?
17
             Seeing none, I suppose, thank you very
18
   much for your testimony.
19
             MR. AILA: Thank you, chair. And merry
   Christmas and happy holidays to you all. Mahalo.
21
             COMMISSIONER SCHEUER: Thank you. I'll
22
   move you back to being an attendee.
23
             MR. AILA: Thank you.
24
             COMMISSIONER SCHEUER: Okay. Last call for
25
   any public testimony regarding just the narrow issue
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of potential deferral of this item. If anybody who is attending this meeting wishes to testify, either use the Raise Your Hand function or \*9.

Seeing none, we are now going to proceed with a consideration on a sort of determinative matter on how much further we can go today.

So we need to determine whether or not the petitioner has the proper authority to file this petition. This matter is preliminary and dispositive of the petition. As of today, the LUC staff does not believe it has received a complete explanation and supporting evidence of KAA's authorization to file the petition, who had to grant that authority, and whether or not the proper process was adhered to.

As of today, we have received documents indicating the counsel for the petitioner has the authority to file a petition with the commission on behalf of KAA, and we've received minutes of a meeting from the Agribusiness Development Corporation from January 3rd of 2018, along with submissions from that meeting and a map purporting to be BLNR Executive Order 4007.

We have also received testimony from the Office of Planning and Sustainable Development that the lands subject to the petition are not "public"

lands". However, the commission does not believe that we have a complete explanation of this issue.

So I'd like each of the parties to respond to the following two issues. First, does the ADC have the authority to grant KAA the ability to file this petition and permanently place the land IAL designation on state lands?

And I'd like you specifically to address how the land in the subject petition is held by the ADC and whether or not the manner in which the lands are held are sufficient to grant ADC the ability to authorize the petition or whether or not additional authorization from the Bureau of Land and Natural Resources is necessary.

And the second question for the parties is whether or not under 205-44.5 Hawai'i Revised

Statutes, state lands may be subject to IAL designation by individual lessees or whether or state lands must be designated in a comprehensive manner.

We'll do them in order. So I'll ask, first, each of the parties to address the issue of authority. And then if we resolve the issue of authority, ask for your position on 205-44.5.

I'm going to allow the commissioners to

ask questions of each of the parties during the 1 course of the discussion. 2 3 Petitioner? Commissioner Giovanni? Excuse me. 4 5 **COMMISSIONER GIOVANNI:** Yeah. Just a 6 clarification. So if we get past both of those 7 questions, and the conclusion is that we could proceed, we'll take up the question of deferral or not at that time? 10 COMMISSIONER SCHEUER: This would -- this is actually the substance. Yeah. Thank you for that 11 question, commissioner. 12 13 Either of these two matters could potentially lead to deferral. If we conclude, after 14 hearing from the parties, that we believe that 15 16 assent from the Department of -- Board of Land and 17 Natural Resources is required, or perhaps assent was not fully or properly given from ADC to KAA, that 18 19 would lead to a deferral of the petition until we 20 were sure that those matters were received. 21 In addition, if we decided that we 22 believed our interpretation of the statute or an 23 interpretation of the statute that comprehensive 24 designation of state lands is required rather than 25 lessee by lessee, that would also lead to deferral.

What your question leads me to understand 1 is that there is an additional third sort of reason 2 3 for deferral, which is the request from KIUC and 4 DHHL. 5 COMMISSIONER GIOVANNI: Correct. 6 COMMISSIONER SCHEUER: I think we will 7 then take those up subsequently should we get 8 through the first two. 9 COMMISSIONER GIOVANNI: Thank you for that 10 clarification. That's exactly what my question was. 11 COMMISSIONER SCHEUER: Okay. Thank you, 12 Commissioner Giovanni. 13 Any other questions for how we're proceeding? 14 15 If not, Mr. Codiga? 16 Thank you, chair. Yes. With MR. CODIGA: 17 regard to the first question concerning ADC's 18 authority to authorize the KAA to file the petition, 19 we believe based on the record as presented before 20 the commission, the answer is, yes, ADC does have 21 that authority. 22 This is something that was reviewed and discussed at some length with ADC over a fairly 23 24 extended time period, and we believe that that 25 conclusion is supported by, as again, by the record

as presented before the commission currently, which specifically includes a staff proposal from ADC staff to the ADC board of directors.

The record also includes minutes, and that staff proposal concerned a recommendation by staff to authorize the KAA to go ahead and file the petition to designate the Kekaha ag lands as Important Agricultural Lands. That staff report was acted on by the ADC board.

We have copies of minutes that are verified that have been submitted by the agency directly to incorporate them into the record, submission by the agency, meaning ADC, which indicate that ADC did approve KAA to proceed with the petition for IAL designation.

So based on that record and based on analysis of the applicable statutory provisions, we believe that it is -- ADC was correct, and the record does support a determination by this commission that ADC made the right decision in that regard.

I should note as well that in anticipation of the discussion of this issue or issues similar to this, we did ask as a courtesy that Mr. James

Nakatani as executive director of ADC and Ms. Myra

Kaichi as senior executive assistant of ADC would be available to answer questions.

I have been unable to confirm or verify that they have been admitted this morning as audience members, but that was the intention. If they have been admitted as audience members, then the commission would have the opportunity, I believe, to elevate them to be panelists to address these questions directly. And I would suggest that may be something the commission wishes to do based on the specific articulation of the question, chair, that you just presented, given as focus.

Our intention was to make them available only sort of an as-needed basis, but based on this first question that you have presented, it seems that it might be advisable for them to potentially provide additional clarification, again, if they are available.

COMMISSIONER SCHEUER: Thank you, Mr.

Codiga. Ms. Kaichi has actually logged in twice, so that could be her and Mr. Nakatani separately. I don't know. So they are in the audience. At least, Ms. Kaichi is in the audience, and I'm more than happy to admit them if the commissioners have a question for them.

Mr. Okuda? 1 2 COMMISSIONER OKUDA: Thank you very much, 3 Mr. Chair. First, let me make some additional disclosures. A number of years ago, I served on a 5 board somewhat informally -- or, I guess, we were actually formal participants. It was the board 7 called -- of the Nisei Veterans Legacy Foundation. Mr. Nakatani was part of that organization, but I don't believe in the last four years I have 10 communicated with them or been in any board meetings with him. So I'd like to make that disclosure. 11 And during the course of my practice of 12 13 law, I have dealt with Ms. Kaichi, so I'd like to make those disclosures before I ask Mr. Codiga a 14 15 number of questions. 16 COMMISSIONER SCHEUER: Okay. Thank you for 17 those disclosures. 18 Any objection to Mr. Okuda's continued 19 participation, Mr. Codiga? 20 MR. CODIGA: No object. 21 COMMISSIONER SCHEUER: Ms. Barzilai? 22 MS. BARZILAI: No objection, chair. 23 **COMMISSIONER SCHEUER:** Ms. Kato? 24 MS. KATO: No objection. 25 COMMISSIONER SCHEUER: Thank you.



Please proceed, Commissioner Okuda.

COMMISSIONER OKUDA: Okay. Thank you.

Counsel, if I can just go through just a couple of statutes so that we can place the issue of authority and then maybe look at whether or not there's adequate evidence of authorization here to proceed with this petition.

The first part -- and I want to just see if you disagree with this -- is that HRS Section 171-3(a) provides that, and I quote, the department, meaning the Department of Land and Natural Resources, shall manage, administer, and exercise control over public lands.

Do you agree that that's what the law says?

MR. CODIGA: Yes.

