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LAND USE COMMISSION

STATE OF HAWAI'I

CONTINUED HEARING

A06-771 D.R. HORTON-SCHULER HOMES, LLC)
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TRANSCRIPT OF PROCEEDINGS

The above-entitled matter came on for a Public Hearing
at Leiopapa A Kamehameha, Second floor, Conference
Room 204, 235 South Beretania Street, Honolulu,
Hawai'i, Hawai'i, commencing at 9:30 a.m. on Thursday
November 17, pursuant to Notice.

REPORTED BY: HOLLY M. HACKETT, RPR, CSR #130
Certified Shorthand Reporter

COMMISSIONERS:
KYLE CHOCK
THOMAS CONTRADES
RONALD HELLER
CHAD McDONALD
JAYE NAPUA MAKUA
ERNEST MATSUMURA
NICHOLAS TEVES, JR.

EXECUTIVE OFFICER: ORLANDO DAVIDSON
ACTING CHIEF CLERK: RILEY HAKODA
STAFF PLANNERS: BERT SARUWATARI, SCOTT DERRICKSON
DEPUTY ATTORNEY GENERAL: DIANE ERICKSON, ESQ.
AUDIO TECHNICIAN: TODD BODDEN

Docket No. A06-771 D.R. Horton-Schuler Homes, LLC

For the Petitioner: BENJAMIN KUDO, ESQ.
NAOMI KUWAYE, ESQ.
YUKO FUNAKI, ESQ.

For the County: DAWN TAKEUCHI-APUNA, ESQ.
Deputy Corporation Counsel
TIM HATA - DPP

For the State: BRYAN YEE, ESQ.
Deputy Attorney General
MARY LOU KOBAYASHI
Office of Planning

For Intervenor Friends of Makakilo: DR. KIONI DUDLEY
LINDA PAUL, ESQ.

For Intervenor Sierra Club: TATYANA CERULLO, ESQ.
ELIZABETH DUNNE, ESQ.

For Intervenor Senator Clayton Hee: ERIC SEITZ, ESQ.
SARAH DEVINE, ESQ.
Also Present: SENATOR CLAYTON HEE

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1 CHAIRMAN LEZY: (Gavel) Good morning. This
2 is a meeting of the state of Hawai'i Land Use
3 Commission. The first item on the agenda is adoption
4 of the minutes from the November 3 and 4, 2011
5 meetings. Commissioners, any revisions? Hearing
6 none, Mr. Davidson, if you would poll the Commission,
7 please?

8 MR. DAVIDSON: Commissioner Contrades.

9 COMMISSIONER CONTRADES: Aye.

10 MR. DAVIDSON: Teves?

11 COMMISSIONER TEVES: Aye.

12 MR. DAVIDSON: Chock?

13 COMMISSIONER CHOCK: Yes.

14 MR. DAVIDSON: McDonald?

15 COMMISSIONER McDONALD: Yes.

16 MR. DAVIDSON: Matsumura?

17 COMMISSIONER MATSUMURA: Aye.

18 MR. DAVIDSON: Heller?

19 COMMISSIONER HELLER: Yes.

20 MR. DAVIDSON: Makua?

21 COMMISSIONER MAKUA: Aye.

22 MR. DAVIDSON: All in favor, Chair.

23 CHAIRMAN LEZY: If you would, please,
24 provide us with the tentative meeting schedule.

25 MR. DAVIDSON: Thank you. You have the

1 tentative meeting schedule now pretty much filled in
2 through the second meeting of February of 2012. For
3 the benefit of the public, the first six months of
4 2012 the tentative meeting schedule is now up on the
5 website. As always, Commissioners, any questions,
6 conflicts, please contact Riley or me. Thank you.

7 CHAIRMAN LEZY: Thank you. Moving on to the
8 next item on the agenda. This is a continued hearing
9 on Docket A06-771 D.R. Horton-Schuler Homes, LLC, a
10 Delaware limited liability company, d.b.a. D.R.
11 Horton-Schuler Division, Honouliuli, Ewa, Oahu. to
12 amend the Agricultural Land Use District Boundaries
13 into the Urban Land Use District for approximately
14 1,525.516 acres of land at Honouliuli, 'Ewa District,
15 Oahu, Hawai'i, Tax Map Key Nos.: (1)9-1-17:4(por.), 059
16 and 072; (1)9-1-18:001 and 004.

17 Will the parties please identify themselves
18 for the record.

19 MR. KUDO: On behalf of the Petitioner,
20 Benjamin Kudo and Naomi Kuwaye representing
21 Horton-Schuler. With me is Cameron Nekota with
22 Horton-Schuler.

23 CHAIRMAN LEZY: 'Morning.

24 MS. TAKEUCHI-APUNA: Good morning. Deputy
25 Corporation Counsel Dawn Takeuchi-Apuna on behalf of

1 the Department of Planning and Permitting. Here with
2 me today is Tim Hata.

3 CHAIRMAN LEZY: Good morning.

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

8 CHAIRMAN LEZY: 'Morning.

9 DR. DUDLEY: Dr. Kioni Dudley from the
10 Friends of Makakilo. And sitting behind me is my
11 counsel Linda Paul.

12 CHAIRMAN LEZY: Good morning.

13 MS. CERULLO: Good morning. Tatyana Cerullo
14 for Sierra Club.

15 MS. DUNNE: Good morning. Elizabeth Dunne
16 for Sierra Club.

17 MR. SEITZ: Good morning. Eric Seitz for
18 Intervenor Senator Clayton Hee. And also with me at
19 the table is Sarah Devine, my associate.

20 CHAIRMAN LEZY: Good morning. Let me update
21 the record for the hearing. From October 21, 2011 to
22 November 15, 2011 the Commission received written
23 correspondence or e-mail from Honolulu City Council
24 Member Tom Berg, Jim Haley, Kapua Ruiz, Eileen
25 Heilstetter, Stuart Scott, Jim McKown, the Boucon

1 Family, Terry Akana, Randy Ching, Ariko Moriya,
2 Jeanine Johnson, John Rooney, Margaret Kennedy,
3 Christopher Pate, Angela, no last name given, Terry
4 Akana, second email, Patrick Missud, The Outdoor
5 Circle by Bob Loy, State Senator Will Espero, Halina
6 Zaleski, Marian Heidel, Collin Miyamoto, Micah Kane,
7 Thad Spreg, and Sean Tiwanak.

8 On October 24, 2001 the Commission received
9 a copy of the 2020 Traffic Impact Analysis Report and
10 its accompanying Appendix G, via email from
11 Petitioner.

12 On October 26, 2011, the Commission received
13 OP's Statement of No Position on Intervenor Sierra
14 Club, Friends of Makakilo and Senator Clayton Hee's
15 Motion for Second Site Visit.

16 On November 7, 2011 the Commission received
17 the county of Honolulu's Notice of No Objection to
18 Intervenor's Motion for Second Site visit.

19 On November 9, 2011 the Commission received
20 a joint stipulation on the addition of two witnesses
21 to county of Honolulu's List of Witnesses for the
22 Third Amended Petition, and county of Honolulu's First
23 Amended List of Witnesses for the Third Amended
24 Petition.

25 On November 10, 2011 the Commission received

1 Intervenor Friends of Makakilo's Motion for Leave to
2 file Amended Witness List and Amended Exhibit List.

3 On November 16, 2011 the Commission received
4 written correspondence from Intervenor the Sierra
5 Club and Friends of Makakilo regarding their proposal
6 to submit their individual Amended Exhibit Lists on
7 Monday, November 21, 2011.

8 The same day, the Commission received
9 Intervenor Senator Clayton Hee's Amended Exhibit List,
10 Exhibits 61B, 62, 63, and 64.

11 Let me briefly describe our procedure for
12 today. I will first call for those individuals
13 desiring to provide public testimony to identify
14 themselves. All such individuals will be called in
15 turn to our witness box where they will be sworn in.

16 A three minute time limit on new testimony
17 will be enforced. For those that have testified
18 previously a two minute time limit will be enforced.
19 After completion of the public testimony, county of
20 Honolulu and Intervenor Senator Clayton Hee will be
21 provided an opportunity to seek admission of their new
22 exhibits into the record.

23 Petitioner will then continue with
24 presentation of its case. Once Petitioner has rested
25 its case, the county of Honolulu will proceed with

1 presentation of its case.

2 I'll note for the parties and for the public
3 that from time to time I will be calling for short
4 breaks.

5 There's one preliminary matter. The Sierra
6 Club and Friends of Makakilo have requested that they
7 be allowed leave to file Final Witness and
8 Exhibit Lists on Monday, November 21. The Chair
9 grants those requests and instructs that any
10 objections to the proposed witnesses or exhibits shall
11 be filed by Monday, November 28.

12 Any objections thereafter will be taken up
13 at the Commission's December 1st meeting. Are there
14 any questions on that matter or on our procedures for
15 today? (No response)

16 Hearing none. I understand that Senator
17 Will Espero wishes to provide public testimony. And
18 given your, I'm sure, busy day, we'll take you out of
19 order and have you go first, Senator.

20 THE WITNESS: Thank you, Chair. You should
21 have a copy of my testimony. I forgot one attachment,
22 if I could give it...

23 CHAIRMAN LEZY: If you could provide it to
24 the clerk please, Senator.

25 THE WITNESS: It's a container of vegetables

1 grown hydroponically.

2 SENATOR WILL ESPERO

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

5 THE WITNESS: Yes.

6 CHAIRMAN LEZY: Please state your name and
7 address and proceed.

8 THE WITNESS: Thank you, Chair. My name is
9 Will Espero. I'm a resident of 'Ewa Beach (pause
10 audio being adjusted).

11 CHAIRMAN LEZY: Please proceed.

12 THE WITNESS: Good morning, Chair Lezy and
13 LUC Members. My name is Will Espero. I'm a resident
14 of 'Ewa Beach, 91-944 Waikua Place. I'm a 22-year
15 resident of 'Ewa, been actively involved in the
16 community for over 20 years. I'm the State Legislator
17 from West O'ahu for 12 years. Before that I also
18 worked with Mayor Frank Fasi for eight years where we
19 were actively engaged with the community and area
20 residents.

21 Today I'm here to express my strong support
22 for the Ho'opili and this development. This is about
23 the future growth and planning of O'ahu. As you can
24 see in my testimony O'ahu grew by over 450,000
25 residents from 1960 to 2010, the last 50-year period.

1 In the last ten years, 2000 to 2010 the census showed
2 a growth of 77,000 new residents on O'ahu.

3 So it's realistic to say that in the next 50
4 years you're going to see at least 400,000 new
5 residents on O'ahu. The question is where will these
6 residents live, work play and learn?

7 And throughout the year for many decades the
8 area has been West O'ahu for future growth in
9 development. And that's where we are today. We're at
10 the tail end of developing from Hawai'i Kai to Ko
11 Olina, the existing urban core that had been discussed
12 by stakeholders, government officials and community
13 members for years.

14 Now, in that area today it's true that there
15 may be 40,000 homes planned, even if you include
16 Ho'opili. But remember, those homes are not yet
17 permitted or approved. And if you even take 40,000
18 and multiply that by five per household, you're only
19 looking at housing for 200,000 people.

20 And as I stated earlier, in the next 50
21 years our children and grandchildren will be making
22 decisions on dealing with respect to 400,000 new
23 people that we will be accommodating.

24 Agriculture land is important. But I feel
25 that this piece of property can be developed. Because

1 if you look in the past Hawai'i Kai was agriculture
2 land. Waikiki was agriculture land. Waipahu
3 agriculture land. Mililani agriculture land. Kapolei
4 agriculture land. UH West O'ahu today is being built
5 on A and B lands. Should we stop building UH West
6 O'ahu? This is the price of a growing population.
7 This is the price of people wanting to live in this
8 paradise.

9 And the debate on food security is a very
10 important one and one we're having at the Legislature
11 today. But in 20 or 25 years, 30 or 50 years, my
12 biggest concern is not going to be what's going to be
13 the price of a head of lettuce or the price of carrots
14 or the price of egg plant, but rather the price of a
15 home and the price to rent.

16 The median price of a home today is over
17 \$500,000. What will it be in 20 years? I cringe to
18 imagine what future generations will be payin'. And
19 this development will help with that home stock. It
20 will help with rentals. It will help with senior
21 citizen housing.

22 You will see schools, parks, healthcare
23 facilities, recreational facilities. This is a total
24 master planned community. And this is something that
25 we need to look at seriously because it is about

1 planning and design and the quality of life for O'ahu.

2 MR. DAVIDSON: Senator, 30 seconds.

3 THE WITNESS: Thirty seconds. Some people
4 say, "Well, let's direct future growth in the urban
5 core." Are you willing to put another 300 or 400,000
6 people from Pearl City to Kaimuki? If so does, that
7 mean that the Sierra Club will support a 40, 50,
8 60-story building in Kaka'ako? Downtown? Pearl City?
9 Salt Lake? Because that is the discussion we're
10 having.

11 Food security is important. I sent you some
12 pictures on hydroponics because with hydroponics you
13 can grow crops on "Z" lands, if I may, on concrete, on
14 barren rock. And in the future I think the biggest
15 concern would be homes and jobs versus food security.

16 Although, I must say we must seriously look
17 at food security and our needs and how we will have
18 access so that the quality of life on all fronts is a
19 strong, good quality of life for ourselves and our
20 children. Thank you.

21 CHAIRMAN LEZY: Parties, questions?

22 MR. YEE: No questions.

23 DR. DUDLEY: Senator Espero, you gave us a
24 lot of history about yourself, but you didn't mention
25 any of your long employment with D.R. Horton. Haven't

1 you been employed by D.R. Horton for some time?

2 THE WITNESS: Oh, yes. In 2005 to 2007 I
3 was a community relations manager for D.R. Horton.
4 And that was a position that I put through the state
5 ethics Commission. And the state Ethics Commission
6 said: As a community relations person I can do that.

7 But in my role as a community member I have
8 supported development in West O'ahu for 25 years.
9 I've supported Ko Olina Resort. I've supported
10 Campbell Estate. I have supported Haseko. I have
11 supported Gentry. I support Castle & Cooke.

12 I support development because that is where
13 the future of O'ahu is. I bought my home in 'Ewa
14 Beach knowing that there will be a Second City, a
15 great city built from the ground up. And why
16 shouldn't the residents of West O'ahu have what
17 everyone in East Honolulu and downtown have? We
18 shouldn't have to drive into town. And it's being
19 created and the vision is happening today.

20 UH West O'ahu is the missing link that will
21 make our community a great one. And we will need
22 homes, commercial space, healthcare facilities,
23 everything I mentioned before. And Ho'opili is a part
24 of that.

25 Imagine if we just said, "You know what?

1 Let's not build Mililani." How many here possibly
2 live in Mililani? With the attitude some people have,
3 Mililani wouldn't even exist today and yet it is a
4 community that many people are proud of.

5 CHAIRMAN LEZY: Sierra Club?

6 MS. CERULLO: No questions.

7 CHAIRMAN LEZY: Mr. Seitz.

8 MR. SEITZ: Did you work fulltime for DH
9 Horton?

10 THE WITNESS: Yes. My schedule was flexible
11 but, yes.

12 MR. SEITZ: And your position, your title
13 was what?

14 THE WITNESS: Community relations. I ran it
15 through a -- I did not do anything with permits or
16 approvals or anything that interacted with government.
17 I was involved in a newsletter, in a reading program
18 we had with schools and other things like that.

19 MR. SEITZ: And that was all pro development
20 activities, correct?

21 THE WITNESS: It was working for D.R. Horton
22 as their community relations manager.

23 MR. SEITZ: And what were you paid by them?

24 THE WITNESS: Good question. I'll say less
25 than 50,000. I don't recall.

1 MR. SEITZ: When did you leave their
2 employment?

3 THE WITNESS: 2007.

4 MR. SEITZ: And why did you leave?

5 THE WITNESS: The economy probably was the
6 major reason. There was significant downsizing. D.R.
7 Horton and many other construction companies had laid
8 off many people, which is why it's so important that
9 we move forward with this project because there are
10 people in the audience today who are unemployed
11 waiting for these jobs.

12 MR. SEITZ: Don't you think it would have
13 been of some importance to evaluate and weigh your
14 testimony to have informed the Land Use Commission of
15 your ties to D.R. Horton this morning?

16 THE WITNESS: At this stage there is no
17 connection between my previous job and what I'm saying
18 today. As I told you I have been pro-development for
19 West O'ahu for over 25 years.

20 I've supported Gentry where I live, Haseko,
21 Campbell Estate and these other developers. Hunt
22 Development is coming into town now. I support them,
23 UH and other entities that want to build. Yes, come
24 build, because we will get jobs. We will have
25 opportunities.

1 MR. SEITZ: I believe you testified that
2 you're aware that there are in excess of 30,000 homes
3 that have been planned for development in this same
4 area, is that correct?

5 THE WITNESS: "Planned" means it's a vision.
6 It's a dream right now. Nothing is approved. But
7 that is correct.

8 MR. SEITZ: Well, has the zoning already
9 been approved for those units?

10 THE WITNESS: No.

11 MR. SEITZ: It's your testimony it hasn't
12 been approved?

13 THE WITNESS: Well, I believe the permitting
14 process still has to go through, for example,
15 Kalaeloa. Kalaeloa is a Hunt Development and could
16 possibly one day have 3 to 4,000 homes. Nothing is
17 approved there.

18 MR. SEITZ: Do you know how many homes of
19 those 33,000 have already gone through the zoning and
20 permitting process?

21 THE WITNESS: No, I don't. But I believe it
22 is not a large amount.

23 MR. SEITZ: Well, I've just been given
24 something from the 'Ewa Development Plan which
25 suggests that there are 34,805 homes that have already

1 gone through the process. Are you aware of that?

2 THE WITNESS: I don't know if that's a
3 correct statement because you're looking at West
4 Kapolei, for example. That's a stretch between Target
5 and Ko Olina a big, hundreds of acres of land. I
6 believe that still has to go through the permitting
7 and approval process. Makaiwa Hills, I believe, still
8 has to go through the permitting process and approval
9 process.

10 MR. SEITZ: In any event, supposing that
11 we're correct that there's some 34 or 33,000 units
12 that have already been planned, that have gone through
13 some portions at least of the permitting process, do
14 you know why any of those units are not now under
15 construction?

16 THE WITNESS: I would guess it's about
17 economics, sir. Supply and demand.

18 MR. SEITZ: So do you have any reason to
19 believe that any of those units, including Ho'opili,
20 will ever be built?

21 THE WITNESS: I think in time they will be
22 built because, as I stated, the crux of my testimony
23 was that you're looking at 400,000 people in the next
24 50 years. This is not about a development that's
25 going to be built overnight. I live in 'Ewa by Gentry

1 which started in the late '80s and it is still going
2 on 20 something two years later.

3 So this is about what we want within our
4 island, yes, and when it will be built, and no one is
5 saying these will go up overnight. This is a 50-year
6 plan.

7 MR. SEITZ: Well, what is clear, however, is
8 that if Ho'opili proceeds, that prime agricultural
9 land will be taken for the project in the phases of
10 which they're planning to construct. Isn't that
11 correct?

12 THE WITNESS: That's a correct statement.

13 MR. SEITZ: And one of those farms that will
14 be dramatically affected is Aloun Farms, correct?

15 THE WITNESS: Aloun Farms has a contract
16 with D.R. Horton knowing that one day they would have
17 to relocate. That is correct.

18 MR. SEITZ: Where do you think they're going
19 to relocate to?

20 THE WITNESS: I'm going to guess that maybe
21 Central O'ahu.

22 MR. SEITZ: You're guessing.

23 THE WITNESS: Yes, I'm guessing.

24 MR. SEITZ: Do you know if there are any
25 plans of any sort to assure Aloun Farms that if this

1 Petition is granted that they would have a place to go
2 to?

3 THE WITNESS: Well, I do know that they're
4 not going to be asked to leave immediately because
5 it's going to take years to start construction and to
6 phase it in, as you said. It's conceivable Aloun
7 Farms can be there for ten or 20 years or more. That
8 is a possibility.

9 MR. SEITZ: A possibility but not anything
10 we can tell the Land Use Commission in terms of any
11 planning impact, is that correct?

12 THE WITNESS: Correct. Because it's very
13 hard to predict the future.

14 MR. SEITZ: So we're dealing with
15 possibilities, indeed fantasies here, when we talk
16 about urban agriculture and all of these things.
17 These are ideas. But none of them has been
18 demonstrated to any degree of reliability, have they?

19 THE WITNESS: We're not talking about
20 fantasy. It is a fact that 77,000 people moved here
21 from 2000 to 2010. And I'm willing to guess that I
22 can say that in 50 years we will have anywhere from
23 300 to 500. That's not fantasy, sir.

24 MR. SEITZ: But there are alternatives for
25 those people in terms of places to develop where

1 already government is moving in that direction,
2 Kaka'ako being one of them, correct?

3 THE WITNESS: People can move to Kaka'ako,
4 that is correct.

5 MR. SEITZ: And there have been announced
6 interest by the government, by the state and by the
7 governor recently, to support high density development
8 which is very likely to occur in that area. Correct?

9 THE WITNESS: Correct. And we could also,
10 if we want to maybe consider development in Waialua,
11 North Shore, Ko'olaupia, Kaneohe, Kailua, Waimanalo.
12 We could conceivably put 10,000 homes in those
13 districts as well. So there are possibilities and
14 that could be a fantasy as well.

15 MR. SEITZ: Which would not impact prime
16 agriculture lands, correct?

17 THE WITNESS: It would not impact prime
18 agricultural lands but it may have other impacts --

19 MR. SEITZ: I understand.

20 THE WITNESS: -- if you don't follow the
21 master planning, which was decided decades ago by our
22 government leaders, our community leaders and our
23 business leaders.

24 MR. SEITZ: Do you have any idea how many of
25 the students who attend schools in your senatorial

1 district have been to the Pumpkin Patch programs at
2 Aloun Farms?

3 THE WITNESS: No. I don't have that number
4 but I guess very many, very many from throughout the
5 island, yes.

6 MR. SEITZ: Do you yourself ever buy locally
7 grown cantaloupes?

8 THE WITNESS: Probably.

9 MR. SEITZ: Are you aware that approximately
10 71 percent of the locally grown cantaloupes are
11 produced by Aloun Farms?

12 THE WITNESS: I'm aware of those type of
13 figures.

14 MR. SEITZ: Do you ever buy locally produced
15 honey dew melons?

16 THE WITNESS: Actually my mom and dad do
17 most of the shopping.

18 MR. SEITZ: Are you aware that 99 percent of
19 locally produced honeydew melons are produced by Aloun
20 Farms?

21 THE WITNESS: They are produced by Aloun
22 Farms because Aloun Farms has a contract with the
23 landowner. If Aloun Farms had a contract with another
24 landowner and they're growing in another patch of
25 land, that's where they would be grown.

1 So I'm not disputing your facts about food
2 and what's being grown in that land right now. You
3 are correct. That's happening.

4 MR. SEITZ: Where are we going to get those
5 products along with the corn, the romaine lettuce, the
6 beans, the broccoli, all of which is substantially
7 grown and marketed by Aloun Farms? Where are we going
8 to get those if Aloun Farms is compelled to shut down?

9 THE WITNESS: Well, first of all, I don't
10 think they're going to be compelled to shut down.
11 This is part of a planning process. In that dialogue
12 we're going to say: Okay, there's a farm operation
13 here. That farm operation knew this land was slated
14 for development. They knew that when they signed the
15 dotted line. They did not come into this completely
16 blind and having no idea what was going on.

17 MR. SEITZ: How about the thousands of
18 people who go the farmers markets every week and buy
19 products from Aloun Farms? Did they know that within
20 two to three years that those products may no longer
21 be available to them?

22 THE WITNESS: Well, I don't think that's a
23 correct statement. Because I know a farm above H-1, a
24 200-acre now, where they are growing local goods for
25 our residents.

1 MR. SEITZ: Do you want to go with me on
2 Saturday morning to Kapiolani Market and we can
3 inquire?

4 CHAIRMAN LEZY: Mr. Seitz, we're getting a
5 little bit off --

6 MR. SEITZ: Thank you. I appreciate, you're
7 correct.

8 THE WITNESS: I'm busy Saturday. Sorry.

9 MR. SEITZ: I'll give you a rain check.

10 (Audience chuckling)

11 MR. SEITZ: Senator, again, my concern to
12 you is without knowing what's going to happen to that
13 agricultural land in significant detail and how the
14 tenants currently there are going to be relocated if
15 this project proceeds, do you still think it's
16 appropriate at this stage without any more detail, for
17 this Commission to approve the rezoning of that
18 property when we could just as easily wait upon Horton
19 to provide us with details which would assure the
20 continuation of the agricultural enterprises which are
21 valued and important?

22 THE WITNESS: Yes, I said I believe it is
23 appropriate because you're not going to see homes and
24 development over night. They may not break ground for
25 the first house for a couple years. And that process

1 of building out is going to take 20 years plus.

2 As I said, I believe Aloun Farms could have
3 a footprint there for at least ten more years. I
4 think that's a strong statement that is very viable
5 and possible. And I'm willing to guess that today
6 Aloun Farms and D.R. Horton and others are looking to
7 see: Where can we move your operation? How can we
8 help you?

9 I know D.R. Horton has had that discussion
10 on how they can help Aloun Farms and possibly find
11 some other lands above H-1. And, by the way, the
12 state of Hawai'i has hundreds of thousands of acres
13 that are fallow and unused, hundreds of thousands of
14 acres.

15 MR. SEITZ: Suppose that D.R. Horton were
16 offered other places to put its project or other lands
17 to develop instead of Ho'opili, which would preserve
18 the agricultural lands in Central O'ahu on the 'Ewa
19 Plain. Would you support that?

20 THE WITNESS: Where are you suggesting we
21 build those homes, sir?

22 MR. SEITZ: Well, if we were able to come up
23 with suggestions for other alternatives for Ho'opili,
24 would you support that?

25 THE WITNESS: I would, first of all, have to

1 see what suggestions. However, at this stage I don't
2 think that's necessary. And I think that would be
3 foolish and a waste of time. Because, as I said, the
4 urban corridor runs from Hawai'i Kai to Ko Olina. The
5 piece of land we're talkin' about is the last piece of
6 land in that urban corridor if you don't exclude West
7 Kapolei.

8 But that West O'ahu region is the land.
9 That is where we said we're going to build this great
10 city. And now you have a University of Hawai'i right
11 across the street from Ho'opili. Now, imagine what
12 that community's gonna look like in ten or 20 years:
13 A university, the Ray Kroc Community Center, rail.
14 This is the future of O'ahu.

15 This is about a quality of life for my
16 grandchildren and my children. And this is about jobs
17 for the people in the audience and others who are
18 unemployed. It's a tough debate.

19 MR. SEITZ: Wouldn't it be prudent for this
20 Commission to defer action on this particular Petition
21 to see what happens with the development of the other
22 33 or 34,000 homes which are already in various stages
23 of development?

24 THE WITNESS: No. Because those homes may
25 never be built. Okay? Remember that. Remember Ko

1 Olina when Herb Horita built that? He put in all that
2 infrastructure. Then what happened? It went belly
3 up.

4 MR. SEITZ: So your position is that we
5 should rezone prime agricultural lands, which the
6 constitution of the state of Hawai'i provides
7 protection for, and we should do that on a theory that
8 other homes are not going to be built so we should
9 build these homes instead. Is that basically your
10 position?

11 THE WITNESS: No. My position is this
12 discussion is about proper planning. This is a
13 discussion on what is best for the residents and
14 what -- and who can build when.

15 I'm almost certain, unless something
16 catastrophic happens to D.R. Horton -- that they're
17 going to start building their homes and their parks
18 and their sidewalks and their bikeways within a few
19 years.

20 I can't say the same thing that Makaiwi
21 Hills is going to start being built real soon, or that
22 Kalaeloa is going to start being built real soon, or
23 that West Kapolei is going to start being built real
24 soon.

25 D.R. Horton has a track record and a

1 reputation. And this is that continuing dialogue on
2 planning and design for our community. Gentry is at
3 the tail end of their development. Haseko is over
4 half done. And in the last 10 years that district
5 that I represent grew by 42 percent, the largest
6 increase of any senatorial district in the state.

7 West O'ahu is where our young families are
8 moving. And West O'ahu is where we need to create
9 more jobs. Because the more jobs we have in that
10 area -- and I believe Ho'opili is expected to have at
11 least 7,000 jobs.

12 MR. SEITZ: What do you base that on?

13 THE WITNESS: On what a community of that
14 size has.

15 MR. SEITZ: What kind of jobs?

16 THE WITNESS: Well, if I had my way, sir, as
17 a State Legislator, I'm going to hope that they may be
18 pushing for some type of industrial parks, science
19 parks, schools. There's gonna, of course, be the need
20 just for the regular community in terms of stores,
21 doctors, dentists --

22 MR. SEITZ: Are those the stores, that
23 people that work in the schools --

24 CHAIRMAN LEZY: Mr. Seitz, let me just stop
25 for a moment. While this exchange is very compelling

1 may I suggest that we try to proceed --

2 MR. SEITZ: Sure.

3 CHAIRMAN LEZY: -- so we can get to the
4 presentation of evidence.

5 MR. SEITZ: I realize. But when he throws
6 out something as boldly as he just did, I can't just
7 let it pass. But in the interest of time I don't have
8 any further questions. Thank you very much.

9 CHAIRMAN LEZY: Commissioners, questions?
10 Commissioner Heller.

11 COMMISSIONER HELLER: Just a quick
12 clarification. Given that your written testimony was
13 submitted on Senate letterhead, I'd just like to
14 clarify are you stating the position of yourself as an
15 individual or of the Senate as a body?

16 THE WITNESS: Oh, no. I'm not stating my --
17 strictly as an individual, yes.

18 CHAIRMAN LEZY: Thank you. Thank you,
19 Senator.

20 THE WITNESS: Thank you very much.

21 MR. DAVIDSON: Next testifier is Stuart
22 Scott introducing a video by Richard Heinberg.

23 CHAIRMAN LEZY: The Chair has given leave to
24 Mr. Scott to play a video from the recent APEC
25 conference based on Mr. Scott's representation that it

1 will go no more than four minutes.

2 THE WITNESS: (off mic setting up equipment)

3 It's four minutes and 40 seconds start to finish.

4 CHAIRMAN LEZY: Okay.

5 THE WITNESS: I have 15 copies of the
6 written transcript and 15 DVD's of what I'm about to
7 show. Sorry, it will take just a moment for my
8 projector to get --

9 MR. KUDO: Mr. Chairman, I'm going to raise
10 an objection, just a concern. I think that playing
11 videos of other persons testifying is fine if it's a
12 live video because that doesn't violate the right of
13 the parties to cross-examine that individual. But to
14 play a recording of someone's testimony doesn't allow
15 the parties to cross-examine that particular
16 individual. And it would be violative of the
17 Commission rules.

18 THE WITNESS: Mr. Heinberg will make himself
19 available.

20 CHAIRMAN LEZY: What rule are you citing,
21 Mr. Kudo?

22 MR. KUDO: Pardon?

23 CHAIRMAN LEZY: What rule are you referring
24 to?

25 MR. KUDO: This is Commission Rules 15-15-68

1 "Each party shall have the right to conduct any
2 cross-examination of the witnesses as may be required
3 for a full and free disclosure of the facts."

4 CHAIRMAN LEZY: I'm sorry. One moment.
5 Mr. Scott, you've indicated that the speaker can
6 appear in person?

7 THE WITNESS: He's in California. He will,
8 if there are any questions arising, cross-examination,
9 he will answer those. At the next meeting I can
10 perhaps provide a live video hookup for that
11 cross-examination if I'm allowed to do that. But he
12 will provide whatever answers to whatever questions
13 the developers --

14 MR. KUDO: I would suggest that if he's
15 gonna be able to give live video at the next meeting,
16 that his presentation be delayed until that time.

17 CHAIRMAN LEZY: I tend to agree with that. If
18 he, indeed, produces as a witness live then the
19 Chair's preference is go that route.

20 THE WITNESS: Will you allow me to do the
21 advance work to try to attempt live video then? It
22 will take my -- you know, it's not something you just
23 roll in and boom he's on.

24 CHAIRMAN LEZY: You can make whatever
25 arrangements you feel are necessary if he wishes to

1 provide public testimony.

2 THE WITNESS: For which meeting will this be
3 so I can start to make --

4 CHAIRMAN LEZY: You can speak with staff.

5 THE WITNESS: Okay. I still would like,
6 since he recorded this specifically for the
7 Commissioners, I'd like to enter this into the record.

8 CHAIRMAN LEZY: That's fine.

9 MR. DAVIDSON: Can you also give those to
10 the parties.

11 THE WITNESS: How many extra copies? I made
12 15. I didn't know that more were required, but I can
13 certainly make them.

14 CHAIRMAN LEZY: There will be six copies
15 necessary. So if you can provide those to the parties
16 if you're coming tomorrow.

17 MR. DAVIDSON: If you'll give them to me we
18 can distribute them to everybody.

19 THE WITNESS: I'll try to get them ready by
20 tomorrow.

21 CHAIRMAN LEZY: Do you wish to provide
22 public testimony?

23 THE WITNESS: Um, you know, I had not -- can
24 I borrow that headline in the paper -- I had not
25 prepared something in depth. (on mic) The last time

1 I was here before you I indicated that I wanted to
2 read what I read --

3 CHAIRMAN LEZY: Then I need to swear you in.

4 STUART SCOTT

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

7 THE WITNESS: To the best of my ability,
8 yes.

9 CHAIRMAN LEZY: Please state your name and
10 address and proceed.

11 THE WITNESS: My name is Stuart Scott. My
12 address 2801-N2 La-I Road, Honolulu. It's in the back
13 of Palolo Valley.

14 As serendipity would have it there are some
15 interesting articles in today's "Star-Advertiser".
16 O'ahu electric rates hit another high. Oils rise over
17 a hundred dollars, could lift gas prices."

18 The substance of the testimony that
19 Mr. Heinberg did last week, and is being submitted to
20 you, is the about the phenomenon of peak oil. I would
21 challenge the senator who just testified that those,
22 including military analysts, who believe that we are
23 coming to the end of the age of cheap abundant fossil
24 fuels, are making preparations for a world in which
25 there's far less oil, and everything including food

1 will be more expensive.

2 This is an extreme problem for Hawai'i
3 because everything that comes here, which is mostly
4 everything, we have no manufacturing to speak of, it
5 comes with, supported by fossil fuel. Electric rates
6 will rise.

7 My point is that the last 30 or 50 years are
8 no accurate prediction of the next 30 years. This is
9 being recognized, widely accepted in those rarefied
10 circles of government where you have to keep saying
11 grow, grow, grow and make everyone feel that things
12 will get back to be normal and continue on.

13 So I would challenge the Senator, that he's
14 living in sort of a fantasy basing his forward
15 projections on past experience which will not be the
16 same.

17 So that's the concern I have, the concern
18 that Mr. Heinberg was expressing. He is an authority
19 in the area of peak oil. And I hope that -- he's a
20 Senior Fellow to Post Carbon Institute. I hope that
21 you will view the DVD and take his testimony into
22 account. Thank you.

23 CHAIRMAN LEZY: Parties, questions?
24 Commissioners, questions? Hearing none, so Mr. Scott,
25 work with staff to arrange for the live testimony.

1 THE WITNESS: Thank you.

2 CHAIRMAN LEZY: Sorry for the inconvenience.

3 MR. DAVIDSON: Next witness Christine Camp
4 followed by Rodolfo Ramos.

5 CHAIRMAN LEZY: Mr. Scott, we're going to
6 need you to make yourself smaller. (Laughter)

7 MR. SCOTT: I'm sorry. I won't take
8 everything out of the way. I'll just settle myself in
9 the back.

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

13 THE WITNESS: Yes.

14 CHAIRMAN LEZY: Please state your name and
15 address and proceed.

16 THE WITNESS: Thank you. My name is
17 Christine Camp. My address is 841 Bishop Street
18 Honolulu, Hawai'i 96813. But I am here as the
19 government affairs chair for the Kapolei Chamber of
20 Commerce comprised of businesses that have made
21 significant investments in the region.

