

1	LAND USE COMMISSION	
2	STATE OF HAWAI'I	
3		
4	ACTION) PAGE
5	A06-765 Ma'alaea Properties, LLC and)	1
6	Lodi Development, Inc. (Maui))	
7	CONTINUED HEARING)	
8	A07-775 Castle & Cooke Homes)	10
9	Hawaii, Inc. (Oahu))	
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11 TRANSCRIPT OF PROCEEDINGS

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13 The above-entitled matters came on for a Public

14 Hearing at Conference Room 405, 4th Floor, Leiopapa A

15 Kamehameha, 235 S. Beretania Street, Honolulu,

16 Hawai'i, commencing at 9:30 a.m. on February 18, 2010

17 pursuant to Notice.

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22 REPORTED BY: HOLLY M. HACKETT, CSR #130, RPR

23 Certified Shorthand Reporter

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1 PRESIDING OFFICER DEVENS: Call this meeting
2 to order. This is a meeting of the State Land Use
3 Commission. First item on the agenda for today is the
4 adoption of minutes. Commissioners have any changes,
5 corrections they want to make to the minutes of
6 February 4th, 2010? There are none.

7 COMMISSIONER WONG: Mr. Chairman, I move
8 that the minutes be adopted.

9 PRESIDING OFFICER DEVENS: Is there a
10 second?

11 COMMISSIONER KANUHA: Second.

12 PRESIDING OFFICER DEVENS: Any discussion?
13 Hearing none, all those in favor vote aye.

14 COMMISSIONERS VOTING: Aye.

15 PRESIDING OFFICER DEVENS: Motion approved.
16 Executive Officer, you want to go over the tentative
17 meeting schedule.

18 MR. DAVIDSON: Thank you, Chair Devens. You
19 have the tentative meeting schedule. HHFDC and Forest
20 City Enterprises did file an Intent to File a 201-H
21 affordable housing petition as of March 22, which
22 gives the Commission 45 days to act.

23 So we are, assuming the petition is in a
24 timely manner, we are planning to start that hearing
25 the second meeting in April.

1 You have the other matters before you. We
2 are planning a Ka Iwi site visit for March 19. It's
3 pretty amazing out there. We think it might aid the
4 Commission in its decision-making to see that
5 property. Any questions, conflicts, as always contact
6 either me or Riley. Thank you.

7 PRESIDING OFFICER DEVENS: Thank you. Next
8 item on the agenda is A06-765 the Ma'alaea Properties,
9 LLC and Lodi Development, Inc. (Maui) to consider the
10 motion to withdraw Petition for Land Use District
11 Boundary Amendment for the reclassification of
12 approximately 260 acres of land currently in the
13 agricultural district to the urban district for
14 residential, community center, and park uses at
15 Ma'alaea, Maui, Hawai'i Tax Map Key No. (2)3-6-01:018.

16 Second motion to consider: Motion to
17 Rescind Order Determining that the Land Use Commission
18 agrees to be the accepting authority pursuant to
19 Chapter 343 Hawaii Revised Statutes, and that the
20 proposed action may have a, quote, "significant
21 effect" closed quote, to warrant the preparation of an
22 environmental impact statement.

23 On February 1, 2010 the Commission received
24 Petitioner's Motion to Withdraw Petition for Land Use
25 District Boundary Amendment and (2), Motion to Rescind

1 Order determining that the Land Use Commission agrees
2 to be the accepting authority pursuant to Chapter 343
3 Hawaii Revised Statutes, and that proposed action may
4 have significant effect upon the environment to
5 warrant the preparation of an environmental impact
6 statement, the petition for land use district boundary
7 amendment and environmental impact statement
8 preparation notice.

9 Let me briefly describe our procedure for
10 today on this docket. First, we'll have the parties
11 identify themselves for the record. I will call for
12 those individuals desiring to provide public testimony
13 to identify themselves. All such individuals will be
14 called in turn to our witness box where they will be
15 sworn in prior to their testimony.

16 After completion of the public testimony
17 portion of the proceedings Petitioner will make its
18 presentation. After the completion of the
19 Petitioner's presentation we will receive any comments
20 from the County of Maui and the State Office of
21 Planning. Are there any questions on our procedure
22 here for today? Hearing none, will the parties please
23 identify themselves for the record.

24 MR. GEIGER: Good morning, Commissioners.
25 My name is James Geiger. I'm here appearing on behalf

1 of Ma'alaea Properties, and Lodi Development, the
2 Movants.

3 PRESIDING OFFICER DEVENS: Good morning.

4 MR. YEE: Good morning. Deputy Attorney
5 General Bryan Yee appearing on behalf of the Office of
6 Planning. With me is Abbey Mayer from the Office of
7 Planning.

8 PRESIDING OFFICER DEVENS: Good morning. Is
9 there anyone in the audience who desires to provide
10 testimony on this matter? Seeing none and seeing no
11 one has signed up, Mr. Geiger, will you please make
12 your presentation.

13 MR. GEIGER: Certainly. This is more or
14 less housekeeping I believe. My clients had the
15 property, were in the process of developing it and
16 started the process of doing an environmental impact
17 statement and then sold the property.

18 They no longer are the owners. They no
19 longer have the ability to process or prosecute the
20 EIS. So as a matter of housekeeping we need to
21 basically withdraw and have the Commission rescind its
22 Order being the accepting authority.

23 PRESIDING OFFICER DEVENS: Office of
24 Planning.

25 MR. YEE: We have no objection.

1 PRESIDING OFFICER DEVENS: Commissioners,
2 any motion on this matter? Commissioner Judge.

3 COMMISSIONER JUDGE: Thank you. I make a
4 motion that we grant the Movant's Motion to Withdraw
5 the Petition for Land Use District Boundary Amendment
6 and Rescind the Order Determining that the LUC agrees
7 to be the Accepting Authority.

8 PRESIDING OFFICER DEVENS: Is there a
9 second?

10 COMMISSIONER WONG: Second.

11 PRESIDING OFFICER DEVENS: Any discussion?
12 Hearing none, take a roll call.

13 MR. DAVIDSON: Motion to approve the two
14 aforesaid motions.

15 Commissioner Judge?

16 COMMISSIONER JUDGE: Yes.

17 MR. DAVIDSON: Commissioner Wong?

18 COMMISSIONER WONG: Yes.

19 MR. DAVIDSON: Commissioner Lezy?

20 COMMISSIONER LEZY: Yes.

21 MR. DAVIDSON: Commissioner Kanuha?

22 COMMISSIONER KANUHA: Yes.

23 MR. DAVIDSON: Chair Devens?

24 PRESIDING OFFICER DEVENS: Yes.

25 MR. DAVIDSON: Motion passes five/zero,

1 Chair.

2 MR. GEIGER: Thank you very much.

3 PRESIDING OFFICER DEVENS: Take a short
4 break.

5 (9:40 Recess was held in place. 9:45)

6 PRESIDING OFFICER DEVENS: We're back on the
7 record. This is a continued hearing on Docket No.
8 A07-775 to amend the Agricultural Land Use District
9 Boundary to the Urban District for approximately
10 787.649 acres at Waipio and Waiawa, Island of O'ahu,
11 State of Hawai'i.

12 On January 21st, 2010 the Commission
13 received written testimony from Dean Hazama. On
14 January 28, 2010 the Commission received Sierra Club's
15 first amended exhibit list, Exhibits 6 through 9.

16 On February 4th, 2010 the Commission
17 received OP's testimony in support of the petition
18 with conditions, and OP's exhibit 1.

19 On February 16, 2010 the Commission received
20 written testimony from 40 individuals.

21 On February 17, 2010 the Commission received
22 written testimony from 19 individuals.

23 As of 9:00 on February 18, 2010 the
24 Commission received written testimony from eight
25 individuals.

1 Let me briefly run over our hearing
2 procedure for the day. First we will have the parties
3 identify themselves for the record. I will then call
4 for those individuals desiring to provide public
5 testimony for this docket to identify themselves. All
6 such individuals will be called in turn to our witness
7 box where they will be sworn in prior to providing
8 testimony.

9 After completion of the public testimony I
10 will give opportunity for the parties to admit to the
11 record their exhibits. After admission of exhibits to
12 the record the Petitioner will continue its case.

13 Once Petitioner has completed with its
14 presentation it will be followed in turn by the City
15 and County of Honolulu, the State Office of Planning,
16 the Mililani/Waipio/Melemanu Neighborhood Board No.
17 25, and the Sierra Club.

18 The Chair would also note for the parties
19 and th public that from time to time we will be
20 calling for short breaks. Are there any questions on
21 our procedure for today?

22 MR. MATSUBARA: No questions.

23 PRESIDING OFFICER DEVENS: Hearing none,
24 will the parties please identify themselves for the
25 record.

1 MR. MATSUBARA: Good morning, Chair Devens,
2 members of the Commission. Ben Matsubara, Curtis
3 Tabata, Wyeth Matsubara on behalf of Castle & Cooke
4 Homes Hawaii, Inc. With me today are Laura Kodama,
5 director of planning and development and Rodney
6 Funakoshi, senior project manager.

7 PRESIDING OFFICER DEVENS: Good morning.

8 MS. TAKEUCHI-APUNA: Good morning. Dawn
9 Apuna, deputy corporation counsel on behalf of the
10 director of planning and permitting. Here with me
11 today is Randy Hara.

12 PRESIDING OFFICER DEVENS: Good morning.

13 MR. YEE: Good morning. Deputy Attorney
14 General Bryan Yee on behalf of the Office of Planning.
15 With me is Abbey Mayer from the Office of Planning.

16 MR. YOST: Good morning, Commissioners.
17 Colin Yost here representing the Sierra Club. And
18 Robert Harris, director of the O'ahu Chapter of the
19 Sierra Club is also in the room today.

20 MS. LOOMIS: Good morning. I'm Karen Loomis
21 representing the Mililani Neighborhood Board No. 25.

22 PRESIDING OFFICER DEVENS: Good morning to
23 you all. Thank you. Are there any individuals
24 desiring to provide public testimony on this Docket
25 item this morning? We have six individuals signed up.

1 The first is Jon Rapisura. Is John here today? You
2 can take the stand. Jon, if I can just swear you in.

3 JON RAPISURA

4 being first duly sworn to tell the truth, was examined
5 and testified as follows:

6 THE WITNESS: Yes.

7 PRESIDING OFFICER DEVENS: Could you please
8 state your name and address for the record and proceed
9 with your testimony.

10 THE WITNESS: My name is Jon Rapisura. I
11 live 91-6438 Kapolei Parkway in 'Ewa Beach. No need
12 give zip code, yeah?

13 PRESIDING OFFICER DEVENS: Go ahead.

14 THE WITNESS: The owner of the company I
15 work for, Ken Sakurai, he came out to encourage
16 employees to try to promote, I guess, the future of
17 construction. I was one that volunteered to come out,
18 being a resident of Mililani.

19 I was born and raised in Mililani. My
20 parents eventually built a house in Mililani Mauka. I
21 graduated Mililani High School. I furthered my
22 education in construction in college.

23 What Mililani -- I guess, why do I support a
24 project like Koa Ridge? It's easier for me to explain
25 why or what I like about Mililani and Mililani Mauka.

1 Mililani Mauka has provided a good quality community
2 for me, my family, my sister, a whole bunch of friends
3 to grow up in. Again, it's a great community.

4 Being a carpenter I'm not denying that Koa
5 Ridge isn't going to provide jobs. That's one of the
6 big plusses. I had a great opportunity to work in
7 Mililani Mauka. There is a whole bunch of fellow
8 workers that I met along the way that they had
9 opportunities to buy houses also and raise their
10 families up in Mililani Mauka.

11 So, again, what do I like about Koa Ridge,
12 hopefully, it can provide me the same opportunities
13 that it provided me, my family, friends. That's it.
14 Thank you.

15 PRESIDING OFFICER DEVENS: Parties have any
16 questions?

17 MR. MATSUBARA: No questions.

18 MS. TAKEUCHI-APUNA: No questions.

19 MR. YEE: No questions.

20 MR. YOST: No questions.

21 MS. LOOMIS: No questions.

22 PRESIDING OFFICER DEVENS: Thank you very
23 much. The next witness is Dean Okimoto. Mr. Okimoto,
24 if I can first swear you in.

25 DEAN OKIMOTO,

1 being first duly sworn to tell the truth, was examined
2 and testified as follows:

3 THE WITNESS: Yes.

4 PRESIDING OFFICER DEVENS: Please state your
5 name and address for the record.

6 THE WITNESS: Dean Okimoto, 41-574 Makakaula
7 Street, Waimanalo, Hawai'i.

8 PRESIDING OFFICER DEVENS: Go ahead.

9 THE WITNESS: Thank you. I'm here on behalf
10 of the Hawai'i Farm Bureau Federation which is in
11 support of the proposed Koa Ridge development in
12 Central O'ahu. We represent over 1600 farm families
13 across the state.

14 And the Koa Ridge property has been within
15 the urban growth boundaries established under the City
16 and County of Honolulu Central O'ahu Sustainability
17 Plan.

18 As Farm Bureau it is our policy to support
19 any City's long-range planning policies which consider
20 the public interest. The need for growth as well as
21 the needs for agriculture are hopefully taken into
22 account in these community growth plans.

23 The urbanization of Koa Ridge will not
24 result in any net loss of farmlands. Aloun Farms,
25 which is the second largest farming operation in our

1 state, has been farming at about 335 acres at Koa
2 Ridge.

3 And Castle & Cooke has secured an excellent
4 relocation site for the entire farm above Wahiawa and
5 adjacent to its Dole Plantation operation. He has
6 initially 300, about 335 acres.

7 And I think there's another 300 acres
8 available for him to expand. So it's really doubling
9 the amount of property that he's now farming at Koa
10 Ridge.

11 In addition to this it is our
12 understanding -- and we have had talks -- Farm Bureau
13 has had talks with Castle & Cooke -- that they are
14 moving forward with the identification of ag lands
15 suitable for voluntary Important Agricultural Lands
16 designation to preserve these lands for agriculture
17 forever.

18 Castle & Cooke's relocation of its farming
19 tenant and its voluntary dedication of Important Ag
20 Lands demonstrates strong support for agriculture and
21 the future of agriculture in Hawai'i. My
22 understanding is the amount of land will exceed the
23 768 acres that is being put into Koa Ridge.

24 While Farm Bureau regrets, we really do
25 regret the loss of this prime agricultural land, we

1 also recognize that farming is not about only open
2 space and rural ambience. Farming is first and
3 foremost a business.

4 The failure of agricultural enterprises as a
5 businesses is the predominant cause for the decline in
6 the amount of land farmed in the state in the past.
7 Many mistakenly attribute the decline to development
8 and urban growth. But statistics disagree. The
9 number of acres urbanized pale in contrast to the
10 numbers removed from actual farming because of
11 agricultural business failure.

12 What I think what people fail to realize is
13 the Important Ag Lands bill, the Act 183 that passed
14 the Legislature, it is not a land use bill. We
15 crafted that bill so it's an ag viability bill.

16 In other words, you know, for us as farmers
17 if the land isn't going to be farmed and be
18 profitable, then we're not into this just for open
19 space. We would like to see active agriculture.

20 So in order to help that the only way you're
21 going to do it is by making farming more affordable.
22 In other words, hopefully the State will at some point
23 -- and the State has started to do this doing
24 incentives for agriculture such as infrastructure, tax
25 credits, things like that, that we're looking at

1 hopefully making farming a more attractive occupation
2 as well as a more successful occupation.

3 Large agricultural landowners similar face
4 huge economic challenges in supporting and subsidizing
5 crops and farmer-tenants.

6 Castle & Cooke as a landowner must balance
7 its operations and of land to keep its business
8 viable. Castle & Cooke's relocation and transitioning
9 arrangements for continued farming operations of its
10 tenant farmers, and its plans for voluntary
11 designation of Important Ag Lands are testaments to
12 balance operation, solid planning and the support of
13 Hawai'i's agricultural industry. Thank you.

14 PRESIDING OFFICER DEVENS: Parties have any
15 questions? Mr. Yee.

16 MR. YEE: Thank you. Mr. Okimoto, you said
17 you do regret the loss of these farmlands, is that
18 right?

19 THE WITNESS: Yes.

20 MR. YEE: Because these current farmlands
21 are in active agricultural operation, right?

22 THE WITNESS: My understanding is that
23 operation is being relocated right now actually.

24 MR. YEE: Do you know if the agreement has
25 been signed and executed?

1 THE WITNESS: No.

2 MR. YEE: In addition to mere acreage of
3 land there's a variety of factors that go into whether
4 there is -- in addition to acreage there are a number
5 of factors that go into determining whether land is
6 going to be good for farming, right?

7 THE WITNESS: Correct.

8 MR. YEE: Primary I think in your testimony
9 is the issue of costs on the impact of the farming
10 business, correct?

11 THE WITNESS: Correct.

12 MR. YEE: Are you at all concerned about the
13 cumulative impact of the loss of agricultural lands
14 upon the agricultural industry?

15 THE WITNESS: Yes.

16 MR. YEE: And while I understand your
17 testimony that this particular reclassification would
18 not in and of itself be a problem, would you then
19 have a concern about the overall impact of the
20 continual loss of prime agricultural land?

21 THE WITNESS: Yeah, I would. And, again, I
22 think part of the whole planning process with the
23 cities and counties of Hawai'i they need to look at
24 their urban growth plans, and really look at what is
25 good agricultural land and do it from the community

1 level. Because at some point, yeah, they're the ones
2 that are going to decide what's going to remain in ag
3 and what's not.

4 MR. YEE: And would you support -- even if
5 you support the reclassification of this Project,
6 would you support mitigation requirements to ensure a
7 reduced impact on agriculture?

8 THE WITNESS: I don't understand the
9 question.

10 MR. YEE: Well, do you think property owners
11 should simply be able to reclassify the land without
12 providing any kind of mitigation on the impact?

13 THE WITNESS: You mean like giving up all
14 their lands?

15 MR. YEE: That would be one example.

16 THE WITNESS: Um, no. I mean I think it's a
17 responsibility of the developers to look at
18 agriculture, especially the big landowners, and look
19 at their lands and try to work within the urban growth
20 plans and look at other lands that are in agriculture
21 now that are zoned Ag 1. I think they need to start
22 designating those lands for Import Ag Lands.

23 MR. YEE: And you would regard this
24 Petitioner as one of the big landowners?

25 THE WITNESS: Yes.

1 MR. YEE: And in addition to the designation
2 of land as IAL would you support what is part of that
3 thought, be a support of the establishment of an
4 agricultural land base where certain lands would be
5 dedicated to agricultural farming, crop growth and
6 those kinds of specific agricultural uses?

7 THE WITNESS: That's what IAL is, yeah.

8 MR. YEE: And there are other ways to
9 accomplish that as well, aren't there?

10 THE WITNESS: You mean with ag easements?

11 MR. YEE: That's right.

12 THE WITNESS: Yeah.

13 MR. YEE: So you would support agricultural
14 easements to help create at least some agricultural
15 land base on O'ahu for farming purposes.

16 Thank you. I have nothing further.

17 PRESIDING OFFICER DEVENS: Mr. Yost, you had
18 some questions?

19 MR. YOST: I do, thank you.

20 Good morning, Mr. Okimoto.

21 THE WITNESS: Good morning.

22 MR. YOST: Just a few questions for you.

23 First one: How long have you been involved in the
24 Hawai'i Farm Bureau?

25 THE WITNESS: Fifteen years.

1 MR. YOST: And do you know when the urban
2 growth boundary was drawn to include the Koa Ridge
3 Project site?

4 THE WITNESS: No, I don't.

5 MR. YOST: As urban, as within the boundary
6 you don't know.

7 THE WITNESS: No.

8 MR. YOST: I'll represent to you it was
9 around 2002 or 2003. Do you have any knowledge that
10 that's correct?

11 THE WITNESS: No, I don't.

12 MR. YOST: Did you participate at all -- did
13 you know that before the district was redrawn Koa
14 Ridge didn't used to be within the urban growth
15 boundaries in the early 2000s? Were you aware of
16 that?

17 THE WITNESS: No.

18 MR. YOST: Did do you participates at all or
19 do you know any farmers who participated --

20 THE WITNESS: I --

21 MR. YOST: -- let me finish the question,
22 please, I'm sorry -- who participated in the process
23 whereby the urban growth boundary was redrawn to
24 include the Koa Ridge lands? You know of anyone who
25 participated in that process?

1 THE WITNESS: Ah, no. But -- and I will say
2 this. Okay? I've been president of Farm Bureau since
3 2003. I participated as member for 15 years. Just to
4 clarify.

5 MR. YOST: Okay. But you're not aware of
6 any farmers who participated in the process of
7 deciding whether or not the Koa Ridge land should be
8 inside the urban growth boundary or outside. You're
9 not aware of any farmers, yeah?

10 THE WITNESS: I don't know.

11 MR. YOST: Would you agree -- first of all,
12 you're familiar with the criteria that are set forth
13 in the statutes of Hawai'i to define what should be
14 important ag land or not? Are you aware of those
15 criteria?

16 THE WITNESS: Yes.

17 MR. YOST: Do you know enough about the Koa
18 Ridge land at issue here to say whether or not the Koa
19 Ride parcel meets those criteria for Important Ag
20 Lands designation?

21 THE WITNESS: It would.

22 MR. YOST: Then Mr. Yee kind of asked this
23 already, but I just want to clear up what seemed to be
24 inconsistency in your testimony. You started off
25 saying that the proposal from Castle & Cooke would not

1 result in any net loss of farmland. But then later on
2 you said you regret the loss of the Koa Ridge land.
3 So there is something being lost, correct?

4 THE WITNESS: I regret the loss because it's
5 good ag land. I readily will tell you that it is good
6 ag land... with water. But it doesn't result in any
7 net loss because of the 650 acres that Aloun Farm is
8 going to move to, plus my understanding over a
9 thousand acres being designated important ag lands.
10 So I worked that out to be almost three times a
11 give-back or at least a double give-back.

12 MR. YOST: I understand what you're saying.
13 But in terms of the idea, the concept of net loss,
14 these lands, once they're reclassified, if they're
15 reclassified, they're not going to ever go back to
16 being ag lands, right? That's a fair assumption?

17 THE WITNESS: Yes.

18 MR. YOST: Isn't that a permanent transition
19 that is a net loss of the available ag lands in the
20 island of O'ahu?

21 THE WITNESS: You know, there's a lot of ag
22 land still left that's zoned Ag 1. I would prefer to
23 concentrate on ag lands that are zoned Ag 1 rather
24 than fight communities and fight people on areas that
25 are already in urban growth plan.

1 MR. YOST: But these lands are actually
2 zoned Ag 1, correct?

3 THE WITNESS: They're in urban growth lands.

4 MR. YOST: But the zoning, the current
5 zoning is agricultural, correct?

6 THE WITNESS: Yes.

7 MR. YOST: So we're losing lands that are
8 currently zoned as Ag 1.

9 THE WITNESS: Yeah.

10 MR. YOST: Okay. Do you know how -- the
11 lease that Aloun is signing -- first of all, I think
12 the acreage you stated, I think, is incorrect. You
13 said something, like, over 700 acres is the new lease
14 for Aloun. It's actually --

15 THE WITNESS: Now it's over 600.

16 MR. YOST: Isn't it actually only about
17 300 acres? You're not aware?

18 THE WITNESS: I think Aloun Farms has
19 submitted some testimony as to what, what kind of deal
20 they're getting from Dole and Castle & Cooke.

21 MR. YOST: Aloun is not testifying in these
22 proceedings to my knowledge.

23 THE WITNESS: Okay. Fine. But I'm saying
24 that, yeah, it's like 330 but there's 300 some odd
25 acres more that is available for them to take.

1 MR. YOST: Do you know what the length of
2 the lease is that they're getting for the new lands,
3 replacement lands?

4 THE WITNESS: No, I don't.

5 MR. YOST: Do you know what the length of
6 the lease was for their prior occupation of the Koa
7 Ridge lands?

8 THE WITNESS: No, I don't.

9 MR. YOST: All right. If the new lease is
10 short-term, let's say annual, would that concern you
11 at all in terms of whether or not that legitimately
12 preserves an area for them to do their crops?

13 Is it difficult for farmers to plan for the
14 future if they're dealing with annual leases?

15 THE WITNESS: Absolutely.

16 MR. YOST: What's the safe term of a lease
17 for a farmer in terms of being able to plan for
18 actually planting and cultivating crops and so forth?
19 What makes the most sense?

20 THE WITNESS: It really depends on what the
21 operation and whether they're going to put
22 infrastructure on there as far as buildings,
23 processing facilities, things like that. You know, if
24 they're going to do things like that, banks in general
25 won't take a lease that's less than 15 years.

1 MR. YOST: Okay. So at least 15 years makes
2 sense as sort of a baseline for what would make sense
3 economically for farmers.

4 THE WITNESS: Well, yeah, if they got to go
5 for loans, yeah.

6 MR. YOST: Right. Isn't it the case that
7 almost all farmers need loans to do their business?

8 THE WITNESS: Large-scale probably, yeah.

9 MR. YOST: All right. One other thing you
10 mentioned before that that you think once Castle &
11 Cooke designates other lands as Important Ag Lands,
12 you mentioned that that will preserve the ag lands
13 forever. But that's not actually the case in terms of
14 the ag land law, correct? An Important Ag Land
15 designation doesn't preserve the land for agricultural
16 forever, does it?

17 THE WITNESS: Well, no, it doesn't, not
18 according to the law because you can still pull it out
19 if you don't have water. Right? So yeah.

