

1 LAND USE COMMISSION
2 STATE OF HAWAI'I
3 HEARING
4
5 A11-793 CASTLE & COOKE HOMES, HAWAII, INC.)
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8 TRANSCRIPT OF PROCEEDINGS

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10 The above-entitled matter came on for a Public Hearing
11 at Conference Room 204, 2nd Floor, Leiopapa A
12 Kamehameha, 235 S. Beretania Street, Honolulu,
13 Hawai'i, commencing at 9:40 a.m. on February 2, 2012
14 pursuant to Notice.

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

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COMMISSIONERS:
KYLE CHOCK (Vice-Chairman)
THOMAS CONTRADES
LISA M. JUDGE
CHAD McDONALD
JAYE NAPUA MAKUA
ERNEST MATSUMURA
NICHOLAS TEVES, JR.

EXECUTIVE OFFICER: ORLANDO DAVIDSON
ACTING CHIEF CLERK: RILEY HAKODA
STAFF PLANNERS: BERT SARUWATARI

DEPUTY ATTORNEY GENERAL: DIANE ERICKSON, ESQ.

AUDIO TECHNICIAN: HOTAI ZERBA

Docket No. A11-793 Castle & Cooke Homes, Hawai'i, Inc.

For the Petitioner: BENJAMIN MATSUBARA, ESQ.
CURTIS TABATA, ESQ.
WYETH MATSUBARA, ESQ.

For the County: DAWN TAKEUCHI-APUNA, ESQ.
Deputy Corporation Counsel
MICHAEL WATKINS

For the State: BRYAN YEE, ESQ.
Deputy Attorney General

For Intervenors The Sierra Club
and Senator Clayton Hee: ERIC SEITZ, ESQ.
SARAH DEVINE, ESQ.
DELLA BELATTI, ESQ.

For Makakilo Neighborhood Board:
RICHARD POIRIER
KAREN LOOMIS

1	I N D E X	
2	PUBLIC WITNESSES	PAGE
3	Ashley Ferreira	10
	Leonard Leong	12
4	Dr. Randall Suzuka	15
	Roy Doi	19
5	Anthony Aalto	22
	Lance Yoshimura	28
6		
7	DOCKET WITNESSES	PAGE
8	LAURA KODAMA	
9	Direct Examination by Mr. Matsubara	38
	Cross-Examination by Ms. Takeuchi-Apuna	63
10	Cross-Examination by Mr. Yee	67
	Cross-Examination by Mr. Poirier	71
11	Cross-Examination by Mr. Seitz	112
12	ANN BOUSLOG	
13	Direct Examination by Mr. Tabata	79
	Cross-Examination by Mr. Yee	80
14	Cross-Examination by Mr. Poirier	91
15	DON OLDEN	
16	Direct Examination by Mr. Matsubara	94
	Cross-Examination by Mr. Yee	99
17	Cross-Examination by Mr. Poirier	100
	Redirect Examination by Mr. Matsubara	128
18		
19	BRUCE PLASCH	
20	Direct Examination by Mr. Wyeth Matsubara	132
	Cross-Examination by Ms. Takeuchi-Apuna	145
21	Cross-Examination by Mr. Yee	146
	Cross-Examination by Mr. Poirier	151
22	Cross-Examination by Mr. Seitz	152
	Redirect Examination by Mr. Wyeth Matsubara	157
23		
24		
25		

1	I N D E X cont'd	
2		
3	DOCKET WITNESSES	PAGE
4	GARRET MATSUNAMI	
5	Direct Examination by Mr. Matsubara	175
	Cross-Examination by Mr. Yee	179
6	Cross-Examination by Mr. Poirier	187
	Cross-Examination by Mr. Seitz	188
7	Cross-Examination by Ms. Takeuchi-Apuna	192
8	GAIL RENARD	
9	Direct Examination by Mr. Tabata	194
10	Cross-Examination by Mr. Poirier	196
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 PRESIDING OFFICER CHOCK: Good morning. I'd
2 like to call the meeting of the State Land Use
3 Commission to order and start by taking a motion to
4 approve the minutes.

5 COMMISSIONER McDONALD: Approved.

6 COMMISSIONER JUDGE: Second.

7 PRESIDING OFFICER CHOCK: Moved by
8 Commissioner McDonald, second by Commissioner Judge.
9 All in favor? Opposed? Minutes are approved.
10 Tentative meeting schedule, Executive Officer
11 Davidson.

12 MR. DAVIDSON: Thank you, Chair. You have
13 the meeting schedule, again, filled in through the
14 first meeting in April. We're watching the Waimanalo
15 Gulch contested case hearing at the City Planning
16 Commission which may affect the schedule.

17 Also we will put a legislative briefing on
18 the next February 16 agenda as there are already a
19 number of bills affecting Chapter 205. As always, any
20 conflicts or questions contact Riley or myself. Thank
21 you.

22 PRESIDING OFFICER CHOCK: Thank you, Dan.
23 This is a hearing on Docket No. A11-793 to amend the
24 Agricultural Land Use District Boundary to the Urban
25 District for approximately 767.649 acres at Waipio and

1 Waiawa, island of O'ahu, state of Hawai'i. Will the
2 parties please identify themselves for the record.

3 MR. MATSUBARA: Good morning, Chairman
4 Chock, Commissioners. Benjamin Matsubara, Curtis
5 Tabata, Wyeth Matsubara on behalf of Castle & Cooke
6 Homes Hawaii, Inc. With us also is Laura Kodoma,
7 director of development and planning.

8 MS. TAKEUCHI-APUNA: Good morning. Deputy
9 Corporation Counsel Dawn Takeuchi-Apuna on behalf of
10 the Department of Planning and Permitting. Here with
11 me today is Mike Watkins.

12 MR. YEE: Good morning. Deputy Attorney
13 General Bryan Yee on behalf of the Office of Planning.

14 MR. POIRIER: Good morning. Dick Poirier of
15 Board No. 25 and with me this morning is Karen Loomis
16 who's going to be our alternate.

17 MR. SEITZ: Morning. Eric Seitz
18 representing Intervenor Clayton Hee and The Sierra
19 Club. And I have with me today my associates Della
20 Belatti and Sarah Devine. And as you may have been
21 told, I need to go out to the federal court probably
22 about quarter of 11 for a hearing. But my associates
23 will be here in my absence.

24 PRESIDING OFFICER CHOCK: Thank you very
25 much. Let me update the record relative to this

1 hearing. On December 1, 2011 the Commission granted
2 the Petitions to Intervene filed by the Sierra Club,
3 the Mililani/Waipio/Melemanu Neighborhood Board No. 25
4 and Clayton Hee. Also on the same day the Commission
5 received OP's Statement of Position.

6 On December 8 the Commission received DPP's
7 Statement of Position.

8 On January 9, 2012 the Commission received
9 Petitioner's Witness List, Exhibit List and
10 Exhibits 25 through 31; OP's Witness List, Exhibit
11 List in Exhibits 2 through 5 and 7 through 16.

12 Notice of Appearance of Eric Seitz for
13 Intervenor The Sierra Club and Senator Clayton Hee,
14 Intervenor Clayton Hee's Position Statement, proposed
15 Witness List and Exhibit A and proposed Exhibit H-1.

16 On January 10, 2012 the Commission received
17 DPP's List of Witnesses, List of Exhibits and
18 Exhibits 1 through 5.

19 On January 18 the Commission received
20 Petitioner's First Amended Witness List, First Amended
21 Exhibit List and Exhibits 32 through 52.

22 On January 19, the Commission received OP's
23 First Amended Witness List, First Amended Exhibit List
24 and Exhibits marked 5A through 6 and 17.

25 On January 20 the Commission received

1 written correspondence from Aloun Farms supporting the
2 Petition.

3 On January 24th the Commission received
4 written correspondence from Commissioner Ronald Heller
5 recusing himself from participating in this docket. A
6 copy of this e-mail has been provided to the
7 Commission and the parties.

8 On January 26, the Commission received
9 Intervenor Sierra Club's errata of Notice of
10 Appearance of Counsel filed January 9, 2012; Proposed
11 List of Exhibits, Proposed List of Exhibits and
12 Exhibits marked 1 through 16.

13 On January 27 the Commission received
14 Intervenor Sierra Club's Position Statement.

15 On February 1 the Commission received
16 written correspondence from Karen Nakamura for BIA
17 Hawai'i.

18 And on February 2, 2012 as of 7:30 a.m. the
19 Commission has received written correspondence from
20 Shannon Alivado, director of government relations,
21 General Contractors Association of Hawai'i.

22 Let me briefly run over our hearing
23 procedure for the day. First, we will have all
24 parties identify themselves for the record. I will
25 then give opportunity for the Petitioner to comment on

1 the Commission's policy governing reimbursement of
2 hearing expenses. I will then call for those
3 individuals desiring to provide public testimony for
4 this public hearing to identify themselves. All such
5 individuals will be called in turn to our witness box
6 where they will be sworn in.

7 After completion of the public testimony
8 portion of the proceedings staff will provide its map
9 orientation. After staff has provided its map
10 orientation I will give opportunity for the parties to
11 have admitted to the record their exhibits. After the
12 admission of exhibits to the record the Petitioner
13 will present its case.

14 Once Petitioner is completed with its
15 presentation they will be followed in turn by the city
16 and county of Honolulu, the State Office of Planning,
17 The Sierra Club, the Mililani/Waipio/Neighborhood
18 Board No. 25 and Senator Clayton Hee.

19 The Chair will also note for the parties and
20 the public that from time to time I will be calling
21 for short breaks. Are there any questions on our
22 procedure for today? (no response)

23 Good morning, Mr. Matsubara -- are there any
24 individuals desiring to provide public testimony on
25 this docket item? Please come forward.

1 Parties, are you okay with the policy
2 regarding the reimbursement?

3 MR. MATSUBARA: Familiar with the policy,
4 we'll abide by the policy, Mr. Chair.

5 MR. DAVIDSON: Chair, we have six
6 individuals signed up for public testimony. The first
7 is Ashley Ferreira followed by Leonard Leong, followed
8 by Dr. Randall Suzuka.

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

12 THE WITNESS: Yes.

13 PRESIDING OFFICER CHOCK: Name and address
14 for the record.

15 THE WITNESS: My name is Ashley Ferreira.
16 My address is 98-1891-D Ka'ahumanu Street, Aiea,
17 Hawai'i 96701.

18 PRESIDING OFFICER CHOCK: Proceed.

19 THE WITNESS: Thank you. Good morning,
20 Mr. Chairman and board members of the Commission. My
21 name is Ashley Ferreira and this is the third time
22 I've come to testify for this Project. The first time
23 I was a fifth grader attending Kipapa Elementary when
24 I presented my letter to the Neighborhood Board. The
25 second time I was a freshman attending Aiea High

1 School. And I come back with the same question as a
2 junior in high school: Where will I live?

3 Those past two times I testified I wasn't
4 completely sure about my future but now I am. I want
5 to be able to go off to college and hopefully have the
6 same opportunity like so many others here to buy a new
7 house in Central O'ahu.

8 So why not give us, the future of Hawai'i
9 the chance and opportunity and a choice of where to
10 live? But why Koa Ridge may you ask? For one: I'm
11 fifth generation to have grown up and lived in Central
12 O'ahu.

13 Two, I want to be close to my family since
14 majority of my relatives do reside in Central O'ahu.

15 And, three, hopefully be able to work within
16 my community. From experience of growing up in a
17 Castle & Cooke-built community I know when I decide to
18 start a family I want to grow up in the same type of
19 safe, warm and friendly community.

20 So I ask: Will I have the same community?
21 Will I have a choice of where I will spend my life
22 living? Only you can approve this Project for the
23 children of Hawai'i, the future leaders. So please
24 let the Project go forward so we can have a chance to
25 live in a well planned community. Thank you.

1 PRESIDING OFFICER CHOCK: Parties, any
2 questions?

3 MR. MATSUBARA: No questions.

4 PRESIDING OFFICER CHOCK: Ashley, thank you
5 for your testimony.

6 MR. DAVIDSON: Leonard Leong followed by
7 Dr. Randall Suzuka.

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

11 THE WITNESS: I do.

12 PRESIDING OFFICER CHOCK: Name and address
13 for the record.

14 THE WITNESS: My name is Leonard Leong. My
15 address is 677 Ahua Street, Honolulu, Hawai'i 96819.
16 Mr. Chairman and members, my name is Leonard Leong and
17 I am an employee of Royal Contracting.

18 You will receive much testimony or have been
19 receiving testimony in regards to land use, traffic,
20 job creation, and other relevant factors in your
21 important decisions concerning Koa Ridge.

22 I would like to, however, speak on the
23 character, integrity and my overall impression of
24 Castle & Cooke Homes Hawai'i.

25 Royal Contracting has been in business for

1 over 50 years. We have worked for many developers.
2 Castle & Cooke ranks in the top three of the best home
3 builders to work for, in our opinion.

4 As a union contractor we appreciate the fact
5 that they are willing to pay the higher prices for
6 work to be done by trained and professional workers.
7 Should there be a change in plans they're upfront and
8 negotiate fairly for all extra costs or credit.

9 Their schedules are usually fast tracked and
10 perhaps this may be their reason to use trained and
11 professional workers. Since their schedules are
12 demanding, projects are completed on time. This
13 reduces impact on neighbors that have concerns with
14 construction activities.