22 I'm here to share with you our strong
23 support for the proposed Ho'opili community in East
24 Kapolei, and ask for your approval of the proposed
25 plan for the development.

1 The state of Hawai'i and the city and county
2 of Honolulu have long planned for a true secondary
3 urban center in the 'Ewa Plain. However, for many
4 years progress languished through ups and downs
5 through the economies.

6 Over the last ten years the Kapolei region
7 has flourished with billions of dollars being invested
8 in infrastructure, housing and business development.
9 The recently constructed Walt Disney Aulani Resort at
10 a cost of \$900 million and the groundbreaking for the
11 city's Honolulu High Capacity Transit Corridor Project
12 are testaments to the growing optimism.

13 Likewise, businesses located to Kapolei and
14 invest a significant capital because we believed in
15 that long-term vision. We believe in the directed
16 growth for Kapolei. And we, like many others, are
17 very bullish on the future of Kapolei, and only hope
18 that the momentum that we've generated over the last
19 few years will continue.

20 The Ho'opili Project is an important piece
21 of the vision. It is the last remaining piece that
22 connects us to the urban core. And for Kapolei it
23 will provide a tremendous boost to keep the progress
24 moving forward.

25 Ho'opili is planned in an environmentally

1 sustainable way to enhance residents' lifestyles by
2 allowing them to produce their own energy, grow their
3 own food and take advantage of multiple transportation
4 opportunities from walking and biking to rail.

5 Moreover, the creation of 7,000 permanent
6 jobs as well as Ho'opili's proximity to the
7 soon-to-be-completed University of Hawai'i at West
8 O'ahu will undoubtedly provide an exciting opportunity
9 for residents of Ho'opili and all of West O'ahu.

10 The businesses of Kapolei believed in the
11 long-term vision. We invested our capital and our
12 hopes and dreams into the city of Kapolei so we ask
13 for your support and approval for this project. Thank
14 you.

15 CHAIRMAN LEZY: Thank you. Parties,
16 questions? Dr. Dudley.

17 MR. DUDLEY: Ms. Camp, can you tell us do
18 you work for the Kapolei Chamber of Commerce?

19 THE WITNESS: I am a member of the Kapolei
20 Chamber of Commerce.

21 DR. DUDLEY: But you have some other employ?

22 THE WITNESS: I'm sorry?

23 DR. DUDLEY: You have some other employ?
24 You're employed by somebody else?

25 THE WITNESS: Yes. I own my own business

1 and I have investments in Kapolei, as well as we
2 manage properties in Kapolei. We represent a lot of
3 small business interests there. We manage Kapolei
4 Business Park along with 115 businesses there.

5 And at this point I'm speaking on behalf of
6 the Chamber members who comprise of small businesses
7 as well as big businesses who are located in Kapolei,
8 or they have significant investments creating jobs in
9 Kapolei.

10 MR. DUDLEY: Thank you. And is D.R. Horton
11 a member of the Chamber of Commerce?

12 THE WITNESS: They're one of the many
13 members that we have, yes.

14 MR. DUDLEY: Thank you. And the Chamber of
15 Commerce has another employee. I believe you pay
16 60,000 a year to Nestor Garcia for something? Could
17 you tell us about -- is that correct?

18 THE WITNESS: Yes. But what does that have
19 to do with support for Ho'opili? I'm sorry.

20 MR. DUDLEY: Well, Ho'opili has the rail
21 project and there are all kinds of things that he --
22 the City Council is very involved in to promote. I
23 just thought I would bring that in. Thank you.

24 THE WITNESS: Right.

25 CHAIRMAN LEZY: Ms. Cerullo?

1 MS. CERULLO: No questions.

2 CHAIRMAN LEZY: Mr. Seitz?

3 MR. SEITZ: No.

4 CHAIRMAN LEZY: Commissioners, questions?

5 Hearing none, thank you.

6 THE WITNESS: Thank you.

7 MR. DAVIDSON: Rodolfo Ramos followed by

8 Fred Lau.

9 THE WITNESS: Good morning.

10 RODOLFO RAMOS,

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

12 and testified as follows:

13 THE WITNESS: Yes.

14 CHAIRMAN LEZY: Please state your name, your

15 address and proceed.

16 THE WITNESS: Hi. My name's Rodolfo Ramos.

17 My address is 91-1401 Kamahoi Street, 'Ewa Beach

18 Hawai'i, 96706. Mr. Chairman, and members of the

19 Commission, thank you for this opportunity to testify

20 in support of Ho'opili. I'm Rodolfo Ramos and I've

21 lived in 'Ewa for nearly 40 years. I currently reside

22 in 'Ewa Villages, a tight-knit neighborhood close to

23 the makai border of the Ho'opili.

24 Starting in the 1980s I was involved with

25 community groups like the Neighborhood Board that

1 helped shape the overall plan for the entire 'Ewa
2 Plain. Together, the community, along with the
3 officials from the city and state, determined that the
4 island's population growth would occur in West O'ahu,
5 and that one day Kapolei would eventually become a
6 secondary urban center.

7 Now here we are nearly 30 years later and
8 the vision for the Second City is finally coming true.
9 We have so many great projects to point to, as
10 previous speakers had mentioned: UH West O'ahu, the
11 Kroc Center, the state Judiciary Building, the City of
12 Kapolei, and many private businesses who have invested
13 in the area all with the hopes that one day there will
14 be residents to shop at their stores and dine at their
15 restaurants.

16 We must act responsible and think of our
17 future and our children's future. Personally I have
18 two children who are starting families of their own.
19 Luckily they were able to purchase homes in Hawai'i.
20 And thankfully my wife and I are sharing memories with
21 our first grandchild as she grows up here and not on
22 the mainland.

23 However, this scenario is not true for
24 everyone. Young people are being forced to move to
25 Vegas or other affordable part of the mainland just to

1 have a chance at homeownership. We must give our
2 young families the opportunity to stay here, to raise
3 their families here, to give their kids a chance to
4 know their grandparents like me and my wife.

5 Not only would Ho'opili help to complete the
6 vision for the Second City, it would provide thousands
7 of homes for local working families. I strongly urge
8 you to approve D.R. Horton's Petition to reclassify
9 the land at Ho'opili so our young people can continue
10 to call Hawai'i and West O'ahu "my home." Thank you.

11 CHAIRMAN LEZY: Parties, questions. No
12 questions. Commissioners, questions? No questions.
13 Thank you, sir.

14 MR. DAVIDSON: Fred Lau followed by Maile
15 Kanamaru.

16 FRED LAU
17 being first duly sworn to tell the truth, was examined
18 and testified as follows:

19 THE WITNESS: Yes, I do.

20 CHAIRMAN LEZY: Please state your name,
21 address and proceed.

22 THE WITNESS: Aloha and good morning. My
23 name is Fred Lau, 171 Waokanaka Place, Honolulu. I'm a
24 landscape contractor. We also operate a landscape
25 maintenance company and two nurseries, one in

1 Makakilo, which we've owned for almost 20 years, and
2 one in Mililani.

3 Between the two nurseries we grow about
4 40 acres of landscape plant material and we currently
5 employ about 100 employees. Most of our landscape
6 work is for large developers: Haseko, 'Ewa by Gentry,
7 Castle & Cooke. D.R. Horton is one of our clients.

8 I'd like to think that as fast as they can
9 build these things we can cover it up with trees,
10 plants and grass. We've worked with Horton since the
11 late '80s early '90s when Jim Schuler began developing
12 Waikele. And 20 years later my company still
13 maintains the landscape for the community association.
14 We've relandscaped Waikele several times.

15 So landscape, construction work doesn't
16 necessarily end with the project. It continues for
17 many, many years later. In all the years I've worked
18 with Schuler Homes, once they commit to a project they
19 commit to their promises. They've always been fair to
20 the community, I think. They've always been fair to
21 me and I've always in return been fair to them.

22 But I didn't come here to talk about job
23 security and work for my hundred employees today. I
24 came to talk about agriculture and farming because
25 it's my passion and I really am an agriculturist.

1 About two years ago we began working with
2 CTAR, the College of Tropical Agriculture at the
3 University of Hawai'i, to develop an alternative
4 method to farming called aquaponics. It's the
5 combination of aquaculture -- and in this case we're
6 raising fish as protein -- and hydroponics, we're
7 raising vegetables using the water from the fish.

8 So at Mililani we've dedicated an acre of
9 our nursery as a prototype to develop aquaponic and
10 organic hydroponic farming methods. The ultimate goal
11 of these methods is to bring agriculture back to the
12 urban core. And we'd like to grow that -- we'd like
13 to have the product that is grown travel zero food
14 miles to that community.

15 We do not have to till so there's no
16 tractor. There's no diesel fuel. There's no noise
17 and no dust. We also do not use petrochemical
18 fertilizers or synthetic pesticides. So we were
19 certified organic. We are able to farm directly
20 adjacent to residential homes. The nearest home to my
21 production area in Mililani is 60 feet away.

22 These methods of farming are very, very
23 sustainable and they are not a fantasy. They use as
24 little as 5 percent of the water needed for
25 conventional crops to produce the same amount of

1 conventional crop. In addition, we are able to
2 produce 15 to 20 percent more harvestable crops per
3 year.

4 As long as we have water and electricity we
5 can farm anywhere: On top of lava rock, on top of
6 parking lots, even on top of buildings. And at
7 Ho'opili we see the opportunity to build the first
8 sustainable community that could be food secure or at
9 least partially food secure.

10 MR. DAVIDSON: Excuse me, sir, 30 seconds.

11 THE WITNESS: Oh, okay. I believe that just
12 as we require developers to provide infrastructure,
13 schools, emergency services, we should expect them to
14 build sustainably and preserve enough farm area to
15 provide food for that community.

16 I hope that we can convince the developer
17 and you folks to think outside of the box and
18 seriously look at where we can build these systems and
19 make Ho'opili the model community for sustainability
20 not only in Hawai'i, not only in the nation but in the
21 world. Thank you.

22 CHAIRMAN LEZY: Parties, questions?
23 Dr. Dudley.

24 MR. DUDLEY: Mr. Lau, I'm not sure exactly
25 what you're proposing. But are you proposing to get

1 rid of the 1500 acres of prime farmland and build some
2 other kind of infrastructure that we're going to put
3 aquaponics into?

4 THE WITNESS: I am saying that there has to
5 be a balance between agriculture and development. I'm
6 not saying that we should just take away the
7 1500 acres and take away farming. I believe every
8 community of the future should be able to be
9 sustainable.

10 So with Ho'opili we have the opportunity --
11 if we are going to build Ho'opili, we should be able
12 to produce at least a percentage of the food for that
13 community. And with these technologies that the
14 University of Hawai'i and other people are developing,
15 I think we can put it right in the urban core. I
16 would like to put one of these systems on the state
17 capital lawn and clean up the water in that pond and
18 feed the homeless with the produce coming off of our
19 systems.

20 MR. DUDLEY: Okay. But you're not
21 suggesting that by putting this into some houses in
22 Ho'opili we're going to replace all the agriculture
23 that is produced.

24 THE WITNESS: No, we can't. But partially,
25 partially. I believe that part of sustainability is

1 everyone growing your own food. So if some of these
2 systems are in those houses, there's no problem -- I
3 have no problem with people producing their own food
4 also.

5 DR. DUDLEY: Just one last question though.
6 It does cost to construct your tanks and things like
7 that.

8 THE WITNESS: Yes. Quite a bit.
9 Infrastructure costs is expensive.

10 MR. DUDLEY: Yes. And there really is no
11 way that a farmer, a serious farmer could do this on a
12 large scale because of the cost?

13 THE WITNESS: We have taken our 1-acre
14 prototype and we're working with D.P. Sumrall at
15 University of Hawai'i CTAR, on the economic
16 feasibility of this project. I cannot answer that
17 question at this time. But I think the return could
18 be within two to three years, infrastructure return as
19 well as positive cash flow. I won't know this for
20 another year or so.

21 MR. DUDLEY: All right. We'll leave you to
22 work that.

23 CHAIRMAN LEZY: Further questions?

24 MR. SEITZ: No questions.

25 CHAIRMAN LEZY: Commissioners, questions?

1 Thank you, sir.

2 THE WITNESS: Thank you.

3 MR. DAVIDSON: Maile Kanimaru followed by
4 Stephen Person.

5 MAILE KANIMARU

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

8 THE WITNESS: Yes.

9 CHAIRMAN LEZY: Please state your name and
10 address proceed.

11 THE WITNESS: My name is Maile Kanimaru. My
12 address is 94-440 Mokuola Street, Waipahu, Hawai'i
13 96797. I am the director of Weed and Seed in
14 Honolulu. The 'Ewa community was designated a Weed
15 and Seed site in 2002. Weed and Seed started as an
16 initiative from the U.S. Department of Justice. It is
17 now a program from the office of U.S. Attorney
18 District of Hawai'i.

19 Weed and Seed is a collaborative effort
20 between law enforcement and social service providers,
21 private businesses and nonprofit organizations to
22 reclaim, restore and rebuild neighborhoods.

23 The four components of Weed and Seed are:
24 Law enforcement, community policing,
25 prevention/intervention treatment, and neighborhood

1 restoration.

2 D.R. Horton-Schuler Homes have been a
3 positive contributor to the West O'ahu community.
4 They have supported our culinary arts program for
5 middle and high school students. It has been held
6 every summer for the past five years.

7 It provides the students with opportunities
8 for career exploration as well as development of life
9 skills in learning how to cook affordable and
10 nutritional meals for their families. Many of these
11 students have been motivated to continue post high
12 school education to pursue a career in food service.

13 They have also supported us with technical
14 assistance in providing resources in the areas of
15 public relations and marketing. And one of the key
16 emphasis of Weed and Seed is developing the capacity
17 of residents.

18 D.R. Horton-Schuler has supported
19 initiatives to assist in training and development of
20 staff and residents to be able to problem solve issues
21 in the community and to work together in developing
22 their own solutions.

23 The benefit of this support has been a
24 decrease in crime, increase in community engagement
25 and a revitalization of businesses and programs in the

1 'Ewa neighborhoods.

2 Building complete communities is essential
3 to providing residents a safe environment. We
4 appreciate the support of D.R. Horton-Schuler Homes to
5 ensure community leaders and partners continue to
6 build a strong network of committed citizens that will
7 continue to work to improve their neighborhoods to be
8 a safe place to live and raise their families. Thank
9 you.

10 CHAIRMAN LEZY: Parties, questions?

11 MR. YEE: Just to clarify for myself. I've
12 heard your testimony that D.R. Horton is a good
13 corporate citizen.

14 THE WITNESS: Yes.

15 MR. YEE: Are you testifying on behalf of
16 Weed and Seed in favor of the development?

17 THE WITNESS: Yes.

18 MR. YEE: Thank you.

19 CHAIRMAN LEZY: Additional questions?
20 Commissioners, questions? Thank you, ma'am.

21 MR. DAVIDSON: Steven Pearson followed by
22 Mike Golojuch.

23 STEPHEN PEARSON
24 being first duly sworn to tell the truth, was examined
25 and testified as follows:

1 THE WITNESS: I do.

2 CHAIRMAN LEZY: Please state your name, your
3 address and proceed.

4 THE WITNESS: My name's Stephen Pearson. My
5 address is 2424 Waiomao Road in Palolo Valley. I had
6 actually thought that Richard Heinberg's presentation
7 was going to be given. So I found out about the
8 meeting last night and don't have a stand-alone
9 presentation.

10 But I would like to stress the fact, which
11 he covers in his video, that the peak oil situation
12 and how it impacts Hawai'i and food availability in
13 Hawai'i; that oil -- conventional oil certainly is
14 peak, well even other source, has peaked in 2000, 2004
15 and has been in plateau ever since, and will probably
16 start to decline by 2015, certainly by 2020.

17 Hawai'i is, I would say, 95 percent
18 dependent upon imported fossil fuels for its energy,
19 be it in transportation or power, and 85 at least
20 dependent on imported food.

21 My concern is that in a declining oil
22 situation where there is less availability of food
23 coming in to Hawai'i on a regular basis, that I think
24 there's less than a week's backlog of food in the
25 system if there were to be a breakdown in the system;

1 that local farmland is going to become more and more
2 important as we go forward.

3 I would disagree with the senator in that
4 the next 50 years will be a mirror image of the last
5 50 years. I think, if anything, we'll probably see a
6 declining situation where I think that locally grown
7 food is going to become increasingly important.

8 I realize that jobs are also very important
9 and future for their keiki. I think the one thing
10 that we really have to provide first and foremost is
11 food security. But whether this can be done with
12 development I'm very much in favor -- I was impressed
13 by Mr. Lau's presentation -- very much in favor of
14 combining agriculture and housing whether there's
15 things like hydroponics, aquaponics can be done in
16 areas that are not considered agricultural at the
17 moment. My daughter's worked a great deal on this.

18 So I'm less -- I'm less opposed to the
19 development than I am in favor of preserving farmland.
20 And how that is managed I don't know. As I say, I
21 just found out about the meeting last night. I don't
22 claim to have a full presentation ready. But I feel
23 the preservation of Hawaiian farmland of food
24 sustainability, especially on O'ahu, is crucial. And
25 that that would be the prime concern of looking at any

1 project is how it will impact that.

2 And if there are projects that can provide
3 jobs and at the same time guaranty increased
4 agricultural self-sufficiency, I very much hope that
5 that's true. I thank you for letting me speak.

6 CHAIRMAN LEZY: Parties, questions?
7 Commissioners, any questions? Thank you, sir. Mike
8 followed by Acusan Ito.

9 MIKE GOLOJUCH
10 being first duly sworn to tell the truth, was examined
11 and testified as follows:

12 THE WITNESS: I do.

13 CHAIRMAN LEZY: Please state your name
14 address and proceed.

15 THE WITNESS: I'm Mike Golojuch. Live at
16 92-054 Makakilo Drive unit 71 in Kapolei. I've been a
17 resident of Makakilo for the past 30 years and I'm
18 here in support of this project.

19 My community involvement has been as a
20 member of the, past member of the Makakilo Kapolei
21 Honokaihale Neighborhood for 12 years as well as the
22 current chair of the citizens advisory of the Oahu
23 Metropolitan Planning Organization known as OMPO --

24 CHAIRMAN LEZY: Sir, just like I did in the
25 beginning, if you could slow down a little bit for the

1 court reporter.

2 THE WITNESS: Oh, okay -- which is
3 responsible for coordinating transportation planning
4 for O'ahu. I have also been actively contributing to
5 the 'Ewa Development Plan for the past 15 years. I
6 have been part of the Ho'opili Community Task Force
7 for five years during which time D.R. Horton-Schuler
8 Division held ongoing meetings not only to provide
9 information on its plans for Ho'opili, but also to
10 find out what we as a community wanted to see built in
11 this new community. And there were many heated
12 discussions, but they listened.

13 And one of the issues was addressed as a
14 group was transportation in around Ho'opili. Ho'opili
15 is designed to be one of the first Transit-Oriented
16 Development communities along the rail line that will
17 connect Kapolei with Honolulu.

18 In addition to connecting to the rail,
19 Ho'opili is planned around a multi-modal
20 transportation system including well-connected street
21 network which residents can walk, bike and ride the
22 bus which falls well within the Complete Streets
23 planning process.

24 D.R. Horton has also been pro-active in its
25 approach to be part of the solution to major

1 transportation issues in the Kapolei area. They
2 provided approximately 40 acres of land for the
3 alignment of the Kualakahi Parkway.

4 They have contributed to the completion of
5 an important segment of the Kapolei Parkway west of
6 Fort Barrette Road. All we need now is for the city
7 to complete it. And they have paid millions of
8 dollars into the 'Ewa Highway Transportation Master
9 Plan Impact Fee Bill.

10 They have also been continuing to work with
11 the appropriate government agencies to study the
12 mitigation measures to improve traffic in and around
13 the Kapolei area.

14 And I thank you for allowing me to support
15 for the D.R. Horton-Schuler division's proposal for
16 the Ho'opili community in East Kapolei. It is needed
17 to finish up the second urban corridor.

18 CHAIRMAN LEZY: Parties, questions?
19 Commissioners? Thank you.

20 MR. DAVIDSON: Garrett followed by Sean
21 Tiwanak.

22 GARRETT APUZEN-ITO
23 being first duly sworn to tell the truth, was examined
24 and testified as follows:

25 THE WITNESS: Yes, I do.

1 CHAIRMAN LEZY: Please state your name, your
2 address and proceed.

3 THE WITNESS: I'm Garrett Apuzen-Ito. I live
4 at 3029 Lowrey Avenue in Manoa. And I'm here to
5 testify, to present testimony in argument to preserve
6 this valuable agricultural land and keep it zoned as
7 such. The two main reasons that I'm going to discuss
8 are very strong and important economic headwinds that
9 I think, and a lot of people think, will at least slow
10 growth or reverse it. The second is we need to
11 preserve Hawai'i's natural resources. It's imperative
12 for our food security.

13 So I'm married with a daughter who's five
14 years old. I've been involved with various volunteer
15 groups including been a member of the Manoa Community
16 Gardens, as well as the previous president.

17 I'm employed by the University of Hawai'i in
18 the School of Ocean Earth Science and Technology in
19 the Department of Geology and Geophysics. So I
20 teach -- besides teaching which, of course, supports
21 Hawai'i's workforce, I also manage a group of students
22 and researchers, along with that bring in hundreds of
23 thousands of dollars of federal or extramural funding
24 a year to the state.

25 So I say this just to give you a feel for

1 how I'm contributing as a citizen of Hawai'i. But
2 also of course, like many of you, my time is very
3 valuable and I'm here because I think this is a very
4 important issue. And also my profession has me aware
5 the natural processes and limited to the natural
6 resources that we have. And that's the crux of my
7 argument.

8 I'm also very sensitive to the housing
9 issue. I've been saving -- my wife and I have been
10 saving for the last dozen years. We have a pretty
11 good downpayment for the house that we can afford, but
12 that house is not here where we want to live.

13 So actually the development that's being
14 planned or proposed is very attractive to someone like
15 me. I mean I hope I could afford to live there. The
16 vision presented in terms of the community
17 interaction, being near the rail and the community
18 gardens, I think is right on. So I congratulate the
19 development team for presenting that vision. I think
20 it can succeed but it cannot be at the cost of this
21 agricultural land. That's most important.

22 You saw this newspaper ad, which I forgot to
23 bring up. Okay. This is today. And there are three
24 main topics here. One is on low income housing,
25 which, again, is very important. This is a graph

1 showing energy costs over the last three months. This
2 is HECO electricity.

3 There's a smaller graph here showing oil
4 going up to close to a hundred dollars a barrel. And
5 I know you all agree that Hawai'i depends critically
6 on oil -- the economy depends on it.
7 Seventy-five percent of HECO's electricity comes from
8 petroleum. Our tourism depends on cheap jet fuel.
9 Most of what we consume, everything is flown in or
10 shipped in. And of course, 85 percent of our food is
11 shipped in.

12 So this puts Hawai'i in a very precarious
13 position, highly dependent on imports and factors that
14 we cannot control. We must control what we can and
15 that's our land resources. And you can remember back
16 in 2007, 2008 when oil spiked up \$140 a barrel, things
17 were starting to get expensive. Air travel started to
18 get more expensive. We're paying for lunches and lots
19 of other things. Matson fuel charges started to go
20 up. HECO started raising their rates, and food prices
21 started to rise. And I ask you -- you should Google
22 "food" and "oil prices". And you can see the very
23 close link between those.

24 My monthly budget is heavily, a lot of that
25 is food costs. If you think to your monthly budget,

1 it is a substantial amount of our monthly costs.
2 Imagine what would happen if that goes up 50 percent
3 like oil could do in the near future, or if it
4 doubles? That would put a lot of economic stress on
5 my family. If we depend on this imported food, that
6 would be a problem.

7 What I'd like to -- so here's where my
8 professional experience comes in. As a geologist I'm
9 very attuned to sort of big-scale problems and
10 long-time scale problems. I'm a geologist, right? I
11 ask you to take a step back and consider this. So
12 petroleum is an extremely valuable commodity, right?
13 It has lead to the growth that we've seen in Hawai'i
14 over the last decades. It's enabled Hawai'i to grow
15 as it has.

16 It took the Earth hundreds of millions of
17 years to produce. So there's not any more of it
18 that's going to appear soon. Okay. Over the past
19 century we've used up 30 to 50 percent. Okay.
20 Currently we're consuming it at a rate more rapidly
21 than ever before. And that's what sustained the
22 growth that's been discussed over the last few
23 decades.

24 Okay. There's also good arguments pointing
25 that we cannot increase that rate. We're near the

1 peak level of production. With the demand going up in
2 China, India, elsewhere, the demand is only going up.
3 So I'm not an economist but I know, you know, that if
4 we're near the production limit --

5 MR. DAVIDSON: Excuse me, sir, you've got to
6 conclude in about 30 seconds.

7 THE WITNESS: Okay. Thanks. And our demand
8 is increasing. That leads to a very high pressure for
9 increasing prices. Okay. So those -- that's a big
10 head wind for our economic growth. I personally don't
11 see it continuing like it has been. But it also
12 means that Hawai'i must be more self-sufficient.
13 Okay.

14 Instead of relying three quarters or
15 85 percent of our food to be imported, we need to
16 reverse that ratio. We need to produce. We need a
17 longer term plan to have the capability to produce, to
18 produce three quarters of our food.

19 Again, I'm actually quite excited about the
20 vision presented by this development. But at the same
21 time I really think that we cannot sacrifice this
22 valuable agriculture land for this. We can build
23 elsewhere, but we have to preserve, we have to look to
24 the future and preserve this land.

25 CHAIRMAN LEZY: Parties, questions?

1 Mr. Kudo.

2 MR. KUDO: Just a couple questions.

3 Mr. Ito.

4 THE WITNESS: Yes.

5 MR. KUDO: In regard to your concerns with
6 regard to the rising use or consumption of the petro
7 fuels, would you find it as a positive aspect of this
8 project that one of the elements is to have a
9 community where people live and work in that community
10 so that they avoid the commuting into Honolulu,
11 central Honolulu?

12 THE WITNESS: Oh, yeah. That's a great plus
13 definitely. And I'd like to add to that. I think
14 that's really the future of how we've got to start
15 living as a community. But we can't sacrifice the
16 agriculture land because more of what they're going to
17 need to live on is going to come from Hawai'i. And
18 that can't from ag. We can't do that to our ag land.

19 MR. KUDO: My second question is that in
20 your reference to that article, I guess this morning
21 in the "Star-Advertiser", you referenced an affordable
22 housing project in Kapolei. Are you aware that Horton
23 is the developer of that affordable housing project?

24 THE WITNESS: Actually, I see it now.
25 That's great.

1 MR. KUDO: No further questions.

2 CHAIRMAN LEZY: Any additional questions?
3 Commissioners, questions? Thank you, sir. We'll take
4 a five minute break in place. (Gavel).

5 MR. DAVIDSON: Okay. Next witness Sean
6 Tiwanak followed by Roger Rivera.

7 SEAN TIWANAK
8 being first duly sworn to tell the truth, was examined
9 and testified as follows:

10 THE WITNESS: Yes, I do.

11 CHAIRMAN LEZY: Please state your name, your
12 address and proceed.

13 THE WITNESS: My name is Sean Tiwanak. My
14 address is 91-1026 Kawaihuna Street in Kapolei. I
15 live at the DHHL Kaupea subdivision. And I'm sorry,
16 Chairman, how much time do I have?

17 CHAIRMAN LEZY: Three minutes.

18 THE WITNESS: Three minutes. Okay. So I'll
19 try to talk fast. I'm not here representing any
20 special interests or unions or anything like that.
21 I'm simply coming to you today as a resident of the
22 Kapolei area. I drive by that every day. I drove
23 past it this morning and I use Farrington to go to
24 Waipahu many times a week.

25 In preparing for this I did meetings with

1 Will Espero, Mike Gabbard, Clayton Hee, Brickwood
2 Galuteria, Glen Mukai, contacted Maile Shimabukuro,
3 Sharon Harr, Save O'ahu Farmlands Alliance,
4 Environmental Caucus of Hawai'i, and met with
5 Dr. Kioni Dudley and also Tesha Malama of HCDA as well
6 as trying to contact Aloun Farms. So I feel like I've
7 done my due diligence.

8 I've heard it all and I wanna try to offer
9 you a fresh perspective of what I see just listening
10 to all the sides. So good things happening, no doubt,
11 with the Ho'opili plan. It's pretty innovative. But
12 I want to bring you my perspective as a former
13 respiratory therapist and resident of Hawai'i, as a
14 pharmaceutical former executive and also in the legal
15 documentation business, real estate appraisal. I used
16 to be a contractor, and also as an entertainer. I'm
17 just a Joe Blow guy living in Kapolei.

18 I spoke with all my representatives. The
19 thing I was disappointed at is that they failed to
20 address the issues that are coming from the community.
21 I sat down with 'em and those are just issues that
22 have not been addressed. So that's why I'm here today
23 to bring those issues from the community. And I'd
24 like to put things in a little bit different
25 perspective for you. And there's three parts of my

1 concern is the scope of the project, the impact, the
2 negative impacts that that can have, the current plan
3 for the project -- let me be specific -- and the
4 traffic circulation concerns.

5 Putting it all into perspective right now
6 there's about 8,000 houses in Kapolei Village. To put
7 this project into perspective Ho'opili is proposing
8 12,000 homes. So that's 125 percent increase right
9 there. So we're talking 20,000 homes. You add in the
10 area of Makakilo with approximately 4100 or so homes
11 or single families units, we're looking at, like,
12 24,000. So we're basically, to put into perspective,
13 doubling the whole area already. So you're really
14 looking at a second city within a second city. But
15 that's not where it ends.

16 D.R. Horton is not asking you to approve
17 12,000 homes. They're asking you to approve 46,000
18 homes and that's not even the end. I met with Tesha
19 Malama at HCDA. She informed me of all the other
20 developments going on, including Kalaeloa, West
21 Kapolei, East Kapolei, Lower Makakilo, West Makakilo,
22 all the way to Ko Olina and even developing in
23 Waimanalo Gulch.

24 So this isn't the end. This isn't the last
25 frontier of development. Development is happening all

1 over O'ahu with Transit-Oriented Development, the
2 governor's proposing raising building heights from 400
3 to 650 feet, increasing by 25 feet what we already
4 have, which is 480, so we'll go to 65. And I'm in
5 favor of some Transit-Oriented Development. It's
6 going to be all over the place. So the burden doesn't
7 have to fall on 'Ewa alone.

8 And my big issue is scope. If it were a few
9 thousand homes -- everybody knows that agriculture has
10 to give way to development in some way. Like in
11 Maili, but in a reasonable, thoughtful and right size
12 because overdevelopment is equally bad.

13 And when looking at the entire picture we're
14 talking about a substantial increase of homes. And
15 just what's on paper now? 60,000 homes. We're at
16 12,000 now. It's a five-fold increase in the size of
17 the area.

18 That's not gonna stop because you're still
19 developing up toward other areas, Mililani and Koa
20 Ridge is on the table and all these other areas.
21 Meeting the housing need is going to be met by the
22 entire island pulling together, not just 'Ewa.

23 I want to talk about impacts over
24 development is bad. It's bad for house prices. No
25 offense to the people from 'Ewa, I used to live in

1 'Ewa Beach, 'Ewa Beach Road. We don't want to be like
2 'Ewa Gentry where the whole community is just -- you
3 never know when you leave one area and get to another.
4 You'll get lost because there's so many houses.

5 You know, we want smart development. I like
6 a lot of the ideas the D.R. Horton has presented,
7 quite frankly. And my neighborhood, we grow our own
8 agriculture already. My wife has fruits and vegetals.
9 I get beautiful lettuce and tomato from my neighbor
10 two doors down. So those things can happen, you know,
11 on a local level. And I agree. But that can also be
12 achievable what we currently have and larger lots.
13 Like mine are 5,000 feet. You can easily do those
14 kinds of things.

15 The issue of water rights, sewer management,
16 waste management, reduced water consumption, heat
17 island effect, with can raise temperatures over ten
18 degrees. Big issue though.

19 I'm coming up North South Road this morning.
20 And before I hit the freeway the traffic was already
21 at the offramp. Okay. So poor guys in 'Ewa, when I
22 finally get there, like, 15 minutes later, are backed
23 up all the way Fort Weaver Road.

24 It takes me 45 minutes to get to Leeward
25 Community College this morning and an hour

1 and-a-half to get in. Usually takes 30, if there's no
2 traffic. As I'm driving up this road now, you have to
3 take into consideration that the university is going
4 there --

5 MR. DAVIDSON: Excuse me, sir, about 30
6 seconds.

7 THE WITNESS: Okay -- university is going
8 there. We have Kalaeloa development. We have the
9 Kroc Center going in, Ho'opili, and don't forget the
10 mall, the Kamakana Ali'i Mall is going to be huge. So
11 the traffic going up there right now, cars turning
12 left and so forth, I know they're gonna expand the
13 highway four lanes on Farrington, but there needs to
14 be additional freeway interchanges. I don't see that
15 in their plan, that they've planned any infrastructure
16 for anything like that.

17 I'd like to see areas of Farrington Highway
18 up to the freeway preserved, more preserved area, more
19 public use area, regional parks, agriculture,
20 whatever, golf courses. I love golf courses. I'm a
21 golfer. That's probably not environmentally sound but
22 it's selfish.

23 The point is it's the scope of the project.
24 The impact on traffic I don't think has been
25 adequately addressed. I think there needs to be some

1 other infrastructure to take into consideration, and
2 overall impact in terms of the scope and the general
3 direction of the housing market in Hawai'i. I think
4 we have options. I don't think it needs to be this
5 big. If they have contingency plans I'd love to see
6 it.

7 So with that I just want to say: Ua mau ke
8 ea o ka aina i ka pono. As a part Hawaiian guy I love
9 the agriculture. I love seeing it. It gives me a lot
10 of aloha to see those plants out there. And we in
11 'Ewa and Kapolei have a lot of pride in that as well.
12 And we don't want to lose something that we have such
13 a good feeling about already. And with that I'd just
14 like to thank you for your time.

15 CHAIRMAN LEZY: Parties, questions?
16 Commissioners? Thank you for your testimony.

17 MR. DAVIDSON: Roger followed by Mike Lwin.

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

21 THE WITNESS: Yes, I will.

22 CHAIRMAN LEZY: Please state your name, your
23 address and proceed.

24 THE WITNESS: Roger Rivera, 420 Koakoa
25 Street, Kapolei, Hawai'i 96707. I'm a lifetime

1 resident of West and Leeward O'ahu and I currently
2 live in Kapolei. When I first heard about Ho'opili I
3 had many questions: Who is the community for? How
4 different is it than other developments? And why
5 should I care?

6 I started to do some research with an open
7 mind, learned about both sides of the issue. Here's
8 my conclusion. I strongly support Ho'opili and many
9 features and amenities and benefits it will provide
10 for the great region. I love living in Kapolei. And
11 no longer do I have to trek all the way into town to
12 shop or dine. We have a growing selection of stores
13 and restaurants that make life easier and more
14 convenient.

15 Back to my question: Who is Ho'opili for?
16 Ho'opili could be for me and is definitely for the
17 next generation. About 30 percent of the homes at
18 Ho'opili are sold at affordable -- are sold as
19 affordable -- which means dreams of homeownership
20 could come true for your young and local families.

21 As a new homeowner myself I can hope that
22 others like me will have the opportunity to purchase
23 one of the various home types that will be offered at
24 Ho'opili.

25 How is Ho'opili different than other

1 developments? Ho'opili is located in close proximity
2 of the University of Hawai'i West O'ahu campus, the
3 Salvation Army Kroc Center and the Hawaiian Homes
4 makes it unique, because all added together these are
5 the major developments representing the completion of
6 Kapolei as a city, as the Second City.

7 Furthermore, Ho'opili is not just about
8 residential homes. It's about a complete community
9 with office, commercial spaces, retailers and other
10 job centers for professional and working people.

11 Finally, why should I care? I'm excited
12 about Ho'opili because it will give local working
13 people an opportunity to live in the same community
14 and as an integral part of growing Kapolei into the
15 city it was long planned to be.