20 MR. YOST: Can't the landowner come back and
21 ask for the designation to be removed as well? And
22 there's a process for doing that, correct?

23 THE WITNESS: Yes. In the Legislature it
24 takes a super-majority to take it out. So that's
25 pretty much forever in my viewpoint.

1 MR. YOST: But it can be reversed.

2 THE WITNESS: Yes.

3 MR. YOST: It's not like a permanent
4 agricultural easement or some other permanent
5 dedication, correct? It's not as strong as that.

6 THE WITNESS: Um, yeah, 'cause you're
7 selling the development rights.

8 MR. YOST: Okay. Thank you. I have no
9 further questions.

10 MS. LOOMIS: No questions.

11 PRESIDING OFFICER DEVENS: Commissioners
12 have any questions? Parties have any questions,
13 follow-up on the testimony given?

14 MR. MATSUBARA: No questions.

15 PRESIDING OFFICER DEVENS: Thank you for
16 your testimony. Next witness is Randy Ching.

17 RANDY CHING,
18 being first duly sworn to tell the truth, was examined
19 and testified as follows:

20 THE WITNESS: Yes, I do.

21 PRESIDING OFFICER DEVENS: Please state your
22 name and address and proceed.

23 THE WITNESS: Randy Ching. 1560 Kanunu
24 Street, Apartment 118, Honolulu 96814.

25 PRESIDING OFFICER DEVENS: Go ahead.

1 THE WITNESS: Good morning, Commissioners.

2 A long, long time ago, about 100 years or so, the
3 first humans set foot here in Hawai'i. They were
4 competent agriculturalists and quite possibly the
5 world's first aquaculturalists. These indigenous
6 people were able to feed themselves. Everything was
7 produced within the ahupua'a. Everything.

8 Fast forward to 2010, we import about
9 85 percent of the food we consume. What has changed?
10 We are in the age of globalization and this process
11 will not last forever. It is based on cheap oil. And
12 the era of cheap oil is over or soon will be. We need
13 to go back to the 'aina, localization not
14 globalization.

15 What does this have to do with Koa Ridge?
16 Koa Ridge represents some of the best agricultural
17 land in the state. We can feed ourselves if we
18 preserve our best ag lands. We cannot continue to
19 depend on others feeding us.

20 California, for example, produces almost one
21 third of the nation's fruits, vegetables and nuts. It
22 has been hit hard by drought the last three years.
23 And cities in California are trying to divert water
24 from ag to meet industrial and residential needs. The
25 era where we can take food for granted is over.

1 Locally produced food offers several
2 advantages. It is fresher, better tasting, not having
3 to be in transit for weeks. It reduces greenhouse gas
4 emissions by shipping food 2500 miles to us, and it
5 creates jobs locally.

6 Another good reason for growing produce here
7 is the epidemic of diet-related disease in the U.S,
8 obesity, diabetes, heart attacks, tremendously
9 expensive diseases to treat.

10 One of the ways to reduce this epidemic is
11 to inculcate healthy eating habits in our keiki. We
12 should provide them with a fresh produce every day. I
13 would recommend school lunches.

14 If you could imagine every school-age child
15 eating several servings of fruits and vegetables grown
16 here every single day, we could cure many of our
17 diet-related diseases and have a healthy population.
18 That would be a win/win for everyone. Thank you for
19 the opportunity to testify.

20 PRESIDING OFFICER DEVENS: Thank you.
21 Parties have any questions for the witness?

22 MR. MATSUBARA: No questions.

23 MS. TAKEUCHI-APUNA: No questions.

24 MR. YEE: No questions.

25 MR. YOST: No questions.

1 MS. LOOMIS: No questions.

2 PRESIDING OFFICER DEVENS: Commissioners?

3 THE WITNESS: Would you like this for the
4 record?

5 PRESIDING OFFICER DEVENS: It's up to you if
6 you want to give us a copy.

7 THE WITNESS: Okay. I'd like to submit it.

8 PRESIDING OFFICER DEVENS: Next witness in
9 order is Pamela Boyar.

10 PAMELA BOYAR

11 being first duly sworn to tell the truth, was examined
12 and testified as follows:

13 THE WITNESS: I do.

14 PRESIDING OFFICER DEVENS: Please state your
15 name and address.

16 THE WITNESS: My name is Pamela Boyar. My
17 address is 157 Lanipo Drive, Lanikai.

18 PRESIDING OFFICER DEVENS: Go ahead with
19 your testimony.

20 THE WITNESS: I am co-owner of the Haleiwa
21 Farmers Market and a new member of the Hawai'i Farmers
22 Union. I have been supporting and helping the small
23 family farmer for 30 years first in California and
24 then in Texas.

25 Now I live here. And for the short amount

1 of time that I've lived here my business partner Annie
2 and I have helped a few small farmers access more land
3 to be able to grow more product including turkeys for
4 next year for Thanksgiving, which probably hasn't
5 happened on this island for a long, long time.

6 And one of our mission statements is to help
7 farmers get land so that they can grow more product on
8 this island so that we can be self-sustainable. And
9 everything that the man said before me is totally how
10 I feel.

11 We used to feed 800,000 people on this
12 island. And that's, I think, close. We have a few
13 more than that right now. But this island is totally
14 capable of feeding that many people if the land is
15 available.

16 One of the biggest problems with ag land
17 right now is the water. Most of the ag land that we
18 work with is on the North Shore. Water is a big
19 issue.

20 This land that wants to be given up for
21 development has good water on it. This is so
22 important. And to lose that water to development
23 instead of being able to feed the island would be just
24 a shame.

25 One thing that we have seen is the upsurge

1 in people, I'll say young people 'cause at this point
2 almost everybody's younger than me -- the younger
3 generations are wanting to farm. This has become a
4 new trend.

5 And it's so important to encourage this.
6 It's good honest work with people helping them to
7 market themselves like Annie and I do, they can make a
8 decent living, and we can feed ourselves.

9 We can get this food into the schools with
10 people like Jack Johnson's foundation, Kokua
11 Foundation. They're working with getting better food
12 into the schools.

13 It would be a joy to be able to get better
14 food into the hospitals to help heal some of those
15 people. If you ever been in a hospital you know how
16 the food is.

17 So we just really would like to testify to
18 keep this land, this prime ag land in agricultural
19 land. Once we lose it it's gone. And we can fill
20 this lands with farmers. There are people out there
21 that want to farm. And they are starting to make
22 livings at it.

23 I have had a couple of farmers at our
24 farmers market say, "I never thought I could make a
25 living at this. But now that we have the venue we're

1 starting to make a living and thank you so much."

2 And when people know that they can make a
3 living at an honest profession, we're gonna have more
4 and more farmers on this island, not only on the North
5 Shore but all over.

6 So I'm asking please let's not lose this
7 land to development. This is the history of our
8 island. It's just so, so important. I've seen this
9 in California how the land is just being lost because
10 it's so expensive that the farmers are just being
11 bought out. And we're losing very, very important
12 lands all over our country.

13 Hopefully that we can stop that trend here
14 and get our lands to be growing more food so all of
15 us, if something like happened in Haiti or some
16 national disaster happens, we are going to be the ones
17 that are going to be in trouble not being able to get
18 food in. So it's so important for us to start
19 developing land.

20 I have been told that if we had 2,000 acres
21 in viable agriculture of what we eat, which is
22 diversified ag -- we're no longer in mono-cropping,
23 we're in diversified ag -- that it could feed people,
24 everybody on this island. It's not that much land,
25 but we need the viable land with the water.

1 So we are going to continue our work of
2 helping farmers get on good ag land. But if we don't
3 have the land we can't do that and we can't grow the
4 food here.

5 So let's support this beautiful land that
6 grows food. There's not -- every state cannot grow
7 food like this land.

8 My diet is 75 percent local. You can eat
9 very, very, well for what grows on this island. And
10 as far as the health that is important too.

11 If we can start rerouting people to eating
12 healthier and the food is available, and if we start
13 growing more, it won't be so expensive for people to
14 buy. So thank you for your time.

15 PRESIDING OFFICER DEVENS: Any questions
16 from the parties for this witness?

17 MR. MATSUBARA: No questions.

18 MS. TAKEUCHI-APUNA: No questions.

19 MR. YEE: No questions.

20 MR. YOST: No questions.

21 MS. LOOMIS: No questions.

22 PRESIDING OFFICER DEVENS: Commissioners?
23 Hearing none, thank you for your testimony. Next
24 witness is Annie Suite.

25 ANNIE SUITE

1 being first duly sworn to tell the truth, was examined
2 and testified as follows:

3 THE WITNESS: Yes.

4 PRESIDING OFFICER DEVENS: Please state your
5 name and address.

6 THE WITNESS: Aloha. My name is Annie
7 Suite. My address is 1665 Hulueo Street, Kailua,
8 Hawai'i. Thank you so much for listening to my
9 testimony this morning.

10 I'm co-owner of the Haleiwa Farmers Market
11 and a member of the Hawai'i Farm Bureau -- I mean the
12 Farm Union. Excuse me. As advocates for farmers we
13 are always looking for ag land for people who want to
14 farm. This land in question is prime ag land with
15 water and can be used to feed our citizens.

16 Many years ago, as you have heard this
17 morning, this island produced enough food to sustain
18 its population similar to that of today. We need to
19 return to that kind of self-sufficiency and to reduce
20 the number of imports to this island currently at 85
21 percent.

22 This land, once turned residential, will
23 never turn back. It will stress the resources of
24 water and energy to change this land and require
25 extensive infrastructure on the proposed new Aloun

1 land so they can have water.

2 And additionally, the additional residences
3 up there will put the farmers even farther down the
4 list for water usage behind these new residents. That
5 is a big problem for farmers on this island. Thank
6 you.

7 PRESIDING OFFICER DEVENS: Any questions for
8 this witness?

9 MR. MATSUBARA: No questions.

10 MS. TAKEUCHI-APUNA: No questions.

11 PRESIDING OFFICER DEVENS: Mr. Yee.

12 MR. YEE: You said you were a member of
13 Hawai'i Farm Union, is that right?

14 THE WITNESS: Yes.

15 MR. YEE: What's the difference between the
16 Hawai'i Farm Union and the Hawai'i Farm Bureau?

17 THE WITNESS: The Hawai'i Farm Union is new
18 to Hawai'i. And there's a person here from the
19 Hawai'i Farm Union who's going to speak. And I think
20 she might be able to answer your question a little
21 more thoroughly than I.

22 MR. YEE: I'll reserve my questions. Thank
23 you.

24 MR. YOST: No questions.

25 MS. LOOMIS: No questions.

1 PRESIDING OFFICER DEVENS: Commissioners?

2 No questions. Thank you for your testimony. Last
3 witness is Jeanne Aeby.

4 JEANNE AEBY

5 being first duly sworn to tell the truth, was examined
6 and testified as follows:

7 THE WITNESS: I do.

8 PRESIDING OFFICER DEVENS: Please state your
9 name and address and go ahead with your testimony.

10 THE WITNESS: Sure. My name is Jeanne Aeby,
11 live at 15-11 Nu'uuanu Avenue in Honolulu.

12 PRESIDING OFFICER DEVENS: Thank you.

13 THE WITNESS: I grew up in Illinois in a
14 small town of about 7,000 people surrounded by
15 thousands of acres of farmland. This land was rich,
16 beautiful black soil created by thousands and
17 thousands of years of decaying vegetation. And it was
18 just absolutely beautiful, beautiful farmland. And it
19 was being farmed.

20 Nowadays the town that I lived in that was
21 7,000 people is a hundred thousand people. And all
22 that beautiful farmland is giant mansions with big
23 lawns and no corn, no wheat, no oats are being grown
24 there. And it's gone. Never to return.

25 And after I saw that happening in Illinois I

1 moved to New Mexico. And in New Mexico there's a
2 whole lot of empty land but you can't grow anything on
3 it because there's no water. And it's mostly sand.
4 And I have thought for many years they're destroying
5 the farmland in the Midwest at an incredible rate.

6 One of these days they're going to look to
7 New Mexico and say, "You guys grow our food." And we
8 won't be able to do it there because it's just not
9 possible. No water, no good land.

10 Also when I lived in New Mexico there was a
11 lieutenant governor who had built his house on a rocky
12 outcropping and farmed the land all around it, the low
13 land, and raised beautiful crops.

14 His motto was -- and he worked very hard to
15 convince people of this -- "For land's sake farm it.
16 Don't build on it. Build in the bad places, not on
17 the good land."

18 My husband said to me this morning, "Be sure
19 to think about this. That our people are going up and
20 our agricultural lands are going down. And there is
21 going to come a point where there isn't going to be
22 enough land to grow food for the population of the
23 world."

24 This group, as I understand it, is under the
25 Department of Agriculture. And I would urge you to

1 decide in the favor of agriculture, not development.
2 To me it's a no-brainer. People want -- if you've got
3 agricultural land you keep it 'cause it won't -- it
4 can't be replaced, as so many people have said
5 already. It can't be replaced.

6 So you want to build on ag land? No. And
7 that's the end of it. That's what I would hope would
8 happen. Thank you.

9 PRESIDING OFFICER DEVENS: See if there's
10 any questions for this witness from the parties.

11 MR. MATSUBARA: No questions.

12 MS. TAKEUCHI-APUNA: No questions.

13 MR. YEE: No questions.

14 MR. YOST: No questions.

15 MS. LOOMIS: No questions.

16 PRESIDING OFFICER DEVENS: Commissioners?
17 None. Thank you. Last witness is Lydi Morgan.

18 LYDI MORGAN,
19 being first duly sworn to tell the truth, was examined
20 and testified as follows:

21 THE WITNESS: I do.

22 PRESIDING OFFICER DEVENS: Please state your
23 name and address.

24 THE WITNESS: My name is Lydi Morgan. And
25 my address is 742 Olokele Ave. Honolulu 96816.

1 PRESIDING OFFICER DEVENS: Thank you. Go
2 ahead.

3 THE WITNESS: I'm here to represent the
4 Hawai'i Farmers Union. We are the newest chapter of
5 the National Farmers Union which began in 1902. It's
6 the oldest national farmers organization representing
7 over 200,000 members nationally.

8 Hawai'i Farmers Union came to Hawai'i in
9 2008. And we are in the process of building our
10 chapters on each island, bringing members to
11 organizations, and really being a voice for
12 sustainable agriculture and family farming.

13 I would like to just make the case that this
14 is really about the fact that agricultural land is
15 irreplaceable. Beyond that there are many issues that
16 our island is dealing with that this development would
17 not only not address but also exacerbate.

18 And the issues that I'd like to bring up are
19 homelessness and the fact that these homes are not
20 addressing that issue.

21 The second would be poor health. And in
22 other words, I work with a group -- I actually am an
23 educator in schools. I teach gardening in schools. I
24 work with the Kokua Hawai'i Foundation and other
25 groups that are actively pursuing ways to bring local

1 healthy fruits and vegetables to our school children.

2 Right now one in three children born in the
3 year 2000 will develop diabetes. One in two is the
4 figure for Hawai'i. Okay. This is because they're
5 eating processed food, not fresh food.

6 So there's an active movement to create that
7 market for farmers in Hawai'i that is in development
8 right now.

9 The third issue is climate change. And
10 because we import 85 percent of our food, we are very
11 susceptible to many threats that this issue brings up
12 including natural disasters, as has been mentioned and
13 as we are aware.

14 The third is traffic. This is a major
15 issue, quality of life issue that this development
16 would significantly affect.

17 And the fifth and final and most important
18 issue, I believe, is food and security which we
19 currently experience here. Okay. If you're talking
20 about feeding Hawai'i fresh, healthy food, having
21 employment for people, you've heard from people today
22 farming is the way to solve those problems. Okay.

23 Especially here in Hawai'i we cannot afford
24 to lose any ag land. We cannot afford. This is, this
25 is very critical.

1 Like was also mentioned it's the end of
2 cheap oil. Okay. Because we import 85 percent of
3 what we eat and that is all based on the availability
4 of oil to bring it to us and to grow the industrial
5 agriculture which is also heavily dependent on oil,
6 our price of food within the next five to ten years is
7 going to skyrocket.

8 Okay. And this is an issue for all the
9 people of O'ahu and all of Hawai'i. Okay. A
10 development like this one would benefit a few and it
11 would have short-term benefits at the expense of
12 long-term, you know, damage, long-term damage. Okay.

13 So like I said I'd be happy to answer any
14 questions about the Farmers Union. We are here to,
15 like I said, represent family farming, sustainable
16 agriculture, fair price and addressing important
17 issues locally. Thank you.

18 PRESIDING OFFICER DEVENS: Parties have any
19 questions for this witness?

20 MR. MATSUBARA: No questions.

21 MS. TAKEUCHI-APUNA: No questions.

22 PRESIDING OFFICER DEVENS: Mr. Yee.

23 MR. YEE: I had asked the question of what
24 the difference was. You don't need to get into a long
25 explanation of what the Hawai'i Farmers Union is. I

1 just want to know the nature of the organization. Is
2 it simply two organizations doing the same thing? Or
3 do you have different purposes? What's the difference
4 between the two?

5 THE WITNESS: Well, the main difference is
6 that the National Farmers Union activities are based
7 on a policy that is ratified by its members. So every
8 year there's an annual convention held. It's coming
9 up in March.

10 And delegates from each chapter come
11 together and discuss pages and pages of policy on
12 many, many different agricultural issues.

13 So this is really a truly democratic
14 organization. It's farmers living off the land,
15 understanding what it means to make a living and to be
16 stewards of their environment as well. That's the
17 difference.

18 Another difference is that National Farmers
19 Union addresses fair price for farmers, a living wage.
20 We address issues of climate change. The National
21 Farmers Union is very active in addressing this issue
22 at the national legislature.

23 The Farm Bureau is not, and apparently has
24 done things to deny that climate change is a real
25 issue facing farmers and all of us here on this

1 planet.

2 So those are several of the issues on which
3 we differ. Thank you.

4 MR. YEE: Thank.

5 PRESIDING OFFICER DEVENS: Any other
6 questions?

7 MR. YOST: No questions.

8 PRESIDING OFFICER DEVENS: Any follow up
9 questions? Anything from the Commissioners? Hearing
10 none, thank you very much.

11 THE WITNESS: Thank you.

12 (Commissioner Chock now present)

13 PRESIDING OFFICER DEVENS: That ends the
14 public testimony. Why don't we take a 2-minute -- I'm
15 sorry. One more witness?

16 THE WITNESS: I didn't sign up, but might I?

17 PRESIDING OFFICER DEVENS: Sure. May I
18 first swear you in, sir?

19 ANTHONY AALTO
20 being first duly sworn to tell the truth, was examined
21 and testified as follows:

22 THE WITNESS: I do.

23 PRESIDING OFFICER DEVENS: Please state your
24 name and address.

25 THE WITNESS: My name is Anthony Aalto. I

1 live at 3946 Lurline Drive, Honolulu.

2 PRESIDING OFFICER DEVENS: Go ahead.

3 THE WITNESS: I actually hadn't planned on
4 speaking today. I was asked to by some people
5 outside. I had just came to observe.

6 But there was a feeling that despite the
7 fact that there's quite a broad level of opposition in
8 the community out there it may not be reflected in the
9 number of people who are testifying because people are
10 at work; they can't afford to make the time. I'm a
11 writer so I make my time when I wish.

12 And I didn't have any prepared testimony.
13 So what I would like to do, if I may, is just tell you
14 my own personal story. I hope you'll indulge. As you
15 can hear I have a Brit accent.

16 But I have actually been an American citizen
17 for many years. I've lived in this country for more
18 than 25 years.

19 But when I was nine years old my mother
20 married a Spaniard. And my family moved to a little
21 island called Majorca off the southern coast of Spain.
22 Majorca is part of an island chain which makes it the
23 European equivalent of the Hawaiian Islands chain.

24 Back in the 1950s it was paradise. And then
25 starting in the '60s there was a huge boom in tourism

1 and development. And the best agricultural lands
2 started to get developed. And they put up highrise
3 hotels. And tourism and construction became the main
4 drivers of the island economy.

5 And by the year 2008 the island, which is a
6 little less than two times the size of O'ahu and with
7 a year around permanent population slightly less than
8 the Island of O'ahu, had 25 million discrete tourist
9 visits.

10 Then the great recession happened. And
11 tourism and construction collapsed. And the island is
12 reeling now. And people are scratching their heads
13 thinking, "What have we done?"

14 But funny enough the hardest blows I believe
15 came long before this great recession. Starting in
16 the 1980s the rapid pace of development started to
17 deplete the aquifers.

18 And anyway, they started to have bad rains.
19 And there was seepage of seawater into the aquifers.
20 And the water became so brackish that it was
21 ultimately undrinkable.

22 So the local island government had to start
23 renting oil freighters to ship in freshwater from the
24 mainland. Now they're talking about building an
25 undersea pipeline to deliver freshwater.

1 PRESIDING OFFICER DEVENS: Sorry, I don't
2 mean to interrupt you. But do you have any direct
3 testimony on the Project itself that you want to
4 offer?

5 THE WITNESS: I think what I'm saying is
6 relevant, sir.

7 PRESIDING OFFICER DEVENS: Do you have any
8 direct testimony, though, on the Project itself, any
9 for or against or any thoughts you want to express?

10 THE WITNESS: Yeah, I'm getting to that.

11 PRESIDING OFFICER DEVENS: 'Cause we had
12 some run the clock here --

13 THE WITNESS: I'm only going to be another
14 couple minutes.

15 PRESIDING OFFICER DEVENS: Okay. Go ahead.

16 THE WITNESS: I'm sorry my story bores you,
17 sir.

18 PRESIDING OFFICER DEVENS: No, it doesn't.

19 THE WITNESS: I think it's relevant.

20 PRESIDING OFFICER DEVENS: Go ahead.

21 THE WITNESS: I'll tell you why it's
22 relevant. I spoke two weeks ago to the state
23 climatologist, Dr. Pao Shin Chu. And he told me that
24 the same thing is happening here on O'ahu. That rains
25 are starting to fail. That overdevelopment is

1 depleting our aquifers. That rising seawater levels
2 are starting to seep into our groundwater supplies.
3 That's why I think what I have to say, Sir, is
4 relevant.

5 Ten years ago in Majorca they started to
6 realize they had lost something even more precious.
7 They had lost all of their best agricultural
8 farmlands, which I believe is what is being proposed
9 here. This is 5 percent of the best farmlands on
10 O'ahu.

11 And there was a hue and cry. There was an
12 outcry. And people started complaining. And they
13 said this had to stop. And they went to the local
14 equivalent of the Land Use Commission and said, "What
15 did you do?" The Land Use Commission said, "Well, we
16 followed the statutes."

17 And the people said, "Well, but we entrusted
18 you with a bigger responsibility. We entrusted you
19 with the responsibility to conserve our land, the
20 beauty of our land, the spirit of our land."

21 This land of O'ahu embodies the spirit of
22 aloha. The idea of allowing urban sprawl and more
23 freeways, more traffic jams and road rage and the
24 pollution in my opinion flies in the face of the aloha
25 spirit that this island embodies.

1 That's all I have to say, sir, thank you.

2 PRESIDING OFFICER DEVENS: Why don't we see
3 if the parties have any questions for you.

4 MR. MATSUBARA: No questions.

5 MS. TAKEUCHI-APUNA: No questions.

6 MR. YEE: No questions.

7 MR. YOST: No questions.

8 MS. LOOMIS: No questions.

9 PRESIDING OFFICER DEVENS: Commissioners?
10 Hearing none, thank you very much.

11 THE WITNESS: Thank you.

12 PRESIDING OFFICER DEVENS: Any other
13 witnesses that wish to testify here today? Seeing
14 none we'll move on. Why don't we take a 2 minute
15 break.

16 (10:40 Recess was held. 10:50)

17 PRESIDING OFFICER DEVENS: Back on the
18 record. We had some exhibits that were submitted. We
19 will start with the Sierra Club. You had supplemental
20 Exhibits 6 through 9. Mr. Yost, you want to explain
21 what those exhibits are, see if there's any objections
22 to admitting them into evidence.

23 MR. YOST: Thank you, Chair Devens. The
24 Exhibits 6 through 9. Exhibit 6 is just the written
25 testimony of Professor Valenzuela of UH. He'll be one

1 of our witnesses. Exhibit 7 is an article that's
2 referenced in Professor Valenzuela's testimony, as is
3 Exhibit 8. Exhibit 9 is the written testimony of
4 Jeffrey Mikulina who's also a proposed expert witness
5 for Sierra Club. And I would move at this time that
6 they be admitted into evidence.

7 PRESIDING OFFICER DEVENS: Any of the
8 parties have any objections to any of those exhibits?

9 MR. MATSUBARA: No objection.

10 MS. TAKEUCHI-APUNA: No objection.

11 MR. YEE: No objection.

12 PRESIDING OFFICER DEVENS: Commissioners?
13 Hearing none, those exhibits will be admitted into
14 evidence. There's also Exhibit 1, supplemental
15 Exhibit 1 that was submitted by OP. Mr. Yee, you want
16 to describe that for the record.

17 MR. YEE: OP Exhibit 1 is the written
18 testimony of Abbey Mayer. That simply describes the
19 position in greater detail of the Office of Planning.
20 We would ask that it be submitted into evidence.

21 PRESIDING OFFICER DEVENS: Any of the
22 parties have any objection to that exhibit?

23 MR. MATSUBARA: No objections.

24 MS. TAKEUCHI-APUNA: No objections.

25 MR. YOST: No objections.

1 MS. LOOMIS: No objection.

2 PRESIDING OFFICER DEVENS: Commissioners?
3 Hearing nothing further that exhibit will be admitted.

4 Mr. Matsubara, you want to continue with
5 your presentation of your case.

6 MR. MATSUBARA: Yes, Mr. Chair. I have a
7 brief housekeeping matter relating to a witness. Last
8 Friday we sent a list of the witnesses we intend to
9 present on Thursday and Friday to the Commission and
10 all the parties. One of the witnesses listed for
11 today was Mr. Art Whistler, our botanical expert.

