

JOHN WAIHEE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

P. O. BOX 521
HONOLULU, HAWAII 96808
MAY - 3 1991
MAY - 7 AIG:13
OFF. OF ENVIRONMENTAL
QUALITY CONTROL

Ref: LM-SS (ACQ)

WILLIAM W. PATY, CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES

DEPUTIES
KEITH W. AHUE
MANABU TAGOMORI
Dan T. Kochi
AQUACULTURE DEVELOPMENT PROGRAM
AQUATIC RESOURCES CONSERVATION AND ENVIRONMENTAL AFFAIRS
CONSERVATION AND RESOURCES ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE HISTORIC PRESERVATION PROGRAM
LAND MANAGEMENT STATE PARKS
WATER AND LAND DEVELOPMENT
DN 6271F
Refer to:
ACQ-91: .222

Mr. Brian Choy, Director
Office of Environmental Quality Control
220 South King Street, 4th Floor
Honolulu, Hawaii 96813

Dear Sir:

SUBJECT: Negative Declaration for Proposed Acquisition of Campbell Estate Lands, (Feedlot Parcels) Barbers Point, Honouliuli, Ewa, Oahu, TMK: 9-1-31: Parcels 1, 25, 26, and 37

Enclosed are four (4) copies of an Environmental Assessment for the State of Hawaii's proposed acquisition of the Campbell Estate lands (Feedlot Parcels) located at Barbers Point, Honouliuli, Ewa, Oahu.

Based on the assessment, we have concluded that the proposed acquisition will not have any significant environmental impact and therefore does not require the preparation of an environmental impact statement.

We also enclose a copy of the OEQC form for publication in the OEQC Bulletin.

Please call Sojin Serikaku of our Land Management office at 8-6460 if there are any questions.

Very truly yours,

WILLIAM W. PATY

Enclosure

- Proposed State Acquisition

1991-05-23-DA-FRA-Campbell Estate Acquisition of Feedlot

JOHN WAIHEE
GOVERNOR OF HAWAII



FILE COPY

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
P. O. BOX 621
HONOLULU, HAWAII 96809

WILLIAM W. PATY, CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES

DEPUTIES

KEITH W. AHUE
MANABU TAGOMORI
Dan T. Kochi

AQUACULTURE DEVELOPMENT
PROGRAM
AQUATIC RESOURCES
CONSERVATION AND
ENVIRONMENTAL AFFAIRS
CONSERVATION AND
RESOURCES ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
PROGRAM
LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

ENVIRONMENTAL ASSESSMENT

STATE ACQUISITION OF A FEEDLOT
Barbers Point, Oahu

RECEIVED
'91 MAY -7 10:13

May 1991

JOHN WAIHEE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

P. O. BOX 621
HONOLULU, HAWAII 96809

WILLIAM W. PATY, CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES

DEPUTIES

KEITH W. AHUE
MANABU TAGOMORI
Dan T. Kochi

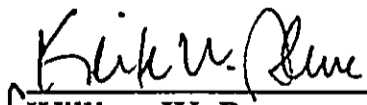
AQUACULTURE DEVELOPMENT
PROGRAM
AQUATIC RESOURCES
CONSERVATION AND
ENVIRONMENTAL AFFAIRS
CONSERVATION AND
RESOURCES ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
PROGRAM
LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

ENVIRONMENTAL ASSESSMENT

State Acquisition of a Feedlot
Barbers Point, Oahu

This document is prepared pursuant to Chapter 343, Hawaii Revised Statutes, because State funds are being utilized. It is determined that the subject acquisition will have negligent impacts and therefore no environmental impact statement is needed.

Determined By:



William W. Paty
Chairman
Board of Land and Natural Resources

5-2-91

Date

TABLE OF CONTENTS

	<u>Page No.</u>
SUMMARY	1
SECTION 1 PROJECT DESCRIPTION	
1.1 Description of Proposed Action	2
1.2 Purpose of the State Acquisition	2
1.3 Project Location	3
1.4 Ownership and Existing Land Use	3
1.5 Alternatives	4
SECTION 2 HAWAII'S CATTLE INDUSTRY: AN OVERVIEW	
2.1 Components of the Feedlot Industry	6
2.2 Livestock Industry as a Whole	7
2.3 Impact of Feedlot Closure	8
SECTION 3 DESCRIPTION OF THE ENVIRONMENT AND POTENTIAL IMPACTS AND MITIGATION MEASURES	
3.1 Physical Environment	9
3.2 Social, Economic, Agriculture	9
3.3 Public Facilities	9
SECTION 4 RELATIONSHIP TO LAND USE PLANS AND POLICIES	
4.1 Hawaii State Plan	10
4.2 State Land Use Law	10
4.3 County Zoning	11
SECTION 5 REQUIRED PERMITS AND APPROVALS	12
SECTION 6 DETERMINATION	13
SECTION 7 LIST OF INDIVIDUALS, ORGANIZATIONS, AND AGENCIES CONSULTED	14