15 Their concern for neighbors is a factor that
16 we all find rewarding. They want us to control the
17 dust, minimize noise, control erosion, and minimize
18 impact to traffic.

19 All developers share these same concerns but
20 only some will share the expense. Castle & Cooke
21 Homes is one of the developers that is willing to
22 share the cost. They are also willing to meet with
23 neighbors if there are major concerns or complaints.

24 The fact that they will "go with contractor"
25 and discuss concerns is an example of their concern

1 and willingness to talk the talk and walk the walk.
2 They will take full responsibility for all aspects of
3 their projects.

4 Land development is subject to many
5 regulations. And in building their projects Castle &
6 Cooke Homes Hawai'i has always been in support of
7 following government regulations. Projects will not
8 start without proper permits or inspection.

9 We enjoy working in this manner since it
10 helps to improve the quality of construction, avoid
11 payments of fines and, more important, it eliminates
12 having a project sit idle while an additional
13 permitted is obtained.

14 Castle & Cooke Homes Hawai'i is a morally
15 responsible organization. By their action and our
16 business dealings I feel that the future homeowners
17 that Castle & Cooke sell to and other related
18 customers will be treated fairly and with respect.

19 Royal Contracting has been asked and paid
20 for corrections to sidewalks, and driveways that may
21 have been damaged after our project completion by
22 homeowners building rock walls, other improvements and
23 landscaping.

24 Castle & Cooke Hawai'i is proud of their
25 development and spends the time and effort to satisfy

1 or resolve their customers' complaint or concerns.

2 Castle & Cooke is a locally managed company and their
3 senior management style is local.

4 This is the type of company that we want in
5 Hawai'i for the long term. Based on our experience
6 with their people we ask that you approve their
7 request for Koa Ridge.

8 On a personal note I would like to add that
9 I would have no reservations in telling my children
10 "yes" if they asked about buying a home at Koa Ridge.
11 Thank you.

12 PRESIDING OFFICER CHOCK: Parties, any
13 questions?

14 MR. MATSUBARA: No questions.

15 PRESIDING OFFICER CHOCK: Commissioners?
16 Thank you for your testimony, Mr. Leong.

17 MR. DAVIDSON: Dr. Suzuka followed by
18 Anthony Aalto.

19 DR. RANDALL SUZUKA
20 being first duly sworn to tell the truth, was examined
21 and testified as follows:

22 THE WITNESS: I do.

23 PRESIDING OFFICER CHOCK: Name and address
24 for the record.

25 THE WITNESS: Randall Suzuka. 95-1091

1 Kualapa Street, Mililani, Hawai'i 96789. Chairman,
2 members of the Land Use Commission, my name is Randall
3 Suzuka and I testify in favor of Castle & Cooke's
4 application to amend the Agricultural Land Use
5 District Boundary of Koa Ridge Makai and Waiawa
6 development into the Urban District.

7 I have been a Mililani resident for almost
8 26 years, a family physician in Haleiwa and Mililani,
9 Chairman of the Board of Wahiawa General Hospital,
10 Chairman of the Board of the Central O'ahu Physician
11 Hospital Organization.

12 Your decision in favor of Koa Ridge will be
13 the single most important decision to improve
14 healthcare in Central O'ahu over the next 50 years.
15 The Koa Ridge Medical Center will provide the acute
16 and long-term care beds needed to care for growing
17 and aging population.

18 It will provide an essential component to
19 attracting physicians into the area and will provide
20 an employment center and center for service that will
21 help mitigate traffic gridlock on the H-1/Pearl City
22 corridor.

23 The primary service area for the Koa Ridge
24 Medical Center is Kahuku, Waialua, Haleiwa, Wahiawa,
25 Mililani, Waipahu and Kunia. The population of this

1 service area and of West O'ahu is the most rapidly
2 growing area on O'ahu.

3 Koa Ridge will accommodate the 100 to 120
4 acute care beds that will be needed to care for this
5 population. And this assumes that someone will reopen
6 HMC West.

7 At the present time we note that HMC is
8 closed which puts an even bigger burden for healthcare
9 services on this side of the island. So the 100 to
10 120 beds assumes that someone will reopen HMC West in
11 the future.

12 And we still need 100 to 120 acute care
13 beds. The aging facilities at Wahiawa General
14 Hospital has made it difficult to retain and recruit
15 physicians to the area. Central O'ahu has two-thirds
16 of the national average of physicians per 10,000
17 population.

18 In 2002 when I testified at the Land Use
19 Commission the Central O'ahu Physicians Organization
20 had almost 80 physician members. At the present time
21 we have half of that number.

22 The location of Koa Ridge new facilities and
23 technology, new technology and the availability of
24 well-located office space will help in increasing the
25 physician workforce in Central O'ahu. The medical

1 facilities at Koa Ridge are estimated to create
2 approximately 1,000 jobs. As an employment center
3 many people will be taking the offramp at Ka Uka
4 Boulevard instead of continuing to Honolulu on the
5 H-1/Pearl City corridor.

6 In addition, many, although not all of my
7 patients, will be able to get their diagnostic and
8 therapeutic treatments at Koa Ridge. The population
9 over 65 years of age is estimated to increase over
10 50 percent between 2010 and 2025.

11 As my patients get older they have less
12 desire to drive and are more apprehensive about
13 driving on the freeway.

14 On behalf of my patients and the physicians
15 of Central O'ahu I thank you for this opportunity to
16 testify and ask for your favorable consideration of
17 this critically important amendment.

18 PRESIDING OFFICER CHOCK: Thank you for your
19 testimony. Parties, any questions?

20 MR. MATSUBARA: No questions.

21 PRESIDING OFFICER CHOCK: Commissioners?

22 MR. SEITZ: Excuse me. I have some
23 questions.

24 PRESIDING OFFICER CHOCK: Senator Hee.

25 MR. SEITZ: I'm not Senator Hee.

1 (Laughter). Let me just ask you preliminarily I was
2 going to ask these questions of Don Olden when he
3 testifies. Are there any areas of your testimony that
4 he won't be able to respond to when he's provided?

5 THE WITNESS: I believe Don will be able to
6 answer all of the -- anything related to my testimony.

7 MR. SEITZ: Okay. Then I'll pass the
8 witness. Thank you.

9 PRESIDING OFFICER CHOCK: Commissioner
10 Teves.

11 COMMISSIONER TEVES: Thank you, Dr. Suzuka.
12 I have a question. Will this new Koa Ridge Medical
13 Center have 24-hour emergency services?

14 THE WITNESS: Yes. If there is a medical
15 center it will have 24-hour emergency services.

16 COMMISSIONER TEVES: Full services.

17 THE WITNESS: Full services.

18 COMMISSIONER TEVES: Thank you.

19 PRESIDING OFFICER CHOCK: Commissioners, any
20 other questions? Thank you for your testimony.

21 MR. DAVIDSON: Roy Doi followed by Anthony
22 Aalto followed by Lance Yoshimura.

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

1 THE WITNESS: I do.

2 PRESIDING OFFICER CHOCK: Name and address
3 for the record, please.

4 THE WITNESS: My name is Roy Doi. My
5 address is 95-1045 Kuahewa Street, Mililani. Thank
6 you very much for permitting me to testify before you.
7 I'm testifying in support of the request for zoning
8 change from agriculture to urban.

9 I'm the Chair of the Wahiawa Hospital
10 Association. I was president of the association. And
11 we strongly support this Project. Of course, as
12 Dr. Suzuka just before me testified, basically we
13 need to have more medical services in Central O'ahu,
14 especially with the demise of HMC West, what's gonna
15 replace it? Nobody's for sure. We don't think it's
16 gonna be as big as HMC West was.

17 So the medical services in Central O'ahu
18 right now is in dire need. And we feel that the
19 medical park that's within the Castle & Cooke Project
20 will greatly, greatly help with that need.

21 Now putting that aside, that's my Wahiawa
22 Hospital Association speech. I have another speech
23 that's a little bit more personal. And this one is
24 based on Castle & Cooke. Castle & Cooke as a
25 developer: From the years 1998 to about 2001 I was

1 the Chair of the Neighborhood Board 35, Mililani
2 Mauka, Laulani Valley Neighborhood Board. And I had
3 to deal a lot with Castle & Cooke because Castle &
4 Cooke's Mililani Mauka project, the last big project
5 they finished, a hundred percent of the project was
6 within our Neighborhood Board.

7 Our Neighborhood Board was made up of
8 85 percent of the project. So we almost had to deal
9 with Castle & Cooke. And I have to tell you
10 personally I found it -- I was surprised the responses
11 we got from Castle & Cooke. We didn't always get what
12 we wanted, but we got a lot of what we wanted.

13 They listened to our concerns. Some of the
14 concerns we had was dealing with stop lights, when
15 they come in, where the service stations were going to
16 be built in Mililani Mauka, et cetera. Some of the
17 things we got. Some of the things we didn't. But all
18 of 'em Castle & Cooke was willing to sit down with us
19 and discuss it.

20 On a personal note I want to tell you we
21 were trying to build the medical park or trying to get
22 people to come in and help us build the medical park.

23 I have to tell, you know, this delaying
24 zoning and things like that really hurt the process of
25 trying to get somebody to come in and help develop the

1 medical project. You folks need to decide now and it
2 needs to be in favor of Castle & Cooke. Thank you
3 very much.

4 PRESIDING OFFICER CHOCK: Thank you.
5 Parties, any questions?

6 MR. MATSUBARA: No questions.

7 PRESIDING OFFICER CHOCK: Commissioners?
8 Thank you for your testimony.

9 MR. DAVIDSON: Anthony Aalto followed by
10 Lance Yoshimura.

11 ANTHONY AALTO

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

14 THE WITNESS: I do.

15 PRESIDING OFFICER CHOCK: Name and address
16 for the record, please.

17 THE WITNESS: My name is Anthony Aalto, 3946
18 Lurline Drive, Honolulu, 96816.

19 PRESIDING OFFICER CHOCK: Please proceed.

20 THE WITNESS: Thank you, Vice-Chair Chock
21 and Members of the Commission. You've seen me before
22 and I've thanked you before. But I do it again
23 because when I joined the Sierra Club I never thought
24 I was going to be sitting in this room testifying as
25 many times as I have been. I'm not sure if you knew

1 you were gonna be sitting here as much as you have
2 been and are going to on these issues.

3 The U.S. Department of Department of
4 Agriculture came out with its latest numbers recently.
5 They informed us that we now import 90 to 92 percent
6 of everything that we eat in Hawai'i. As you know, up
7 until now in these hearings, in these proceedings,
8 we've been using the number of 85 percent. It turns
9 out that we were being wildly over optimistic.

10 We live in the most remote city on earth. I
11 don't know anybody, and I doubt there's anybody in
12 this room who doesn't think that that's crazy. It's
13 not sustainable.

14 Now, some may ask: What is the relevance of
15 that statistic to these proceedings? In 1978 at the
16 constitution convention there was a great deal of
17 concern about the rapid pace of which our best
18 farmlands were being paved over. And there was a
19 great concern about our ability to feed ourselves.
20 And that was the reason that above all else, was the
21 reason that the Land Use Commission was created.

22 The land use that they were most
23 specifically concerned about was farmland and the
24 assuring our ability to feed ourselves. But
25 unfortunately previous Land Use Commissions failed for

1 whatever reason -- it's not a question of assigning
2 personal blame, but pressures were what they were --
3 but whatever reason they were unable to stem the
4 sprawl of suburbs over our best agricultural lands.

5 Since the Land Use Commission was created
6 huge swathes of our best farmland has been developed.
7 Indeed since statehood over 53 percent of our best
8 farmlands have been paved over.

9 And in that time we've gone from growing, as
10 you've heard many times before, we've gone from going
11 about 50 percent of our food to less than 10 percent.

12 Now, the biggest estate owners in Hawai'i
13 will tell you that if we try to change the development
14 plans that they have put together, we will be
15 trampling on their property rights. And that's wrong.
16 In fact the very concept of a Land Use Commission
17 means that landowners don't have an automatic right to
18 develop.

19 Indeed, your role is to control and direct
20 development to ensure that it conserves our best
21 farmland. And these lands at Koa Ridge are some of
22 our best farmlands.

23 David Murdock, who it bears saying, is one
24 of the 2000 richest men on the planet and whose very
25 well qualified team is here to defend his plans, he

1 will tell you this is all about jobs and housing. But
2 those items aren't mentioned in Article 11 of the
3 constitution. What are mentioned are conservation and
4 self-sufficiency.

5 So if this Project goes ahead our food
6 production will again drop from what? From 8 to
7 10 percent to 5 to 4 percent?

8 Let me just quickly address two other
9 issues. The first is traffic. As you know we oppose
10 Ho'opili. We oppose it for many reasons, but we do
11 believe that if the worse comes to the worse it might
12 be possible to build a train through the Honouliuli
13 farmlands without turning it to suburb. And I won't
14 get into those arguments today.

15 But Koa Ridge makes no pretence to be
16 anywhere near a mass transit system. That means that
17 if you commit this Project, one of the largest new
18 housing developments that we will see on this island
19 this century, to go ahead, it will be nowhere near the
20 \$6 billion infrastructure investment, the largest ever
21 infrastructure investment that we will make in this
22 state. And I ask you: Is that smart land use?

23 The traffic impacts can never be mitigated.
24 Even if the train is built it will never go to
25 Mililani because the grades are too steep. That means

1 that an additional 10,000 cars a day will hit H-2 as a
2 result of this Project.

