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TRUSTEES OF THE ESTATE OF BERNICE
PAUAHI BISHOP dba KAMEHAMEHA
SCHOOLS

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of

TRUSTEES OF THE ESTATE OF
BERNICE PAUAHI BISHOP dba
KAMEHAMEHA SCHOOLS

For Declaratory Order to Designate
Important Agricultural Lands for ap-
proximately 9,171.161 acres at
Kawailoa, O'ahu identified by TMK Nos.
(1) 6-1-005: 001 (por.); 6-1-006: 001
(por.); 6-1-007: 001; 6-2-009: 001 (por.);
6-2-010: 001 (por.); 6-2-011: 001 (por.); 6-
2-011: 021 and approximately 420.887
acres at Punalu'u, O'ahu identified by
TMK Nos. (1) 5-3-001: 041 (por.); 5-3-
003: 001 (por.); 5-3-004: 005; 5-3-004:
007; 5-3-004: 013; 5-3-004: 018 (por.); 5-
3-004: 019; 5-3-007: 023 (por.)

DOCKET NO. _____

**PETITION FOR DECLARATORY
ORDER TO DESIGNATE
IMPORTANT AGRICULTURAL
LANDS**

VERIFICATION

EXHIBITS A – J

CERTIFICATE OF SERVICE

**PETITION FOR DECLARATORY ORDER
TO DESIGNATE IMPORTANT AGRICULTURAL LANDS**

Petitioner TRUSTEES OF THE ESTATE OF BERNICE PAUAHI BISHOP dba KAMEHAMEHA SCHOOLS (“**Kamehameha Schools**”), by and through its attorneys, Cades Schutte LLP, respectfully petition the Land Use Commission of the State of Hawai‘i (“**Commission**”) to issue a declaratory order designating approximately 9,171.161 of land at Kawailoa, O‘ahu and 420.887 acres of land at Punalu‘u, O‘ahu (collectively, the “**Property**”), more particularly described below, as Important Agricultural Lands (“**IAL**”) pursuant to §§ 205-44 and -45 of the Hawai‘i Revised Statutes (“**HRS**”) and §§ 15-15-98, -99, -120 and -121 of the Hawai‘i Administrative Rules (“**HAR**”). In support of this Petition for Declaratory Order to Designate Important Agricultural Lands (this “**Petition**”), Kamehameha Schools alleges and avers as follows:

I. Petition Content Requirements

Content requirements for Petition for Declaratory Order pursuant to HAR § 15-15-99:

A. Name, address and telephone number of Petitioner. Kamehameha Schools is a Hawai‘i charitable educational trust. Kamehameha Schools’ address is 567 S. King Street, Honolulu, Hawai‘i 96813, and its telephone number is (808) 523-6200. Cades Schutte LLP represents Kamehameha Schools in accordance with HAR § 15-15-35(b). All correspondence and communication regarding this Petition shall be addressed to and served upon Calvert G. Chipchase, Cades Schutte LLP, 1000 Bishop Street, Suite 1200, Honolulu, Hawai‘i 96813.

B. Statement of Petitioner’s interest in the subject matter and reason for the submission. Kamehameha Schools owns and manages the Property. The Property is more specifically identified and described in Exhibit A attached hereto. Kamehameha Schools requests that the Commission designate the Property as IAL pursuant to HRS §§ 205-44 and -45 and HAR §§ 15-15-120 and -121. As set out below, the proposed designation of the IAL lands in Kawaihoa and Punalu‘u supports and advances Kamehameha Schools’ goals and plans.

Kamehameha Schools is responsible for sustaining its endowment in perpetuity, while maximizing cultural, economic, environmental, educational and community benefits pursuant to Kamehameha Schools’ values, vision and mission. To further its mission, Kamehameha Schools developed the Strategic Agricultural Plan for the management of its agricultural lands. The Strategic Agricultural Plan provides a planning framework and vision for the management of Kamehameha Schools’ agricultural lands statewide, and the Strategic Agricultural Plan positions Kamehameha Schools to be an agricultural leader in Hawai‘i.

As a part of its agricultural strategy, Kamehameha Schools seeks (1) to preserve agricultural lands so that the lands continue to provide food and sustainable energy for the community and (2) to increase the production of fruits, vegetables, meat and other food products on its lands for the local market. Kamehameha Schools also seeks to restore and revitalize traditional native Hawaiian agricultural systems. To achieve these goals, Kamehameha Schools invests in and supports agricultural education, agricultural business and agricultural markets, all of which play a

critical role in Hawai'i's agricultural industry and are a part of the Strategic Agricultural Plan. Attached hereto and incorporated herein by reference as Exhibit B is additional information regarding the Strategic Agricultural Plan.

