

**OFFICE OF PLANNING AND
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BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A92-683
)	
HALEKUA DEVELOPMENT	)	OFFICE OF PLANNING AND
CORPORATION, a Hawaii corporation	)	SUSTAINABLE DEVELOPMENT’S
	)	RESPONSE TO HASEKO ROYAL
	)	KUNIA, LLC’S 2025 MOTION FOR
	)	ORDER AMENDING THE
To Amend the Agricultural Land Use	)	MEMORANDUM OF
District Boundary into the Urban Land Use	)	UNDERSTANDING’S OFFSITE
District for Approximately 503.886 acres at	)	INFRASTRUCTURE DATE IN
Waialeale and Hoaeae, Ewa, Oahu, City and	)	CONDITION A.1; EXHIBIT A;
County of Honolulu, State of Hawaii, Tax	)	CERTIFICATE OF SERVICE
Map Key No. (1) 9-4-002:001, portion of)	
52, 70 and 71)	

**OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT’S RESPONSE TO
HASEKO ROYAL KUNIA, LLC’S 2025 MOTION FOR ORDER AMENDING THE
MEMORANDUM OF UNDERSTANDING’S OFFSITE INFRASTRUCTURE DATE IN
CONDITION A.1**

The Office of Planning and Sustainable Development (“OPSD”) supports Haseko Royal Kunia, LLC’s (“Petitioner” or “Haseko”) motion for an order to amend the Findings of Fact, Conclusions of Law and Decision and Order Granting Motion to Amend the Memorandum of Understanding’s Offsite Infrastructure Date in Condition A.1 filed October 7, 2024 (“Motion”).

I. BACKGROUND

A. 1993 D&O

On December 9, 1993, the Land Use Commission (“LUC”) issued its Findings of Fact, Conclusions of Law, and Decision and Order (“1993 D&O”) approving the reclassification of 503.866 acres of land (“Petition Area”) from the State Agricultural District to the Urban District for residential, light industrial, public park, and school use, subject to 28 conditions. Condition 22 of the 1993 D&O (“Condition 22”) required the original petitioner Halekua Development Corporation (“Halekua”) to convey an agricultural park (“Ag Park”) to the State of Hawaii and to provide off-site infrastructure to the Ag Park, pursuant to a Memorandum of Understanding (“MOU”) entered into by the original petitioner and the Department of Agriculture, now known as the Department of Agriculture and Biosecurity (“DAB”).

On February 23, 2004, Halekua conveyed the Ag Park site to the State of Hawaii. Thus, Condition 22 was fulfilled in part, with the provision of off-site infrastructure remaining to be satisfied.

Over the years, the Petition Area has been divided and sold to several different owners, including Haseko, and the LUC has approved numerous motions to amend the 1993 D&O, including restating the requirement to provide off-site infrastructure to the Ag Park as Condition A.1 and other amendments to be consistent with amendments to the MOU.

B. 2024 D&O

On October 7, 2024, the LUC issued its Findings of Fact, Conclusions of Law, and Decision and Order (“2024 D&O”) approving Haseko’s Motion to Amend the Memorandum of Understanding’s Offsite Infrastructure Date in Condition A.1. The 2024 D&O amended the offsite infrastructure date in Condition A.1 to be consistent with Haseko’s prior agreement with DAB, the Fifth Amendment to Amendment and Restatement of Memorandum of Understanding dated January 10, 2024, as follows:

Condition A.1.: Royal Kunia Agricultural Park. Haseko Royal Kunia, LLC and the Department of Agriculture have executed the Fifth Amendment to the Memorandum of Understanding dated January 10, 2024 (“5th Am MOU”). The original Memorandum of Understanding was dated 1993 and subsequently amended in 2007, 2009, 2012, 2015, and 2020. The 5th Am MOU separates the offsite infrastructure for the Royal Kunia Agricultural Park in three categories: 1) Irrigation Infrastructure, 2) Temporary Infrastructure, and 3) Permanent Infrastructure. The Irrigation Infrastructure for non-potable irrigation water is comprised of the water line and pump station and shall be

completed by August 31, 2024. The Temporary Infrastructure is comprised of functional electrical power and potable water and shall be completed by December 31, 2025. The Permanent Infrastructure is comprised of a roadway, potable water, electrical and communications, and gravity sewer and shall be completed by September 30, 2028.

II. MOTION TO AMEND 2024 D&O

Petitioner filed the present Motion on December 26, 2025, and filed a Supplemental Memorandum in Support of its 2025 Motion for Order Amending the Memorandum of Understanding's Offsite Infrastructure Date in Condition A.1 on February 24, 2026 ("Supplemental Memo").