3 Everyone in this room knows what that will
4 do to commutes. Everybody in this room drives on H-2
5 at some time or other.

6 The issues concerns our biggest industry.
7 If you talk to the most senior members of our hotel
8 industry like Ernie Nishizaki the chief operating
9 officer of Kyo-ya Starwood Hotels, they will tell you
10 that tourists number one complaint is suburban sprawl.

11 The tourists can't believe that to get from
12 Waikiki to the North Shore they have to drive through
13 a single continuous sprawl of connovation. It's not
14 what they pay for when they come to Hawai'i. And it
15 is undermining our biggest attraction and our major
16 employer. And this Project will simply make that
17 nightmare worse.

18 So if we are talking about jobs, this
19 Project ultimately in the long run, will undermine
20 jobs.

21 Finally, there are lands that the state owns
22 that it wants to develop that are zoned for
23 development where it needs developers. Some of these
24 lands are even in and close to Waikiki.

25 Hawaii Administrative Rule 15-15-57 states

1 that "Lands in intensive agricultural use for two
2 years prior to the date of filing of a petition shall
3 not be taken out of the Agricultural District unless
4 the Commission finds either that the action will not
5 substantially impair actual or potential agricultural
6 protection in the vicinity of the subject property
7 that it is reasonably necessary for urban growth."

8 I suspect there may be some arguments that
9 it's reasonably necessary for urban growth. That is
10 not true. There are lands available in the
11 traditional urban core zoned for development waiting
12 to be developed. Perhaps Mr. Murdock would have to
13 take a slightly smaller profit if he were to develop
14 in the urban core but those lands are available.

15 So if you kill off this Project once and for
16 all perhaps Mr. Murdock and his team of very
17 well-qualified attorneys here might finally be
18 encouraged to put the development back where it
19 belongs in the urban core. Thank you for your time.

20 PRESIDING OFFICER CHOCK: Thank you for your
21 testimony. Parties, any questions?

22 MR. MATSUBARA: No questions.

23 PRESIDING OFFICER CHOCK: County?

24 MS. TAKEUCHI-APUNA: Mr. Aalto, which lands
25 are you referring do in the urban core?

1 THE WITNESS: There are lands in Kaka'ako.
2 There are lands in Waikiki. There are schools that
3 are slated for development. I'm not going to go into
4 the details of that. I suspect you know better than I
5 do.

6 MS. TAKEUCHI-APUNA: Okay. I was just
7 curious what is your professional background? What is
8 your profession?

9 THE WITNESS: I'm a journalist.

10 MS. TAKEUCHI-APUNA: A journalist. Okay.
11 And so you are a Sierra Club member.

12 THE WITNESS: That's correct.

13 MS. TAKEUCHI-APUNA: Thank you.

14 PRESIDING OFFICER CHOCK: OP, questions?

15 MR. YEE: No questions.

16 PRESIDING OFFICER CHOCK: Parties?

17 Commissioners, any questions? Thank you for your
18 testimony.

19 MR. DAVIDSON: Chair, the last signed up
20 witness is Lance Yoshimura.

21 LANCE YOSHIMURA
22 being first duly sworn to tell the truth, was examined
23 and testified as follows:

24 THE WITNESS: Yes, I do.

25 PRESIDING OFFICER CHOCK: Name and address

1 for the record.

2 THE WITNESS: Lance Yoshimura, 95-1043 Auahi
3 Street, Mililani, Hawaii 96789. Anyway, I've been a
4 resident of Mililani Mauka for close to 20 years now.
5 And it all started with a dream of my wife first
6 dreamt it -- well, and I bought into it that she
7 wanted to live in Mililani. And we ended up living
8 there, raising our three kids there. And it's a
9 wonderful community.

10 If past testifiers can back me on this that
11 raising kids there are wonderful. My son played for
12 the high school team from playing Little League there.
13 My daughter played for the high school soccer team
14 from playing AYSO there.

15 I don't wanna put any other community down
16 but for me it's one of the best communities out in the
17 state. It's wonderful. And to have that dream come
18 true, like some of the people who were testifying
19 against the Project, they had their dream come true
20 four years ago when Castle & Cooke first built in
21 Mililani.

22 So having my dream come true was wonderful.
23 So one day I sat down and my oldest son, I asked him,
24 "What is your dream? What do you wanna do?" He wants
25 to be successful in business. But he also wants to

1 live close to Mililani or near Mililani 'cause
2 Mililani's built out already so it would be in Waipio
3 where Koa Ridge is.

4 And I want him to see his dream come true
5 because it's all about family. I'm getting older and
6 soon will retire hopefully. But he'll raise a family,
7 have kids. And I'm going to end up babysitting,
8 helping. You know the 'ohana system in Hawai'i is we
9 babysit our kids' kids and so forth and so on. And to
10 me that's very personal having family ties like that.

11 Because when you have family living in
12 Hawai'i Kai or your son lives in Hawai'i Kai and you
13 live in Mililani, you hardly see them around. You
14 might see them maybe once a month, twice a month. But
15 that's not how it should be. It should be that we
16 should see each other at least once a week or on a
17 daily basis because we're family.

18 And to bring my story full circle, several
19 years back I had my mom and my dad move back to
20 Mililani, Olaloa Community, it's a senior community
21 housing, and to be close to me and to take care of
22 them. They're getting quite old in their age.
23 Actually what's good about it is I had time to spend
24 with my dad, quality time, before he passed away,
25 excuse me. Last year November he died.

1 So it was good for me to be close to him and
2 not having him far away where I couldn't see him that
3 much, and had the time to care for him because my mom
4 ended up being a daily care giver. And she's going to
5 be 90 next month. So it affords me that family
6 tradition of having her close to me. So when the time
7 comes when she needs my help I'll be there. Thank
8 you.

9 PRESIDING OFFICER CHOCK: Hang on,
10 Mr. Yoshimura, in case there's any questions.
11 Parties, any questions?

12 MR. MATSUBARA: No questions.

13 PRESIDING OFFICER CHOCK: Mr. Seitz?

14 MR. SEITZ: Sir, what kind of work do you
15 do?

16 THE WITNESS: I'm a member of the Carpenters
17 Union for 39 years.

18 MR. SEITZ: And customarily when you're
19 employed do you drive on H-2 to drive into town?

20 THE WITNESS: I drive to town every day.

21 MR. SEITZ: And do you think that the
22 addition of the vehicles that would be associated with
23 this further development is gonna make your drive more
24 pleasant?

25 THE WITNESS: Actually the drive doesn't

1 bother me at all.

2 MR. SEITZ: How about your neighbor who you
3 talk to, the people who are stuck in that traffic
4 going and coming every single day? Would you agree
5 with me that many of them are already exacerbated
6 about the traffic conditions?

7 THE WITNESS: Well, I'm was -- I'm a former
8 member of the Mililani Mauka Neighborhood Board since
9 2003. Actually our community supported -- I don't
10 speak for every member of our community, not the whole
11 board, but our board voted in support of the Project.

12 So I think it's not an issue for them at
13 that point when they voted for it.

14 MR. SEITZ: It's not an issue, perhaps, for
15 the members of the board. But do you not agree that
16 this is an issue for many people who live out there
17 who are just simply exacerbated by the existing
18 traffic?

19 THE WITNESS: I think it is, as well as the
20 economy is an issue too.

21 MR. SEITZ: Okay. Now, do you also -- you
22 heard the prior witness testify about the need and the
23 desires of people statewide, not just in Central
24 O'ahu, but statewide, to be able to provide our food
25 grown here locally so we're not dependent upon food

1 coming in from elsewhere. Did you hear that
2 testimony?

3 THE WITNESS: Yes. I'm not an expert in
4 farming, but from what I gather there's a lot of
5 farming land available in the state.

6 MR. SEITZ: Do you agree, however, that it
7 is important to expand the production of food grown
8 here to be able to have local sources of food for you
9 and your family and your kids and your grandkids?

10 THE WITNESS: I think there's enough land to
11 do it yes. And we should expand.

12 MR. SEITZ: Thank you.

13 PRESIDING OFFICER CHOCK: Commissioners, any
14 questions? Thank you for your testimony,
15 Mr. Yoshimura.

16 THE WITNESS: Thank you.

17 PRESIDING OFFICER CHOCK: Is there anyone
18 else in the audience wishing to testify at this time
19 please come forward. (pause) Okay. Having no more
20 testifiers we'll have staff now proceed to orient the
21 Commission to the map on the Project.

22 MR. SARUWATARI: Okay. Staff has prepared a
23 Land Use Commission map No. 1 which is a GIS composite
24 of several of the USGS quadrants. The Petition Area,
25 which is shown in yellow, is actually on the Waipahu

1 quadrangle.

2 The Petition Area is composed of two
3 development areas. The first is the approximately 576
4 Koa Ridge Makai area. The second is the approximately
5 191-acre Waiawa development area.

6 The Koa Ridge Makai area is bounded on the
7 west by Kipapa Valley or Kipapa Stream and on the east
8 by the H-2 Highway or Freeway. And the Waiawa
9 development area is immediately north and adjacent to
10 the Waiawa Ridge Development that was approved by the
11 Land Use Commission in the late 1980's. Panakauahi
12 Gulch separates the two development areas. That
13 concludes my orientation.

14 PRESIDING OFFICER CHOCK: Okay. Thank you,
15 Bert. Mr. Matsubara, please describe your exhibits
16 which you'd like to have admitted for the record.

17 MR. MATSUBARA: Thank you, Mr. Chair. We
18 have submitted and filed with the Commission an
19 Exhibit List that describes 52 exhibits we would like
20 to admit in this proceeding. We have served all the
21 parties copies of the exhibits we have submitted to
22 you and would ask that those exhibits be admitted.

23 PRESIDING OFFICER CHOCK: Parties, any
24 objections?

25 MS. TAKEUCHI-APUNA: No objection.

1 MR. YEE: No objection.

2 MR. SEITZ: No objection.

3 PRESIDING OFFICER CHOCK: Commissioners?
4 Hearing none, Petitioner's exhibits are admitted to
5 the record. County, please describe your exhibits
6 which you'd like to have admitted.

7 MS. TAKEUCHI-APUNA: Thank you. DPP wishes
8 to have admitted Exhibits numbered 1 through 5.

9 PRESIDING OFFICER CHOCK: Parties, any
10 objections?

11 MR. MATSUBARA: No objection.

12 MR. YEE: No objection.

13 PRESIDING OFFICER CHOCK: Sierra Club?

14 MR. SEITZ: No objection.

15 PRESIDING OFFICER CHOCK: Commissioners?
16 Hearing none, City and County of Honolulu's exhibits
17 are admitted for the record. Mr. Yee.

18 MR. YEE: The Office of Planning wishes to
19 introduce Exhibits 1 through 4, 5A and 6 through 17.
20 You'll note that we revised our map so we withdrew
21 Exhibit 5.

22 PRESIDING OFFICER CHOCK: Parties, any
23 objections?

24 MR. MATSUBARA: No objections.

25 PRESIDING OFFICER CHOCK: County?

1 MS. TAKEUCHI-APUNA: No objections.

2 PRESIDING OFFICER CHOCK: Mililani

3 Neighborhood Board?

4 MR. POIRIER: Yes, we would like admitted --

5 PRESIDING OFFICER CHOCK: No, any objections

6 to the --

7 MR. POIRIER: No objection. Sorry.

8 MR. SEITZ: No objection.

9 PRESIDING OFFICER CHOCK: Commissioners?

10 Mr. Seitz, go ahead.

11 MR. SEITZ: We have offered Exhibits 1

12 through 16 on behalf of Sierra Club which I understand

13 are exhibits that were previously offered in the

14 earlier Petition and were admitted. In addition to

15 that we are seeking to add one exhibit on behalf of

16 Senator Hee which is marked H-1.

17 PRESIDING OFFICER CHOCK: Parties, any

18 objections?

19 MR. MATSUBARA: No objections, Mr. Chair.

20 MS. TAKEUCHI-APUNA: No objection.

21 MR. YEE: No objection.

22 PRESIDING OFFICER CHOCK: Mililani

23 Neighborhood Board, any objections?

24 MR. POIRIER: No.

25 PRESIDING OFFICER CHOCK: Okay.

1 Commissioners? Hearing none, the exhibits are
2 admitted. Mr. Poirier, your list of exhibits.

3 MR. POIRIER: Yes. We would like to admit
4 our list of witnesses, our list of Exhibits Nos. 1
5 through 19 which includes our position statement.

6 PRESIDING OFFICER CHOCK: Okay. Parties,
7 any objections?

8 MR. MATSUBARA: No objections.

9 MS. TAKEUCHI-APUNA: No objection.

10 MR. YEE: No objection.

11 MR. SEITZ: No objections.

12 PRESIDING OFFICER CHOCK: Commissioners?
13 Hearing none your exhibits are admitted for the
14 record. Mr. Matsubara, proceed at this time.

15 MR. MATSUBARA: Mr. Chairman, our first
16 witness will be Laura Kodama but we have a PowerPoint
17 presentation. Could I ask for a few minutes' recess
18 while we set it up?

19 PRESIDING OFFICER CHOCK: Sure. We'll take
20 a five-minute recess in place.

21 MR. MATSUBARA: Thank you very much.

22 (Recess in place was held.)