With respect to the proposed IAL lands in Kawaihoa, Kamehameha Schools has prepared the Moku O Waialua North Shore Plan Pa'ala'a to Kāpaeloa (the "**North Shore Plan**"). The North Shore Plan sets forth Kamehameha Schools' commitment to enhancing diversified agriculture and food production. Kamehameha Schools furthers diversified agriculture and food production through sustainable land management practices on all of its North Shore lands, including the proposed IAL lands in Kawaihoa. These practices uphold and perpetuate traditional Hawaiian cultural values and knowledge for future generations. Attached hereto and incorporated herein by reference as Exhibit C is additional information regarding Kamehameha Schools' North Shore Plan.

With respect to the proposed IAL lands in Punalu'u, Kamehameha Schools has prepared the Punalu'u Ahupua'a Plan (the "**Punalu'u Plan**"). The Punalu'u Plan sets forth strategies for managing Kamehameha Schools' agricultural, commercial, residential and conservation assets and provides for the alignment of future projects and programs with the Punalu'u Plan. The Punalu'u Plan also includes several long-term goals for Punalu'u. Among those goals is ensuring that agricultural lands are responsibly utilized in a balanced manner to support sustainable small-scale commercial farming, programmatic farming, family farming, grazing and related activities, such as livestock and aquaculture. Attached hereto and incorporated

herein by reference as Exhibit D is additional information regarding Kamehameha Schools' Punalu'u Plan.

C. Designation of specific statutory provision, rule or order in question.

This Petition arises under HRS §§205-44 and -45 and HAR §§ 15-15-98, -99, -120 and -121.

D. Statement of Petitioner's position or contention. The Property is appropriate for designation as IAL under HRS § 205-44 and HAR § 15-15-120, and the Commission should issue a declaratory order designating the Property as IAL pursuant to HRS § 205-45 and HAR § 15-15-121.

E. Memorandum of authorities, containing a full description of reasons and legal authorities in support of Petitioner's position. HRS § 205-45(c) provides that a petition for declaratory order designating IAL shall be submitted in accordance with subchapter 14 of the Commission's rules and include the additional requirements contained in HRS § 205-45(c).

The eight content requirements for a petition for declaratory order under subchapter 14 are found at HAR § 15-15-99 and are addressed in Sections I A. through I H. of this Petition.

The additional requirements of HRS § 205-45(c), which are repeated in HAR § 15-15-121(b), include the following:

1. Tax Map Key Numbers and verification and authorization from the applicable landowner(s). Kamehameha Schools seeks to designate as IAL approximately 9,592.048 acres of land on the island of O'ahu, Hawai'i. Attached hereto and incor-

porated herein by reference as Exhibit A are documents identifying the location, the applicable tax map key number (“**TMK No.**”) and acreage of each parcel (the “**TMK Parcel**”) composing the Property. Kamehameha Schools owns the lands comprising the TMK Parcels described in Exhibit A, subject to claims of descendants and grantees as to kuleana parcels, if any, that may be located within the Property. Kamehameha Schools is not aware of any unresolved claims made by such persons.

Exhibit A illustrates the proposed IAL lands within the boundaries of the TMK Parcels. Exhibits A-1A, A-1B, A-1C, A-1D, A-1E, A-1F, A-2A, A-2B, A-2C and A-2D identify the individual TMK Parcels and the lands within such boundaries that are proposed to be designated IAL.

Attached hereto and incorporated herein by reference as Exhibit E is the Affidavit of Sydney Keliipuleole providing authorization for this Petition with respect to the aforementioned lands.

Attached hereto and incorporated herein by reference as Exhibit F is a letter by Title Guaranty of Hawai‘i, Incorporated verifying ownership of the Property.

2. Proof of qualification for designation as IAL under HRS § 205-44. HRS § 205-44(c) and HAR § 15-15-120(c) set out the criteria for identifying IAL. Lands identified as IAL do not need to meet every criterion listed in section 205-44(c). Rather, lands meeting any criterion in section 205-44(c) shall be given initial consideration, and the designation of IAL shall be made by weighing criteria with each other to meet the constitutionally mandated purposes in article XI, section 3, of the

Hawai'i Constitution and the objectives and policies for IAL identified in sections 205-42 and -43.

The proposed IAL lands are located in Kawailoa on the North Shore and Punalu'u in Ko'olau Loa. The following summary provides an overview of the various characteristics of the Property proposed to be designated as IAL. The Agricultural Land Assessment, attached hereto and incorporated herein by reference as Exhibit G, further describes, illustrates and quantifies the characteristics of the Property.

a. Land currently used for agricultural production.