According to Petitioner, the Irrigation Infrastructure was substantially completed by August 31, 2024, and completed and accepted by DAB on October 1, 2025. *See* Motion, p. 4 and Declaration of Peter Kwan; Supplemental Memo, pp. 2-3 and Exhibit 9. Petitioner also states that the temporary potable water infrastructure was completed by December 31, 2025. *See* Motion, p. 4 and Declaration of Peter Kwan; Supplemental Memo, p. 2 and Exhibit 7.

Regarding the temporary functional electrical power infrastructure, Hawaiian Electric Company ("HECO") will not authorize construction of the temporary electrical power lines until there is an end user at the Ag Park. Since the Ag Park has not yet been constructed, there is no end user, and the temporary electrical power lines cannot be installed. Drawings and plans for the temporary electrical power lines have been reviewed and approved by HECO, and temporary functional electrical power will be provided as soon as there is an end user prior to the completion of the Permanent Infrastructure. *See* Motion, pp. 4-5 and Declaration of Peter Kwan; Supplemental Memo, p. 2 and Exhibit 8. Considering HECO's requirements and the 2024 D&O's December 31, 2025, deadline for the completion of the Temporary Infrastructure, Haseko and DAB entered into the Sixth Amendment to Amendment and Restatement of Memorandum of Understanding ("6th Am MOU") on December 17, 2025.

Petitioner's Motion would amend the 2024 D&O's Condition A.1. to be consistent with the 6th Am MOU. In short, Petitioner is seeking the following changes to the condition (deletions are crossed out; additions are underlined):

Condition A.1.: Royal Kunia Agricultural Park. Haseko Royal Kunia, LLC and the Department of Agriculture & Biosecurity have executed the ~~Fifth~~Sixth Amendment to the Memorandum of Understanding dated ~~January 10, 2024~~December 2025 (“~~50th~~56th Am MOU”). The original Memorandum of Understanding was dated 1993 and subsequently amended in 2007, 2009, 2012, 2015, 2020 and ~~2020~~2024. The ~~50th~~56th Am MOU separates the offsite infrastructure for the Royal Kunia Agricultural Park in three categories: 1) Irrigation Infrastructure, 2) Temporary Infrastructure, and 3) Permanent Infrastructure. The Irrigation Infrastructure for non-potable irrigation water is comprised of ~~the~~a water line and pump station ~~and shall be completed by August 31, 2024~~that have been completed. The Temporary Infrastructure is comprised of functional electrical power and potable water, ~~and~~ The Temporary Infrastructure potable water shall be completed by December 31, 2025. The Temporary Infrastructure functional electrical power shall be completed by the date DAB has an end user in place, which date shall not exceed September 30, 2028, when the Permanent Infrastructure is to be delivered. The Permanent Infrastructure is comprised of a roadway, potable water, electrical and communications, and gravity sewer and shall be completed by September 30, 2028. The Temporary Infrastructure will not be needed once the Permanent Infrastructure is completed.

See Motion, pg.8.

OPSD requested confirmation from DAB of the 6th Am MOU and current status of the offsite infrastructure as represented in the Motion. DAB provided a response letter dated March 17, 2026, in support of Petitioner’s Motion. *See* OPSD Exhibit A.

III. RECOMMENDATION

OPSD finds that Petitioner has provided sufficient evidence to support its Motion to Amend the 2024 D&O’s Condition A.1. Furthermore, DAB agrees and supports the Motion. Therefore, there is good cause sufficient to allow the LUC to approve Petitioner’s Motion, and OPSD recommends the LUC do so.

Additionally, OPSD agrees that no further analysis is required under HRS Chapter 343 or *Ka Paakai O Kaaina v. Land Use Commission*, 94 Haw. 31, 7 P.3d 1068 (2000) for this Motion. Similar to the revisions made to Condition A.1 in the 2024 D&O, this Motion is a procedural extension of time that will not result in a change to environmental impacts and will not affect Native Hawaiian traditional and customary rights.

DATED: Honolulu, Hawaii, April 2, 2026.

OFFICE OF PLANNING AND
SUSTAINABLE DEVELOPMENT
STATE OF HAWAII



MARY ALICE EVANS
DIRECTOR

JOSH GREEN, M.D.
Governor



SHARON HURD
Chairperson
Board of Agriculture & Biosecurity

SYLVIA LUKE
Lt. Governor

DEAN M. MATSUKAWA
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State of Hawai'i
DEPARTMENT OF AGRICULTURE & BIOSECURITY
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March 17, 2026

Ms. Mary Alice Evans, Director
State Office of Planning and Sustainable Development
P.O. Box 2359
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Dear Office of Planning and Sustainable Development,

The State of Hawaii, Department of Agriculture and Biosecurity ("DAB") stands in support of Petitioner's Motion. DAB does not provide any comments on the legal arguments provided in the Motion.