COMMISSIONER OKUDA: Okay. And if we look at HRS Section 171-2, which is captioned Definition of Public Lands, that statute starts off by stating, "'Public lands' means all lands or interest therein in the state class as government or crown lands previous to August 15, 1895, or acquired or reserved by the government upon or subsequent to that date by purchase, exchange, escheat, or the exercise of the right of eminent domain or in any other matter." And

then there's a semicolon. 1 2 Do you agree that's a fair statement of 3 the law? 4 MR. CODIGA: Of course. Yes. 5 COMMISSIONER OKUDA: Okay. But that 6 Section 171-2 also has a list of exceptions to that 7 rule. And under subparagraph 11, one of the 8 exceptions to that rule states that lands that are set aside by the governor to the Agribusiness 10 Development Corporation, lands leased to the 11 Agribusiness Development Corporation by any 12 department or agency of the state, or lands to which 13 the Agribusiness Development Corporation in its 14 corporate capacity holds title. 15 So that's an exception to the definition 16 of public lands that's set forth in HR Section 171-17 2. Do you agree with that? 18 MR. CODIGA: Yes. That's correct. I 19 believe that's subsection 11. Yes. 20 COMMISSIONER OKUDA: Yes. Okay. Okay. And 21 so let me ask. Let me ask you this. So if the 22 Agricultural -- I'm sorry, the Agribusiness 23 Development Corporation holds title to this land, 24 how would you describe the Agribusiness Development 25 Corporation's interest in this land?



1	MR. CODIGA: That's an excellent question,
2	and it can be a source of some confusion. I
3	appreciate the opportunity to clarify and also would
4	possibly again defer to Ms. Kaichi of ADC.
5	But that said, our understanding, based on
6	the relevant documents which are in the record, the
7	key phrase would be "control and manage", I believe,
8	in Executive Order 4007.
9	So I would I believe, again subject to
10	check and confirmation by ADC directly, that it
11	would probably not be correct to characterize ADC's
12	interest as a fee interest necessarily, pursuant to
13	the executive order, but rather ADC has the control
14	and management.
15	I believe the ownership, if you will,
16	resides with state of Hawai'i.
17	COMMISSIONER OKUDA: Okay.
18	COMMISSIONER SCHEUER: If there's no
19	objections from any of the parties or the
20	commissioners, I'll admit Ms. Kaichi.
21	Seeing none, Ms. Kaichi, would you raise
22	your hand, because there's two of you signed in.
23	Using your Raise Your Hand function. There we go.
24	COMMISSIONER OKUDA: Mr. Chair, may I
25 l	proceed, or would you like me to wait?

	COMMISSIONER SCHEUER: Please proceed.
2	Please proceed.
3	COMMISSIONER OKUDA: Thank you very much.
4	Okay. And so now I have a question
5	regarding a document which was received by the Land
6	Use Commission, and it's file-stamped December 17,
7	2021, at 9:38 a.m., and it's on the Agribusiness
8	Development Corporation well, that's the top
9	line. It says Minutes of the Board of Director
10	Meeting for January 31, 2018.
11	And if we look at that document, and if we
12	can go to page one moment, please page 6,
13	okay, first paragraph, it says, and it's a sentence
14	that comes from the bottom of page 5. Let me read
15	the sentence that starts on the bottom of page 5.
16	"The recommendation that the board
17	authorize the KAA to pursue a declaratory order to
18	designate a portion" I'm sorry. That's the wrong
19	section. I'm sorry. Wait one moment, please. I'm
20	sorry. I had it right here.
21	Oh, you know, Mr. Chair, I'm really sorry.
22	COMMISSIONER SCHEUER: Okay.
23	COMMISSIONER OKUDA: May you defer my
24	question just for a second so that I don't waste
25	everyone's time?

1	COMMISSIONER SCHEUER: Sure.
2	COMMISSIONER OKUDA: And if you could come
3	back to me a bit later?
4	COMMISSIONER SCHEUER: Okay. Well, it's
5	approaching 50 minutes, so does any commissioner
6	have a quick question they want to pose to Mr.
7	Codiga at this time?
8	Seeing none.
9	Commissioner Chang? You're muted.
10	COMMISSIONER CHANG: Good morning, Mr.
11	Codiga. I just have a question regarding Section 15-
12	15-121. Well, let me ask you. Under what
13	administrative rule is KAA filing this petition?
14	MR. CODIGA: The criteria let's see
15	here. I'm thinking the most efficient way to answer
16	that would be the rules that were cited in the
17	petition. And if this is too broad, we can narrow it
18	down, but subsections of Chapter 15-15, subsections
19	98, 99, 120, and 121.
20	COMMISSIONER CHANG: Okay.
21	MR. CODIGA: And 120, of course, is the
22	eight criteria for the identification of IAL lands.
23	COMMISSIONER CHANG: So I guess my
24	question. Are you filing as a farmer or as a
25	landowner?

MR. CODIGA: That's an excellent question. 1 2 And we have concluded and positioned this as a 3 petition primarily by a farmer. 4 **COMMISSIONER CHANG:** Okay. 5 MR. CODIGA: We acknowledge that the term "landowner" and "farmer" may be subject to 6 7 interpretation by this commission, and so we would 8 certainly -- if the commission chose to exercise discretion in a manner that concluded that under 10 these particular circumstances, it was appropriate 11 to interpret the term "landowner" to encompass KAA, 12 you know, that's something that the commission -- we 13 would not object to the commission exercising its 14 discretion in that manner. 15 However, we submit that our intention, and 16 we think the clear interpretation, is that this is a 17 farmer application petition. So under 205-45, we're 18 submitting this petition with the KAA as a farmer. 19 That's the approach, if that answers your question. 20 COMMISSIONER CHANG: Okay. And that has, 21 because I did have -- when looking at the definition 22 of "landowner", it does require a party with a fee 23 simple interest. So it wasn't very clear in my mind 24 whether it was a farmer or a landowner. 25 So, okay. So it is as a farmer that KAA is

submitting this petition. All right. That clarifies 1 for me at least the administrative rule that you're 2 3 applying. At this time, I don't have any other 4 5 further question, Mr. Chair. Thank you. 6 COMMISSIONER SCHEUER: Thank you. 7 Commissioner Giovanni? 8 COMMISSIONER GIOVANNI: Yeah. Following up 9 on Commissioner Chang's inquiry, Mr. Codiga, could 10 you further explain? My reading of your petition and 11 the background for it, KAA is responsible for the 12 management of the infrastructure and, in fact, is 13 not necessarily a farmer. Could you clarify why that -- I'm confused. 14 15 MR. CODIGA: Okay. No, no. So the co-op is 16 an independent legal entity. It's a cooperative form 17 under Chapter 421, as we discussed a little bit 18 earlier. The co-op itself is comprised of farmers, 19 and nothing but farmers. There are five members that 20 are engaged in farming activities. 21 Under Chapter 21, Section 9(b)(1), the co-22 op is expressly authorized to speak and act on 23 behalf of its members, as you would expect. So

although the co-op has a separate legal identity, it

is essentially the farmers, and so it was decided

24

appropriate, for the commission to invite Ms. Kaichi

to provide any further clarification as may be appropriate. But that's the basic answer.

COMMISSIONER GIOVANNI: Are there any farmers on the specific lands that are not member of KAA?

MR. CODIGA: Well, that's partly a legal question and partly a factual question in which I would actually wish to, with the chair's permission, to confirm with my client representative in terms of providing an accurate description.

But for purposes of this petition, you know, it requires a farmer. We believe that the petition identifies a farmer, and therefore it provides us a sound basis for the commission to proceed in approving the petition, because you have a farmer and you have a petition.

