LAND USE COMMISSION MINUTES OF MEETING

December 4, 2003

Conference Room 405 Leiopapa A Kamehameha 235 So. Beretania Street Honolulu, Hawaii

COMMISSIONERS PRESENT: P. Roy Catalani

Bruce Coppa Pravin Desai Kyong-Su Im Lawrence Ing

Steven Montgomery Randall Sakumoto Peter Yukimura

COMMISSIONERS ABSENT: Isaac Fiesta

STAFF PRESENT: Diane Erickson, Deputy Attorney General

Anthony Ching, Executive Officer Bert Saruwatari, Staff Planner Sandra Matsushima, Chief Clerk Holly Hackett, Court Reporter

Vice Chair Coppa called the meeting to order at 9:32 a.m.

Vice Chair Coppa introduced the new Commissioner, Kyong-Su Im, who was recently appointed by the Governor.

Commissioner Im stated that he is a lawyer from the firm Im Hanifin & Parsons. Originally from Korea, Commissioner Im came to Hawaii in 1990.

Vice Chair Coppa welcomed Commissioner Im to the Commission and proceeded with the Commission Workshop agenda, indicating that there will be a briefing of various departments. Vice Chair Coppa then introduced Patricia Hamamoto, Superintendent of the Department of Education.

Ms. Hamamoto stated that the DOE will be conducting a two-part presentation. She will be covering the overview and introduction, and Ms. Rae Loui, Assistant

Superintendent, will be covering the specifics. Ms. Hamamoto indicated that she has met with LURF (Land Use Research Foundation) about a year ago and that the DOE's position is charged with education for the citizens of Hawaii, a choice by the department to make a difference. The DOE is preparing our children and youth of today to be the workforce of the future and it is critical that they are prepared with the knowledge and skills to successfully bring that quality of life. Ideally, they want to work with the developer so that as the homes are sold, they actually start breaking ground and begin the construction of a school. When these families move in, there is the understanding and assuring that schools will be there to educate their children. This allows a selling point as an incentive to get things going and also helps the DOE. Currently, the DOE has done it reactively, where the developments come up and then they begin the process, when the schools previously should have been put up.

Ms. Hamamoto further stated that their population of students has remained stable for approximately 30 years. However, the new programs and requirements for federal laws such as ADA, Felix Consent Decree, etc., requires more classroom needs, office spaces, and conference rooms. Many of the schools where the populations have gone down have been converted to office spaces, therapy rooms, or smaller classrooms to deal with special needs students. As the DOE continues partnerships with the developers, the state has also been a long-term partner with the Land Use Commission. The state's position has always been that a developer must mitigate the impact of developments on public services, including schools, through the Office of Planning, which has routinely asked for a fair share contribution. There is a need for the fair share contribution.

Ms. Hamamoto then stated that Rae Loui will be addressing some specifics and details on the fair share contribution.

Ms. Hamamoto then introduced Rae Loui, Ray Minami, Stanford Beppu, and Heidi Meeker.

Ms. Loui explained that the fair share contribution provides the DOE with more options to work with, mainly being able to expand existing schools or building new schools to meet the impacts of development. However, the DOE has found that the mitigation of a development's impacts are requiring more than a land contribution. For this reason, the DOE has revised the fair share formula, adding a contribution for construction cost. Ms. Loui then discussed the fair share formula.

Ms Loui stated that the DOE has received a list of questions from LURF and requested to respond to the questions.

Vice Chair Coppa noted that the Commission is not required to respond to any direct questions and that the purpose of the workshop is to receive informational input. Vice Chair Coppa also noted that there was a reaction panel of interested developers present too.

Mr. Harvey Goth, Vice President of Shuler Homes, indicated that he was present on behalf of LURF. Mr. Goth then introduced Alan Arakawa of Castle & Cooke, and Dean Uchida, Executive Director for LURF.

Mr. Uchida indicated that they have submitted questions to the Executive Officer earlier in the morning and understood that Mr. Ching had provided it to the DOE. Ms. Loui then proceeded to answer the questions.

(Please refer to the LUC transcript for additional details.)

A recess break was taken at 10:20 a.m. The proceedings reconvened at 10:35 a.m.

Vice Chair Coppa introduced Rodney Haraga, Director of Transportation. Mr. Haraga then introduced the administrators of the Department of Transportation's three divisions; Glenn Yasui of Highways, Davis Yogi of Airports, and Glenn Okimoto of Harbors.

Mr. Haraga indicated that they will discuss transportation programs and how they relate to the Land Use Commission decisions. Also, the administrators will be presenting a PowerPoint presentation and are able to address specific questions regarding the department's programs. Mr. Haraga stated that because most of the concerns center around roads and traffic congestion, he will quickly go through the airports and harbors issues, then focus on the highway in the last section of the presentation. Mr. Haraga and the administrators proceeded with their presentations.

(Please refer to the LUC transcript for additional details.)

Commissioner Im left the meeting at 11:35 a.m.

A lunch break was taken at 11:35 a.m. The proceedings reconvened at 1:00 p.m.

Vice Chair Coppa indicated that the Commission will be addressed on homelessness and affordable housing from the HCDCH. Vice Chair Coppa introduced Gary Nakatsu, from the HCDCH Homeless Programs Section.