23 PRESIDING OFFICER CHOCK: Okay.
24 Mr. Matsubara, please proceed.

25 MR. MATSUBARA: Thank you, Mr. Chair. As a

1 housekeeping matter Mr. Seitz indicated earlier he
2 will have to leave for federal court. So in the event
3 we don't get to his cross-examination we are willing
4 to permit him to do that when he returns.

5 MR. SEITZ: Thank you.

6 MR. MATSUBARA: Our first witness is --

7 PRESIDING OFFICER CHOCK: I'm sorry, go
8 ahead.

9 MR. MATSUBARA: -- is Laura Kodama,
10 Mr. Chair.

11 LAURA KODAMA

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

14 THE WITNESS: Yes.

15 PRESIDING OFFICER CHOCK: Name and address.

16 THE WITNESS: My name is Laura Kodama. And
17 our address is 680 Iwilei, Honolulu, Hawai'i 96817.

18 MR. MATSUBARA: We just moved recently,
19 Mr. Chair. That's the reason why the address is not
20 at everybody's fingertips.

21 Q Ms. Kodama, you're the director of planning
22 and development for Castle & Cooke Homes Hawai'i?

23 A Yes. Yes, I am.

24 Q Pursuant to my request you've prepared
25 written testimony that includes your curricula vitae

1 and a PowerPoint presentation which we have marked as
2 Petitioner's Exhibit 32; is that correct?

3 A That is correct.

4 Q The area of expertise you have relates to
5 planning and development, land use and environmental
6 impact, is that correct?

7 A Yes, that is correct.

8 Q I note from your curricular vitae that's
9 attached you have been with Castle & Cooke
10 approximately 18 years?

11 A That is correct.

12 Q You don't look that old but... (laughter)
13 would you provide us a brief overview of what your
14 responsibilities and duties have been at Castle &
15 Cooke Homes Hawai'i during that time period?

16 A Yes. My current responsibilities at Castle
17 & Cooke as director of planning and development are to
18 oversee the land planning and entitlements of our
19 Master Planned developments of Koa Ridge and Waiawa.

20 As Mr. Matsubara mentioned I started there
21 18 years ago as a project analyst, analyzing Castle &
22 Cooke's central O'ahu lands.

23 That analysis required an understanding of
24 land use policies and approvals. From that position I
25 moved into our residential operations side of Castle &

1 Cooke where my responsibilities included planning and
2 design of residential developments with my development
3 through site development, construction of prototype
4 homes and delivery of the residences.

5 I progressed into my current position where
6 my focus is land use and entitlements. As I've
7 overseen in addition to Master Planned developments
8 special projects and acquisitions.

9 Q Now, prior to this 18 years at Castle &
10 Cooke you were at KG Hawaii for seven years?

11 A That is correct.

12 Q Is KG Hawai'i one of the owners and
13 developers of what's referred to as West Beach now
14 known as Ko Olina?

15 A That is correct.

16 Q So you have been involved in the planning
17 and development for approximately 25 years?

18 A Yes.

19 MR. MATSUBARA: Thank you. Mr. Chair, I'd
20 like to have Ms. Kodama admitted as an expert in
21 planning development and land use and environmental
22 impact.

23 PRESIDING OFFICER CHOCK: Parties, any
24 concerns, objections?

25 MS. TAKEUCHI-APUNA: No objection.

1 MR. SEITZ: No objections.

2 MR. POIRIER: No objection.

3 MR. YEE: No objection.

4 MR. MATSUBARA: Thank you very much.

5 Ms. Kodama, you've been admitted as an expert.

6 THE WITNESS: Thank you.

7 Q (Mr. Matsubara): Could you briefly
8 summarize for the Commission and actually provide the
9 PowerPoint presentation you have for them in regard to
10 our proposed Project?

11 A Yes, I will. I just want to, first of all,
12 apologize for facing my back to some of you as well as
13 I do have a throat lozenge in my mouth 'cause I'm not
14 wanting to cough. I'm fighting a cold. That being
15 said I'll start.

16 As I mentioned earlier I am director of
17 planning and development for Castle & Cooke. With
18 that my responsibilities are planning the Master
19 Planned developments and associated entitlements.

20 In presenting the Koa Ridge Makai and Waiawa
21 development I will be providing an overview of Castle
22 & Cooke, a brief background on our Koa Ridge
23 development, our conceptual plan, the major impacts,
24 the incremental development plan and Land Use
25 Commission urban standards.

1 Ann Bouslog of Mikiko Corporation will be
2 speaking to the real estate market assessment and
3 economic impacts.

4 Don Olden, was the CEO of Wahiawa General
5 Hospital, will present the medical center. And then
6 expert witnesses will be speaking to their respective
7 technical studies.

8 Castle & Cooke Homes Hawai'i has been
9 planning and building communities for over 50 years.
10 We are a land developer and home builder. We have
11 built communities in Mililani, Royal Kunia, Whitmore
12 Village, Waikele, Hawai'i Kai and Makakilo and
13 Kapolei.

14 Today Castle & Cooke maintains balance
15 through diversification with our residential
16 developments, commercial operation such as Dole
17 Cannery, an ag commercial operation at Dole
18 Plantation. We've developed a high-tech park at
19 Mililani.

20 We have resorts on Lana'i, an aviation
21 operation in Honolulu and renewable energy on O'ahu
22 and on Lana'i where we have built the largest solar
23 farm in Hawai'i.

24 Castle & Cooke developed Mililani, Hawai'i's
25 first master planned community. Forty years after the

1 first residents moved in, Mililani has become a highly
2 desirable and highly successful community. Through
3 its tree-lined streets, well-kept homes, active parks
4 with busy town center there's a strong sense of
5 community there.

6 It is home to more than 50,000 residents and
7 over 16,000 homes including families and second and
8 third generation Mililani residents who have
9 progressed through ownership of multiple Mililani
10 homes as they've prospered and grown.

11 Castle & Cooke Homes Hawai'i is a landowner
12 and master developer of Koa Ridge Makai and Waiawa.
13 This area shows the Petition Areas. You have been
14 given an orientation as far as H-2 Freeway, but just
15 to refresh you, this is H-2 Freeway here, Kamehameha
16 Highway to the west, to the south Ka Uka.

17 Other notable landmarks are the Waipio
18 Costco, which is right across the street and Tony
19 Autoplex.

20 Koa Ridge is surrounded by communities that
21 are either existing or planned. So we've got here
22 Pearl City, Waipahu, Waipio Gentry to the south.
23 Mililani Town and Mililani Mauka to the north, and
24 adjacent to our Castle & Cooke Waiawa the planned and
25 entitled Waiawa Ridge.

1 Adjacent at our southern corner of Koa Ridge
2 Makai is the Central O'ahu regional park which is on
3 former Castle & Cooke lands.

4 The values in principle shaping the project
5 design grew out of a community visioning process. To
6 achieve the community's vision for the new communities
7 a conceptual land use plan was formulated with an
8 integrated mixed-use community that incorporates the
9 guiding principles established by the community
10 visioning group.

11 It provides for a variety of housing types
12 making it highly pedestrian and bicycle friendly,
13 creating onsite employment opportunities and
14 employment development practices that minimize adverse
15 environmental impacts.

16 The access to the Koa Ridge Makai Project
17 will be via Ka Uka Boulevard onto our major parkway.
18 Access on and off H-1 will be via Koa Ridge and new
19 Koa Ridge Interchange at the new Pineapple Road
20 overpass to the north. Access onto Kamehameha
21 Highway, here, is being discussed with the State
22 Department of Transportation as a possible right
23 in/right out access.

24 Access to Waiawa will be via an extension of
25 Ka Uku Boulevard through Panakauahi Gulch.

1 Koa Ridge Makai encompasses 576 acres and
2 will consist of approximately 3500 residences,
3 mixed-use higher density village center, a 28-acre
4 medical center complex, over 30 acres of commercial
5 and light industrial uses, an elementary school,
6 church site and a community center, and neighborhood
7 and community parks.

8 The proposed Koa Ridge Makai development
9 will be integrated -- will be an integrated mixed use
10 community with a unique sense of place where residents
11 can live, work and play in close proximity to retail
12 services, healthcare and community amenities.

13 Koa Ridge Makai will offer a range of
14 housing styles and densities to accommodate residences
15 of all ages and lifestyles. As depicted, the higher
16 density plan does consist of smaller blocks in a
17 grid-like pattern with a lot of connectivity which
18 will make walking and bicycling convenient.

19 Waiawa is a 190-acre Master Planned
20 community with approximately 1500 single-family and
21 multi-family units. A neighborhood commercial site,
22 an elementary school site, a community center and
23 neighborhood parks.

24 The Project will encompass principles
25 consistent with Smart Growth and sustainable

1 development including a compact, higher density
2 development, streets and grade-separated pedestrian
3 and bicycle paths.

4 The planned community will offer a wide
5 variety of housing types designed around centrally
6 located commercial communities, facilities and park
7 complex that provide convenient services for area
8 residents and also serve as a place for community and
9 social gatherings.

10 Smaller private neighborhood parks will
11 offer opportunities for passive, recreation and play
12 areas for younger children located within easy walking
13 distance of homes.

14 An EIS for Koa Ridge Makai and Waiawa was
15 accepted in June 2009. We filed a Petition with the
16 Land Use Commission in October of 2011. We hope to
17 follow with a filing of a zoning amendment at the end
18 of 2012.

19 Offsite infrastructure construction to
20 commence in 2013. And first deliveries in Koa Ridge
21 Makai anticipated at the earliest in late 2014.

22 Our Project goal's to create a new type of
23 Master Planned community with a compact mix of housing
24 and amenities that's safe and walkable and bikable and
25 a place where residents can live, work, shop, learn

1 and play.

2 In 2003 we invited members from neighboring
3 community organizations in Pearl City, Waipahu,
4 Mililani and Wahiawa communities to be part of our Koa
5 Ridge visioning process. Forty-seven groups and
6 organizations accepted our invitation and have since
7 been active participants. We engaged the community to
8 establish our Project goals and guiding principles.
9 Those goals and principles have served the foundation
10 of all our planning.

11 We've had 17 workshops to date in which the
12 community group has provided valuable and very
13 enthusiastic input, reviewed and validated our
14 planning work and its own consistency with the guiding
15 principles for the past nine years.

16 For all their efforts we'd like to
17 acknowledge and commend our visioning team for their
18 dedication to our community planning process. Our
19 community visioning group consists of representatives
20 from five neighborhood boards in the Pearl City,
21 Waipahu, Wahiawa and Mililani communities, business
22 and community associations, athletic leagues, youth
23 groups, senior groups, churches, school
24 representatives, the YMCA, Boy Scouts and Girl Scouts.

25 So it is a diverse group of community-minded

1 members who have diverse interests, diverse
2 perspectives and diverse ideas.

3 The vision for Koa Ridge is a
4 multi-generational multi-cultural community that
5 honors the past while embracing the future, a first
6 name community where neighbors share their love for
7 natural beauty, a commitment to life-long education, a
8 healthy lifestyle, shared traditions and values while
9 pursuing their individual dreams.

10 Here's a conceptual illustrative of Koa
11 Ridge Makai. The Koa Ridge Medical Center Complex to
12 be planned and developed by the Wahiawa Hospital
13 Association is intended to provide comprehensive
14 primary and secondary care medical services to
15 residents of Central O'ahu and North Shore while at a
16 site that's accessible to regional transportation
17 corridors, regional population and employment centers.

18 Don Olden, CEO of Wahiawa General Hospital,
19 will be speaking in more detail about the medical
20 center.

21 The gateway to Koa Ridge features retail
22 that will serve the greater surrounding region.

23 (Mr. Seitz leaving hearing temporarily)

24 At the core of Koa Ridge is the village
25 which is really what gives the community its character

1 and uniqueness. It is a compact higher density area
2 of the community with a mix of local serving retail,
3 services and residential that is highly pedestrian
4 friendly.

5 A centrally located community park of
6 approximately 19 acres will include active ball
7 fields, comfort station and parking. Also centrally
8 located is an elementary school. Near the proposed
9 Koa Ridge Interchange a small area of commercial use
10 will be integrated with a mixed-use development to
11 serve the nearby residential community.

12 In addition to our higher-density residences
13 in the village, there will be other housing types and
14 densities radiating out from the village.

15 The focus of activity in Koa Ridge Makai
16 will be the village which will be a special place that
17 will give the community its unique character.

18 It is also envisioned to be the vibrant
19 heart of the community where you can and do your
20 everyday shopping, dining, entertainment, recreation,
21 and learning within this enhanced pedestrian
22 environment.

23 A key point is not just to provide this hub
24 of activity, but it's equally important to make it
25 highly accessible to the residents. So the village

1 will be designed such that walking will be the most
2 convenient mode of transportation.

3 The village may also include a church,
4 community center, and an extended stay hotel.

5 Here are examples of similar concepts of the
6 village in other communities on the mainland. The
7 village with its mix of uses of residences and
8 community serving commercial is a concept our
9 community group whole heartily embraced.

10 The concept will provide for higher density
11 housing and mixed-use buildings, which could include
12 commercial/retail uses on the ground level with office
13 or residential uses above.

14 In the midst of the village would be the
15 village green where the community could come together
16 for community events.

17 Here are more images to give you a sense of
18 what we're trying to achieve which is to create a
19 place where people will want to walk, gather,
20 socialize, dine and shop with other members of the
21 community.