But to answer your question more directly,

I believe there are other agricultural farmers, if

you will, or agriculturalists who are doing

agricultural activities on lands that are not

licensed to these five members.

But I would again appreciate the opportunity to have my client confirm the correct characterization of that, if and when that becomes appropriate.

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COMMISSIONER GIOVANNI:
 1
                                      Thank you.
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              Chair, I'd like that clarified by Ms.
 3
   Kaichi at some point. I don't know if now's the time
 4
   or --
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             COMMISSIONER SCHEUER: Okay. Now is
 6
   actually the time for a break, so. I'm also going to
 7
   acknowledge that there is -- in the waiting room,
 8
   there's somebody calling by phone from a 586 number.
             Ms. Kaichi, is there any chance that's Mr.
10
   Nakatani? We have time for you to respond.
11
             Mr. Uyehara?
12
             MR. UYEHARA:
                            I was just going to clarify
13
   that is Ms. Kaichi, actually. I think she's having
14
   trouble with her audio on the --
15
             COMMISSIONER SCHEUER: Okay. Okay. So it's
16
   9:54. We're going to take a 10-minute break. We're
17
   going to reconvene at 10:04.
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             At 10:04, Mr. Codiga, with the assistance
19
   of Ms. Kaichi, you can respond to the questions from
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   Commissioner Giovanni.
21
             When it's time, we'll come back to the
22
   question from Commissioner Okuda, when he's
23
   prepared.
24
             Recess until 10:04.
25
              (Recess taken from 9:54 a.m. - 10:04 a.m.)
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ı	Hawaii State Land Meeting December 23, 2021 NDT Assgn # 54804 Page 45
1	COMMISSIONER SCHEUER: It's 10:04. We're
2	back on the record, and we're continuing with
3	questions for Mr. Codiga and Ms. Kaichi from
4	Commissioner Giovanni.
5	So, Ms. Kaichi, if you would unmute? And
6	I'm going to swear you in. Do you swear or affirm
7	the testimony you're about to give is the truth?
8	MS. KAICHI: Yes.
9	COMMISSIONER SCHEUER: Okay. Would you
10	state your name and position for the record and then
11	respond to the question raised from Commissioner
12	Giovanni?
13	MS. KAICHI: Good morning, commissioners.
14	Myra Kaichi. I'm the senior executive assistant with
15	Agribusiness Development Corporation.
16	First, I'd like to apologize for all the
17	technical difficulties Zooming. Mr. Nakatani was
18	actually present the whole time, but I think we had
19	difficulty registering, and so he wasn't showing up.
20	I was on video, but I have no actual camera or
21	microphone, so I was actually on the phone. I was
22	the 586 number.
23	COMMISSIONER SCHEUER: Okay.

## Sitting at -- I'm actually sitting at Jimmy's desk.

 ${\bf MS.}$   ${\bf KAICHI:}$  Anyway, so here we are. I'm

24

We decided this was -- he and I, if necessary, we'll play tag team for this camera.

So the question. We've grappled with the question of whether ADC is the proper party to give approval for any matters, not just IAL designation, but any matters affecting lands that are set aside to ADC from the governor.

And as Commissioner Okuda had pointed out, when our position is when lands are set aside to the ADC under Chapter 171, they're not public lands as that term is used in Chapter 171 and that management and control is transferred.

If you look at the language that

Commissioner Okuda pointed out in 171-3, all of

those matters are actually given to ADC or to any

other recipient of land set aside. Therefore, we do

believe we do have -- we do have that authority to

allow a tenant to make this kind of designation when

it is -- or bring this petition for designation when

it is in the best interest of the state.

We almost always, though, defer to the Department of Land and Natural Resources as the keeper of the inventory of all lands. They are tasked with knowing everything that is happening with every square foot of state lands.

And I appreciate today the discussions 1 today basing the distinction between state lands and 2 3 public lands under Chapter 171. BLNR, in our opinion, is responsible for taking care, or at least 5 knowing everything that's going on with all state lands. But when they give away the management and 7 control and the authority to make decisions over 8 state lands under 171, public lands under 171, that the receiving agency can do that. ADC happens to still keep the BLNR 10 11 informed of everything that we're doing,

informed of everything that we're doing,
particularly when it's something that's perpetual.
And that should be included in the inventory
information of state lands.

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COMMISSIONER SCHEUER: I'm going to pause right now and ask Commissioner Giovanni to clarify if his question's been answered, and if not, to restate his question.

**COMMISSIONER GIOVANNI:** I think she was responding to Commissioner Okuda, and she did not respond to my question whatsoever.

My question, Ms. Kaichi, was one of clarifying the respective relationship in terms of farmers between ADC and KAA. It was clarified by Mr. Codiga there are five members of KAA, which are also

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farmers. And my question was could you please
 1
 2
   characterize the farmers in ADC, licenses to
 3
   farmers.
             There's 12,000 acres there. Do these five
 4
 5
   farmers represent 100 percent of the land? Or are
 6
   there other farmers involved?
 7
             MS. KAICHI: Thank you. Okay. I did not
 8
   answer that question. You're correct.
 9
             The members of the KAA are the bigger
10
   tenants. Of all the leased lands, licensed lands,
   they represent the larger share, but they don't
11
   represent 100 percent of all lands in Kekaha that
12
13
   ADC licenses or leases out to its tenants, to
14
   farmers.
15
             The KAA is comprised, though, of these
16
   large members, who also service, provide services,
17
   provide the infrastructure improvements,
18
   maintenance, repairs, for all farmers, big or small.
19
             And the question, I think, for a landowner
20
   like ADC is whether this is in the best interest of
21
   the lands, of our tenants. At least in my mind,
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   there is no question about whether this is -- of how
23
   this could not be in their best interest. But if
24
   they do -- these smaller farmers, who struggle with
25
   sufficient capital, to do undertaking --
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1	COMMISSIONER SCHEUER: Ms. Kaichi, I'd
2	like you to narrowly address the commissioner's
3	questions, as well as the question I presented to
4	counsel, which is about authority. So it's
5	interesting to know whether or not you think this is
6	in the interest of the small farmers, but that's not
7	actually directly relevant to the question in front
8	of us.
9	COMMISSIONER GIOVANNI: How many small
10	farmers are there that are not that have licenses
11	to this parcel, or portions of this parcel?
12	MS. KAICHI: I think about six, maybe
13	seven. But anyway, less than a dozen. And the
14	acreage that they comprise and the farming that they
15	produce is minimal compared to the big tenants.
16	COMMISSIONER GIOVANNI: So what you're
17	saying is the five members of KAA, which are the
18	large farmers members or have larger licenses, they
19	have the overwhelming majority? More than 90 percent
20	of the land is under their control as farmers? Is
21	that what you're saying?
22	MS. KAICHI: Probably. I don't know if
23	it's 90 percent, but it is substantial.
24	COMMISSIONER GIOVANNI: I'm going to leave
25	it there. I was just looking for some clarification

on who's who here. 1 2 COMMISSIONER SCHEUER: 3 COMMISSIONER GIOVANNI: Thank you, chair. 4 COMMISSIONER SCHEUER: Thank you. 5 Commissioner Ohigashi? I'm going to assume 6 the questions are directed to Mr. Codiga unless 7 they're otherwise specifically addressed to Ms. 8 Kaichi. 9 COMMISSIONER OHIGASHI: Well, I was going to follow up on some questions that -- well, some 10 statements that Ms. Kaichi made. 11 The question that I have were if you know, 12 13 or maybe Mr. Codiga can answer this, if you know 14 whether all of the IAL designated areas are within 15 those five or six farms, five farmers that are in 16 control of Kekaha Agriculture Association. 17 MS. KAICHI: Doug, I guess that is 18 actually more you. 19 MR. CODIGA: Sure. Okay. So just to take it from the top, the petition seeks to designate 21 portions of TMK. TMK. And this gets a little bit 22 into the substance, chair, but I assume it's 23 responsive and appropriate. 24 The tax map key is approximately 12,762 25 acres. The petition seeks to designate about 95

representative, which is in more direct
communication with the various farming interests on
West Kaua'i, if they would have an opportunity to
clarify that, that would be appreciated.