12 Last night and this morning all the parties
13 agreed there's no necessity for us to call him as the
14 written testimony we had submitted was sufficient.

15 If that's agreeable to the Commission or if
16 the Commission has hit any questions of Dr. Whistler I
17 will forego calling. If you want to ask him questions
18 I'll have him here.

19 PRESIDING OFFICER DEVENS: Commissioners,
20 have any thoughts on that?

21 MR. MATSUBARA: That would be Exhibit 35,
22 Mr. Chair, Dr. Whistler's testimony.

23 PRESIDING OFFICER DEVENS: Okay. Hearing
24 nothing further that will be fine.

25 MR. MATSUBARA: Okay. Thank you. For my

1 first witness this morning will be Joseph Toy

2 JOSEPH TOY

3 being first duly sworn to tell the truth, was examined

4 and testified as follows:

5 THE WITNESS: Yes.

6 PRESIDING OFFICER DEVENS: Please state your
7 name and address.

8 THE WITNESS: My name is Joseph Toy. T-O-Y.
9 My business address is 745 Fort Street Mall, Suite
10 2124.

11 PRESIDING OFFICER DEVENS: Thank you.

12 DIRECT EXAMINATION

13 BY MR. MATSUBARA:

14 Q Mr. Toy, pursuant to my request you prepared
15 written testimony which we've marked and admitted as
16 Exhibit 41, have you not?

17 A That's correct.

18 Q Attached to your testimony is your resumé
19 which reflects some 25 years of experience in market
20 and economic studies, strategic planning and financial
21 analysis as it relates to the visitor industry, does
22 it not?

23 A That's correct.

24 Q Mr. Toy, have you previously been qualified
25 as an expert in hotel industry forecasting and

1 marketing?

2 A Yes. I've been qualified in federal court,
3 state court and hearings before the Public Utilities
4 Commission, among other entities.

5 MR. MATSUBARA: Mr. Chair, I'd like to ask
6 that Mr. Toy be qualified and admitted as an expert in
7 hotel industry forecasting and market analysis.

8 PRESIDING OFFICER DEVENS: Parties have any
9 questions for the witness on his expertise?

10 MR. YEE: No questions.

11 PRESIDING OFFICER DEVENS: Commissioners?
12 Hearing nothing further, so qualified.

13 Q (By Mr. Matsubara) Mr. Toy, you were
14 retained for purposes of assessing the viability of
15 hotel development at the Koa Ridge Project, were you
16 not?

17 A That's correct.

18 Q And that study or assessment you did
19 resulted in a report entitled "Potential hotel concept
20 and market range estimates for the Koa Ridge Master
21 Plan," dated April 2, 2008, is that correct?

22 A That's correct.

23 Q We have marked and admitted that exhibit as
24 Petitioner's Exhibit 12. Could I ask you briefly to
25 summarize your written testimony and any portions of

1 the report that you prepared?

2 A We were commissioned to provide a summary
3 analysis of the potential hotel demand for the Koa
4 Ridge Project in terms of what would be the demand
5 generators, the potential sizing of the property and
6 the potential rate and occupancy estimates for the
7 Project during the beginning of its development and
8 then opening.

9 MS. ERICKSON: Could you speak a little bit
10 closer to the microphone.

11 THE WITNESS: I'm sorry. We prepared a
12 market study of the hotel, proposed hotel for the Koa
13 Ridge Project which looked at potential market demand
14 generators for the property as well as preparing
15 estimates of potential occupancy and average daily
16 room rate for the Project.

17 We found that in the initial years, the
18 first initial years of the development Project for Koa
19 Ridge, that the demand might be somewhat minimal or
20 somewhat marginal, I should say.

21 But with the assumption that demand
22 generated such as the Central O'ahu Recreational Park
23 and the Waipio Soccer Park in addition to increasing
24 family -- visitors from family and travel markets as
25 well as the military will contribute to hotel demand

1 for the property.

2 MR. MATSUBARA: Thank you. Mr. Toy is
3 available for cross-examination.

4 PRESIDING OFFICER DEVENS: Any
5 cross-examination for this witness?

6 MS. TAKEUCHI-APUNA: City has no questions.

7 PRESIDING OFFICER DEVENS: Mr. Yee.

8 CROSS-EXAMINATION

9 BY MR. YEE:

10 Q In your written testimony you had indicated
11 a mid-priced or economy extended stay hotel may be
12 best suited. Can you give me an example of what you
13 mean by that?

14 A Well, in looking at the potential markets
15 which would be potential family, the visitors on
16 family travel, in particular sports travel for
17 families coming over for events at the C.O.R.P. and
18 for military families and contractors.

19 They typically like to have properties that
20 are a little bit larger than hotel rooms. Typically
21 they would like to have kitchenettes, possible washer
22 and dryers, a little bit more space than would be a
23 normal mid-priced hotel.

24 And in general you are starting to find a
25 lot of those properties popping up or being developed

1 in a market for that particular purpose because we are
2 starting to see extended family travel.

3 For example, for swim meets at C.O.R.P.
4 oftentimes you have a party size of about four people.
5 And they typically want to stay together in one or two
6 rooms, being able to have cooking facilities or
7 limited cooking facilities, and a little bit more
8 space to accommodate larger groups.

9 Q Do you have an example just so I have in my
10 mind what an example of that would look like?

11 A Sure. You have anything that ranges from an
12 Embassy Suites property with separate bedroom and
13 condo, or an all-suites property which may have one
14 large room but with cooking facilities.

15 Executive Center is another example as well
16 as the Ala Moana Hotel which, although the rooms can
17 be somewhat limited, do have facilities for extended
18 stay.

19 Q I notice you describe the units as studios
20 or bedroom suits rather than hotel room.

21 A Right.

22 Q I assume that's a deliberate choice.

23 A Yes. We have seen these extended stay
24 products develop over the last ten years. Again, it's
25 for extended stay business travelers as well as family

1 if they need more space, that typically want to do
2 their own laundry, want to do some limited cooking in
3 their own facilities, but really primarily have a
4 little bit more space.

5 You see that throughout the U.S. as well,
6 the U.S. mainland as well, products such as Residence
7 Inns, Candlewood Suites, Hampton Inns, those types of
8 hotel products.

9 Q But these extended stays would be less than
10 30 days?

11 A Less than 30 days, correct.

12 Q And you indicated that it would be
13 advantageous to preserve the hotel use and develop it
14 during the later phase when demand sufficiently
15 develops. Do you know when that decision would be
16 made?

17 A Well, my view, opinion is given that we're
18 starting to see more pick up in terms of events at,
19 CORP, and at Waipio -- my son competes in swimming
20 in Kailua. We go there probably six, seven weeks and
21 there are swim teams from all over the state that stay
22 there.

23 Anecdotal, when I've talked to some of
24 these teams from Kaua'i, Maui, Big Island, a lot of
25 them are staying at the Airport Hotel, and they would

1 obviously prefer to stay somewhere closer.

2 You obviously have, as I said one of the big
3 growth markets that we have seen are returning
4 residents visiting family and friends. That's one of
5 the few markets that's increased in the last few years
6 despite the fact that we have a downturn.

7 Military demand is also picking up for
8 demand outside the scope in Schofield Barracks. So
9 what we're forecasting is that we will see a recovery
10 and then a growth begin in the market sometime after
11 2012, 2013.

12 Q One of the issues in this case is the
13 development schedule and the timing of the development
14 itself. The question is geared toward figuring out
15 when the developer is going to be able to make that
16 decision, and then when will we know that they can
17 develop this property in a timely manner.

18 I take from your testimony -- well, could
19 they just make the decision, not necessarily build it,
20 when would they make the decision that a hotel is
21 going to be built?

22 A I think if you kind of backtrack a little
23 bit it's generally about a 24-month process to
24 develop. I think -- the lag time or the upfront time
25 to design and determine whether or not it's feasible

1 is probably within the next three years. Or shorter.

2 Q So could they make all of those decisions
3 and build the hotel within ten years?

4 A Yes. I actually would imagine within five
5 years.

6 MR. YEE: Thank you. I have nothing
7 further.

8 PRESIDING OFFICER DEVENS: Mr. Yost.

9 CROSS-EXAMINATION

10 BY MR. YOST:

11 Q Thank you. Mr. Toy, I just have a few
12 questions for you. I know that there are a number of
13 unknowns relating to the size of the hotel and so
14 forth. But you do estimate that it's going to be
15 around 125 to 150 units?

16 A Yes. As a potential for first phase. I
17 think there may be more demand as time goes on.

18 Q Do you know if the hotel is mentioned in the
19 original petition for reclassification?

20 A I do not know. I was concentrating -- I was
21 commissioned for this particular study.

22 Q Did you participate, then, in providing any
23 information for the EIS?

24 A Just outside of our study no.

25 Q In terms of the footprint of the hotel,

1 let's say a hypothetical hotel that could house 125 to
2 150 units, about how large is that footprint in terms
3 of acreage?

4 A It all depends on the type of construction.
5 But three acres is probably considered generally in
6 line with what other hotels have been developed in
7 that type of a size of hotel.

8 Q Okay.

9 A Possibly less.

10 Q And the extended stay concept means that the
11 folks who are there, staying there are likely going to
12 have rental cars or vehicles that they bring with them
13 to the hotel, correct?

14 A That is possible, yes. But the way that --
15 the way I view this hotel it's really what I consider
16 a community-based hotel. Because the demand that is
17 going to be there for that property is going to be
18 demand that's going to be in the area anyways.

19 Whether it be for the military or for
20 visiting friends and family or for sporting events,
21 they're going to be there in the area in any event.
22 This is really an accommodation for them to stay in
23 the area for demand that's already existing.

24 Q But the people who are staying there it's
25 reasonable to presume, isn't it, that they're not just

1 going to stay in that area the whole time they're
2 visiting O'ahu? They're likely to drive to other
3 places on O'ahu?

4 A Well, they certainly will, I would assume,
5 patronage the retail establishments that are in the
6 area, restaurants, shopping, so forth.

7 Q But they might go to the beach.

8 A They may drive to the North Shore.

9 Q Or to Waikiki for example?

10 A Or to Waikiki, but I think that's a pretty
11 long drive. I think most of the demand that's there I
12 think it's going to be purpose driven for the events
13 that are there in the community.

14 Q Do you have much information about other
15 impacts that this hotel would have on the environment
16 such as increase of wastewater or increase of any
17 other pollutants?

18 A No. That was not in our scope. We were
19 asked to give a ballpark figure of the number of
20 employment. And the number of employment was
21 somewhere in the 30-35 employee range.

22 Q Do you know if there's any information
23 that's been presented or developed relating to the
24 environmental impacts of the hotel?

25 A We were not -- that was not part of our

1 scope.

2 Q You're not aware of whether or not the
3 information exists in this petition process.

4 A I do not know.

5 Q What about in terms of the effect on the
6 community itself? Let's say the people who are
7 staying there aren't visiting people who live in the
8 community but are there for other reasons. Are there
9 any impacts on residential communities when you have
10 hotels right in the middle of them?

11 A The only thing I can say is again, we were
12 looking at this from the community's needs base, if
13 you will. So when we actually started looking at
14 potential market segments the leisure traveler was
15 really not a significant -- or very, very minor part
16 of the overall mix. I'm not sure if that answers your
17 question.

18 MR. YOST: I have no further questions.

19 MS. LOOMIS: No questions.

20 PRESIDING OFFICER DEVENS: Commissioners?

21 I had one question on this military market. I'm
22 curious what would make somebody from Schofield want
23 to stay in a hotel located in this neighborhood
24 community as opposed to Waikiki with its nightlife and
25 military hotels and discounts?

1 THE WITNESS: Well, there's this whole
2 segment that are TLA's. It's acronym temporary
3 lodging accommodations. And they're for a lot of
4 military, or for that matter contractors, that come
5 over and have to be -- they're either working on base
6 or they're assigned to base.

7 The Inn at Schofield Barracks is the only
8 hotel that services the needs of these TLA's. There
9 are some bachelor quarters and some additional housing
10 that is starting to shift towards that.

11 But for the most part we have a number of
12 contractors and military personnel that have to go to
13 overflow housing. In some cases they actually rent
14 houses in the community.

15 In fact, when I was on base I was looking at
16 a number of apartment rentals that were out there that
17 actually could be located to a hotel facility for that
18 short of time. So in some respects I see it as a
19 potential as some alleviation of some of the
20 pressures, some of the pressures in some of the
21 private rentals that are out there.

22 PRESIDING OFFICER DEVENS: What are the
23 numbers?

24 THE WITNESS: Well, for the Inn at Schofield
25 itself, based on discussions with the hotel operators,

1 in addition to that with some of the other hotel
2 companies that specialize in the military market, the
3 estimate was that they would have roughly 10,000 room
4 nights that are turned away from the Inn at Schofield
5 Barracks. So those are nights that would have to be
6 found outside of base.

7 PRESIDING OFFICER DEVENS: In your reference
8 to the sports teams you're talking about, like,
9 tournaments?

10 THE WITNESS: Yes, semi-pro baseball teams,
11 minor leaguers, things of that nature.

12 PRESIDING OFFICER DEVENS: Thank you for
13 your testimony. Any redirect?

14 MR. MATSUBARA: No redirect.

15 PRESIDING OFFICER DEVENS: Any further
16 questions? Hearing nothing further, thank you very
17 much. Next witness.

18 MR. MATSUBARA: Next witness will be Bruce
19 Plasch.

20 PRESIDING OFFICER DEVENS: Mr. Plasch, may I
21 swear you in.

22 BRUCE PLASCH
23 being first duly sworn to tell the truth, was examined
24 and testified as follows:

25 THE WITNESS: Yes, I do.

1 PRESIDING OFFICER DEVENS: Please state your
2 name and address for the record.

3 THE WITNESS: My name is Bruce Plasch. And
4 my office is located at 1655 Kamoli Street, Honolulu,
5 Hawai'i 96821.

6 PRESIDING OFFICER DEVENS: Thank you.
7 Mr. Matsubara.

8 DIRECT EXAMINATION

9 BY MR. WYETH MATSUBARA:

10 Q Dr. Plasch, for this petition for this
11 Project did you prepare an impact and agriculture
12 report for the Koa Ridge Makai property and the Waiawa
13 property which is listed as Petitioner's Exhibit 7H?

14 A Yes, I did.

15 Q Dr. Plasch, did you also prepare, pursuant
16 to our instructions, written testimony which is
17 attached to your curriculum vitae which is also
18 Petitioner's Exhibit 38?

19 A Yes.

20 Q Your CV describes your qualifications and
21 experience in agriculture and economic assessment for
22 the past 37 somewhat years?

23 A I think it's actually a little longer, yes.

24 Q Okay. And have you been qualified as an
25 expert before the Land Use Commission in agriculture

1 economic assessment before?

2 A Yes. I think I've been qualified on the
3 order of 30 times, I'm not sure, as an economist and
4 with an expertise in agriculture.

5 MR. WYETH MATSUBARA: Thank you. At this
6 time Petitioner requests that Dr. Plasch be admitted
7 as an expert witness in the field of agriculture and
8 economic assessment.

9 PRESIDING OFFICER DEVENS: Parties have any
10 objections to the expertise of this expert?

11 MR. YEE: No objections.

12 PRESIDING OFFICER DEVENS: Mr. Yost.

13 MR. YOST: I have just a few questions that
14 may serve in the way of an objection. I may not have
15 an objection, but I have a couple of questions for
16 the witness.

17 PRESIDING OFFICER DEVENS: Regarding his
18 qualifications?

19 MR. YOST: Yes.

20 PRESIDING OFFICER DEVENS: Proceed.

21 VOIR DIRE EXAMINATION

22 BY MR. YOST:

23 Q Mr. Plasch, I reviewed your resumé. I
24 understand you just testified you qualified as an
25 expert and have testified specifically in matters

1 relating to agriculture, correct?

2 A That's correct.

3 Q But I want to just understand a little
4 better about your qualification background because
5 your resume doesn't really mention much about
6 agriculture.

7 Have you ever been a farmer?

8 A No.

9 Q Are you familiar with the field of agronomy?

10 A I'm not a soil expert, no. But I do follow
11 the soil studies and do understand the soil ratings.

12 Q Okay. Well, for the record, agronomy is
13 broader than soil. It's the science and technology of
14 using plants for food, fuel, feed and fiber, correct?

15 A That's correct.

16 Q So you don't have a -- but you know what
17 that is, right? You're familiar with the field.

18 A Yes.

19 Q Do you have any education or do you have any
20 formal education in agronomy?

21 A No, I don't.

22 Q Do you have any formal training in agronomy?

23 A It's not formal training at a university. I
24 picked up my expertise, really, starting in the 1970s
25 doing work for the State of Hawai'i looking into

1 agriculture, then taking a very, very close look with
2 two book-size reports on the sugar industry.

3 Then being hired by the University of Hawaii
4 to look at how accelerated agricultural development in
5 Hawai'i and working with mainland institutions like
6 the Rockefeller Institution and visiting other islands
7 on how they accelerate agricultural development.

8 Then I got involved with the pineapple
9 industry and then also with the diversified farmers.
10 So a lot of my education is in-depth education dealing
11 with agriculture. But it was -- and involved work at
12 the university doing research, but it wasn't from
13 formal training in a classroom setting.

14 Q Okay. So you're saying you don't have any
15 formal education relating to agriculture as well,
16 right?

17 A Not in a classroom setting.

18 Q Then the training you mentioned is
19 essentially research-based training over a number of
20 years.

21 A Yes. Working with the University of
22 Hawai'i.

23 Q Was the focus of that on just the economics
24 of agricultural operations? What I'm trying to
25 understand, because you're testifying specifically to

1 things like food self-sufficiency. And I want to
2 understand -- that's a fairly broad agricultural
3 topic. Can you speak to what qualifications you have
4 to testify to that subject?

5 A I get heavily involved with looking at the
6 lands issues and the quality of land for agriculture
7 and how much land is needed. I work with individual
8 farmers quite often that do assess that.

9 MR. YOST: I'm not going to make any
10 objections to the witness testifying. But I will ask
11 some questions on cross-examination that may suggest I
12 think some consideration should be made to the weight
13 of his testimony.

14 PRESIDING OFFICER DEVENS: That's fine. You
15 can reserve that. Commissioners, have any questions
16 regarding the qualifications of this expert witness?
17 Hearing none, so qualified.

18 MR. WYETH MATSUBARA: Thank you, Chair.

19 CONTINUED DIRECT EXAMINATION

20 BY MR. WYETH MATSUBARA:

21 Q Dr. Plasch, could you please summarize your
22 written for us.

23 A Yes, I will. As I mentioned, my name is
24 Bruce Plasch. I'm president of a company called
25 Decision Analysts Hawai'i. It's a consulting firm

1 specializing in land economics including agriculture.

2 And I have been an economic consultant in Hawai'i
3 since 1971.

4 My company was retained by Castle & Cooke
5 Homes to analyze agricultural impacts of the Koa Ridge
6 Makai and Castle & Cooke Waiawa development.

7 And my analysis covered the agricultural
8 conditions of the Petition Area, the potential crops
9 and crop production, locational advantages and
10 disadvantages, the historic and current agricultural
11 uses of the land, impacts to the existing agricultural
12 tenants based on information provided by the tenants,
13 impacts on the growth of diversified crop farming
14 based upon the remaining supply of farmland, the
15 amount of land required to relocate farms displaced by
16 all known urban projects, including those in 'Ewa.

17 It also addressed the cumulative impacts of
18 development, and the amount of land required for
19 diversified agriculture based upon three approaches.

20 One is the continuation of past trends.
21 Another was based upon hundred percent sufficiency for
22 all crops that have a recent history of profitability
23 in Hawai'i combined with an evaluation of export
24 potentials.

25 And a third approach was hundred percent

1 self-sufficiency for vegetable, melons and fruit crops
2 including those having no recent history of profitable
3 production in Hawai'i.

4 I also assessed the impacts of agricultural
5 -- impacts of the Project on agricultural land values
6 and rents, issue of food security, the value of open
7 space, Project's consistency with relevant State and
8 County policies.

9 And in addition in response to your comments
10 on the Draft EIS, I have conducted additional analysis
11 on the agronomic quality of available replacement
12 lands for diversified agriculture, and in addition
13 analysis on food self-sufficiency.

14 That's the scope of my analysis. And I'll
15 briefly summarize some of the major findings starting
16 with the agricultural conditions.

17 The Project Area covers 768 acres. And
18 about 565 acres are suitable for growing low elevation
19 crops. They're good ag lands. The fields have
20 favorable soil rate -- conditions and soil rating.
21 The terrain is gentle, sloping. The climate is mild,
22 relatively sunny. The access is good.

23 And at 565 acres it comprises about
24 1.4 percent of the 41,400 acres of A and B rated land
25 that remains on O'ahu in the agricultural district.

1 And there is also a water allocation indication from
2 Waiahole of 0.48 million gallons per day.

3 In terms of the impacts on the Aloun Farms,
4 they lease land at Koa Ridge Makai. They've leased
5 the land for the last eight years since 2002. They
6 lease 446 acres, and they farm about 325 of those
7 acres. And they grow leafy vegetables for the
8 Honolulu market and seed corn for export. And the
9 operation supports about 34 jobs.

10 And it's been mentioned that replacement
11 land is being made available to Aloun Farms. And
12 that's in order to replace acreage that they will be
13 losing and to allow for an orderly transition.

14 Anyway, Castle & Cooke Homes arranged for
15 Dole Food Company to issue a license to Aloun Farms
16 for about 335 acres for former pineapple land located
17 north of the Dole Plantation. So that's about
18 10 acres more than they're farming.

19 In addition -- by the way, and that lease
20 has been signed. In addition, there's negotiation
21 going on. I think they actually have been negotiating
22 but not signed for an additional 332 -- I kind of have
23 a raspy throat so you kind of have to excuse me a
24 little bit on this -- an additional 332 acres areas of
25 abutting lands that have been offered to Aloun Farms.

1 I kind of screwed that statement up.

2 Let me just say it again. Dole and Aloun
3 Farms have negotiated a lease or a license for some
4 additional lands but it hasn't been signed.

5 So the total amount of available replacement
6 lands, it totals 668 acres, are about twice as much
7 land as they're farming currently.

8 The lease term is ten years plus an option
9 for an additional five years. So it's a longer lease
10 than what they have at Koa Ridge. The lease rent will
11 be higher.

12 However, in 2008 the lease rent at Koa Ridge
13 was \$180 per acre per year. And that is below market
14 due to the short-term nature of the lease.

15 The new lease will be \$273 per acre per year
16 with adjustments for inflation which is at market rate
17 for the North Shore. They will also have access to
18 more water. There's 3 million gallons per day on
19 average from upper Helemano Ditch.

20 Plus they have access to water from Lake
21 Wilson should they need it versus 0.84 million gallons
22 per day from Waiahole Ditch at Koa Ridge.

23 The water will be cheaper. The water from
24 Waiahole Ditch is 51.7 cents per thousand gallons.
25 For the ditch water at Helemano is 36 cents. And 48

1 cents for water pumped from Sonada Reservoir.

2 The elevation is higher. It's at about
3 right around a thousand feet versus 500 feet at Koa
4 Ridge. So the temperatures will be a little cooler.
5 Rainfall will be a little bit more, 50 inches versus
6 40 inches at Koa Ridge.

7 But the solar radiation, which is a key
8 measure, is about the same, 450 calories per square
9 centimeter per day for both sites.

10 Trucking distance will be a little bit
11 longer. Going out to the replacement lands adds about
12 9 miles or about 15 minutes in travel time.

13 In terms of the impact of the development on
14 Aloun Farms the first increment of replacement land
15 will allow Aloun Farms to grow pretty much the same
16 types of crops and maintain the same production
17 revenues, costs and employment and payroll.

18 That second increment will essentially allow
19 Aloun Farms to double the size of their farm at Koa
20 Ridge. So I do not expect that there will be any
21 adverse impact on Aloun Farms, if anything, because
22 there's more land available that will be a benefit.

23 It should be acknowledged that Aloun Farms
24 will have to make some adjustments. Any time you go
25 to a new farm area they do have to make adjustments in

1 terms of the variety of crops that they grow and their
2 cultivation practices when they plant. So they do
3 have to make adjustments.

4 Usually from my discussions with Aloun Farms
5 it takes them about three seasons to get the details
6 right. Also they will incur additional expenditures
7 to prepare the soils and irrigation systems for their
8 particular crops. And that's on the order of a
9 thousand dollars or slightly more for preparing the
10 land.

11 There's a second tenant at Waiawa. They
12 have been a tenant since the year 2000. They lease
13 within the 168 -- 6 acres the Waiawa Petition Area
14 they lease -- excuse me. I said that backwards. They
15 have about 186 acres that they lease within the
16 Petition Area.

17 And in addition they lease an additional
18 201 acres of gulch land for a total of 404 acres.
19 This is a grazing operation. The company is called
20 Flying R Livestock Company. And one part-time rancher
21 manages about 40 cow and calf units and three bulls.

22 The Project would obviously eliminate
23 ranching on the Waiawa lands in the gulch. But I do
24 not expect any significant impact on the size of their
25 herd or employment since Flying R Livestock Company

1 they have some additional lands at Waiawa Ridge mauka
2 plus the North Shore.