SUMMARY SHEET

Project Proponent:	State of Hawaii Dept. of Land & Natural Resources
Property Location:	Campbell Industrial Park Barbers Point, Oahu
Parcel Identification:	TMK: 9-1-31: 1, 25, 26 & 37
Area:	124 acres
Existing Use:	Feedlot since 1963
State Land Use District:	Urban
City Development Plan:	Industrial
City Zoning:	I-2 (Intensive Industrial District)
EIS Required:	No

1.0 PROJECT DESCRIPTION

1.1 DESCRIPTION OF THE PROPOSED ACTION

The State of Hawaii, by its Board of Land and Natural Resources, hereinafter referred to as the "State," is proposing to acquire 124 acres of land owned by the Estate of James Campbell. The subject parcel, currently used as a livestock feedlot, is located at Barbers Point, Oahu and is represented by Tax Map Key (TMK) 9-1-31, parcels 1, 25, 26, and 37. The land acquisition will be undertaken pursuant to the State's land banking authority cited in Article XI, Section 4 of the State Constitution which states, "The State shall have the power to acquire interests in real property to control future growth, development and land use within the State. The exercise of such power is deemed to be for a public use and purpose."

The State will be acquiring the aforementioned lands with funds appropriated under Act 390, SLH 1988 and Act 274, SLH 1990 for the amount of \$41,047,000.

1.2 PURPOSE OF THE STATE ACQUISITION

The State's acquisition of the subject parcel is for the purpose of protecting diversified agriculture in Hawaii, preventing the potential closure of major livestock operations at Barbers Point. The existing feedlot, operated by Hawaii Meat Company, has stopped receiving cattle since February 1991, with expected closure by the end of the year. The closure of the feedlot will create a crippling effect on the state's livestock industry, including the dairy, hog and feed businesses.

After the State purchases the land, it will be leased back to Hawaii Meat Company to maintain its existing feedlot operations until a decision is reached as to the long-term, future use of the land. There is no intent for the State to serve as operators of the feedlot.

An Environmental Assessment (EA) is required when State funds or State Lands are used. This EA has been prepared pursuant to Chapter 343 of the Hawaii Revised Statutes.

1.3 PROJECT LOCATION

The subject parcel, consisting of 124 acres, is situated at Barbers Point, Oahu, as shown in Figure 1. The project site borders Olai Street to the North and Barbers Point Naval Air Station to the East. The Barbers Point Beach Park lies west of the subject parcel, and is adjacent to the shoreline to the South. (See figure 2.)