22 If you can imagine living in a community
23 where you could go for an appointment with your
24 physician, walk over to the village for lunch with
25 friends, mail a package at the Post Office, stop in

1 the grocery store for a few items, then walk home. Or
2 peruse through a bookstore, then have a cup of coffee
3 all while your child is attending a class at the
4 community center. How great is that?

5 The village will be a welcoming place where
6 the community could gather for a farmers' market,
7 school performances, craft fairs, open air concerts
8 and movie night on the green. As you can imagine the
9 social heart of the community will be a special place.

10 One of our transportation consultants has
11 looked at the potential for city bus routes to
12 traverse and serve Koa Ridge. This plan shows a
13 convenient route from the H-2 Freeway along our
14 parkway with stops and a bus transit center at our
15 village center. Most homes could be within a half
16 mile or 10 minutes walk from a bus stop.

17 Koa Ridge Makai will have a significant open
18 space and pedestrian/bicycle/trail network which
19 provides a variety of recreation opportunities for not
20 just the Koa Ridge community but other members of the
21 Central O'ahu community.

22 Shared use bicycle and pedestrian paths
23 separated from vehicle travel lanes are proposed on
24 major roads. Providing destinations such as the
25 village, the medical center, the elementary school,

1 the community center, community park and multiple
2 neighborhood parks throughout the community is very
3 key in assisting to encourage walking and biking.

4 The benefits to the residents are enhanced
5 quality of life with a reduced need to use your
6 automobile, while promoting recreational and healthy
7 activity.

8 With a higher density development we feel it
9 is important to have open spaces available that
10 residents can access easily and conveniently. So in
11 addition to the 19-acre community park a variety of
12 smaller neighborhood parks of approximately half to
13 one and-a-half acres in size, are planned to be
14 located within walking distances of most residents.

15 I'll be giving you an overview of the major
16 impacts and how they've been addressed. Agricultural
17 impacts will be discussed in more detail by Bruce
18 Plasch of Plasch Econ Pacific who did an agricultural
19 impact study for the project.

20 Traffic impacts will be covered by Pete
21 Pascua from Wilson Okamoto who was retained to do the
22 traffic studies.

23 Garret Matsunami of Castle & Cooke will be
24 discussing some of the major infrastructure.

25 Environmental impacts and land use will be

1 discussed by Gail Reynard of Helber Hastert who
2 prepared our EIS.

3 Sustainability will be covered by Ron
4 Ishihara of Trinity Management Group who worked with
5 Castle & Cooke in developing our sustainability plan
6 for Koa Ridge.

7 Koa Ridge Makai and Castle & Cooke Waiawa
8 are lands that were formerly in pineapple cultivation.
9 As such these lands have already been developed and
10 cleared. They're relatively devoid of natural
11 resources like botanical or faunal resources. The
12 areas have good soils ratings.

13 On Koa Ridge Makai the Aloun Farms has a
14 current truck crops operation on approximately
15 325 acres. We have worked with Aloun Farms and they
16 have selected and are currently leasing a replacement
17 site.

18 On the Waiawa site approximately 190 acres
19 is being leased to the Flying R Ranch as a cattle
20 grazing operation on that property.

21 In the bigger picture our agricultural study
22 has found that there is statewide and on O'ahu
23 sufficient agricultural lands to support current
24 demand and future needs.

25 On a statewide level 177,000 acres that were

1 formerly in plantation have been released and are
2 available for agriculture. We had previously stated
3 that on O'ahu there were 10,900 acres of farmlands
4 available. And that was attributed to fields in Kunia
5 and the North Shore.

6 Looking more comprehensively on an
7 islandwide basis there are 42,600 acres of high
8 quality farmlands outside of the urban growth
9 boundary. There is an ample supply for food
10 self-sufficiency.

11 This shows the replacement site Aloun Farms
12 is currently leasing from Dole Food Company. This is
13 Wahiawa Town here to the south, and our Dole
14 Plantation and the Helemano Military Reservation.
15 Aloun Farms selected this site. This 335-acre site is
16 currently undergoing soil amendment.

17 The site source of water is the Tanada
18 Reservoir. The reservoir has storage capacity of
19 approximately 158 million gallons. Let me point that
20 out to you. Just kinda outline where that -- I think
21 you can see the Tanada Reservoir here.

22 There is an existing irrigation distribution
23 system from Tanada Reservoir and throughout the site.
24 There's additional areas adjacent to the north about
25 230 acres, and another hundred acres to the south that

1 has been offered to Aloun Farms to expand their
2 acreage. So essentially that acreage could be doubled
3 to about 650 acres.

4 In 2010 we represented to the Land Use
5 Commission that Castle & Cooke would be voluntarily
6 dedicating lands as Important Ag Lands. We were
7 granted approval for dedication of 679 acres in IAL in
8 March 2011 by the Land Use Commission.

9 Traffic impacts are a major concern in all
10 the community discussions that we have had. We have
11 done extensive traffic studies to assess as well as to
12 see what we can do to mitigate them.

13 In addition to the studies that we've done,
14 we provided more regional analysis beyond what is
15 typically done in traffic studies. These include
16 looking at commuter travel time, the H-1/H-2 merge,
17 improvements planned by the Department of
18 Transportation, and the city's rapid transit project.

19 We have also looked at the secondary and
20 cumulative impacts of surrounding developments. The
21 cost of improvements we anticipate will be well in
22 excess of 50 million borne by Castle & Cooke.

23 This graphic shows the Waipio Interchange
24 with the main artery being the Ka Uka Boulevard. This
25 is Ka Uka running this way and H-2 Freeway running

1 this way. The areas in blue are the new proposed
2 improvements. The existing four-lane bridge that
3 constitutes Ka Uka Boulevard would be widened to seven
4 lanes.

5 There would be additional loop ramps and
6 widening of offramps as well as some of the surrounding
7 roadways.

8 This represents the ultimate development
9 that would occur at Waipio Interchange. Pineapple
10 Interchange to the north on H-2 would be exclusively
11 provided by Castle & Cooke.

12 We have looked at some of the potential
13 improvements that could come about from the State
14 Department of Transportation. The Department of
15 Transportation's Highway Modernization Plan identifies
16 priority needs statewide for implementation.

17 The H-1 corridor is the area of concern.
18 Identified by this graphic is the widening of the
19 westbound Waipahu Offramp to provide an additional
20 lane. A p.m. contraflow or zipper lane from the
21 airport to Waikele. This Project has been awarded.

22 There's also the widening of H-1 outbound
23 between the Waiau and Halawa Interchanges to provide
24 an additional lane on that freeway segment.

25 The plan also includes other improvements to

1 the H-1 corridor that are not shown on this graphic
2 such as the widening of H-1 by one lane in each
3 direction between Paia Interchange and Waiawa
4 Interchange.

5 The widening of H-1 by one lane in the
6 eastbound direction from Ola Lane to Vineyard
7 Boulevard which the DOT will be issuing an RFP.

8 We also looked at the proposed rail system,
9 how the proposed rail system would benefit Central
10 O'ahu. The city's plans incorporate a Pearl Highlands
11 station where Sam's Club is located. So that is here.

12 Just before the Pearl Highlands station the
13 city will be incorporating a major park 'n ride.
14 That's shown here in green. It will be a 1600-stall
15 parking garage that's similar to what is at the
16 Blaisdell Center in terms of parking.

17 So from Central O'ahu the Pearl Highlands
18 park 'n ride will be serviced by a ramp from the H-2
19 directly to the park 'n ride. So residents at Koa
20 Ridge and Waiawa would be able to ride the rail
21 transit by either driving or riding the bus from their
22 respective communities down H-2 onto the ramp and into
23 the park 'n ride facility. This will be a high
24 occupancy vehicle lane for buses and cars.

25 The park 'n ride and the HOV ramp to the

1 park 'n ride are a primary benefit to the Central
2 O'ahu community for the rail project. And this park
3 'n ride will be the largest on the rail line.

4 We also looked closely at sustainability.
5 Our Project incorporates all of the elements of a
6 Smart Growth development as it provides a range of
7 housing opportunities and choices, creates walkable
8 neighborhoods with our provision of bicycle --
9 pedestrian/bicycle path, engages the community and
10 stakeholders, provides a distinctive and attractive
11 community with a strong sense of place, supports
12 making development decisions to be predictable, fair
13 and cost effective.

14 Provides a mix of land uses, preserves open
15 space and natural beauty, provides a variety of
16 transportation choices with our intent to encourage
17 alternative modes of transportation to reduce the
18 dependency on the automobile, strengthens and directs
19 development towards existing communities, takes
20 advantage of compact building design.

21 Our sustainability plan, which is
22 Exhibit 14, also incorporates specific quantifiable
23 targets that we plan to achieve for conserving energy
24 and water and also to create a healthy environment for
25 our community.

1 We are committed to the goals and targets of
2 our sustainability plan. We plan to achieve compact
3 building design with densities of greater than 10
4 units per acre, and a much higher ratio of
5 multi-family to single-family homes than is normally
6 done. And it will be done at 70 to 30.

7 We plan to incorporate higher density
8 buildings, smaller lot sizes throughout our
9 development.

10 This depicts some of the walking radiuses
11 within our development. The smaller circles are a
12 quarter mile radius which is typically a 5 to 10
13 minute walk. Here's a quarter mile radius.

14 Koa Ridge is very linear in shape. Its
15 narrow width and the provision of multiple paths make
16 biking and walking paths conveniently located and
17 easily accessible. We're hoping to have in the
18 village center at least a thousand residential units
19 within a quarter mile or 5 to 10 minutes walking
20 distance.

21 Even a half mile is walkable. That's more
22 like a 10 to 15-minute walk.

23 To the north we show the quarter mile and
24 half mile radiuses from our secondary neighborhood
25 center.

1 Similarly for Waiawa, just the size of the
2 neighborhood lends itself to walking as the
3 neighborhood center is within a quarter mile. The
4 half mile radius completely encircles the Waiawa
5 project.

6 What we want to achieve is to create a major
7 employment center at Koa Ridge. We feel this would be
8 a great benefit to the community as well as to help
9 reducing traffic with employment at our medical
10 center, our village center, and our gateway commercial
11 developments. There will be a projected 2,500 jobs
12 generated at Koa Ridge Makai and Waiawa.

13 In Koa Ridge Makai alone we anticipate
14 approximately 2300 jobs to be generated. We
15 anticipate during the 15 year construction period to
16 have 750 direct jobs per year and 1100 indirect and
17 induced jobs during that duration.

18 For both Koa Ridge Makai and Waiawa the
19 projected 2500 long-term operational jobs, once the
20 Project is completed, will be in healthcare, retail,
21 restaurant, education, office, and industrial uses.
22 Of the 2500 long-term operational employment we
23 anticipate approximately 1100 of them to be medical
24 jobs.

25 The balance of Koa Ridge Makai is roughly

1 two jobs for every three homes. We're also planning
2 to include in conformance with the city's 30 percent
3 affordable housing requirement, 1500 homes.

4 The community will be very attractive to
5 seniors. So about 500 homes are anticipated to be
6 targeted for seniors. In the village center we will
7 be incorporating live/work units. Those are units in
8 which your home can be right next to your office or
9 shop.

10 We have an Incremental Development Plan
11 which is Exhibit 31. Koa Ridge Makai is Increment I
12 and is expected to begin in 2013 with infrastructure
13 development and will be built out by 2022.

14 Waiawa is Increment II and is dependent on
15 the start of Waiawa Ridge development's infrastructure
16 in order to proceed.

17 To address the scenario where Koa Ridge
18 would proceed in advance of Waiawa, we prepared
19 another traffic study. This graphic depicts the
20 improvements needed for the Waipio Interchange to
21 mitigate impacts generated by Koa Ridge.

22 The items in red show some of the additional
23 improvements in terms of additional lanes that are
24 needed to the offramp at Ka Uka Boulevard.

25 Koa Ridge complies with the Land Use

1 Commission's Urban District standards as the plan has
2 city-like concentrations of people, structures,
3 streets and urban levels of services.

4 Koa Ridge is surrounded by urban development
5 with Mililani to the north and Waipio community to the
6 south. We're close to centers of trading and
7 employment. The topography is very flat and free of
8 natural environmental hazards.

9 This graphic from the city and county of
10 Honolulu Central O'ahu Sustainable Communities Plan
11 shows with a heavy dashed line the urban community
12 boundary which delineates the designated growth areas
13 that the city has identified as part of their
14 long-range planning.

15 The Koa Ridge Makai and Castle & Cooke
16 Waiawa are within the Urban Growth Boundaries
17 identified by the city.

18 This graphic shows all the offsite
19 infrastructure that we will be undertaking to support
20 the Koa Ridge development. This includes water,
21 sewer, roads, drainage, all of which will be provided
22 by Castle & Cooke or at least privately funded.

23 We are planning under our sustainability
24 plan various green infrastructure projects consistent
25 with low-impact development practices. One of the

1 pilot projects is targeted towards stormwater drainage
2 systems to be designed to capture and reuse the
3 runoff.

4 The concept we're considering is with
5 bioswales at the planter strips that accept the runoff
6 from the streets rather than the catch basins. This
7 allows not only plant irrigation, but also improved
8 water quality, reduced runoff and also allows for
9 groundwater recharge. This is something we'd like to
10 do at Koa Ridge. This concludes my presentation.