3 So they have ample lands to move their herd
4 from Waiawa, Castle & Cooke Waiawa to their other
5 lands and also move their herd from Waiawa Ridge, if
6 that's developed. They also lease land there to their
7 other lands. So they will be able to maintain the
8 herd at its current size.

9 I'm going to turn now to the impact of the
10 Project on diversified agriculture which obviously is
11 a major issue. I'm going to start with an exhibit.
12 And I'm going to start with the availability of land
13 for diversified crops.

14 MR. WYETH MATSUBARA: For the record, this
15 is found in Dr. Plasch's expert report 7H. It's
16 figure ES-1 at the back of his report.

17 THE WITNESS: Is it okay if I stand up and
18 go over this? Okay. This is a plot of statewide
19 acreages in crop. And it goes from 1960 to 2010. The
20 top line in red shows the amount of land in crop for
21 all crops in Hawai'i. The green line shows the amount
22 of plantation land in crop. So this is sugar and
23 pineapple.

24 The blue line on the bottom is the land in
25 crop for diversified agriculture which is all crops

1 other than sugar and pineapple. And there should be
2 some updates.

3 If we extend this to 2009 this goes down
4 from 102,000 acres for the total land in crop down to
5 83,400 acres. So the last five years we have lost an
6 additional 18,600 acres in crop.

7 For plantation agriculture it went from
8 54,100 down to 38,400. And that's basically HC&S on
9 Maui, Dole Pineapple and Maui Pineapple. Those are
10 the three remaining plantations.

11 Diversified agriculture went from
12 47,800 acres down and a drop -- it lost acreage down
13 to about 45,000 acres now.

14 The point of the graph is that there's been
15 an enormous contraction in lands in crop in Hawai'i.
16 It's just been huge.

17 Q Bruce, sorry to interject. Just one
18 clarification. When you say "acres in crop" are you
19 referring to a loss in agriculture land? Or are you
20 referring to a loss -- the ag land is still there.
21 You're just referring to a loss of the crop being
22 produced on that land.

23 A That's correct. Nearly all the land is
24 still there. Most -- some of the acreage went into
25 forest, but most of it went into grazing. Grazing for

1 large part is a land holding operation.

2 I estimate that approximately 177,000 acres
3 still remains available for diversified agriculture.
4 So it's just an enormous supply. That takes into
5 account land lost to urbanization, and land that went
6 into forestry.

7 On O'ahu -- and this is a revised figure
8 from what I gave you before -- in my prior testimony
9 on other projects I've indicated that 11,000 acres
10 approximately remain available.

11 That was accounting based upon the remaining
12 land from O'ahu Sugar Company in Kunia, Waialua Sugar
13 Company on the North Shore, remaining lands of Del
14 Monte which were split between Kunia and the North
15 Shore, and the Dole Pineapple operations, pineapple
16 operations which contracted.

17 But there's additional lands up there up in
18 Kahuku and even Waimanalo and Wai'anae. If you go
19 through a more complete accounting there's really
20 about 15,000 acres of land remaining available on
21 O'ahu. That's probably a conservative figure.

22 And most of that land both on O'ahu and
23 throughout the state, being former plantation land
24 generally has -- it's very high quality in terms of
25 the soil ratings, solar radiation and access to water.

1 The major exceptions are lands around
2 Hamakua because they have lower -- they have cloud
3 covers and lower soil radiation.

4 One thing I wanted to emphasize a little bit
5 more this time too was the farmers that have access to
6 a very large amount of land generally keep about one
7 third of their land in crop. They do not farm the
8 land intensely.

9 If there were a strong demand for their
10 land, they could increase production by a factor of
11 three or more without using any additional land.

12 So that, you know, the point is the supply
13 of available land on O'ahu also includes land that
14 could be farmed much more intensely. So it isn't just
15 limited to just the 15,000 acres that I just
16 mentioned.

17 And I also want to mention that, you know,
18 for O'ahu that, you know, it's really worth noting
19 that the City does protect prime agricultural land.
20 They have to define urban growth boundaries and
21 passing by ordinance.

22 And since those urban growth boundaries have
23 been defined it's extremely rare to find a developer
24 proposing a project outside those urban growth
25 boundaries.

1 For the most part they confine their
2 projects to being located within the urban growth
3 boundaries. And it is true that landowners and
4 developers will consider developing outside the urban
5 growth boundary. But when they consult with attorneys
6 and people like me, they take a look at the cost of
7 doing the studies for preparing a proposal and the low
8 probability of getting the approvals from the State
9 and County, they end up not proposing.

10 So they do consider it, but they usually
11 back off. For the most part the projects that do get
12 proposed are within the urban growth boundary
13 following an ordinance passed by the City or
14 ordinances passed by the City.

15 Another issue I want to get into is farms
16 are also being displaced from other urban projects and
17 in particular the farms in 'Ewa.

18 And one of the major one being proposed is
19 for Ho'opili, but also the State is developing
20 University of Hawai'i there or has plans to develop
21 University of Hawai'i. And the Department of Hawaiian
22 Home Lands is expanding their projects.

23 So there are four farmers that will be
24 displaced -- four farms that will be displaced. Three
25 of those farms they've already acquired replacement

1 lands. The only one remains is Aloun Farms. They
2 need to find an additional 1,600 acres. That's
3 assuming Ho'opili is eventually approved and
4 developed.

5 In terms of the land needed for diversified
6 agriculture I want to first start with the trends.
7 And looking at this graph again, the growth in the
8 land required for diversified crops entered a slow
9 growth phase essentially in the mid 1980s continuing
10 to the mid 1990s. And since the mid 1990s to
11 currently it's essentially been flat.

12 There was one bump here. And that reflects
13 some bad statistics where when Waialua Sugar Company
14 closed they planted the land in grasses. And it was
15 categorized as a feed crop. When they put cattle on
16 the land was recategorized as pasture land. So it
17 wasn't really a normal crop.

18 So the reality is that there was a slow
19 growth starting in the mid 1980s and flat growth since
20 the mid 1990s. So a fairly long period of fairly slow
21 growth with diversified agriculture.

22 And during this period there's some crops
23 that expanded greatly in acreage, seed corn being one
24 of them. But most -- a number of other crops have
25 lost acreage including fresh vegetables, melons,

1 fruits and macadamia nuts.

2 So based upon just an enormous amount of
3 land available from diversified agriculture
4 requirements for land replaced, farmers that will be
5 or could be displaced from 'Ewa and Koa Ridge and
6 looking at the long-term trends of diversified
7 agriculture, there doesn't appear to be any land
8 shortages at all for accommodating diversified crops.

9 I also want to address the issue of food
10 self-sufficiency. The best I could determine right
11 now we have about 12,500 acres being used to supply
12 the Hawai'i market. Most of the acreage being used is
13 really for export crops. But we have about 12,500 for
14 the local market.

15 And according to the University of Hawai'i
16 they did some detailed studies on self-sufficiency
17 issues, that acreage -- excuse me -- that production
18 from those acres represent about one third of our
19 consumption of fresh fruits and vegetables, and
20 melons.

21 So that if we went to a hundred percent
22 self-sufficiency the acreage required -- and it's not
23 a realistic expectation as long as we have a global
24 market and free trade -- but if we went to a hundred
25 percent self-sufficiency we're talking about 25,000

1 additional acres.

2 If you look at this graph 25,000 acres is
3 relatively small. So we have acreage to accommodate a
4 hundred percent self-sufficiency plus any population
5 growth that should occur.

6 And I focused on those particular crops
7 because those are the crops that require good
8 farmland. The other food items that are brought in
9 generally do not require good farmland such as beef,
10 pork, eggs, and fresh milk. Unless you can grow a
11 feed crop.

12 Hawai'i has had many, many repeated attempts
13 to grow feed crops and they ended up feeding birds.
14 They had problems with the high humidity and they just
15 do not do well in Hawai'i.

16 I also want to make another point.
17 Increased self-sufficiency does not mean food
18 security. The best example of that is when Hurricane
19 Iniki hit Kaua'i it wiped out the farms. So the best
20 way to have food security is probably having the food
21 brought in from a number of markets from different
22 regions.

23 Another issue that's been brought up is
24 suppose we have really high energy costs and it gets
25 too expensive to import food. I want to make two

1 points.

2 If you really have high energy -- high fuel
3 costs; transportation becomes a major issue, you're
4 going to have two things. One is the demand for the
5 land is gonna go down.

6 And the reason for saying that is high fuel
7 costs would mean higher airfare costs which would if
8 it's really significant enough, would ruin the visitor
9 industry.

10 And the visitor industry represents about a
11 quarter of our economy with direct jobs; direct and
12 indirect it's probably about half. So you just have a
13 massive increase in unemployment.

14 A lot of families would leave Hawai'i.
15 You'd end up with demand for less food and less
16 cropland if you end up with all these people leaving.

17 The other is if you cannot import food it
18 means you cannot export food. So all the land being
19 used for sugar, pineapple, seed corn, macadamia nuts,
20 flowers, even forestry, that becomes available. So
21 you have about 94,000 additional acres.

22 So suddenly the available land goes up to
23 around 270,000 acres which is just, you know, an
24 enormous amount of land. It can easily accommodate
25 increased self-sufficiency.

1 Also an issue is: Well, how about O'ahu?
2 Shouldn't all the food be grown on O'ahu? I do not
3 expect there's going to be a land shortage for crops
4 on O'ahu. But if there should ever be one you can
5 grow crops on the neighbor islands. It is viable.
6 That's confirmed by some recent history and some
7 current operations.

8 For example, 1993 before O'ahu Sugar Company
9 closed and the other following plantations closed
10 Waialua Sugar and Del Monte, there was a tight land
11 market for agricultural land on O'ahu. And the state
12 for the vegetables and melons had 5,300 acres in those
13 crops, 83 percent of that was on the neighbor islands
14 and 17 percent was on O'ahu.

15 When the land became available on O'ahu
16 because of the plantations closures and cutbacks, that
17 did change. There was growth on O'ahu.

18 But over all there's actually decline in
19 acreage in those crops. But ended up with O'ahu
20 having 60 percent of the land and the neighbor islands
21 40 percent.

22 And if and when it's ever a situation where
23 there was a shortage of land on O'ahu, production
24 would probably shift back to the neighbor islands.
25 You would definitely have higher transportation costs

1 but it would also be offset by lower rents.

2 And, anyway, to summarize this, my findings
3 indicate that development is not expected to have a
4 significant adverse effect on Aloun Farms since they
5 are being provided twice as much replacement land as
6 they are farming now. It won't have an adverse effect
7 on Flying R Livestock Company since they have adequate
8 lands to relocate the herd.

9 And there's sufficient land available on
10 O'ahu and in the state to accommodate the loss of land
11 for Koa Ridge and assuming the loss of all the
12 farmland in 'Ewa, and to accommodate diversified
13 agriculture. That concludes my testimony.

14 MR. WYETH MATSUBARA: Dr. Plasch is
15 available for cross-examination.

16 PRESIDING OFFICER DEVENS: Any
17 cross-examination?

18 MS. TAKEUCHI-APUNA: City has no questions.

19 PRESIDING OFFICER DEVENS: Mr. Yee.

20 CROSS-EXAMINATION

21 BY MR. YEE:

22 Q I have a few. Let me start with some
23 housekeeping questions. You indicated that there's
24 .84 million gallons a day available for Aloun Farms,
25 correct?

1 A There's how much?

2 Q I heard you say 0.84. Is that right?

3 A Yes. Yes. That was different from what I
4 had in my report.

5 Q That was actually my question. You also
6 mentioned 1.1 million gallons a day in your written
7 testimony.

8 A That's correct. It turns out that that was
9 for some additional land. The initial information I
10 was provided has been corrected.

11 Q So what's available for the Petition Area?

12 A There's not a specific allocation. And
13 there's some additional farmers use water from
14 Helemano Ditch. In my discussions with Dole they're
15 convinced there's more than enough water for that
16 first increment. And if -- and probably the second
17 increment as well.

18 But if they need more water then they can
19 draw water from Lake Wilson after the City upgrades
20 its wastewater treatment plant so that it's R1 water.

21 Q So the .84 is how much is going to be
22 available on the new location, is that right?

23 A .84? No that's currently at Koa Ridge.

24 Q That's why I'm asking. You then sort of
25 switched to what's available --

1 A I thought you were saying what's available
2 at the replacement site.

3 Q What is available currently on the Petition
4 Area?

5 A 0.84 million gallons per day.

6 Q And the 1.1 million is based upon?

7 A That includes some additional lands that are
8 Castle & Cooke lands.

9 Q Outside of the Petition Area?

10 A Yes.

11 Q Because the Petition Area is Castle & Cooke
12 lands, right?

13 A Yes.

14 Q Okay. Then you mentioned Ho'opili, the West
15 O'ahu campus and DHHL housing projects all as
16 potential future loss of agricultural land in the 'Ewa
17 area, correct?

18 A That's correct.

19 Q Did you conduct an actual calculation,
20 numerical calculation as to what impact the loss of
21 those lands would have on the agricultural industry?

22 A Well, all those farms -- well, let me be
23 more specific. Syngenta purchased some land in Royal
24 Kunia so they're going to continue at their same level
25 of operations. Fat Lau, they subleased a hundred

1 acres from Aloun Farms. They purchased a hundred --
2 excuse me -- 400 acres in middle Kunia.

3 Larry Jefts has an enormous amount of land.
4 He's leased some additional fields on the North Shore
5 from Dole. The one remaining one that has a problem
6 is Aloun Farms. For whatever reason Aloun Farms
7 leased land within the urban growth boundary, a large
8 amount of it including 'Ewa and Koa Ridge.

9 And so this will be -- the replacement lands
10 will be his first really large amount of land outside
11 the urban growth boundary. If Ho'opili is approved
12 and University of Hawai'i campus is developed, and the
13 Department of Hawaiian Home Lands expands, he will
14 have to find replacement land.

15 Q I wasn't asking about the specific impacts
16 of the farmers on those lands. I was really asking
17 the more general question about the impact on the
18 agricultural industry.

19 Did you look at the impact of the loss of
20 those lands upon the agricultural industry as a whole?

21 A Well, what my point was that three of those
22 four lands will just continue -- excuse me -- three of
23 those four operators will continue with no loss in
24 production or an increase in production.

25 Q Nothing actually prevents these operators

1 from expanding their operations to include both the
2 existing farming operations as well as new operations,
3 right?

4 A If there's a market that's true.

5 Q So they could operate at both Ho'opili as
6 well as the new lands elsewhere.

7 A If they have the market that's true.

8 Q The major market for diversified farming
9 would be on O'ahu, wouldn't it?

10 A Um, well, diversified agricultural also
11 includes macadamia nuts, seed crops, flowers and
12 nursery products and the other --

13 Q Those are export?

14 A -- those are export crops.

15 Q Okay. But the other diversified farming
16 that are currently operating at Koa Ridge and Ho'opili
17 and I think the places on the 'Ewa Plain, those are
18 diversified farms which are producing crops for O'ahu,
19 aren't they?

20 A For the most part.

21 Q That's because -- and O'ahu --

22 A Except for the seed operation.

23 Q -- and O'ahu has the most number of people,
24 correct?

25 A That's correct.

1 Q So the market for these types of crops is
2 primarily on O'ahu, correct?

3 A The local market is primarily on O'ahu
4 because that has the largest population, yes.

5 Q So when you look at the neighbor islands as
6 an alternative location for lands, you acknowledge
7 there's going to be a higher transportation cost,
8 correct?

9 A Higher transportation cost but lower rents,
10 correct.

11 Q Well, it's certainly going to be lower rents
12 as you take more and more land out of O'ahu, right?

13 A Well, that's currently the case. And that's
14 true. The rents will reflect the land market.

15 Q And in your Draft EIS I think you mention
16 the Super Ferry as a way to allow neighbor islands to
17 transport their crops to market, right?

18 A Yes. That would have improved the situation
19 over what it was back in 1993 --

20 Q Can we agree that's not a likely --

21 A -- when I made the comparison.

22 Q Can we agree that's not a likely solution at
23 this time?

24 A I agree.

25 Q With respect to your figure ES1 is this

1 based on the DOA annual reports?

2 A Yes, it is.

3 Q And did you include in your calculation of
4 diversified ag -- let me backtrack. The annual report
5 as I understand has a list of categories of different
6 kinds of crops and the acreage for each, right?

7 A Yes.

8 Q Did you include in this other crops, the
9 category of other crops in your calculation?

10 A Yes, I did.

11 Q Wasn't there an increase for other crops in
12 2007?

13 A Yes, because they reallocated the pineapple
14 to other crops to avoid disclosure. So that there was
15 a bump because there's a change in the way they
16 categorized it.

17 Q So my questions is: Is that reflected in
18 the ES1?

19 A Yes.

20 Q You talked about the ability to use existing
21 lands and to increase production on the existing
22 acreage. Do you remember that?

23 A Yes.

24 Q Would that take more money to increase
25 production efficiencies?

1 A It would. When you have ample land and
2 rents are relatively low, the best management
3 practices as reported by the farmers is they do a lot
4 of fallowing. When you start having a land shortage
5 because your market is there, a lot of land, rents are
6 higher, then you can farm more intensely but it does
7 increase your cost for soil amendments as well as for
8 controlling pests.

9 Q So if prices don't go up and costs do go up,
10 that puts pressure then on the business plan of the
11 farming operation, right?

12 A It's both. That's true. But it's also an
13 opportunity. Usually if that were to occur on O'ahu
14 it would probably mean there's some new market that's
15 been opened up.

16 Q Alternatively it would mean that you were
17 going to have -- if new markets don't open up you'll
18 have fewer farmers farming because they just can't pay
19 for the increased costs for higher efficiencies.

20 A I don't follow your logic on that. And I
21 don't think it's quite right either.

22 Q You can increase production in different
23 ways, one of which is more land, right?

24 A That's correct.

25 Q The other way is to pay more for the

1 existing land you have, right?

2 A Farm the land more intensely, that's
3 correct. And then --

4 Q And you balance those two to see which is
5 going to give you -- which is the cheapest way to
6 increase your production, right?

7 A A lot of farmers do have small farms and
8 they do farm the lands more intensely. The ones that
9 do a lot of fallowing are the ones that have farms on
10 the order of 2,000 acres, which is the case for Aloun
11 Farms, and over 5,000 acres which is the case for
12 Jefts Farms, or any other farm that really has a lot
13 of land, much more land that can be supported by the
14 market, those are the ones that are doing a lot of
15 fallowing. As well as Dole itself.

16 Q Interestingly, I heard you say that if
17 higher fuel costs occur that would somehow reduce food
18 costs because more land would be available and less
19 people would need...

20 A I hope I didn't say that.

21 Q Could you explain that. I was trying to
22 follow your argument on why higher fuel costs somehow
23 is going to be better for the industry.

24 A I don't think it would be better.

25 Q That's what I heard you say.

1 A What I said -- there are two points. If you
2 have higher fuel costs including airfares, the visitor
3 industry would collapse if you really went up to
4 prices where you couldn't import.

5 Q Let me stop you there for a moment. What's
6 your expertise on the tourism industry and the analysis
7 of fuel costs on it?

8 A I do a lot of -- my earlier years I used to
9 do a lot of projections for the state dealing with
10 visitor industry and looking at the trends and what
11 are the factors that effect tourism.

12 And obviously one of the major factors that
13 affect tourism is airfare. That's the less expensive
14 airfares in the '60s is what really started the big
15 boom in the visitor industry.

16 Q My early days were awhile ago. How long ago
17 were your early days in working on this?

18 A When did I start working on this? Actually
19 my first project for the state was actually -- I hate
20 to say -- but 1967 when I was a student intern with
21 the Department of Business and Economic Development.

22 Q So these studies are a little bit dated.
23 The ones you did are a little dated.

24 A Yeah, but I --

25 Q Go ahead.

1 A That particular study is dated. I also do
2 assessments on occasion looking at the economic
3 impacts of resort developments, probably the last ones
4 within the last year looking at the visitor industry.
5 So I do not limit myself to agriculture.

6 My expertise gets into what is called
7 agricultural economics as well as urban development.
8 And I do get into the development on O'ahu more
9 general -- not O'ahu but in Hawai'i more generally
10 including the visitor industry.

11 Q I'll move on.

12 PRESIDING OFFICER DEVENS: Counsel, we are
13 going to take our lunch break and reconvene at 1:15.

14 MR. YEE: Thank you.

15 (Lunch Recess was held 12:00)

16 PRESIDING OFFICER DEVENS: (1:35) Back on
17 the record. We left off with the cross-examination of
18 Mr. Yee.

19 CONTINUED CROSS-EXAMINATION

20 BY MR. YEE:

21 Q One more housekeeping question. I noted in
22 your testimony you said that growth trends indicate
23 that diversified crop acreage has not changed
24 significantly since 1995.

25 A In terms of acreage, that's correct.

1 Q The value or the dollars coming from
2 diversified ag has increased significantly, though?

3 A That's true.

4 Q And I think your report also indicated --
5 not your written testimony -- but your report
6 indicated that since 1960 the acreage of diversified
7 agriculture increased by over 26,000 acres.

8 A 1960?

9 Q I believe that's in your report.

10 A Since 1960.

11 Q Yes.

12 A I think that's correct.

13 Q 1968 I believe. 1968 to 2005.

14 A Yeah. There's a big increase especially in
15 macadamia nuts and papaya for the export market and
16 some other crops.

17 Q And you eventually concluded that the
18 proposed development was not expected to have a
19 significant adverse impact on agriculture, is that
20 right?

21 A On the growth of diversified agriculture --

22 Q Okay.

23 A -- yes.

24 Q You analyzed the availability of agriculture
25 lands on O'ahu and the State of Hawai'i to reach that

1 conclusion, is that right?

2 A Yes.

3 Q When you do this kind of analysis you don't
4 just look at acreage, right?

5 A That's correct.

6 Q So you have to look at not just the number
7 of acres but also, for example, the availability of
8 water.

9 A That's correct.

10 Q And you have to look at solar radiation.

11 A Yes.

12 Q And you have to look at, depending on the
13 crop elevation or temperature?

14 A The farm areas don't really vary that much
15 in temperature. But theoretically, yes. In practice
16 there's not much variation.

17 Q All right. Ease of transportation is a
18 factor?

19 A Is what?

20 Q Ease of transportation would be a factor?

21 A It is. But even though up in Kahuku there
22 are a lot of successful diversified farmers and they
23 have the longest trucking distance to Honolulu. But
24 they do have a lot of farms up there.

25 Q Right. So I didn't actually mean the

1 distance of transportation as much as the ease of
2 transportation.

3 A Well, if you don't have a road going in,
4 yeah, that's true.

5 Q Or the price of transportation's a factor?

6 A You mean for gasoline?

7 Q Or for shipping from the neighbor islands?

8 A It's a factor, sure.

9 Q And you have to look at the price of the
10 land.

11 A The land rents or the price?

12 Q Well, land rents.

13 A Yes.

14 Q And you would also have to look at the
15 availability of the land for long-term leasing.

16 A It depends. I think you could probably find
17 occasions where the farmers lease for fairly short
18 term. Some farmers will probably require a longer
19 term if they're putting in a large investment.

20 Q Well, there are always exceptions but
21 generally farmers look for long-term leases, right?

22 A Not always because some farmers don't want
23 to commit themselves long term.

24 Q As I said I'm not asking if it occurs in
25 every single case but as a general matter.

1 A As a general matter that's true.

2 Q And the DOA, I think, leases lands for
3 55 acres, is that right?

4 A Fifty-five?

5 Q Fifty-five years.

6 A Years.

7 Q I'm sorry.

8 A I think I read over some RFPs lately for
9 state ag land for agriculture; I don't think they're
10 that long.

11 Q We'll have a DOA witness. So that's okay.
12 Now, your analysis regarding the acreage available I
13 did not see in there an analysis as to whether or how
14 many acres of these lands were available for long-term
15 leases, is that correct?

16 A In terms of getting into lease terms that's
17 correct. But it is obvious that the lands, especially
18 on the North Shore, Kamehameha School lands, Dole
19 lands, they're going to be in agriculture for a very
20 long time.

21 And I think the farmers are aware of that.
22 So the leases may not be real long but there's known
23 commitment to agriculture for those particular lands.

24 Q These are the lands that are currently
25 leased out for agriculture?

1 A Both currently leased as well as available.

2 Q So did you conduct an analysis to determine
3 how many acres are available for long-term leases?

4 A Not in those terms, but I know that most of
5 those lands are.

6 Q Well, but "most" is something more than
7 50 percent?

8 A Just to clarify that. Most of those lands
9 are available for long-term agriculture use. But I
10 didn't get into the duration of each lease. It's
11 generally not within the public domain information
12 like that in terms of what are the terms that they
13 will be asking for.

14 Q And you didn't look at whether or not these
15 lands, what the cost or the price of these land leases
16 would be for all, I think, 15,000 acres on O'ahu, is
17 that right?

18 A For all 15,000 acres, no. The bulk of the
19 lands that are available, again, reflect in the
20 market, allow for the replacement lands being made
21 available to Aloun Farms. So that is within the
22 ballpark in terms of lease rents for farmers requiring
23 fairly large acreage fields.

24 Q But your analysis does not include, as I
25 understand it, or as I read it, did not do a survey of

1 the lands to determine if all of those factors -- let
2 me backtrack.

3 I understood your report to say there's
4 15,000 acres available or more on the Island of O'ahu
5 for diversified, diversified ag, correct?

6 A Right.

7 Q But you didn't look at whether all
8 15,000 acres satisfies all of those condition such as
9 availability for long-term lease, whether it's at a
10 price that's going to be feasible to conduct farming
11 operations. You didn't do that kind of analysis.