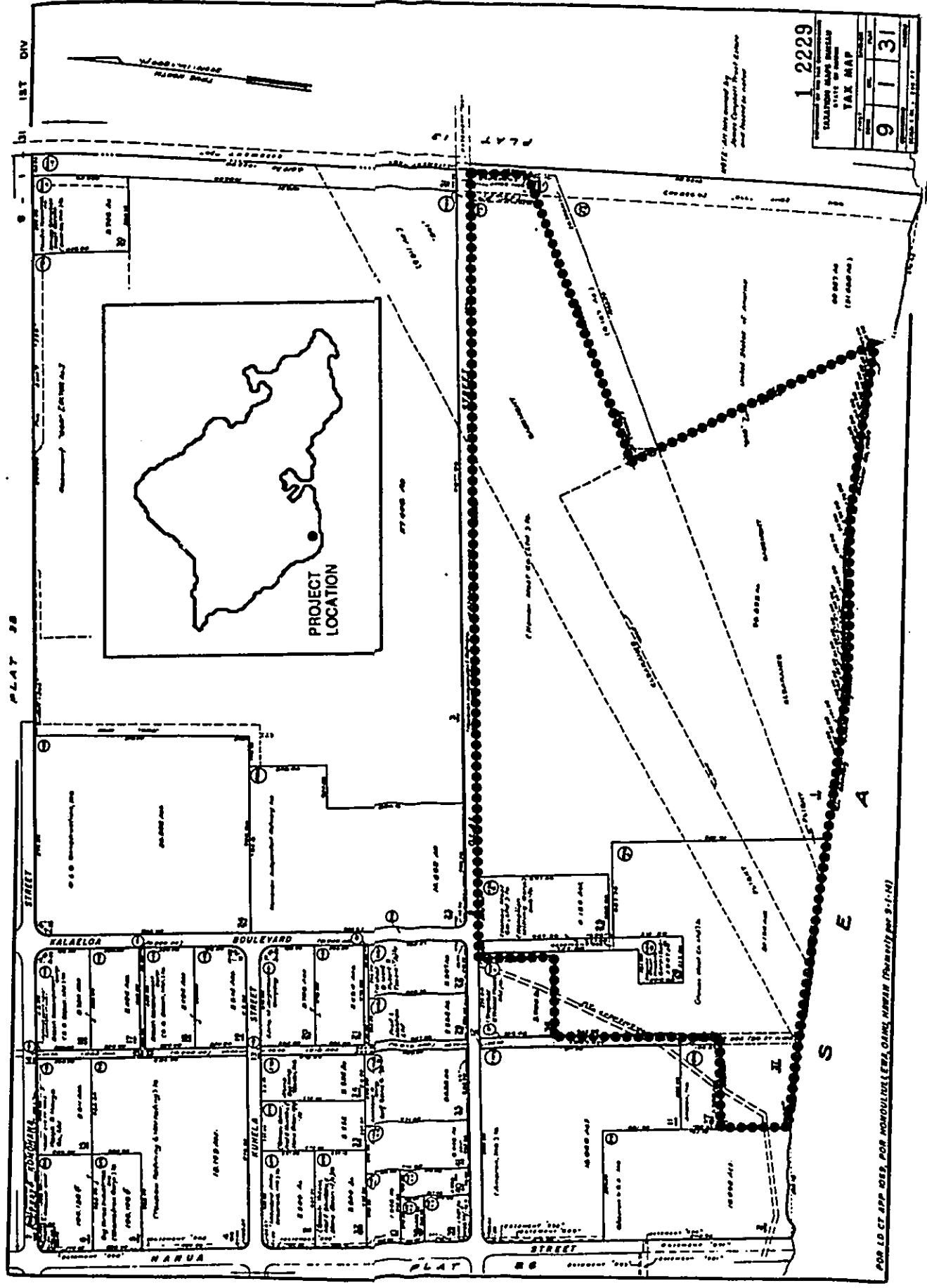
The lands are located within Campbell Industrial Park, a major industrial complex which is home to a variety of light and heavy industrial tenants. Northwest of Campbell Industrial Park is the Barbers Point Harbor which provides waterway access to the region. Proposed and ongoing urban expansion in the area include the Villages of Kapolei, the City of Kapolei, Ewa Marina, Ko Olina Resort, and West Loch Estates, in the establishment of Oahu's secondary urban center.

1.4 OWNERSHIP AND EXISTING LAND USE

The 124-acre project site is owned by the Estate of James Campbell and is currently leased to Hawaii Meat Company for livestock operations. There presently exists a feedlot, rendering plant, grain mill, beach house, and office, with livestock operations to house about 14,000 head of cattle. The parcel was purchased by James Campbell in the late 1890's from John H. Coney and wife. The parcel was unused until Hawaii Meat Company, in 1963, leased the subject lands for feedlot purposes.

In 1990, Campbell Estate proposed to increase its lease rent to Hawaii Meat Company tenfold, consistent with the parcel's I-2 zoning and surrounding industrial rents. The proposed rent increase would make it impossible for