1 COMMISSIONER OHIGASHI: Did you -- I have 2 another follow-up. Did you, Mr. Codiga, file any 3 document or any letter or any correspondence or anything within the record of this case so far that 5 shows any type of notification of these tenant 6 farmers? 7 MR. CODIGA: No. COMMISSIONER OHIGASHI: Okay. I don't have 8 9 any questions. 10 COMMISSIONER SCHEUER: And I'll just sort 11 of notify your witness. And you've been in front of 12 the LUC before. Right now, I will call on 13 commissioners for questions. If you have something 14 you want your counsel to know, you can communicate 15 with your counsel that he can say, or your counsel can specifically ask, and if I acknowledge, I'll 16 17 call on you to respond to the question. But Mr. Ohigashi -- Commissioner 18 19 Ohigashi's -- questions have been answered to his 20 satisfaction so far. 21 Commissioner Chang? 22 COMMISSIONER CHANG: Thank you, Mr. Chair. 23 I'm not too sure if this is for Ms. Kaichi 24 or Mr. Codiga, but this is a follow-up to Ms. 25 Kaichi.

You had indicated that ADC has management 1 2 and that through the executive order, they have 3 management control of these lands. Is that correct? Is that what you were saying? Is that what you said? 4 5 MS. KAICHI: Yes. That's correct. 6 COMMISSIONER CHANG: Okay. Do they -- and 7 in that executive order, is there a reverter clause that says if the land is no longer used for the 8 purpose of the executive order that it would revert 10 back to the land board? 11 MS. KAICHI: Yes. It does. 12 COMMISSIONER CHANG: Okay. All right. So 13 then now my question is, I quess, to this -- and 14 this is probably to Mr. Codiga. It's a legal 15 question. 16 Landowner is defined as a fee simple, 17 having a fee simple interest. In my view, that is 18 separate and apart from a 171-2 public lands. It is 19 a question of who is the landowner, which is again 20 separate from whether these are public lands. 21 So my question to you is would you agree 22 with that, that the definition of a landowner under 23 this 15-15-3, the definition of landowner? It says 24 having a fee simple interest. So given the reverter

clause and given that ADC only has management

Hawaii State Land Meeting December 23, 2021 NDT Assgn # 54804 authority -- and again, none of this is dealing with 1 2 the substance of your petition; it's more 3 procedurally -- that -- okay, so. 4 And I know you said you are filing this 5 petition as a farmer, but I look at 15-15-121(b)(1), authorization from the applicable landowner. So 7 notwithstanding that you are filing this as farmers, it still has a requirement of the authorization of 8 the landowner. And the landowner is defined as the 10 fee simple interest. 11 So what is your opinion as to whether that 12 requires the Board of Land and Natural Resources to 13 provide authorization, or is it just ADC through 14 their board action?

MR. CODIGA: Yes. Thank you, commissioner. I understand the point that you're raising, and the petition as drafted proceeds on the assumption that the appropriate authorization would come from ADC. And that's based on the -- basically, executive order 4007, which gives them control and management. So we felt that that was the appropriate legal analysis. It was for them to be considered having the ability to authorize the KAA to file a petition. That's how we have proceeded.

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Your point concerning the definition is



So, Ms. Kaichi, do you have a fee simple

interest in the land? Does ADC have a fee simple

25 interest in the land?



MS. KAICHI: That's such an interesting
question, and I think you may have -- you have
raised the crux of the issue. Any time, any time the
issue of the fee simple ownership of state lands
arises, and in my past, in my former life as a
deputy attorney general, every time we encountered
this, it depended. The answer depended on the
situation.

And I can appreciate your likening the reverter interest of BLNR to the fee simple interest like a -- well, even like a lease, where at the end of the lease, the fee the possession and all the entitlements thereto revert back to the fee owner. I appreciate that.

I never actually got a consistent position from BLNR. At that time, I dealt mostly with the Land Division attorneys. It seemed to vary. I don't know that in this particular situation the land board would take that position, that the reverter is tantamount or indicates that the BLNR holds a fee.

I do remember that there were times when BLNR would take the position that it's the state of Hawai'i, it's the nebulous state of Hawai'i. Land Division or BLNR is just the keeper of it. They're responsible for it. But the lands are not -- fee is

not held by the Department of Land and Natural 1 Resources. It's the state of Hawai'i. 2 3 So if you -- and that may be true. If you look at the Bureau of Conveyances and the Land 5 Court, sometimes the owner is recorded as the state of Hawai'i. Sometimes it's recorded as state of 7 Hawai'i BLNR. When we hold the fee, it's sometimes referred to as state of Hawai'i -- we, ADC. 8 Sometimes it's state of Hawai'i, ADC. 10 It seems to vary. I don't know that we 11 have a -- I can provide an accurate opinion right now on really the status of fee, the fee simple 12 13 ownership, and then whom that fee would lie when it 14 comes to state lands. 15 COMMISSIONER CHANG: Okay. Well, I 16 appreciate the explanation. I was a former deputy 17 attorney general to advising BLNR, and I think we 18 consistently took a position fee simple, especially 19 if there's a reverter clause, is with the Board of 20 Land and Natural Resources. 21 Management authority may be with the 22

Management authority may be with the agency that's been EO'd. And I don't think the board oversees the management. But if there's any potential interest that may affect the fee simple, especially in the interest with respect to the

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Commissioners Cabral and Ohigashi, with your permission, I have one narrow question that just relates directly to this issue that I'd like to insert here before we move on to yours, if that's okay. Okay.

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And I'm going to address this to Mr.



Codiga, but if you want to defer to Ms. Kaichi. 1 2 And you are lying in part, I believe, on 3 the testimony provided, Mr. Codiga, from ADC, indicating their approval of this. 4 MR. CODIGA: 5 That's correct. 6 COMMISSIONER SCHEUER: And in the minutes 7 from the ADC meeting of January 31st, 2018, which were included as part of the record in this matter, 8 on page 5, the minutes state, and I quote, 10 "Therefore, simultaneously with this request, the 11 ADC has requested that the land board also approve KAA's proposed action." 12 13 So my question is was that actually done? My questions are was that actually done? Is there 14 evidence in the record to indicate the BLNR has been 15 16 requested? And is there any evidence that they have 17 assented? 18 MR. CODIGA: Thank you, chair. I would 19 need to defer that response to Ms. Kaichi in terms 20 of the actual facts, what actually happened. 21 **COMMISSIONER SCHEUER:** Okay. 22 MR. CODIGA: So let me go ahead and do 23 that and have her respond, initially. 24 COMMISSIONER SCHEUER: Ms. Kaichi, was it