12 A You know, I'm very aware of what the major
13 landowners have. But in terms of all the smaller
14 parcels scattered around O'ahu, I did not do a survey
15 of those.

16 Q Okay.

17 A The major landowners, especially the North
18 Shore, basically Dole, Kamehameha Schools.

19 Q How many acres is that?

20 A Between Dole and Kamehameha Schools, about
21 8500 available.

22 Q So is it your testimony that substantively
23 almost all of those 8,500 acres would have water,
24 radiation, price and long-term leasing available for
25 an individual who wants to enter into that contract?

1 A Pretty much, yes. I'm not sure exactly how
2 long the lease that each of 'em would want to write
3 for their lands. But most of the land would be
4 available for long periods in agriculture.

5 Q "Most" being more than 50 percent?

6 A Far more than 50 percent.

7 Q But you don't know how much more?

8 A Nearly all.

9 Q And how much is Dole's?

10 A How much is Dole?

11 Q How much does it cost to lease out land --
12 I'm sorry. How much of that land is owned by Dole?

13 A How much is owned by Dole? I don't have --
14 I don't remember the calculation. Waialua Sugar
15 Company had Dole land, had 16,000 acres plus the Dole
16 Pineapple Plantation.

17 And some of that has been sold to seed
18 companies. Some of it is leased out. But I don't
19 know -- I don't know -- I don't -- off the top of my
20 head I don't recall how much of the available acreage
21 is Dole's.

22 Q Do you have an estimate?

23 A It's been so long since I put those figures
24 together I'd rather not make an estimate for fear that
25 I'd make a mistake.

1 Q We talked about the importance of the price
2 of the lease. Would an assured agricultural land
3 base, that is a land base that is clearly devoted to
4 agriculture and good farming agriculture, would that
5 have an impact in assuring some stability in
6 agricultural land prices or agricultural lease rents?

7 A Having a large supply of ag lands --

8 Q Yes.

9 A -- definitely does contribute to stability
10 of ag rents.

11 Q And your analysis --

12 A Depending on any changes in demand.

13 Q And your analysis looked at the impact of
14 this Project development, correct?

15 A It included the impact of this development
16 as well as the impact of developments in 'Ewa.

17 Q Okay. And, in fact, I think you concluded
18 in the Ho'opili case that there were no significant
19 adverse impacts from the Ho'opili -- from the Ho'opili
20 reclassification, is that right?

21 A Both of 'em covered Ho'opili, Koa Ridge,
22 Waiawa, University of Hawai'i and Department of
23 Hawaiian Home Lands. So the projects have not changed
24 nor has the land inventory. So the testimony is
25 pretty much the same.

1 Q You recommended mitigation measures in the
2 Ho'opili case. Do you remember that?

3 A In terms of phasing of Ho'opili, yes.

4 Q Why didn't you recommend mitigation measures
5 in this case?

6 A Land is being made available to Aloun Farms
7 to relocate with ample time to relocate the farm. So
8 it's not really necessary.

9 Q So in your mind the mitigation measure would
10 be an assurance of relocation.

11 A Yes.

12 Q And do you know if Castle & Cooke owns any
13 good farmlands other than what's owned by Dole?

14 A I believe they do.

15 Q Do you know how much?

16 A No.

17 Q Do you have a ballpark figure?

18 A Yes.

19 Q What is it?

20 A Probably exceeds a thousand acres of
21 farmland. I'm pretty sure it's in that area of
22 magnitude.

23 MR. YEE: Thank you. I have no further
24 questions.

25 PRESIDING OFFICER DEVENS: Mr. Yost, do you

1 have some questions?

2 MR. YOST: Yes, thank you

3 CROSS-EXAMINATION

4 BY MR. YOST:

5 Q Mr. Plasch, I just want to understand the
6 nature of your business. You're an economic
7 consultant, correct?

8 A Correct.

9 Q And to prepare the report that you prepared
10 for this petition -- it's fairly lengthy, I think it's
11 over a hundred pages long -- did you charge a flat fee
12 for that report or did you charge by the hour?

13 A It's a mix. The initial report is a flat
14 fee. Then if there's any additional issues that have
15 to be addressed, and preparing for testimony and
16 testimony that's based at an hourly rate.

17 Q How much did you bill for this, for your
18 work on this petition before you came here today to
19 testify?

20 A It's been so long I really don't remember.

21 Q Can you give me an estimate? Is it greater
22 than \$20,000? Less than \$20,000?

23 A Probably.

24 Q Greater than \$20,000?

25 A I think it probably was.

1 Q Greater than \$30,000?

2 A I'm not sure.

3 Q Okay. Then how much do you charge by the
4 hour for your testimony?

5 A That's a good question. I have to go back
6 and look at -- when I wrote the agreement I specified
7 an hourly rate. And over years that rate increases.
8 So I'm not sure what rate I set up for Castle & Cooke
9 at the time I signed that agreement.

10 Q Is it more than \$200 an hour?

11 A Probably.

12 Q More than 300?

13 A Probably not.

14 Q Okay. I've got a range. That's all I have
15 to ask about that. The work that you do, do you do
16 any work that's not on behalf of developers?

17 A Yes.

18 Q What percentage of your work do you think is
19 not on behalf of developers?

20 A I don't really know. I haven't gone back to
21 make a calculation like that.

22 Q You were the expert in the Ho'opili case for
23 the developer, correct?

24 A That's correct.

25 Q And here you're the expert for the

1 developer. Are there examples you can give -- well,
2 let me ask I guess the estimate question. Is it less
3 than 10 percent of your work that's done for clients
4 that are not developers?

5 A I'd say no.

6 Q Less than 20 percent?

7 A I don't think so.

8 Q Can you give me an estimate so I don't have
9 to guess?

10 A Okay. You're getting close to ballpark but
11 I'm not sure about the percentage.

12 Q So maybe three quarters of your work is for
13 developers.

14 A That's possible. In terms of ag impact, ag
15 assessments?

16 Q Yes.

17 A It's possible. I'm not sure if it's that
18 high but it's possible.

19 Q So the vast majority of your work in terms
20 of agricultural issues is focused on paying clients
21 who are asking you to assist them with their petition
22 to reclassify or some other work that involves the
23 promotion of development; is that fair?

24 A I do do economic consulting on the impacts
25 of projects as well as economic consulting on

1 developing ag plans for major landowners and for the
2 state, for different communities or what to do with
3 sugarcane lands.

4 So I do get involved with assisting with the
5 promotion of farming as well as looking at the ag
6 impacts on projects.

7 Q When you're assisting with the promotion of
8 farming, aren't you doing that generally on the behalf
9 of very large landowners?

10 A That's generally true.

11 Q Now, when you prepared your report you spent
12 a lot of time on the report obviously, correct?

13 A I did.

14 Q And your concerns while you were doing the
15 report that it was important to be accurate, correct?

16 A I try very hard to be accurate.

17 Q And in that report you said that there were
18 around 10,900 acres of class A and B land available on
19 O'ahu, correct?

20 A I may have phrased it that way. As I
21 mentioned earlier, I was focusing on the land that was
22 freed up and remaining available from O'ahu Sugar
23 Company, Waialua Sugar Company, Del Monte and Dole
24 Pineapple.

25 And I wasn't really looking at the land that

1 was available from the past closures of plantations
2 like Kahuku and Waimanalo and Waianae.

3 Q Was there anything that was stopping you
4 from including that additional information at the time
5 you prepared your report?

6 A Well, it was a lot more difficult because I
7 -- at the time I had a lot of information on Dole's
8 plantation, so I knew the numbers since then it's
9 become a lot easier to estimate the acreage for the
10 others I think I mentioned there's additional
11 available but it's very difficult to estimate that.
12 Now it's much easier.

13 Q I understand.

14 A The point, really, that there's at least
15 that much acreage of high-quality land.

16 Q By your estimates.

17 A Yes.

18 Q I understand. At the very beginning of your
19 testimony today I think you misspoke. You said that
20 there were 41,000 acres of A and B land available on
21 O'ahu. That's not correct, right?

22 A That is correct.

23 Q That is correct. Okay. We were just
24 talking about 10,900 in the report, 15,000 in your
25 written testimony and now today you say there's

1 41,000.

2 A In terms of, you know, lot of that was being
3 farmed. But in terms of the amount of A and B rated
4 land within the agricultural district according to the
5 State GIS layers it comes out to be about
6 41,400 acres.

7 Q Well, the 10,900 number that also included
8 land that was being farmed, correct?

9 A No.

10 Q It didn't?

11 A No.

12 Q Okay. The 15,000 that didn't include land
13 that was currently being farmed?

14 A No. When I say the word "available" I mean
15 it's not being farmed.

16 Q One of the points in your testimony was
17 that -- actually let me ask this first. You're aware
18 of the process by which the urban growth boundary was
19 redrawn to include the Koa Ridge land, correct?

20 A I'm not all that familiar with the exact
21 process. I know the City -- well, I guess I do know
22 somewhat about it. I take that back because I
23 prepared a number of agricultural studies for the City
24 in terms of agricultural resources and what farming
25 was going on islandwide, and provided that information

1 to the City.

2 And then they had a lot of public hearings
3 and they ended up drawing the boundary.

4 Q You were paid to prepare that work?

5 A I prepared resource documents. I wasn't
6 involved with the policy decision.

7 Q Were you paid to prepare the resource
8 documents?

9 A Sure.

10 Q And who paid you?

11 A The City and County of Honolulu.

12 Q So that happened in 2003, correct, that the
13 urban growth boundary was extended to include the Koa
14 Ridge lands?

15 A I think -- I'm not sure about the date in
16 terms of that, when that plan came out.

17 Q I believe it's 2- I'll represent to you that
18 it's 2003. I believe that's correct. And I think
19 it's important because in your testimony you said
20 earlier that Aloun Farms leased a large amount of land
21 within the urban growth boundary. And you weren't
22 sure why they had done something like that. But their
23 lease actually --

24 A (Inaudible)

25 Q Okay. Okay. So the Koa Ridge lands, in

1 your written testimony you say they --

2 THE REPORTER: Could you please repeat your
3 answer.

4 THE WITNESS: I made a mistake. Excuse me.

5 MR. YOST: I'm sorry. I'll slow down a
6 little bit.

7 PRESIDING OFFICER DEVENS: You've got to
8 wait for counsel to finish his question.

9 THE WITNESS: I know. I shouldn't have done
10 that. Excuse me. I'm sorry.

11 MR. YOST: Thank you, Chair.

12 Q The Koa Ridge lease for Aloun Farms began in
13 2002 according to your written testimony, correct?

14 A That's correct.

15 Q So as I understand it that's before Koa
16 Ridge was included in the urban growth boundary,
17 correct?

18 A In terms of official adoption by the City
19 council I think that's correct. Usually there's a
20 couple year process when the initial plan is proposed,
21 they have public hearings.

22 So I'm pretty sure that boundary was made
23 available a couple years before 2002. So it would
24 have been before Aloun Farms leased the land.

25 Q There was some discussion about changing the

1 urban growth boundary, but nothing actually happened
2 in a legal sense until 2003?

3 A In terms of a legal sense that's correct.

4 Q All right.

5 A But in terms of having information out there
6 what the Planning Department and the City were
7 proposing, that information was, I'm sure was
8 available.

9 Q There's been a lot of discussion about how
10 we currently import about 85 percent of our food that
11 we consume on O'ahu. Do you agree with that
12 statistic?

13 A Eighty-five percent of food? It's a pretty
14 flakey statistic. I tried to find the research on
15 that. And the best I could determine there is no real
16 substantive research.

17 Q Do you have a different number?

18 A No. It's an accepted figure, but I just
19 point out that nobody really knows, and nobody that I
20 know of has done any real research on the subject. I
21 think it's prepared by Rocky Mountain Institute.

22 When I go through their reports I just can't
23 find any substantive analysis to support that number.

24 Q You don't have any contrary number, do you?

25 A I don't have any contrary number. I'm sure

1 it's high and includes all sorts of foods, not just
2 crop foods.

3 Q Sure. So given, let's say, as you said,
4 it's an accepted figure, do you think that figure is
5 unacceptably high if that's accurate?

6 Do you think we should produce more of the
7 food that we consume locally rather than having
8 85 percent imported?

9 A Well, I think you have kind of a compound
10 question there. So ask me one question at a time.

11 Q Sure. Do you think that we should produce
12 locally more than 15 percent of the food that we
13 consume?

14 A Do I believe it would be better to have
15 increased self-sufficiency? Is that your question?

16 Q Yes.

17 A Rather than accept that figure, I'm not sure
18 the figure's right. It depends on the circumstances.
19 I think it would be very nice. And if it would occur
20 competitively I think it would be an improvement.

21 If it's subsidized or mandated by government
22 or forced by government mandates, you could actually
23 end up lowering our standard of living to do it. So
24 it depends on the circumstances.

25 Q One of the values you address in your report

1 is this value of food self-sufficiency. And you
2 discuss that to some degree. Today you testified that
3 it makes sense to get our food from diverse markets.
4 That was your testimony, right?

5 A In terms of food security that's probably
6 right.

7 Q Okay. So I understand your testimony about
8 getting food from diverse markets. What percentage do
9 you think should come from the local market?

10 A I think whatever the percentage works out to
11 be where they could actually make a go of it, be
12 economically viable. I don't think it has to be a
13 mandated number.

14 Q Well, you're trying to testify about food
15 security, though, right? For the sake of food
16 security what's the number, ballpark that we should be
17 thinking about for food security that should be
18 produced locally, what percentage?

19 A It's something I haven't analyzed and I
20 don't have a number.

21 Q Isn't that critical to any understanding
22 about food security in the context of this case or any
23 land use decisions that we're making in this state?
24 Shouldn't we have some understanding of what amount
25 should be produced locally?

1 A I think it's worthwhile to take a look at
2 the issue of food security and how best to achieve it.
3 And it may or may not be based upon increased
4 self-sufficiency.

5 Q You have to understand your testimony is
6 saying that you can go ahead, pave over this
7 agricultural land and we're going to be fine. That's
8 your, that's your fundamental testimony.

9 So part of how you get there is by saying
10 that the land isn't important for food security. But
11 it seems like you're missing a lot of the background
12 analysis.

13 A What I'm saying is that if you go all the
14 way to a hundred percent self-sufficiency, which I
15 don't think it's very realistic, you need about 25,000
16 additional acres.

17 That's this much on this graph compared to
18 the massive drop in the amount of land that came out
19 of plantation agriculture.

20 So even if I'm very unrealistic as to the
21 amount of land required by going all the way to a
22 hundred percent self-sufficiency, there's ample land.
23 That's really my testimony.

24 So I don't need to get into trying to
25 calculate the exact number which would best promote

1 food security. It's beyond my scope. And it's really
2 not necessary to address that issue as whether or not
3 there's enough land.

4 Q I understand that approach. And given what
5 you say about what's realistic I think that's
6 important for us to discuss. Because the reality is
7 if you look at your chart we've got a precipitous drop
8 in actual production of agricultural products in this
9 since 1960. Wouldn't you agree that's what your chart
10 depicts?

11 A Yes. The peak was 1968, 327,500 acres.

12 Q So we can talk about concepts of what's
13 possible and what's conceptually feasible, but reality
14 is that we're only producing 15 percent. And there
15 are a whole bunch of reasons for that, right?

16 There are low efficiency of the agricultural
17 operations in our state is one reason. They can't
18 compete with mainland producers in the current
19 economic climate.

20 I'm just trying to bring us back to reality.
21 We're only producing 15 percent of our food. And the
22 reasons for that are diverse, correct?

23 A There are diverse reasons, yes.

24 Q So when we talk about, well, there's plenty
25 of land, that's all well and good. Except that it has

1 to be realistic from an economic perspective, which is
2 your background, that that land can be used by people
3 who are trying to make a living, correct?

4 A Yeah. My major point is that land is not
5 the limiting factor. There are a lot of other factors
6 involved, but land is not the one that's limiting
7 production.

8 Q But your analysis goes beyond just whether
9 land is a limiting factor or not. Your analysis goes
10 on to conclude that all things considered we don't
11 have a problem with food scarcity -- food security and
12 we have plenty of resources available to meet whatever
13 local needs we might need for the future.

14 That is a fundamentally important thing we
15 have to think about and discuss in this context, don't
16 you think?

17 A The first part of your question I think is
18 not accurate. The second part is. I don't get into
19 the issue of what's needed for food security. But I'm
20 saying that whatever we need there's enough of a land
21 resource to meet whatever is determined.

22 Q Okay. So I guess your testimony, then, is
23 limited in the sense that you're not saying the type
24 of land we have available and the economic climate and
25 everything else, all the factors, you're not saying

1 that this state is capable of meeting its own needs
2 right now.

3 You're just saying land taken out by itself
4 as one of the many factors that's not a limiting
5 factor.

6 A From a technological standpoint we could be
7 a hundred percent self-sufficient with our land
8 inventory and still have ample land left over. But
9 economically it's not realistic.

10 Q But the land that's at issue in this
11 petition it's currently being used by a farmer, isn't
12 it?

13 A That's correct.

14 Q The lease that you mentioned, you said that
15 it's a ten-year lease for the replacement land with a
16 five-year option. Whose option is that five years?

17 A I think it's Aloun Farms.

18 Q Is it true there is a provision in the lease
19 that the landowner can terminate the lease at any time
20 without consequence?

21 A Half of that statement's true. There are
22 withdrawal rights subject to penalties. So I think it
23 would be very unlikely, given the circumstance, that
24 Dole would exercise that option.

25 But if they were to exercise that option,

1 they'd basically reimburse Aloun Farms for some of
2 their cost. So there are penalties.

3 Q Do you know what those penalties are, how
4 significant they are?

5 A Um, I think it's a graduated scale. They're
6 significant.

7 Q Can you give us a ballpark dollar amount
8 that they would have to pay if it got canceled?

9 A I would have to go back and review the
10 terms.

11 Q The 8500 acres that you said is held by Dole
12 and Kamehameha Schools, I'd like to ask you a couple
13 questions about that.

14 A Sure.

15 Q The water that serves that land, is that
16 mostly coming from Lake Wilson?

17 A It's probably true. A large part of that is
18 upper elevation.

19 Q Can you estimate what percentage of that
20 85 acres is served by the Lake Wilson water?

21 A Let me put it this way: When Waialua Sugar
22 Company was in operation -- that's the lands we're
23 talking about -- they used 80 million gallons of water
24 per day.

25 Half of it was groundwater, half of it was

1 surface water, and it was surface water 40 million
2 gallons per day. Thirty million gallons per day came
3 from Lake Wilson and the other 10 million gallons per
4 day came from three other ditch systems. So...

5 Q So what's the percentage?

6 A It's 30 divided by 80 is the amount of water
7 that was served in terms of a percentage. Thirty
8 divided by 80 would give us the percentage of the
9 amount that was served by Wahiawa Irrigation System.

10 Q Okay. From Lake Wilson?

11 A Yes.

12 Q And that water -- so that's -- I'm bad at
13 math in my head. That's about 25 percent or
14 something, 30 percent?

15 A I like to do things on calculator too. It's
16 less than a third because --

17 Q Right?

18 A Excuse me. More than a third.

19 Q More than a third. Bryan has a note on his
20 pad: "It's 36.5 percent." So about 36.5 percent of
21 that 8500 acres is Lake Wilson water land, basically.

22 A I think that's correct. That accounting
23 also includes some Dole Pineapple land. And the
24 figures I gave you were for Waialua Sugar, but it has
25 the dominant supply of water for the sugar plantation.

1 Q Okay. You mentioned in your report the Lake
2 Wilson land -- I mean the Lake Wilson water -- you
3 can't use that for vegetables, right?

4 A At the current time the City -- well, the
5 City has upgraded their wastewater treatment plant.
6 But it can't handle storm waters. So when there's a
7 storm they discharge some partially treated or
8 untreated sewage water into Lake Wilson.

9 And because of that occasional discharge has
10 an R2 rating, restricts the use.

11 The City is under a mandate by the EPA to
12 upgrade to R1. I haven't checked lately. I think
13 it's middle of last year I checked. They were on
14 schedule to make that upgrade sometime this year to
15 R1. But eventually all that water will be rated R1.
16 It will be unrestricted use for the entire plantation.

17 Q Okay. "Eventually," that's your
18 understanding. But that's not the case now. Your
19 report says as long as there's wastewater, partially
20 treated wastewater continues to be discharged into the
21 lake, then that water cannot be used for vegetables.

22 A Essentially that's correct.

23 Q You also say elsewhere in your report that
24 farmers that are currently farming in Central O'ahu
25 are likely to be displaced and you're going to need

1 3600 acres of land just to accommodate those folks
2 after they're displaced.

3 Do you remember that part of your report?

4 A That's correct. And I have since updated
5 that, and in my testimony gave you the correct
6 figures.

7 Q Okay. I guess what I'm concerned about
8 there seems to be whittling down when you have these
9 numbers of 10,900 or 15,000 or whatever number you're
10 using, you're not always considering the fact that
11 portions of that are not really available because Lake
12 Wilson's the only source for it at this point. Or
13 that they're gonna already be taken up by other
14 farmers who are going to be displaced.

15 A The seed companies did displace some farm
16 operations, especially Larry Jefts who has a lot of
17 land. He did go to the North Shore and put in some
18 wells.

19 But when we're talking about these
20 development projects we're talking about, especially
21 going into 'Ewa, more gradual development and slow
22 displacement. So by the time those farmers need land
23 on the North Shore it will be R1 water.

24 Q But aside from water there are reasons why
25 all this land that you're speaking of is available.

1 There are reasons why it's currently fallow, correct?

2 A Correct.

3 Q And some of those reasons, are they
4 primarily economic? It's not economically feasible
5 for farmers to be farming on those lands at this time?

6 A Primarily because it's of the limited market
7 and, you know -- so you go -- the farmers will
8 obviously, and the landowners will, they'll go to the
9 farm areas or the fields where they have everything in
10 place.

11 If you have to make an investment in terms
12 of improving water systems, for example, you're not
13 going to do it until you have a farmer ready to lease
14 the lands.

15 In other words, you don't spend a lot of
16 money, you know, unless you have a lessee.

17 Q Is part of the problem the speculative value
18 that's foisted on all lands in O'ahu that exists
19 because we are this beautiful, desirable place and
20 people want to build large houses here? There's a
21 speculative value part of agricultural land value,
22 correct?

23 A You're talking about agricultural land
24 values or agricultural rents?

25 Q Yeah, isn't the cost --

1 A Wait, let me answer my question.

2 Q Sure. Sure.

3 A In terms of agricultural land values that's
4 one thing. But what farmers are looking at are
5 agricultural rents. So are you asking about the rents
6 or the land values?

7 Q Let me be clear. Thank you. What I mean is
8 the lease rents for agricultural land on O'ahu are
9 influenced in part by the speculative value of that
10 land, correct?

11 A No.

12 Q You don't think so?

13 A No. Absolutely not.

14 Q You don't think it's -- well, is there much
15 land that's available for fee purchase by farmers,
16 agricultural land?

17 A Statewide or O'ahu?

18 Q On O'ahu.

19 A I think I get into some proprietary
20 information on that. But the answer's yes.

21 Q But not very much, right?

22 A I would say a lot. For example, Campbell
23 just sold very large amounts of land in Kunia.

24 Q Okay.

25 A And I think there's other lands available

1 but I can't really say who.

2 Q Is the price of land that might be available
3 for fee purchase, that that price is going to be
4 influenced by the speculative value of that land for
5 purposes other than agriculture, correct?

6 A I don't like the way you phrased it but the
7 answer's yes. Land in Hawai'i carries an agricultural
8 component as well as a development component where
9 they, say, go out 50 years, a hundred years, say,
10 eventually this land might become ripe for
11 development.

12 And so you look at this value far in the
13 future, figure out what it's going to sell for and
14 discount it back. So land values on O'ahu do reflect
15 a development value to that, but it doesn't influence
16 the farm rents.

17 Q Part of the reason that speculative value
18 exists is that it's possible to reclassify
19 agricultural lands into urban use land through
20 proceedings like this, correct?

21 A It's very difficult, very difficult to do it
22 if you go outside the urban growth boundary. But it
23 still has that value. But it is -- obviously they're
24 thinking extremely long term.

25 I'm not saying "they" in terms of anybody

1 specifically. Just the market places a value on
2 agricultural land that's more than agricultural value.

3 Q But the urban growth boundary was not
4 actually an impediment in this case, right? Because
5 at the beginning when the first petition was filed the
6 urban growth boundary didn't include Koa Ridge but now
7 it does conveniently because it's been redrawn?

8 A I'm not sure about that. When that original
9 petition was proposed, I'm not sure about where the
10 urban growth boundary was or the status of that. I
11 don't recall.

12 Q It was filed before 2003, correct?

13 A I don't recall.

14 Q I'm almost done. The Important Ag Land
15 designation, you're familiar with the law that has
16 been passed leading to that, correct?

17 A Correct.

18 Q And would you agree that the land that's the
19 subject of this petition meets the criteria? If
20 Castle & Cooke wanted to come forward and request
21 designation of the Koa Ridge land as Important Ag Land
22 they would likely succeed, correct?

23 A I'm not sure they would. And it doesn't
24 meet all the criteria.

25 Q You don't think they would succeed if they

1 proposed this land as Important Ag Land.

2 A It depends on the Land Use Commission.

3 Because it does violate -- one of the criteria is
4 whether or not it's consistent with the County Plan.
5 And the development, the Important Agricultural Land
6 designation would be inconsistent with the existing
7 County Plan.

8 So I presume, I'm not sure, but the City
9 could very well come out in opposition of designation
10 of Important Agricultural Land.