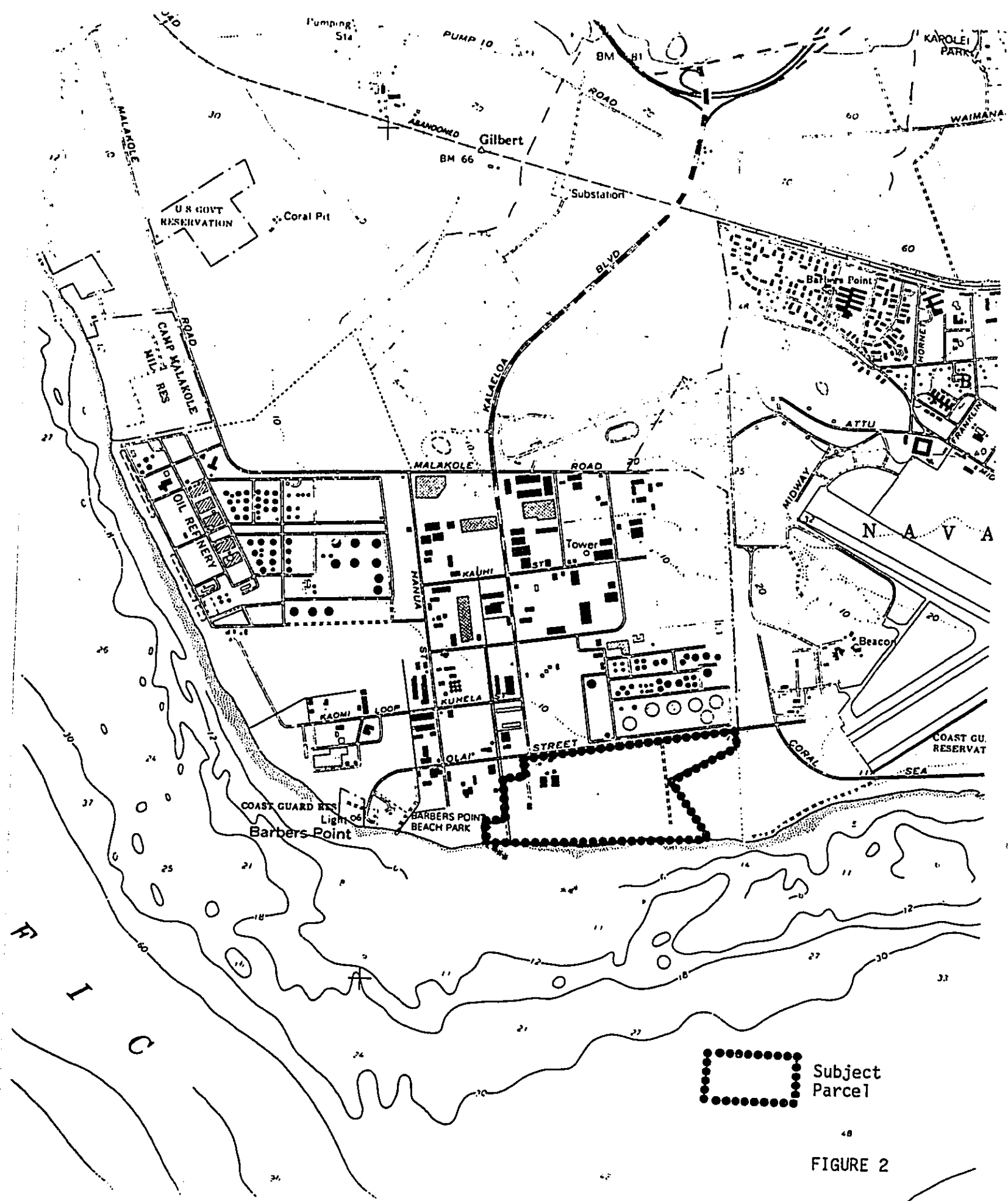
DOCUMENT CAPTURED AS RECEIVED



Subject Parcel

FIGURE 1

DOCUMENT CAPTURED AS RECEIVED



48
FIGURE 2

Hawaii Meat to feasibly continue its operations. Because of Campbell Estate's unwillingness to lease the lands on the basis of its existing agricultural use, and to comply with Campbell Estate's insistence on industrial use of the parcel, Hawaii Meat Company entered into a \$5 million sales agreement to sell its leasehold interest in the property to Koloa Properties, who were to negotiate new lease terms with Campbell Estate. Koloa Properties planned to close the feedlot and use the subject lands for industrial uses. The sales agreement between Hawaii Meat Company and Koloa Properties may be nullified subject to the State's acquisition of the subject lands.

The parcel is within a restricted area caused by aircraft flight patterns on 750 acres of Campbell Estate lands. Height and land use restrictions are applicable to parts of the subject lands.

1.5 ALTERNATIVE ACTIONS

A. No Action: One of the alternatives is to retain the existing conditions which would enable Koloa Properties to purchase the leasehold interest from Hawaii Meat Company. This alternative would result in the immediate closing of the feedlot and the potential demise of the livestock industry on Oahu. Many primary and secondary livestock operations, including dairy, hog, and feed businesses, will likely face substantial losses and possible shutdown.