actually done? Is there evidence in the record that

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it was done? Is there evidence of BLNR ever doing
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 2
   what was represented at the time was going to occur?
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             MS. KAICHI: Thank you, chair. I don't
   have the minutes in front of me, but --
 4
 5
             COMMISSIONER SCHEUER: It's part of your
 6
   testimony.
 7
             MS. KAICHI: Of my testimony?
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             COMMISSIONER SCHEUER: It is part of ADC's
   testimony submitted. They're minutes from the
10
   Agribusiness Development Corporation approved
11
   February 28th from the January 31st meeting.
12
             MS. KAICHI: Yeah. Thank you. I don't --
13
   my recollection of that is that ADC had -- ADC was
14
   not taking on the responsibility of securing the
15
   approval of the BLNR or the BLNR chair or the land
16
   board for this action. We were requesting -- we were
17
   suggesting that they also secure the land board
18
   approval of this matter.
19
             ADC, though, did in an attempt to move
   this along, communicate via letter. We sent a letter
21
   to Chair Case, and I don't believe that was ever
22
   responded to. But we had never intended to actually
23
   go to the land board on behalf of the KAA to secure
24
   land board approval.
25
             COMMISSIONER SCHEUER:
                                     So but there's
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nothing in the minutes that sort of indicates this.
 1
   The minutes simply say, "Simultaneously with this
 2
 3
   request, the ADC has requested that the land board
   also approve the KAA's proposed action."
 4
 5
             MS. KAICHI: It was just a letter. It was
 6
   just a letter to Chair Case.
 7
             COMMISSIONER SCHEUER: Requesting that you
 8
   approve KAA's proposed action?
 9
             MS. KAICHI: I believe it's requesting
10
   consideration of --
             COMMISSIONER SCHEUER: Is that in the
11
12
   record? Is that letter to Chair Case in the record?
13
             MS. KAICHI: I don't believe he submitted
14
   it.
15
             COMMISSIONER SCHEUER: Okay. Thank you.
16
             I'll go back to Commissioner Cabral.
17
             COMMISSIONER CABRAL:
                                    Thank you. This
18
   question was brought up by my fellow Commissioner
19
   Ohigashi, and I did not really understand or feel
20
   like I got a clear answer.
21
             The other tenants are farmers that are in
22
   the same -- that are in the same general area that
23
   are included -- and I think this is for Mrs. Myra
24
   Kaichi. So I think the same -- my concern is the
25
   farmers who have been -- the smaller ones that are
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on land that is part of the designated area for IAL.
 1
   Have they all been notified, officially notified,
 3
   that the land that they're farming, that they're
   paying some type of lease rent on, has been swept up
 5
   into this IAL petition?
 6
             COMMISSIONER SCHEUER: Who was your
 7
   question for?
 8
             COMMISSIONER CABRAL: I think that would -
   - I don't know, but I would assume from this, where
10
   they've been sent, it would be for Ms. Kaichi. But I
   don't know in their structure who would know to
11
   notify those parties.
12
13
             COMMISSIONER SCHEUER: I'm going to let
   Mr. Codiga as the applicant referee.
14
15
             COMMISSIONER CABRAL: Okay.
16
             COMMISSIONER SCHEUER: Are you answering
17
   this, or Ms. Kaichi?
18
             MR. CODIGA: Oh, sure. I will be happy to
19
   respond and clarify, as consistent with my prior
20
   comments to Commissioner Ohigashi, that our office
21
   did not send any kind of formal notice to the other
22
   farmers. However, the KAA, as my understanding, is
23
   in routine and frequent contact with them.
24
             And therefore, chair, with your
   permission, not to complicate things or further
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delay this, but we do have the president of the KAA
 1
   board of directors who I believe could shed light on
 3
   this, if you're willing to have him address this.
 4
             COMMISSIONER SCHEUER: To whom are you
 5
   referring?
             MR. CODIGA: Josh. Mr. Uyehara.
 6
 7
             COMMISSIONER SCHEUER: Okay. I will --
             COMMISSIONER CABRAL: Mr. Uyehara, do you
 8
   know if the --
10
             COMMISSIONER SCHEUER: Yes. I will swear
   him in first.
11
12
             COMMISSIONER CABRAL:
                                    Sorry.
13
             COMMISSIONER SCHEUER: Do you swear or
   affirm the testimony you're about to give is the
14
15
   truth?
16
             MR. UYEHARA:
                           Yes.
17
             COMMISSIONER SCHEUER: Okay.
             Ms. Cabral -- Commissioner Cabral, please
18
19
   ask the question to Mr. Uyehara.
20
             COMMISSIONER CABRAL: Yeah. The question
21
   I'd like to think is simple. Are the other farmers
22
   that lease land so I'm assuming there's kind of
23
   contract, a written contract, written agreement, and
24
   that money changes hands to have use of that land.
25
   Have they been notified in an official manner that
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1	this that the land that they're leasing has been,
2	is part of being swept up in this petition to be
3	IAL?
4	MR. UYEHARA: I know we've had discussion
5	with them. We've put together, basically, a short
6	info document on the benefits of IAL, and, you know,
7	particularly the tax credit incentive, and had the
8	discussions with the other tenants. I don't know if
9	that would qualify as a formal I don't think we
10	sent, like, a certified letter or anything like
11	that. But I do know we've had those discussions with
12	the tenants. And this is over a process that we've
13	been pursuing over a number of years.
14	COMMISSIONER CABRAL: Were you able to
15	document that they've all been party to that or all
16	seen the video or all been part of that conversation
17	or a meeting or something?
18	MR. UYEHARA: I'd have to go back and try
19	to find that, if we can. I'm not sure at this point.
20	COMMISSIONER CABRAL: Okay. Thank you very
21	much.
22	COMMISSIONER SCHEUER: Thank you,
23	Commissioner Cabral.
24	I'm going to call on Commissioner
25	Ohigashi, and then I'm going to assess the status of

our proceedings.

Commissioner Ohigashi?

COMMISSIONER OHIGASHI: Well, I think that you asked sort of my question, but I am going to -if we go forward, I'm going to alert Ms. Kaichi that on the substance I'm going to ask this question. So if we go forward on this matter in the future, I'm hoping that you guys will be prepared to answer it. And I'm not sure if you're going -- I don't think you'll do it today, but the question is really about your letter that you provided on December 6th, 2021.

And on the second page, Mr. Nakatani, it says that -- essentially says that with the added advantages that the IAL incentives will afford, ADC anticipates an increase of revenues, increased and sustainable yields from the Kekaha lands which will contribute to the agricultural revenues and provide for agricultural labor.

So your statement there, I'd like you to be prepared if we go forward to back that up with what evidence was used to base that on. So that's what I thought I'd use this opportunity right now. Thank you.

COMMISSIONER SCHEUER: Commissioner

25 Ohigashi, I will -- I said I was going to assess the

status of the proceedings, but I forgot I was going 1 2 to go back to Commissioner Okuda. And I'll do Okuda 3 and then assess. 4 COMMISSIONER OKUDA: Okay. Thank you, Mr. Chair. And I apologize to everyone, not being 5 6 prepared. I should have been prepared with this 7 question. Let me ask this. And I'm not sure whoever 8 9 is the appropriate person. I'm referencing the 10 document which was filed on December 17, 2021, with 11 the Land Use Commission at 9:38 a.m. That's the 12 Agribusiness Development Corporation Minutes of the 13 Board of Director meeting for January 31, 2018. 14 And if either Mr. Codiga or Ms. Kaichi can 15 look at page 5 of that document, on the bottom 16 paragraph and kind of in the middle of the bottom 17 paragraph, it says here, and I quote, "The petition 18 will only see IAL designation. There will be no 19 request to reclassify any ADC lands. Although the 20 ADC manages these lands, the fee simple interest in 21 and to the lands remain with the state of Hawai'i 22 through its Board of Land and Natural Resources. 23 Therefore, simultaneous with this request, the ADC

has requested that the land board also approve the

KAA's proposed action." And I end my quotation

24

there.