(i) Kawailoa. There is a long history of agricultural use in Kawailoa. The lands of Kawailoa were a major food producing area of the district of Waialua. The coastal areas of Kawailoa were primarily used for habitation, while the kula lands were used extensively for dryland agriculture. Given the geographic location and topography, the lower lands were utilized for two types of agricultural production—rain-fed dryland agriculture on the lower slope and colluvial slope cultivation on the upper slope, with both systems reliant on seasonal rainfall rather than irrigation systems.

Sugar was an established agricultural crop as early as 1836. In 1867, Charles Reed Bishop purchased the sugar operations and continued sugar production with the assistance of Castle & Cooke as his agents. Castle & Cooke subsequently purchased the entire plantation, formed Waialua Agricultural Company, later known as Waialua Sugar Company. Castle & Cooke invested in an extensive irrigation system, consisting of flumes, siphons and ditches. The system is still in use today.

In 1993, in response to the potential shutdown of sugar plantations statewide, Kamehameha Schools authorized a plan for the possible conversion of sugar land to other agricultural uses. Two years later, Kamehameha Schools negotiated a two-year rent waiver with Waialua Sugar Company in exchange for ownership of all infrastructure upon lease surrender.

Tuberose was the first non-sugar crop planted on the sugar land by A & K Nursery in 1996. Since then, other non-sugar crops, including seed corn and watermelon, have been introduced to the land.

In 1998, Waialua Sugar Company gave notice of voluntary surrender of 24,000 acres leased from Kamehameha Schools. In 1999, Kamehameha Schools assumed management of the area and operation of the infrastructure. The infrastructure continues to provide water and electrical service to the Kawaioloa lands and is essential to, and an integral part of, sustaining the agricultural use of such lands.

In 1998, Kamehameha Schools approved the Ahupua‘a ‘O Kawaioloa Master Plan Concept pursuant to which Kamehameha Schools authorized 25-year cultivation agreements for farmers. A & K Nursery received the first agreement on July 1, 1999. A & K Nursery completed its fifteenth year on June 30, 2014.

The current agricultural use of the proposed IAL lands in Kawaioloa is illustrated on Figure 1A: Kawaioloa Current Agricultural Operation attached to Exhibit G. Most of the agricultural activities in Kawaioloa are concentrated on lands below 600 feet in elevation, where the existing irrigation system is operating and in good condition. Diversified agriculture is a primary agricultural use in the area with approximately

722 acres of land in cultivation. Crops include seed corn, banana (*Musa* spp.; mai'a), taro (*Colocasia esculenta*; kalo), papaya, mango and hydroponic lettuce. The Current Agricultural Use Map and Summary Table for Kawaihoa attached hereto and incorporated herein by reference as Exhibit H identifies the agricultural uses by category and TMK Parcel.

Other agricultural uses include approximately 297 acres of livestock and 0.7 acres of koa windbreak. See Exhibit G (Agricultural Land Assessment) at 4.

Mauka unirrigated lands are designated for multiple and layered uses consisting of livestock, orchard, forestry and renewable energy. Thirty wind turbines are currently in operation. Kamehameha Schools is negotiating new lease agreements for the integration of cattle grazing in this area. Approximately 500 acres are being planned for a 50 MW photovoltaic (PV) energy farm that will include sheep grazing as a dual use. Renewable energy is an integral component of Kamehameha Schools' Strategic Agricultural Plan. See Exhibit B (Strategic Agricultural Plan).

(ii) Punalu'u. Similar to Kawaihoa, the Punalu'u area proposed for IAL designation has a long history of agricultural use. Punalu'u was one of the major food producing ahupua'a of Ko'olau Loa. During pre-contact times, the land supported many acres of lo'i (taro fields). In later years, rice fields were planted. Until the early 1900s, rice was the dominant crop and rice cultivation was known to exist from the shoreline to the mountains. From the 1900s to the 1970s, sugar was the leading agricultural use. Taro and pineapple were also produced under smaller agricultural leases issued by Kamehameha Schools. Since the 1970s, agricultural

use at Punalu‘u has been diversified. Today, agriculture in Punalu‘u includes various crops, pasture use, aquaculture and plant nurseries.