16 With Ho'opili the youth of today and
17 tomorrow will have the choice to stay in our community
18 to work and have affordable housing choices. Thank
19 you for your time in allowing me to share the support
20 of D.R. Horton, share the vision for the proposed hope
21 in this community.

22 CHAIRMAN LEZY: Parties, questions?
23 Commissioners? Thank you for your testimony.

24 THE WITNESS: Thanks.

25 MR. DAVIDSON: Mike followed by Victoria

1 Cannon.

2 MIKE LWIN

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

5 THE WITNESS: Yes.

6 CHAIRMAN LEZY: Please state your name, your
7 address and proceed.

8 THE WITNESS: Mike Lwin, 91-1325 Ku'anoa
9 Street, 'Ewa Beach. Name what else I need to state.

10 CHAIRMAN LEZY: You're good. You're good to
11 proceed.

12 THE WITNESS: Okay. By way of introduction
13 I'm Mike Lwin. I'm the senior pastor of New Hope
14 Leeward in Waipahu, our eight year-old church. We
15 have currently 4,000 people who attend our church. We
16 started just eight years ago in Waipahu, so right
17 across the street from the future Ho'opili
18 development.

19 To give you a perspective of our church,
20 there's 360,000 churches in the United States of
21 America. Our church by statistics is the 52nd
22 fastest growing church in the nation right in the
23 Leeward side. Lots of Filipinos. That's why.
24 (audience chuckling)

25 And so we are excited about being in the

1 community. But as the senior pastor after eight years
2 of shepherding this flock of people, they're all young
3 families dealing with many of the same issues. And
4 the key issues that continue to come up is affordable
5 housing. They're trying to balance their budgets
6 trying to figure out how they're going to support
7 their young families. A quality education is very,
8 very important. And if they had a choice to live in
9 the community --

10 CHAIRMAN LEZY: Could you slow down just a
11 bit for the court reporter.

12 THE WITNESS: She's keeping up. She has
13 strong arms. (Laughter)

14 CHAIRMAN LEZY: She's keeping up but she's
15 going to go crazy. (Laughter)

16 THE WITNESS: No problem. I knew we had
17 three minutes. Additionally, the young families
18 would, if they had a choice to work in the community
19 in which they live and not spend an hour each way,
20 that would save them 21 days a year in sitting in
21 traffic alone. And many of these young families are
22 trying to figure out how to balance that with their
23 young families.

24 And as a pastor I know that there are many
25 issues that a lot of these young families are facing.

1 And adding Ho'opili helps to provide affordable
2 housing, jobs in the community which they live and
3 they can work, allows for our children to be raised in
4 a safe environment, a community that is not just about
5 your own home, but a community in which families will
6 get to know their neighbors and neighbors will get to
7 play with one another in an environment which they can
8 grow up in a healthy way.

9 So from a senior pastor perspective Ho'opili
10 offers that. But from a father perspective I have a
11 21 year-old son that just got married. And they're
12 trying to afford their very first home. And they're
13 educated, master's degree, looking for opportunities
14 and they're thinking about moving to the mainland.
15 And Hawai'i's future talent, the leadership,
16 government leaders are considering moving away from
17 Hawai'i in order to afford a future for their
18 families.

19 Ho'opili, I stand in support because it
20 allows for the next generations to find a place in
21 which they're excited to raise their families, a place
22 in which they can get a great job, and a place in
23 which they can grow with the community long term and
24 not have to move around.

25 So as a representative of 4,000 people in

1 our church across the street from the Ho'opili
2 community, we are -- we have talked a lot about this
3 as it is one of the locations we are considering
4 possibly locating in the future as well as for other
5 locations. So not to our primary but one largely
6 because of the vision in which the community can come
7 together and families can be raised in a healthy way
8 long term. We stand in support. I do thank you for
9 your time.

10 CHAIRMAN LEZY: Parties, questions?

11 MR. KUDO: Pastor Lewin, have you had
12 discussions with the Horton people about locating a
13 facility, your church facility on the Ho'opili
14 Project?

15 THE WITNESS: Yeah, yeah. As I shared,
16 there's four locations that we're considering 15 acres
17 to 200 acres. So Ho'opili is one of the pieces we're
18 looking at. It's the smallest of them but it's not so
19 much -- it's not our only option.

20 MR. KUDO: Are you at liberty to discuss
21 what type of facility you're planning to put at one of
22 these four locations?

23 THE WITNESS: Yeah. A community center,
24 Christian church similar to the vision of Kroc Center,
25 so we work very closely with the same heart to build

1 an organization or a location in which the community
2 can come together and have a faith-based experience.

3 MR. KUDO: Approximately what size of a
4 facility would this be?

5 THE WITNESS: Square footage-wise?

6 MR. KUDO: Yes.

7 THE WITNESS: Anywhere from 150 to
8 200,000 square feet.

9 MR. KUDO: Thank you very much.

10 CHAIRMAN LEZY: Additional questions?
11 Mr. Yee.

12 MR. YEE: Just a follow up. Are you saying
13 that there were four places within Ho'opili that were
14 being considered, four locations within Ho'opili that
15 are being considered?

16 THE WITNESS: No. Four locations throughout
17 the Leeward side of O'ahu.

18 MR. YEE: And one of those locations is at
19 Ho'opili.

20 THE WITNESS: One of those is at Ho'opili.

21 MR. YEE: And just generically -- well, let
22 me first -- you would agree that places of worship are
23 important for any community.

24 THE WITNESS: Absolutely.

25 MR. YEE: And more generally what has been

1 the discussions or the process by which either you
2 approach or they approached you looking at locations
3 within Ho'opili?

4 THE WITNESS: The process was simply -- if
5 I'm answering your question correctly -- is we
6 approached the D.R. Horton representatives and gave
7 them a vision of what we're looking for; heard about
8 through the newspapers about the Ho'opili future and
9 sat with them.

10 So we are in dialogue but there's no
11 particular location set up because they're not really
12 at a position in which they can assign a particular
13 piece within the Ho'opili vision.

14 MR. YEE: You did, though, have an idea of
15 15 acres I assume. How did that -- how did that
16 either size or parcel arise?

17 THE WITNESS: Ten acres minimum. We engaged
18 a group called Group 70, they're an architectural
19 firm. So they've done an entire charrette process for
20 us and have determined that the vision that we have,
21 the necessary size, would be a minimum of 10 acres but
22 we'd have to go up. If we go wide we can go up to 200
23 acres.

24 MR. YEE: Would this be a sale to New Hope
25 or a gift to New Hope?

1 THE WITNESS: It would be a sale. We would
2 love a gift. (laughter) But at this time it is a
3 sale. Please let the record reflect it is not a gift.
4 It would be a sale. (Laughter)

5 MR. YEE: I have nothing further.

6 CHAIRMAN LEZY: Dr. Dudley.

7 DR. DUDLEY: You mentioned that the folks
8 who would work in Ho'opili would save 21 days alone?
9 You said something like that.

10 THE WITNESS: Well, I calculated
11 approximately two hours a day, one hour each way,
12 provided APEC is not around, so that's a round trip
13 deal, 5 days a week, 52 weeks a year. You add that up
14 and that's about 21 days if you divide it by 24 hours.

15 DR. DUDLEY: Okay. So roughly all the other
16 people in Kapolei area, Leeward area are spending 21
17 days in traffic is what you're basing --

18 THE WITNESS: If they work in town.

19 DR. DUDLEY: If they work in town.

20 THE WITNESS: Correct. Many of us on the
21 Leeward side, the alternative for a really good job is
22 to drive into town.

23 DR. DUDLEY: Now, Pastor, if we're gonna put
24 another, say, 12,000 cars on the road from Ho'opili
25 though, aren't we really burdening those of our

1 parishioners who don't work there?

2 I mean those people who still go to town now
3 they're going to have another, maybe half hour added
4 to their -- each way? Is that really something you
5 support, something good for some of your folks to work
6 in Ho'opili but everybody else gets another hour out
7 of their day, out of their families and so forth in
8 traffic?

9 THE WITNESS: Well, it's the creation of
10 additional jobs that will allow most of our community
11 to stay and work in the community.

12 DR. DUDLEY: I see.

13 THE WITNESS: So is there going to be
14 additional traffic? Well, hopefully by that time the
15 transit will be in and that will alleviate some of
16 that additional growth. That will happen from people
17 relocating from other parts of the island.

18 DR. DUDLEY: And, Pastor, they're saying now
19 they're going to have 7,000 jobs. And I guess all
20 those are going to go to the people in your church.

21 THE WITNESS: We hope so.

22 DR. DUDLEY: Okay. If there are 7,000 jobs
23 and 12,000 houses, I mean aren't we talking about
24 24,000 people needing jobs? Aren't we really talking
25 about many thousands of people who are jobless moving

1 into this place besides the 7,000 jobs that are there?

2 THE WITNESS: It's probably a question
3 beyond my scope, but I would hope the planners of the
4 community are creating positions, jobs, retail,
5 support for infrastructure growth, et cetera. So....

6 DR. DUDLEY: The last thing is just, you
7 know, do you have any idea what percentage of these
8 homes are going to be affordable?

9 THE WITNESS: From my conversations with
10 D.R. Horton it's a good percentage. I think the last
11 I heard -- I think a gentleman just earlier said 30
12 percent.

13 DR. DUDLEY: Thirty percent.

14 THE WITNESS: And that's great for a young
15 family even 1 percent to have an opportunity to stay
16 in Hawai'i, that's huge.

17 DR. DUDLEY: And what is "affordable"?

18 THE WITNESS: What is affordable is for the
19 average income of a young family newly married,
20 getting into something small, something decent. So
21 it's different, right, for every single family. It
22 would be different for you than my son who's 21 years
23 old, just got married. For affordable for them they'd
24 be great if they were at 200- to 300,000. But average
25 pricing is about 500,000 plus. So that's priced out

1 of their market.

2 DR. DUDLEY: I see. Okay. So you think,
3 then, that your average parishioner can move into a
4 200- \$300,000 house?

5 THE WITNESS: It depends. But knowing the
6 income of our particular families that is much more
7 affordable than \$500,000.

8 DR. DUDLEY: Much more affordable, but I
9 mean can you move in? Or is it just -- I mean
10 "affordable" seems to be a word that's just kind of
11 like a word out there. I mean is "affordable"
12 something you can move in to?

13 THE WITNESS: Can they move in at \$200,000?
14 The average person in our church could afford
15 \$200,000.

16 DR. DUDLEY: Okay. You have a fine
17 congregation. I just throw out one last question is:
18 How many houses will be at \$200,000?

19 MR. KUDO: Objection. That's out of the
20 scope of this public witness.

21 CHAIRMAN LEZY: Dr. Dudley, I don't think
22 the witness can respond to that.

23 DR. DUDLEY: Thank you.

24 CHAIRMAN LEZY: Any other questions?
25 Commissioners, questions? I just have to ask: Were

1 you, like, nine when your son was born?

2 THE WITNESS: Ten!

3 (Laughter).

4 CHAIRMAN LEZY: Thank you.

5 MR. DAVIDSON: Victoria followed by Reggie
6 Castineros.

7 VICTORIA CANNON

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

10 THE WITNESS: Yes, I do.

11 CHAIRMAN LEZY: Please state your name, your
12 address and proceed.

13 THE WITNESS: My name is Victoria Cannon.
14 My address is 92-102 Oloa Place O-l-o-a Place in
15 Makakilo. Thank you, Commissioners, once again for an
16 opportunity to testify. I'll be brief. I'm opposed
17 to this request by the Petitioner.

18 I would like to remind us all the Land Use
19 Commission was formed to protect Hawai'i's lands and
20 to provide the greatest possible protection to those
21 lands with the high capacity for cultivation. These
22 are your own revised statutes.

23 The lands described in this Petition are
24 exactly that. It is not the job for the Commission or
25 its Commissioners to provide or create jobs. I'd also

1 like to emphasize that the fact that the 33,000+ homes
2 zoned and permitted to be built on the 'Ewa Plain
3 already put us over our original publicly agreed upon
4 limit of 58,000 homes by approximately 5,000 homes.

5 The addition of 11,700 homes would put us
6 approximately 17,000 homes over the limit the public
7 already agreed upon. I don't understand the confusion
8 with Mr. Espero and others.

9 This is a document provided by the city and
10 county of Honolulu. It is the 'Ewa Development Plan.
11 It was just given to me in late October 2011. It
12 clearly states there are total zoned or exempt from
13 zoning 34,805 homes.

14 Another number that we haven't spoken about
15 is the total exempt from city zoning. That's 9,000
16 more homes. It's right here in the city and county's
17 documents. Can I ask Chairman a question?

18 CHAIRMAN LEZY: No you can't. Sorry.

19 THE WITNESS: Okay. I would also like to
20 refer to testimony submitted in 2008 by a member of
21 the Department of Agriculture, specifically that it is
22 not only the LUC's commission to protect ag lands, it
23 is also the state of Hawai'i's policy as expressed in
24 article 11 section 3 of the Hawai'i State
25 Constitution.

1 Any land use boundary amendment and
2 subsequent reclassification, because the two go hand
3 in hand, folks of zoning, would in be violation of
4 your Commission, our state constitution and the
5 State's policy.

6 As stated also in this testimony the
7 Petitioner is unable to relocate this farmland and
8 they are unable to duplicate its soils, therefore the
9 Petition should be denied. I would also like to
10 comment on --

11 MR. DAVIDSON: Excuse me ma'am, 30 seconds.

12 THE WITNESS: I would also like to comment.
13 I am not represented by the Makakilo Honokaihale
14 Neighborhood Board Petitioner. They have literally
15 irritated my Colony Ridge homeowners to the point we
16 don't even pay attention to them anymore.

17 I also would like to refer to Mr. Fred Lau.
18 I had the pleasure of working for Mr. Lau many years
19 ago and I too was impressed by his testimony. He is a
20 good man. The key comment to remember, however, is
21 his answer regarding the overwhelming infrastructure
22 cost. He and I both know it requires serious deep
23 pockets to provide the basics for any kind of nursery,
24 landscape, farming aquaculture, any of those issues.
25 It requires deep pockets. These costs cannot be

1 mitigated. They won't go away.

2 I just want to end with I always testify
3 when get the opportunity: We need to fix our existing
4 infrastructure before we start making decisions to add
5 more stress to it. Thank you.

6 CHAIRMAN LEZY: Parties, questions?
7 Commissioners, questions? Thank you, ma'am.

8 MR. DAVIDSON: Reggie followed by Sidney
9 Higa.

10 CHAIRMAN LEZY:

11 THE WITNESS: Good morning, Chair Lezy.

12 REGINALD CASTENERAS

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

15 THE WITNESS: Yes.

16 CHAIRMAN LEZY: Please state your name, your
17 address and proceed.

18 THE WITNESS: My name is Reginald
19 Castenaras. I live 91-1532 Hopaiko Street, 'Ewa
20 96706. I'm the president of the Building Trades
21 Council, and I've submitted my testimony. And we
22 stand by our testimony in support of the zone change
23 for the Ho'opili Project. And I'm here for any
24 questions.

25 CHAIRMAN LEZY: Parties, questions?

1 Commissioners, any questions? We have your testimony
2 on the record. Thank you.

3 THE WITNESS: Thank you.

4 MR. DAVIDSON: Sidney followed by Harmony
5 Bentosino.

6 SIDNEY HIGA
7 being first duly sworn to tell the truth, was examined
8 and testified as follows:

9 THE WITNESS: I do.

10 CHAIRMAN LEZY: Please state your name, your
11 address and proceed.

12 THE WITNESS: Sidney Higa, 92-739 Makakilo
13 Drive. As a resident of Makakilo for over 30 years I
14 have met with quite a few residents of Onelau'ena, the
15 homeless transitional shelter at Kalaeloa. If you
16 don't know about Onelau'ena, these are converted
17 barracks that were left over from the Navy. They have
18 common restrooms, kitchens and living rooms. Those
19 living here all want to work and have a stable job so
20 they can take the first step out of Onelau'ena.

21 And in case you don't know what that first
22 step is, it's to be able to move across the parking
23 lot into the other building where they actually pay
24 rent. Right now the residents of Onelau'ena don't pay
25 rent. They're in this transition. In order for them

1 to do this what do they need? They need jobs.

2 One of the persons that I'm helping, his
3 name is Frank. I'm encouraging him to go to school,
4 but he's also seeking a job so he can help his family
5 out. He's applied for jobs in numerous areas. He's
6 been turned down. He hasn't been able to get a job.
7 So he still goes to school.

8 Ho'opili can help create the jobs that Frank
9 is seeking so he can help his family.

10 Olive and her husband have been seeking a
11 job. Ho'opili can help create these jobs. This
12 family of seven would some day like to own their own
13 home. What will that take? Jobs and affordable
14 housing. Ho'opili can help create those jobs and will
15 build affordable housing.

16 The residents of Onelau'ena attend classes
17 like money smarts, job readiness, anger management,
18 addiction awareness, positive thinking, parenting and
19 computer classes so they can get a job that pays them
20 enough to move up into their own home.

21 Again, I want to stress that the people at
22 Onelau'ena are not helpless or hopeless. They are
23 willing to work. They just need to have jobs so that
24 they can be a part of the community. They need
25 affordable housing and they want to be a part of their

1 community. We can have a direct impact on their
2 future by creating jobs and affordable housing.

3 And as a final point, we cannot predict
4 where technology is going to be in the next 20 or 30
5 years.

6 The things that are grown by Aloun Farms now
7 may be grown on one-tenth of the land in the future.
8 Small power plants developing five megawatts of
9 electricity can be put on one acre of land or less
10 using garbage or green waste.

11 We can't predict where agriculture
12 technology will lead us but we will still have to
13 provide jobs and housing.

14 And, in case you didn't know, the Hawai'i
15 Agriculture Research Center is right there right on
16 the corner where this project is being proposed. And
17 these are the people who are researching --

18 MR. DAVIDSON: Excuse me, sir, 30 seconds.

19 THE WITNESS: -- technology. That's it.

20 CHAIRMAN LEZY: Parties, questions?

21 Commissioners, questions? Thank you.

22 MR. DAVIDSON: Harmony followed by David
23 Arakawa.

24 HARMONY BENTOSINO

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

1 and testified as follows:

2 THE WITNESS: I do.

3 CHAIRMAN LEZY: Please state your name,
4 address and proceed.

5 THE WITNESS: My name is Harmony Bentosino.
6 My address is 92-1242 Makakilo Drive. I live in
7 Makakilo. And I'm a member of the First Unitarian
8 Church of Honolulu and also a member of its social
9 justice committee -- rather council. And we believe
10 that saving farmlands is one of the most important
11 issues. When it comes to saving farmland we believe
12 that Aloun Farms is the most important land to save on
13 our island.

14 This is some of the most fertile, productive
15 land that we have. It is able to produce five crops
16 per year instead of only one, as most other places.
17 The land produces 80 percent of the pumpkins and
18 squashes found on O'ahu, 98 percent of the Honey Dew
19 and 75 percent of the corn. And as you all know food
20 grown locally is fresher and it contains more
21 nutrients than food that's shipped here.

22 And this is the land that we might someday
23 need for our very own food security. Senator Espero
24 said the price of food is of less concern than the
25 price of housing.

1 But I would say the real issue is whether
2 there is any food at all, not so much the price of it.
3 So it's not a smart idea to depend on food that must
4 be shipped from thousands of miles away if there were
5 some catastrophe. Right now we only produce
6 15 percent of the food that we eat here on O'ahu. And
7 we only have enough supplies of shipped food to last
8 for one week.

9 So that's why it is so important not just to
10 sacrifice this land for houses. And once this land is
11 paved over we could never get it back again. So we
12 must stop Ho'opili for that reason.

13 There's one other reason that this land is
14 important. It's for our tourist industry. Who would
15 wanted to come to O'ahu if it was overcome by urban
16 sprawl?

17 The tourists expect for Waikiki to be
18 developed, but they want the rest of our island to be
19 a place of beauty where they will be able to remember
20 the ocean, the mountains and the farmland and that
21 they will want to return to. Now is the time to stop
22 Ho'opili and to save Aloun Farms.

23 CHAIRMAN LEZY: Parties, questions?
24 Commissioners, questions? Thank you, ma'am.

25 MR. DAVIDSON: David followed by Alice

1 Fisher.

2 THE WITNESS: Good morning, Chair Lezy and
3 members of the Land Use commission. My name is Dave
4 Arakawa and I'm testifying on behalf of the state Land
5 Use Commission (sic). I have provided some written --

6 CHAIRMAN LEZY: Allow me to swear you in and
7 ask you to correct yourself. I think you're
8 testifying on behalf of the Land Use Research
9 Foundation.

10 THE WITNESS: Sorry. Land Use Research
11 Foundation. (Laughter)

12 DAVID ARAKAWA,
13 being first duly sworn to tell the truth, was examined
14 and testified as follows:

15 THE WITNESS: Yes.

16 CHAIRMAN LEZY: State your name again, your
17 address and proceed.

18 THE WITNESS: Dave Arakawa with the Land Use
19 Research Foundation, 1100 Alakea Street, suite 408.
20 I'm testifying on behalf of Land Use Research
21 Foundation. And our background is that LURF back in
22 2005, 2008 and even before that and other agricultural
23 stakeholders, worked for many years to pass the IAL
24 law and the legislation in 2005 and 2008.

25 We understand that in this hearing the issue

1 of agriculture and IAL has come up. So we wanted to
2 come here to testify as a public witness regarding the
3 IAL laws, support of IAL law, its background, its
4 adoption and the process of IAL designations which are
5 all consensus based, comprehensive, which include
6 important criteria, incentives and a designation
7 process, and most importantly a new paradigm to
8 promote, establish and sustain agricultural viability,
9 sustain growth of the agricultural industry and the
10 long-term use and protection of IAL for agricultural
11 use.

12 When the final portion of the IAL law was
13 passed in 2008, again, it was after more than five
14 years of public input in the legislative process. It
15 was passed with a legislative finding that the IAL law
16 was consistent with the goals and objectives of
17 creating a viable agricultural industry and protecting
18 Important Ag Lands as mandated by the Hawai'i
19 Constitution.

20 I talked about the new paradigm. Hawai'i
21 Farm Bureau and LURF, the primary proponents of this
22 new law agreed that the focus of IAL was to promote
23 long-term viability of agricultural use of IAL and
24 that IAL is all about supporting farmers, agriculture
25 and viable agricultural operations.

1 IAL is not about land use. IAL is not about
2 which lands or soils are better for farming versus
3 development. This new paradigm is explained in the
4 attached April 15, 2008 letter to all state
5 legislators from the Farm Bureau and LURF and also in
6 the January 8th, 2009 IAL overview where the Farm
7 Bureau and LURF presented an IAL overview for the
8 Land Use Commission.

9 The last issue is that, it's to discuss the
10 IAL incentives and the IAL designation process. It
11 provides for a three year period for landowners and
12 farmers to voluntarily designate their lands as IAL to
13 the Land Use Commission. And a number of landowners
14 have already done so or are in the process of doing
15 so. So the law works. That period is July 1, 2008 to
16 July 1, 2011.

17 Starting July 1, 2011 the counties are
18 required to identify, map potential IAL based on
19 standards and criteria in the law and the intent of
20 law, except for lands that have been designated
21 through the State Land Use zoning or county planning
22 process for urban use by the state and county. And
23 then the county will transmit these maps to the LUC
24 for further action. This process was based on a
25 consensus of all the agricultural stakeholders and the

1 Legislature.

2 In closing, we again emphasize that the
3 purpose of the IAL laws are to promote agriculture
4 viability on a sustained basis and not as a land use
5 tool to preserve open space or to thwart or restrict
6 state and county plans or the planning process which
7 you folks are aware. Thank you very much for the
8 opportunity to testify it.

9 CHAIRMAN LEZY: Parties, questions?

10 Mr. Kudo.

11 MR. KUDO: Mr. Arakawa, as part of the IAL
12 legislation you mentioned LURF and the Farm Bureau.
13 Were there other stakeholders involved over the five
14 years that had input into the formulation of the final
15 IAL legislation?

16 THE WITNESS: Yes. CTAHR, the ranchers,
17 HARK, almost all of the ag stakeholders were involved
18 in some input into that policy, in addition to the
19 Department of Agriculture and the Department of
20 Taxation.

21 MR. KUDO: Was there any manner in which the
22 stakeholders at least reached an agreement on the
23 final legislation on the agricultural preservation,
24 agricultural lands preservation and the need to
25 develop lands? Was there any compromise reached or

1 any part of the legislation that addressed that issue?

2 THE WITNESS: Yes. You know, it was
3 addressed in various ways. Most of the major issues
4 in the IAL law were fought over tooth and nail by the
5 various parties. The constitution passed the IAL
6 mandate in 1978. And the landowners, farmers and
7 other ag stakeholders have been fighting over what
8 should be the law for 27 years before we got the first
9 portion of the law passed in 2007.

10 It was only based on compromise. And it was
11 only based on the fact that, you know, everybody could
12 agree that farming, sustainability and everything else
13 that's good about agriculture could not be
14 preserved -- and agricultural lands could not be
15 preserved unless farming became viable.

16 So that became the focus of all the parties.
17 That was the one thing we could agree on. And we
18 disagreed upon a whole lot of other things, but we
19 agreed to compromise to pass this law.

20 MR. KUDO: Was one of the compromises
21 reached the fact that the IAL legislation was not
22 intended to be a land use limitation type of law?

23 THE WITNESS: Yes. Yes. It was important
24 for a number of parties. And you can see the Farm
25 Bureau's testimony on the neighbor islands and here

1 over the years. They do not want the issue of
2 agriculture or IAL to be used as a hammer or as some
3 kind of a tool or weapon with respect to land use.
4 They want to make sure that IAL and the preservation
5 of agricultural lands is tied to the viability of
6 making farmers make money, helping farmers to make
7 money. 'Cause otherwise industry will not survive.

8 MR. KUDO: Along those lines, is it correct
9 that the law contains provisions in there that the
10 counties, in developing a list of lands that they want
11 to nominate before the State Land Use Commission for
12 consideration as an IAL, that they consider their own
13 land use county laws?

14 THE WITNESS: Yes, it is.

15 MR. KUDO: And plans. Excuse me?

16 THE WITNESS: Yes. And that's one of the
17 eight criteria county, state and county land use
18 plans. There is a provision in there that says that
19 when they submit, when they submit their proposals for
20 IAL it should be consistent with their own county
21 plans.

22 MR. KUDO: No further questions.

23 CHAIRMAN LEZY: Additional questions?

24 Dr. Dudley.

25 MR. DUDLEY: Mr. Arakawa, this land is not

1 eligible for IAL designation, is that correct?

2 THE WITNESS: It has not been designated
3 either by the landowner or by the county. So it
4 hasn't come before them so it's not eligible for IAL.

5 DR. DUDLEY: But because it's within the
6 Urban Growth Boundary it's not eligible for IAL
7 designation. Is that not correct?

8 THE WITNESS: Under 205-47 that is correct.

9 DR. DUDLEY: And is there anything other
10 than the fact that this is within the Urban Growth
11 Boundary that in your mind separates it from really
12 fine IAL land?

13 THE WITNESS: Beg your pardon?

14 DR. DUDLEY: Is there anything other than
15 the fact that it's within the Urban Growth Boundary,
16 is there anything else that would disqualify it from
17 being IAL land?

18 THE WITNESS: That's a matter for the
19 counties and the landowners and the State Land Use
20 Commission to determine. But there are other lands.
21 In fact, I just saw something put out by an
22 agriculture group talking about the availability of
23 other ag lands, good ag lands, that could qualify as
24 IAL out there. So there are other IAL lands out
25 there.

1 So this land has been designated for, as you
2 have indicated, urban growth boundaries or urban
3 development. It's a matter of satisfying some of that
4 eight criteria. And that's not something that I would
5 naturally do, normally do. That's not my job.

6 But is it good ag land? Yes, I would say
7 it's good ag land. Is it -- would it qualify under
8 IAL? Probably not under all that criteria, under the
9 law.

10 DR. DUDLEY: What criteria was -- I thought
11 we were just talking about the Urban Growth Boundary.

12 THE WITNESS: Yeah. Well, that's one of the
13 eight criteria. There are a number of other, other
14 criteria.

15 DR. DUDLEY: Could you tell me some other
16 criterion that would qualify?

17 THE WITNESS: I haven't studied it, and I
18 haven't studied it, haven't looked at it. I
19 haven't -- you know, but in my mind this, this area
20 was designated for urban development. There are other
21 areas that could be designated as IAL on the island
22 and to satisfy, you know, the sustainable agriculture,
23 viable agriculture.

24 DR. DUDLEY: Okay. You know, you said that
25 the reason for IAL is to help farmers make money. I

1 like that. Isn't this one of the most productive and
2 most successful farms in the state?

3 THE WITNESS: You know, I don't know. I'm
4 not their ag expert. All I'm here testifying about is
5 the background of the IAL law, what the intent was
6 when we lobbied for the original law, the Farm Bureau,
7 what the intent of the Farm Bureau and LURF and the
8 other stakeholders, including state agencies, what we
9 put into the law, the criteria, the requirements we
10 put into the law.

11 With respect to, you know, the qualities of
12 the land, those types of things, I'm not an
13 agriculture expert.

14 DR. DUDLEY: All right. But you did state
15 that the whole purpose of this is to help farmers make
16 money.

17 THE WITNESS: Correct.

18 DR. DUDLEY: So if this were one of the most
19 successful farms in the state, then it would, probably
20 would be something IAL would be interested in trying
21 to preserve, right?

22 THE WITNESS: There are other criteria in
23 there. Because if -- we worked with the Farm Bureau
24 on -- worked with the Farm Bureau on a Right to Farm
25 Law. So if a farm is located between various, various

1 residential land uses or other land uses that complain
2 about the farming, there could be lawsuits and other
3 things.

4 So in certain situations, you know, even if
5 the farm is a very productive farm it's not in the
6 right place if it's surrounded by urban, urban
7 development. So there are other factors.

8 DR. DUDLEY: Okay. And so are you saying
9 that there are complaints, then, about this farm
10 because of --

11 THE WITNESS: Again, you know, I'm just here
12 to testify about the IAL law. I did not study any
13 complaints about this land. I don't know about its
14 soil quality. I don't know about, you know, what's
15 on there right now. But just the background of the
16 IAL law. So I really, you know, I wouldn't venture a
17 guess about the ag suitability at all.

18 DR. DUDLEY: You know, if you put together
19 this law, and you're taking a good bit of credit for
20 LURF and the Farm Bureau puttin' together the law, it
21 seems to me that you ought to really know all the
22 criteria of the law if you're the guy who put it
23 together. And saying that there's certain criteria
24 which are unnamed --

25 MR. KUDO: Objection. Is Mr. Dudley making

1 argument? Or is he going to ask questions?

2 DR. DUDLEY: I think I'm through. Thank you
3 very much.

4 CHAIRMAN LEZY: Thank you very much. Any
5 additional questions?

6 MR. SEITZ: Yes. (Laughter)

7 CHAIRMAN LEZY: Mr. Arakawa, how long have
8 you and I known each other?

9 THE WITNESS: We've known each other since
10 the mid '70s.

11 MR. SEITZ: When you were an intern at Legal
12 Aid, right?

13 THE WITNESS: Oh, yes. And you were the
14 supervising attorney at Legal Aid. Used to have some
15 wild parties at your house in the '70s. (Laughter)

16 MR. SEITZ: Who asked you to be here today?

17 THE WITNESS: I asked to be here. When I
18 heard about in the -- in the past this Petition had
19 come up. And when it came up I said, "Hey, look. If
20 there are ag issues and you need background on the IAL
21 law," I asked the previous team or so, "Hey, I could
22 testify about the IAL law if it ever comes up."

23 And I said that in the previous Petition.
24 And for this Petition I did the same thing. After a
25 couple -- I don't know how many hearings your folks

1 had, but I was reading the paper and ag became an
2 issue. So I contacted them. They had some questions
3 on IAL. I told 'em, "Hey, I could tell you a little
4 bit but the IAL." They asked me, "Okay. What does
5 this mean in the IAL law?" So I told 'em. And I
6 said, "If you want me to I'll come as a public
7 witness, if you think the Land Use Commission would be
8 able to understand the law better." So they did not
9 ask me. I approached them.

10 MR. SEITZ: And you are familiar with
11 section 205-44 of the law which is entitled "Standards
12 and criteria for identification of Important
13 Agricultural Lands".

14 THE WITNESS: Yes.

15 MR. SEITZ: Now, with respect to just simply
16 its performance by Aloun Farms, isn't it true that
17 just based upon what you know as you sit there, that
18 this land qualifies clearly under all of those
19 criteria to be identified as Important Agricultural
20 Lands if somebody had simply submitted a request to do
21 that?

22 THE WITNESS: Again, you know, I know
23 nothing about the facts, facts about the property --

24 MR. SEITZ: Well, let me ask you.

25 THE WITNESS: -- so I'm not gonna, Eric,

1 I've known you a long time. You and I are both trial
2 attorneys. You know that I'm not going to speculate
3 against, about something when I don't know for a fact
4 any of that. I can testify that we fought long and
5 hard over these eight criteria. But applying it to a
6 specific piece of property, which, which probably has
7 an ag report, you probably have your ag expert do an
8 ag report, the Petitioner probably has their expert do
9 an ag report, without that, and that's my job, I'm
10 just here to talk about the law and how we made it.
11 You know? So I'm not gonna --

12 MR. SEITZ: Okay. Let me ask you this. Do
13 you know if anyone has ever argued or presented
14 evidence that the land in question would not qualify
15 to be identified as Important Agricultural Land? Have
16 you ever seen or heard anything to that effect?

17 THE WITNESS: Not that I know of. But then,
18 again, I don't know the opposite either.

19 MR. SEITZ: Well, do you know that it's
20 classified as A and B agricultural land?

21 THE WITNESS: No.

22 MR. SEITZ: Do you know that it's currently
23 used for agricultural production?

24 THE WITNESS: You know what? I don't know
25 anything about the land. All I'm here to testify

1 about is the background of the IAL law, the intent of
2 the IAL law and how we passed that IAl law.

3 MR. SEITZ: Okay.

4 THE WITNESS: I don't know anything about --
5 I didn't read any reports relating to the property or
6 any of that.

7 MR. SEITZ: Do you know if Horton, had they
8 chosen to do so, could have requested that this
9 particular land be identified as Important
10 Agricultural Lands?

11 THE WITNESS: I don't know what Horton does
12 or doesn't do.

13 MR. SEITZ: I'm simply asking you: Could
14 they have made that request?

15 THE WITNESS: Under the law any landowner
16 that has ag lands can make a request under the law.

17 MR. SEITZ: And as the tenant do you know if
18 Aloun Farms could have done that?

19 THE WITNESS: I'm not sure. I don't think
20 so. I think it has to be the landowner.

21 MR. SEITZ: Well --

22 THE WITNESS: I take that back. It can be
23 the county making the request after July 1, 2011. So
24 there was a voluntary period where the landowner could
25 make a request to designate IAL. Then after July 1,

1 2011 the county can also come in.

2 The landowners can still voluntarily
3 designate, my understanding is. But it doesn't talk
4 about lessees. The law doesn't talk about lessees.

5 MR. SEITZ: The reason I'm asking you these
6 questions is because early on in your testimony you
7 ventured an opinion that you didn't think that this
8 property was eligible under the criteria to be
9 identified as Important Agricultural Lands. But. In
10 fact, what you're saying is you don't know, right?

11 THE WITNESS: I don't know other -- I don't
12 know other than the fact that Mr. Dudley said that
13 this is shown on the county plans as urban. And I
14 don't know which portion of this is classified as
15 urban on the County General Plan or the urban growth
16 boundaries. I don't know which portion of it or how
17 much of it.

18 All I said that if it is, under the law,
19 under the law all I'm saying is this is what the law
20 provides, that section that I quoted, Eric. You know,
21 the county would not be able to submit that, you know.

22 So that's all I said. I don't know how many
23 acres are, you know, are designated urban by the
24 County General Plan. I don't know any of that. I
25 don't know where. But 205-47, that's all I was doing

1 based on Mr. Dudley's statement.