11 MR. MATSUBARA: Ms. Kodama is available for
12 questions.

13 PRESIDING OFFICER CHOCK: County?

14 CROSS-EXAMINATION

15 BY MS. TAKEUCHI-APUNA:

16 Q Thank you, Ms. Kodama. I have a few
17 questions. You mentioned access points, three access
18 points for the Koa Ridge Makai portion of the Petition
19 Area.

20 A That's correct.

21 Q And those were Ka Uka Boulevard on the
22 southern part of the Project and Koa Ridge or the
23 Pineapple Interchange serving the northern part of the
24 Project Area?

25 A Yes.

1 Q And possibly Kam Highway right in/right out
2 access point?

3 A That's correct.

4 Q And do I understand correctly that Ka Uka
5 and the Pineapple Interchange have been approved by
6 DOT? Or they're okay with those two access points?

7 A Yes, they are okay with those access points.

8 Q But that the Kamehameha Highway access point
9 is not -- you're still in discussions with DOT as far
10 as that one.

11 A That's correct, we are.

12 Q And what is the anticipated timing for these
13 three access points, if you're able to tell us?

14 A Assuming that we are able to get the
15 approval for access along Kamehameha Highway, the
16 Kamehameha Highway access as well as Ka Uka, which
17 actually has another access point as well on Ka Uka.
18 That one is a secondary access with the right in/right
19 out.

20 Those would be done early on in the Project,
21 I would say from the start as access because we would
22 be developing from the south side on up.

23 Q And what about the Pineapple Interchange?
24 Do you have a timeline for the construction of that
25 access point?

1 A Okay. Hold on just a second. As noted in
2 our Incremental Development Plan the Pineapple
3 Interchange is slated for construction in 2019. But
4 we are also talking to the Department of
5 Transportation as they're looking for a logical, you
6 know, as far as a trigger that's tied to development
7 phasing. So not so much a year but more to
8 development progress that they would apply as a
9 trigger.

10 Q Okay. And again referring to your Koa Ridge
11 phasing development plan I see there's attached a
12 spread sheet that shows your timeline.

13 A Yes.

14 Q At 2019 construction would begin for the
15 Pineapple Interchange. And that would be 425 single
16 and multi-family units or 51 percent of the
17 residential units will have been built prior to
18 construction of the Ka Uka Interchange. Is that
19 correct?

20 A Yes, that's correct. If you're following --
21 I believe you're following the cumulative absorption
22 to that point, yes.

23 Q Okay. Then you mentioned the standard or
24 the trigger that DOT is developing or looking at.
25 Right now it seems to be based on a Level of Service

1 standard.

2 I looked at DOT's exhibit -- I think it's
3 exhibit -- or OP's Exhibit No. 6. Is that your
4 understanding that DOT might be looking at a Level of
5 Service standard where the Pineapple Interchange will
6 be built before that Level of Service drops below
7 level D?

8 A That is a factor. But I think they're also
9 looking, as I mentioned, as far as development
10 phasing, to where we were as far as how many
11 residential units, possibly square footage of our
12 commercial as well. But I don't know what those exact
13 numbers will be at this point. But it will factor in
14 Level of Service, yes.

15 Q And one last question. For those three
16 access points are those roads in those areas adequate
17 for commercial and industrial uses? Or can you tell
18 us if, for instance, Ka Uka Boulevard, that might be
19 more of a commercial and industrial area? And would
20 those roads be sufficient or...?

21 A Yes. We plan to have them designed such
22 that they're appropriate for the residential and
23 commercial traffic.

24 Q Okay. And for the Kamehameha Highway access
25 road, if that is allowed and built, is the area in

1 that access point, is that residential or do you know
2 what?

3 A In that corner we do have some residential.
4 But as you enter further into the community that is
5 also where we have our industrial uses sited which is
6 adjacent to the medical center. So there is going to
7 be some level of residences there as well as the
8 industrial. And then as you make your way towards the
9 parkway direction you'll be also approaching the
10 hospital site.

11 MS. TAKEUCHI-APUNA: No further questions.

12 Thank you.

13 PRESIDING OFFICER CHOCK: State?

14 CROSS-EXAMINATION

15 BY MR. YEE:

16 Q Thank you. Ms. Kodama, are you familiar
17 with the Decision and Order in the immediately prior
18 Koa Ridge case Docket No. 07-775?

19 A Yes. I don't have it with me, but I'm
20 familiar.

21 Q Do you know whether the conditions set forth
22 in that prior Decision and Order are acceptable to the
23 Petitioner?

24 A I would say all of the conditions except for
25 the one on Pineapple Road Interchange which now we're

1 looking at maybe a different kind of milestone to
2 trigger that improvement. But, yes, for everything
3 else we're fine with those conditions.

4 Q Have you reviewed the Office of Planning's
5 written testimony in this case?

6 A Yes, I have.

7 Q Are those conditions as set forth also
8 acceptable to the Petitioner?

9 A If you're referring to all the mitigation,
10 yes they are.

11 Q Has the proposed project in Docket No.
12 07-775 changed in this case or is it the same project?

13 A It is the same Project.

14 Q And have you had an opportunity to review
15 your prior testimony in that docket, in Docket
16 No. 07-775?

17 A Yes, I have.

18 Q And are your presentations made in that
19 docket 07-775 also your representations in this case?

20 A Yes, they are.

21 Q Would it be your understanding that unless
22 directly contradicted in the exhibits or oral
23 testimony submitted in this case, Docket No. 11-793,
24 would it be your understanding that the various
25 representations in Docket 07-775 are also applicable

1 and included in this case?

2 A Yes.

3 Q I assume you've also had an opportunity to
4 review the EIS for this Project?

5 A Yes.

6 Q Can you represent that the mitigation
7 measures recommended by your consultants in the EIS
8 will either be implemented for this Project or
9 improved upon?

10 A Yes.

11 Q I believe in your testimony you said that
12 the targets and goals of the sustainability plan will
13 be met by the Petitioner.

14 A Yes. Yes, we will.

15 Q You listed a variety of witnesses who will
16 be testifying on different matters. I just wanted to
17 confirm. Would either Alec or Mike Sou be testifying
18 in this case?

19 A I have to defer to counsel. He's scheduling
20 our witnesses.

21 Q Okay. I'm only asking because you listed a
22 variety of witnesses and they weren't in that list.

23 A Oh.

24 Q And with respect to the -- not the gulch,
25 but the irrigation system that's currently within the

1 Petition Area, will the Petitioner either be
2 undergrounding or otherwise enclosing that waterway?

3 A Yes, we will be.

4 Q And would it then be your intention to
5 execute -- well, there's an existing easement for that
6 waterway, correct?

7 A That is correct. That's correct.

8 Q When you enclose it and/or underground it I
9 assume you could then -- assuming it's consistent with
10 the easement, then use the aboveground area for some
11 consistent purpose.

12 A That's correct.

13 Q Is it your intention to execute some further
14 document with the Agribusiness Development
15 Corporation, or ADC, about this matter?

16 A Yes. We understand it's their desire to
17 have something, some instrument to memorialize that.
18 So we will be working with them on that.

19 Q And as part of this instrument will the
20 Petitioner and/or the Association then be responsible
21 for the aboveground maintenance?

22 A That is correct.

23 MR. YEE: That's all the questions I have.
24 Thank you.

25 THE WITNESS: Thank you.

1 PRESIDING OFFICER CHOCK: Neighborhood
2 Board.

3 CROSS-EXAMINATION

4 BY MR. POIRIER:

5 Q Thank you. Ms. Kodama, on Page 5 of your
6 written testimony you cite extensive studies
7 entertained by Castle & Cooke to address the impacts
8 of development on the roadways surrounding the Project
9 and to identify needed mitigation measures.

10 You also cite additional analyses conducted
11 in response to resolutions adopted by Neighborhood
12 Board No. 25 relative to commuter travel time, impacts
13 on the H-1/H-2 merge, planned highway improvements,
14 rail transit and secondary and cumulative impacts.

15 What was the reaction of Neighborhood Board
16 No. 25 to these additional studies in terms of
17 adequacy?

18 A I believe that you wanted, as far as a
19 commuter time travel -- or I shouldn't say "wanted" --
20 there was a question about why the studies didn't
21 carry all the way to town I believe was the concern
22 beyond what the scope of what we did that would be my
23 answer.

24 Q Okay. I'd like to refer the Commission to
25 our Exhibits No. 13 through 15 which addresses this

1 issue which we can get into more detail further on in
2 the proceedings.

3 On Page 7 subparagraph 7 your written
4 testimony you respond to how your Petition conforms
5 with the LUC Urban District standards, one of them
6 being how the Petition Area will not contribute
7 towards scattered spot urban development; how Castle &
8 Cooke Homes will construct or participate in
9 developing all additional infrastructure required to
10 service the proposed development; and how public
11 infrastructure and support services will not
12 unreasonably burden by or require any unreasonable
13 investment as a result of the project.

14 A quick reading of the Oahu Regional
15 Transportation Plans for 2030 and 35 show a number of
16 net interchange projects which may be necessary
17 because of proposed further developments in Central
18 O'ahu.

19 These include the Paia Street extension
20 estimated to cost \$15 million, the Kam Highway
21 widening project estimated to cost between 79- and
22 \$130 million dollars, the Central Mauka Road which is
23 estimated to be a \$160 million project --

24 MR. MATSUBARA: Mr. Chair, the only concern
25 I have is is this testimony or is there a question?

1 MR. POIRIER: Yeah. I'm getting to that in
2 one second.

3 Q Wahiawa second access road \$65 million and
4 the fixed guideway spur as to 1.3 billion.

5 Do you consider these projects either
6 individually or collectively to be unreasonable
7 investments or unreasonably burdensome?

8 A They're not related to our Project, though.
9 Are you trying to say they are related to our Project?

10 Q Well, of course, they're related to your
11 Project. There wouldn't be the need for these roadway
12 improvements or these additional if your Project did
13 not exist as well as the Gentry Waiawa Project.

14 A As to your question again?

15 Q The question is: Do you consider these
16 projects either individually or collectively to be
17 unreasonable investments or unreasonably burdensome?

18 A No. I don't consider them unreasonable.

19 Q You don't. What would be your level of cost
20 sharing or participation in any or all of these
21 projects?

22 A I'm not sure yet. We're still talking to
23 the Department of Transportation.

24 Q Okay.

25 MR. POIRIER: Thank you.

1 PRESIDING OFFICER CHOCK: Okay. Sierra
2 Club. I believe you're going to reserve the right to
3 recall this witness upon the return of Mr. Seitz this
4 afternoon, is that correct?

5 MS. BELATTI: Yes, thank you, Chair.

6 PRESIDING OFFICER CHOCK: Thank you. Okay.
7 Commissioners, questions? Commissioner McDonald.

8 COMMISSIONER McDONALD: Thank you. Thank
9 you, Ms. Kodama for your testimony. A couple
10 questions. Could you possibly go back to your concept
11 plan in your PowerPoint presentation.

12 THE WITNESS: Okay.

13 COMMISSIONER McDONALD: I'm just interested
14 in getting an idea as far as the separation between
15 the interchanges, the Ka Uka and then the proposed
16 Pineapple Interchange.

17 THE WITNESS: Yes.

18 COMMISSIONER McDONALD: What's the distance,
19 the approximate distance between those two
20 interchanges?

21 THE WITNESS: I believe it's just over a
22 mile. It meets the required distance as far as
23 separation from interchanges, but I think it just
24 meets it. I think it's just...

25 COMMISSIONER McDONALD: Borderline.

1 THE WITNESS: I wouldn't know the exact
2 distance.

3 COMMISSIONER McDONALD: You also had
4 mentioned that you folks did receive approval from the
5 State DOT in designing and constructing that new
6 interchange.

7 THE WITNESS: Yeah. Not the design at this
8 point, but definitely the location and the fact that
9 we'll be doing a new interchange there.

10 COMMISSIONER McDONALD: Because it's an
11 interstate wouldn't approval also need to come from
12 FHWA for access?

13 THE WITNESS: Yes. Yes, it would.

14 COMMISSIONER McDONALD: What's the status on
15 that approval?

16 THE WITNESS: I, I'm not -- I wouldn't know.
17 We have Garret Matsunami who's our site development,
18 head of our site development. He could answer that
19 question.

20 COMMISSIONER McDONALD: Okay. Second
21 question: I can appreciate Castle & Cooke's
22 commitment to sustainable design. One of your slides
23 you showed the Commission toward the end of your
24 presentation indicated stormwater runoff being
25 discharged into bioswales and whatnot. Is it the

1 intent of Castle & Cooke to turn over their roadways
2 to the city and county?

3 THE WITNESS: Yes. It is. But, yeah, as
4 far as looking at the sustainable elements, though, we
5 would have to work with the city because we don't know
6 what they are willing to accept or approve at this
7 point, or at least I'm not aware. So that might be a
8 question also better answered by Garret who's working
9 with the city on this.

10 COMMISSIONER McDONALD: Yeah. Like I said I
11 can really appreciate the design intent for addressing
12 stormwater quality and recharge. But I'm just not
13 sure where the city's position may be with regard to
14 accepting that type of system.

15 THE WITNESS: Yes, yes. I understand.

16 COMMISSIONER McDONALD: Thank you.

17 PRESIDING OFFICER CHOCK: Commissioner
18 Judge.

19 COMMISSIONER JUDGE: Good morning,
20 Ms. Kodama.

21 THE WITNESS: Good morning.

22 COMMISSIONER JUDGE: I'm curious about the
23 connection that you're showing with Kamehameha
24 Highway. Because in the first time around, let's call
25 it, there was concern about that because the only --

1 until you build the Pineapple Interchange it's one way
2 in and one way out for a very large area.