The current agricultural use of the proposed IAL lands in Punalu‘u is illustrated on Figure 1B: Punalu‘u Current Agricultural Operation attached to Exhibit G. As reflected on Figure 1B, the primary agricultural use is diversified agriculture. Approximately 120 acres of land is cultivated for diversified agriculture. Crops include banana, papaya, mango, cucumber, mixed vegetable, taro and cacao. The Current Agricultural Use Map and Summary Table for Punalu‘u attached hereto and incorporated herein by reference as Exhibit I identifies the agricultural use by category and TMK parcel. Other agricultural uses include approximately 22 acres of livestock and 11 acres of aquaculture. See Figure 1B: Punalu‘u Current Agricultural Operation attached to Exhibit G; Exhibit I.

b. Land with soil qualities and growing conditions that support agricultural production for food, fiber or fuel and energy-producing crops. The Detailed Land Classification System and Agricultural Land Productivity Ratings by the Land Study Bureau (“LSB”), University of Hawai‘i are based on a five-class productivity rating system using the letters A, B, C, D and E, with A representing the class of highest productivity and E the lowest productivity rating. See Figures 3A and 3B: Land Study Bureau-Detailed Land Classification attached to Exhibit G.

In Kawaiiloa, approximately 33.1% of the proposed IAL are rated A, 17.8% are rated B, 12.4% are rated C, 2.6% are rated D, 33.3% are rated E and 0.8% are unrated. See Figure 3A: Kawaiiloa Land Study Bureau-Detailed Land Classification.

In Punalu‘u, there are no proposed IAL rated A, approximately 9.4% of the proposed IAL are rated B, 34.7% are rated C, 12.3% are rated D, 43.5% are rated E and 0.1% are unrated. See Figure 3B: Punalu‘u Land Study Bureau-Detailed Land Classification. Regardless of the soil productivity rating, Punalu‘u has been historically used for agriculture. The Punalu‘u lands are presently being used for diversified agriculture, aquaculture, nursery and pasture. See Exhibit G at 5.

The following table summarizes the productivity rating of the proposed IAL lands as illustrated in Figures 3A and 3B:

<i>Productivity Rating</i>	<i>Kawailoa</i>		<i>Punalu‘u</i>		<i>Total IAL</i>	
	<i>Acres</i>	<i>% of IAL</i>	<i>Acres</i>	<i>% of IAL</i>	<i>Acres</i>	<i>% of IAL</i>
A	3,034.663	33.1%	-	-	3,034.663	31.6%
B	1,632.211	17.8%	39.440	9.4%	1,671.651	17.4%
C	1,134.423	12.4%	146.313	34.7%	1,280.736	13.3%
D	241.536	2.6%	51.859	12.3%	293.395	3.1%
E	3,054.790	33.3%	183.257	43.5%	3,238.047	33.8%
Not LSB	73.538	0.8%	0.018	0.1%	73.556	0.8%
Totals:	9,171.161	95.6%	420.887	4.4%	9,592.048	100%

Based on the Sunshine Maps prepared in 1985 by the State Department of Business, Economic Development and Tourism, formerly known as the State Department of Planning and Economic Development, Energy Division, the proposed IAL in Kawailoa receives an annual average of 400 to 450 calories of solar energy per square centimeter per day. The proposed IAL in Punalu‘u receives an annual average of 300 to 350 calories of solar energy per square centimeter per day. See Figures 4A and 4B: Solar Radiation attached to Exhibit G. The level of solar radiation for the Kawailoa and Punalu‘u lands is very beneficial for various agricultural uses.

c. Lands identified under agricultural productivity ratings systems, such as the agricultural lands of importance to the State of Hawai'i ("ALISH") system adopted by the board of agriculture. The ALISH classification system was developed in 1977 by the State Department of Agriculture. The system was primarily, but not exclusively, based on the soil characteristics of lands and existing cultivation. There are three classes of ALISH land—Prime, Unique and Other.

Prime ALISH is land best suited for the production of food, feed, forage and fiber crops. The land has the soil quality, growing season and moisture supply that are needed to produce high yields of crops economically when the land, including water resources, is treated and managed according to modern farming methods.

Unique ALISH is land other than Prime ALISH that is used for the production of specified high-value food crops. The land has the special combination of soil quality, growing season, temperature, humidity, sunlight, air drainage, elevation, aspect, moisture supply or other conditions, such as nearness to market, that favor the production of a specific crop of high quality or high yield when the land is treated and managed according to modern farming methods. In Hawai'i, examples of such crops are coffee, taro, rice, watercress and non-irrigated pineapple.

Other ALISH is land other than Prime or Unique that is of statewide or local importance for the production of food, feed, fiber and forage crops. The land is important to agriculture in Hawai'i, yet it exhibits properties, such as seasonal wetness, erodibility, limited rooting zone, slope, flooding or droughtiness, that exclude the land from Prime or Unique agricultural land use classifications. Other

ALISH land includes land that does not have an adequate moisture supply to be qualified as Prime and land that has similar characteristics and properties as Unique, except that the land is not currently in use for the production of a “unique” crop. Other ALISH lands can be farmed sufficiently by applying greater amounts of fertilizer and other soil amendments, drainage improvement, erosion control practices and flood protection. When managed properly, Other ALISH land can produce fair to good crop yields.