2 MR. SEITZ: No further questions, thank you.

3 CHAIRMAN LEZY: Commissioners, questions?

4 Thank you.

5 MR. DAVIDSON: Alice Fisher followed by

6 Cynthia Frith.

7 ALICE FISHER

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

9 and testified as follows:

10 THE WITNESS: Absolute yes.

11 CHAIRMAN LEZY: Please state your name and

12 your address and proceed.

13 THE WITNESS: My name is Alice D. Fisher.

14 And I live at 4300 Waialae Avenue in Honolulu. And

15 I'm here to testify in favor of keeping Ho'opili as

16 agricultural land. And I am against the proposal to

17 allow D.R. Horton to build houses on it.

18 However, I wish to point out how hard it is

19 to try to figure out the future. Who knew back when

20 the Second City at Kapolei was proposed that we would

21 have climate change of the kind that we are facing

22 now. That the tipping point for the United States in

23 the use of oil would be happening in about ten years

24 later. And then in 1990 worldwide tipping point came.

25 That means from now on it's getting harder

1 and harder and more and more dangerous to get fossil
2 fuels and to use them. And the result of
3 contamination and pollution of our air and water is
4 getting scarier and scarier. And we are trying to
5 figure out what to do about all this. And it's very,
6 very difficult.

7 The result is that we are facing very hard
8 problems here in our own state because we have no
9 source of production of anything except having
10 tourists come here and spend money.

11 Originally when we only had Hawaiians living
12 here before the coming of Cook and the white man, we
13 had a self-sustaining community here. We farmed and
14 not "we", they farmed and they were self-sustaining.

15 Now we face a terrible, terrible time ahead
16 of us. And we have to face it head on. We can't kid
17 ourselves. We talk about building houses in Ho'opili
18 and maybe finding jobs for 7,000 people. But we
19 aren't going to be producing anything to provide
20 further jobs.

21 Now, one of the things that I feel very
22 sympathetic about is the fact that at that last
23 hearing the representative of the Carpenters Union was
24 asked if he would consider having houses be built in
25 Kapiolani Park. And to the horror of some he said yes

1 he would.

2 And that may have seemed horrifying, but how
3 terrifying it is to be without a job when you face the
4 fact that your children need shoes, you need to buy
5 clothing, you need to pay the rent, you need to buy
6 food that's healthy that's not going to make you sick.
7 It's a terribly terrifying thing. And I would build a
8 house on Kapiolani Park too if I were a Carpenters
9 Union person who had no way of knowing what to do
10 next.

11 So our answer here is we must face these as
12 a group. I understand it is not your job as
13 Commissioners to decide what to do about people who
14 are out of work. However, it's necessary for all of
15 us to have understanding and compassion for our
16 workers.

17 And we, in the meantime, we must remember
18 that because of the poor judgment and the foolishness
19 of Alan Greenspan and the Federal Reserve we have lost
20 trillions of dollars that we will never get back. And
21 the housing situation for the nation will --

22 MR. DAVIDSON: Excuse me, ma'am. Could you
23 conclude in 30 seconds.

24 THE WITNESS: I'll try to -- is going to
25 take about 15 years. We're not going to be able to

1 sell houses in Ho'opili for probably longer than that.
2 In the meantime, we must find jobs by getting in and
3 starting work immediately on infrastructure such as
4 the sewage treatment plant that we need, because we
5 are having trucks carry raw sewage around from place
6 to place in Hawai'i.

7 And we also need to have water mains
8 replaced. They are leaking. We are losing water.
9 And if we run out of water during this terrible
10 drought, we are in real trouble. We must go to the
11 Legislature and start urging the -- I'm willing to pay
12 higher taxes for this. I'm not willing to pay higher
13 taxes for rail, but I'm certainly willing to pay
14 higher taxes to have more safe water mains and sewage
15 disposal plant.

16 And I also think that the objection that
17 carpenters don't know how to build water mains, is a
18 wrong one. We can fund the money to train them so
19 that we will be able to take care of our own. And we
20 must make sure that they get first choice on jobs
21 before we let people come from out of state. Thank
22 you very much.

23 CHAIRMAN LEZY: Parties, questions?

24 Dr. Dudley.

25 DR. DUDLEY: Ms. Fisher, you covered a lot

1 of things: Water, road, sewers that you think we'll
2 need to retrain people for. Is that what you're
3 saying?

4 THE WITNESS: Yes, I do. That is the
5 objection that I've heard. That personally I think
6 that somebody who's smart enough to be a carpenter and
7 build a house is perfectly capable of learning how to
8 lay a water main or build a sewage treatment plant.
9 But those who disagree should realize that it's
10 imperative that we help them learn how. And if it
11 costs money to do so, well, that's an added cost that
12 I'm also willing to be taxed for. And I'm willing to
13 support borrowing, floating bonds in addition which
14 will probably be necessary to do these things.

15 DR. DUDLEY: You think, then, that we need
16 to retrain the people who are out of work because
17 there are different kinds of jobs now. Is that what
18 you're saying?

19 THE WITNESS: That is the objection that
20 I've heard from other people. I'm not giving it as my
21 personal feeling on it. But that's what people have
22 said. They have said, "Oh, but they're not trained to
23 do that kind of work. They're trained as carpenters."
24 And my answer is they are intelligent, versatile
25 people and they can learn.

1 MR. DUDLEY: Thank you very much.

2 CHAIRMAN LEZY: Any additional questions?

3 Commissioners, questions? Thank you for your
4 testimony, ma'am.

5 MR. DAVIDSON: Cynthia followed by -- I only
6 have a first name Thad.

7 CYNTHIA FRITH
8 being first duly sworn to tell the truth, was examined
9 and testified as follows:

10 THE WITNESS: Yes, I do.

11 CHAIRMAN LEZY: Please state your name, your
12 address and proceed.

13 THE WITNESS: My name is Cynthia Frith. And
14 I live at 42-128, K-o-o-k-u Place in Kaulua, Hawai'i.
15 The Land Use Commission has a very difficult job
16 trying to satisfy all the wants and needs of the
17 community. The contest between preserving farm ag
18 land and developing it for homes or industry is a time
19 worn story throughout all of our United States.

20 But with one major difference, we are an
21 island with only a finite amount of land and to share
22 so that your task becomes even more daunting.

23 Once you surrender this land, this 1500+
24 acres of prime farmland which D.R. Horton has named
25 Ho'opili, to Transit-Oriented Development, its farming

1 capacity will be lost forever.

2 Topsoil will be removed as much as 2 feet to
3 be replaced by coral rock to support the foundations
4 that homes, streets, businesses and even the rail
5 project, if it does get built will require.

6 Planting anything in almost two feet of
7 coral rock fill verges on the impossible. Dean
8 Okimoto, owner of Nalo Farms, has been hired by D.R.
9 Horton to be firstly the spokesman and secondly the
10 promoter for the Ho'opili concept, an idea that
11 includes 159 acres for small commercial farms, 8 acres
12 for community gardens and 84 acres for home gardens.

13 In total we have 251 acres of farmable land
14 where now we have Aloun Farms covering almost
15 1200 acres of farmable and productive land.

16 Let's discuss for a moment the Ho'opili
17 concept of 159 acres devoted to small commercial
18 farms. First, Aloun Farms will have to go or else
19 there must be some new math that can squeeze almost
20 1200 acres of their current farmland into a 159-acre
21 plot.

22 In addition, this 159 acres of farmable land
23 sits around or is encompassed by gullies and ravines
24 useable for farming if you happen to be a billy goat.

25 Unfortunately, the LUC didn't view this land

1 on their tour several months ago. But I did take a
2 second tour along with some other Save O'ahu Farmland
3 people, some of whom were farmers.

4 And I got the opportunity to see where these
5 159 acres of supposedly commercial farming will take
6 place in the Ho'opili concept. And they are ravines,
7 they are gulches.

8 Now, let's address the Ho'opili concept of
9 84 acres devoted to home gardens. In order to fit
10 this snug community into 1500+ acres will all of its
11 almost 12,000 homes, schools, industry and business,
12 not to mention the elevated train, if it is ever
13 built, the home lots will contain 5,000 square feet
14 with a 1200 square foot footprint for the home.

15 This R5 rated lot is the currently smallest
16 allowed for a subdivision and will require, for all
17 practical purposes, the planting of an edible garden
18 or shrubbery, no room for both.

19 All of this information is available on D.R.
20 Horton's Ho'opili website, but often worded
21 differently or conspicuously lacking in dimensions of
22 lot size: For example, and generously decorated with
23 colorful and appealing rendering of your spaces and
24 happy young families basking in the Ho'opili concept.

25 They have done an exceptional job in

1 promoting their product. But then they have lots of
2 experience both here on O'ahu and as the largest
3 residential builder currently on the mainland. Just
4 look at all the crops they list which are or can
5 currently be grown on the Ho'opili site: Sweet scorn,
6 beans, melons, peppers, pumpkins, herbs, guava, nuts,
7 carrots, cucumber, lemon, lime, lettuce, spinach,
8 whew. And the list goes on and on.

9 But how will they accomplish this growth if
10 the 84 acres of single and duplex homes have their
11 topsoil replaced with coral, shale? I'm sure this is
12 just a minor glitch.

13 And I do believe, because I worked with and
14 spoken with several aquaponic farmers here on the
15 island, that many of the things that are grown on the
16 Aloun Farms are not good candidates for being grown at
17 this point anyway, in an aquaponic atmosphere.

18 Now, to continue, what does --

19 MR. DAVIDSON: Excuse me. Could you
20 conclude in about 30 seconds.

21 THE WITNESS: Just about. Yes. Thank you.
22 What does his -- what does he mean when Dean Okimoto
23 states, and I quote, "Ag production will continue at
24 Ho'opili at the current scale for a very long time,
25 perhaps most of the 20-year buildout of the community.

1 Over time Ho'opili can transition from a
2 land-intensive farming community to a method-intensive
3 farm community using less land and water, but creating
4 greater crop yield."

5 This is where we squeeze the Aloun
6 1200 acres farms into the 159 acres of commercial farm
7 in the gullies and ravines. Now I get it.

8 Mr. Okamoto also states in a recent edition
9 of the "Star-Advertiser" dated 11-16-11 "O'ahu has
10 prime ag lands outside the city and county of Honolulu
11 Urban Growth Boundary of 30,000 acres."

12 But this may or may not be an accurate
13 number. But a more pressing issue is who owns this
14 land. And would they sell it to the highest bidder
15 and ag be damned? I expect you don't need to be a
16 farmer to realize the value of farmland as it pertains
17 to food.

18 After all we all need to eat. Ironically,
19 farmland has dropped dramatically in value in a number
20 of states on the mainland due to housing foreclosures.
21 And they're just not building.

22 According to the Wall Street Journal on
23 11-16-11 they stated that farmers are now buying back
24 land they once sold to developers for about one third
25 of what the developer paid just a few short years ago.

1 At those falling prices, as they loom, D.R. Horton has
2 a lot at stake to recoup his dollar investments in
3 Ho'opili.

4 Eventually, Mr. Okimoto states in his 11-16
5 article that quote, "Projects such as Ho'opili do not
6 take away from these numbers." The 30,000 acres
7 apparently of prime farm land he's speaking about.
8 "They're actually giving back to agriculture. It
9 allows the general public to understand what farming
10 is about and what it takes to incorporate it into a
11 community. Now, this is the Ho'opili concept in
12 action."

13 Tiny parcels of crops instead of shrubs in
14 your yard and commercial farms relegated to gullies
15 and ravines.

16 MR. DAVIDSON: Excuse me. Could you
17 conclude.

18 THE WITNESS: I'm just about done right
19 here. In closing, allow me to share two other
20 concerns surrounding this project. First, these
21 inflated job creation numbers, in this case 20,000
22 construction, professional and support-related
23 positions over the 20-year life of the project, are
24 vague by definition and non-substantiated by
25 mathematical calculations. The same is true for the

1 7,000 direct "permanent jobs", quote, unquote over
2 time.

3 For that matter should the jobs created be a
4 main concern to the LUC? Or is your task to decide
5 the best use for the land? I believe with adequate
6 planning that is not spoon fed to the public we can
7 come to acceptable exclusions that can be
8 accommodated, both farm preservation and development.

9 I do have a second opinion to go along with
10 this but I'll save that for another time and email it
11 to you in my testimony. Thank you very much for your
12 time. Oh, there's one other thing I want you to
13 remember. There's one other number you should take
14 away from this presentation. Please remember that the
15 2050 Sustainability Report Survey garnered almost 70
16 percent of those who took the survey, they were in
17 favor of saving farmland and open spaces. They put
18 much higher priority on these two events, saving
19 farmland and open spaces, than they did housing.
20 Thank you very much.

21 CHAIRMAN LEZY: Parties, questions?
22 Commissioners, questions? Thank you.

23 MR. DAVIDSON: We have Thad followed by
24 Derek Tsutomi.

25 THAD SPRAGUE

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

3 THE WITNESS: Yes.

4 CHAIRMAN LEZY: Will you state your name,
5 your address and proceed, please.

6 THE WITNESS: My name is Thad Sprague. I
7 live on Poeonani Street in Makakilo, 96707. Good
8 afternoon, Commissioners. Good afternoon, parties. I
9 have submitted written testimony but I would like to
10 highlight four things today.

11 First, I would like to ask about the lease
12 D.R. Horton has with Aloun Farms. There's a lot of
13 talk at the hearings in October about that.
14 Specifically there was a lot of discussion about how
15 there was a confidentiality clause in the lease that
16 prevents Aloun from speaking out here on their own
17 behalf.

18 My question to Horton is: Would they be
19 willing to simply waive that clause and allow Aloun
20 Farms to speak here? And if they're not willing to
21 waive the clause, then, Horton, what are you hiding?

22 Also at the last hearings Horton presented
23 testimony stating that 30 percent of the homes that
24 they would build would be affordable. That number has
25 been repeated several times here today. But

1 30 percent affordability is 70 percent not affordable.
2 Does anyone want a housing development that's
3 70 percent not affordable? I don't.

4 The next topic I'd like to speak on is jobs.
5 Horton claims they're going to create 7,000 permanent
6 jobs. On their website and in several brochures they
7 cite a particular report. But that report itself is
8 not publicly available, at least not through Horton.
9 That troubles me. Again, it raises questions about
10 what they might be hiding. But let's go with their
11 number for a moment because that's really all we have.

12 They say they're going to create 7,000
13 permanent jobs but they're going to build nearly
14 12,000 homes. In the United States there are about
15 one and a quarter workers per household. That's 2009
16 data. And I cited the source in my written testimony.

17 That means that residents living in Horton's
18 11,750 homes will need about 14,800 jobs, far more
19 than the number of jobs that Horton claims Ho'opili is
20 going to create. Factor in that we're going to lose
21 jobs from the farmlands when those cease, and that
22 would easily push the job shortage to over 8,000 jobs.

23 So next time you hear D.R. Horton tell us
24 that they're going to create 7,000 jobs, know that
25 what they really will create is a need for 8,000 jobs,

1 8,000 jobs that we do not have.

2 Lastly, when I drove here last month I came
3 into town really early. It was actually still dark.
4 I got here from my house in Makakilo in less than half
5 an hour.

6 Today, during rush hour, it took me an hour
7 and 15 minutes to make the same drive. It took me two
8 and a half times longer. My car came to a complete
9 stop on H-1 nine times. Allowing Ho'opili to be built
10 would make that traffic even worse. How much worse is
11 debatable but the fact that traffic would get worse is
12 not debatable.

13 Traffic levels are already unacceptable.
14 And allowing traffic to get worse would be a
15 deplorable act.

16 So to sum up, is Horton hiding something in
17 their lease? Are they hiding something in their
18 report on job creation? Are they hiding anything
19 else? Thirty percent affordability is 70 percent not
20 affordability. Seven thousand jobs really means a
21 shortage of 8,000 jobs and terrible traffic
22 conditions. That is what Ho'opili means. Mahalo and
23 aloha.

24 CHAIRMAN LEZY: Parties, questions?
25 Commissioners, questions? Thank you for your

1 testimony.

2 MR. DAVIDSON: Derek followed by Glen
3 Omelda, then Pearl Johnson and Matt LaPpresti.

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

7 THE WITNESS: Yes.

8 CHAIRMAN LEZY: Please state your name, your
9 address and proceed.

10 THE WITNESS: Good morning. My name is
11 Derek Tsutomi, 957 8th Avenue Kaiuki, Hawai'i.
12 Although I live in town I'm here to voice my support
13 for the Ho'opili Project. I'm a graduate of the UH
14 School of Architecture. And a few years ago while a
15 student at UH Manoa I participated in a design studio
16 to explore Transit-Oriented Development within the
17 U.S. and the Asia Pacific region.

18 During that design studio we worked in
19 conjunction with D.R. Horton who allowed us to utilize
20 Ho'opili as our semester-long TOD project site. We
21 visited Denver, Colorado to study and experience their
22 transit system and life in a TOD to gain a better
23 context.

24 We students were tasked to designing how we
25 envisioned Ho'opili. Each student's perspective of

1 Ho'opili varied as we were allowed to design a wide
2 range of uses from a TOD station to retail
3 establishments, and single-family homes.

4 I personally designed a live/work community
5 for young entrepreneurs and small business owners
6 where people live above their places of work.

7 The vast array of uses Ho'opili will
8 accommodate makes Ho'opili vital to the people of West
9 O'ahu. Ho'opili has the chance to create a community
10 that truly reflects its future residents. Although
11 all of us students had varying ideas on how to shape
12 Ho'opili, we all shared a common understanding that
13 Ho'opili is important because it will create a more
14 integrated and enhanced way of life for its residents
15 and neighbors by reducing the need to commute to
16 Honolulu on a daily basis.

17 Ho'opili will be more pedestrian friendly to
18 allow people to rely less on their automobiles to get
19 around. Neighborhoods can be more dynamic and active
20 by utilizing mixed establishments which can provide a
21 diversity of services and job opportunities. Ho'opili
22 can offer a wide spectrum of housing options focused
23 around the transit nodes, housing models that are new
24 to Hawai'i.

25 In closing, Ho'opili embodies a community

1 that can improve people's quality of life, plain and
2 simple. That's it.

3 CHAIRMAN LEZY: Parties, questions?
4 Commissioners, questions? No. Thank you for your
5 testimony.

6 MR. DAVIDSON: Glen followed by Pearl
7 Johnson.

8 GLEN OMELDA,
9 being first duly sworn to tell the truth, was examined
10 and testified as follows:

11 THE WITNESS: Yes.

12 CHAIRMAN LEZY: Please state your name, your
13 address and proceed.

14 THE WITNESS: Aloha. My name is Glen
15 Omelda, 91-1170 Puamaeole in 'Ewa Each, 96706. Thank
16 you, Mr. Chair and parties to the hearing. I'm a
17 lifetime member, resident of the 'Ewa Plains, born and
18 raised in Waipahu on the O'ahu Sugar Plantation in
19 Waipahu. And now I live in 'Ewa Beach.

20 I'm here, really, to voice my strong
21 opposition against Ho'opili because Ho'opili will
22 impact the region, particularly with water, sewage,
23 roads. And as we understand that 'Ewa Beach, 'Ewa and
24 Waipahu were the only communities within that region
25 20 years ago. And now it's blossomed out.

1 Really there are three projects, three major
2 public work projects that are ongoing or probably will
3 be on the books sooner than later. One is the rail.
4 The second one is a consent decree to upgrade the
5 sewer lines, the transmission lines.

6 The third is Ho'opili. We are concerned
7 with that. There are about seven major, big
8 developers in the region. It will totally impact the
9 older communities as well as the newer residents in
10 the region. The 'Ewa Development Plan was a vision
11 for the Second City.

12 In the early '90s when we sat in a room like
13 this with all people in the community as far as Kaena
14 Point, we envisioned what the Second City would look
15 like. In the early '90s we sat and tried to figure
16 out the vision for the Second City. We didn't need
17 vision, that the mass population would go back to the
18 city to the Primary Urban Center.

19 We felt that Ho'opili would be a
20 self-contained community with a government structure
21 in place so that we had the tax base and the
22 incentives that would create businesses to come out to
23 the Leeward side.

24 It was funny that in 1977 that the city
25 council passed the 'Ewa Development Plans. But since

1 there was no public review of those plans till this
2 day. And our senator, Senator Espero, he alluded to
3 proper planning. But there haven't been any planning
4 for the last, almost 15 years in the region. So I
5 mean his plan was to create a task force for his
6 employer, Ho'opili, D.R. Horton. It wasn't a
7 transparent and open process.

8 They were friendly to -- people that were
9 selected to this task force were friendly, friendly to
10 D.R. Horton. People that had opposition was never --
11 I was never -- I'm president of the 'Ewa Beach
12 Community Association -- I've been in the 'Ewa Beach
13 Association for almost 30 years. They never invited
14 me to come out and give an input on the Horton plan.

15 So I kinda, I kinda have a strange feeling
16 that this is a setup. And I'm not pleased that people
17 like a big developer like Horton would come into the
18 community and select different groups of people to go
19 out and portray the development like it's a, it's a
20 grandiose plan. I don't agree with that.

21 And rightfully there should be more
22 planning. There should be more balanced kind of a
23 plan that would sustain the community and the 'Ewa
24 Plains throughout the, you know, the future.

25 People talk about jobs and housing, and you

1 know, affordable homes so that people down the line,
2 their kids and their grandkids can buy a house. But
3 extended families, there's tremendously extended
4 families now. Who can afford to buy a house? I know
5 in the 'Ewa Beach area the community is swamped with
6 extended families. And they say well, the houses will
7 be affordable. I don't go along with that idea.

8 So, you know, in closing, I think there
9 should be more planning but sustainable and balanced
10 planning so that everybody in the region would be
11 satisfied with what comes about. You know, I'm not
12 one that would, you know, sit here and not speak my
13 mind as to what kind of development would be in the
14 region. I say we heavily impacted from this proposed
15 development that we already aren't from other
16 developments.

17 So, you know, I mean that's time to weigh
18 into this. We cannot be coming back to town when
19 they're creating bedroom communities out there. Let's
20 have a structure within, within the Second City, a
21 government structure, that can maintain businesses and
22 jobs like they say.

23 People down the coast are looking for jobs.
24 If you created a structure within, within that Second
25 City, I think you can influence businesses to come out

1 into that area and create jobs down the coast.

2 Because, you know, I mean they're impacted by the
3 traffic that come out from the Wai'anae area, the
4 coast, and heading towards town.

5 If you create a community I guess you want
6 everybody, like they say, work and play in that
7 community. And it's not doing the job. Ho'opili
8 won't create, you know, sustainable communities.

9 MR. DAVIDSON: Could you conclude in about
10 30 seconds?

11 THE WITNESS: Okay. Thank you. So, so the
12 prospect of them succeeding in that area I think is
13 nebulous. I don't think it will create something that
14 everybody will be pleased with. We gotta have more
15 planning. Ex Governor Ariyoshi said, "Yeah, planning
16 is the main game." And I think we should be
17 concentrating on planning and do proper planning with
18 everybody involved.

19 The 'Ewa Development Plan has never, has
20 never had a public review since it was signed in 1997
21 by the city council. It was never, never came up for
22 review. And every year the council persons say well,
23 maybe it was a game changer. I don't know. Maybe
24 they expected lot of people, you know, to come into
25 the region and develop whatever, whatever they wanted

1 to do.

2 After the sugar went out, Waipahu and 'Ewa,
3 my dad -- my dad retired, my grandfather retired from
4 the sugar, 48 years. My wife from 'Ewa, her father
5 and her grandfather retired from 48 years in the sugar
6 plantation. But we never had a proper planning in
7 that area.

8 And the governor stressed, Ariyoshi stressed
9 we gotta have planning. We cannot have the developers
10 go amuck. We cannot. We gotta have proper, proper
11 planning. And we gotta review the plans that are in
12 place.

13 We got to review the plans that are in
14 place, the Ewa Development Plans, so that people can
15 feel comfortable that, yeah, government, developers,
16 communities is well in tune with what goes on within
17 the region. Thank you.

18 CHAIRMAN LEZY: Parties, questions?
19 Commissioners, questions? Thank you for your
20 testimony, sir.

21 MR. DAVIDSON: Pearl Johnson followed by
22 Matt LaPresti.

23 CHAIRMAN LEZY: Please state your name and
24 address and proceed.

25 THE WITNESS: My name is Pearl Johnson. The

1 address is 2404 Kaneali'i Avenue in Honolulu. I am
2 speaking for the League of Women Voters of Honolulu.
3 Today I want to talk about two things I have not
4 talked about before. The first concerns the Galbraith
5 Estate of over 1700 acres of agricultural land.

6 The second concerns the promise of
7 construction jobs that may very well not materialize.

8 First, the Galbraith Estate. Dean Okimoto's
9 article yesterday "Ho'opili serves as a model for all
10 developers" is all too true in an unintended sense.
11 Ho'opili is a model for urbanizing agricultural land.
12 Over 700 acres of flat, easily cultivated ag land
13 around Wahiawa belonging to the Galbraith Estate is
14 being marketed to developers.

15 If the Land Use Commission allows the
16 Ho'opili development to go forward, owners of ag land
17 all across O'ahu and the state will be encouraged to
18 withhold their land from use as farmland and hold out
19 for the enormous increase in value that comes with
20 urban classification.

21 The Commission can encourage the leasing of
22 land to grow food by denying Horton's Petition.
23 Landowners will neither sell nor lease their land long
24 term as long as they think they can make much more
25 money by getting their land reclassified to urban.

1 My second point is the tenuousness of the
2 promise of jobs. At October's hearing a union
3 official urging approval of Ho'opili was asked if he
4 knew there were already over 30,000 homes fully zoned
5 and permitted not requiring the reclassification of ag
6 land.

7 Acknowledging this, he pointed to the poor
8 economy as the reason those homes do not go forward.
9 If Horton did receive the urban classification
10 allowing the building of 12,000 more homes, the value
11 of its land would increase by millions. Would the
12 poor economy magically disappear when reclassification
13 is granted? Or would Horton take the chance to make
14 millions without risking millions in capital by
15 selling the land?

16 Is there anything in place now that would
17 prevent Horton from selling its land after getting the
18 urban classification? Can union members truly count
19 on the promise of jobs? How long would it take the
20 new owner of the land to get homes built?

21 The 30-year plan that was mentioned many
22 times earlier pictured an urban center with green
23 space around it. It did not picture a development
24 like Ho'opili.

25 Aquaponics has been also mentioned. And

1 aquaponics needs electricity, which is going up very
2 fast. Land needs only water and sunshine to grow
3 food. Thank you.

4 CHAIRMAN LEZY: Parties, questions?
5 Commissioners, questions? Thank you for your
6 testimony, Ma'am.

7 MATT LaPRESTI
8 being first duly sworn to tell the truth, was examined
9 and testified as follows:

10 THE WITNESS: I do.

11 CHAIRMAN LEZY: Please state your name and
12 address and proceed.

13 THE WITNESS: Dr. Matthew LaPresti, 91-141
14 Keoneula Boulevard No. 2106, Ewa Beach. I'm -- part
15 of my background I'm a member of the Sierra Club. I
16 was recently nominated to the executive committee.
17 They had a vote that ended yesterday. We'll find out
18 if I'm on or not.

19 So I'm a bit of an environmentalist and
20 idealist. I'm also on the Ewa Neighborhood Board
21 which unanimously voted in support of Ho'opili. I
22 consider myself a pragmatic idealist.

23 I'm here as a citizen, though, not
24 representing any group. I'm very conscious of the
25 delicate balance between growing food, food security

1 and providing shelter to our exploding population.
2 I'm also very conscious of the need for sensible
3 long-term city planning and Transit-Oriented
4 Development.

5 I think I have a unique view on Ho'opili. I
6 support it, but for example, I'm not persuaded by any
7 argument that has to do with making it into a jobs
8 program.

9 Jobs are, indeed, an indirect good that
10 would result from Ho'opili. But it's not a sufficient
11 reason to support it. But I'm also not persuaded by
12 any argument that opposes this, based on the fact that
13 it's good agricultural land, which it is, because
14 there is other agricultural land, a lot of
15 agricultural land in the state that lies fallow. And
16 I think there are other avenues to require that land
17 be used for agricultural purposes.

18 I support Ho'opili because of the long-term,
19 what I see to be the long-term positive impact that it
20 will have on Honolulu. It keeps housing affordable.
21 It's slated for urban development, has been for
22 sometime. It's key to Transit-Oriented Development.
23 Primarily I favor, as an environmentalist I favor a
24 more dense urban core. But some outward development
25 will also be necessary. And it's unreasonable to

1 argue against almost any development project that pops
2 up, as so many of my fellow environmentalists seem to
3 do.

4 It's also been slated for urban development.
5 And long-term planning should be honored, I think.
6 It's getting harder and harder to attract investors to
7 Hawai'i because of the constant opposition to projects
8 that I think many of us should behind. And I do think
9 Ho'opili can be a model for sustainable development.

10 And I congratulate all those people who have
11 fought against this and helped make that happen. It's
12 good to have environmental opposition if it means it's
13 going to end up with creating more sustainable
14 communities, some sort of compromise.

15 Transit-Oriented Development is my final
16 point. It's obvious to me that many of those who
17 oppose Ho'opili oppose Transit-Oriented Development
18 and oppose transit, mass transit in general.

19 And by defeating Ho'opili you defeat the
20 need to have transit go through Ewa. It's obvious to
21 me that's part of a larger strategy. It's nice for me
22 to see it come together. It seems to be coming
23 together as part of the Kapolei and Ewa Master Plan
24 long-term city planning is necessary. We've been
25 through that process. We're still in that process.

1 And I think we're going to end up with something that
2 not everybody's happy with, but something that's
3 necessary.

4 And the population's exploding. We can't
5 ignore that. We need to grow food. We can't ignore
6 that.

7 But looking at the way the city's
8 developing, the geography of it, it's an obvious place
9 for urban development. That's why it was slated as
10 such. So that's my position on it. Thank you very
11 much.

12 CHAIRMAN LEZY: Parties, questions?
13 Dr. Dudley.

14 DR. DUDLEY: Mr. Lopresti, nobody really has
15 mentioned downtown Kapolei, the business center, the
16 business district.

17 THE WITNESS: Uh-huh.

18 DR. DUDLEY: Would you agree that it's a
19 ghost town kind of like now?

20 THE WITNESS: Yeah, it is. And I think it's
21 in process. Certainly things need to be improved.
22 The Kapolei Neighborhood Board and the Ewa
23 Neighborhood Board are going to be meeting to talk
24 about the Ewa Development Plan. And I think people
25 like yourself and me can really help to see that urban

1 growth happens because it's not happening. But part
2 of that development, in my opinion, requires the
3 outward growth of East Kapolei or maybe North 'Ewa
4 you'd call it.

5 To build a more urban core will mean that
6 there will be less traffic on the road. To build up a
7 place, as I understand Ho'opili there's supposed to be
8 a lot of commercial development in the center for jobs
9 where people don't have to travel on H-1 to get
10 somewhere.

11 And the argument against is it's gonna
12 increase traffic. Well traffic's going to get worse
13 no matter what. Population's growing. Of course
14 traffic's going to get worse. It it's not in
15 Ho'opili, then even if we develop Kapolei to be a
16 super urban core with high-rises with people living
17 there, you're still going to have traffic. That's not
18 really an argument that convinces me either. Sorry if
19 I went off topic.

20 DR. DUDLEY: No more questions.

21 CHAIRMAN LEZY: Additional questions?
22 Commissioners, questions? Thank you for your
23 testimony. Is there anyone else who wishes to provide
24 public testimony? Step forward, please.

25 ANTONY ALTO

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

3 THE WITNESS: I do.

4 CHAIRMAN LEZY: Please state your name, your
5 address and proceed.

6 THE WITNESS: My name is Antony Alto. I
7 live at 3946 Lurline Drive, Honolulu 96816. Aloha,
8 Chair Lezy and Members of the Commission. Thank you
9 for this opportunity to testify. You must be
10 exhausted listening to all of this.

11 You know, one of the raps against
12 environmentalists is that we're all haole mainlanders
13 trying to impose our love of pretty views over the
14 needs for affordable housing for people who have lived
15 here all of their lives.

16 Leaving aside the stereotyping, that
17 characterization is wrong in many ways. We
18 environmentalists understand that Honolulu has a need
19 for 105,000 housing units by the year 2035. We know
20 that thousands of old homes are decrepit and crowded
21 with multi-generational families. We know that some
22 4,000 homeless people sleep rough on this island every
23 night. And we desperately want to address those
24 problems.

25 We don't love little critters more than

1 decent housing. We don't love viewplanes more than
2 good jobs. It's because we are anxious to find
3 solutions to these needs that a group of environmental
4 organizations such as the Sierra Club, such as Kanu
5 Hawai'i, such as the Blue Planet Foundation have
6 joined in the working group organized by the
7 Carpenters' Union to find ways to hasten development
8 where it belongs in the traditional urban core.

9 If that sounds like that revolution maybe it
10 is. In some ways it makes your job as Commissioners
11 that much more difficult. It's always hard to preside
12 over policy decisions whose effects will last for
13 generations at a time of radical change in fundamental
14 planning assumptions. I think everyone in this room
15 understands the dilemma that you face.

16 In the past it was easy. The Land Use
17 Commission was treated by the big developers more or
18 less as a rubber stamp. And in fact it saddens me to
19 say that I think that we see some of that same old
20 arrogance in Mr. Horton's presentation of his Ho'opili
21 scheme.

22 Somehow you're supposed to be convinced that
23 there's a drum beat of popular support behind this
24 plan. You are expected to be blind to that fact that
25 expert witnesses have been hired at great expense or

1 even that some of the supporters in this room are
2 required to sign off on attendance sheets.

3 Apparently the Members of the Commission are
4 not supposed to notice that many of the areas that
5 Mr. Horton has supposedly set aside for farming are
6 exactly the same areas within his last scheme were set
7 aside as buffer zones -- that was the word he used --
8 to block traffic fumes and noise or that located, as
9 we've heard, on farmable gullies and gulches.

10 But the very fact that Mr. Horton's well
11 paid team of presenters feel the need to address the
12 issue of farming is the most powerful signal yet of
13 the revolution in thinking that is happening all
14 across the state.

15 The people of Hawai'i from the grass roots
16 all the way up to the governor's office have woken up
17 to the fact that our lifestyle is unsustainable.
18 Above all they believe that we must grow more of our
19 own food.

20 Yesterday the Department of Planning and
21 Permitting for the city and county of Honolulu
22 released the results of a survey about the 2035
23 General Plan for O'ahu. More than 2,400 people
24 responded. More than 65 percent of them have lived
25 here for more than 20 years. Of those who responded,

1 84 percent said that quote, "High quality agricultural
2 lands need to be saved for future farming needs."
3 84 percent. Asked what was the most important item
4 for maintaining a healthy economy, the largest
5 response by 62 percent of the respondents was, quote
6 "increasing the percentage of food that is grown and
7 consumed locally."

8 Asked the most important issue to be
9 addressed by the General Plan, traffic and congestion
10 came first with 57 percent. Then came protecting
11 agricultural land and increasing agricultural
12 production, 52 percent of the people said that.
13 Housing was the fourth highest concern. It came after
14 environmental protection.

15 It is these attitudes that have shaped the
16 drive for Transit-Oriented Development in the
17 traditional urban core, not in the green fields of
18 Honouliuli. The governor himself has made boosting
19 our food self-sufficiency a top priority. The chair
20 of the Department of Agriculture, Russell Kokubun,
21 has said he wants double the amount of food that we
22 grow.

23 That was why the governor, Governor
24 Abercrombie, announced the other day that he wants to
25 build taller towers and a denser community in

1 Kaka'ako. In announcing 690 Pohukaina three weeks ago
2 the governor said, and I quote, "The key to ending
3 urban sprawl, ending arguments about where we're going
4 to build is to have urban density in the urban core."
5 That's the governor's words. He saw it as a way to
6 protect farmland and as a way to, as he put it,
7 provide badly needed housing for the working blue
8 collar and white collar middle class, and to create
9 jobs in the construction and business sectors.