11 And it would be up to the Land Use
12 Commission to make that decision whether to go with
13 the landowner or the developer, which I don't think
14 it's gonna -- the subtext I think is kind of
15 ludicrous, but I'm not sure what would actually occur.

16 Q How many criteria are there that relate to
17 whether something is appropriately designated as
18 Important Ag Land or not? Do you know how many
19 criteria there are?

20 A About a half dozen.

21 Q I think there are about seven or eight. But
22 in any case all of the others would apply to this
23 land, correct? The only one that wouldn't apply
24 potentially is whether it's consistent with the urban
25 growth boundary.

1 A Well, there's another one dealing with
2 whether or not it's unique, used for Hawaiian crops.
3 It's inconsistent with that too.

4 Q You think so? Do you think this land isn't
5 unique, the Koa Ridge land?

6 A In terms of the way that criteria is spelled
7 out, I don't think it meets that criteria, but it's
8 kind of a minor one.

9 Q Doesn't this land have unique and important
10 characteristics in and of itself beyond the fact that
11 it's A and B such as it has a cooler nighttime
12 temperature which helps grow certain types of crops?

13 It has a very ready gravity-feed water
14 supply? Aren't those things significant in terms of
15 understanding the importance of this ag land?

16 A In terms of certainly unique properties,
17 yes. But that's not the nature of that particular
18 criteria.

19 Q Were you here this morning when Dean Okimoto
20 with speaking from the Hawaiian Farm Bureau?

21 A Yes.

22 Q Do you remember that he agreed that the land
23 would meet the criteria for Important Ag Land?

24 A He was wrong with actually not meeting two
25 of the criteria. The significant one is consistency

1 with the County Plan.

2 Q Do you have to meet one hundred percent of
3 all the criteria in order to be designated as
4 Important Ag Land?

5 A No, you do not. But you do have to have
6 either the landowner or the City proposed. I don't
7 think the landowner is going to be proposing. And
8 given the plans of the City I don't think they're
9 proposing. So I think it's kind of a moot question.

10 Q One last question for you. And you may or
11 may not know the answer to this question. The process
12 by which the urban growth boundary was redrawn to
13 include the Koa Ridge lands, do you know if Castle &
14 Cooke was involved as a proponent of redrawing the
15 urban growth boundary in 2003?

16 A I could speculate, but I don't know for a
17 fact.

18 Q You don't know for a fact.

19 A That's right.

20 Q I won't ask you to speculate.

21 I have no further questions.

22 PRESIDING OFFICER DEVENS: Ms. Loomis, did
23 you have any cross-examination?

24 MS. LOOMIS: No.

25 PRESIDING OFFICER DEVENS: Do you have any

1 redirect?

2 MR. WYETH MATSUBARA: Mind if I have four
3 questions?

4 PRESIDING OFFICER DEVENS: No, go ahead.

5 REDIRECT EXAMINATION

6 BY MR. WYETH MATSUBARA:

7 Q Let's start with the last question, the
8 urban boundary district line. Are you aware that
9 there was an urban district line prior to -- urban
10 growth boundary line prior to 2003?

11 A I'm not sure of the exact date when that
12 came in.

13 Q So that there would have been no redrawing
14 or reconfiguring to include the Project lands?

15 A If that's correct, yes.

16 Q I want to direct your attention to the
17 questions that were stated earlier regarding keeping
18 ag land in the agricultural district.

19 Do you remember those questions from the
20 Office of Planning?

21 A No.

22 (Laughter)

23 Q Well, generally, they were in terms of the
24 term of the lease for farmers and then also the rent
25 costs for those lands.

1 A And the what?

2 Q And the rent cost, the rent price.

3 A Oh, the rent price. Okay.

4 Q Does keeping land in agriculture ensure that
5 the term of the lease for farmers will be long?

6 A Not really.

7 Q Does keeping ag lands in agriculture
8 designation ensure that the rent value will be at a
9 lower rent value?

10 A No.

11 Q Does keeping ag land ensure that a farmer
12 from an economic standpoint can farm that land?

13 A Not really.

14 Q Okay. Now I'm going to go over to the Aloun
15 Farms relocation real quick. As far as you're aware
16 Aloun Farms is being relocated to lands on the North
17 Shore.

18 A Yes.

19 Q Does the relocation lands that are being
20 provided to Aloun Farms, does that have an R1 or good
21 quality resource for their farming?

22 A Yes. Heleman Ditch has R -- well, it
23 doesn't have to have a rating, but you could irrigate
24 any type of crop with the water from upper Heleman
25 Ditch.

1 MR. WYETH MATSUBARA: Okay. No further
2 questions.

3 PRESIDING OFFICER DEVENS: Commissioners,
4 did you have any questions? Commissioner Kanuha.

5 COMMISSIONER KANUHA: Thank you,
6 Mr. Chairman. Mr. Plasch, in your testimony you state
7 that Aloun Farms presently has a lease, is that
8 correct?

9 THE WITNESS: I may have said that. And it
10 could be license. I'm not sure which.

11 COMMISSIONER KANUHA: Okay. And you go on
12 to further say that the replacement -- on the
13 replacement arrangement that would be a license.

14 THE WITNESS: Yes.

15 COMMISSIONER KANUHA: So did I understand
16 your testimony that on the replacement lands that that
17 license is a ten-year license with a five-year option?

18 THE WITNESS: Yes.

19 COMMISSIONER KANUHA: Okay. Thank you.

20 PRESIDING OFFICER DEVENS: Commissioner
21 Lezy.

22 COMMISSIONER LEZY: Thank you, Chair.
23 Dr. Plasch, this is kind of an obtuse question but
24 it's one I at least have some personal curiosity about
25 at least in this context. Not just in this petition

1 but we often hear questions concerning
2 self-sufficiency in the agricultural context.

3 And oftentimes we hear the phrase
4 "100 percent self-sufficiency agriculturally". And
5 I've never heard anybody really define that. Since
6 you're the agricultural consultant, can you provide a
7 definition of what that would mean?

8 THE WITNESS: Um, basically no imports. So
9 everything is produced locally.

10 COMMISSIONER LEZY: Is that really feasible?
11 And the reason I ask that is I'm thinking about
12 standing in the produce section at Safeway and looking
13 at everything that's there. And I'm wondering whether
14 it would be possible to accomplish that goal. Or are
15 we just going to eat eggplants?

16 THE WITNESS: It's definitely feasible
17 because the Hawaiians did it with a very large
18 population. But you would end up with less varieties
19 of food and more expensive food and lower standard of
20 living.

21 The whole basis for a lot of economic growth
22 is specialization and trade because it increases your
23 standard of living. If you think about it everybody
24 does it every single level of economic unit starting
25 within your own family. You split up chores and

1 certain people do more of one kind than the other.

2 So you get into a larger community. Waikiki
3 doesn't grow its own food. They trade for food coming
4 from other parts. It's true within a family, within a
5 community, between states, between nations.

6 So you do it to increase your standard of
7 living. So theoretically it is possible to go to a
8 hundred percent self-sufficiency but you would give up
9 a lot to do it.

10 COMMISSIONER LEZY: Thank you.

11 PRESIDING OFFICER DEVENS: Commissioner
12 Kanuha.

13 COMMISSIONER KANUHA: Thank you,
14 Mr. Chairman. Bruce, I had another follow up question
15 on the questions I asked you earlier and your answers.
16 So Aloun Farms currently has a license?

17 THE WITNESS: Currently I'm not sure. I
18 forgot to check whether or not they have a lease or a
19 license.

20 COMMISSIONER KANUHA: Your statement in here
21 says they have a lease.

22 THE WITNESS: It's possible. I think I did
23 know at one time. But as I sit here right now I'm
24 not, I don't recall whether it's a lease or license.

25 COMMISSIONER KANUHA: Do you recall what

1 the terms are? Are you familiar with the terms of
2 that lease or license?

3 THE WITNESS: Well, I think it's a ten-year
4 term on the lease. And in 2008 lease rents or the
5 rent was \$108 per acre per year.

6 COMMISSIONER KANUHA: It's a ten-year term.
7 They have had it since 2002. So they're eight years
8 into the term.

9 THE WITNESS: Right.

10 COMMISSIONER KANUHA: Okay. Is that a
11 favorable timeframe to secure any kind of financing to
12 support an operation as big as Aloun Farms?

13 THE WITNESS: Apparently it was. They
14 entered into that lease knowing it was a short-term
15 lease at the beginning of the term. Alec Sou is a
16 very intelligent farmer. And I'm positive he made
17 calculations to make sure that he would be profitable
18 farming that land for a ten-year period.

19 COMMISSIONER KANUHA: Okay. Thank you.

20 PRESIDING OFFICER DEVENS: Doctor, I had one
21 question. I understand what you're talking about the
22 availability of land and whether or not it's
23 economically feasible or not is another question. But
24 does there come a point where we say "no more"? We
25 draw the line and say we cannot afford to lose any

1 more of this prime ag land.

2 If so when do we reach that point? When do
3 we start thinking in those terms?

4 THE WITNESS: Well, in a sense I think the
5 City has already done it. I think the City and State
6 should be cautious, and make sure if you lose an
7 agricultural resource -- it's correct, if it's paved
8 over it's gone. So you have to make sure the benefits
9 are overriding and given the circumstances.

10 And I think the City by defining those urban
11 growth boundaries they did a balancing act between
12 providing enough homes and preserving the high quality
13 agricultural land in Kunia and on the North Shore.

14 The idea is that you do make room for
15 urbanization so you don't increase urban pressures on
16 your other good ag land, the larger supply.

17 Otherwise you end up leap frogging places
18 like Koa Ridge and contributing to urban sprawl. So I
19 do think the concept is right. And I think the City
20 has addressed it.

21 PRESIDING OFFICER DEVENS: We also know that
22 the boundaries change over time. Is there some
23 thought in your mind as to certain areas that should
24 not be touched at all or a number where we say we
25 don't go beyond that number in terms of converting

1 prime ag land?

2 THE WITNESS: Yeah. You'll always be
3 looking at that in the circumstances and in the
4 future. And urban growth boundaries they have now
5 will probably accommodate growth for 20 to 30 years.
6 Eventually they're going to be reevaluating that.

7 I think it's up to the decision-makers of
8 20, 30 years to do reevaluations as to whether or not
9 that land should be urbanized.

10 Going back in time, I was heavily involved
11 with a lot of the debates going on in the '70s and
12 '80s as to where should O'ahu urbanize to preserve the
13 sugarcane lands. And the decision-makers at the time,
14 both at the State and the City, were really well aware
15 of the issues.

16 And basically they confined the urban growth
17 to Mililani, and south and 'Ewa and preserving Kunia
18 and the North Shore. I think that's going to carry
19 forward for a very long time then it's going to be
20 re-evaluated.

21 PRESIDING OFFICER DEVENS: Okay. So based
22 on your answer you don't have a number in mind as far
23 as how much acreage we can afford to lose.

24 THE WITNESS: Um, no. But the reality is we
25 have a very large excess supply of agricultural land.

1 So I don't think we're bumping up to any great harm to
2 agriculture.

3 PRESIDING OFFICER DEVENS: Any other
4 questions, Commissioners? Redirect?

5 MR. WYETH MATSUBARA: Just the point
6 referring to written testimony by Alec Su,
7 Commissioner Kanuha, it refers to a lease. I guess
8 that's the language. My understanding of a lease and
9 a license they basically have the same form. But
10 Alec refers to the lease referring to his new
11 relocated land on the North Shore.

12 COMMISSIONER KANUHA: The new land. It
13 would be a lease rather than a license. Okay. Thank
14 you.

15 PRESIDING OFFICER DEVENS: You also had some
16 final questions?

17 MR. YOST: I do, thank you. I'll try to be
18 very brief.

19 RE-CROSS-EXAMINATION

20 BY MR. YOST:

21 Q I just want to understand a little better.
22 Earlier you were saying about 41,000 acres total of A
23 and B, class A and B lands is available on O'ahu and
24 that includes lands that's currently being used?

25 A Yeah. I don't use the term "available"

1 because it includes land that's in another use. The
2 amount of A and B rated land in the agricultural
3 district on O'ahu, according to the State Land Study
4 Bureau layer, is about 41,400 acres.

5 Q Does that mean that 26,000 acres -- because
6 I'm using your 15,000 figure from your written
7 testimony as the land that's not being used for
8 agriculture but is available for agriculture, right?
9 That's your number?

10 A Right.

11 Q So if you subtract 15,000 from 41 that's
12 26,000. Does that mean that you're saying there is
13 26,000 acres of A and B land currently in use on O'ahu
14 for crop protection or agricultural production?

15 A No.

16 Q I guess I want to try to understand what
17 you're really saying and how much of that 26,000 acres
18 is being used for agricultural production.

19 A It's a good question. There is a lot --
20 there's some discrepancies in the numbers. So the
21 15,000 acres, the way I built that up was actually
22 going around looking at good farmlands that have a
23 recent history of being used or the surrounding land
24 that could be used and just adding that up.

25 The 41,400 acres is from a layer and

1 probably includes a lot of grazing, could include some
2 grazing land, a lot of land that's probably being
3 fallowed, but it's still leased out and it's not
4 available.

5 Q Does it include land that's been
6 reclassified and been built up as revenues?

7 A No.

8 Q No.

9 A So there's some additional A and B rated
10 land in the other districts. So that that
11 accounting only -- the number I gave you is only for
12 the agricultural district.

13 Q So you don't know how much of that 26,000
14 acres, as you're saying, is actually being used
15 currently for agricultural production.

16 A About half.

17 Q You think about half.

18 A Around in there.

19 Q Okay. So with the 12,500 acres or so there
20 were 13,000 acres that you think were approximately
21 being used on O'ahu for agricultural production, that
22 includes some grazing as well probably?

23 A It could include some grazing and fallowing.
24 It's just a ballpark estimate.

25 Q So we're able to produce 15 percent of our

1 food supply with that 13,000 acres. And you're saying
2 if we had another 15,000 that were available on O'ahu
3 that's plenty for whatever we need.

4 We still have this kind of elusive number,
5 which you can't give us about what number is important
6 for food security. I'm not talking about hundred
7 percent self-sufficiency but food security.

8 You don't have a percentage for that. But
9 if we're only able to do 15 percent using
10 13,000 acres, and we have another 15,000 potentially
11 with some water issues and some other issues, but
12 regardless does that mean we're maxing out at
13 30 percent, 35 percent with the available land on
14 O'ahu?

15 A It's a very complicated question. Let me
16 point out that the crops being grown on O'ahu include
17 export crops such as some pineapple, some coffee, a
18 lot of seed corn. So the acreage figures that we are
19 talking about are not crops for self-sufficiency.

20 Q You don't really have a comprehensive
21 analysis that answers these questions, right?

22 A I don't have an exact estimate for that
23 stuff.

24 MR. YOST: I don't have any further
25 questions.

1 PRESIDING OFFICER DEVENS: Any redirect
2 based on that limited testimony?

3 MR. WYETH MATSUBARA: No questions.

4 PRESIDING OFFICER DEVENS: Thank you. The
5 witness is excused. Do you have one final witness for
6 today?

7 MR. MATSUBARA: Yes.

8 PRESIDING OFFICER DEVENS: We'll take a
9 short break and continue with the last witness.

10 (2:35 Recess was held. 2:50)

11 PRESIDING OFFICER DEVENS: We are back on
12 the record. Mr. Matsubara, do you want to call your
13 next witness.

14 MR. MATSUBARA: Next witness is Daniel Lum,
15 Mr. Chair.

16 DANIEL LUM
17 being first duly sworn to tell the truth, was examined
18 and testified as follows:

19 THE WITNESS: I do.

20 PRESIDING OFFICER DEVENS: Please state your
21 name and your address.

22 THE WITNESS: Daniel Lum. My business
23 address is 1188 Bishop Street, Suite 1708, Honolulu,
24 Hawai'i, 96813.

25 PRESIDING OFFICER DEVENS: Thank you.

1 Direct?

2 DIRECT EXAMINATION

3 BY MR. MATSUBARA:

4 Q Thank you. Mr. Lum, at my request you
5 prepared written testimony that summarized the reports
6 that you have done for this Project, is that correct?

7 A Yes.

8 Q For the Commission and the parties' benefit
9 that exhibit has been marked and introduced as
10 Exhibit 44. Mr. Lum, you attached your professional
11 resumé to your testimony, is that correct?

12 A Yes.

13 Q How long have you professionally practiced
14 as a geologist and hydrologist?

15 A Some 50 years.

16 Q Thank you. Of which you spent 29 years with
17 the Department of Land and Natural Resources, State of
18 Hawai'i and retired as senior hydrologist, geologist
19 and as the head of the Water Resource Survey Branch,
20 is that correct?

21 A That's correct.

22 MR. MATSUBARA: Mr. Chair, I'd like to
23 qualify Mr. Lum as an expert in groundwater resources.

24 PRESIDING OFFICER DEVENS: Parties have any
25 questions regarding the witness's qualifications?

1 Hearing none, the witness will be so qualified. I'm
2 sorry. Commission have any questions? None.

3 MR. MATSUBARA: Thank you.

4 Q You're qualified as an expert. Mr. Lum,
5 could you summarize the written testimony you provided
6 to the Commission.

7 A Yes. In my studies I addressed the area's
8 groundwater resources, the Project's available
9 requirements and the availability of water to meet
10 those requirements.

11 I also addressed the potential impacts and
12 mitigation measures for the Project relating to the
13 underlying aquifer, groundwater occurrence and the
14 sustainable yield.

15 I will now summarize my findings thusly.
16 The Project is located within the Waipahu-Waiawa
17 aquifer system, one of four aquifer systems that make
18 up the Pearl Harbor Groundwater Management Area.

19 The development and use of groundwater in
20 any designated water management area are regulated by
21 the Water Commission or the State Commission on Water
22 Resource Management. Hereafter I'll refer to it as
23 the Water Commission.

24 Before groundwater can be developed and used
25 for the Project permits will have to be obtained from

1 the Water Commission for well construction, pump
2 installation, and groundwater use. In issuing these
3 water use permits the Water Commission uses various
4 criteria including:

5 (1) That the requested amount of water use
6 added to the amount of other permitted water uses will
7 not exceed the sustainable yield of the underlying
8 aquifer which is -- excuse me.

9 And (2) that requested water use will not
10 interfere or adversely impact the utility and quality
11 of other legally permitted uses within the aquifer.

12 Also in regard to water development and use
13 Castle & Cooke will prepare and submit a water master
14 plan together with all related construction plans and
15 drawings to the Board of Water Supply for their review
16 and approval.

17 In regard to water availability the
18 sustainable yield of the Waipahu/Waiawa aquifer has
19 been established at 104 million gallons per day by the
20 Water Commission.

21 As of June 20th, 2007 the Water Commission
22 has issued water use permits for a total of 84.5 --
23 excuse me, 84.856 million gallons per day or
24 81.59 percent of the 104 million gallons per day
25 sustainable yield.

1 Thus the balance, the 19.144 million gallons
2 per day of groundwater remains unallocated and
3 available within the underlying aquifer, which is the
4 Waipahu/Waiawa aquifer.

5 On the other hand, the Project's total water
6 requirement averages 2.71 billion gallons per day.
7 That computes from an estimated 2.006 million gallons
8 per day for Koa Ridge Makai and average of
9 0.704 million gallons per day for Castle & Cooke
10 Waiawa Development.

11 To repeat. The 19.144 million gallons per
12 day of groundwater currently unallocated and available
13 in the Waipahu-Waiawa aquifer system is sufficient to
14 meet the Project's average daily water requirement of
15 2.71 million gallons per day without exceeding the
16 aquifer's sustainable yield of 104 million gallons per
17 day.

18 It is my professional opinion that all Water
19 Commission criteria can be met and that approval of
20 water permits needed for the Koa Ridge Makai and the
21 Castle & Cooke Waiawa developments can be reasonably
22 anticipated.

23 With regard to groundwater recharge: The
24 Koa Ridge Makai and Castle & Cooke Petition Areas lie
25 below the 50-inch-a-year rainfall isohyet or contour

1 similar to other suburban areas. It is generally
2 accepted by Hawai'i hydrologists that areas in Hawai'i
3 receiving less than 50 inches of rainfall a year do
4 not contribute a significant amount of groundwater
5 recharge based on net infiltration of the groundwater.

6 This is because in such areas receiving 50
7 inches of rainfall, evapotranspiration is estimated to
8 equal or exceed the amount of rainfall. Consequently,
9 the proposed Koa Ridge Makai and Castle & Cooke Waiawa
10 developments are not expected to adversely impact
11 groundwater recharge or the sustainable yield of the
12 underlying aquifer system.

13 Finally, with regard to water quality. It
14 is known that the Waipahu-Waiawa aquifer has been
15 affected by the prior use of pesticides on former
16 pineapple cultivated lands.

17 And based on the State Department of
18 Health's 2005 groundwater contamination match,
19 agricultural pesticides continue to be present in a
20 number of wells in the Waipahu-Waiawa aquifer.

21 This contamination in the water supply is
22 currently mitigated by the Honolulu Board of Water
23 Supply with granular activated carbon treatment which
24 Castle & Cooke will provide for the Koa Ridge and
25 Waiawa Project.

1 The Koa Ridge development will ultimately
2 reduce the potential for pesticide contamination for
3 groundwater by going from a situation of more
4 agricultural land to less agricultural land.

5 Also currently available off-the-shelf
6 herbicides and pesticides intended for home use are
7 much less toxic than before and are not considered to
8 pose a significant threat to the groundwater.

9 Round-Up, for example, is an herbicide
10 that's used and is specially formulated to rapidly
11 break down after use and upon contact with soil and
12 water.

13 Also the volumes and concentrations used in
14 the home pesticides and herbicides are also not
15 considered sufficient to pose a significant leaching.

16 Finally, the proposed well sources must also
17 be approved by the State Department of Health Safe
18 Drinking Water Branch.

19 And such approval includes the submittal of
20 a satisfactory engineering report which must address
21 potential sources of groundwater contamination,
22 alternative control measures, and water quality
23 analyses for all regulated contaminants to demonstrate
24 compliance with all drinking water standards. That
25 concludes my testimony.

1 MR. MATSUBARA: Mr. Lum is available for
2 cross.

3 PRESIDING OFFICER DEVENS: Cross-
4 examination? City has none. Mr. Yee.

5 CROSS-EXAMINATION

6 BY MR. YEE:

7 Q Thank you. I noticed in your testimony you
8 indicated the water use permits as of June 20, 2007.
9 Is that the latest time period for which data is
10 available?

11 A It's the data that was available when I
12 wrote the report.

13 Q Do you have -- have you ever updated -- is
14 there more data now and did you update that?

15 A I would suspect so.

16 Q But you don't have the information.

17 A No, I don't.

18 Q And the water use permit apparently total
19 84.856 mgd, is that correct?

20 A Yes.

21 Q Did you include in your calculation or is it
22 included within the number of water use permits,
23 future water use permits that may be required such as
24 from Gentry, from the Gentry project?

25 A The permits that have been allocated 84

1 million gallons per day permitted uses include amounts
2 of water that have been permitted to the Board of
3 Water Supply who in turn, I believe, have identified
4 them for various other projects.

5 Back years ago the Water Commission
6 acquiesced or assisted the Board of Water Supply in
7 allocating extra water that they weren't going to use
8 immediately.

9 And this was so that developers could
10 qualify their -- financially qualify their projects.
11 So I do not know what that mix is right now.

12 Q At some point before you hit the sustainable
13 yield you will trigger a water management area review,
14 is that right, by CWRM, the Commission on Water
15 Resource Management?

16 A Would you repeat that.

17 Q At a certain point before you actually
18 withdraw up to the sustainable yield there will be --
19 there would be a Commission on Water Resource
20 Management review to determine whether or not the area
21 should be designated as a water resource management
22 area, is that correct?

23 A The area's already designated.

24 Q So the area is already designated as a water
25 resource management area which then triggers an

1 additional review by CWRM for water use in that area
2 from that aquifer, correct?

3 A That has already been done.

4 Q Okay. As I understand you're saying the
5 Board of Water Supply probably has some additional
6 capacity within their existing permits, but you don't
7 know how much capacity that is.

8 A No.

9 Q And you don't know whether the capacity has
10 included -- well, okay, I think you have answered the
11 question. Just to be clear. The 50-inch rainfall
12 designation is that sometimes called a zone of -- is
13 it inundation?

14 A No. There's a term called zone of
15 contribution.

16 Q I'm sorry. The zone of contribution.

17 A That relates to a specific well.

18 Q Oh, okay. Rather than to an aquifer.

19 A Correct.

20 Q And one of reasons you bring that up is
21 because in a prior petition there was an area that was
22 within that zone of contribution that was included for
23 development?

24 A No. I don't believe you're correct.

25 Q So there was never an attempt to develop

1 within the zone of contribution?

2 A No. Zone of contribution is a technical
3 term that relates to the withdrawal of water from a
4 well. And there's software programs to determine
5 that. Basically one has to determine the parameters
6 of the aquifer.

7 The first of all is what direction is the
8 groundwater recharge coming from. So the zone of
9 contribution is, in common sense terms, upstream or in
10 the opposite direction of the flow of groundwater.

11 Q Okay. Let me rephrase that. Thank you.
12 Within the 50-inch rainfall area there will be no --
13 let me rephrase that.

14 There's no place within the Petition Area,
15 this Petition Area, which has a 50-inch rainfall,
16 isohyet I think it's called?

17 A That's correct.

18 Q Actually let me just leave that. You
19 indicate that the increase in impervious surfaces due
20 to land development may result in some reduction in
21 recharge. Do you know how much?