3 THE WITNESS: That's correct.

4 COMMISSIONER JUDGE: And I'm just looking at
5 the letter from DOT that's dated December 8th. And
6 that's not so long ago. And in that letter they're
7 saying you need to remove that connection; they're not
8 allowing that connection. And I'm just wondering if
9 you can kind of shed some light in what's happened
10 since December 8th to now that there's now a
11 possibility that there's going to be access.

12 THE WITNESS: Okay. Well, we worked with
13 them, met with them as far as the possibility of
14 reintroducing that access. And they were willing to
15 talk about it. I guess the key, though, is the access
16 that we're looking at, right now anyway, is right in/
17 right out.

18 Part of their concern in the past was the
19 distance between Ka Uka, the existing interchange --
20 or excuse me -- existing intersection at Ka Uka on
21 Kamehameha Highway to where our access point was going
22 to be.

23 So our engineers have also looked at that to
24 try to accommodate the minimum distance that's
25 required. So they're still discussing it, though, as

1 far as what we are able to propose to them.

2 So there's a, I think it was in DOT's
3 testimony where they mentioned the possible right
4 in/right out.

5 COMMISSIONER JUDGE: Can you direct me to
6 which? Because I'm looking at -- what exhibit that
7 is.

8 MR. YEE: Office of Planning Exhibit 6.

9 COMMISSIONER JUDGE: I've got that in front
10 of me. Where in Exhibit 6? Because I was looking at
11 Exhibit 6. That's the one on Page 4 where they say
12 that connection was not analyzed.

13 THE WITNESS: It's on Page 1, Current DOT
14 Concerns, item No. 3: The proposed right in/right out
15 only access to Kamehameha Highway for Koa Ridge Makai
16 north of Ka Uka Boulevard. So it is something --

17 COMMISSIONER JUDGE: Sorry. I'm looking at
18 7. I'm not looking at 6.

19 THE WITNESS: Do you need a copy? (Document
20 handed to Commissioner Judge).

21 COMMISSIONER JUDGE: What is the date on
22 this one, Bryan, Exhibit 6? There's no date on here.

23 MR. YEE: No. But Exhibit 6 was submitted
24 when the expert testimony was required to be submitted
25 in this case, which was relatively recently.

1 COMMISSIONER JUDGE: January then. Okay.

2 THE WITNESS: So on Page 1 under "current
3 DOT concerns" that's where they acknowledge the
4 proposed right in/right out as item No. 3.

5 COMMISSIONER JUDGE: Yep, I see it. Thank
6 you. So then when you do your revised TIAR you'll be
7 studying that intersection and looking at that as your
8 probably right in/right out.

9 THE WITNESS: That's correct.

10 COMMISSIONER JUDGE: Thank you.

11 THE WITNESS: Thank you.

12 PRESIDING OFFICER CHOCK: Commissioners, any
13 further questions? Okay. Thank you for your
14 testimony, Ms. Kodama. Chair's going to take a 10
15 minute recess. We're going to reconvene at 11:30 and
16 then proceed with your next witness, Mr. Matsubara.

17 MR. MATSUBARA: Thank you. For the
18 Commission's benefit our next witness will be Ann
19 Bouslog, economic impacts and market assessment.

20 (Recess was held.)

21 PRESIDING OFFICER CHOCK: (11:30)
22 Petitioner?

23 MR. TABATA: Petitioner calls Ann Bouslog.

24 ANN BOUSLOG

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

1 and testified as follows:

2 THE WITNESS: I do.

3 PRESIDING OFFICER CHOCK: Please proceed.

4 MR. TABATA: Thank you, Mr. Chairman.

5 DIRECT EXAMINATION

6 BY MR. TABATA:

7 Q Dr. Bouslog, did you prepare the market
8 assessment for Koa Ridge Makai and Waiawa and the
9 economic fiscal impact assessment for Koa Ridge Makai
10 and Waiawa, which are both comprising Petitioner's
11 Exhibit 7G?

12 A Yes, I did.

13 Q And did you also prepare your written
14 testimony and curriculum vitae for this proceeding,
15 which is Petitioner's Exhibit 37?

16 A Yes, I did.

17 Q And does your curriculum vitae describe your
18 qualifications and experience in the fields of real
19 estate, market assessment and economic impacts?

20 A Yes.

21 MR. TABATA: Mr. Chair, Petitioner requests
22 that Dr. Bouslog be admitted as an expert in the
23 fields of real estate, market assessment and economic
24 impacts.

25 PRESIDING OFFICER CHOCK: Parties, any

1 objections?

2 MS. TAKEUCHI-APUNA: No objection.

3 MR. YEE: No objection.

4 PRESIDING OFFICER CHOCK: Please proceed.

5 Q (Mr. Tabata): Dr. Bouslog, would you please
6 summarize your written testimony.

7 A Yes. Mikiko Corporation was retained by
8 Castle & Cooke Homes Hawai'i to prepare a market study
9 and economic fiscal impact assessments for this
10 Project in 2008.

11 As Mr. Tabata said I also submitted my
12 written direct testimony, but I'll be providing an
13 oral summary of that now. In some cases this
14 testimony incorporates information that's become
15 available since the time of Mikiko's initial reports.

16 Koa Ridge Makai and Waiawa is adjacent to
17 the well-established and proposed residential
18 communities such as Mililani, Gentry Waipio and Waiawa
19 Ridge. It's planned in two increments, Koa Ridge
20 Makai with up to 3500 homes and Waiawa with up to
21 1500. Each has residential, commercial and
22 community-serving facilities.

23 In addition, Koa Ridge Makai includes the
24 hotel and a medical complex which would target
25 regional needs.

1 Mikiko evaluated market support for
2 residential, retail, office and light industrial uses.
3 The hotel and medical uses here were evaluated in
4 terms of market support by other consultants.

5 In terms of the residential market, O'ahu
6 has an acute shortage of housing suitable for primary
7 residents, as I testified before this Commission
8 before. And this shortfall is expected to increase in
9 the coming decades.

10 Even with complete buildout of all
11 identified planned and entitled units as of late last
12 year, O'ahu could be short some 30,000 units of
13 primary housing by the year 2030.

14 This is based on DPP's 2009 population
15 projections which were also adopted by the state and
16 our updated inventory of LUC- entitled and planned
17 future developments islandwide.

18 At least 30 percent of this Project's units
19 would be expected to meet city requirements for
20 affordable housing conforming to current guidelines.
21 And these would include both for sale and rental
22 properties.

23 Central O'ahu is a popular location due to
24 its cool upland climate, its relative proximity to the
25 island's main employment centers, its high quality

1 Master Planned communities, now and as we heard today,
2 up to the fifth generation of families that have lived
3 there, and its affordability relative to other
4 comparable areas on O'ahu.

5 Based on an analysis of Petitioner's O'ahu
6 new home sales closing over a 38-year period, Mikiko
7 estimated that the Project could close 360 to 450
8 units per year on a long-term average basis.

9 The Petitioner's recent plans developed in
10 concert with their incremental plan, show year-to-year
11 sales variation of 200 to 425 closings per year at Koa
12 Ridge Makai with an average of 390 per year. This is
13 well within my own forecast and would result in
14 absorption of all homes in Increment I between 2014
15 and 2022.

16 Castle & Cooke Homes Hawai'i also proposes
17 to market Waiawa, its second increment between 2023
18 and 2026. And their own projections for absorption
19 there range from 300 to 400 units in any given year
20 for an average rate of 375 per year, again, well
21 within the parameters of my own market assessment.

22 In terms of commercial demand. Castle &
23 Cooke proposes to develop up to 410,000 square feet of
24 retail ask office uses exclusive of the spaces in the
25 health facility and hotel. That would be 380,000

1 square feet at Koa Ridge Makai and 30,000 square feet
2 at Waiawa.

3 The commercial analysis considered both the
4 demand and supply for retail and office space
5 developments. And to be conservative I limited the
6 retail primary market assessment to the Central O'ahu
7 development plan area only.

8 Our analysis indicated a strong commercial
9 outlook for Central O'ahu considering population,
10 economic, workforce and spending pattern trends that
11 are already in place. Even if the Project were built
12 to its maximum 410,000 square foot inventory within
13 this timeframe, there would be up to 1.8 million
14 square feet of additional supportable but unplanned
15 commercial space in Central O'ahu by 2030.

16 Let me turn now to the economic and fiscal
17 impacts. Koa Ridge and Waiawa would generate
18 significant ongoing benefits for residents as well as
19 for the county and state governments.

20 The economic and fiscal projections prepared
21 in 2008 remain valid understanding that timeframes
22 have slipped a few years and, of course, the dollar
23 figures I'll be sharing with you are still in 2008
24 dollars.

25 During development Koa Ridge Makai and

1 Waiawa could generate 1,800 or so fulltime equivalent
2 jobs in an average year through direct, indirect and
3 induced impacts. These jobs are expected to generate
4 annual earnings of some 100 to \$119 million per year
5 at about \$58,000 to \$60,000 per fulltime equivalent
6 position.

7 Additionally, there will be operational
8 employment. And these jobs will tend to be permanent.
9 When completed the Project could support some 2,500
10 direct fulltime equivalent jobs on site at its retail,
11 office, industrial, hotel, medical and school
12 facilities.

13 Considering its impacts islandwide, Koa
14 Ridge Makai and Waiawa could support, total some 1500
15 net new fulltime equivalent jobs by its buildout.
16 These represent opportunities generated on site as
17 well as elsewhere that likely would never have existed
18 had this Project not been developed.

19 They include professional, technical,
20 managerial and other staff positions at the healthcare
21 facility, the hotel, and office and retail areas.
22 They also include positions in residential and
23 commercial sales and leasing.

24 Through indirect induced impacts these
25 positions also would support diverse, other

1 opportunities throughout the state. These net new
2 operational positions could be expected to generate
3 personal earnings for Hawai'i residents of about
4 90 million per year by buildout, averaging about
5 \$61,000 per FTE job.

6 In terms of fiscal impacts or benefits and
7 cost to the state and county government, here the
8 Project is expected to contribute some 10 million per
9 year in net new county revenues at its completion,
10 mostly deriving from real property taxes.

11 In addition, it would generate net
12 additional state revenues of some 12 million per year
13 during its buildout and 4 million per year on a
14 sustained ongoing basis after that once development is
15 complete.

16 These state revenues would derive
17 principally from GET and individual income taxes.
18 Business income taxes, if any, are not counted in
19 these numbers.

20 The new county revenues are about 13 times
21 the new operating revenues that we expect would be
22 incurred by the city government to support this
23 Project. And for the state, the state's government's
24 revenue/expenditure ratio is estimated at 9.4 in 2025
25 and leveling off at about 4.0 after the initial

1 development activity ceases and sustaining at the 4.0
2 level.

3 Petitioner will also contribute or develop
4 public infrastructure and facilities such as school
5 sites, public parks and offsite infrastructure
6 improvements. The value of these contributions is not
7 incorporated in the fiscal analysis results I
8 presented to you.

9 And the net public benefits of Koa Ridge and
10 Waiawa would be greater if these additional
11 contributions were considered.

12 That's a summary of my written testimony.

13 MR. TABATA: Dr. Bouslog is available for
14 cross.

15 PRESIDING OFFICER CHOCK: County?

16 MS. TAKEUCHI-APUNA: No questions.

17 PRESIDING OFFICER CHOCK: State?

18 CROSS-EXAMINATION

19 BY MR. YEE:

20 Q Dr. Bouslog, I know you testified about both
21 the unmet housing shortage of 30,000 as well as the
22 ability to absorb the additional units for this
23 Project, right?

24 A Yes.

25 Q Okay. So I'm going to focus -- I'm going to

1 address each of those differently to see if there's a
2 difference in analysis. Let me start with: Do you
3 recall your testimony in the Ho'opili case regarding
4 the unmet housing demand?

5 A Yes.

6 Q I think on questioning from Commissioner
7 Heller you noted for them that that calculation did
8 not consider price as part of that analysis.

9 A That's correct.

10 Q Now, did you apply a similar analysis when
11 you came up with the 30,000 homes in this case?

12 A Yes.

13 Q But is that different, though, than the
14 analysis that you used when you calculated the
15 absorption rate?

16 A The absorption rate was based on Castle &
17 Cooke's own experience in marketing Mililani and
18 Mililani Mauka. That seems to be the most direct
19 comparison. It's a similar type of community.

20 It's the same developer, the same location,
21 similar market appeal. They had a 40-year history
22 there of marketing, so I didn't think there was a
23 better comparison available anywhere else.

24 Q But it was that analysis of the ability to
25 absorb these additional homes, that calculated actual

1 market conditions including price and actual demands
2 to meet at that price.

3 A Yes, because this is positioned in terms of
4 price similarly to Mililani and Mililani Mauka, price
5 would be incorporated in that assessment.

6 Q So although the price was not included as
7 part of the analysis for the 30,000 units of primary
8 housing shortage -- I'm sorry, let me repeat that.

9 So although price was not calculated when
10 you came up with 30,000 units of unmet demand for
11 primary housing in 2030, it was included in your
12 conclusion that the market could absorb the units
13 estimated by Petitioner for their Project.

14 A Yes.

15 Q Okay. Then with respect to your calculation
16 on jobs, you calculated that 1,409 net new jobs would
17 be created at full buildout.