10 Those were the reasons the governor promised
11 several people before the election that he would
12 oppose Ho'opili.

13 Why does he support it now? Not because he
14 thinks this extraordinary farmland is suddenly
15 expendable, but because of the economic crisis and
16 because construction unions have told them they need
17 the jobs. That's a really understandable request.

18 But the problem is this project will not
19 create jobs any time soon. There are still so many
20 planning and permitting hoops to go through that this
21 recession will be long over before it comes on-stream.

22 That brings me to the point of my testimony
23 today. Time. What I think many of us in this room
24 are asking you to do today is to give this development
25 revolution, this return to the traditional urban core

1 time to get going. You have the privilege of standing
2 back and looking at our land use needs in a
3 generational context. You may even think that this
4 land might eventually have to be developed, say, in 50
5 years time. But you are permitted to say "not now."

6 For now we will keep it growing the 30
7 percent of local produce that it supplies while urban
8 developments in Kaka'ako and elsewhere in the
9 traditional urban core go forward. Hawaii
10 Administrative Rule 15-15-77 states that, and I quote,
11 "Lands in intensive agricultural use for two years
12 prior to the date of filing a Petition or lands with a
13 high capacity for intensive agricultural use shall not
14 be taken out of the Agricultural District unless the
15 Commission finds either that the action will not
16 substantially impair actual or potential agricultural
17 production in the vicinity of the subject property,"
18 which obviously is not the case, "or that it is
19 reasonably necessary for urban growth," which it isn't
20 needed at the moment either, as the governor's made
21 clear by wanting to shift development back to
22 Kaka'ako.

23 So you're allowed to say: Maybe one day but
24 not now. Some might say it is your duty to say that.

25 Finally, may I say in deference to our

1 friends in the brown shirts here, and I don't mean
2 that ironically, we are friends, we're all concerned
3 about the future of this island -- that many of their
4 own colleagues share this view. I'm a TV producer.
5 I'm currently filming a TV series about green
6 construction techniques which, by the way, the
7 construction unions support and I'm grateful to them
8 for their support. They see it as a good way of
9 having more skilled and better paid jobs.

10 I recently spoke to a carpenter who told me
11 that it was his dream to own a little family farm. I
12 asked him why he didn't do it. He told me he couldn't
13 find any land. He lives in Wai'anae. And ironically
14 the place he would really like to farm is right where
15 Mr. Horton wants to plant his Ho'opili scheme.

16 So I asked him to come and testify at this
17 hearing. And he said it was more than his job was
18 worth. He pointed out that some of the opponents of
19 the rail project received threats and had garbage
20 dumped on their doorsteps. I don't mean to cast
21 aspersions. There are hot heads on both sides, as we
22 saw at the last hearing.

23 What I'm asking -- what I'm pleading, I
24 guess, is that you should not feel pressured to
25 approve this scheme against your better judgment of

1 the long-term land needs of O'ahu. Thank you.

2 CHAIRMAN LEZY: Parties, questions?

3 Commissioners, questions? Thank you for your
4 testimony. Is there anyone else who wishes to provide
5 public testimony? Please step up.

6 KAHU KA'AHUMANU MOOK

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

9 THE WITNESS: I do.

10 CHAIRMAN LEZY: Please state your name, your
11 address and proceed.

12 THE WITNESS: Mahalo, Ke Akua. My name is
13 Ka'ahumanu Mook. And I'm from 2029 Ala Wai and I live
14 in Waimanalo. Commissioners, and all my brothers and
15 sisters out here, what a beautiful day to be living in
16 Hawai'i. We're here for a very important reason.

17 I'm a Hawaiian. I'm a child from the 'aina.
18 Humanities before politics is my motto. I support
19 what's good in life like all of us, all us good people
20 here. And what we here for? Our children and their
21 future. But I see so much segregation. Please be
22 together 'ohana to get our island in one way.
23 Everyone has a vision and this is my vision.

24 And thank you for all the speakers,
25 especially the kahu from Hope Chapel. He's thinking

1 of the children of the church. And we listen to them
2 pray at night the first thing they pray is, "Dear
3 Jesus, thank you for the beautiful dinner we had
4 tonight, that we not hungry to go sleep, nice home
5 that's affordable." So thank you, the pastor, but we
6 all have visions. And our visions are very beautiful
7 because what's our purpose in life?

8 But to get to the point. We have seven with
9 Horton, and the other six developers, with all the
10 money and the progress they want to do. Give 'em a
11 contract for a hundred years to build 500 homes
12 throughout the state. And give the contract that they
13 can maintain 'em with our labor, contractors unions
14 and plumber unions, all the unions to be, have the
15 contract for a hundred years that we know our
16 childrens going to have job.

17 To keep the unions to have the jobs that
18 outside people to come to our islands, that's my
19 vision that we should all have together too, to live
20 together for our childrens, all for our children.

21 We cannot be here being like children. We
22 have to be here like adults because we have to be good
23 wards for our children. Share the wealth for
24 everyone, 150,000, \$200,000 home is what, 500 houses.
25 Imagine. For hundred years contract throughout the

1 island that we be maintaining all the hotels, painters
2 union, and everybody would have job here for the
3 future of our children.

4 Because we live here. Because you know this
5 is paradise. But when you forgive and you pray and
6 you wake up in the morning you in Heaven. Remember
7 that you're in. What we here for our purpose is for
8 our children, everyone's children. But let's share
9 together so our childrens can play together, not one
10 for, you know -- let's be balance in life so our
11 children going to be balanced so they can have good
12 dreams, beautiful dreams.

13 So please, everyone here, let's all work
14 together because we are -- one thing special about us
15 Hawaiians here and everyone envy us, we know the
16 secret of life. And we want to share with all of you,
17 and the secret is enjoying life together. Because
18 when you enjoy and you love, love your enemies. Keep
19 them close. Forgive the ones next to you. Because
20 when you forgive you move on in life. Because He's
21 watching.

22 Everyone has their own high power. Everyone
23 have to go home. And home is where the heart is. And
24 heart is when you wake up in the morning and you're
25 feeling good and you want your childrens for feel good

1 in the future. Because the future -- we must have
2 vision. We all share our visions. So please,
3 developers, we have lots of good lands out there for
4 build.

5 And all trades unions be getting jobs for
6 not 20 years, hundred years or thousand years 'cause
7 our childrens going have a home to sleep, good food to
8 eat. When they wake up in the morning they get job.
9 And they can come home saying that we living in Heaven
10 together. Everyone to be. We're here to stay in our
11 islands forever and ever. Thank you very much,
12 everyone, and God bless us all. And bless today
13 beautiful day until we go home to rest and listen to
14 our children's prayer because they are the future for
15 all of us. Thank you very much.

16 CHAIRMAN LEZY: Parties, questions?
17 Commissioners, questions? Thank you, sir, for your
18 testimony.

19 THE WITNESS: Mahalo.

20 CHAIRMAN LEZY: Is there anybody else who
21 wishes to provide public testimony?

22 MITCHELL TYNANUS (phonetic)
23 being first duly sworn to tell the truth, was examined
24 and testified as follows:

25 THE WITNESS: Yes.

1 CHAIRMAN LEZY: Please state your name, your
2 address and proceed.

3 THE WITNESS: Mitchell Tynanus, 91-3074
4 Makalei Loop, Ewa Beach, Hawai'i, 96706. I hear a lot
5 of stories, you know, about the life of Ewa Beach.
6 You know, we got people that lived Ewa Beach their
7 whole life as I did. I'm a 37-year resident of Ewa
8 Beach. I was there since the Fort Weaver Road was a
9 one way in/one way out. I'm one of eight of my
10 family, over 37 nieces and nephews, over four great
11 grandchildren. We're blessed having a large family.

12 Ewa Beach is a growing community, I mean to
13 me the largest growing community in this state.
14 Campbell High School has the largest enrollment of
15 students, almost 3,000 students enrolled.

16 I have three children going up through the
17 ranks from elementary now in high school. And with
18 D.R. Horton-Schuler with this project coming up, I
19 mean they talk about developers in the area and
20 talking about plans Ewa Master Plan, Kapolei's Master
21 Plan, you know.

22 For myself has been in this community for
23 many years, I see this plan as a plan that I can -- I
24 mean it's been waiting. It's been on the table for
25 decades. And now, hopefully with, you know, with the

1 support of everyone here it will come to fruition for
2 our community.

3 I know Glen. I used to be on the Ewa
4 Neighborhood Board. I'm still involved in community
5 with the Lions Club. I just try -- we try to give
6 back as much as into the community. For myself I'm
7 not a farmer, but I grow my own crop as much as I can
8 at home to try to support -- not support myself but,
9 you know, we grow -- we live off the land.

10 My family lives in Waimanalo. They have ag
11 land. You know, they grow their crops over there.

12 But I fully support this Ho'opili Project
13 not only for the jobs but what it represents. In
14 Hawai'i we're a growing community. And our community,
15 our state needs places for our keikis, our kids to
16 stay here.

17 That's the number one thing like Kahu over
18 here said and the other pastor from New Hope. This is
19 for our children and our children's children. And I
20 hope that this board can vote on that and, you know,
21 see that in the future. That's what this whole
22 envision-ment of this will plan, this proposed project
23 is. It's the future. Thank you.

24 CHAIRMAN LEZY: Parties, questions?
25 Commissioners, any questions? Thank you very much.

1 That concludes the public testimony. We'll now take a
2 break until 2:00 p.m. and reconvene. Thank you.

3 (Recess was held 12:45 to 2:00)

4 CHAIRMAN LEZY: (Gavel) This meeting is
5 reconvened. First things first. Mr. Seitz, I
6 understand you have some additional exhibits you'd
7 like to offer.

8 MR. SEITZ: Yes. We filed that yesterday I
9 believe. Exhibits 62, 63, and 64. And all they are
10 are exhibits that were previously offered I think by
11 the state. And the state indicated they're
12 withdrawing them. So my understanding was that we
13 would then be permitted to reinvigorate them, as it
14 were, for the purposes of this proceeding.

15 CHAIRMAN LEZY: Okay. And I'm sorry, also
16 61B, correct?

17 MR. SEITZ: 61B I think you've already
18 admitted.

19 CHAIRMAN LEZY: It's admitted.

20 MR. SEITZ: Yes.

21 CHAIRMAN LEZY: All right. Parties, any
22 objections?

23 MR. KUDO: We're going to -- as I understand
24 it we are to file objections so of all the three
25 Amended Witness Lists.

1 CHAIRMAN LEZY: No. The only written
2 objections will be to the other two Intervenor,
3 Friends of Makakilo because they're going to be
4 submitting new Exhibit Lists, and Sierra Club.

5 MR. KUDO: I guess our concern was -- and
6 it's tied to our position on all three Witness and
7 Exhibit Lists, is that my understanding was that at
8 the inception of this hearing there was a great deal
9 of discussion with regard to the manageability of the
10 three parties as Intervenor and the duplicative and
11 redundant testimony and exhibits.

12 And I believe there was a representation by
13 the Intervenor that they would get together and
14 submit one Exhibit and Witness List to avoid
15 duplication and redundant testimony of five or six
16 people testifying on agriculture or something like
17 that. So I see this as kind of deviating from that
18 initial...

19 CHAIRMAN LEZY: Let's deal with that issue
20 in response to the separate Exhibit List and Witness
21 List that are going to be submitted by Friends of
22 Makakilo and Sierra Club. Do you have any objections
23 to Senator Hee's three exhibits?

24 MR. KUDO: To the exhibits themselves?

25 CHAIRMAN LEZY: Yes.

1 MR. KUDO: The only objection we have is
2 that we expect that the legal foundation for those
3 exhibits will be properly laid because they deal with
4 testimony given by parties that may not be appearing
5 before this Commission.

6 CHAIRMAN LEZY: Okay. Well, I'll tell you
7 what. If it's going to be a foundational issue then
8 we'll deal with it at the time.

9 MR. SEITZ: At what time?

10 CHAIRMAN LEZY: When you -- are you going to
11 use them in conjunction with a witness?

12 MR. SEITZ: We don't intend to recall
13 Mr. Morioka. My understanding is he's already been
14 here.

15 MR. DUDLEY: No.

16 MR. SEITZ: He's not been here. I'm sorry.
17 It wasn't our intention. He was on our list to call.
18 We were not going to call him basically because his
19 written testimony was previously, my understanding,
20 was previously submitted and considered. So all we're
21 doing is essentially reoffering it. So with regard to
22 him that was the case.

23 With regard to Sandra Kunimoto, I don't know
24 if she appeared either, but basically we were not
25 intending to call those people. We were intending to

1 submit this written testimony which, as I say, was
2 written and drafted by other parties. But we thought
3 it would suffice for our purpose to provide that.

4 We certainly are not adverse to those people
5 being called if somebody wants to ask them questions.
6 We don't have additional questions to ask them over
7 and beyond what their written testimony encompasses.

8 CHAIRMAN LEZY: Well, how would you address
9 the foundation issue, then, Mr. Seitz?

10 MR. SEITZ: Well, I'll be happy to call
11 those witnesses, if you want, to just simply to have
12 them identify their testimony and ask if, in fact,
13 that is their testimony. I can certainly do that. My
14 understanding was that when it was offered previously
15 it was offered by parties who had already gotten the
16 consent to do so.

17 CHAIRMAN LEZY: What's your response,
18 Mr. Kudo?

19 MR. KUDO: I think it'd be -- I don't want
20 to cause Mr. Seitz too much inconvenience -- to call
21 these individuals. But perhaps he can obtain their
22 affidavit stating that this was their testimony at the
23 time that it was submitted to this Commission, and
24 whether the position is still the same with regard to
25 these individuals.

1 I don't know the relevancy of it because
2 these individuals are no longer in the positions that
3 they used to hold in the respective agencies. Again,
4 and I don't know how they're going to be used in this
5 hearing. So I don't know whether I should be
6 objecting at this moment or not.

7 CHAIRMAN LEZY: Right. Well, I guess that
8 begs the question if they're no longer members of the
9 administration then regardless of what their current
10 position may be it's irrelevant.

11 MR. KUDO: That's my point.

12 CHAIRMAN LEZY: I assume that, Mr. Seitz,
13 you're offering this simply because it is testimony
14 that is critical of the Petition.

15 MR. SEITZ: Absolutely.

16 CHAIRMAN LEZY: Mr. Yee, you've looked at
17 the exhibits. The same exhibits that were submitted
18 by the Office of Planning?

19 MR. YEE: Yes.

20 CHAIRMAN LEZY: I'm going to allow them in
21 then. And I understand it will be used for purposes
22 of argument and so it will just go to weight.
23 Because, again, this is no longer the position of the
24 current administration. And so I believe that the
25 Commissioners can take into account for themselves

1 what weight to give to this written testimony.

2 MR. KUDO: Mr. Chair, I'd like to raise
3 another issue, if I might, not relating to this, the
4 Exhibit/Witness List. But I received a copy of
5 letters that were submitted directly from both the
6 Sierra Club and Mr. Dudley to the Commission members.
7 I'm a little concerned about it, because I believe
8 that the letters were direct communication with the
9 Commission, especially in light of a pending motion
10 that's been filed by Mr. Dudley and is awaiting action
11 by this Commission.

12 And as I understand it the hearing is
13 scheduled for December 1st. Whether that's
14 appropriate or not, normally parties are not allowed
15 to communicate directly with the Commission members
16 when there's a pending action before them. I
17 understand that ex parte communication is allowed for
18 procedural issues, et cetera. But that's, I believe,
19 without a pending motion awaiting decision making by
20 the Commission.

21 I have a copy of the letter if you want to
22 see it. But it basically sets out his argument as to
23 why his motion should be granted. Gives the reasons
24 for it. So it's not just asking for a date or
25 something like that. So that's why I was kind of

1 concerned that it's somewhat inappropriate for parties
2 to be arguing by way of letter outside the hearing
3 process.

4 CHAIRMAN LEZY: Would you like an
5 opportunity to respond?

6 MR. KUDO: No. Actually, what I would like
7 to do is to have the letter stricken because he will
8 have ample opportunity to argue the very arguments
9 that are in the letter at the hearing.

10 CHAIRMAN LEZY: It's already before the
11 Commissioners. So I guess my instruction would be, my
12 own personal instruction regardless is to avoid ex
13 parte contact. Although it's been provided to all the
14 Commissioners going forward, I would ask all of the
15 parties to confine any argument to written motions,
16 and please don't include it in correspondence. It's
17 fine for you to communicate with staff, but please do
18 not direct communications to individual Commissioners
19 or the collective Commission.

20 MR. KUDO: Thank you.

21 CHAIRMAN LEZY: Is that understood?

22 MR. SEITZ: Yes.

23 CHAIRMAN LEZY: Thank you. Anything else
24 that we need to deal with before we finally start to
25 do some work on this? No? Okay. Petitioner, then

1 please continue with your case.

2 MR. KUDO: Yes. We'd like to call Dr. Ann
3 Bouslog to the stand.

4 ANN BOUSLOG

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

7 THE WITNESS: Yes, I do.

8 CHAIRMAN LEZY: Thank you. Please state
9 your name.

10 THE WITNESS: My name is Ann Bouslog.

11 CHAIRMAN LEZY: Mr. Kudo.

12 MR. KUDO: Dr. Bouslog has already been
13 admitted as an expert in the field of market analysis
14 and economics back in 2009 in this particular docket.
15 Her supplemental written direct testimony has been
16 filed and admitted into the record as Petitioner's
17 Exhibit 82.1B as in boy.

18 DIRECT EXAMINATION

19 BY MR. KUDO:

20 Q Dr. Bouslog, please summarize your
21 supplemental written direct testimony.

22 A Good afternoon. I prepared four reports on
23 Ho'opili. Two were done in 2007, that's a market
24 study and an economic and fiscal impact assessment.
25 And I did hear some argument earlier today from

1 witnesses saying that these are being hidden. They're
2 not at all. In truth, Commissioners are aware they're
3 part of the EIS and they're available to anybody in
4 the public.

5 In 2009 I prepared an update of my market
6 absorption, assumptions in that market study in light
7 of new population projections that had been adopted by
8 the county and state.

9 In 2010, last year about this time, I
10 reviewed those market absorption conclusions under --
11 in light of the phased development plan that D.R.
12 Horton had prepared. I also updated key data and
13 analysis for purposes of today's presentation to make
14 our discussions more timely today.

15 The findings of those reports are detailed
16 in my written direct testimony which you have. Today
17 I'm going to present highlights from them based on the
18 most up-to-date analyses that I've undertaken.

19 First, O'ahu's population continues to grow.
20 This is the consensus of both the city, the Department
21 of Planning and Permitting as well as the state DBEDT.
22 And I would concur with that.

23 The DBEDT and DPP population projection show
24 175,000 more people living on O'ahu by 2030 compared
25 to the market baseline that I used in my study in

1 2007.

2 To accommodate that growth we need to permit
3 the development of sufficient housing as well as
4 support facilities such as commercial and industrial
5 uses in appropriate areas of this island.

6 In this context I estimate we need to
7 entitle 29,000 more primary housing units on O'ahu in
8 addition to those that are already entitled by this
9 Commission. And let me walk you through this.

10 On the screen is a figure from my
11 supplemental written direct testimony, Petitioner's
12 Exhibit 82.1B at Page 7. This black line here shows
13 the projected demand for primary housing units that
14 would be needed to support the growing --

15 CHAIRMAN LEZY: Ms. Bouslog, you can take
16 the microphone with you, please.

17 THE WITNESS: Okay. This blue line shows
18 the supply of primary housing that's been entitled by
19 the state on/or that is exempt for state zoning. This
20 blue line, by the way, is generous. It assumes
21 complete full buildout of all currently LUC-entitled
22 or exempt lands to maximum planned or entitled
23 capacity within this timeframe, something we know in
24 the development world rarely happens.

25 This blue line also includes an allowance

1 for an unknown future PUC projects at a generous 400
2 primary resident housing units per year, far more --
3 this is more than we saw in the boom years in
4 Honolulu's economy. So I would say that the supply
5 line is a very optimistic one.

6 The next slide highlights the unmet demand
7 between the demand and the supply. And this by 2030
8 amounts to 29,000 housing units that require
9 entitlement.

10 Finally, the next slide, the screen line,
11 the dotted line shows additional housing that Ho'opili
12 could supply if it were entitled. As you can see
13 Ho'opili is not the whole solution, but it could be a
14 significant part of the solution to this meeting the
15 housing needs of O'ahu residents in the future.

16 In addition to housing we also estimate a
17 need for 3.4 million square feet more commercial in
18 Ewa; and 400 net acres more light industrial lands in
19 Ewa beyond what is currently entitled and planned in
20 the district.

21 Ho'opili's 2.96 million square feet of
22 commercial areas and the 40 net acres of business
23 park land, that's the proximate yield from the 50-acre
24 site that's proposed, would fill critical parts of
25 those needs also.

1 Ho'opili is an appropriate place to fulfill
2 those needs. It's long been part of the City's Second
3 City plan. It's a logical extension of the urban
4 core. It's within the Urban Growth Boundaries of the
5 Ewa DPA.

6 It is also a strategic location from a
7 market standpoint. It's at the Gateway to Kapolei.
8 It fronts H-1 Farrington, Fort Weaver and the new
9 Kualakahi Parkway. In broker's terminology it would
10 be called the 100 percent location.

11 It is at the approximate population center
12 of O'ahu. It is next to the currently developing UH
13 West O'ahu Campus and associated facilities, the DHHL
14 community of East Kapolei and its associated
15 Kamakakana Ali'i Project. And it's near to the
16 existing Ewa Villages and West Loch communities. And,
17 finally, it's on the City's proposed rail route.

18 As the Community Plan for Ho'opili has
19 continued to evolve, I've been in touch with D.R.
20 Horton to make sure that their plans are responsive to
21 the changing market environment. As noted last year
22 they prepared a phased development plan or PDP and
23 asked me to evaluate that.

24 It really represented no change to the
25 overall plan. Mostly from a market standpoint what it

1 represents is more specificity in terms of the timing
2 and location of developments within the overall plan.

3 This plan does reflect a very strong
4 beginning in the first phase of D.R. Horton's plans.
5 To consider this opinion I reviewed 30 years of O'ahu
6 residential home sales. On the screen is a figure
7 from my December 2010 report, Petitioner's
8 Exhibit 33.1B at Page 3. This shows O'ahu's recent
9 residential sales cycles.

10 My survey captures two distinct cycles of
11 sales here and here, each 14 to 15 years long. These
12 historical sales patterns support the Petitioner's
13 short to medium-term outlook for Ho'opili because
14 coming online in the 2013 to 2020 period it appears
15 that that would be a period likely to occur in the
16 early years of the coming cycle here. And as you can
17 see the early to mid years of a cycle tend to be the
18 strongest sales periods of that cycle.

19 Conversely, D.R. Horton projects slower
20 sales than average in the second phase. And that also
21 makes sense as it would extend at the tail end of the
22 coming cycle and possibly into the beginning part of a
23 subsequent cycle.

24 So let's turn to the economic and fiscal
25 findings. The results of my studies have not changed

1 since the 2007 study I did, but the figures I will be
2 presenting to you therefore are in 2007 dollars. And
3 the numbers, unless I say otherwise, represent direct,
4 indirect and induced impacts or total impacts of the
5 project.

6 In terms of development employment we do
7 project 2300 to 3300 fulltime equivalent development-
8 related jobs per year during the buildout of the
9 project. Those could be associated with personal
10 earnings of some 131 to \$178 million per year paid to
11 those Hawai'i employees.

12 In terms of operations at buildout, you've
13 heard this number before many times, but my study
14 estimated that Ho'opili could support some 7,000
15 long-term full-time jobs.

16 Since a number of people have objected to
17 not knowing where those numbers came from, apparently
18 have not seen the study, I'll give you a little bit of
19 background on that. When I do a study like this I try
20 to use state and county figures where I can.

21 In this case I've used the state's
22 input/output model which shows how any given dollar of
23 investment money put into the state or the county
24 creates jobs and income for a whole host of different
25 industries. So you can calibrate that to the nature

1 of the project you're looking at.

2 I generally also actually go out into the
3 field and try to get actual information. In this case
4 I looked at Kapolei information when a store opened.
5 Information was published about how big the store was,
6 how many employees they hired. I would note that and
7 build a database of that.

8 Very often I would call up the store
9 management or the owners to get more information about
10 that and find out if those were full-time jobs or
11 part-time jobs and where the people came from and so
12 on.

13 So there is a tremendous amount of math and
14 thought behind these numbers if anybody cares to hear
15 more about them. And you can find it in the studies
16 as well.

17 So, to go back, those 7,000 jobs are pretty
18 much onsite. Those are the jobs that would occur
19 onsite. But we do recognize there are other jobs
20 Ho'opili would create offsite, even directly. Because
21 some of the jobs it creates might not occur there.
22 For instance, if a broker has a job because they're
23 selling units at Ho'opili, they may not necessarily be
24 working out of an office in Ho'opili.

25 If somebody visited a home or visitors came

1 to visit somebody who lived there who wouldn't
2 otherwise have visited Hawai'i and they're spending
3 money in the state, that would generate some jobs.

4 Also the business park itself has a unique
5 profile of types of businesses, some of which we think
6 might not exist in Hawai'i if you did not have this
7 development. These -- in total these net new jobs are
8 estimated at 1,550 total jobs, direct, indirect and
9 induced jobs in the state. And they're estimated to
10 generate personal earnings for those Hawai'i residents
11 of about \$109,000,000 per year.

12 In terms of fiscal impacts, the county's net
13 additional government operating revenues are projected
14 at 8 million per year to 2015; 28 million per year
15 between 2016 and 2030. That would give you
16 revenue-to-expenditure ratio of 8.5 to 10 during
17 buildout.

18 For the state we see net additional revenues
19 of 14 to 20 million per year. That means between 4.9
20 revenue dollars for each additional expense dollar
21 incurred by the state because of this project during
22 its buildout.

23 Q Dr. Bouslog, during the public testimony on
24 October 20, 2011 one of the public witnesses testified
25 that Ho'opili is not necessary because he heard that

1 the Ewa region has 30,000 permitted houses on the
2 books.

3 Some seem to argue that this number is
4 33,000 or even 35,000. What is your professional
5 opinion regarding this assessment?

6 A Yes, thank you for letting me comment on
7 that. I understand that these numbers are coming from
8 the Ewa Development Plan as prepared by the city DPP.
9 Recently DPP, as you probably know, issued an update
10 to that document which is called a Review Report and
11 it's now up for review. That new document shows
12 34,800 potential housing units that are zoned or
13 exempt in Ewa.

14 I've reviewed DPP's inventory against my own
15 estimate, which is that there are some 24,000
16 potential resident housing units in Ewa. So about
17 10,000 less than you see in DPP's numbers.

18 And I consulted in detail with DPP this week
19 to understand the differences. Those differences can
20 be explained as follows: First of all, the city
21 inventory is of potential housing units, any kind of
22 housing unit. Mine is of potential primary resident
23 housing units. For instance, I do not count potential
24 for units at Ko Olina and Kapolei West that are
25 intended to be developed as second home, timeshare or

1 resort units.

2 Those numbers are in the city's numbers
3 which is appropriate for different types of uses.
4 They are residential types of units that would be
5 developed. They're just not units that would be
6 available as primary housing.

7 Intended resort development within those two
8 projects alone accounts for 4,000 units of the
9 difference between my numbers and the city's. And I'm
10 confident that resort timeshare and other visitor
11 units do not add to the resident housing stock that
12 I'm trying to explain here today.

13 A second difference between our two
14 methodologies is that the city counts units that could
15 potentially be developed given entitlements and land
16 areas reflecting the desire to see high density
17 developments in much of Ewa. And that also is an
18 appropriate way of looking at some of those lands.

19 However, in some cases landowners have
20 stated that they do not intend to develop at such
21 densities. They may not plan to develop housing on
22 some of those lands at all, and/or they may have
23 already made agreements or may already be underway at
24 developments that are being built at lower densities.
25 So those densities may not be achieved.

1 For instance, the city projects 4,700 units
2 on mixed-use sites within the City of Kapolei. But
3 the landowner, James Campbell Company, who I
4 interviewed for purposes of this testimony, reported a
5 future yield from those lands of only 1,000 units in
6 its most recent survey of housing projects that they
7 submitted to DPP. Included among those thousand units
8 is the developing Leihano community. So it's already
9 underway for far different density.

10 Finally, the city inventory in the updated
11 review is for July 2009. Whereas the numbers I'm
12 showing you today are as of today, more than two years
13 later. In the interim some 2,000 units have been
14 produced in Ewa and thus are no longer potential
15 future inventory.

16 In conclusion, the 34,800 units that you'll
17 see on the current DPP report are appropriate for many
18 uses, but they are as of 2009. But to begin to
19 consider the potential supply of housing available to
20 future Ewa residents, I'm confident that our 24,000
21 number is a more appropriate one to use.

22 Q Dr. Bouslog, in your testimony that you've
23 just given to the Commission you mentioned a thousand
24 units at a project called Leihano. Why did you take
25 those units out?

1 A I'm not taking them out so much as those
2 units are taking up a great deal of the land that
3 underlies the 4700 units that the city's showing
4 within its Ewa Development Plan review document.

5 Q Does the Leihano project target a specific
6 market?

7 A Yes. That's also a retirement and senior
8 housing agreement.

9 Q So it's a senior housing project.

10 A Yes.

11 Q Now, Dr. Bouslog, are you saying that 24,000
12 units will definitely be built in Ewa without
13 Ho'opili?

14 A Not at all. We need to look at that 24,000
15 units with an educated eye also. The major projects
16 of the past, and as previously planned, cannot be
17 counted on to continue to deliver units that O'ahu
18 needs. Even within the 24,000 potential RH -- I call
19 them RHU's, resident housing units, that I'm counting
20 there's much uncertainty. Next slide.

21 On the screen is a figure from my
22 supplemental written direct testimony, Petitioner's
23 Exhibit 82.1B at Page 12. This shows the composition
24 and the buildout scenario of entitled potential
25 resident housing inventory in Ewa. So let's start at

1 the top.

2 This is 2011 in this first bar here. It's
3 approximately 246,000 units total remaining that could
4 be developed and are entitled. But over 6,000 of
5 these units, 25 percent of the total, are at Kalaeloa,
6 where other than Hunt, which is estimated to deliver
7 about 300 units max and a few possible renovations and
8 rehabs of existing units -- this count, by the way
9 includes existing housing at Kalaeloa -- there is very
10 unlikely that there'll be any significant other
11 residential development at Kalaeloa in the foreseeable
12 future.

13 And I confirmed this also last week in an
14 interview with the director of HCDA. As he noted,
15 HCDA likes to keep those units on their books and on
16 their plans because it's a guideline in helping them
17 plan for the infrastructure that they hope to attract
18 for Kalaeloa.

19 But in the meantime I think everybody in
20 this room probably understands there is no appropriate
21 infrastructure in Kalaeloa for housing. The city
22 won't even take its buses there because the roads are
23 not able to accommodate a city bus. Every kind of
24 possible infrastructure is needed before you could
25 begin to develop housing there. And HCDA does not

1 have the funds to provide that.

2 Furthermore, none of the major landowners in
3 Kalaeloa has expressed an interest in developing
4 housing. In fact most of them are specifically not
5 interested in developing housing. DHHL is a major
6 landowner. And they've stated that their major
7 intention is to use those lands for commercial and
8 industrial income-producing properties to support
9 homesteading projects elsewhere.

10 The National Guard has not shown any
11 interest in developing housing. It tends to use its
12 properties for its mission. And the city has other
13 uses for its lands including a great deal of
14 parklands. So that's this first group of 25 percent
15 of the 24,000.

16 If we look at the next tier this is another
17 20 percent of the 24,000. It's over 5,000 units.
18 That represents two state projects: DHHL's East
19 Kapolei development, which is a very nice project and
20 a good project but, of course, it will be limited to
21 persons of Native Hawaiian ancestry.

22 The majority of that is proposed housing at
23 UH West O'ahu where I'm sure you also know the
24 developer recently pulled out. So eventually UH West
25 O'ahu hopefully will develop these units, but they do

1 not at this time have a land plan or a developer in
2 place.

3 Only the bottom two tiers, the blue and
4 purple areas of this entire chart, really represent
5 primary housing that is in any way in process of being
6 developed for the people of O'ahu.

7 The majority of that blue, this blue area,
8 are affordable, are primary residential components of
9 otherwise high-end resort development. So that's the
10 30 percent affordable requirements, for instance, that
11 were put on Kapolei West, Ocean Pointe, Hoakolei,
12 Makaiwa Hills, and Ko Olina. It also includes some of
13 the A1 and A2 zoned properties at Ko Olina that could
14 be developed as second home or primary housing. So
15 again that number is generous.

16 The remainder, the green area -- I'm sorry,
17 it's purple in this slide -- very small purple area is
18 the only real inventory of true primary workforce
19 housing development that is now being produced in the
20 Ewa area. And this represents less than 5,000 of the
21 total 24,000 units we talk about.

22 That area consists of Ewa Makai, Ewa
23 Villages, the small Palehua and Palailai developments
24 and remaining developments at Villages and City of
25 Kapolei. And note with historical rates of

1 absorption, those projects, those workforce housing
2 projects could be sold out by 2015, very soon after
3 the time Ho'opili hopes to enter the market.

4 Ho'opili is not anywhere on this chart now
5 because it is not entitled. But it would belong in
6 this bottom group because it is prime workforce and
7 primary housing. So while there are a lot of units
8 entitled for development in Ewa, for about half it's
9 unclear how, when or if ever they will get built and
10 their use will be restricted.

11 And less than 5,000 of the possible units
12 would ever be in the primarily workforce housing
13 communities like what is planned for Ho'opili.

14 Q Dr. Bouslog, you also mentioned that
15 Ho'opili potentially would generate 7,000 permanent
16 jobs. Would these jobs all be expected to be located
17 within Ho'opili?

18 A Yes. Those are mostly at Ho'opili. As I
19 mentioned, a few of the brokerage jobs, which are a
20 couple hundred, may include people who have an office
21 offsite. But by and large those are all in Ho'opili.

22 Q Now, were you present in these hearings a
23 few weeks ago when Cameron Nekota of Horton-Schuler
24 testified?

25 A Yes.

1 Q Did you hear his statement that if Ho'opili
2 homes were built right now they would be selling in
3 the high 2's up to \$600,000?

4 A Excuse me. Could I go back to your prior
5 question?

6 Q Yes. Go ahead.

7 A I'm sorry. I think I misunderstood your
8 question. I thought you asked me if all those 7,000
9 jobs would be at Ho'opili. What I did want to add is
10 the time I did these projections we were looking for
11 jobs that D.R. Horton would create. So we did not
12 include other jobs that would locate onsite. And most
13 prominent among those would be the DOE jobs.

14 The DOE is looking at siting five schools
15 there. And they've told Horton they estimate those
16 would support another 500 jobs. So that's another
17 500 jobs onsite. That was your question.

18 Q Let me fast forward back again to the
19 testimony of Mr. Nekota. Did you hear his statement
20 that if Ho'opili were built right now that the homes
21 there would be selling in the high 2s up to about
22 \$600,000?

23 A Yes, I was.

24 Q Dr. Bouslog, would a construction worker
25 earning about \$65,000 per year be able to buy a home

1 in Ho'opili?

2 A Yes.

3 Q What about others? For example, a family of
4 four earning 80 percent of the median Honolulu income,
5 would they also be able to buy or purchase a home in
6 Ho'opili?

7 A Yes. I looked yesterday at the DPP's charts
8 and tables that they produced on housing. At the
9 80 percent of median Honolulu income level a family of
10 four would be expected to earn around \$79,000.

11 According to DPP's price analysis that
12 family should be able to buy a house ranging from 360
13 to \$380,000. So, yes, they would be able to buy a
14 home in Ho'opili in these price ranges.

15 Q Would a person earning \$48,000 a year be
16 able to find housing at Ho'opili?

17 A Yes. That 48,000 for a single person
18 equates to about a 70 percent of the median family
19 income in Honolulu for a single person. If that -- it
20 is difficult to provide housing, for sale housing for
21 the 70 percent of median income range.

22 However, if that person had a spouse or
23 another family member or other income that was also
24 generating income for a household with just 16,000
25 more in household income equivalent to an entry level

1 or part-time retail or service job, they would be at
2 80 percent of the median family income for a family of
3 2.