In Kawaiiloa, approximately 66.0% of the proposed IAL are classified in ALISH with 63.8% in Prime and 2.2% in Other. The balance of the proposed land is not classified under ALISH. The unclassified land includes essential elements of the active agricultural operation, such as streams and drainage ways, water systems and roadways. See Figure 5A: Kawaiiloa Agricultural Lands of Importance to the State of Hawai‘i attached to Exhibit G.

In Punalu‘u, approximately 68.4% of the proposed IAL are classified in ALISH with 6.0% in Prime and 62.4% in Other. The balance of the proposed land is not classified under ALISH. Most of the unclassified land is currently used for diversified agriculture and pasture. See Figure 5B: Punalu‘u Agricultural Lands of Importance to the State of Hawai‘i attached to Exhibit G.

The following table summarizes the ALISH classifications for the proposed IAL lands

<i>ALISH Classifications</i>	<i>Kawaiiloa</i>		<i>Punalu‘u</i>		<i>Total IAL</i>	
	<i>Acres</i>	<i>% of IAL</i>	<i>Acres</i>	<i>% of IAL</i>	<i>Acres</i>	<i>% of IAL</i>
Prime	5,852.319	63.8%	25.243	6.0%	5,877.562	61.3%

Unique	-	-	-	-	-	-
Other	198.572	2.2%	262.547	62.4%	461.119	4.8%
Not ALISH	3,120.270	34.0%	133.097	31.6%	3,253.367	33.9%
Totals:	9,171.161	95.6%	420.887	4.4%	9,592.048	100%

d. Lands with traditional native Hawaiian agricultural uses, such as taro cultivation or unique agricultural crops and uses, such as coffee, vineyards, aquaculture and energy production.

(i) Kawailoa. Traditional Hawaiian and historic-era agricultural sites, including irrigation ditches and infrastructure, are well documented within Kawailoa. Archaeological surveys of the Kawailoa lands have recorded traditional agricultural sites on the lower lands and gulches, while the upper table lands do not exhibit any traditional sites. Across Kawailoa, Kuleana awards show that in the mid-1800s, land uses included lo'i (taro bond fields), 'auwai (water courses/ditches) and kula (dryland planting fields). Crops included taro, 'awa, hala, ipu (bitter gourd), kukui, koa, ma'i (banana), noni, olonā, kō (sugarcane), 'uala (sweet potato) and wauke. In the ensuing more the 150 years of sugar cultivation, much of the upper table lands were heavily modified.

(ii) Punalu'u. In 2005, Kamehameha Schools commissioned an Ethnohistoric Study of Punalu'u. The study included the collection of archival and oral historical records. The research focused on two sources of information—historical literature and the results of an oral historical interview program with kūpuna and kama'āina who were known to be familiar with the history of lands in Punalu'u. The Ethnohistoric Study aided in the planning efforts in Punalu'u.

In 2011, as Kamehameha Schools started to plan for agricultural expansion, it initiated an Archaeological Reconnaissance Survey (“ARS”) of its agricultural lands. The focus of this effort was to identify historic and cultural resources in lower Punalu‘u so that those resources could be inventoried to assist with the planning and stewardship of the lands.

In 2014, Kamehameha Schools commissioned a Cultural Impact Assessment (“CIA”) of Punalu‘u. The approximately 433-acre study centered on Punalu‘u Stream, also known as Wai‘ono Stream, immediately mauka of Kamehameha Highway and extending approximately 1.2 miles into the foothills of the Ko‘olau Mountains. The CIA report was designed to provide stakeholders with a roadmap for preserving and perpetuating significant cultural resources and practices in ways that are both authentic and practical.

Through these studies, Kamehameha Schools confirmed that traditional Hawaiian and historic-era agricultural sites, including ditches and infrastructure, were prevalent in Punalu‘u. More than 40 notable sites were identified, including multiple heiau, traditional Hawaiian habitation sites and cultivation sites, such as traditional and historic terraces, enclosures, walls, irrigation ditches and other infrastructure. As noted in the archaeological and cultural studies, the lands of Punalu‘u were one of the major food producing ahupua‘a of Ko‘olau Loa. In pre-contact times, the land supported lo‘i kalo terraces along the valley floor and dry-land agricultural features along the slopes of the valley. These conclusions are consistent with the archaeological work conducted in the 1970s by Bishop Museum.