22 A No. But it's less than 1 million gallons
23 per day. That's my estimate.

24 Q And then you indicated that residential use
25 of herbicides or pesticides would not have a

1 significant impact on groundwater. Right?

2 A I don't think so.

3 Q I just want to be clear. That does not
4 address, or you're not trying to discuss what impact
5 residential use of herbicides, pesticides or
6 fertilizers may have on surface water. You're not
7 addressing issues of surface water, correct?

8 A No.

9 Q And then in your testimony you said, "It is
10 recognized that there is a need for baseline
11 monitoring and collecting more data."

12 What did you mean by that?

13 A What I mean that "baseline data"? Is that
14 your question, "What is baseline data?"

15 Q Well, I just don't know actually what your
16 sentence meant. Why do you need to do baseline
17 monitoring and collecting more data?

18 A Baseline data is taking data, collecting
19 data before something occurs. So of course there were
20 eight monitor wells put in, I believe six by the Board
21 of Water Supply, two by the State Water Commission.
22 And that were judiciously distributed.

23 Most of them are down-gradient of the
24 Project Area and they are collecting data. Actually
25 monitoring. So this base of data is the baseline

1 data.

2 Then one would be able to look at what
3 occurs when you put in Project wells. Okay. It takes
4 time. You know, the response is not going to be
5 instantaneous. It takes years. So you need this
6 baseline data so that you can compare and analyze
7 what's going on.

8 Q Does that baseline data exist today? Or is
9 it something that's going to be gathered over time?

10 A No, it's started already.

11 Q Do you have enough now to make the
12 decisions?

13 A Well, this baseline data is being gathered
14 by the Honolulu Board of Water Supply and the Water
15 Commission.

16 Q I'm really just trying to figure out what
17 your sentence means. Are you saying you're all done;
18 there's nothing more that needs to be done for
19 baseline data collection -- or baseline monitoring and
20 collecting more data? Are you all done with that?

21 A No. It's ongoing.

22 Q It's ongoing. When will you have enough
23 that you can then move forward?

24 A It's an ongoing database. It's not a
25 question of when do you have enough. You keep

1 watching it. And if you see some changes that are
2 adverse then you will know it. You will have recorded
3 it.

4 Q So are you simply saying you need to
5 continue to do the existing monitoring?

6 A I think so. I think it's wise. I think the
7 two agencies that made a wise decision.

8 Q Is there any new monitoring that will be
9 required?

10 A Not that I'm aware of.

11 Q Is there any expiration for the current
12 monitoring?

13 A Expiration?

14 Q Is it an indefinite practice that they're
15 engaging in? Or have they expressed some intent to
16 terminate that monitoring?

17 A I'm not aware of what the agency's plans
18 are.

19 Q So basically that sentence in your testimony
20 simply says the State and the Board of Water Supply
21 should continue to do what they're doing.

22 A Yes, if they want to study the impacts of
23 wells drilled in the mauka areas -- areas mauka.

24 Q And they should want to know that.

25 A Yes.

1 Q Okay. That's fine.

2 MR. YEE: I have no further questions, thank
3 you.

4 PRESIDING OFFICER DEVENS: Mr. Yost.

5 CROSS-EXAMINATION

6 BY MR. YOST:

7 Q Good afternoon, Mr. Lum. I want to
8 understand a little better the concepts of sustainable
9 yield. Is that an estimate essentially? It's not a
10 firm number, right? When you're saying there's
11 104 million gallons per day of sustainable yield from
12 an existing aquifer that's an estimate of how much
13 water is available, right?

14 A It's the best scientific approach available.

15 Q Does that number focus on average
16 availability of water? Or does it take into account
17 things like peak usage and droughts?

18 A No. Sustainable yield is a long-term
19 average. It's a long-term average. It's over the
20 long term. It should be available 104 million gallons
21 per day.

22 Q Of the 84 odd million gallons per day that's
23 currently under permitting, what's the peak usage for
24 that 84 million gallons? Do we have any estimate of
25 that?

1 A It doesn't have a peak usage number attached
2 to it. It's just a long-term average. It's also a
3 long-term average.

4 Q Why is this area -- why has it been
5 designated as a water resource management area?

6 A Why has it been designated? Back when the
7 plantation, during the plantation era there was
8 excessive pumping.

9 The plantation was pumping a lot of water.
10 And the Board of Water Supply and the Navy were
11 pumping a lot of water. So there was fears and
12 concern, rather, that, you know, the pumpage was
13 approaching the sustainable yield.

14 Q Does that concern --

15 A But today all the plantation pumpage has
16 ceased.

17 Q So you don't think it should be designated
18 as a water resource management area anymore given its
19 current usage?

20 A No, it is. It has been. And I see no
21 reason to withdraw that.

22 Q Okay.

23 A It's designated.

24 Q You think there's less pressure on the
25 aquifer now than there used to be.

1 A Yes, I do.

2 Q What about drought? What if we have a
3 longer-term drought? Does that change your analysis
4 at all?

5 A No. It does not change the estimates of
6 long-term averages.

7 Q Is this aquifer dependent on recharge for
8 its sustainability?

9 A Yes.

10 Q From rainwater, correct?

11 A Yes.

12 Q So why wouldn't a longer-term drought change
13 your analysis?

14 A Because the aquifer is very extensive. In
15 this case the aquifer we're talking about, the Pearl
16 Harbor Water Management Area, is very extensive. So
17 the rainfall from year to year will vary. The total
18 rainfall on an annual basis varies from year to year.

19 But when we do the analysis -- and I didn't
20 do it, the Water Commission actually came up with the
21 numbers of sustainable yield -- they based it on the
22 long-term average, the long-term average of rainfall,
23 the long-term average of runoff, and the long-term
24 average of evapotranspiration.

25 Q In the EIS do you recall that there was

1 mention of a desalination plant being a backup? If
2 there was somehow not enough water available that
3 there was always the option of a desalination plant.
4 Do you recall that in the EIS?

5 A No, I do not. But common sense, yes, that
6 would be the ultimate backup.

7 Q If you had to use that backup would that be
8 extraordinarily expensive compared to the price we pay
9 now for water?

10 A Yes. The State and the Board of Water
11 Supply both did studies. The cost far exceeds or
12 significantly exceeds the cost of water today.

13 Q Do you have any sense of what the risk is or
14 the potential is for needing a desalination plant
15 based on the usage patterns that we have now in
16 Central O'ahu?

17 A My feel is that that's years away, some
18 years away.

19 Q How many years?

20 A I can't give you a number but --

21 Q Can you give me an estimate?

22 A It probably will be beyond my lifetime. I
23 think that there's that much water because I gave you
24 the numbers: 104 million gallons per day. Currently
25 as of 2006 the water usage out of that Waipahu-Waiawa

1 aquifer was only 50 million gallons per day so roughly
2 half, a little less than half.

3 Q And the 84 million gallons a day that
4 doesn't include the Waiawa Ridge development that's
5 been allowed, permitted for development but not, it
6 hasn't received its water permit, right?

7 A That's correct.

8 Q And do you have any estimate of how many
9 other projects have been, you know, the development
10 has given the initial green light but they don't have
11 a water permit yet?

12 A Well, I would surmise that the developments
13 that are viable right now -- and it's just my guess --
14 that they have, in order to get financial backing they
15 have to have the resource. You can't go get -- you
16 can't do a project and get financing for it if you
17 don't have the water.

18 So I would surmise that they have approached
19 the Board of Water Supply and have some contingency
20 there. The Board of Water Supply may have a
21 contingency of permitted use that is not used.
22 They're only using 15 -- they're only using 34 million
23 gallons a day right now. By "right now" I mean 2006.

24 Q Who is using 34 million gallons a day?

25 A The Board of Water Supply.

1 Q From this aquifer.

2 A Yes.

3 Q We talked about how there are chemicals,
4 pollutants in the soil. And when the wells are
5 drilled is there going to be danger of contamination
6 during that drilling process of the aquifer?

7 A During the drilling? Ah, nothing
8 significant. The main important concern is that the
9 well be properly grouted with cement. And that's the
10 design, that's the standard design today that we grout
11 the angular space between the casing and the well bore
12 with cement all the way down to near the water table.

13 Q Once the wells are drilled and if the water
14 is found not to be potable because there's chemical
15 contamination, you're saying that you're certain it
16 can be resolved with granular carbon-activated
17 treatment?

18 A It's being done today by the Board of Water
19 Supply.

20 Q But do you know if that's going to be
21 sufficient for the wells that are drilled in Koa
22 Ridge?

23 A What will be sufficient?

24 Q That sort of treatment for pollution.

25 A The method?

1 Q Yes.

2 A Yes. They just have to build more
3 facilities, increase the capacity.

4 Q So that's going to resolve any potential
5 problem that they encounter you think.

6 A Oh, yes. You have to understand the water
7 systems that Castle & Cooke puts in are ultimately
8 dedicated to the Honolulu Board of Water Supply. And
9 in so doing they oversee the review and approval of
10 everything connected with the development of the new
11 water system for the projects.

12 Q Okay. Last question for you. The baseline
13 monitoring and data collection that you've discussed
14 with Mr. Yee, the reason why it's important to do that
15 in part is that you don't really know exactly what's
16 going to happen until it happens, right?

17 You drill these wells. You can predict what
18 the effects might be, but you don't know for certain.
19 That's why you collect data downstream?

20 A That is generally the case. That is
21 generally the case, yes.

22 Q So it's possible that data could be
23 collected that sends off warning bells of some kind
24 that the Koa Ridge wells are having an adverse effect
25 on other users and something needs to change? That's

1 possible, right?

2 A Yes. There's two things you want to look at
3 broadly speaking when you do this baseline monitoring.
4 That is whether the aquifer is shrinking. See, the
5 aquifer itself is like an underground storage tank.
6 It can expand. It can thicken.

7 When you pump water in excess of the amount
8 of water coming into the aquifer it will shrink or
9 diminish. So one of the things you look for with
10 these baseline monitoring, these are deep wells now
11 that penetrate the freshwater lens, goes into the
12 saltwater that keeps it floating -- actually the fresh
13 water floats on the saltwater underneath.

14 And so they have these monitor wells
15 penetrate the freshwater zone, so-called transition
16 zone going from freshwater to saltwater. Then it
17 penetrates into the saltwater zone.

18 And so the data that's been gathered, it's
19 presented in my report, it shows that for the past 15
20 to 20 years things are pretty stable.

21 Q How long does it take for an aquifer to
22 shrink?

23 A That's debatable. That's subject to debate.

24 Q How quickly can that happen?

25 A Well, an aquifer can recover rather quickly.

1 There's -- I can't cite you specific instances. But,
2 yes, when you take, for example, a more extensive
3 situation than this particular Project. This
4 particular Project deals with a very extensive basal
5 lens, very thick. Got lot of storage in it.

6 But when you go to, say, a neighboring
7 island and you're dealing with the coastal edge of the
8 basal aquifer, you pump the well. It's like
9 pumping -- it's like sucking on a straw of tea. As
10 you put sugar in it the sugar layer is down on the
11 bottom. The straw is in the water part of your glass
12 of tea. If you suck strong enough or hard enough on
13 it you induce some of that sugar water to rise.

14 Same thing occurs in a groundwater well, in
15 a basal aquifer in Hawai'i.

16 Q Is that saltwater that would be rising?

17 A Yes. That's the comparison. It's just
18 analogous. In the past wells were pumped excessively
19 usually by the plantations.

20 And when I first started here back in the
21 '60s, you know, we thought that once you do that
22 you've ruined the aquifer for good. But it isn't the
23 case. The aquifer recovers rather quickly.

24 Q So what happens if the water becomes
25 brackish here because the Koa Ridge causes

1 overpumping? How do you resolve that?

2 A We see that as not being a problem because
3 of the sustainable yield estimates that have been made
4 and studied by the Water Commission.

5 And there's a sustainable yield of the
6 underlying aquifer is 104 million gallons per day.
7 That's a long-term average. That's the amount of water
8 we figure should be available on the long term.

9 That is much more than the 50
10 million gallons per day that's being withdrawn now.
11 And that exceeds the 84, million gallons per day
12 that's permitted.

13 And with the Project 2.7 million gallons per
14 day added to the 84 you've got about 86, 87 million
15 gallons per day. But that compares with the 104. So
16 things look good.

17 MR. YOST: I don't have any further
18 questions.

19 PRESIDING OFFICER DEVENS: Ms. Loomis, did
20 you have any questions?

21 MS. LOOMIS: I have a question.

22 PRESIDING OFFICER DEVENS: Go ahead.

23 CROSS-EXAMINATION

24 BY MS. LOOMIS:

25 Q After Castle & Cooke dedicates the new wells

1 to the Board of Water Supply, who assumes the
2 operating cost to replace the carbon filters?

3 A I'm not sure of that. But I would presume
4 that it would be the Board of Water Supply because
5 when they take over the system they are in charge
6 fully.

7 MS. LOOMIS: Thank you.

8 PRESIDING OFFICER DEVENS: Any redirect?

9 MR. MATSUBARA: No redirect.

10 PRESIDING OFFICER DEVENS: Any questions
11 from the Commission? Hearing none, you want to call
12 your next witness. Thank you for your testimony.

13 THE WITNESS: Thank you.

14 MR. MATSUBARA: Next witness is
15 Mr. Nishihara.

16 RONALD NISHIHARA,
17 being first duly sworn to tell the truth, was examined
18 and testified as follows:

19 THE WITNESS: Yes, I do.

20 PRESIDING OFFICER DEVENS: Please state your
21 name and address for the record.

22 THE WITNESS: Ronald Nishihara. My business
23 address is 1916 Young Street, Suite 102, Honolulu,
24 Hawai'i.

25 PRESIDING OFFICER DEVENS: Thank you.

1 Counsel.

2 DIRECT EXAMINATION

3 BY MR. TABATA:

4 Q Good afternoon, Ron.

5 A Good afternoon.

6 Q Did you prepare at our request written
7 testimony and a curriculum vitae for this Project?

8 A Yes, I did.

9 MR. TABATA: Let the record reflect that
10 Mr. Nishihara's written testimony and curriculum vitae
11 is Petitioner's Exhibit 33.

12 PRESIDING OFFICER DEVENS: So noted.

13 MR. TABATA: Thank you.

14 Q Mr. Nishihara, does your curriculum vitae
15 contain your qualifications and experience in the
16 filed of energy conservation, sustainable developments
17 and LEED standards?

18 A Yes, it does.

19 Q And for the record LEED stands for
20 Leadership in Energy and Environmental Design?

21 A Yes, that's correct.

22 Q Thank you. And also as stated in your
23 curriculum vitae you have been an architect licensed
24 in Hawai'i since 1992?

25 A That's correct.

1 Q And you're also a LEED accredited
2 professional since 2003?

3 A That's correct.

4 MR. TABATA: Mr. Chair, the Petitioner
5 requests that Mr. Nishihara be admitted as an expert
6 witness in the fields of energy conservation,
7 sustainable developments and LEED standards.

8 PRESIDING OFFICER DEVENS: Do the parties
9 have any objections or questions regarding the
10 witness's qualifications?

11 MR. YEE: No questions or objections.

12 MS. TAKEUCHI-APUNA: No objections.

13 MR. YOST: No objections.

14 PRESIDING OFFICER DEVENS: Hearing none, so
15 qualified as represented by counsel.

16 MR. TABATA: Thank you.

17 Q Mr. Nishihara, could you please summarize
18 your written testimony for us?

19 A Sure. Backing up, I began working with
20 Castle & Cooke about two years ago. It first started
21 with an effort on their part to learn about
22 sustainability.

23 So it started out with educational sessions
24 to bring them up to speed on both their internal
25 operations and their development operations.

1 After we went through that process it was
2 then that I was hired to consult with them on the Koa
3 Ridge plan. So in the plan -- in my testimony,
4 rather, there's mention of the ripple effect, so to
5 speak, of Castle & Cooke throughout history.

6 That actually comes from one of the slides I
7 prepared for the educational sessions where I pointed
8 out all of the impacts that Castle & Cooke has had
9 throughout the years in their 160 or so years in
10 Hawai'i.

11 And it was a way of pointing out to them
12 that what they do has a larger impact just than on
13 what it is they are developing.

14 Q Thank you. Mr. Nishihara, I'd like to talk
15 about the LEED standards for a moment. Is it your
16 understanding that the LEED green building rating
17 system is a voluntary consensus-based rating for the
18 design, construction and operation of green buildings?

19 A Yes, it is. The terms that USGBC uses is
20 that's committee-based, member-driven and
21 consensus-focused.

22 Q Thank you. And is it also your
23 understanding that the LEED standards was developed by
24 the USGBC which is a private nonprofit organization?

25 A That's correct.

1 Q Is it also your understanding that LEED
2 standards are periodically updated? And the LEED
3 standards existing today may not be applicable in the
4 future?

5 A That's correct. The first LEED standard for
6 new construction came out in 1998. That was LEED 1.0.
7 In 2003 when I was accredited we were at 2.2.

8 And between then and now it's been upgraded
9 twice. In addition to that there have been multiple
10 other rating systems that have come out.

11 Instead of just LEED for New Construction
12 there's LEED for Homes, LEED for Schools, LEED for
13 Interiors, LEED for Core and Shell. And with this
14 latest revision they have contracted that down.

15 They have combined LEED for Schools, LEED
16 for New construction and LEED for Core and Shell
17 again. So it's been -- it's been pretty fluid.

18 Q So it's safe to say these LEED standards
19 will continue to evolve in the future?

20 A That's correct.

21 Q Now, when we talk about the actual
22 certification of projects under LEED, is the actual
23 certification of a LEED project is that conducted and
24 determined by a private organization called the GBCI
25 or the Green Building Certification Institute?

1 A That's correct.

2 Q Thank you. Ron, what is your opinion as to
3 whether sustainable measures like LEED should be
4 mandatory or voluntary? What is your opinion?

5 A My opinion is that they should be voluntary
6 and incentivized. LEED is a very good tool. But it's
7 a tool, not a rule. It was never developed as a code.
8 And in fact I have a LEED brochure here that
9 identifies it as a voluntary system.

10 The reason that I think it should be
11 voluntary is there is a tendency when something is
12 mandated it sets a ceiling as to a level of
13 compliance.

14 The analogy that I often use is of the
15 Americans with Disabilities Act. It's a very good
16 law. It's very effective. It did a lot of good. But
17 when you see its application and how developers treat
18 it they meet the minimum. Then that becomes almost
19 like the floor. That's what needs to happen.

20 What the US Green Building Council is trying
21 to do is trying to increase sustainable design and
22 development through a market transformation process.

23 So, in other words, to create this upward
24 spiral where it's market driven and incentivized.

25 Q Thank you. Do you have any examples of the

1 kind of incentives you would recommend?

2 A There are a number of incentives that have
3 been implemented in other jurisdictions. Some of them
4 include property tax waivers. Some include density
5 bonuses. Some include expedited building permit
6 processing.

7 One that I'm not aware of but that I just in
8 thinking about it would be a linking of a property tax
9 waiver and an expedited building permit processing.

10 And the reason for that is that there's
11 always been a problem with defining what expedited
12 building permit processing is.

13 So if you link that to a property tax waiver
14 there's a built-in incentive for an expedited permit
15 process there because the City's not going to be
16 collecting property tax while that permit is being
17 processed.

18 And the incentive there would be if the
19 developer or applicant does commit to some level, it
20 could be LEED certification, it could be even revenue
21 neutral for the City. Because if the permit is
22 processed sooner, then they're collecting the property
23 taxes based on the higher developed rate sooner. So
24 that's just one idea that we have been kind of looking
25 at.

1 Q Thank you. Ron, are you aware of any
2 examples of developers who are currently using
3 sustainable building features voluntarily?

4 A I would say that nearly all of them are. I
5 know that, as an example, Gentry is doing a lot.
6 They're doing the double pane windows, icing in
7 insulation.

8 Castle & Cooke is doing a lot as well.
9 They're also on board with double pane windows,
10 insulation. In some cases radiant barriers and ridge
11 vents and things like that.

12 They're also doing -- well, Castle & Cooke
13 has been doing steel framing for probably 15 years.
14 And in general steel that is used in construction
15 today contains over 90 percent recycled content. So
16 it is a highly recycled product.

17 Q So would it be fair to say that today there
18 are existing market forces that are creating or giving
19 rise to actual building practices that are deemed to
20 be sustainable?

21 A I would say so, yes.

22 Q So the idea of incentivizing these
23 sustainable measures would be to start of, I guess,
24 like turbo charge the growth of the use of sustainable
25 measures.

1 A Yes.

2 Q Through a voluntary process.

3 A Yes.

4 Q And the hope is that this would take off on
5 its own, so to speak, and grow?

6 A And through market transformation part of
7 that is the acceptance and demand of it by the
8 marketplace. So in some ways rather than the industry
9 pushing it in that direction, it's the market that's
10 pulling it in that direction.

11 Q Thank you. Are you familiar with the net
12 zero homes?

13 A I am.

14 Q Could you describe that for us.

15 A It's a home -- well, if it's referring to
16 energy, then it's a home that's producing as much
17 energy as it's using. I think it's going to be the
18 wave of the future, frankly.

19 I think that distributive generation is
20 going to be the way to go. But currently I don't
21 think the technology is at the point where it's
22 economically viable on a production level.

23 Q Now, going back to LEED for a second. Do
24 you feel that the LEED standards should be made
25 mandatory for this Project?

1 A I don't because we have already developed a
2 sustainability plan specifically for this Project.
3 The sustainability plan that we have developed
4 incorporates some of LEED.

5 But because Koa Ridge is not simply a
6 collection of individual houses, nor is it even a
7 neighborhood it's an entire community.

8 So the sustainability plan we have
9 incorporated takes aspects of the ten principles for
10 Smart Growth and it takes some aspects of LEED to take
11 it down to a house level.

12 So the plan that we have developed takes it
13 to a much higher level than strictly at the building
14 level.

15 Q Are you familiar with the term "energy
16 efficient mortgages"?

17 A A little bit. I'm not a mortgage expert.
18 But it's a program that allows the borrower to finance
19 the energy efficient features that are over and above
20 what they would normally have qualified for. But I
21 believe that there are caps to those.

22 So in a lot of cases the cap would kick in
23 at a lower level than what it would actually cost to
24 bring it up to, say, a net zero home.

25 Q So although you may have sustainable

1 features that increase the cost, you still may not --
2 even with the energy efficient mortgage you may not be
3 able to obtain sufficient financing to cover the
4 additional cost?

5 A It's possible, yes.

6 Q Thank you.

7 A Thank you.

8 MR. TABATA: Mr. Nishihara's available for
9 cross.

10 PRESIDING OFFICER DEVENS: City, any cross?

11 MS. TAKEUCHI-APUNA: No questions.

12 PRESIDING OFFICER DEVENS: State?

13 CROSS-EXAMINATION

14 BY MR. YEE:

15 Q Mr. Nishihara, you testified, I believe,
16 that you're opposed to mandatory sustainability
17 measures, is that right?

18 A That's correct.

19 Q Are you opposed to mandatory solar heating
20 for all residential homes?

21 A Personally as the law is currently written,
22 yes.

23 Q Are you opposed to requirements for low-flow
24 fixtures?

25 A No.

1 Q Are you opposed to requirements setting
2 forth some standard for insulation?

3 A No.

4 Q Are you opposed to requiring requirements by
5 the County for accommodations for bus stops for rail?

6 A No.

7 Q So there are some sustainability measures
8 that you do support, don't you?

9 A That's correct.

10 Q Not just mandatory.

11 A That's correct.

12 Q So really the question is not whether you
13 oppose or support mandatory or voluntary sustainable
14 measures, it's which measures do you think should be
15 mandatory and which should be voluntary.

16 A And also at what level. Because, for
17 example, the example you used for low-flow fixtures.
18 I can see that being mandated at a building permit
19 level. But a higher land use level I'm not sure if
20 that's an appropriate mandate.

21 Q Do you consider yourself to be an expert in
22 land use as well?

23 A Not in land use.

24 Q Thank you. With respect to the
25 changeability or the fluidity of LEED standards, once

1 you register for LEED aren't you only required to
2 comply with the standards at the time of registration?

3 A As long as you register it prior to the date
4 when they're going to change it over. But if you miss
5 that date, then you're required to register at the
6 next revision.

7 Q So you're not constantly subject to changing
8 standards. Once you register you're subject to the
9 standard at the time of registration.

10 A That's correct.

11 Q Did you assist in the development of the
12 sustainability plan which I believe is Exhibit 20
13 Petitioner's Exhibit 20?

14 A Yes, I did.

15 Q As I look at the plan -- and let me just say
16 is a very nice plan -- I understand there's a series
17 of goals in the plan, correct?

18 A That's correct.

19 Q Then you're going to have to follow me a
20 little bit on these lines of questioning. You then
21 have specific targets or focuses to achieve that goal.

22 A Yes.

23 Q Then you set out strategies for each target
24 or focus which would achieve the goal, right?

25 A That's correct.

1 Q Then you propose specific planned actions
2 that would be part of that strategy to then meet your
3 targets to achieve the goal.

4 A Correct.

5 Q As you understand it, to the extent they are
6 practical and feasible these actions would be
7 undertaken for the Koa Ridge Project.

8 A Well, during the generation of this plan
9 we -- another term that we used for the planned
10 actions we called it a quiver of arrows. So the
11 strategies are going to be the targets that we want to
12 hit. And these planned actions, that's just the tool
13 box we would have.

14 Would it be implementing every single one?
15 Probably not. We would be picking the ones that we
16 would need to implement in order to hit the identified
17 strategy.