4 And DPP's current figures indicate that such
5 a household should be able to buy a home priced
6 between \$295,000 and \$312,000 in 2011. So they would
7 also be in the price range envisioned by Mr. Nekota.

8 If that person was single and did not have
9 additional family members earning income, then they
10 would likely be accommodated in rental housing. And
11 it is the developer's intention to provide some of
12 their affordable housing commitment in rental housing.
13 And the 70 percent of median income is a prime
14 category for which that housing would be targeted.
15 So, yes, we think that this person should be able to
16 find housing in Ho'opili if they so desired.

17 Q Now, Dr. Bouslog, would you at this time
18 summarize your major conclusions that you draw from
19 the various studies that you've prepared for this
20 particular project.

21 A Yes. Ho'opili is seen as a key part of the
22 solution for housing and other community needs; that
23 it's going to result from O'ahu's continued population
24 growth over the coming decades. These growth
25 pressures are going to arise from the need to

1 accommodate new households.

2 Those are households that are going to be
3 formed by our children, our grandchildren, our nieces
4 and nephews as well as some in-migrants to the island.
5 And it also addresses some significant pent-up needs
6 that we believe are out there currently.

7 With its excellent location and planning
8 Ho'opili offers housing and community amenities that
9 would be more affordable than average and far more
10 affordable than almost any other new project being
11 developed.

12 It would be supplied with modern
13 infrastructure. It can be produced relatively
14 rapidly. And it would be transit ready complementing
15 the city's major investment in rail, if it is
16 developed.

17 If Ho'opili is not entitled we could expect
18 to see economic growth of the island curtailed. We
19 could also expect to see displacement of development
20 pressures to less appropriate areas of the island that
21 have not been planned to accommodate growth. This
22 could included rural areas of O'ahu, neighbor islands,
23 areas that are not planned as development plan areas.

24 And, by the way, they will -- those people
25 will still continue to generate traffic from wherever

1 they are, maybe even more so if they're pushed out
2 into areas not served by rail and not intended to
3 accommodate population growth.

4 If Ho'opili's not developed we could also
5 expect to see a worsening shortage of and rising
6 prices for primary housing. And the same might occur
7 for commercial/industrial properties which might be
8 good for landlords but it's certainly not good for
9 tenants or consumers. And, finally, we would expect
10 to see a less efficient transit system if it is built.

11 Q Dr. Bouslog, there have been some comments
12 made by public witnesses that jobs, employment
13 generated by a particular project is outside of the
14 purview of this Commission.

15 Isn't it true that your testimony and your
16 reports and your studies, at least with regard to job
17 creation, employment opportunities that are created by
18 this project, are an attempt by the Petitioner to
19 address those criteria that are in the state law, that
20 address job and employment opportunities that this
21 Commission is required by law to consider?

22 A Yes. I've actually looked at the law that
23 governs the Land Use Commission. And employment
24 generation is one of the criteria. Matter of fact, I
25 do economic and fiscal impact assessments as a major

1 part of my business. And one of the reasons I often
2 get asked to do them is because they're required by
3 petitions such as this because the Land Use
4 Commission's required to consider them.

5 Q Now, Dr. Bouslog, in your expert opinion and
6 based on your findings, is there still a need for the
7 project after contemplating the phased development
8 plan?

9 A Absolutely.

10 MR. KUDO: I have no further questions.
11 She's available for cross at this time.

12 CHAIRMAN LEZY: County?

13 MS. TAKEUCHI-APUNA: I have no questions.

14 CHAIRMAN LEZY: Office of Planning?

15 MR. YEE: Just to clarify.

16 CROSS-EXAMINATION

17 BY MR. YEE:

18 Q When you were talking about the distinction
19 between the 34,800 homes estimated by DPP and 24,000
20 homes and you estimated, you came up with I think
21 three major reasons for that distinction, is that
22 right?

23 A Yes.

24 Q I just want to know, you gave us some of the
25 numbers for some of the categories. Did you actually

1 do a quantitative count for each of the categories or
2 did you just sort of look at those categories and
3 determine sort of qualitatively they're large enough
4 that they should account for the whole 10,000?

5 A No. I did quantify them.

6 Q I know on the first one I think you said
7 4,000 homes on the difference between primary
8 residential versus including secondary homes.

9 A Yeah.

10 Q Then I heard you say on the third one 2,000
11 homes for houses that were already built between the
12 time DPP made their calculation and the time you did
13 your calculation.

14 A Yeah, I'm sorry. Let me look for my notes
15 here. Sorry, I may have to recreate that for you
16 sometime later. But is their 4,000 units difference
17 because of they're counting resort timeshares, so on.
18 There are 4700 minus a thousand. So about 3700 more
19 units in the City of Kapolei on BMX sites.

20 Q I'm sorry. What do you mean by BMX sites?

21 A Business mixed-use zoned sites. In other
22 words, the Campbell Company or whoever they sell their
23 lands to, could choose to develop those as commercial
24 sites, which in most cases is what they have been
25 doing with those city lands. It is also entitled in a

1 way that would permit -- permit second homes -- excuse
2 me, permit primary home development. I think I know
3 where I have that study, if you would give me a
4 second.

5 Q That's actually, I think, the number I was
6 missing. So, okay.

7 A Then there's 2,000 which is actually
8 occurred between 2009 the date of the city's study and
9 mine. So you've got 4,000 in one, almost 4,000 in the
10 second; 2,000 in the last time difference, so it's
11 close to....

12 Q Close to 10,000?

13 A Close to 10,000 which is the difference. I
14 prepared a detailed table. We actually went through
15 this project by project. Went through this the last
16 few days and reviewed discrepancies with DPP. So I
17 have a much more detailed analysis. But that's the
18 big picture summary of it.

19 Q Just to confirm the last 2000 that were
20 already built is the net 2,000 -- it's a net. It
21 includes, for example, new homes that were permitted
22 between 2009, 2011 as well as the homes that were
23 already constructed, the net change is 2,000.

24 A I'm not sure what you mean by 'permitted.'
25 I think these are -- my count is units actually put in

1 place.

2 Q I guess what I'm saying is between 2009,
3 2011 some homes were already built, right?

4 A Correct.

5 Q Between 2009 and 2011 one would think
6 there's some additional homes that were also
7 permitted.

8 A I'm not aware of any significant projects
9 that have been -- you mean granted entitlement by the
10 Land Use Commission?

11 Q Or --

12 A Zoned?

13 Q -- or the county?

14 A Um, I don't know. They may have finalized
15 the zoning for Kapolei West in that period. But my
16 numbers are if a unit is entitled at the state level I
17 assume it's going to get its county zoning. So I
18 don't really pay a whole lot of attention to the
19 timing of county entitlements. But I really can't
20 think of any other significant projects that have been
21 entitled by the LUC in Ewa between '09 and '011.

22 Q Well, let me backtrack. My understanding
23 was DPP was calculating off the number of units that
24 were zoned which is county approval, right?

25 A Correct.

1 Q When you did your calculation you assumed
2 that they simply had LUC only?

3 A Correct. But if you look at the county's
4 table, their new review report, which is table 2.1 on
5 Page 2.11 if you'll care to look at the details of it
6 every project that has the LUC or every project that
7 does not yet have the LUC does not have the zoning
8 either.

9 Q I was wondering the other way around.

10 A Could there be something entitled at the LUC
11 but not zoned? There could be. I'm not sure. But
12 their number includes -- the 34,800 is units entitled
13 at the LUC. Actually I don't believe -- I don't
14 believe there is anything like that because their
15 schedule shows how many need zoning.

16 Q So "they" was referring to who?

17 A DPP. So the number of units that still
18 require zoning is 13,350. And on their schedule it is
19 identical to the number of units which need LUC
20 approval. And those are entirely coming from
21 Ho'opili, which is on their list, a piece of land in
22 Makakilo, one in Kapolei and that's it, three
23 projects.

24 Q So you don't believe there were any
25 significant numbers of units that were zoned between

1 2009 and 2011, that received their zoning between 2009
2 and 2011?

3 A I don't believe so.

4 MR. YEE: Okay. That's it. Thank you.

5 CHAIRMAN LEZY: Dr. Bouslog, the report that
6 you've been referring to, the review report, DPP's
7 review report, is that part of your report?

8 THE WITNESS: No. That's a report that DPP
9 released for public review, I think, last week. I
10 received it last week anyway via an e-mail link was
11 announced. So I'm not exactly sure when it was
12 released. But it's publicly available and it's
13 proposed by DPP. It is a review of the Ewa
14 Development Plan documents.

15 MR. KUDO: I think several public witnesses
16 referred to it in their testimony.

17 CHAIRMAN LEZY: Given that she's an expert
18 reference is fine. I just wanted to note it. I'd
19 like to continue with the order that I had previously
20 proposed. Mr. Seitz, are you prepared to proceed?

21 MR. SEITZ: Give me a minute. (pause) The
22 order is fine, but I have no questions.

23 CHAIRMAN LEZY: Okay. Ms. Cerullo.

24 CROSS-EXAMINATION

25 BY MS. CERULLO:

1 Q Good afternoon.

2 A Good afternoon.

3 Q In preparing your written testimony and your
4 reports for D.R. Horton, did you carefully consider
5 the Hawai'i State Plan at chapter 226 of the Hawai'i
6 Revised Statutes?

7 A I'm not sure what's there, no.

8 Q You didn't look at the Hawai'i State Plan.
9 Okay. Are you familiar with the -- well, you said you
10 were familiar with the LUC decision-making criteria.
11 Are you familiar with the criteria set forth in the
12 Hawaii Administrative Rules section 15-15-77 for land
13 use District Boundary Amendments?

14 A I don't know what that number refers to.

15 Q Okay. So based on that rule the
16 Commission -- I guess you're not aware that the
17 "Commission shall not approve a District Boundary
18 Amendment if it violates Hawaii Revised Statutes
19 section 205-16 which provides that no amendment to any
20 land use District Boundary by the LUC shall be adopted
21 unless such amendment conforms to the Hawai'i State
22 Plan."

23 Are you aware that Petitioner proposes to
24 build its development on approximately 1500 acres of
25 some of O'ahu's most productive farmland?

1 A I've heard people say that it's some of
2 O'ahu's most productive farmland. If you want to talk
3 about ag, though, I'm really not the person for that.

4 Q That's okay. I just wanted to know if you
5 had been aware of that. But you are familiar with
6 planning and the economy and jobs and how the whole
7 system works together.

8 A I do market and economic fiscal impact
9 assessments. So that's what I did in this context. I
10 don't look at the complete planning scenario of a job.
11 That's what the planner or the client would do. And
12 they hire experts in the other areas.

13 Q Okay. So I guess you don't know that one of
14 the objectives and guidelines and priorities of the
15 Hawai'i State Plan is the growth and development of
16 diversified agriculture, and that it shall be the
17 policy of the state, quote, "to encourage agriculture
18 by making best use of natural recourses."

19 MR. KUDO: I'm going to object to counsel's
20 question. She's arguing. And I believe the witness
21 has already been asked and answered with regard she is
22 not familiar with chapter 226.

23 CHAIRMAN LEZY: Where are you taking this,
24 Ms. Cerullo?

25 MS. CERULLO: I'll move on to the next

1 topic.

2 CHAIRMAN LEZY: Thank you.

3 MS. CERULLO: That she's not familiar with
4 the Hawai'i State Plan, which is the criteria. Did
5 you study the project's economic impact on agriculture
6 in the relevant area and on O'ahu?

7 THE WITNESS: No. There's a separate
8 witness who's an ag economist who will be presented
9 later in these hearings.

10 Q (Ms. Cerullo) Okay. I'm asking because you
11 testified about the economy. And you also testified
12 about jobs. So did you also study how many permanent
13 agriculture jobs and jobs related to agricultural
14 systems, as you called it, the direct, indirect and
15 induced jobs that will be lost if Ho'opili is built?

16 A We -- I believe I did have a figure of jobs
17 on site or an estimate which is, you know, a minimal
18 number compared to those that would be created. And
19 the numbers of ag jobs that would get created because
20 of Ho'opili, mostly through its indirect and induced
21 effects, are included in the multipliers that DBEDT
22 produces in its input/output econometric model. And
23 so those are included. Those impacts would be
24 included in the estimates I provided.

25 Q Those are the jobs, the ag jobs that would

1 be lost if Ho'opili is built.

2 A No. I'm talking about ag jobs that would be
3 created.

4 Q Okay.

5 A Not direct onsite because truthfully the
6 plan for onsite agriculture was not available when I
7 first did my studies in 2007. So we didn't assume any
8 onsite farming at that time. Now, you know, there may
9 be some other jobs as well that would occur onsite.

10 Q Okay. The 2300 to 3300 development-related
11 jobs that you spoke about during the buildout of the
12 project, are those permanent jobs or temporary jobs?

13 A Those occur during buildout.

14 Q So they're temporary.

15 A They would go on for approximately 19 years
16 of the projected buildout period.

17 Q You said in your full report, the March 2007
18 report, it's entitled "Market assessment for
19 Ho'opili," that's at Appendix J of Exhibit 5, that's
20 the Final EIS, that Ho'opili's expected to be directly
21 associated with 7,000 jobs.

22 We've heard that number quite a bit. I'm
23 going to refer now to Page 17 of your actual report.
24 The 7,000 number is what a lot of people are really
25 excited about, and I think confused about. And I

1 certainly was as well.

2 On Page 17 you said, "From a broader
3 standpoint many of the jobs to be located at Ho'opili
4 would not be net new jobs for Hawai'i." Is that
5 correct?

6 A Yes.

7 Q So, in fact, your 7,000 number is largely
8 based on jobs being relocated to the area, is that
9 right?

10 A They could be. They could be.

11 Q Okay. So how many net new jobs will be,
12 will Ho'opili actually generate by 2030?

13 A A conservative estimate of that is 1550.

14 Q But that's not direct net new jobs.

15 A Correct.

16 Q Okay. Your report says 680 net direct new
17 jobs.

18 A That's correct.

19 Q Six hundred eighty. So it's actually not
20 7,000 new jobs. I was thinking before that Ho'opili
21 was actually generating 7,000 new jobs. But after
22 looking at your report closely it's actually net 680
23 new jobs over 20 years.

24 A I would say 1550.

25 Q Those are indirect, et cetera?

1 A Right.

2 Q But not direct net new jobs.

3 A Right. For instance, we don't want to
4 double count jobs that might occur anyway. For
5 instance, the 500 DOE jobs, which are significant,
6 when we talk about how many jobs are going to be
7 onsite. If we are starting to talk about traffic,
8 it's important to know those, there could be 500
9 people coming and going to work at Ho'opili.

10 But theoretically our population grows by
11 175,000 people. Those people are going to live
12 somewhere. And the DOE is going to provide an
13 education for those children somewhere. And so those
14 jobs could occur off Ho'opili if Ho'opili didn't occur
15 or on Ho'opili. So I tried to be extremely
16 conservative when I generate a net number and not
17 looking at jobs that are more driven by population
18 growth.

19 Q Okay. Thank you. Let's see. On page seven
20 of your written testimony you stated that there will
21 be a housing deficiency of 29,000 units on O'ahu by
22 2030. And then you say, and I quote, "If there are no
23 further significant entitlements."

24 How accurate is that conclusion if it's
25 based on the assumption that there will be no further

1 housing entitlements from 2009 to 2030?

2 A Well, that's why it says "if there are no
3 further entitlements." I hope there are further
4 entitlements or we're going to be in a far more
5 serious housing crisis than we are in today.

6 So the hope is that Ho'opili and a few other
7 projects are entitled to fill that gap. But as I
8 mentioned, as you can see in this screen here, huge
9 numbers of the units that are assumed to get
10 developed, tens of thousands of them possibly may
11 never even occur in the next few decades. So that
12 29,000 number is a rather minimum number, I believe.

13 Q But that doesn't take into account other
14 urban renewal projects, other affordable housing
15 projects, other projects planned or to be planned that
16 will be entitled by 2030 that you right here today
17 don't know about yet? I mean that's 21 years.

18 A It does. I put in, as I said, there's an
19 allowance in the project -- in my analysis for
20 development in the PUC at a rate more or less
21 comparable to what we saw in the boom years on O'ahu.

22 So I think it's a rather aggressive rate of
23 new housing production in the PUC. And if you look at
24 the city's plans, the only areas where they're really
25 looking at permitting development are Ewa and the PUC,

1 a few other infill areas. But those are the
2 development areas. And, of course, Central O'ahu is
3 being considered as well.

4 Q But couldn't there be some other
5 entitlements that you don't know about yet down the
6 road that are being planned? We can't look into the
7 future. I mean it's just, it's confusing because you
8 say 29,000 if there are no further entitlements until
9 2030. I just don't see how you can make that
10 conclusion.

11 A When I say "entitlement" I mean at the state
12 level. So, in other words, almost all of the PUC is
13 already urban. It doesn't require state entitlement.
14 So HCDA is going to build highrises in Kaka'ako.

15 Q I see.

16 A Ward is going to build highrises in
17 Kaka'ako. And there's going to be new development
18 in -- redevelopments in Moiliili and Pearl City.
19 Those are all accounted for in there because I cannot
20 anticipate every project that's going to occur over
21 the next 19 years. We did make an exhaustive
22 inventory of every single project over about 50 units
23 that's been announced so far.

24 But in addition to that I added a factor
25 equivalent to the amount of new housing that the PUC

1 has absorbed during its boom years.

2 MR. YEE: I'm sorry. When you say "PUC" do
3 you mean the LUC?

4 THE WITNESS: PUC, the primary urban center.

5 MR. YEE: Oh, primary urban center. Thank
6 you. I'm sorry.

7 Q (Ms. Cerullo) : But there could be other
8 developments that are already entitled in urban areas
9 that will satisfy or that will meet the housing needed
10 in the future.

11 A And that's why there's a generous allowance
12 in there. And I hope that the rest of that 29,000
13 need or much of it is absorbed within the PUC. And if
14 we develop rail it should be absorbed at TOD sites
15 around rail stations.

16 But as you probably know there are great
17 barriers, physical and financial, and even legal to
18 producing housing around the TOD sites.

19 Q Okay. At Page 4 of your report you say --
20 I'm sorry, the written testimony -- you said, "The
21 only area of O'ahu on which substantial housing
22 development appears feasible and acceptable to the
23 public include Ewa, Central O'ahu, and the PUC,
24 primary urban center," is that correct? That's your
25 testimony.

1 A Yes.

2 Q If I were to tell you that one of the
3 housing objectives for the Hawai'i State Plan, which
4 is something very important to the LUC, if I were to
5 tell you that one of the housing objectives is to
6 "promote appropriate improvement, rehabilitation and
7 maintenance of existing housing units in residential
8 areas and to facilitate the use of available vacant
9 developable and underutilized urban lands for
10 housing", would you still think that the Ho'opili
11 development -- not "still" think -- but would you
12 think that the Ho'opili development would conform to
13 the Hawai'i State Plan or objective for urban renewal?

14 A Yes. I think that what we've found through
15 planning processes is that the public is willing to
16 accept development in the Primary Urban Center. And
17 we've seen the public and the market accept it in
18 Central O'ahu. And we've certainly planned for it out
19 in Ewa. Yes. Redevelopment and rehabilitation will
20 occur and should occur. But those are not going to
21 deliver large numbers of units. We need for that to
22 occur so as not to lose units. But they will not be a
23 major source of new housing for the island.

24 Q But you wouldn't call Ho'opili urban
25 renewal, would you?

1 A No.

2 Q So if the Hawai'i State Plan housing
3 objective was promoting urban renewal, would you say
4 that Ho'opili conforms to that objective?

5 A I'd say Ho'opili probably conforms to a
6 different objective which is to provide housing for
7 the people of Hawai'i.

8 MS. CERULLO: All right. Thank you. No
9 further questions.

10 CHAIRMAN LEZY: Dr. Dudley.

11 CROSS-EXAMINATION

12 BY DR. DUDLEY:

13 Q Dr. Bouslog, I just want to go back to the
14 Ewa Development Plan for one second. The Ewa
15 Development Plan, you're saying that these are the
16 houses that are already approved by the Land Use
17 Commission. But it says down at the bottom where it
18 says "total" it says "total zoned or exempt." Zoning
19 is done by the city and this is the Ewa Development
20 Plan Ewa. Would you agree that the 34,805, therefore,
21 are zoned or fully exempt to a total zoned?

22 A Sure. They're zoned. It's just that
23 they're not likely to produce primary housing. Many
24 of them are not, as I explained on this chart here.

25 Q Okay. You know, you talk about the primary

1 housing like it's, like we're looking at these figures
2 only, only because these are the houses, primary
3 houses that are going to be available. Okay. But
4 we're also looking at these figures as jobs, you know.
5 You talk about Leihano as if it's nothing. But that's
6 jobs building it, isn't it?

7 A Yes.

8 Q And then DHHL and all the houses with UH
9 West O'ahu, those are jobs, right?

10 A Yes.

11 Q Okay. All right. And Ko Olina with all the
12 timeshares and so forth I mean those are jobs, right?

13 A They create jobs, yes.

14 Q They create jobs. Okay. Good. So would
15 you agree, then, that we've got 34,805 units that are
16 going to have jobs?

17 A No.

18 Q No. Thank you. Let's move on to other
19 questions then.

20 A Okay.

21 Q I'm interested in the fact that, you know,
22 don't we have people leaving the islands more than
23 coming into the islands? And don't we have a
24 declining birth rate? Then why do we have such a
25 pent-up need for houses?

1 A You know, there was one year in 2007 --
2 (microphone adjustment) I'm sorry. Was I answering a
3 question?

4 CHAIRMAN LEZY: Actually, you can go ahead.

5 A Could you repeat the question -- oh, yes.
6 I'm sorry, yes. You said: Are people leaving. Are
7 people leaving the state. The census provides an
8 estimate of population every year and I monitor that
9 every year. There was one year, I think was 2007,
10 where they thought our population had gone down by
11 about .3 percent or maybe less than that. But it
12 resumed growth, by their estimates, the next year.
13 And on average, even in these relatively weak years,
14 we've been realizing .5 to .7 percent growth per year
15 on O'ahu.

16 Q (Dr. Dudley) Okay. And this .5 to
17 .7 percent growth this is in-migration?

18 A It's births, less deaths and in-migration.

19 Q Okay. And then the births less deaths kind
20 of situation don't we have -- we aren't reproducing
21 our own population, right? Don't we have enough birth
22 control here that we're not reproducing our own
23 population? Isn't that a problem?

24 A I wouldn't know about that. (Laughter). I'm
25 not sure how to answer that.

1 Q Okay. (Laughter). Well, should that be true
2 then wouldn't it be true that we're primarily building
3 these houses for new people coming in?

4 A The population growth on O'ahu is a
5 combination of children being born to residents here,
6 and people deciding to move to Hawai'i. But remember
7 that people moving to O'ahu could be people moving
8 from the neighbor islands. It's not all just haoles,
9 if that's who we don't like. It's people moving from
10 the neighbor islands.

11 And sometimes it's also the young people who
12 may be young professionals who left Hawai'i years ago
13 when they went to college and are now having children
14 and deciding here's an opportunity to come back and
15 live in Hawai'i.

16 So although they may be in-migrants per se,
17 many of these people do have ties to Hawai'i.

18 Q Okay. When you say "many of these people"
19 have you ever done any kind of studies about that so
20 that you could tell us how many of these in-migrant
21 people are really returnees?

22 A No. I don't have a study on that. I think
23 DBEDT has done some surveys like that.

24 Q Okay. Dealing with the idea that we do have
25 a great in-migration situation, though, how do we

1 know -- we talk about these affordable houses, how do
2 we keep the in-migrating people from buying up all the
3 affordable houses so that our people are stuck with
4 the big houses, the more expensive houses?

5 A When affordable houses are offered they're
6 offered to the public. Anybody can apply for them. I
7 don't think -- (microphone adjustment) -- I don't know
8 that that's ever been a problem.

9 Q You don't know that it's ever been a
10 problem. Okay. So you have no studies to show,
11 though, that it's not a problem. I mean the problem
12 with a lot of people that I talked to, they say, you
13 know, "people come in and buy up the places. People
14 have more money than I do and they come in and buy up
15 the places, you know."

16 And I'm talking about the affordable houses.
17 I'm talking about the senior citizen housing that's
18 around. People coming from all kinds of places as
19 long as they have the passport that shows, American
20 passport, as long as they're American citizens they
21 can buy.

22 CHAIRMAN LEZY: Dr. Dudley, are you posing a
23 question?

24 DR. DUDLEY: I'm sorry. Yes, I was but it
25 got turned into something else. I'm sorry.

1 (Laughter). Let's move on to my next question.

2 Q I'm really concerned about the downtown
3 business district of Kapolei, which seems -- wouldn't
4 you agree that it's not being developed the way it
5 should be?

6 A Like the rest of the island and the state,
7 Kapolei's commercial properties are having a hard time
8 right now. Leases are -- the leasing activity is
9 weak. I think when the economy returns they will see
10 a great deal and a surge of leasing. And there will
11 be renewed interest in office space as well as other
12 types of development.

13 Certainly the retail aspect of commercial
14 development has done very well in Kapolei, and we're
15 seeing growth. My understanding is those
16 establishments are doing very well.

17 Q Okay. Are you aware the Bank of Hawai'i
18 took all of its people back into town; that Bank of
19 Hawai'i building is pretty empty now?

20 A I did hear they took some. And part of
21 that, I think, is employers finding that if their
22 employees, some of them want to be in town. And if
23 there are appropriate housing opportunities for them
24 out in Ewa, they, may be happy to live there. But
25 Kapolei is going through growing pains now. It's in

1 the early phases of becoming a city. The jobs and the
2 housing are coming. But it's gonna take it a little
3 while to become a true cultural and community center.
4 But I firmly believe in the vision of Kapolei. And I
5 believe it's going to be a wonderful dynamic second
6 city to Honolulu in our lifetimes.

7 Q Would you agree that the downtown Kapolei
8 business district, one of the principal values of it
9 is to take people off of the freeway and give them
10 jobs here?

11 A I think it functions in that way. I
12 wouldn't say its reason for being but it certainly
13 functions that way. In my mind as a market expert its
14 more critical function is to provide a jobs base for a
15 city. If you want to plan a city you need jobs there.

16 Q Okay. And your 7,000 jobs or 680, -50,
17 whatever it is jobs in Kapolei, they're not going to
18 take people off the freeway, right?

19 A If you're working at Ho'opili and you live
20 in Ho'opili, then I would presume you're not getting
21 in your car to commute into town. So that car is off
22 the freeway.

23 Q So if we're going to build projects then to
24 try to take people off the freeway and solve the
25 problems out there, shouldn't we be focusing on the

1 downtown business district of Kapolei instead of
2 building Ho'opili?

3 A The city of Kapolei has been planned as an
4 integrated city with both residential and commercial
5 aspects to it. Downtown Kapolei is, of course, the
6 job center of it.

7 But this east Kapolei community is evolving
8 as a secondary support community much as, let's say,
9 you could see it on a closer scale the Kapiolani
10 district where Waikiki is to a central business
11 district downtown.

12 So longer term you may have a major higher
13 rise area in the city of Kapolei and a secondary urban
14 area in East Kapolei. And that's appropriate.
15 Ho'opili was not planned to create jobs. This is a,
16 primarily a workforce housing development.

17 And as I was hoping to show with this chart
18 that's still on the wall, there is a very, very dire
19 need for workforce housing even in Kapolei to
20 accommodate the future growth. And that's the market
21 that Ho'opili primarily addresses. It also happens to
22 have a substantial core of commercial properties
23 because it is, as I said, a hundred percent location.
24 It is a very prime commercial location.

25 But the reason for its being there and the

1 reason for, I think, its being on the city plan is not
2 to create another job center per se. That's occurring
3 at UH West O'ahu. That's occurring at Kamakana Ali'i.
4 Hopefully that will occur at Kalaeloa. That's
5 occurring at Ko Olina. That's occurring in downtown
6 Kapolei.

7 Q I know the question was asked before about
8 closing the farm and the economic consequences of
9 closing the farm. But I think that somehow that
10 question didn't really get answered in the way I'd
11 like to address it.

12 There are direct jobs and then there are
13 indirect jobs like those who provide seed and
14 fertilizer and tractors and things like that. Then
15 there are induced jobs like value-added people who
16 make, slice up melons and put 'em in containers and
17 sell the sliced melon and stuff like that.

18 When you take all of those jobs -- have you
19 ever looked at the whole picture of what it would be
20 like to close the farm and what the loss would be in
21 economic terms? What the loss would be in
22 direct/indirect induced jobs?

23 A You're talking about Aloun Farms' operation
24 and maybe Jefts' operation?

25 Q Yeah, yeah.

1 A My understanding is Mr. Jefts is moving his
2 operation. And there's nothing to stop Aloun Farms,
3 its operations. If there's a demand for that produce
4 on this island, then there's a market for that. And
5 if Aloun doesn't want to produce the same product
6 somewhere else I think another farmer will. And those
7 jobs will get created by virtue of the demand and
8 they'll get sustained, and I hope those jobs increase.
9 Like you, I believe in buying local produce and foods
10 wherever we can and supporting our local businesses.

11 Q I think we're going to be working on whether
12 or not Aloun can actually move the farm with other
13 speakers. But the question is: Have you ever looked
14 into the economic consequences of what if they did
15 close the farm, how great the consequences would be?

16 A No, I didn't look at that because I don't
17 see that as being a consequence of Ho'opili's
18 development.

19 Q Okay. And then, let's see. You just
20 mentioned that you were into local produce. I imagine
21 organic food, and things like. Would you agree that
22 there's a new trend going on where people are becoming
23 much, much more interested in this kind of, in fresh
24 food, fresh local food?

25 A I think so. I hope so.

1 Q And would you agree that with this should
2 come a growing of farms rather than a diminution of
3 the amount of farms we have?

4 A I hope there is.

5 Q Okay. Have you ever looked in the economic
6 consequences of direct jobs, indirect jobs, induced
7 jobs and all the other good things that would go with,
8 let's say, improving our economy by improving our
9 local produce by, say, 10 percent or 20 percent,
10 30 percent?

11 A No. That would be a different study than
12 what I did for Ho'opili here.

13 Q Okay. Are you aware that there's a problem
14 with finding available affordable farmland? Are you
15 aware of that at all that young farmers are having a
16 problem finding that farmland?

17 A I'm really not an expert on the economics of
18 farming or agriculture. D.R. Horton does have an ag
19 expert who will be coming up later. And he, I think,
20 is aware of that.

21 Q Okay. Let me just close with a different
22 question here. The Friends of Makakilo, our
23 organization, has an Exhibit R9 which was produced by
24 the National Relocation.com which says that in 2009
25 there were 29,538 --

1 MR. KUDO: I'm going to object. That
2 particular exhibit has not been introduced or
3 admitted.

4 MR. DUDLEY: Okay. Are you aware that
5 nationalrelocation.com --

6 CHAIRMAN LEZY: Dr. Dudley, are you going to
7 reference the exhibit? The exhibit's not been
8 admitted. And it is subject to your pending Exhibit
9 List.

10 MR. DUDLEY: Okay.

11 CHAIRMAN LEZY: Can you ask a question
12 without referring to that exhibit?

13 MR. DUDLEY: That's what I'm trying to do
14 right now.

15 CHAIRMAN LEZY: Okay.

16 Q (Dr. Dudley) : Are you aware that there are
17 some studies that say that there are 29,000 vacant
18 homes, vacant houses on the Island of O'ahu that -- at
19 least there were 29,000 vacant houses on O'ahu in the
20 year 2009?

21 A I'm not familiar with that number. But it
22 wouldn't surprise me if there are a great deal because
23 some 5 to 10 percent of all housing stock in the
24 islands is kept as second homes or resort homes for
25 occasional use.

1 So those units are very often vacant.

2 That's why when you talk about housing on O'ahu you
3 have to be careful in understanding what, the nature
4 of that housing.

5 Q Okay. One last question is about the
6 affordable housing question, going back to this again.
7 You said that a person with \$60,000 salary could buy a
8 \$200,000 house -- \$300,000 house. I think the figure
9 was a high 200,000s.

10 A Well, I know -- Mr. Kudo asked me if a
11 construction worker earning 65,000 could buy a home
12 there in Ho'opili and I said "yes". I did not talk
13 about the price of the home. But we do have figures
14 for that if you want to know the city's estimate of
15 what that person could afford.

16 Q Okay. Could you tell me if a person with
17 \$65,000 salary were to buy a home in Ho'opili, which
18 they say is going to start in the top 200,000s, could
19 you tell us how much money is going to be left over
20 for that fellow after he pays his mortgage?

21 A The city standards for affordable housing,
22 which is where I got these numbers, require that no
23 more than 33 percent of family income goes to housing;
24 which, by the way, is less than what my family spends
25 on housing, a lesser share.

1 Q I'm sorry. I didn't catch that last
2 comment.

3 A Which is actually less than what my family,
4 the share of my family's income that goes to housing.
5 I think many families not in affordable housing market
6 find they're spending a great deal of your family
7 income on housing.

8 But the standard for, that the city uses in
9 order to devise numbers for the price of housing that
10 should be affordable to any given market segment, is
11 limited to considering 33 percent of that family's
12 income. So they would have the other 67 percent
13 available for their other expenses.

14 Q So what you're telling us is that on a
15 \$65,000 salary they use only 30 percent for housing,
16 they could still afford a 200,000 -- \$300,000 house?

17 A Yes.

18 Q I see. Okay. Thank you.

19 CHAIRMAN LEZY: Redirect?

20 MR. KUDO: No redirect.

21 CHAIRMAN LEZY: Commissioners, questions?

22 Commissioner Heller.

23 COMMISSIONER HELLER: Yes, I have a couple
24 questions regarding your attempt to quantify the gap
25 between housing supply and housing demand. I have to

1 admit it's been a few decades since I took Economics
2 101.

3 But I recall the concept of a demand curve
4 where demand is a function of price and the number of
5 units demanded is related to the cost. Conceptually
6 what does it mean to come up with a single number for
7 the demand without reference to a price level?

8 THE WITNESS: Well, certainly the theory,
9 the underpinnings of the study, if you will, are that
10 if the state and the city believe we're going to have
11 a certain number of people living on O'ahu, and I used
12 a study that the state and the county agencies
13 commissioned by SMS on household formation. So that
14 translated that it into households.

15 In other words, the number of households
16 that are going to want to be formed. And we looked at
17 what it would take to house those households.

18 Yes, of course, if you put financial
19 pressure on a household some of the kids will stay
20 home, live with mom and dad even when they're 30 or
21 40, so there's elasticity to that demand.

22 But the premise is that we are looking to
23 house the households that would normally have been
24 formed in one way or another. And I think it's the
25 same premise that guides the city's affordable housing

1 guidelines and that underlies projects like this that
2 attempt to provide workforce and not luxury housing.

3 If you notice the price range for Ho'opili
4 with a top price that Mr. Nekota mentioned of \$600,000
5 for a single-family home, that's pretty much the
6 median price on O'ahu now. So what you're looking at
7 Ho'opili is an entire development of nearly 12,000
8 homes at median price or less.

9 This is something that really has not been
10 developed before on this island. It's catering to the
11 affordability needs of this community in a way that I
12 haven't seen other projects I've worked on ever
13 consider.

14 COMMISSIONER HELLER: But when you come up
15 with a number for demand, you're really coming up with
16 essentially a number for households as opposed to how
17 many housing units people will want to buy.

18 THE WITNESS: Well, 'cause this includes,
19 this would include rental housing as well. So it's
20 not all for sale. It's a housing unit. So, yes, I'm
21 looking at households. And the goal is to say that
22 households that are doubled up, not because they
23 choose to live with grandma or want to live with your
24 grown children, but households that are living that
25 way only because they cannot afford to live otherwise.

1 It's the premise of the study that it should be public
2 policy to try to accommodate housing for those
3 households.

4 COMMISSIONER HELLER: Right. But
5 conceptually the number of housing units that people
6 want to either buy or rent is going to be a function
7 of what it costs.