My first question is did I accurately read that section from page 5 of the document? And then my second question would be if I accurately read that part of the document, is there any evidence in the record that the land board has also approved the KAA's proposed action?

MR. CODIGA: Let's see. Commissioner, I can respond to that. Obviously, the first part, your first question, yes, I believe you've accurately stated that language.

With regard to the second question, on behalf of the KAA, we have not, to my knowledge, obtained that kind of formal approval. We would defer to ADC consistent with Ms. Kaichi's earlier remarks about the efforts that were made, apparently, to obtain that. And Ms. Kaichi may wish to further clarify.

COMMISSIONER OKUDA: May I ask, then, that if Ms. Kaichi has any additional items to add to that?

MS. KAICHI: Thank you. Mr. Codiga is correct. ADC did not secure any approval from the BLNR. And, commissioner, I believe this is just a different approach to the very same conversation,

the discussion that we had with Commissioner Chang a moment ago. This is really the same issue, in my mind.

COMMISSIONER OKUDA: Okay. And if I can ask one question.

And, Mr. Chair, if I'm out of order at this point, you can tell me.

But what prejudice would the KAA or anyone else have if this matter was deferred so that some of these issues can be clarified or be made more certain? Can you point -- can anyone point to any specific prejudice that would occur by a deferral at this time?

MR. CODIGA: Commissioner, on behalf of the KAA, I believe that there would be concerns. I'm not certain that I would characterize them as being prejudicial in the sense of a procedural matter.

I would request again, chair, if I may ask Mr. Uyehara, who has been focused on the practical benefits to the co-op members and to all of the other users of the Kekaha ag lands, perhaps he could say just a little bit more about the nature of the intended benefits and those which could give rise to certain concerns in terms of timing. But I want to stress that may or may not be necessarily

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prejudicial, to be directly responsive to the
 1
 2
   question.
 3
             I believe Mr. Uyehara could shed a little
 4
   bit more light on that.
 5
             COMMISSIONER SCHEUER: I'll allow a brief
 6
   answer, Mr. Uyehara.
 7
             MR. UYEHARA: All right. Thank you, chair.
 8
             I'm not sure if this answers the very
   specific question. There would be a benefit to the
10
   farmers on the property and to the KAA if this is
11
   granted at this date, but it's not something that I
   would say -- you know, I can certainly understand,
12
13
   given the discussions, if there is a need to defer
14
   to clarify some of the issues before we're able to
15
   proceed.
16
             COMMISSIONER OKUDA: Thank you very much,
17
   Mr. Chair. I have no further questions. I do
18
   apologize for not being prepared. Thank you.
19
             COMMISSIONER SCHEUER: No, not a problem.
20
             Commissioner Cabral?
21
             COMMISSIONER CABRAL: Thank you.
22
             I think this would go back to Josh
23
   Uyehara. And thank you for your input. I'm fixated
24
   on this, the other lessees as well as even your
25
   members. Were these lessees, the other lessees on
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the land, and are your member lessees members 1 notified of the hearing today that was taking place? 2 3 MR. CODIGA: Certainly, our members were, given the direct involvement with the KAA. We didn't 5 specifically reach out to notify the other tenants 6 on the property. 7 Then just to clarify an early question, so 8 the members of the KAA comprise about 94 percent of the land under license now with ADC. So those 10 members were notified as part of their involvement 11 with the KAA. The others were not. 12 COMMISSIONER CABRAL: Okay. Thank you for 1.3 your clarity there. And we'll say that if this 14 meeting is deferred and we have another hearing, I 15 sure like it to have -- to think that everyone's 16 been notified of it; okay? Makes me always want to 17 include everybody. Okay. Thank you very much, 18 though. 19 COMMISSIONER SCHEUER: Thank you. 20 Commissioners, I want to take up the issue 21 of the status of our proceedings and the procedures

Commissioners, I want to take up the issue of the status of our proceedings and the procedures I had laid out. I had laid out that I will sequentially deal first with the issue of whether or not BLNR approval was required. I'll just say at this point I don't know that we can resolve that

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23

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here today. We have contradictory statements on the record and contradictory assertions.

We haven't taken up the issue of whether or not there is a broad obligation for the state to designate all IAL lands under its control at one time or whether it can be done in an ad hoc or piecemeal fashion.

We have also not addressed two other issues that have emerged today: the concerns of neighboring landowners/land users, KIUC and DHHL, and the fact that apparently some of the tenants whose lands would be included in this might not have even received notice of this meeting today.

It's my assessment as the chair -- it's like at this point, we could go on down the road of trying to address each of the questions that I laid out, but I believe they're all pointing towards, frankly, for the interest of the applicant.

The floor is in order at this point, and I would much rather have a start of our next hearing on this matter be prepared for all the parties to actually brief these issues. Now, whether there needs to be a briefing on the issues of KIUC and DHHL, I don't know. All they said was, hey, we just heard about it, so we want to study it. Maybe they

will have issues that need to be resolved. Maybe they'll be fine with things.

We don't know what the small tenants might be thinking, because apparently, they weren't ever told. We do know that the questions about BLNR's issues, ability to approve, or the requirement to prove on this or not, as well as the issue of comprehensives then can be briefed on.

So my inclination is to not go through what I think would be a more unproductive morning, but instead move towards deferment with our next step as a briefing at least on those two threshold issues of BLNR's requirement for approval and whether or not the comprehensiveness.

Now, I will say it is actually possible between this hearing and the next hearing for ADC to follow up on its letter to Suzanne Case and say, hey, can we get this on the board agenda? And that would actually dispose of the question of whether or not BLNR needs approval if approval is obtained. And then we would just be left with the one issue.

That's where I'm at right now in the interest of all the parties' time and really in the interest of what the applicant is trying to achieve. I'll recognize the commissioners.

Commissioner Chang? 1 COMMISSIONER CHANG: 2 Thank you. I 3 appreciate the chair's explanation. I would like to hear from OP, both the Office of Planning as well as 5 the County of Kaua'i with respect to this very limited question of authorization before we take 7 action on the deferral. 8 COMMISSIONER SCHEUER: Commissioner 9 Giovanni? 10 COMMISSIONER GIOVANNI: Yes. Thanks, 11 chair. I just wanted to put something in context for everyone's benefit. 12 13 We talk about the small landowners not being members of KAA representing only 6 percent of 14 15 the land. That's 720 acres. That's not -- that's non-trivial to me. 16 17 Also, in the commentary by KIUC, they mentioned that the West Kaua'i Energy Project would 18 19 just take a small portion. The word "small portion". 20 I live in the area on Kaua'i that's neighboring 21 that. I follow these projects pretty closely in 22 their development. They're also looking at several 23 hundred acres of this parcel. That's not so small in 24 my view.

So I just wanted to put in the context for

25



chair's preference to brief these issues and move forward at a deferred time with a more formal understanding of authority. However, my comment on what we've been discussing this morning is as follows.

At the outset, I am in approval, and the county is in support of the OPSD comments on the matter of public lands that were filed on December 17, which discuss HRS 171-2 and exclude ADC lands from the interpretation of public lands. This is simply on the matter of public lands.

With regard to the appropriateness of petition by farmer or landowner, I do support that under 15-15-121, farmer may bring this petition.

However, Commissioner Chang's discussion is highly persuasive on the fact that authorization must come from the applicable landowner.

Based on this morning's discussion, it appears that this may only be shown by conveyance documents as to who is the actual applicable landowner in this matter.