Through the Bishop Museum studies, archaeologists recorded pre-Contact agricultural and/or habitation complexes, variously comprised of terraces, mounds and walls.

Kuleana records reveal that in the mid-1800s land uses included lo'i (taro pond fields), 'auwai (water courses/ditches) and kula (dryland planting fields). Crops included taro, 'awa, hala, ipu (bitter gourd), kukui, koa, mai'a (banana), noni, olonā, 'uala (sweet potato) and wauke.

e. Lands with sufficient quantities of water to support viable agricultural production. The proposed IAL in Kawaihoa and Punalu'u have sufficient quantities of water and infrastructure to support viable agricultural production.

(i) Kawaihoa. In Kawaihoa, the proposed IAL is supported by an extensive irrigation system that was constructed by Castle & Cooke more than a hundred years ago. The irrigation system connects Waimea River, Ka'alaea Stream, Kawaihoa Stream, Laniākea Stream and Anahulu River with ditches, pipelines and reservoirs. See Figure 6A: Kawaihoa Agricultural Infrastructure and Water Resources attached to Exhibit G.

Most of the agricultural water can be distributed to the agricultural use areas. Kamehameha Schools has been restoring and repairing the operational but aging infrastructure. Kamehameha Schools will continue to make infrastructure improvements to the irrigation system and other agricultural facilities in order to support farmers and preserve the historic agricultural lands in Kawaihoa. In recent years, approximately \$13 million has been invested by Kamehameha Schools within

Kawailoa. The majority of this investment has been to improve the agricultural water sources and the storage and distribution system to support existing and planned agricultural use. Along with the described water resources, the proposed IAL in Kawailoa receive an average of 35 to 80 inches of rain annually.

(ii) Punalu'u. In Punalu'u, the proposed IAL is mainly irrigated by Punalu'u Stream and ditches that are connected to the stream. See Figure 6B: Punalu'u Agricultural Infrastructure and Water Resources attached to Exhibit G. Punalu'u is one of three areas that Kamehameha Schools has prioritized for agriculture investment. From 2009 to 2014, Kamehameha Schools has invested approximately \$1.5 million to upgrade the agricultural irrigation water sources and distribution system within Punalu'u. Kamehameha Schools has already upgraded the existing water system by piping more than 5,000 linear feet of the former Punalu'u irrigation ditch. Kamehameha Schools is in the process of adding 175 acres of farm lands and is planning to construct storage for agricultural machinery, tools and equipment in the near future. In addition to the described water resources, the proposed IAL in Punalu'u receive an average of 65 to 120 inches of rain annually.

Kamehameha Schools is also undertaking significant stream restoration work for approximately 87 acres of the Punalu'u Stream. Kamehameha Schools plans to invest approximately \$5 million for stream restoration, which is tentatively targeted for completion in 2017–18. The stream restoration is intended to mitigate flood impacts on riparian and coastal ecosystems, minimize disruptions to agricultural activities, enhance use of the stream for educational, community and cultural

initiatives, install secondary feeder drainage ditches and relocate the farm access road.

f. Land whose designation as IAL is consistent with general, development and community plans of the Sustainable Communities Plan and the State Land Use District Boundary Map. The Sustainable Communities Plans of the City and County of Honolulu (the “City”) are policy documents that guide more detailed zoning maps and regulations and public and private sector investment decisions. The island of O’ahu is organized into eight community plan regions.

Kawailoa is located in the North Shore region. Punalu‘u is located in the Ko‘olau Loa region. Both regions recognize and support the O’ahu General Plan policy of sustaining modest development patterns and rural character.

The City’s North Shore Sustainable Communities Plan was updated in May 2011. According to the North Shore Sustainable Communities Plan’s Land Use Map, the Kawailoa proposed IAL land is largely designated as Agriculture with some edges of gulches designated as Preservation. See Figure 7A: Kawailoa North Shore Sustainable Communities Plan Land Use Map attached to Exhibit G.

The Ko‘olau Loa Sustainable Communities Plan was updated in October 1999. According to the Ko‘olau Loa Sustainable Communities Plan’s Land Use Map, the Punalu‘u proposed IAL land is largely designated as Agricultural with certain streams and fringes of the streams designated as Preservation. See Figure 7B: Ko‘olau Loa Sustainable Communities Plan Land Use Map attached to Exhibit G. The City is currently in the process of updating the plan.

The proposed IAL lands are located within the Agricultural District as shown on Figures 8A and 8B (State Land Use Districts) attached Exhibit G. Where the proposed IAL lands are contiguous to, but not within, the Conservation District boundary, the proposed IAL boundary follows the Conservation District boundary.