8 THE WITNESS: Yes.

9 COMMISSIONER HELLER: And I mean, for
10 example, if somebody out there could magically somehow
11 provide lots and lots of housing units for \$200,000
12 each, we would suddenly have a lot more population on
13 O'ahu, wouldn't we?

14 THE WITNESS: Yes, you may. But the
15 population is also going to be constrained by economic
16 and jobs opportunities here.

17 COMMISSIONER HELLER: But would you agree
18 that it's trying to put a single number out there and
19 say this is the number of housing units demanded is in
20 a sense an oversimplification?

21 THE WITNESS: It is a macro view of the
22 housing market.

23 COMMISSIONER HELLER: Without taking into
24 account demand related to price or interest rates or
25 anything else that may affect housing demand.

1 THE WITNESS: Correct.

2 COMMISSIONER HELLER: Thank you.

3 CHAIRMAN LEZY: Commissioners, any other
4 questions? Commissioner Chock.

5 COMMISSIONER CHOCK: Maybe just a couple,
6 couple of clarifying questions on the absorption
7 numbers. If I read your testimony correctly you are
8 projecting for Ho'opili 650 total units of absorption
9 per year?

10 THE WITNESS: Average.

11 COMMISSIONER CHOCK: Average. And that's
12 beginning in what year?

13 THE WITNESS: 2013.

14 COMMISSIONER CHOCK: 2013. And what is the
15 total absorption right now annually in 'Ewa?

16 THE WITNESS: In 'Ewa now, you know,
17 historically we saw, I want to say 1500 to 1700 if
18 you're talking about new units.

19 COMMISSIONER CHOCK: New units. The most
20 recent year.

21 THE WITNESS: The most recent year, I can't
22 tell you but it's been substantially less.

23 COMMISSIONER CHOCK: Rough order of
24 magnitude.

25 THE WITNESS: You know, there's been so

1 little housing produced in the last few years, but I'd
2 say 800, maybe, a thousand?

3 COMMISSIONER CHOCK: 800,000?

4 THE WITNESS: 800 or a thousand.

5 COMMISSIONER CHOCK: Oh, 800 or a thousand.

6 Okay. And during sort of the peak years, the most
7 recent peak years 2005 through 2008, what would you
8 say on average 'Ewa was absorbing?

9 THE WITNESS: Rather than guessing I think I
10 have those numbers in my study so let me look for you.
11 (pause)

12 Okay. Sorry. Stand corrected. The peak
13 for 'Ewa sales, according to my data was in 2003 with
14 a little more than 1200 sold in 'Ewa.

15 COMMISSIONER CHOCK: So if I were to
16 understand your absorption projection for Ho'opili,
17 basically what you're saying is in 2013 the Petitioner
18 would need to not only get State Land Use approval,
19 but county zoning, build 650 units and sell 650 units
20 on average in 2013?

21 THE WITNESS: When we first did this study
22 was a year or so ago. So, you know, I think it was a
23 little more optimistic as to how, when the LUC
24 hearings would conclude and so on.

25 So that number may be, of course, it depends

1 on how long these hearings take and what occurs at
2 zoning and so on. But the average figure is an
3 average for the 19 years on the marketplace. The
4 first year we would assume there's organizational
5 factors and it's going to be quite a bit less, but the
6 other years with quite a bit more.

7 COMMISSIONER CHOCK: Of those 650 units how
8 does that break down? How does that number break down
9 by product type and market segment?

10 THE WITNESS: Well, as I said, almost all of
11 Ho'opili is really targeted at the median house level
12 and below. And, you know, I don't have the figures
13 before me to tell you about the first phase versus
14 others. But I know overall majority of it is
15 multi-family as opposed to single-family.

16 COMMISSIONER CHOCK: So 650, a majority of
17 the 650 is median and below multi-family.

18 THE WITNESS: Median home price.

19 COMMISSIONER CHOCK: Median home price. Did
20 your analysis take into account -- what kind of
21 multi-family product did it take into account?

22 THE WITNESS: We did not look -- as I said
23 this is a macro analysis because not -- we weren't
24 considering price elasticity, as Mr. Heller asked.
25 And we also didn't look at the demands specific to

1 multi-family or single-family housing. So I don't
2 have a mix with separate absorption figures for the
3 two.

4 COMMISSIONER CHOCK: So would your numbers
5 change if there was a greater amount of supply that
6 was in the multi-family market segment?

7 THE WITNESS: You know, Ho'opili represents
8 a new type of development. It will take some
9 educating of the market. It is a higher density
10 project than we've seen and that's one of the reasons
11 why it's able to get the affordability levels that it
12 is. That's why, you know, that conforms with Smart
13 Planning Principles and so forth.

14 So there will be a need to educate the
15 marketplace and to create and teach people about the
16 types of housing that is available. The targets for
17 some of the early housing, especially multi-family
18 housing, are going to be smaller households also. But
19 those are segments, if you look at the market study,
20 that are growing rapidly in demand.

21 There's two things driving that. One, all
22 of the Baby Boomers such as myself are experiencing
23 their kids moving out. And there's an opportunity for
24 many baby boom families, which is a huge segment of
25 our households, to downsize. Many of them are looking

1 to simplify their lives or need to simplify their
2 lives for financial reasons. So they're looking for
3 smaller units.

4 At the same time you have Gen-Y now coming
5 up and buying entry level houses. That's a fairly
6 large cohort. Those are the young adult children of
7 the baby boom. It's another what's also called an
8 echo boom. So they are now looking at buying houses.

9 So we do believe that the types of housing
10 consumption we're going to see in coming decades would
11 be qualitatively different than what we have seen in
12 Hawai'i in the past.

13 And we're already seeing this in many
14 communities on the mainland with much more interest in
15 multi-family housing, much more interest in people
16 living in a community where they don't have to own a
17 car, and are able to walk to things.

18 COMMISSIONER CHOCK: So I'm just trying to
19 get maybe a better feel, maybe a little more
20 specificity in terms of the kinds of high density
21 product you're talking about. Are you talking about a
22 tri-level town home product?

23 Or are you talking about an 8 to 10-story
24 mid-rise? Are you talking about a 30-floor condo?
25 What do you mean by high density?

1 THE WITNESS: I don't think there's a 30-
2 story condo. It's not a 30-story condo. There's a
3 mix of all the other housing types. But I think the
4 particular housing types you'd be better off posing
5 that question to Mr. Jones or somebody from D.R.
6 Horton.

7 COMMISSIONER CHOCK: Okay. No further
8 questions.

9 CHAIRMAN LEZY: I had a couple question for
10 you, Dr. Bouslog. One of them is actually more to
11 satisfy my curiosity, I guess, than anything else. I
12 think I heard you testify when you were discussing the
13 business opportunities that would be presented by the
14 development of Ho'opili; that there were going to be
15 businesses developed that would not otherwise exist in
16 Hawai'i but for the creation of Ho'opili.

17 Could you give me an example of what that
18 would be?

19 THE WITNESS: Well, one area I was
20 particularly interested in is the light industrial or
21 business park area, 50 acres. This is -- obviously
22 it's not a Kapolei Harbor Side development. It's not
23 a Campbell Industrial Park development. It's a whole
24 different kind of animal.

25 In fact, before I started doing these

1 studies for Ho'opili, a couple years before that, D.R.
2 Horton engaged me to help them look at some of the
3 commercial uses that could go out in there because
4 they were also interested in what can we do that's
5 different for this community? What can we do besides
6 just putting out more Targets and Costcos and Quiznos
7 out there? That's already being done and we don't
8 need more of that.

9 So we have looked particularly at that
10 business park. And we looked at opportunities that
11 would be more consistent with a business campus type
12 setting such as you see in suburban and small urban
13 type communities on the mainland with research and
14 development types of enterprises, health and wellness
15 enterprises, educational enterprises.

16 So these are the types of businesses that
17 our hope would be attracted there if you develop the
18 right type of campus setting. And with UH West O'ahu
19 going in nextdoor, I think that opportunity is
20 enhanced. And those types of developments I think are
21 businesses that need that type of environment. And
22 they're businesses that may be fostered in Hawai'i
23 because of the right environment and the right types
24 of facilities that you don't see much of here.

25 CHAIRMAN LEZY: Interesting. Ms. Cerullo

1 asked you a question about urban core development,
2 redevelopment as a means of providing housing needs.
3 And my perception of your response was that you
4 minimized the effect that that would have on the
5 overall housing need. Is that accurate?

6 THE WITNESS: No, not at all. If I look at
7 my studies, the major both entitled lands and planned
8 projects, most of the inventory is either coming from
9 the PUC with those types of urban infill and
10 redevelopment projects or 'Ewa.

11 And as I said, even beyond that I included
12 an allowance for other types of development. And the
13 numbers that I assumed would get developed in the PUC
14 are well beyond the total of all of Kamehameha Schools
15 and General Growth's, now Ward, projections for their
16 Kaka'ako property and the state's projections for
17 those Kaka'ako properties.

18 So even if those -- Kaka'ako were fully
19 built out in the next 19 years, which I don't believe
20 it will be, we're looking at more housing occurring in
21 the urban core.

22 Frankly, I think some of those assumptions
23 are probably more generous, again, that we're assuming
24 a best case scenario for that supply because there are
25 great barriers to putting high density in the urban

1 core, some of the very same issues we're talking about
2 here: Traffic, sewer, every form of infrastructure is
3 lacking in the urban core to take more density.

4 CHAIRMAN LEZY: I guess a follow up to that.
5 I'm just curious if you've ever done a study or you're
6 aware of any studies that discuss consumer
7 desirability for urban core housing versus, I guess,
8 what I would loosely refer to as suburban housing.

9 THE WITNESS: You know, that's being studied
10 all the time in groups such as the Urban Land
11 Institute and, you know, many seminars I go to where
12 we're constantly dealing with that kind of issue.

13 I wouldn't call this suburban. It's in a --
14 it's not in the old city of Honolulu but it is in what
15 is an urban, a developing urban location. And we --
16 Hawai'i just doesn't have a lot of experience with
17 building a city. Honolulu and Waikiki just kind of
18 happened. Kapolei's our first take at building a
19 city. But this has been done elsewhere. And you see
20 it in Colorado, California and many other places in
21 these United States where a large area becomes
22 available and becomes planned as a secondary city.

23 And they have been successful, many have
24 been very successful. Hopefully you learn from the
25 lessons of the ones that have gone before.

1 CHAIRMAN LEZY: Thanks for your testimony.

2 Let's take a 10-minute break.

3 (Recess was held. 3:45 to 4:00)

4 CHAIRMAN LEZY: (Gavel) Mr. Kudo, your next
5 witness.

6 MR. KUDO: Add this time we'd like to call
7 Dr. Bruce Plasch to the stand.

8 DR. BRUCE PLASCH
9 being first duly sworn to tell the truth, was examined
10 and testified as follows:

11 THE WITNESS: Yes, I do.

12 MR. KUDO: Now, Dr. Plasch has already been
13 admitted as an expert in the field of agricultural
14 economics. Just some housekeeping measures.

15 DIRECT EXAMINATION

16 BY MR. KUDO:

17 Q Dr. Plasch, is it correct that we filed in
18 these proceedings an updated curriculum vitae for you
19 marked as Petitioner's 26B and your supplemental
20 written direct testimony as 81.1B?

21 A Yes.

22 Q Would you at this time summarize your
23 supplemental written direct testimony?

24 A Yes. First, I'd like to summarize some of
25 my 2009 testimony. Regarding agriculture conditions

1 of the Petition Area, about 1,340 acres plus or minus
2 about 65 acres have very favorable conditions for crop
3 production.

4 And regarding surrounding land uses, you
5 have Waipahu to the east, urban development. You have
6 urban development to the south. And to the west you
7 have ongoing urban development by the state. And to
8 the north you have the H-1 Freeway. So it's a three
9 sides the Project Area's surrounded by urban
10 development. And it basically amounts to a large
11 urban infill project.

12 The Petition Area, I think, as you already
13 know, it's within the city's Urban Growth Boundary of
14 the 'Ewa Development Plan and an area designated for
15 residential development. This 'Ewa Development Plan
16 is part of a long established city policy with support
17 from the state to direct O'ahu's urban growth to 'Ewa
18 as the secondary urban center.

19 There are four farms that currently operate
20 in the Petition Area. One is Aloun Farms, another is
21 Sugarland Farms, a third one is Syngenta, and a fourth
22 one is Fat Law Farms, and they lease from Aloun Farms.

23 And Aloun Farms and Sugarland Farms and
24 farms affiliated with the Sugarland Farms, they are
25 the largest commercial vegetable and melon farms in

1 Hawai'i. Sugarland is No. 1. Aloun Farms is No. 2.
2 Syngenta is one of the largest multinational seed
3 companies in the world. Development of the project
4 along with the development of state projects on
5 adjoining land, will require these four commercial
6 farms to relocate.

7 All four farms have secured land outside of
8 the city's Urban Growth Boundary. And three of them
9 have secured sufficient land to continue at their
10 current level of operations or to expand their
11 operations.

12 In order to help with the successful
13 relocation of the farms, I recommended two mitigating
14 measures to the Petitioner. The first one, to the
15 extent possible, the development of Ho'opili should be
16 coordinated with the affected farmers so as to
17 maintain farming in 'Ewa as far as possible.

18 The purpose of this is to allow time for the
19 farmers and other parties that may be involved to make
20 needed improvements to open up other lands for
21 farming.

22 The second recommendation I made to Ho'opili
23 was to lease ag -- or to continue to lease the
24 agriculture land at below-market rates. The purpose
25 of that is to allow the affected farmers to retain

1 funds to help finance any adjustments they may need as
2 the farms get smaller and to eventually relocate their
3 operations.

4 In addition, I made two recommendations that
5 involve the government. One was to upgrade the
6 Wahiawa Wastewater Treatment Plant to treat wastewater
7 to the state's R1 water quality standard. That
8 recommendation is, in fact, being implemented. And
9 the plant is scheduled to be -- improvements to the
10 plant they're scheduled to be completed about a year
11 from now.

12 And just to give you a little bit of
13 background. Wahiawa Wastewater Treatment Plant, they
14 discharge treated wastewater into Lake Wilson. Most
15 of the time the water's already to the R1 standards,
16 but during storms partially treated water gets put
17 into Lake Wilson. The water's diluted, then it's
18 distributed throughout the fields on the North Shore.

19 The problem with the current situation R2
20 water quality standard is that the water cannot be
21 used for irrigating vegetable and melon crops. It can
22 be used for other crops but not -- some other crops
23 but not vegetable or melon crops.

24 Once you upgrade that plant to R1 water
25 quality standards, then it can be used to irrigate the

1 vegetable melon crops. And what that means is that
2 the mid-level fields and the higher elevation fields
3 on the north shore can be irrigated with water from
4 that irrigation system.

5 The lower elevation fields are irrigated
6 with groundwater. The other recommendation made is to
7 repair the Wahiawa irrigation system. Because the mid
8 and upper level fields were not being farmed, the
9 distribution system developed problems so they
10 can't -- it's basically in disrepair. And during the
11 summer months some of the fields cannot be irrigated.

12 So along with upgrading the water quality
13 standards R1 in the Wahiawa Wastewater Treatment Plant
14 to distribute that water, you also have to repair the
15 irrigation system. And because of the cost of that
16 upgrade, repair the system as well as the multiple
17 farms and ownership now, it may require help from the
18 federal government or the state to help finance those
19 repairs.

20 And based upon my findings and assuming that
21 my recommendations are implemented, I concluded that
22 in my professional opinion the Ho'opili project will
23 have little or no adverse impact on Hawaii's
24 agricultural production.

25 The reason for that is there's farmland

1 available to accommodate the relocation of the
2 existing 'Ewa farms and to accommodate the growth of
3 diversified crop farming. And land is available
4 because of the closure of many plantations.

5 Q Dr. Plasch, your summary of your 2009
6 testimony and your conclusions, do you have any update
7 to your 2009 testimony?

8 A Yes, I do. The earlier part of this year I
9 completed an agricultural study for the city. And
10 based upon my findings I'd like to give three updates
11 to my 2009 testimony.

12 The three updates cover the trends in crop
13 acreage, the supply of available farmland and the
14 supply of water for agriculture.

15 With regard to the trends in crop acreage
16 during the past four decades, a vast amount of
17 agricultural land became available for diversified
18 crop farming. And this is, again, due to the closure
19 of the -- or the contraction of plantation
20 agriculture.

21 By the way, when I refer to "plantation
22 agriculture" I'm referring to the sugar plantations
23 and the pineapple plantations. And when I refer to
24 "diversified agriculture" I mean everything else.

25 Anyway, to help visualize the contraction of

1 plantation agriculture it helps to think in terms of
2 what I call plantation equivalent of about
3 10,000 acres. That's about the average size of a
4 plantation on O'ahu in the early 1990s, about
5 10,000 acres. That's about 15.6 square miles.

6 So if you visualize a parcel of land that's
7 a mile wide, 15.6 miles long, that's about
8 10,000 acres. A mile wide, if you go down to the
9 federal building and look up to the Punchbowl lookout
10 that's about a mile.

11 If you go from the capital out to Campbell
12 Industrial Park that's about 15.6 miles. So a
13 plantation equivalent of 10,000 acres, that's a huge
14 amount of land.

15 From the late 1960s to 2009 the statewide
16 contraction of plantation agriculture released for
17 diversified agriculture, essentially the equivalent of
18 26 plantations. And again if you visualize these
19 plantation equivalents, you line them up all together
20 so that it's a mile wide, 26 plantations would take
21 you from Honolulu to Hilo and back. So the amount of
22 land that came out of plantation agriculture is just
23 enormous.

24 On O'ahu we had a similar release of land.
25 It's over seven plantations. We had the equivalent of

1 four plantations released before the 1990s and three
2 after. So O'ahu had an enormous amount of land
3 released.

4 Despite that large release of land from
5 plantation agriculture, diversified agriculture showed
6 a fairly modest growth. They absorbed about
7 10 percent of that acreage. Most of that absorption
8 of plantation agriculture occurred before 1975. If
9 you look at diversified agriculture and you take out
10 the seed industry, we have had no significant growth
11 in diversified crop acreage for over 25 years.

12 And the reason for going over the release of
13 land and soil growth in diversified agriculture is to
14 make the point that land is not the limiting factor to
15 the growth of diversified agriculture.

16 Regarding the current supply of farmland
17 that remains available statewide for diversified
18 agriculture, my rough estimate is about 177,000 acres
19 plus or minus about 5,000 acres. And on the screen
20 this is, I guess, Petitioner's Exhibit 90B. And it's
21 a map entitled "High quality agricultural land outside
22 the Community Growth Boundary." The dark green areas
23 represent the high quality agricultural land.

24 When I refer to high quality agricultural
25 land I mean land that's rated A or B under the LSB

1 rating system or prime under the ALISH rating system.

2 And the total acreage of that, and I'm
3 subtracting land that's under military control and is
4 not available for agriculture and also land that's up
5 in Kahuku that's acquired by the Fish and Wildlife
6 Service for expansion of the Campbell Wildlife Refuge,
7 so backing those out, the amount of high quality land
8 on O'ahu outside the Urban Growth Boundary is about
9 42,600 acres.

10 And for the most part this was land that in
11 the 1970s was irrigated and farmed, has not been
12 urbanized and is not scheduled for being urbanized.
13 By "scheduled" it's not planned by the city and county
14 of Honolulu.

15 My 2010 estimate for the total amount of
16 land farmed on O'ahu is about 12,000 acres. Subtract
17 12,000 acres from the 42,000 acres, which assumes that
18 all the farms within the Urban Growth Boundaries,
19 including the ones in 'Ewa relocate to outside the
20 Urban Growth Boundary, you'll end up with 30,000 acres
21 remaining available.

22 And when I say "available" there it's good
23 farmland and it's not currently being farmed. There's
24 been -- there have been some recent expansions of the
25 seed industry. And there's the possibility of

1 expanding the Urban Boundary at Laie so that 30,000
2 acre figure should be reduced a little bit.

3 In addition to in terms of potential crop
4 production, in addition to the land that's available,
5 a number of the farms on O'ahu do not farm their land
6 intensively. And if they were to farm the land more
7 intensively they could actually increase crop
8 production without using any more farmland.

9 With regard to the supply of water for
10 agriculture. As the plantations contracted they also
11 released a large amount of water. Going back to 1980
12 on O'ahu, going from 1980 to 2009 the plantations
13 released about 208 million gallons of water per day.

14 That decline, 200, a little over 200,000,000
15 that decline exceeds the amount of water now used by
16 the Board of Water Supply plus all farmers on O'ahu.
17 So that the release of land -- the release of water
18 has also been enormous.

19 But, again, I want to emphasize although
20 water is available for irrigating crops there will be
21 a need for investment so that the water can be
22 delivered to areas that are not being farmed.

23 Q Dr. Plasch, during these proceedings
24 Intervenor and some of the public witnesses have been
25 making statements that the Ho'opili lands are the best

1 or the highest producing farmland in the state.

2 Do you agree with this statement?

3 A No, I do not. The Ho'opili has high quality
4 farmland, but it is not the best. And one of the
5 problems is that Ho'opili area for farming it's flat
6 and it's subject to flooding during heavy rains. If
7 you recall past news articles regarding rainstorms,
8 the farmers in 'Ewa, they lost crops in 1996, 2004 and
9 2006.

10 In the 2006 flooding Aloun Farms lost nearly
11 their entire crop. So that's one of the problems with
12 Ho'opili in terms of farming and why I wouldn't rate
13 it the best.

14 Another way of looking at the best
15 agricultural lands is to look at the old sugarcane
16 yields because land that's good for sugarcane is
17 generally good for a great many diversified
18 agricultural crops.

19 Based upon the sugarcane yields I would say
20 the best agricultural lands in Hawai'i are probably
21 over on Kaua'i near Waimea. And also good
22 agricultural lands in Kunia that are better than
23 Ho'opili and possibly some other parts of the state as
24 well.

25 To give you some specific figures based on

1 data from late 1980s: Gay & Robinson Sugar Plantation
2 over on Kaua'i, they reported an average yield of
3 17.4-tons of sugar per acre for their entire
4 plantation, not their best lands, but for their entire
5 plantation.

6 'Ewa had -- excuse me -- Kunia had a yield
7 of about 16-tons, a little bit less. 'Ewa had a yield
8 down around -- excuse me. When I say 'Ewa I mean
9 Central 'Ewa, they had a yield of about 15.3-tons. If
10 you look at Ho'opili it's even less. They were down
11 around 13.3-tons per acre per year.

12 So I would not classify the Ho'opili
13 agriculture lands as the best in the state. Going
14 back to Kunia, the high productivity there is one of
15 the reasons why Kunia was placed outside of the city's
16 Urban Growth Boundary.

17 Q Dr. Plasch, there have also been public
18 testimony and statements made that state the Petition
19 Area produces about 30 percent of our local fresh
20 produce. Do you agree with this particular statement?

21 A No. That percentage is also incorrect.
22 Based upon the harvested acreage in 2010, the farmers
23 at Ho'opili used about 1,030 acres to grow vegetable,
24 melon and food crops. And this was about 7 percent,
25 not 30 percent, 7 percent over the statewide total of

1 14,900 acres used for these crops.

2 And for O'ahu about 14 percent of the
3 7,300 acres used for those crops. Most of the
4 remaining land at Ho'opili was used to grow seed corn.

5 Q Now, you mentioned that farmers could
6 increase their productivity by using the land more
7 intensively. Could you expand on what you mean.

8 A Yes, I can. The large diversified farmers
9 on O'ahu generally harvest one and sometimes two crops
10 per year from a given field. And as a result their
11 land is in crop -- excuse me -- they keep about one
12 third of their land in crop.

13 And there are a number of ways the yields
14 can be increased. One way is to basically plant more
15 crops per year. Another way is to go vertical using
16 trellises, cages, sticks so you have more higher
17 density of plants. And a third way going way ahead is
18 to use more hydroponic farming and greenhouses.

19 And if you look around in the supermarkets
20 and Costco you'll discover that many of the tomatoes,
21 cucumbers, peppers, lettuces that are sold there are
22 actually grown in hydroponic -- they're grown
23 hydroponically in greenhouses. And they're grown by
24 Hawai'i farmers as well as mainland farmers.

25 The development costs are higher for a

1 hydroponic farm, but they offer a number of
2 advantages. One is that produce tends to be of higher
3 quality. They have year 'round production even on the
4 mainland during the winter. The yields are much
5 higher. Because of the higher yields the land
6 requirements are much less. They use much less water,
7 maybe about 5 percent as much water as field farming.

8 There's little or no runoff because the
9 water's reflected and recycled. No pesticides or
10 herbicides are sprayed on the crops, less energy.
11 There's also less dust because there's no plowing.
12 There's less labor, less difficulty in attracting
13 workers because of better working conditions.

14 There's less crop and equipment theft
15 because operations are inside of the building. And
16 that's a major problem in Hawai'i. Lower
17 transportation costs as farms are located near
18 markets. No loss of crop due to strong winds or
19 rainstorm and flooding.

20 And finally there's no need to use good
21 farmland because the farms can be placed on low
22 quality farmland. You can put it on industrial land
23 or even on the top of a large building.

24 Q Dr. Plasch, can you give us some examples,
25 if any, of farmers using hydroponic farming.

1 A Yes, I can. My examples are drawn from for
2 the most part from farms that supply Costco, Safeway
3 and Foodland. One of them is Hamakua Springs,
4 obviously on the Big Island. And they supply
5 tomatoes, cucumbers and lettuces. Their tomato yield
6 is about seven times that from field farming.

7 Kamuela Tomatoes, also from the Big Island
8 they can be found in the local markets. Waipuhi
9 Hydroponic Greens is an outdoor hydroponic operation
10 in Kula, Maui that supplies lettuces and watercress.
11 There's May's Wonder Garden. It's a hydroponic
12 operation up on the North Shore up in Haleiwa. And
13 another one is Olowalunui Farms. They provide
14 tomatoes and cucumbers to West Maui.

15 For the U.S. as a whole most of the tomatoes
16 that are sold in supermarkets are now grown
17 hydroponically in greenhouses. And the industry is
18 expanding fairly rapidly. And one of these companies
19 is Wheeling. And I noticed that their tomatoes a lot
20 at Costco when I was in Los Angeles last month.

21 So I went and visited their operation. It's
22 in Oxnard, California, which is north of LA. They
23 supply Costco and Safeway. Primarily they supply the
24 West Coast and Hawai'i. And they have about
25 15 percent of the tomato market. They use about

1 125 acres, which is 8 percent of the size of Ho'opili.
2 They have six greenhouses. Each individual greenhouse
3 is over five times the size of a Costco. So it's just
4 amazingly large greenhouses.

5 It's a high tech operation with computers
6 controlling the temperature, humidity. They keep the
7 CO² level high so to accelerate plant growth, control
8 waters and nutrients, keep a positive air pressure
9 inside the greenhouse so bugs can't fly in.

10 Because they're able to provide, really, an
11 ideal climate for growing conditions, their yields are
12 about a million pounds per acre per year which is
13 about 50 times the yield of field farming in Hawai'i.
14 It's a very high tech operation. And it uses
15 resources very efficiently.

16 I think it represents the future for farming
17 in Hawai'i, the mainland and other advanced countries.
18 And I think that if Hawai'i vegetable farmers are to
19 remain competitive with mainland farmers, they're
20 going to be compelled to move more towards high tech
21 farming. And since these farms are located in
22 greenhouses, the large agricultural fields, soil
23 quality, developing irrigation systems, finding the
24 proper micro climate, they're going to be actually
25 less important with more of the advanced high tech

1 farming.

2 Q Dr. Plasch, can the intensive farming
3 techniques be used on the Ho'opili lands?

4 A Yes, they can. By using more intensive
5 farming it would be possible to maintain the same
6 level of production while the farmlands are gradually
7 withdrawn for development. This would be achieved by
8 going to more intensive field farming with multiple
9 harvests per year.

10 And Aloun Farms is already doing that, going
11 towards a more vertical farming which Fat Law is
12 already doing, and eventually going to the advanced
13 farming in greenhouses.

14 However, assuming the water improvements are
15 made on the North Shore and elsewhere, farmers
16 displaced by Ho'opili and state projects in 'Ewa, they
17 will really have three options. One is to continue
18 with traditional field farming in Kunia, North Shore
19 or elsewhere, or go with more intensive high tech
20 farming in 'Ewa or some other area or a combination of
21 those two.

22 Q Dr. Plasch, one of the public witnesses
23 testified about aquaponics. Is there a difference
24 between hydroponic and aquaponic?

25 A There's a slight difference. Aquaponics

1 basically you add fish to the water system so that you
2 also have protein product as well.

3 Q And one of the public witnesses made a
4 statement that if you closed down Aloun Farms the
5 aquaponic farms would not be able to produce the same
6 type of vegetables that are presently being grown on
7 Aloun Farmlands; is that true?

8 A Well, let me answer in terms of the
9 hydroponic operations. For the most part, most of the
10 crops grown there could be grown in a hydroponic farm.
11 There are some that cannot, in particular the sweet
12 corn probably cannot. And the orchard crops, the
13 bananas and limes. So most of the vegetables and even
14 the melons could.

15 Q Now, Dr. Plasch, there have been also
16 statements that Hawai'i's farmers grow only 15 percent
17 of our fresh produce. Do you agree with that
18 statement?

19 A No. That's an inaccurate figure. In terms
20 of food self-sufficiency Hawai'i farmers actually
21 supply about one third of the fresh vegetable, melons
22 and fruits that are sold in Hawai'i. It's about one
23 third.

24 Q On the flip side are most of the crops grown
25 by farmers in Hawai'i consumed by local residents and

1 visitors?

2 A No. That's not the case. Hawai'i farmers
3 grow mostly for export. By value they export about
4 85 percent of their production. The reason for the
5 large amount of imports and exports is that economic
6 forces favor specialization and trade. The
7 specialization/trade for the consumer contributes to
8 lower prices, a wider selection of goods and a higher
9 standard of living.

10 Q Now, Dr. Plasch, there have been arguments
11 that Hawai'i should aim for 100 percent
12 self-sufficiency in food production. What is your
13 opinion about this argument?

14 A Well, I think increased self-sufficiency
15 would provide economic benefits. But a hundred
16 percent self-sufficiency is really unrealistic in a
17 market economic with free trade among the states. The
18 obvious problem is that some foods are -- it's cheaper
19 to import the food than to grow it. When you're in
20 that situation it's going to be unprofitable to try
21 and grow that particular food.

22 Q Now, Dr. Plasch, in your professional
23 opinion would 100 percent self-sufficiency in food
24 production provide food security?

25 A No, it would not. Self-sufficiency in food

1 production could provide increased food security in
2 the event of an interruption in shipping. But a
3 hundred percent self-sufficiency would not provide
4 food security against hurricanes and extreme storms
5 that can destroy all or most of our crops in the
6 island.

7 To give you specific examples: 1982
8 Hurricane Iniki wiped out nearly all crops on Kaua'i.
9 As I earlier mentioned this 1996, 2004, 2006 heavy
10 rains caused considerable crop losses on O'ahu. And
11 to guard against such events it's actually safer to
12 maintain trade arrangements and to continue to import
13 a portion of our food.

14 Q Based on your findings would the Petition
15 Area need to be kept in agriculture in order to
16 achieve 100 percent self-sufficiency in food
17 production?

18 A No. In the context of saving prime
19 agricultural land to grow more foods, the focus is
20 generally on, as I mentioned, the vegetables, melons
21 and fruits. And Hawai'i really has ample land to
22 achieve a hundred percent self-sufficiency in these
23 crops with or without Ho'opili and other urban
24 projects.

25 A hundred percent self-sufficiency would

1 require about 30,000 additional acres statewide. But
2 as I mentioned before, that's an unrealistic figure.
3 If you want to be realistic in terms of land use
4 planning, Hawai'i farmers would do well to reach
5 50 percent self-sufficiency. That would require about
6 7,500 additional acres. And both of those figures
7 assume traditional field farming. And with intensive
8 farming much less land would be required.

9 In either case the amount of land required
10 for self-sufficiency, a hundred percent
11 self-sufficiency or 50 percent self-sufficiency, is
12 small compared to the estimated 177,000 acres good
13 farmland that's available statewide.

14 In addition to that if you have an
15 interruption of shipping and you can't import food
16 also means you can't export food. So you'd have an
17 additional 70,000 acres or more that would become
18 available for growing crops.

19 Q Now, Dr. Plasch, turning to the phased
20 development plan and urban ag plan, have you had a
21 chance to review Petitioner's phased development plan?

22 A Yes, I have.

23 Q Does the phased development plan affect your
24 analysis, recommendations or conclusions?

25 A No, it would not. The phasing plan is

1 consistent with the first of my recommendations which
2 is for the developer to work with farmers so as to
3 maintain agricultural operations for -- or excuse me
4 in 'Ewa for as long as possible. And the other
5 recommendations would also continue to apply.

6 Q Now, would the phased development plan
7 affect farming operations in the Petition Area in any
8 way?

9 A Yes. The phasing plan would provide
10 information to the farmers regarding which lands will
11 be -- excuse me, will remain available for farming and
12 for how long and what will be built near the homes.

13 And this information will allow the farmers
14 to determine their best approach for downsizing their
15 farms in proximity to homes and when to relocate their
16 farms.

17 Q Now, during the testimony in these
18 proceedings there have been statements made that Aloun
19 Farms produces approximately four crop cycles a year.
20 Could you comment on that?

21 A Yes. The ratio of their harvested acreage
22 to their arable land is about 1.2. So their harvested
23 acreage is about 20 percent above their arable
24 acreage.

25 Q Now, are you aware of a Ho'opili Urban

1 Agricultural Initiative?

2 A Yes, I am.

3 Q Does the Urban Agricultural Initiative
4 affect your analysis, recommendations or conclusions?

5 A The need for replacement agriculture land
6 may be offset by a few hundred acres because of civic
7 farms, basically the commercial farms that will
8 remain in Ho'opili. Also production from the steward
9 farms and community gardens could reduce the demand
10 for commercial crops, although I think that reduction
11 in demand will be fairly small.

12 But an Urban Agricultural Initiative doesn't
13 change the fact that commercial farm operations
14 eventually will have to relocate. So my findings and
15 recommended mitigation measures, they still apply.

16 Q Dr. Plasch, can you please summarize your
17 conclusions for us.

18 A Yes. I have seven points to make.

19 First. Ho'opili is consistent with city
20 plans to develop 'Ewa as O'ahu's secondary urban
21 center.

22 Second. Ho'opili has good farmland but it's
23 not the best farmland in the state.

24 Third. Hundred percent self-sufficiency is
25 unrealistic given the lower cost of mainland-imported

1 foods. Moreover, a 100 percent self-sufficiency would
2 actually jeopardize our food security in the event of
3 hurricanes and extreme storms that can destroy crops.

4 Fourth. In the future Hawai'i farmers will
5 increasingly be compelled to use more intensive high
6 tech farming in order to compete with low cost
7 imports. And such farming will reduce land and water
8 requirements, the need for high quality farmland, the
9 need to improve irrigation systems, and the need to
10 locate crops in specific areas due to climatic
11 conditions.

12 Fifth. Hawai'i has an abundant supply of
13 farmland due to the closure or severe contractions of
14 all but one plantation in Hawai'i. Therefore, Hawai'i
15 has sufficient land and water to relocate the farms
16 from 'Ewa even without intensive farming. There's
17 also enough land to achieve a realistic level of 50
18 percent self-sufficiency or even on realistic levels
19 of a hundred percent self-sufficiency.

20 Sixth. All three of the Petitioner's
21 lessees and Fat Law who subleases from Aloun Farms
22 have secured land outside the Urban Growth Boundary.
23 And the Ho'opili's phased development and continuation
24 of the discounted rents will contribute to an orderly
25 relocation of these farms.

1 And finally, Ho'opili's phased development
2 plan and urban ag initiative will allow vegetable and
3 melon farming to continue at Ho'opili.

4 MR. KUDO: This concludes the direct
5 testimony of Dr. Plasch. He's now available for
6 cross-examination.

7 CHAIRMAN LEZY: Ms. Takeuchi?

8 MS. TAKEUCHI-APUNA: No questions.

9 CHAIRMAN LEZY: Mr. Yee?

10 CROSS-EXAMINATION

11 BY MR. YEE:

12 Q Let me start with the farmers, the existing
13 farmers who have apparently gotten additional lands.
14 I think you testified that all four of the existing
15 tenants have additional lands outside the Urban Growth
16 Boundary?