18 Q So to the extent practical or feasible you
19 will be implementing those planned actions which are
20 necessary to meet the strategies.

21 A Correct.

22 Q Among the planned actions would include the
23 provision of Energy Star appliances where available,
24 is that correct?

25 A That's correct.

1 Q Is it your understanding that this
2 particular planned action would be implemented in this
3 case?

4 A Yes. The term "where available" comes in
5 because not all appliances come in Energy Star
6 labeled.

7 Q For example, there's no such thing as an
8 Energy Star clothes dryer.

9 A I don't believe so, right.

10 Q Is it your understanding that solar water
11 heating is a planned action that actually will be
12 implemented for this Project?

13 A Yes.

14 Q Is it your understanding that photovoltaic
15 will be offered to residents who choose it for the
16 residences in this development?

17 A That's my understanding.

18 Q And low-flow fixtures will also be
19 implemented this particular Project.

20 A Correct.

21 Q You had recommend or listed enhanced
22 insulation in as another planned action, is that
23 right?

24 A Correct.

25 Q Do you know what standard?

1 A No. I think that the standards would be --
2 building science technology is changing so quickly
3 right now because of all the new products that are
4 coming out.

5 So the houses are probably a couple years
6 away from being designed even. So it's something that
7 we would be looking at at the appropriate time. It
8 could be different two years from now than it is right
9 now.

10 Q The term "enhanced", though, would imply
11 it's something more than required by the building
12 code.

13 A Correct.

14 Q And you will be using low eave windows and
15 taking advantage of the natural ventilation for this
16 Project.

17 A Correct.

18 Q Would the design incorporate -- let me
19 backtrack and explain why I'm asking the question.

20 My understanding is existing houses have
21 some difficulty accommodating some of the curbside
22 recycling bins. They just weren't designed to have
23 them. They didn't need them at the time the houses
24 were built.

25 Will these houses accommodate the curbside

1 recycling program for the City and County of Honolulu?

2 A You know, I would assume so. But again,
3 these houses are a couple years away from being
4 designed. I'm sure it would be included as a
5 programmatic design requirement.

6 Q And will they be implementing Best
7 Management Practices to minimize non-point source
8 pollution?

9 A Yes. That is a code requirement.

10 Q And I noticed in the sustainability plan an
11 intent or proposal to design and construct LEED
12 certified or equivalent commercial buildings.

13 A That's correct.

14 Q Is that the intent for this Project?

15 A Well, that's one of the planned actions.
16 Again the planned actions falls into the quiver of
17 arrows bucket.

18 Q Fair enough. Part of this line of
19 questioning is to figure out what's a quiver of arrows
20 and what are the things you know now you're going to
21 be using. Green infrastructure is something you also
22 referred to in your testimony. Do you remember that?

23 A Yes.

24 Q To the extent practical or feasible, is it
25 your understanding that these green infrastructures

1 will also be implemented for this Project?

2 A That's correct.

3 Q In fact, in your testimony I think you have
4 a description of some of the particular issues that I
5 assume will be implemented for this Project --

6 A That's --

7 Q -- in your testimony different from the
8 sustainability plan.

9 A Specifically which portion are you referring
10 to?

11 Q Well, I'll start on Page 1, the last
12 paragraph. Really proceeding to this -- well, and the
13 next paragraph over.

14 A Yes.

15 Q So these are not just things that might
16 happen. These are things you can say are actually
17 going to happen for this particular Project?

18 A That's correct.

19 Q Then to the extent that there are other
20 measures, other arrows, other planned actions that
21 would be necessary to achieve the strategies, those
22 other planned actions would always be taken.

23 A That's correct.

24 MR. YEE: That's all the questions I have.

25 Thank you.

1 PRESIDING OFFICER DEVENS: Mr. Yost.

2 CROSS-EXAMINATION

3 BY MR. YOST:

4 Q Just to get the terminology straight a
5 little bit. The strategies to me often look less like
6 strategies and more like targets or goals.

7 A Yeah. The terminology may be a little
8 bit --

9 Q Like the whole, you know, strategies/tactics
10 thing during the presidential campaign.

11 A Right.

12 Q These look like they're goals or targets to
13 design to achieve reductions in energy use at least
14 25 percent over typical newer dwellings. That seems
15 like a target or a goal.

16 A That's correct.

17 Q And are you willing to commit -- or is
18 Castle & Cooke willing to commit to achieving these
19 goals, targets that are called strategies?

20 A I believe they are.

21 Q Okay.

22 A Yes.

23 Q While the methods of achieving them may
24 differ the target itself will remain the same.

25 A That's correct. At a minimum.

1 Q You mentioned that you thought that net zero
2 is a nice idea, but it's one that time hasn't
3 necessarily come for it yet. It may not be practical
4 at this time. Is that your testimony?

5 A Well, I said commercially viable on a
6 production basis.

7 Q But it is actually being implemented in some
8 development projects on O'ahu right now, correct?

9 A It is.

10 Q Because it is being implemented by some
11 Hawaiian Home Lands projects, for instance, and
12 others, why couldn't we make that a target or goal of
13 this Project?

14 A I'm not privy to what their construction
15 costs are. Again, I go back to commercially viable on
16 a production basis. So it's a question what can the
17 market afford in a production basis like a Koa Ridge
18 Project.

19 The Hawaiian Home Lands project I believe is
20 18 homes. And I believe it's heavily subsidized. So
21 it's really not an apples-to-apples comparison.

22 Q Okay. But you're not exactly sure why it
23 wouldn't be feasible in this Project. You just think
24 it wouldn't be?

25 A Yeah. I haven't run any kind of analysis on

1 it.

2 Q What about beyond, you know, offering PV as
3 an option; just designing the homes so that you could
4 easily install PV, hook it into inverters or other
5 existing components?

6 That if you put them in in the design phase,
7 then it makes it a lot easier for the homeowner to
8 choose to put those things in later.

9 Do you think that's a good idea?

10 A Again, the, what you want to call the
11 strategy or target what we are doing we are
12 identifying what that overall number wants to be.

13 If PV does get to a point where it is very
14 commercially viable, you know, we can't say that it
15 wouldn't be a standard thing in there.

16 But what we are talking about right now is
17 that overall number in terms of a goal or target.

18 Q What I'm getting at is something that would
19 go beyond that would be a homeowner option. If you
20 just design the houses so that it's easier for the
21 homeowner to make that choice, then the homeowner can
22 choose to go even further.

23 Is there any reason why the houses shouldn't
24 be designed so that homeowners can make that choice
25 more easily?

1 A Can you be more specific in terms of PV
2 ready?

3 Q Yeah, PV ready. Exactly.

4 A Okay. So a roof that can support the PV
5 panel and conduit up to the roof?

6 Q Exactly. Is that something that Castle &
7 Cooke is willing to commit to making part of the
8 design?

9 A Well, I can't commit to anything like that
10 on behalf of Castle & Cooke. I suppose that's more of
11 a question for them.

12 Q Is that very costly to include that design
13 component? It's a fairly minimal thing, isn't it?

14 A I would think that it's minimal.

15 Q You mentioned market pressure as a valuable
16 means of pushing developers towards greener
17 development?

18 A Right.

19 Q Beyond market pressure, though, isn't there
20 also a public policy value to ensuring that
21 development improves and becomes more sustainable over
22 time?

23 A I think it becomes a question of what's
24 going to get us to a higher level faster. Again, if
25 there is a public policy to set a minimum threshold

1 the reaction is often that the effort flatlines at
2 that level.

3 What USGBC is trying to do is spur this
4 upward spiral where new innovations in the material
5 marketplace and the market demands will continue to
6 take it to a higher level.

7 Q But that's one of the values of LEED, isn't
8 it? As opposed to ADA which you compared the two
9 earlier is that LEED is evolving. It's not static.
10 Except for in the sense that when you register as LEED
11 then it stays the same. It's predicable at that
12 point, but as a standard it evolves different than the
13 ADA.

14 So can't we have LEED be a standard that is
15 accepted and allowed to evolve?

16 A Well, with regard to this Project, again, we
17 developed that sustainability plan where we did
18 incorporate a lot of the benefits of LEED.

19 But because this is the development of an
20 overall community and not just individual houses, we
21 wanted to put in a lot more, which is why we started
22 looking at things like the Smart Growth principles.

23 MR. YOST: Okay. I have further questions.

24 PRESIDING OFFICER DEVENS: Ms. Loomis?

25 MS. LOOMIS: No questions.

1 PRESIDING OFFICER DEVENS: Any redirect?

2 MR. TABATA: No redirect.

3 PRESIDING OFFICER DEVENS: Commissioners?
4 Commissioner Judge.

5 COMMISSIONER JUDGE: Thank you. I just
6 wanted to get clear in my mind. While you're not a
7 proponent of requiring the LEED, mandating it, did you
8 say that of this sustainability plan that Castle &
9 Cooke would be agreeable to committing to doing the
10 strategies and planned actions in this document?

11 THE WITNESS: No. They're agreeable to
12 committing to the strategies. The planned actions --
13 that list of planned actions is going to evolve as
14 technology changes. So what we would like to be able
15 to do is pick and choose.

16 For example, the water reduction target. We
17 want to be able to pick the planned actions that make
18 the most sense for that particular product but still
19 hit that target or that strategy.

20 COMMISSIONER JUDGE: So I guess what Mr. Yee
21 was getting at when he was asking you those questions,
22 that there are sort of a baseline of those planned
23 actions that you're willing to commit to at this
24 point, while yet still giving you the flexibility to
25 add in what others as they evolve to meet your

1 strategies.

2 THE WITNESS: That's correct.

3 COMMISSIONER JUDGE: But there are some that
4 you're willing to commit to today.

5 THE WITNESS: That's correct.

6 COMMISSIONER JUDGE: Okay. Thank you.

7 PRESIDING OFFICER DEVENS: Commissioner
8 Chock.

9 COMMISSIONER CHOCK: Maybe for the benefit
10 of the Commission can you sort of describe the
11 differences between solar and PV.

12 THE WITNESS: Well, are you saying solar hot
13 water heating?

14 COMMISSIONER CHOCK: Yes.

15 THE WITNESS: Solar hot water heating is
16 where you are running the water through a panel that's
17 collecting the heat. It's heated by the sunlight.
18 It's basically directly heating the water, which then
19 gets stored in a tank.

20 PV a photovoltaic. And it's where you're
21 capturing the sun's energy through the photovoltaic
22 panels. Then that gets stored -- well, it can either
23 be stored -- the current that gets created is direct
24 current.

25 So you can either store it in a battery, or

1 you can send it through an inverter to change it to an
2 alternating current and then feed it back into the
3 grid or use it directly in the building.

4 We are working on one project where we had,
5 a research and development project, where we had
6 fluorescent lighting where we are running off DC
7 power.

8 So we had special fixtures. By doing that
9 we are getting higher efficiency by not having to send
10 the power through an inverter.

11 So there's a lot of things happening right
12 now, developments. And it's because of those types of
13 developments that we want to keep those planned
14 actions kind of flexible because the technology is
15 changing so quickly.

16 COMMISSIONER CHOCK: Have you folks explored
17 any new residential communities that are incorporating
18 PV into new home construction as part of a
19 sustainability model for Koa Ridge?

20 THE WITNESS: I have personally. I have
21 looked at some on the East Coast and some in Colorado.
22 There's a cost premium on it.

23 It's just a question of you know -- one of
24 the basic premises of the U.S. Green Building Council
25 is a triple bottom line. The economy, the ecology and

1 then the people. So it's a matter of balancing
2 compelling needs.

3 One of 'em is housing. How do you provide
4 housing and yet it be balancing with the affordability
5 aspect of it? So for someone who can afford it it
6 would be great.

7 COMMISSIONER CHOCK: Are there any projects
8 in Hawai'i that are incorporating PV into new
9 residential communities to the extent that you know?

10 THE WITNESS: I believe Actus is doing it.
11 I'm not sure about anybody else.

12 COMMISSIONER CHOCK: In terms of sort of
13 putting together a sustainability plan for Koa Ridge,
14 did you folks explore piloting LEED for ND as one
15 possible model?

16 THE WITNESS: We did. But LEED-ND isn't
17 really appropriate for a project of this size. I
18 attended an all-day training workshop in Phoenix for
19 LEED-ND.

20 Two of the instructors there were on the
21 committee that wrote LEED-ND. One of them made the
22 comment that, you know, LEED-ND is really designed for
23 projects under a hundred acres. He said once you get
24 over 300, the word he used was it gets "squirrely".

25 Right now, of all the LEED-ND projects that

1 have been registered under the pilot, the median sized
2 is 30 acres. So LEED-ND is really the wrong tool in
3 this case.

4 COMMISSIONER CHOCK: How about LEED for
5 Homes?

6 THE WITNESS: Again, the sustainability plan
7 that we developed does take some of those aspects as
8 well as some of the larger community planning aspects.

9 COMMISSIONER CHOCK: I noticed in your CV
10 you were involved with a self-storage project in
11 Mililani that was certified LEED.

12 THE WITNESS: That's correct.

13 COMMISSIONER CHOCK: What was the cost for
14 that project with that certification compared to had
15 you not gone for a LEED certified designation?

16 THE WITNESS: That is a very... I'm not sure
17 exactly what the delta was. But I get a little bit
18 nervous when people start talking about what is the is
19 the cost difference for LEED because it makes a huge
20 difference on which credit you decide that you want to
21 go after.

22 As an example, I'm working on another
23 project where we went after certified wood. And on
24 that project the additional credit cost about \$18,000.
25 We also picked up the green power credit which cost us

1 150. And they're both worth one credit.

2 So when you start talking about a cost
3 difference for LEED, it all depends on which credits
4 you decide to go after.

5 So I'd be very nervous about using something
6 like a percentage.

7 COMMISSIONER CHOCK: Just on average is
8 there an average that USGBC uses in terms of that
9 delta? 'Cause I notice from some of your background
10 in attending previous hearings they threw out
11 percentages as far as ballpark percentages for
12 commercial, core and shell, home.

13 What's sort of the average for commercial
14 and home in terms of the new cost delta?

15 THE WITNESS: The numbers that I've seen was
16 basic certification was about 0.6. Platinum was about
17 six and a half.

18 COMMISSIONER CHOCK: Six and a half percent?

19 THE WITNESS: Yes. But that's nowhere near
20 what I've experienced.

21 COMMISSIONER CHOCK: What's been your
22 experience?

23 THE WITNESS: I have one project that is
24 gold and it is running over eight and-a-half.

25 COMMISSIONER CHOCK: In terms of sort of a

1 self-storage model, for example, what was the --
2 what's the payback time for the developer in terms of
3 achieving those efficiency targets versus the cost of
4 the LEED certification?

5 THE WITNESS: Well, the payback is --
6 there's more than just a financial payback because,
7 again, it goes back to the people who are working
8 there.

9 So a lot of it is a better indoor air
10 quality which does -- there are studies that have
11 proven that does contribute to lower absenteeism,
12 higher productivity. On something -- I'm not quite
13 sure what the calculated payback was on that.

14 COMMISSIONER CHOCK: That would be great if
15 we could get that information later, just out of
16 curiosity. I know it's a commercial component, but
17 you're industrial/commercial as part of this Petition
18 Area.

19 So I'd just be kinda interested to hear what
20 sort of past benefits have been based on the
21 investments Castle & Cooke has made in that regard.

22 I was very interested when you started
23 talking about incentives for developers on LEED. And
24 you cited a County incentive with the real property
25 waiver tied into expedited permitting. I thought that

1 was pretty clever.

2 Have you folks examined any incentives at
3 the state level, more specifically at the State Land
4 Use level, where we could incentivize developers
5 coming through as a Petitioners to pursue more of
6 these progressive sustainability techniques,
7 strategies, et cetera?

8 THE WITNESS: The incentives that I have
9 seen have been things like expedited permit which,
10 again, is at a county level. I actually have a list
11 of incentives from USGBC here that I can pass on to
12 you. It's about this thick.

13 COMMISSIONER CHOCK: I think we have a
14 pretty unique State Land Use system in Hawai'i. So
15 it'd be kind of interesting to see. I know in most
16 mainland jurisdictions you have county jurisdictions
17 that are implementing a lot of those types of...

18 THE WITNESS: Yeah. And the reason that we
19 thought that the real property tax incentive was one
20 that would be interesting is there's a recourse in the
21 event the developer doesn't attain the LEED
22 certification, because it could be a repayment of the
23 property taxes that were waived in addition to maybe a
24 penalty.

25 I know it's difficult at the State Land Use

1 level. What happens if the developer doesn't hit the
2 LEED certification? Because there are certain
3 prerequisites in a LEED application.

4 One of 'em is pollution prevention. And if
5 the contractor's silt fence blows out in a huge
6 rainstorm, their entire LEED certification is done.
7 It's gone. They're not going to get it because they
8 missed the prerequisite.

9 So if something like that were to happen
10 then what is the recourse to the developer? I'm not
11 sure what it would be.

12 COMMISSIONER CHOCK: Thank you, Mr. Chair.

13 PRESIDING OFFICER DEVENS: Commissioner
14 Judge.

15 COMMISSIONER JUDGE: This is just a
16 follow-up to Commissioner Chock's line of thought. We
17 get a lot of pushback whenever we say "LEED" because
18 there's a lot of argument about it costs more. It
19 depends on who the rater is. There's a lot of
20 variables in it.

21 So in terms of the initiative -- and I know
22 you're supportive of the U.S. Green Building
23 Council -- would it not be just smarter or not maybe
24 "not smarter" but easier to pick certain aspects of
25 LEED and kind of get those to be accepted either

1 through legislation or through the county building
2 codes or something so that it's more a standard of:
3 Okay: Use better insulation. Or: Make sure your
4 windows open. Things like that. So that you get more
5 of a standard rather than mandating that it be LEED.
6 Because people, not everybody buys into the LEED
7 system.

8 THE WITNESS: So, you know, I believe that
9 there are codes, there are minimums in terms of things
10 like insulation and water flow per fixture at the
11 building permit level. So there already are, to a
12 certain extent, some of those.

13 What we tried to do in coming up with our
14 plan, one of the things we also considered was what
15 gives the biggest benefit to the homeowner?

16 When we looked at it we said, well, if we
17 can lower their electric bill -- which is why we have
18 a specific percentage in there -- and can we lower
19 their water bill and we have a specific percentage in
20 there.

21 And you'll notice that there's a lot of
22 things in there on parks. So we're looking at what's
23 going to be sustainable as well as deliver a better
24 product and a better community.

25 COMMISSIONER JUDGE: And why is it easier to

1 make a commercial building LEED compliant than a
2 residential home?

3 THE WITNESS: A lot of it is in the -- with
4 the -- that has to do with the economics of it. A
5 developer who is building a home is selling that
6 asset. And the home buyer realizes all the benefits
7 of all of the sustainability efforts in that home.

8 With a commercial building in a lot of cases
9 the developer is continuing to own and operate that
10 asset. So they're the ones who are seeing the lower
11 energy bill, the lower water bill, all of that.

12 COMMISSIONER JUDGE: Okay. Thank you.

13 THE WITNESS: Thank you.

14 PRESIDING OFFICER DEVENS: Just a quick
15 question on your CV.

16 THE WITNESS: Yes, sir.

17 PRESIDING OFFICER DEVENS: I note you you're
18 accredited in LEED which you received in 2003. What
19 is that? How did you achieve that?

20 THE WITNESS: It's an exam that you have to
21 take and pass. At that time it was administered by
22 the U.S. Green Building Council. That's since
23 changed. The exams and accreditations are now
24 administered by GBCI. But it's basically going -- the
25 classes are not mandatory but highly recommended.

1 Then it's taking an exam and passing it.

2 PRESIDING OFFICER DEVENS: With that
3 accreditation you're now certified to inspect a
4 building and tell us if it's LEED compliant or not?

5 THE WITNESS: No. The GBCI does all of the
6 reviews. You do get an additional credit if you have
7 a LEED accredited professional on the project.

8 PRESIDING OFFICER DEVENS: And that's what
9 you would be considered.

10 THE WITNESS: That's correct.

11 PRESIDING OFFICER DEVENS: Okay. How many
12 hours did it take you to get this accreditation in
13 terms of studying and reviewing whatever materials you
14 need to review prior to taking the test?

15 THE WITNESS: Prior to I think I went
16 through about eight classroom hours and probably
17 another 40 hours of preparation.

18 PRESIDING OFFICER DEVENS: How many other
19 individuals with that accreditation are you aware of
20 that we have here in Hawai'i?

21 THE WITNESS: I'm not sure. I'm aware when
22 I did pass I think I was the sixth architect to pass
23 it.

24 PRESIDING OFFICER DEVENS: In 2003.

25 THE WITNESS: Right. Today there is a lot.

1 PRESIDING OFFICER DEVENS: What's a ballpark
2 estimate?

3 THE WITNESS: Oh, probably a hundred, a
4 hundred fifty maybe.

5 PRESIDING OFFICER DEVENS: Throughout the
6 state.

7 THE WITNESS: Yes.

8 PRESIDING OFFICER DEVENS: Thank you. Thank
9 you for your testimony. Any redirect?

10 MR. TABATA: No.

11 PRESIDING OFFICER DEVENS: That's it. Thank
12 you for your testimony.

13 MR. MATSUBARA: Mr. Chair, I have some
14 housekeeping for tomorrow's witnesses. On the list we
15 had four scheduled tomorrow. We used Mr. Nishihara
16 today. Barry Neal will be our first witness. He flies
17 in from the Big Island. I'm not going to call Damon
18 Hamura who's listed.

19 I was going to ask leave of the Commission
20 to reserve my traffic engineer witness to a later time
21 in March, perhaps, basically because discussions are
22 still going on with the Department of Transportation
23 to work out issues of concern to both parties relating
24 to some of the traffic improvements that are being
25 proposed or considered.

1 The thought I had was that if an agreement
2 was reached it would expedite, I imagine, the
3 consideration of the traffic issues relating to what
4 is going to be put in place at Koa Ridge. And that's
5 the only reason I was raising that as a request.

6 And I have had some discussions with the
7 Office of Planning in that regard since they're
8 responsible for the Department of Transportation.

9 As I have been monitoring our group in those
10 discussions they have been monitoring the Department
11 of Transportation in those discussions.

12 I would ask that the Office of Planning be
13 consulted if you had any questions of them as to my
14 request as to whether or not they have any objections.

15 PRESIDING OFFICER DEVENS: So you're talking
16 about calling this witness but allowing the other
17 parties to proceed in calling your witness later?

18 MR. MATSUBARA: Yes, in March. We only have
19 one witness, then, tomorrow. I talked to the County.
20 The County would be willing to proceed with their
21 witness which would be Randy.

22 PRESIDING OFFICER DEVENS: City would be
23 ready to go tomorrow?

24 MS. TAKEUCHI-APUNA: Yes.

25 PRESIDING OFFICER DEVENS: How many

1 witnesses you folks have?

2 MS. TAKEUCHI-APUNA: Just one.

3 PRESIDING OFFICER DEVENS: OP, would you be
4 ready to go after that?

5 MR. YEE: We would not be ready to go with
6 witnesses tomorrow. I hadn't anticipated that we
7 would. But we do support the request to call
8 Mr. Pascua in March primarily because the
9 cross-examination differs significantly depending on
10 whether or not we can reach an agreement.

11 And there does seem to be a realistic
12 probability that that would eventually happen. But it
13 is something we are monitoring and something I think
14 is realistic to think that could happen.

15 PRESIDING OFFICER DEVENS: Does any party
16 have any objection to what Mr. Matsubara is proposing
17 as far as calling, or reserving the right to call this
18 witness later?

19 MR. YOST: Sierra Club has no objection.
20 But we also would not be ready to proceed tomorrow
21 afternoon. So I don't know...

22 PRESIDING OFFICER DEVENS: Why not?

23 MR. YOST: Well, we had discussions earlier
24 with Mr. Masu --

25 PRESIDING OFFICER DEVENS: I'm kidding.

1 (General laughter)

2 So how long is the city's witness going to
3 take?

4 MS. TAKEUCHI-APUNA: Not that long.

5 PRESIDING OFFICER DEVENS: So we're talking
6 maybe half day tomorrow? The only reason I'm asking
7 that we want to make plans for the other
8 Commissioners. Some have to travel. And some have to
9 get back to work.

10 MR. MATSUBARA: Mr. Neal is our air quality
11 witness. I was hoping they would stipulate to him.
12 But I don't imagine there would be a whole lot of
13 questions for Mr. Neal. I would think an hour at the
14 most. But that's being extremely conservative. Half
15 hour or less.

16 PRESIDING OFFICER DEVENS: No one's
17 objecting to your proposal, so let's go with that and
18 go with the witness tomorrow. City, go with the one
19 witness.

20 Then we'll reconvene at a later time. Have
21 the executive officer reschedule it from there.

22 MR. MATSUBARA: Thank you very much.

23 PRESIDING OFFICER DEVENS: So we'll adjourn
24 at this point and reconvene tomorrow morning at 9:00.
25 Thank you. (Proceedings adjourned at 4:10 p.m.)

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C E R T I F I C A T E

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I, HOLLY HACKETT, CSR, RPR, in and for the State
of Hawai'i, do hereby certify;

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That I was acting as court reporter in the
foregoing LUC matter on the 18th day of February
2010;

9

10

11

That the proceedings were taken down in
computerized machine shorthand by me and were
thereafter reduced to print by me;

12

13

14

That the foregoing represents, to the best
of my ability, a true and correct transcript of the
proceedings had in the foregoing matter.

15

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DATED: This _____ day of _____ 2010

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HOLLY M. HACKETT, CSR #130, RPR
Certified Shorthand Reporter