In July 2012, the City initiated its Important Agricultural Land Study to identify lands for IAL designation. The study consists of two phases. Phase 1 was completed in April 2014.

Phase 1 included defining the IAL site selection criteria, identifying available data sets to assist in mapping the defined criteria and developing methodology for weighing or ranking the criteria. Formal public review and comment and notification to affected landowners were not part of the Phase 1 tasks.

The City's four IAL site selection criteria are as follows: 1. currently used for agricultural production, 2. soil qualities and growing conditions, 3. sufficient quantities of water to support viable agricultural production and 4. agricultural productivity rating systems. In connection with Phase 1, the City prepared two composite maps of the City's four priority criteria by utilizing geographic information system.

Figures 9A (O'ahu County Important Agricultural Lands with Top Three Criteria Overlay) and 9B (O'ahu County Important Agricultural Lands with Top Four Criteria Overlay) attached to Exhibit G illustrate the general consistency between the proposed IAL in Kawaihoa and Punalu'u and the City's priority criteria composite maps.

As illustrated in Figures 9A and 9B, Kamehameha Schools proposes IAL designations for approximately 9,171.161 acres in Kawaihoa and approximately 420.887 acres in Punalu'u. In Figure 9A, the City's top three priority criteria composite map is illustrated with Kamehameha Schools' proposed IAL lands. In Figure 9B, the City's top four priority criteria composite map is illustrated with Kamehameha Schools' proposed IAL.

As illustrated in both Figures 9A and 9B, nearly all of Kamehameha Schools' proposed IAL in Kawaihoa and Punalu'u are highlighted on the City's top three and four priority criteria composite maps as agricultural lands that meet one or more priority criteria.

g. Land that contributes to maintaining a critical land mass important to agricultural operating productivity. Kamehameha Schools seeks to designate approximately 9,171.161 acres of land in Kawaihoa, O'ahu and 420.887 acres of land in Punalu'u, O'ahu. See Figures 1A and 1B: Current Agricultural Operation attached to Exhibit G. As discussed in detail above, the Property has a long history of agricultural use.

h. Land with or near support infrastructure conducive to agricultural productivity, such as transportation to markets, water or power. The proposed IAL lands have sufficient support infrastructure conducive to agricultural productivity. Existing infrastructure serving the Property includes an extensive irrigation system, ditches, pipelines, reservoirs and roads. See Figures 6A and 6B: Agricultural Infrastructure and Water Resources attached to Exhibit G; Exhibits H (Current

Agricultural Use Maps and Summary Tables (Kawailoa)) and I (Current Agricultural Use Maps and Summary Tables (Punalu‘u)). In addition, Kamehameha Schools plans to continue making infrastructure improvements to the irrigation system and to build agricultural support facilities. Kamehameha Schools also plans to establish a farmer’s market in the proposed IAL lands in Punalu‘u that will provide a venue for local produce and agricultural support.

3. The current or planned agricultural use of the area sought to be designated as IAL. The current agricultural uses of the proposed IAL lands in Kawailoa and Punalu‘u are detailed in above Section I. E. 2 a. of this Petition. The future agricultural operations of the proposed IAL lands are discussed below.

a. Kawailoa. Kamehameha Schools intends that diversified agriculture will remain the primary agricultural use in the future, as illustrated in Figure 2A (KS North Shore Master Plan) to Exhibit G. Kamehameha Schools will generate increased water supply by restoring and improving its 100-year-old irrigation system. Approximately 500 acres are being planned for a 50 MW photovoltaic (PV) energy farm that will include grazing by sheep as a dual use. See Exhibit G at 4. As both water supply and energy resources increase, Kamehameha Schools will make additional lands available to farmers. Id. Farmers will be able to expand diversified agriculture and deliver more locally grown vegetables and fruits to the markets. Id. Farmers will also be able to secure long-term leases with tenants and to introduce new agricultural uses, such as organic farming. Id.

b. Punalu'u. Kamehameha Schools intends that diversified agriculture will continue to be the primary agricultural use in Punalu'u, as illustrated in Figure 2B (Punalu'u Ahupua'a Plan) to Exhibit G. In the near term, Kamehameha Schools will complete the renovation work to the existing agricultural water system, develop an overall agriculture production and land conservation plan, establish longer-term leases with tenants and construct a central agricultural base yard facility. In the long term, Kamehameha Schools proposes to develop traditional farming and organic farming programs. For some of the agricultural lands Makai of the proposed IAL, the plans also include an agricultural processing complex, renovated agricultural residences, a farmer's market and retail facility and on-site housing for a property manager.