B. Alternative Site: An option would be for the State to purchase land at another location, and relocate the feedlot at that site. Because Hawaii Meat Company has stopped accepting cattle, as of February 1, 1991, at its Barbers Point feedlot, there is a great sense of urgency. By time the State selects another site, conducts the necessary studies and surveys, initiates condemnation proceedings with the landowner, obtains the necessary state, local, and federal government permits, and constructs the necessary improvements required for feedlot operations, it may be too late for the cattle industry to recover. This process may take as long as two to three

years, which by then, may cause primary and secondary livestock operators to go out of business.

It is unlikely that any privately-owned business would purchase or lease property for feedlots on Oahu, because expensive land prices prohibit such business ventures to operate economically. It is, however, likely for a feedlot to be located on State-owned lands on Oahu, or private/public lands on the neighbor islands, where land costs may be much lower.

Long range plans for feedlot operations in the state are being formulated concurrently with the subject acquisition. If and when a feasible site becomes available, which meets the needs of the cattle industry on a statewide basis, the Barbers Point feedlot may be converted to lands for other uses permitted within the I-2 Intensive Industrial district.

2.0 HAWAII'S CATTLE INDUSTRY: AN OVERVIEW

2.1 MAJOR COMPONENTS OF THE FEEDLOT CATTLE INDUSTRY

•RANCH: Ranchers breed and raise cattle, then ship them to feedlots for fattening. Other calves and cattle are sold to the mainland and Canada.

•FEEDLOT: Cattle arrive at the feedlot weighing between 400-500 pounds, and are fed grain for 140 to 150 days. They are ready to be slaughtered when they reach 1,000 to 1,100 pounds, then transported to the slaughterhouse for kill.

•WASTE RECYCLING: Cow manure can be used for plant and agricultural fertilizer. Each cattle excrete between 50 to 60 pounds of manure per day.

•GRAIN: Feedlot cattle are fed primarily barley, alfalfa, mineral premix, yellow grease (fat), molasses, tapioca, and wheat. About 80% of grain consists of barley originating from Canada, Australia, and the U.S. Pacific Northwest.

•SLAUGHTERHOUSE: Feedlot cattle, dairy culls, hogs, and sheep are slaughtered for household and restaurant consumption. Prime cuts are boxed and shipped directly to market and restaurants; other cuts are made into hamburger, beef jerky and other products. Bones, guts, and unusable parts are sent to the rendering plant for process, while hides are sold for manufacturing leather goods.

•RENDERING PLANT: Bones, guts, and other animals parts are combined with restaurant grease and other materials to make chicken and hog feed, yellow grease (feed), soap, cooking oil, and other products.

•VETERNARIAN SERVICES: Medical supplies and services are required to keep animals healthy in the feedlot and ranching operations.

2.2 LIVESTOCK INDUSTRY AS A WHOLE

Inventory of cattle and calves as of January 1, 1990 was about 205,000 head, a decrease of 7,000 from the previous year. About 64% of the total inventory was located on the Island of Hawaii, followed by Maui (29,700 head), Oahu (26,700 head), Kauai/Niihau (12,100 head), and Molokai/Lanai (5,000 head).

Revenue from the livestock industry (cattle, milk, poultry, hogs and honey) reached \$91.8 million in 1989, a three percent increase from the prior year. The beef industry, with income from sales of cattle and calves, totaled \$31.5 million or 34% of the total livestock sales. Revenues from hogs and pigs totaled \$7.9 million or 9% of the livestock industry. In 1989, about 113,653,000 pounds of finished beef and veal were marketed in Hawaii. About 30% or 34,450,000 pounds were locally produced.

2.3 IMPACT OF FEEDLOT CLOSURE

The State's action to acquire the subject lands was prompted by the potential closure of Oahu's only feedlot, which could create a disrupting domino effect on other primary and secondary segments of the livestock industry. The feedlot closure is also coupled with Hawaii Meat Company's plan to cease its Middle Street slaughterhouse operations at the end of 1991, leaving only one slaughterhouse on Oahu -- the facility operated by Kahua Meat Company.

The Kahua Meat Company is highly dependent on the Barbers Point feedlot which supplies the facility with a substantial amount of cattle for slaughter. Consequently, if ranchers lack a suitable feedlot to groom their cattle, there

may be a significant drop at the Kahua Meat Company facility, causing its potential shutdown as well.