As a separate matter, we have the concerns of Commissioners Ohigashi and Cabral regarding notice to the individual farmers. I believe that this is separate and apart from BLNR authority and

should also be addressed. 1 Finally, as stated in the petition, it is 2 3 ADC that directly leases to these farmers, and not KAA. And this raises another fact. With the 5 complication of the ADC minutes, which indicate that land board approval was suggested and not received, 7 and the exhibit cited by Commissioner Okuda, I do believe that a deferral would be appropriate today. 8 9 Thank you, chair. 10 COMMISSIONER SCHEUER: Thank you, Ms. Barzilai. 11 Commissioners, are there questions for 12 13 Kaua'i County? 14 It's a rare honor, Ms. Barzilai, to not 15 have questions from the commissioners. You were 16 clear. 17 MS. BARZILAI: Thank you very much, chair. 18 Thank you, commissioners. 19 **COMMISSIONER SCHEUER: Ms. Kato?** 20 MS. KATO: On the issue of deferral, OPSD 21 agrees that the matter should be deferred so that 22 the various matters, various issues raised today can 23 be properly addressed. 24 On the issue of authorization, I know that 25 there are differing views, as Myra and Commissioner

Chang were discussing earlier, but my understanding 1 is that the state of Hawai'i is the fee simple owner 3 and that it's under the control and management of ADC for the state of Hawai'i as opposed for BLNR, 5 based on the set aside that's in Executive Order 6 4007. 7 So in other words, BLNR does not control 8 or manage this land on behalf of state of Hawai'i. ADC does. 10 Under HRS 171-3, BLNR has management and 11 control over public lands. Generally, as Myra 12 pointed out, a set aside to ADC is -- excepts it 1.3 from public lands under HRS 171-2. So I believe that takes it out of BLNR's control under HRS 171-3. 14 15 To OPSD's knowledge, ADC deals with the Kekaha ag lands without the need for approval by 16 17 BLNR on any matter such as when leasing out lands. 18 So OPSD does feel that ADC does have authority to 19 bring this IAL petition -- or to approve KAA to 20 bring the IAL petition. 21 But again, if this matter is deferred, 22 then we would have additional time to further 23 research the matter.

COMMISSIONER SCHEUER: I didn't mean to

24

25

interrupt you, Ms. Kato.

1	MS. KATO: Oh, no. No, that's okay. I
2	think that's all the comments that I have.
3	COMMISSIONER SCHEUER: Okay.
4	Questions for OPSD?
5	Commissioner Chang? I saw the eyebrows
6	move before the hand went up.
7	COMMISSIONER CHANG: Couldn't get my hand
8	up fast enough. Thank you. Thank you, chair.
9	Ms. Kato, I am going to give you an
10	opportunity to more thoroughly brief this issue, but
11	do you view management the same as fee simple?
12	MS. KATO: No. I think that the state of
13	Hawai'i is the fee simple owner as opposed to
14	necessarily, you know, BLNR.
15	COMMISSIONER CHANG: Okay.
16	MS. KATO: And I think that for the
17	purposes of the state of Hawai'i, the control and
18	management of lands on behalf of the state of
19	Hawai'i would be simple owner.
19 20	Hawai'i would be simple owner.  COMMISSIONER CHANG: Then let me ask you
20	COMMISSIONER CHANG: Then let me ask you
20	COMMISSIONER CHANG: Then let me ask you this question. Who approved the executive order? Who
20 21 22	COMMISSIONER CHANG: Then let me ask you this question. Who approved the executive order? Who granted that? Because that would have been the fee

thought that --1 2 COMMISSIONER SCHEUER: Put her out of her 3 misery, Commissioner Chang, because I think you know 4 the answer. 5 MS. KATO: Is it BLNR? 6 COMMISSIONER CHANG: I know. Yes. I know. 7 Be careful, Ms. Kato. Being a former deputy AG, I --8 so again, I am going to, you know. I think you know what my concerns and issues are. I would ask that 10 you more thoroughly brief that, as well as Ms. 11 Kaichi. 12 I think there is a distinction between 13 management. For example, if ADC decided they're going to sell this land as a manger, I think the 14 15 land board would want to have some input into that. 16 So again, no need to answer that question, 17 but I think you know the position, and I would 18 appreciate having a more thorough briefing from OP 19 on that, because clearly this is not going to be the last time this issue comes up, especially with ADC. 21 What is the distinction between management of land 22 versus fee simple owner, especially with the reverted clause? So you may also want to look at 23 24 that executive order, too.

So I have no further questions, Mr. Chair.

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Commissioner Ohigashi.
 1
             Anything further for Ms. Kato?
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 3
             I'd be interested in hearing from Ms.
   Kato, even though it's not -- you didn't write ADC's
 5
   minutes. They fully seemed to indicate they thought
   they needed approval at one point. Otherwise, they
 7
   wouldn't have written the letter asking for
 8
   approval.
 9
             MS. KATO: That may have been just a
10
   question. That's speculation on my part. I don't
11
   know what happened at their meeting or how that was
12
   decided.
13
             COMMISSIONER SCHEUER: I read the
   statement correctly; right? I didn't read the
14
15
   minutes incorrectly.
16
             MS. KATO: I recall seeing that, but I
17
   couldn't say.
18
             COMMISSIONER SCHEUER:
                                     Okay.
19
             MS. KATO:
                         Sorry.
             COMMISSIONER SCHEUER: Anything further
20
21
   for Ms. Kato?
22
             So, commissioners, I don't want to --
23
   well, let's see, procedurally. I'm moving towards a
24
   request for deferral -- or move to defer, with a
25
   clear -- sort of minimal requests, and then sort of
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additional suggestions. And I will offer that and the opportunity to respond.

I want either a sort of additional briefing on the specific issues of whether or not BLNR authorization is required, responding to the points raised today during discussion, or verification that BLNR has approved it before it comes before us.

I'd like a briefing on the issue of whether or not this can be done in a piecemeal fashion or whether or not there's an obligation to look at the Important Agricultural Lands in the state at least regionally, if not by island, as I stated earlier.

And then moving on to more of a suggestion, having done this job for a number of years, when you have notable agencies and neighbors showing up at a hearing saying, eh, we never heard about this, it really makes everybody's job a heck of a lot easier with a little more outreach before bringing something forward.

It would behoove the applicant to do outreach to any and all affected parties, including their own tenants, so that there's no questions about this.

I want to make a little space. I don't 1 2 want to give extensive instructions, but a little 3 space to ask the commissioners if there's any additional things they would hope would be addressed 5 the next time we gather on this petition if we move to defer? 6 7 Commissioner Chang. Thank you, Mr. Chair. 8 COMMISSIONER CHANG: In addition to the questions that you've noted, one 10 would be who's the appropriate applicant? Is it ADC or is it KAA? As it is clear that KAA does not 11 12 represent -- or that there are other lessees to ADC 13 that are not here. So that would be to me another 14 question. 15 And following up with Commissioner 16 Giovanni, explanation that these are not small. 17 Several hundred acres, that's a substantial amount. 18 So that would be an additional question, Mr. Chair. 19 COMMISSIONER SCHEUER: Thank you. 20 Anything from other commissioners? 21 Commissioner Giovanni? 22 COMMISSIONER GIOVANNI: Yeah. I don't have 23 a good understanding or feel for the issues that 24 were generally raised by Mr. Aila. How long it might 25 take them -- you know, what would be appropriate for