Mr. Ching stated that he had previously made a request to HCDCH for a presentation on both the homelessness and affordable housing issues. Unfortunately, Sandy Miyoshi, Homeless Administrator, was unable to attend, so Mr. Nakatsu will be representing her. Mr. Ching added that a request for the affordable housing presentation was made with the new Executive Director, Stephanie Aveiro, but she was not quite prepared, as it was her second day on the job. Mr. Ching noted that she has indicated an interest to address the Commission in the future.

Mr. Nakatsu commented that basically, the HCDCH does not provide any direct services to clients. The HCDCH services basically fund operations money to the various agencies that are providing these services (shelters and outreach). The HCDCH has three state programs, the largest is the Stipend, mainly for shelter. The Grant Program, which focuses on homeless prevention, and ESG Emergency Shelter Grant money from HUD.

Mr. Nakatsu explained that the state also represents the neighbor island counties. The City and County of Honolulu is large enough to receive their funds directly from HUD. The HCDCH program passes the HUD ESG funds through the islands; Maui, Hawaii, and Kauai. Mr. Nakatsu also explained the various different funding programs, such as HOPWA, HOME, and Supportive Housing and Shelter Plus Care funds.

(Please refer to the LUC transcript for additional details.)

A recess break was taken at 1:40 p.m. The proceedings reconvened at 2:00 p.m.

Vice Chair Coppa indicated that the next presentation will be regarding cluster development in agricultural district. Vice Chair Coppa introduced Ron Nishihara, Project Manager Special Projects, of Castle & Cooke. Mr. Nishihara then introduced Wayne Ogasawara of Hawaiian Fertilizer Sales and Richard Mirikitani, of Castle & Cooke.

Mr. Nishihara stated that they will be discussing another type of concept for land ownership to encourage diversified agriculture on some of the lands that are available. They intend to develop a model that promotes diversified agriculture without relying on government subsidies, while providing the landowner with a reasonable return. Mr. Nishihara noted that farming would not only be crop agriculture, but aquaculture, cattle, livestock, etc.

Mr. Nishihara noted that there are three alternatives for small farmers: 1) lease a parcel in state agriculture; 2) purchase a parcel from a private owner; or 3) lease a portion of a parcel. Presently, the majority of the farmers are leasing. In regards to available land, the current alternatives to the landowner is to subdivide and sell fee simple free-standing parcels; create a traditional agricultural cluster project; or lease a portion of the parcels. Regarding subdivision and other clusters, there is a high cost because of standards, such as streets, sidewalks, curbs, gutters, and utilities. Mr. Nishihara added that they have no numbers down for the cost of the agricultural subdivision, but that it will be a lot less than residential subdivision. Mr. Nishihara proceeded with his presentation.

Vice Chair Coppa noted that Andy Hashimoto, the Dean of Tropical Agriculture, was present at the meeting and invited him to participate in the discussion. Mr. Hashimoto then introduced Patrick Seguirant from the Department of Planning and Permitting.

Mr. Hashimoto stated that the things that were discussed in terms of land availability and the amount of time that someone can lease the land are issues that farmers are facing. Mr. Hashimoto noted that in reference to the land tenure issues, there is a need to develop ultimate models that will allow farmers to be able to have access to land over a period of time so they could actually get financing for their operations. Mr. Hashimoto added that there is also a need for initiatives and programs to help the land user become successful and economically viable in utilizing the land by having open discussions on different models and perspectives. Mr. Hashimoto noted that water access, infrastructure needs, and market support, are also important and added that Mr. Ching would possibly address these issues in the Ag Working Group discussion.

Mr. Seguirant indicated that the proposal is consistent with the Oahu County's agricultural cluster standards. The concept of congregating the farm dwellings and allowing farm lots or farm uses to occur on the periphery is consistent from the standpoint of congregating the more intense infrastructure that is needed to develop the project, allowing the less intense to occur on the outside. Mr. Seguirant added that they are supportive of a concept that has a farm dwelling and a peripheral farm lot. Through cluster provisions, they can introduce controls and better monitoring through a straight subdivision or a straight building permit.

Mr. Nishihara added that the most efficient and effective way of ensuring that the land is actively used for agriculture would be through an association's policing the area.

Mr. Mirikitani stated that they have been working closely with Wayne Ogasawara, a successful farmer, to ensure that they are not doing anything impractical. Mr. Ogasawara has assisted in this concept and has helped to refine it.

Mr. Ogasawara commented that six to seven years ago, he decided to do some farming aside from his normal business. The only acreage available was a 500-acre lot that he acquired, which included the farmers who were previously there. Consequently, he became a landlord. Mr. Ogasawara added that he has a good rapport with Castle & Cooke and the staff from Dole and had discussions on how the farmers could own these lands. He added that he has a good handle on what it takes to properly manage an agricultural subdivision.

(Please refer to the LUC transcript for additional details.)

A recess break was taken at 3:00 p.m. The meeting reconvened at 3:10 p.m.

Mr. Ching began his presentation on the Agricultural Work Group, entitled "Critical Path Analysis." The work group is a broad-based community group made up of landowners, environmentalists, developers, farmers, and the government. The objective is to implement Article 11, Section 3 of the state's constitution.

After discussion, Vice Chair Coppa thanked Mr. Ching for his presentation and for his coordination of the various work groups heard earlier in the day.

(Please refer to the LUC transcript for additional details.)

The proceedings recessed at 3:45 p.m.