Without a slaughterhouse on Oahu, there would be no facility to provide fresh beef to the island's consumer and restaurant market, let alone a facility to slaughter the 28,000 hogs for Oahu's "hot pork" market, the 2,500 dairy cows culled annually by Oahu dairymen, and the 2,500 sheep marketed in Honolulu each year. The 600 hog farms on Oahu will have no place to take their hogs for slaughter; and the dairymen will not have a facility to dispose of the culled cows. While there currently exists a slaughterhouse on the island of Hawaii, most of the state's consumer market is on Oahu.

The closing of the Barbers Point feedlot may also eliminate a large portion of livestock feed, consisting of barley, alfalfa, and mineral pre-mix being shipped from Canada, Australia and the mainland, resulting in increase in cost to local farmers. The future of Oahu's only rendering plant may be affected as well.

As a whole, the crippling domino effect could cause the cost of producing beef in Hawaii to increase, making the exporting of calves to Canada and the mainland more attractive to local ranchers. Exported calves at today's prices could generate about \$400 each in "value added" if it remained in Hawaii to be finished, slaughtered and marketed.

3.0 DESCRIPTION OF THE ENVIRONMENTAL AND POTENTIAL IMPACTS AND MITIGATION MEASURES

3.1 PHYSICAL ENVIRONMENT

The existing land use will remain unchanged and therefore no new impacts on the physical environment are anticipated.

3.2. SOCIAL, ECONOMIC, AGRICULTURAL CHARACTERISTICS

Without the State's acquisition of the subject lands, there may be a major impact on the social, economic, and agricultural characteristics as described in the previous chapter.

While monies have already been appropriated by the Legislature, the expenditure of \$41,047,000 to purchase the 124-acre parcel would prohibit the State to fund other projects and programs. However, once a long-term, more feasible location for a feedlot can be found, the subject lands may be converted to higher uses, permitted within the I-2 district, for higher economic returns to the State.

3.3. PUBLIC FACILITIES

The existing land use will remain unchanged and therefore no new impacts on public facilities, traffic, flood and drainage are anticipated.

4.0 RELATIONSHIP TO LAND USE PLANS AND POLICIES

4.1 HAWAII STATE PLAN

The proposed state action in its efforts to protect the livestock feedlot from closure is consistent with the following:

Chapter 226-7, HRS: Objectives and Policies for the Economy-Agriculture

- (a)(2) Continued growth and development of diversified agriculture throughout the state.
- (b)(1) Foster attitudes and activities conducive to maintaining agriculture as a major sector in Hawaii's economy.
- (b)(5) Enhance agricultural growth by providing public incentives and encouraging private industries.
- (b)(6) Assure the availability of agriculturally suitable lands with adequate water to accommodate present and future needs.
- (b)(8) Expand Hawaii's agricultural base by promoting growth and development of flowers, tropical fruits and plants, livestock, feed grains, forestry, food crops, aquaculture, and other potential enterprises.

4.2 STATE LAND USE LAW

There are four classifications into which the State Land Use System classifies all land in the State of Hawaii: Urban, Rural, Agricultural, and Conservation. All of the land in this project site is within the Urban district, and will not require a district boundary amendment.

4.3 CITY ZONING

The land within the proposed site is zoned for industrial use (I-2). There will be no need for a change in zoning since the land use will remain the same.

5.0 REQUIRED PERMITS AND APPROVALS

The land acquisition process by the State is as follows:

- 1) The Legislature appropriates funds for the purchase of land.
- 2) The Governor releases the funds to purchase the land.
- 3) The Board of Land and Natural Resources (BLNR) authorizes the land acquisition.

Once the land is acquired, DLNR and the Department of Agriculture will negotiate an appropriate lease agreement with Hawaii Meat Company to continue its feedlot operations.

6.0 DETERMINATION

The objective of the State's acquisition is to protect diversified agriculture in Hawaii by providing an uninterrupted opportunity for Oahu's only feedlot to operate at Barbers Point. The acquisition will not impact the physical or socioeconomic resources of the site because existing livestock activities will remain the same.

It is therefore concluded that an environmental impact statement is not needed for the acquisition of the subject property.

**7.0 LIST OF INDIVIDUALS, ORGANIZATIONS, AND AGENCIES
CONSULTED**

**Department of Agriculture
Department of Land and Natural Resources
Hawaii Meat Company
Estate of James Campbell**