17 A That's correct.

18 Q And is that replacement lands or is that
19 land -- are they going to basically stop operations at
20 Ho'opili and move to that place? Or they have simply
21 expanded their existing operations?

22 A Going through my mind. Let me take them one
23 at a time. Syngenta purchased land in central Kunia.
24 They purchased sufficient amount of land to continue
25 their operation with, including with a loss of land at

1 Ho'opili. But I think they'll continue to farm the
2 land at Ho'opili until they lose it.

3 Fat Law, they purchased land in Kunia that
4 will allow over a four-fold increase in their
5 operation. So I think it's going to be a gradual
6 transition. I don't know if they'll continue to farm
7 the lands at Ho'opili or not. But most of their
8 operation is going to be moving to Kunia.

9 Larry Jefts, basically Sugarland Farms, they
10 have a considerable amount of farmland throughout
11 O'ahu as well as the neighbor islands. And I think
12 they will continue to farm Ho'opili as long as they
13 can but they also have sufficient land to continue.

14 Aloun Farms, they have some state land and
15 some Dole lands up on the North Shore that they're
16 moving to. So basically it will be a transition,
17 eventual transition out of Ho'opili. It will be a
18 gradual one.

19 Q Will Aloun Farms -- do you anticipate Aloun
20 Farms is going to leave Ho'opili before development
21 would require them to leave?

22 A I don't think so. I think they're most
23 likely to, as Ho'opili proceeds and gradual loss of
24 land and basically this has already started. They had
25 considerable land also leased from the state. And

1 their approach has been to farm their land more
2 intensively but also to expand production into other
3 areas.

4 Q I guess it just begs the question, though,
5 as to whether these tenants would have expanded their
6 operation and stayed at Ho'opili without the
7 development versus would -- versus would they simply
8 have gotten the additional land for the purpose of
9 maintaining an existing amount of production?

10 A I think because of Ho'opili some of 'em. In
11 case of Aloun Farms and Fat Law I think it's because
12 of Ho'opili.

13 Q It's because of the development.

14 A Yes.

15 Q So without the development you don't think
16 Aloun Farms would have farmed the additional land
17 outside?

18 A I don't think so. It's possible they would
19 have acquired some additional land, but I'm not sure
20 they would have.

21 Q Okay.

22 A I don't know all the --

23 Q I'm trying to make sure.

24 A -- yeah. I don't know all the motivations
25 of the farmers --

1 Q Okay.

2 A -- with Aloun Farms. So I just can't speak
3 about it, all their decision-making.

4 Q That's fine. I just wanted to know. Then
5 with respect to -- I think you said three of the four
6 were big enough to expand or continue operations.
7 Which is the one that's not big enough then?

8 A Aloun Farms.

9 Q Okay. So they need additional land to
10 continue operations.

11 A If they want to maintain the same size of
12 their farm they would need to acquire some additional
13 land. Or they may decide to operate a smaller farm
14 which they have done in the past and they have that
15 flexibility.

16 Q And you're basing this on acreage rather
17 than crop production, correct?

18 A That's correct.

19 Q You talked about upgrading the wastewater
20 treatment plant and that it's, I think it's scheduled
21 to be completed in October of 2012. I guess my
22 question, just to sort of finish up the story, are the
23 lines to connect up to the mid and high level fields
24 on the North Shore already in existence? Or do they
25 have to be constructed?

1 A A little of both. The irrigation system for
2 lands that were formerly in sugarcane, they do exist
3 but they're in disrepair in many cases. And I believe
4 that there's some lands that exist for irrigating the
5 Dole Pineapple, the former Dole Pineapple lands.

6 Definitely not the Del Monte pineapple
7 lands. Del Monte was the competing company with Dole
8 so that they were essentially locked out of that
9 irrigation system.

10 So if you want to use water from that Lake
11 Wilson, Wahiawa Reservoir, you would have to put in
12 some irrigation lands for those, basically the
13 Galbraith fields, so if you know what I'm talking
14 about. It's Galbraith or Del Monte. The fields about
15 Lake Wilson, but they can't -- in the past they did
16 not have access to that water.

17 Q Just so that I'm clear. Is this referring
18 to the wastewater, Wahiawa Wastewater Treatment Plant
19 versus the Wahiawa Irrigation System?

20 A Well, I'm missing the question.

21 Q Let me -- I'll start. Do you remember you
22 had said the Wahiawa Wastewater Treatment Plant
23 improvements were going to be completed in
24 October 2012.

25 A That's correct.

1 Q Okay. So then I'd asked you would there be
2 any additional capital costs, additional construction,
3 any additional lines that would need to be built in
4 order to transfer the water from the wastewater
5 treatment plant to the mid or high level fields. I
6 thought you said: Yes in some cases, no in other
7 cases.

8 A That's correct.

9 Q Okay. Then you said because some of the --
10 some of the lands were not just connected up like Del
11 Monte?

12 A Yes.

13 Q And some of the lands were connected up but
14 the lines are in need of repair.

15 A That's correct.

16 Q What's the capital -- do you know what the
17 capital costs would be to make those improvements and
18 connections?

19 A There was a study done a couple years ago
20 and I think that -- let me back up. The treatment to
21 the wastewater treatment plant, that's a big capital
22 cost. That's a \$30 million expenditure. And I think
23 that has really held things back a lot.

24 The improvement to their irrigation system
25 itself, the figure that I saw a couple years ago or

1 from the study that was made a couple years ago, was
2 \$7 million or \$7.1 million. And Dole had already
3 committed to making about \$2 million of the repairs.
4 So we're talking -- so we're talking net of about
5 5 million.

6 Q So will Dole's contribution be enough to
7 irrigate the Dole fields? Or is there more that needs
8 to be done in order to irrigate the Dole fields?

9 A Dole probably -- because of the nature of
10 water law Dole's incentives were probably much higher
11 to make improvements for their own fields rather than
12 make improvements for lands owned by another party
13 because it's expensive.

14 If it doesn't work out they lose money. And
15 if it does work out they'll recover their costs. So
16 that there's no incentive for them to actually do it.
17 They can't sell water. They can deliver water. They
18 can't sell water.

19 Q Maybe just let me ask sort of the question
20 this way. What's the likelihood that those
21 improvements are going to be made in the near future?

22 A In the near future? I think there'll be
23 incremental improvements as lands are released. But
24 in terms of major repairs I don't think it will be
25 done in the near future because I don't think there's

1 any demand for those lands in the near future.

2 Ho'opili itself will be a very gradual
3 development. So that there's no great rush to open up
4 those lands. But eventually you would like to make
5 those repairs so you do open up the lands on the North
6 Shore in the mid-level and higher elevation fields.

7 Q You mentioned the Galbraith lands. Where
8 are those located with respect to all of this?

9 A The Galbraith lands I think basically right
10 here. (indicating on map)

11 Q And that does not currently have a water
12 source.

13 A It has a deep water well that Del Monte put
14 in. So it does have some water, but it's expensive
15 water because of the high lift.

16 Q Would the construction of the pipelines to
17 these lands, is that commercially feasible? Is that
18 money that can be recouped by the lease rents from
19 agricultural lands for a commercially feasible
20 operation?

21 A Usually when you put in water systems the
22 water rate is set up so that the person financing it
23 recovers their capital costs and the person managing
24 it recovers their operations and maintenance cost.

25 Q So is it commercially feasible?

1 A I think it is. But nobody's done a study
2 that I know of. I know that one farmer is looking
3 into it. The water abuts the fields and so on. It'd
4 would be -- it would seem pretty easy.

5 Q Would you need a lot more farmers -- I mean
6 is there a tipping point? Do you need a certain
7 population of farming there in order to make it
8 commercially feasible? Or is there existing demand
9 there currently?

10 A You do want -- if you put in a lot of
11 capital costs you do want to spread out the capital
12 costs among as many users as possible.

13 Q And are there enough users now? Or do you
14 think you need, you know, more people like the tenants
15 at Ho'opili to be there?

16 A I think they would like more tenants.

17 Q What was the acreage of the mid to high
18 level fields on the North Shore, if you know?

19 A It's on the order of 10,000 acres, give or
20 take a thousand.

21 Q So roughly 9 to 10,000 or 9 to 11,000 I
22 suppose.

23 A It's probably below 11,000. I'd say closer
24 to 10,000.

25 Q Nine to 10,000?

1 A Yes.

2 Q So roughly, roughly 9 to 10,000 acres are
3 available with capital cost of approximately
4 \$7 million could be available of good land with water.

5 A It may require more money than that because
6 that figure also includes extending irrigation lines
7 to some pineapple fields that were not formerly part
8 of that system. And that initial figure includes just
9 the repair of the system that irrigated primarily the
10 sugarcane lands.

11 Q Okay. I don't mean to get lost in the
12 weeds. I was just using your testimony of mid to high
13 level and you need water from.

14 A Yes.

15 Q So it would be something more than 7 million
16 but we're not sure how much more.

17 A Yeah. And 2 million has already been spent
18 by Dole for repairs on a portion of the system. So
19 it's actually close to 5 million plus additional money
20 to extend the system.

21 Q But the 2 million has already been spent.

22 A Yes.

23 Q Okay. Thank you. I didn't realize that.
24 Then you looked at the number of acres on O'ahu that
25 are A or B or prime that were irrigated in the 1970s,

1 I think is what you told me, is that right?

2 A Yes. For the most part.

3 Q For the most part. Do you know if the water
4 is still available for those lands?

5 A There's been enormous release of water used
6 for farming. So I think the water still exists, but
7 there's, in great many cases, a delivery system needs
8 to be repaired. Basically the land wasn't being
9 farmed so their delivery systems fell apart.

10 Q So as part of your study you didn't look at
11 whether or not those delivery systems continue to
12 exist for all 30,000 acres of A, B or prime lands?

13 A I'm more aware of what's going on with the
14 North Shore lands. I know that there's some delivery
15 problems. I think the same is true of lands up in
16 Kahuku. It's a short lift, but I don't think the
17 irrigation system has been in use decades.

18 Punalu'u area I know that there's some
19 improvements being planned to open up some of the
20 those lands.

21 Q You know, in addition to water my
22 understanding is there are a variety of other factors
23 that go into whether -- let me backtrack. In addition
24 to water and the quality of the soil there are many
25 other issues that arise as to whether or not a farm

1 can be commercially successful in any particular
2 location like temperature, radiation, infrastructure,
3 is that right?

4 A Yes, depending on the crop.

5 Q Right. And I should have added "and the
6 type of crop that you're using."

7 A Yes, right.

8 Q In addition, with respect to determining
9 availability of land, did you look at any of those
10 other issues? Or was that part of the A and B and
11 prime calculation?

12 A It definitely is part of the A and B
13 calculation. They take into account climate.

14 Q What about infrastructure?

15 A I think they do. Basically I think the key
16 component's the infrastructure, basically access. You
17 need to have a road. The other is water. The A and B
18 rated lands, the way the LSB rating system works is
19 that it has a dual rating system. So if you have
20 water you have one rating. If you don't have water
21 you have another rating. And for the most part A&B
22 rated land has water.

23 You go over to Molokai, for example, has
24 incredibly good soils, but when they did the rating
25 they didn't have water. So instead of giving it an A

1 rating they gave it a D rating.

2 Q But the opposite is true as well, right? If
3 they had water at the time of the rating, the
4 infrastructure is no longer there to deliver the
5 water, the rating has not changed since then.

6 A That's correct.

7 Q Okay. Did you also look at whether the
8 30,000 acres on O'ahu were available for long-term
9 leases at a price low enough to make farming
10 profitable?

11 A Let me put it this way. A lot of land is
12 for sale on the North Shore. When it comes to leasing
13 land, there is no sign you can go to find out is it
14 actually available for lease. You really have to
15 approach the landowners, or they have to approach you.
16 And it's more of a one-to-one interchange or
17 interaction.

18 Whereas land for sale you go to a website,
19 for example, and get a listing of the properties for
20 sale.

21 Q I know Ms. Bouslog approached Campbell and
22 some other developers about them. Did you approach
23 any of the farming owners to analyze that question?

24 A I have talked to some of the owners.

25 Q And do you have -- do you know, based on

1 those discussions whether how much or what percentage
2 of the 30,000 acres would be available for long-term
3 leases at a price low enough to make farming
4 profitable?

5 A Well, they want to charge market rates. And
6 I think there's -- I know in the public domain that
7 Dole's been charging -- the current rate is about \$280
8 an acre with adjustments annually for inflation.

9 Kamehameha Schools their, again, their
10 problem is that their mid and upper level fields lack
11 water. With water they would be -- they would lease
12 the land. My understanding is they would lease the
13 land to farmers.

14 Q This is the North Shore mid and high level
15 lands?

16 A Yes, part of it.

17 Q Part of it. How many acres do you know
18 roughly?

19 A For?

20 Q Kamehameha is what you're referring to.

21 A Kamehameha?

22 Q If you don't know that's okay. I thought
23 you seemed knowledgeable about it.

24 A They have their plan, their portion of
25 Waialua Sugar Plantation was between 5,500 - 6,000

1 acres of the plantation. And I think about one third
2 of it is -- the lower third of it is farmed.

3 Q Okay.

4 A So you do the math.

5 Q Okay. And is \$280 an acre a lease price low
6 enough to make farming commercially feasible so to
7 earn an income and to support a family on?

8 A You mean for these large commercial farms
9 that we're talking about being displaced from Ho'opili
10 like Aloun Farms?

11 Q Well, if there's distinctions between the
12 type of farms just let me know which farmers can,
13 which farmers cannot.

14 A My focus is really on the large commercial
15 farms because those are the farms being displaced.
16 Aloun Farms is leasing Dole land at 280 an acre per
17 year.

18 Q That would be the price of -- you think
19 that's the market price for the 30,000 acres that are
20 available?

21 A No. That's a market price for land on the
22 North Shore.

23 Q Oh, I'm sorry. Okay.

24 A From Dole.

25 Q Okay. That's just the information you have.

1 That's, you just gave me all the information you have.

2 A Yeah. That's been made public in some of my
3 previous work.

4 Q Do you know -- but the Dole land is
5 available, then, for long-term lease, right?

6 A Well, I'll give you the example of Aloun
7 Farms' lease which is, again, public information.
8 They have a ten-year lease with a five-year option.

9 Q And the length of the lease is important
10 because if you have to make capital improvements you
11 need to be able to amortize those capital improvements
12 over the length of a lease.

13 A That's correct.

14 Q For example, if you wanted to do hydroponics
15 there's a significant capital cost to putting in
16 hydroponics, correct?

17 A There is.

18 Q And significantly higher than regular land
19 farming.

20 A In that case you may want to buy the land.

21 Q Because you need to amortize the cost over
22 that length of a period and get a bank to give you a
23 loan, right?

24 A That's correct.

25 Q So if you can't afford to buy the land it's

1 more difficult, then, to do something like hydroponics
2 as a commercial or economic realistic.

3 A You'd have to crunch the numbers.

4 Q Okay. But it's more difficult is all I'm
5 saying.

6 A I'm not sure.

7 Q Okay. Within the hydroponics -- I know you
8 spent a lot of time on it -- I think you had said that
9 this was, I don't know, the future of farming in
10 Hawai'i, is that right?

11 A In terms of vegetable farming I think it is.

12 Q I would have thought that you would need a
13 fairly high valued crop in order to justify the cost
14 of hydroponics, is that correct?

15 A Well, the primary crops and, again, it's
16 being done already in Hawai'i, already, tomatoes,
17 peppers, cucumbers and lettuces. Those already exist
18 in Hawai'i hydroponic farming.

19 Q Do you think that it's going to replace land
20 farming?

21 A I'm not sure about being a hundred percent.
22 But I do believe some farmers who concentrate on field
23 farming in some of those crops will be displaced.

24 Q Maybe I had misunderstood, but one of the
25 public witnesses, I think, testified that they were

1 doing a study, and I thought it was hydroponics, maybe
2 I misunderstood -- they were doing a study as to
3 whether it would be commercially feasible to do a
4 large-scale hydroponic operation in Hawai'i. Do you
5 remember that?

6 A I haven't seen that testimony.

7 Q Okay. You're not aware of any UH study or
8 CTAHR study as to the commercial feasibility of
9 hydroponics in Hawai'i?

10 A No. I just know it's already being done.

11 Q Just to clarify a few things. I know you
12 said 85 percent of the production -- I'm sorry. Let
13 me rephrase that. Hawai'i produces one third of the
14 fresh fruits and vegetable, correct?

15 A That's -- the fresh vegetables, melons and
16 fruits.

17 Q Melons is neither a vegetable or fruit?

18 A They're combined. Melons are lumped in with
19 vegetables. So I can't separate them out. But the
20 fruits are separate and the vegetable and melons are
21 one category. They're both about a third, give or
22 take a percent.

23 Q And then you said 85 percent of Hawai'i's
24 production is for export. Is this -- and I just
25 wasn't sure if I understood -- was this just total

1 agricultural production or fresh fruit and vegetables?

2 A That's total agricultural production.

3 Q So that would include like macadamia nuts,
4 Kona coffee and things like that.

5 A It would.

6 Q Do you know what percentage of production
7 for fresh fruits and vegetable is for export?

8 A No.

9 Q You know, I'm going to have to go back to a
10 couple issues. You know, in your testimony you
11 referred to the Wahiawa Irrigation System as needing
12 repairs. Did we go through the likelihood of whether
13 or not those repairs were going to occur?

14 A Well, the major repair to the system, and I
15 thing it's been a major problem with using the system,
16 is the problem with discharge of partially treated
17 wastewater into Lake Wilson during rainstorms. And
18 the city is spending \$30 million to repair that -- or
19 not to repair but to upgrade that system. And I think
20 that's the major capital expenditure.

21 Q Thirty thousand?

22 A Thirty million.

23 Q Thirty million. Wasn't the 30 million for
24 the wastewater treatment plant? I was talking about
25 the irrigation system.

1 A Maybe I misunderstood the question then.

2 Q Okay. You had two things, right, that
3 needed to be done? You suggested to the government
4 one was the wastewater treatment plant and the other
5 was the irrigation system.

6 A That's right.

7 Q With respect to the irrigation system,
8 that's separate from the delivery system from the
9 treatment plant, right? Or is it the same?

10 A Well, one is the upgrade so they have R1
11 water.

12 Q Yes.

13 A The other is the distribution system.

14 Q Is that the distribution system for water
15 from the wastewater treatment plant?

16 A It's from Lake Wilson. The discharge goes
17 into Lake Wilson. From Lake Wilson it's being
18 distributed to fields on the North Shore.

19 Q When you say "discharge" so from the
20 wastewater treatment plant to Lake Wilson and from
21 Land Wilson to the various lands?

22 A Yes.

23 Q Thank you. Then I think your testimony was
24 it would take two to three years to prepare fields for
25 any particular crop and to figure out sort of what

1 adjustments need to be made at whatever the new
2 location is, is that right?

3 A Two to three years to prepare a field plus
4 the time to make adjustments in terms of picking
5 varieties which could take, depending on the crop, a
6 couple seasons or longer.

7 Q Because, you know, even though you have
8 facts on paper you need to actually apply, you know,
9 the fruits or vegetables or agricultural produce in
10 the soil and see what happens.

11 A That's right. They do have to do some
12 trials to find out what works best.

13 Q And there's no proposal for relocation
14 assistance.

15 A There's no proposal....

16 Q There's no proposal from you for a
17 relocation assistance in this case.

18 A I think these are very large commercial
19 farms. And obtain land. Three have sufficient lands
20 for continuous operations or expansion. There's been
21 assistance in terms of discounted rents which has gone
22 on already for 15 years. May go on for another 20
23 years. So that's pretty substantial assistance right
24 there.

25 Q Okay. So then the answer is that's the

1 relocation assistance?

2 A I think that that's quite a bit.

3 Q Okay. I was just asking is there relocation
4 assistance and I'm not sure if there is a yes or a no
5 in there.

6 A I don't know of any other relocation
7 assistance personally. You may want to direct that to
8 Ho'opili, but that's -- I don't know of anything else.

9 MR. YEE: Okay. Thank you. Nothing
10 further.

11 CHAIRMAN LEZY: Dr. Dudley.

12 DR. DUDLEY: Chair Lezy, I do have four
13 pages of questions.

14 CHAIRMAN LEZY: Proceed.

15 DR. DUDLEY: You have one more question?

16 MR. YEE: Yes. I have one more issue,
17 sorry.

18 Q And I think there's a clarification, but I
19 thought I heard you say that when you were talking
20 about civic farms that eventually agriculture will
21 need to relocate. You're not referring to the civic
22 farms will need to relocate.

23 A Come again? I didn't quite follow your
24 question.

25 Q You have been asked some questions about the

1 urban agricultural initiative, right?

2 A Yes.

3 Q And you had mentioned the civic farms,
4 right?

5 A Yes.

6 Q You said somewhere in there that eventually
7 agriculture needs to relocate. I just want to be
8 clear you're not referring to the civic farms.

9 A No, no, no. I'm talking about the existing
10 commercial farms. Some may want to engage in the same
11 type of field farming they're doing now. They would
12 have to relocate.

13 Q And you didn't -- so you weren't -- you
14 didn't look at the location of the civic farms to
15 determine whether or not those are good locations.
16 That was not part of your analysis, right?

17 A There are two parts. You have two questions
18 in there.

19 Q Oh, I'm sorry.

20 A They were part of my analysis, no.

21 Q Did you look at the feasibility of the civic
22 farms in the locations that they are planned for?

23 A The way you're asking the question the
24 answer is no.

25 Q Did you look at the feasibility of the civic

1 farms?

2 A No.

3 Q Did you look at the locations of the civic
4 farms?

5 A I looked at where they'd relocated.

6 Q Did you have an opinion as to that location?

7 A Some opinions, yeah.

8 Q What are the opinions? You answered so long
9 in some of my other questions. (Laughter)

10 CHAIRMAN LEZY: You said you were only going
11 to ask one question. (Laughter).

12 A Yeah. The majority of the land where the
13 civic farms are going to be located is good farmland.
14 Some of it's in gulches. And I know that they are
15 going to be planting terraces and such. But the
16 commitment from Ho'opili is that 159 acres of land
17 acceptable to the Department of Agriculture is going
18 to be provided. So whether it's good land or poor
19 quality land they'll end up with 159 acres of good
20 farmland.

21 Q (Mr. Yee) So you're expressing no opinion, I
22 guess, as to whether or not that particular location
23 is good. But you're just relying on the decision or
24 the good judgment of the Department of Agriculture to
25 ensure that wherever the location is they'll be

1 feasible for commercial production.

2 A I don't think that's what I said.

3 Q Okay. Please rephrase then.

4 A I think that some of the land proposed for
5 the civic farms is land that's historically or
6 currently is being farmed.

7 Q Okay.

8 A So presumably it's pretty good farmland.

9 Q So some of the land is good, some maybe not.

10 A Most of it.

11 Q Most of it's good. Okay. Thank you. Now I
12 have nothing further.

13 CHAIRMAN LEZY: Thank you. Dr. Dudley.

14 MR. SEITZ: Mr. Chairman, if I might, it's
15 nearly 5:30. We don't have air conditioning.
16 Dr. Dudley is recovering from recent surgery. At my
17 advanced age I find it difficult to concentrate this
18 long. And I think it's probably hard for the reporter
19 as well.

20 Given that this gentleman is probably the
21 key witness as far as we're concerned, I'd like to
22 request that we adjourn for the day when we can get
23 air conditioning, come back and take up his testimony
24 tomorrow.

25 CHAIRMAN LEZY: Dr. Dudley, are you prepared

1 to proceed?

2 MR. DUDLEY: I am. (laughter) I agree.

3 CHAIRMAN LEZY: That's the only question we
4 need answered then. Proceed.

5 CROSS-EXAMINATION

6 BY DR. DUDLEY:

7 Q I just want to back to the 159 acres since
8 we're right on that right now. You say most of that
9 is good farmland. Could you tell us what "most of
10 that" you're talking about? What areas of 150 acres?

11 A Well, I looked at all the individual parcels
12 and tried to figure out whether it's an area that's
13 currently being farmed or not being farmed.

14 Q Okay. And isn't it true that most of the
15 area is not being farmed right now?

16 A No.

17 Q Sir, you're under oath. Looking at the map,
18 looking at the map, the original map, and then looking
19 at the map which they have given us for the
20 agricultural -- urban agricultural initiative, isn't
21 it true that most of that land is not being farmed
22 right now?

23 A I think most of it is. The only question I
24 may have is that there's a triangle down below and I
25 know that's good farmland. I'm not a hundred percent

1 sure whether it's under production right now or not.

2 But I know that's good farmland. And the other
3 individual parcels that I looked at within Ho'opili
4 are being farmed.

5 Q Okay.

6 A Not all of them, but when you add all that
7 acreage up together the majority of it is.

8 Q Maybe we'll wait and hope that we have a
9 field trip out there and we'll be able to see things.

10 I'd like to come back to something you said
11 about Aloun Farms having purchased, I believe, some
12 property from Robinson and Dole on the North Shore.
13 Could you tell us what those pieces are? Are those to
14 replace the Ho'opili property?

15 A They're leasing land. They're not
16 purchasing land.

17 Q Okay.

18 A Robinson land has been under lease by Aloun
19 Farms for at least a decade, over a decade. The Dole
20 lands were recently acquired by Aloun Farms about a
21 year -- they were acquired, leased about a year ago.

22 Q The Dole lands were leased about a year ago.
23 By the way, could you show us on the map where these
24 two pieces of property are?

25 A I'm not exactly sure of the Robinson lands,

1 I think are right around here. This map doesn't have
2 the road so it makes a little harder to identify. The
3 Dole lands are the upper part of Helemano Ridge, so I
4 think they're about right here.

5 Q Okay. Now, the Dole land was that not part
6 of moving out of Koa Ridge rather than moving out of
7 Ho'opili?

8 A That's true.

9 Q Thank you, sir. And then coming back to,
10 coming back to the Robinson, so they've had that for
11 10 years you say?

12 A At least.

13 Q So that wouldn't really be considered moving
14 out of Ho'opili either since they've had it for ten
15 years and they've only been in Ho'opili for 16.

16 A My testimony was that they have leased land
17 or acquired land that is outside the Urban Growth
18 Boundary. So they do have land outside the Urban
19 Growth Boundary.

20 Q And that is the land they've had for 10
21 years besides the Dole land which they are replacing
22 Koa Ridge with.

23 A Your question is?

24 Q My question is I really don't see any new
25 land that we're talking about here, sir, as far as the

1 land where they're going to move the farm.

2 A They will be moving up to lands, farming on
3 the Dole land. So that is newly acquired land.

4 Q Okay. Now, but you just testified that's
5 going to replace Koa Ridge rather than replacing
6 Ho'opili.

7 A That is associated with the Koa Ridge
8 proposed development.

9 Q Thank you. Okay. Now, we've got roughly
10 1270 acres, something like that, in agriculture right
11 now in Ho'opili.

12 A What's that figure again?

13 Q They've got 1200 acres, 1270 acres that we
14 need to move. And in your testimony you say that they
15 can move this 1270 acres of farmland to somewhere in
16 Kunia or on the North Shore?

17 A Can you explain to me where you're getting
18 the 1270 acres?

19 Q I believe that's the amount of land that
20 they are currently farming. I grant that we're
21 talking about 1525 acres total. But...

22 A Which? You're talking about which farms?

23 Q My counsel suggests that we need to see the
24 map of Ho'opili. Could we find out from you, sir,
25 then, how many acres do you -- do you say that we're

1 talking about moving from Ho'opili? How many
2 agricultural acres are we replacing?

3 A Trying to remember. The amount of leased
4 land is around 1400 acres I'm think it is. I'm not
5 sure the exact number.

6 Q And you've told us that for the most part,
7 so you say, Syngenta and Sugarland and Fat Law have
8 already found other places to go. So I guess what we
9 come down to is then the acreage of Aloun Farms.
10 Can you tell us how much they're farming
11 there?

12 A They have about a little under a thousand
13 arable acres.

14 Q Okay. Now, could you tell us where is the
15 thousand arable acres that they would move to in upper
16 Kunia or the North Shore?

17 A You mean which of the --

18 Q I mean people tell us and our experts tell
19 us that there's no such land, that all the good land
20 is gone, there is no water, there is no that, you
21 can't do it. Okay?

22 So I'd like to know specifically what piece
23 of land we're talking about on the North Shore or in
24 upper Kunia is the land that you say you can move the
25 thousand acres of Aloun Farms to?

1 A Okay. A couple points. One, is that they
2 have been offered additional lands by Dole next to
3 their other property that they have leased. So you
4 can start there.

5 In terms of available land we're really
6 talking about how much land is going to be available
7 once the -- and useable, once the water
8 improvements -- excuse me, the improvements are made
9 to the Wahiawa Wastewater Treatment Plant.

10 So you have the R1 watery quality standards
11 and improvements to the distribution system. It
12 basically opens up all the mid and upper level fields
13 on the North Shore. Right now many of those fields
14 cannot be farmed because of either their R1 problem or
15 because of a distribution problem.

16 Once you make those improvements it just
17 opens up and incredibly large amount of farmland for
18 farming. And Dole does have land now that does not
19 need improvements, and they have offered it to Aloun
20 Farms.

21 Q And how much acreage is that, sir?

22 A The field that was offered I think is 325
23 acres.

24 Q All right. And what would we do about the
25 other 700 acres, roughly?

1 A It depends on what Aloun Farms wants to do.
2 They may decide that they want to go to intensive
3 farming of basically 500 acres which have placed
4 them -- they go from being the second largest farmer
5 in Hawai'i -- excuse me the second largest vegetable,
6 melon farmer in Hawai'i to being the second largest
7 vegetable and melon farmer in Hawai'i, even at around
8 500 acres. I'm not sure they would be No. 2 but they
9 could be considered large.

10 Or they may decide to expand their acreage
11 and go up and take advantage of the Dole offer, may go
12 up to 2,000 acres or more. It's really their
13 decision.

14 Q All right. So far you've told us Dole has
15 offered them 300 acres. Now you're saying they can go
16 up to 2,000 acres. Where is this 2,000 acres, please?

17 A Most of the land, the mid -- basically most
18 of the land's from here on up is available except for
19 some parcels in the middle used for pineapple.

20 Q Okay. And do those -- do those parcels have
21 water?

22 A Some have water. Some don't. Some of the
23 problems with the water is that it's an R1 water
24 system. It's part of the Wahiawa Wastewater -- excuse
25 me -- the Wahiawa Irrigation System. So the water's

1 rated R2 so it can't be used to grow vegetable crops.

2 Q Okay. Let's go for a second talk to the
3 Wahiawa Wastewater Treatment Plant. We have heard
4 testimony that this is going to be up to certification
5 R1 by 2112 October.

6 A That's the schedule that they have.

7 Q Very good. Now, isn't it true, though, that
8 they still need some kind of emergency backup disposal
9 system? And that usually this would be an injection
10 well which they would use for disposal? And isn't it
11 true that Wahiawa is ten miles north or south of the
12 Underground Injection Control Line?

13 And the Underground Injection Control Line
14 is the line that goes around the island. And below
15 that you can inject things into the underground but
16 above it you cannot?

17 Isn't it true that this wastewater treatment
18 plant is about 10 miles in any direction away from
19 that line and that they can't find a way to inject the
20 water into the ground and therefore they cannot solve
21 the problem?

22 MR. KUDO: I'm going to object. Counsel is
23 making argument again. And he's asserting facts not
24 in evidence. There's no basis for what he's saying.

25 CHAIRMAN LEZY: Dr. Dudley, please turn that

1 into a question.

2 MR. DUDLEY: Please what?

3 CHAIRMAN LEZY: Please make that a question.

4 DR. DUDLEY: I thought I was questioning.

5 MR. YEE: I think his problem is he's asking
6 multiple questions --

7 DR. DUDLEY: One question at a time.

8 Q Sir, is it true that the wastewater
9 treatment plant is going to need some kind of disposal
10 for emergency backup disposal?

11 A Not that I'm aware of.

12 Q Not that you're aware of. Okay.

13 A My understanding is that they'll have a --
14 just to clarify this, they're under an EPA mandate to
15 upgrade the wastewater treatment plant to an R1
16 standard. My understanding is that the final stage of
17 construction, the \$30 million improvement, will bring
18 that plant up to, basically result in a discharge
19 being rated R1 by the Department of Health.

20 Q What does the plant require in order to get
21 to be R1?

22 A I don't know the details of the plant. I
23 know they basically need to handle the storm surge.
24 That's the nature of the improvement.

25 Q What would they need to do in order to

1 handle this storm surge? They have to have some of
2 kind of emergency disposal for that?

3 A I don't know the particulars of the design
4 of the upgrade to the wastewater in the Wahiawa
5 Wastewater Treatment Plant.

6 Q I see. And what about the Schofield
7 Wastewater Treatment Plant? Aren't they suffering the
8 same problem in trying to become certified as R1?

9 A They're under the same mandate. And
10 supposedly they already are discharging R1 water.

11 Q Supposedly they've already got R1 water.

12 A My understanding is that that's their
13 position. I don't know if, you know, the status in
14 terms of approval.

15 Q I think there might be a question here on:
16 Is there a difference in your mind between having R1
17 clean water and being certified as R1?

18 A Is there a distinction?

19 Q Yes. In other words, could the plant have
20 R1 water and discharging R1 water, yet they can't get
21 the certification?

22 A I don't know the status of their
23 certification.

24 Q All right. Thank you. If it were true that
25 the wastewater treatment plant could not get certified

1 as R1, then we could technically, though, until they
2 could get it you could never really have this kind of
3 plant over in a place where it's going to be watered
4 by Lake Wilson water, is that correct?

5 A I think eventually they're going to get the
6 R1 certification because they're mandated to do it by
7 the federal government. So if it's not next year,
8 they're going to have to keep working at it until it's
9 certified.

10 Q Isn't it true with our sewer plant that
11 we're under EPA requirements also and it's going to
12 take 15, 20 years to get things done? I mean things
13 don't just happen overnight, right?

14 A They don't happen overnight, but Ho'opili is
15 not going to happen overnight either.

16 Q Okay. So Dole owns the land that we're
17 talking about. Is it being used for anything right
18 now?

19 A The Dole lands?

20 Q Yeah.

21 A Being leased -- just to clarify which Dole
22 lands are you talking about?

23 Q The lands that you're talking about where
24 the 325 acres, apparently, and 700 additional acres in
25 the same area that Aloun Farms could move to.

1 A Which? I was talking about two parcels.

2 I'm wondering which of the two you're referring to.

3 Q Well, why don't you tell us what's happening
4 on both of them? (laughter) I mean are they being
5 used? Are both being used now? Are both being used
6 for pineapple production?

7 A Okay. The one that's leased to Aloun Farms,
8 Aloun Farms is preparing the fields for planting. And
9 with soil amendments and standing irrigation systems.
10 The other field is fallow.

11 Q Okay. Thank you. And are these lands flat
12 or they on a slope?

13 A I think it has a gentle slope.

14 Q Okay. My counsel is suggesting I ask for a
15 recess for the day. Okay. The Chair's preference is
16 to try to get through things. We've accomplished a
17 fairly small amount today. But given that you've just
18 had surgery, because of Mr. Seitz's advanced age
19 (Laughter) and the fact that it is getting
20 uncomfortable in here, we will recess.

21 I thank everybody for their patience and for
22 pushing through. So we'll adjourn for the day and
23 reconvene tomorrow at 9:00 a.m. and we'll pick up with
24 Dr. Dudley's cross-examination. Thank you,
25 Mr. Plasch. (Proceedings adjourned at 5:35 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 17th day of November
2011;

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That the proceedings were taken down in
computerized machine shorthand by me and were
thereafter reduced to print by me;

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That the foregoing represents, to the best
of my ability, a true and correct transcript of the
proceedings had in the foregoing matter.

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DATED: This _____ day of _____ 2011

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HOLLY M. HACKETT, HI CSR #130, RPR
Certified Shorthand Reporter
--oo00oo--