F. Names of any other potential parties. The names of other potential parties are included on Exhibit J. Other potential parties include the Department of Agriculture, Office of Planning and Planning Director of the City and County of Honolulu.

G. Signature of each Petitioner. This Petition is signed below by Kamehameha Schools' attorney who has been authorized by the Trustees of the Estate of Bernice Pauahi Bishop, dba KAMEHAMEHA SCHOOLS, in their fiduciary capacities as said trustees and not in their individual capacities, to sign and file this petition on Kamehameha Schools' behalf.

H. Statement whether this Petition relates to any commission docket for district boundary amendment or special permit. This Petition is not related to any commission docket for district boundary amendment or special permit.

II. Waiver of 85/15 Reclassification Incentive

Kamehameha Schools is not seeking reclassification of land pursuant to HRS § 205-45(b) in conjunction with this Petition to designate IAL. Kamehameha Schools also voluntarily waives all right to assert, claim or exercise any credits pursuant to HRS § 205-45(h), as effective as of the date of this Petition, that may be earned by Kamehameha Schools in the event that this Petition is granted. This waiver is limited to the use of credits for the sole purpose of reclassifying other lands that are not the subject of this Petition to the Urban, Rural or Conservation District pursuant to HRS § 205-45(h), as effective as of the date of this Petition, and shall not apply to any other credits, incentives, rights or privileges that Kamehameha Schools may possess now or in the future, whether known or unknown. All such credits, incentives, rights or privileges are expressly reserved.

III. Conclusion

Kamehameha Schools respectfully requests that the Commission: (1) find that the Petition meets the standards for designating IAL pursuant to HRS §§ 205-44 and 45 and (2) designates the Property as IAL.

DATED: Honolulu, Hawai'i, December 12, 2014.

CADES SCHUTTE
A Limited Liability Law Partnership


CALVERT G. CHIPCHASE
LISA D. AYABE

Attorneys for Petitioner
KAMEHAMEHA SCHOOLS

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of

VERIFICATION

TRUSTEES OF THE ESTATE OF
BERNICE PAUAHI BISHOP dba
KAMEHAMEHA SCHOOLS

For Declaratory Order to Designate Important Agricultural Lands for approximately 9,171.161 acres at Kawailoa, O'ahu identified by TMK Nos. (1) 6-1-005: 001 (por.); 6-1-006: 001 (por.); 6-1-007: 001; 6-2-009: 001 (por.); 6-2-010: 001 (por.); 6-2-011: 001 (por.); 6-2-011: 021 and approximately 420.887 acres at Punalu'u, O'ahu identified by TMK Nos. (1) 5-3-001: 041 (por.); 5-3-003: 001 (por.); 5-3-004: 005; 5-3-004: 007; 5-3-004: 013; 5-3-004: 018 (por.); 5-3-004: 019; 5-3-007: 023 (por.)

VERIFICATION

Sydney Keliipuleole, being first duly sworn, on oath, deposes and says that he is the Director of Asset Management, Land Assets Division of Kamehameha Schools and, as such, is authorized to make this verification on behalf of said entity; that he has read the foregoing Petition and knows the contents thereof; and that the same are true to the best of his knowledge, information and belief.

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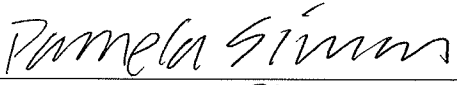
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DATED: Honolulu, Hawai'i December 11, 2014

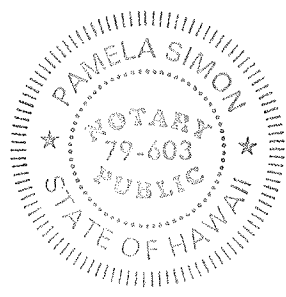


Sydney Kelipuleole
KAMEHAMEHA SCHOOLS
Its Director of Asset Management,
Land Assets Division

Subscribe and sworn to before me
this 11 day of December.



Print Name: PAMELA SIMON
Notary Public, State of Hawai'i
My Commission Expires: 9-13-2015



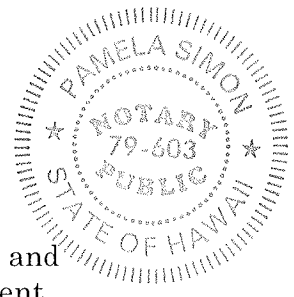
NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Verification for Petition
for Declaratory Order

Doc. Date: 12.11.2014.

No. of Pages: _____ Jurisdiction: 1st Circuit
(in which notarial act is performed)

PAMELA SIMON 12.11.2014
Signature of Notary Date of Notarization and
Certification Statement



PAMECA SIMON
Seal) _____
Printed Name of Notary

(Official Stamp or