1	MR. CODIGA: Okay. Yeah. We have no
2	objection. We understand the concerns that have been
3	raised, and we appreciate everybody's time and
4	efforts, especially at this very busy time of year,
5	and we will absolutely do our best to work
6	collaboratively with all parties and stakeholders to
7	address the questions to the satisfaction of the
8	commission.
9	COMMISSIONER SCHEUER: Excellent.
10	Commissioner Okuda?
11	COMMISSIONER OKUDA: Thank you very much,
12	Mr. Chair. And I'm sorry for not chiming in a little
13	bit earlier.
14	Specifically, I would ask the parties to
15	comment or discuss or if it's not applicable at
16	present, explain why not, the statement that was in
17	the minutes that I had read. And that specific
18	statement is, and I quote, "Although the ADC manages
19	these lands, the fee simple interest in and to the
20	lands remain with the state of Hawai'i through its
21	Board of Land and Natural Resources. Therefore,
22	simultaneous with this request, the ADC has
23	requested that the land board also approve the KAA's
24	proposed action."
25	If that statement is no longer operative,

I ask and people don't have to follow my request, 1 but I ask that an explanation be given why that 3 statement is no longer applicable for us to go 4 forward. Thank you very much. 5 COMMISSIONER SCHEUER: So here's what I'm 6 thinking we might do, and I'm going to look to Mr. 7 Orodenker for his sort of reactions. I would entertain a motion to defer with a 8 9 request that the parties' brief on a specific set of 10 issues that have been raised today and that the Land Use Commission staff summarize these issues in a 11 12 letter prepared for my signature to the parties, and 1.3 the next hearing on this matter would be taken up 14 with a discussion of these matters so that we can 15 then move forward to the case in chief. 16 Is that, Dan, something doable? You're 17 nodding your head, but your head in my screen is, 18 like, three pixels high, tall, so if you could 19 orally respond. 20 MR. ORODENKER: Yes, Mr. Chair. That is 21 acceptable. 22 COMMISSIONER SCHEUER: 23 Commissioner Ohigashi? 24 COMMISSIONER OHIGASHI: I'm wondering if 25 we'd need also, just to protect in the future, the

requesting that we defer matters on this, we ask for

25

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briefing on the issues that we've raised, and that a
 1
   letter summarizing those issues will be sent to the
 3
   parties from -- prepared by the staff and signed by
   the chair?
             Commissioner Giovanni?
 5
 6
             COMMISSIONER GIOVANNI: I so move, Mr.
 7
   Chair, that we defer this matter and ask our LUC
 8
   staff to prepare a letter to the parties that
   summarizes the issues to be briefed before this
10
   commission as you've described.
11
             COMMISSIONER SCHEUER: And I see hands
12
   from both Commissioner Ohigashi and -- oh, I'm not
13
   sure.
             Commissioner Cabral?
14
15
             COMMISSIONER CABRAL: Thank you. I want to
16
   second that so we can all move on. Thank you.
17
             COMMISSIONER SCHEUER:
                                     Okay.
18
             Commissioners, we have a motion before us.
   Is there any discussion?
19
20
             Commissioner Chang?
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             COMMISSIONER CHANG: Yes. I'm inclined to
22
   support the motion. In addition, I do want the
23
   parties to take some initiative. While the letter
24
   may indicate the issues to be addressed, they may
25
   not be exhaustive. So I think the parties have heard
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what the commission's concerns are, and I would hope 1 that they would exercise their own initiative. If 3 there are issues beyond what's been listed, you will address those as well. Thank you. 5 COMMISSIONER SCHEUER: Thank you, 6 Commissioner Chang. 7 Commissioner Giovanni? COMMISSIONER GIOVANNI: Yeah. A number of 8 the issues that have come up are legal issues, and 10 I'm not going to speak to that. I will defer to my 11 commissioners that are better versed in that area. 12 But my interest is -- and I hope the 13 parties take this seriously -- is anyone who has an 14 interest in this land, 12,000 acres, whether it be 15 the small lease lessee, whether it be the large 16 lessee, or whether it be the other entities, the 17 neighbors, DHHL, and KUIC, who's looking to be 18 involved, that their interest be taken seriously in 19 this period where you -- so you can come back before 20 this commission in unison and say we've worked it 21 out. That would be wonderful. 22 So I just encourage all the parties to put 23 some diligence and some time together to resolve the

issues before they come back before this commission.

24

25

Thank you.

1	COMMISSIONER SCHEUER: Thank you,
2	Commissioner Giovanni.
3	Is there further deliberation on the
4	motion before us? Going once, going twice. Seeing
5	none, Mr. Orodenker, will you please poll the
6	commission?
7	MR. ORODENKER: Thank you, Mr. Chair. The
8	motion is to defer this matter and have the parties
9	brief the specific issues raised in this hearing as
10	set forth in a letter to be prepared by staff for
11	the chair's signature.
12	Commissioner Giovanni?
13	COMMISSIONER GIOVANNI: Aye.
14	MR. ORODENKER: Commissioner Cabral?
15	COMMISSIONER CABRAL: Aye.
16	MR. ORODENKER: Commissioner Chang?
17	COMMISSIONER CHANG: Aye.
18	MR. ORODENKER: Commissioner Ohigashi?
19	COMMISSIONER OHIGASHI: Aye.
20	MR. ORODENKER: Commissioner Okuda?
21	COMMISSIONER OKUDA: Aye.
22	MR. ORODENKER: Chair Scheuer?
23	COMMISSIONER SCHEUER: Aye.
24	MR. ORODENKER: Thank you, Mr. Chair. The
25	motion passes unanimously with six affirmative



votes. 1 COMMISSIONER SCHEUER: Thank you, 2 3 commissioners. Thanks to all of the parties for making 4 5 some progress on the somewhat complex matters that 6 are before us today. I believe that we have no further 7 8 business. Am I correct, Mr. Orodenker? MR. ORODENKER: That is correct, Mr. 9 10 Chair. 11 COMMISSIONER SCHEUER: Okay. 12 Commissioner Cabral? COMMISSIONER CABRAL: Yes. This is 13 undoubtedly completely out of order, but do we have 14 15 the ability to go back to the legislature and tell 16 them that they need to clarify cleanup or 17 uncomplicate this IAL matter? It seems like --COMMISSIONER SCHEUER: As of the third 18 19 Wednesday in January, yes. 20 COMMISSIONER CABRAL: Okay. Thank you. 21 But, no, I mean, seriously, they've passed on great, 22 beautiful concept, but it really has just been met 23 with just complicated problems. 24 COMMISSIONER SCHEUER: To quote a famous 25 commissioner, lipstick on a pig.



1	COMMISSIONER CABRAL: Yes. Thank you.
2	Thank you, thank you.
3	COMMISSIONER SCHEUER: Okay. So,
4	commissioners, parties, we have no further business.
5	And noting that, I wish you all happy holidays and
6	declare this meeting adjourned.
7	COMMISSIONER OHIGASHI: Merry Christmas.
8	COMMISSIONER CHANG: Mele Kalikimaka,
9	everyone. Aloha.
10	COMMISSIONER SCHEUER: Aloha. Mahalo nui
11	to everyone. Be well. Be safe.
12	MR. ORODENKER: Your support throughout
13	the year, we really appreciate it, so all of the
14	commissioners.
15	COMMISSIONER CABRAL: No, you guys do an
16	amazing job trying to herd us cats together. Even on
17	Zoom, we're not herdable.
18	COMMISSIONER SCHEUER: A hui hou.
19	(Meeting concluded at 2:01 p.m.)
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CERTIFICATE I, Davilyn Payne, do hereby certify that the proceeding named herein was professionally transcribed on the date set forth in the certificate herein; that I transcribed all testimony adduced and other oral proceedings had in the foregoing matter; and that the foregoing transcript pages constitute a full, true, and correct record of such testimony adduced and oral proceeding had and of the whole thereof. IN WITNESS HEREOF, I have hereunto set my hand this 12th day of January, 2022. Davilyn Payne Davilyn Payne