I. DAB Needs the Infrastructure to Manage an Operational Agricultural Park.

DAB submits that the Sixth Amended Memorandum of Understanding supports DAB's goal of protecting and promoting the utilization of Hawaii's agricultural resources in support of increasing agricultural self-sufficiency. Under Hawaii Revised Statutes, chapter 166, DAB has jurisdiction and management control over public lands that are designated as agricultural parks. Currently, there are nine (9) Agricultural Parks across the state, including the Royal Kunia Agricultural Park. The Royal Kunia Agricultural Park is one of the land parcels at issue in this Motion. At the DAB's agricultural parks, farmers lease individual lots at agricultural parks from DAB. In 2023, the legislature allowed farmers currently leasing land to request DAB to extend their leases for up to an additional thirty-years. See Act 213, 2023. The impact of this law allows current farmers and tenants to continue working on the land diligently, without fear of investing money into their farms and losing their leases due to a maximum tenancy. While this legislative revision assists existing farmers/tenants continue to utilize the land and provide to the local agricultural economy, this revision also hinders new farmers from leasing public lands through DAB.

On Oahu, virtually all the lots at the 4 sub-divided Agricultural Parks, Waimanalo, Kahuku, Kalaeloa, and Waianae, are presently leased out to farmers. In fact, when leases of those lots go out to the public for bid, there are always many applicants who apply for the lot. For context, in the negotiation

bid process, applicants are required to blind bid how much that applicant is willing to pay in lease rent. The applicant who submitted the highest bid will be given the initial opportunity to accept the lease. It is important to note that DAB completes a surface level review of the applicant's financials to ensure that the applicant is solvent. However, DAB does not complete a full analysis of whether that applicant will be able to sustain the annual lease rent amount for the full lease tenure.

The only other way for new tenants to get an individual lot is to buy out the current tenant and be assigned the remainder of the lease term. This option often precludes new farmers, who may not be established financially, from leasing public lands. Therefore, the addition of the new individual lots at Royal Kunia Agricultural Park would greatly benefit DAB and the new farmer community.

A well-known fact about farming is that farmers need water; crops and other products cannot grow without water. Similarly, farmers also need infrastructure, including but not limited to, electricity to keep their water pumps, timers, and other machinery and operations running. An agricultural park without infrastructure to provide these utilities is simply a large parcel of land, not an agricultural park. To promote agriculture, DAB should provide a fully functioning agricultural park for the farmers, which includes basic utilities.

Haseko has promised DAB it will construct the infrastructure to provide the agricultural park with the necessary utilities and DAB intends to hold Haseko to their promise.

II. Haseko's Agreement with DAB.

Pursuant to the Fifth Amended Memorandum of Understanding, Haseko is to complete construction of the non-potable waterline by August 31, 2024, provide temporary operational potable water and electricity by December 31, 2025, and complete the permanent Off-Site Infrastructure by September 30, 2028.

The requirement for Haseko to provide temporary operational utilities and infrastructure to the Agricultural Park is important for development until the permanent Off-Site infrastructure is completed. The operational utility hookups for water and electricity will allow DAB to start subdividing and leasing land out to new tenants. The temporary infrastructure will also provide prospective tenants with the basic necessary utilities for their farms, allowing

the agricultural park to be fully operational. In turn, this greatly benefits the agricultural community and assists the State in having locally grown products.

It is also important to note that the Haseko agreement to bond the infrastructure project is still in place. The issuance of a performance bond protects DAB's interest in completing the Agricultural Park by a specific time.

Since the execution of the Fifth Amended Memorandum of Understanding, DAB accepted the non-potable waterline on October 1, 2025, and received notification of the completion of temporary potable water hook-up on January 15, 2026.

With respect to temporary electricity, Haseko informed DAB that plans for temporary electrical power lines were reviewed and approved by the Hawaiian Electric Company (HECO). However, HECO indicated it would not construct the temporary power lines until an end user is established at the Agricultural Park to receive such electricity.

Thereafter, Haseko proposed, and DAB agreed, to negotiate and execute the Sixth Amendment to the Amendment and Restatement of Memorandum of Understanding to revise the deadline for the temporary electricity hook-up to align with HECO's requirement. Completion of the permanent Off-Site Infrastructure remains anticipated by September 30, 2028.

Sincerely,



BRIAN KAU, P.E.
Administrator and Chief Engineer
Agricultural Resource Management Division

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County of Honolulu, State of Hawaii, Tax)	
Map Key No. (1) 9-4-002:001, portion of)	
<u>52, 70 and 71</u>)	

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served upon the following by either hand delivery, depositing the same in the U.S. Postal Service by regular mail, or by electronic mail.

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DATED: Honolulu, Hawaii, April 2, 2026.

OFFICE OF PLANNING AND
SUSTAINABLE DEVELOPMENT
STATE OF HAWAII

Mary Alice Evans

MARY ALICE EVANS
DIRECTOR