18 A Yes.

19 Q Of that number do you recall how many were
20 new jobs created on site and how many jobs were
21 elsewhere? Or did you calculate that?

22 A It's a calculation that could be done when I
23 look at -- can I refer to some notes?

24 Q Sure. If you know.

25 A The net new jobs do include some at the

1 hotel and the medical center as well as jobs such as
2 in the initial brokerage, for instance. If you
3 weren't selling these new homes you wouldn't be
4 supporting those brokers and so on. Are you looking
5 for a number of those that are on-site?

6 Q If you know, yeah. If you know how many are
7 onsite and how many are elsewhere. I just wanted to
8 compare that with the 2,460 direct jobs on-site to see
9 how many of them were new or how many of them were
10 just relocated.

11 A I'd say something like a little more than
12 half is probably on-site. It's hard to tell because a
13 lot of the indirect and induced jobs could also be
14 on-site. For instance, if you have a business
15 supporting the hotel, you could easily locate it in
16 the commercial center on-site, or you could chose to
17 locate in Waipio or somewhere else off-site. So my
18 guess would be the majority of them.

19 Q I don't want you to guess. Would that be a
20 reasonable estimate of something more than 50 percent?

21 A Yes.

22 Q Then I assume the clear majority would be on
23 Koa Ridge Makai rather than the Waiawa side given the
24 layout?

25 A Yes.

1 Q Do you have any estimate of the breakout
2 between the two?

3 A In on-site jobs?

4 Q Sure, yes.

5 A Net jobs?

6 Q If you know.

7 A Probably 90 percent would be at Koa Ridge
8 Makai versus at Waiawa.

9 MR. YEE: That's all the questions I have.
10 Thank you.

11

12 PRESIDING OFFICER CHOCK: Neighborhood
13 Board.

14 CROSS-EXAMINATION

15 BY MR. POIRIER:

16 Q Dr. Bouslog, did your analysis of housing
17 needs presume or assume the approval of the Ho'opili
18 development?

19 A No.

20 Q Noting the above average drop in sales
21 values for properties in Mililani over the past five
22 years, are you still confident of the demand for
23 residential housing in Central O'ahu?

24 A I'm not sure what you referred to in the
25 "above average drop in Mililani". But what I've seen

1 in Board of Realtor data is that Mililani is actually
2 holding its values pretty well relative to, compared
3 to other areas of Central and West O'ahu. But, yes, I
4 am confident. I think right now the entire island and
5 state as well as the country are in an economic
6 doldrums. But I don't believe we'll be here forever.

7 Q In the last paragraph of your written
8 testimony you note favorable ratios of governmental
9 revenues in relationship to government operating
10 expenses.

11 You end with the statement, "the net
12 profit -- the net public benefits of Koa Ridge Makai
13 and Waiawa would be greater if Castle & Cooke's
14 contributions to school sites, public parks, and
15 offsite infrastructure improvements were incorporated
16 in the fiscal analysis."

17 Assuming that all needed public regional
18 transportation infrastructure in Central O'ahu be
19 funded primarily by government, could Castle & Cooke's
20 fair share contribution to say, a central mauka road
21 costing a hundred million dollars, or fixed rail spur
22 costing more than a million dollars, could that ever
23 amount -- could that ever result in a net public
24 benefit?

25 A I think some of the -- many of the things

1 you're talking about, things that are required to
2 serve the entire population of O'ahu. And they will
3 be driven by population growth regardless of whether
4 you house those people at Koa Ridge Makai in West
5 O'ahu or somewhere else on the island. So I can't
6 answer that question.

7 Q But the reason why we would have these
8 horrendous public investment costs which accrue to the
9 general public is because of Koa Ridge, is because of
10 Gentry Waiawa. If you don't have these developments
11 there, there would be no need for a rail spur going up
12 to Wahiawa.

13 A Well, I think the city's plan is to have a
14 rail spur out to the Ho'opili area. I'm certainly not
15 going to pontificate on the alignment of that. I
16 don't believe that's a function of this Project at
17 all.

18 MR. POIRIER: Thank you.

19 PRESIDING OFFICER CHOCK: Senator Hee,
20 Sierra Club?

21 MS. BELATTI: No questions for this
22 witness.

23 PRESIDING OFFICER CHOCK: Commissioners, any
24 questions? Okay. Next witness, Petitioner.

25 MR. MATSUBARA: Our next witness is Don

1 Olden.

2 DIRECT EXAMINATION

3 BY MR. MATSUBARA:

4 Q Would you state your name for the record,
5 please.

6 A Yes. My name is Don Olden.

7 DONALD OLDEN

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

10 THE WITNESS: Olden. O-l-d-e-n, yes.

11 PRESIDING OFFICER CHOCK: Please proceed,
12 Mr. Olden.

13 A My name is Donald Olden. I'm the CEO of
14 Wahiawa Hospital. And Wahiawa Hospital and Waialua
15 Hospital Association, which is the parent company, had
16 started trying to relocate Wahiawa Hospital about
17 10 -- well, this Project was about 10 years ago. I
18 think the other great relocation started prior to
19 that.

20 They have been looking at the Koa Ridge
21 Project for about 10 years. And in 2008 the original
22 project was abandoned. And we started this new
23 restructured Project. It was started in conjunction
24 with Castle & Cooke and the evolving Koa Ridge Master
25 Plan. The result of the collaborative effort 28 acres

1 was identified for development of a medical center
2 complex.

3 And Castle & Cooke agreed to donate 28 acres
4 to the Wahiawa Hospital Association with the
5 understanding that, one, the project or subcomponents
6 were feasible; and that Wahiawa Hospital Association
7 would develop successful business relationships with
8 appropriate healthcare providers and partners that
9 create an achievable project plan.

10 As part of the master planning process
11 Wahiawa Hospital Association and Castle & Cooke, we
12 developed the preliminarily feasibility study to
13 determine if the demographics around the Koa Ridge
14 area would support a reconfigured medical center
15 complex which would include an acute care hospital, a
16 skilled nursing complex, medical office buildings,
17 ambulatory care centers and related support
18 infrastructure.

19 Under my direction and supervision we hired
20 the firm of Cattaneo & Stroud who is a mainland firm
21 that has substantial experience in healthcare
22 feasibility studies.

23 The forecast based on the demographics and
24 market conditions affecting the Koa Ridge service
25 area, it was an extensive feasibility study very

1 similar to all the feasibility studies that have built
2 many hospitals in the United States.

3 The Master Planned projections included
4 regional demands for healthcare services, demand for
5 physicians, of course demand for hospital beds and
6 services, staffing forecast for the facility types,
7 medical building types and uses, maximum building size
8 and height, parking required for each building type
9 and project parcel size for each building.

10 Medical use rates. For hospitals and
11 healthcare facilities you need to use age-adjusted use
12 rates for the population in the area. We did it based
13 on zip codes, hospital patients, hospital discharge
14 data obtained from the Hawai'i Health Information
15 Corporation, which is an organization here in Hawai'i
16 that collects data on all the hospitals in the state
17 and utilization data and usage rates for those
18 hospitals.

19 So the forecast was based on the trends from
20 2000 through 2007. And then there were modest
21 increases in the population combined with significant
22 aging result? And it resulted in a forecast about a
23 20 percent increase in acute hospital cases on O'ahu
24 between 2007 and 2025.

25 Market share. The utilization for the Koa

1 Ridge campus is based on market share assumptions,
2 forecast utilization by zip code with variations in
3 medical diagnostic categories.

4 The market share assumptions were estimated
5 based on historical use of Wahiawa Hospital, the
6 location of the new hospital, current historical
7 utilization and market share based on patient use
8 patterns in O'ahu hospitals.

9 The facilities proposed for the Koa Ridge
10 Medical Center includes a 100 acute care bed hospital
11 with the site capacity to expand to 120+ beds to
12 accommodate future growth through 2025; outpatient
13 hospital and ambulatory services which would include
14 emergency services which the gentleman asked about
15 earlier; diagnostic imaging, ambulatory surgery,
16 endoscopy, other diagnostic and treatment services.

17 Would have a medical office building, would
18 house 40 to 60 physicians with a slight capacity to
19 expand to double that literally if demand grows, and a
20 skilled nursing facility with 100 to 150 beds. The
21 skilled nursing facility could accommodate more than
22 that based on demand in the state.

23 The medical center would have a significant
24 employment generator -- or it would be a significant
25 employment generator for the community. The estimates

1 based on the staffing ratios and so forth for the
2 facilities involved would be about 1,100 persons.

3 Listening to the testimony before, our
4 average salary and wage for our hospital people are --
5 it's roughly 60,000 per person per year. And there's
6 a wide variety, though, between what the nursing
7 personnel would get paid and physicians and then some
8 of the clerical staff. But 60,000 for us is pretty
9 good. So that would be about 60 to \$75 million per
10 year in payroll costs.

11 And our conclusions after looking at this
12 was that, you know, this location would support the
13 100 to 120-bed hospital. It would support the skilled
14 nursing facility, and certainly will support all of
15 the medical office building requirements, and so forth
16 to house physicians and so forth.

17 And then partnering with other healthcare
18 providers, which is what we would have to do to make
19 this work. I think anyone coming into Hawai'i today
20 would have to partner with someone, okay, that's a
21 substantial healthcare provider to make a facility
22 work.

23 I think that it, you know, in concluding,
24 for us as far as Wahiawa Hospital's concerned, Wahiawa
25 Hospital has been, you know, struggling for a number

1 of years primarily because it's located in an area
2 that doesn't have the population density to support a
3 hospital based upon what is happening in medicine
4 today.

5 So moving the hospital from Wahiawa to the
6 Koa Ridge location, which is a requirement as well, as
7 far as forecast study is concerned, it would move into
8 a population density that would support the
9 development of the hospital, the skilled nursing
10 facility, the physician infrastructure and so forth
11 which are really, I call it a critical mass component
12 of developing hospitals today.

13 I think that's -- for me that is, you know,
14 the end of my testimony. If there's any questions?

15 MR. MATSUBARA: Just for the record the
16 Mr. Olden's testimony is Exhibit 34. And the Cattaneo
17 and Stroud report that was prepared under his
18 supervision is included as Exhibit 9, for your
19 reference. Mr. Olden is available for questions,
20 Mr. Chair.

21 PRESIDING OFFICER CHOCK: County?

22 MS. TAKEUCHI-APUNA: No questions.

23 PRESIDING OFFICER CHOCK: State?

24 CROSS-EXAMINATION

25 BY MR. YEE:

1 Q Just so that we have an idea of how likely
2 this will happen and how serious the Wahiawa Hospital
3 Association is on this, can you give us an idea of the
4 kinds of resources you've put in just into this
5 planning process?

6 A Well, over the period of years there's been
7 a substantial amount of resources put into it. This
8 most recent planning our resources was, primarily
9 included working with the firm in providing support to
10 them to do the feasibility study.

11 If you go back over the number of years and
12 there's some costs involved, okay, there's
13 multimillions of dollars that Wahiawa had put into it
14 over the years. But on this specific project as it
15 stands here now our involvement was in working with
16 Castle & Cooke and the feasibility analysis firm
17 Cattaneo & Stroud to put together the feasibility
18 study, and then working with Castle & Cooke as they
19 went through the design development of the
20 presentation as presented by Carl Noru. (phonetic
21 spelling)

22 MR. YEE: I have nothing further, thank you.

23 PRESIDING OFFICER CHOCK: Neighborhood
24 Board?

25 MR. POIRIER: Yeah, just one quick question.

1 xx

2 CROSS-EXAMINATION

3 BY MR. POIRIER:

4 Q To what extent will your facility at Koa
5 Ridge infringe on the service area for Pali Momi?

6 A Well, it would be close to Pali Momi. And
7 whether there was an impact on Pali Momi relative to
8 demand or not would be something would be probably
9 really hotly debatable.

10 Pali Momi -- and this is my opinion, okay,
11 not anybody else's, no one else's has said this, or it
12 hasn't been suggested in any discussions I've heard --
13 but Pali Momi is a hospital that is not too large
14 either. Okay. And it's pretty much operating at
15 capacity.

16 So with the closure, particularly the
17 closure of Hawai'i Medical Center West, whether it
18 opens again or not, who knows. People think it will.
19 Some people don't believe that it will. This hospital
20 being located in the area that we're proposing, okay,
21 would complement, okay, the other hospitals in the
22 area as far as physicians being able to travel between
23 the hospitals.

24 It also would -- logistically as far as
25 patients, you know, coming and going there, it would

1 help patients, you know, in both the Central O'ahu
2 area as well as surrounding area that would be a
3 little bit farther south, maybe east and west of that
4 location. The people that own Hawai'i Pacific Health,
5 okay, which owns Pali Momi, what they would say I
6 could only guess. I really don't know.

7 MR. POIRIER: Thank you.

8 PRESIDING OFFICER CHOCK: Sierra Club,
9 Senator Hee, any questions?

10 MS. BELATTI: No questions for this witness,
11 thank you.

12 PRESIDING OFFICER CHOCK: Commissioners, any
13 questions? Commissioner Judge.

14 COMMISSIONER JUDGE: Good afternoon.

15 THE WITNESS: Hi.

16 COMMISSIONER JUDGE: The existing Wahiawa
17 Hospital right now, does it provide the services, all
18 the services that the proposed Koa Ridge Hospital
19 would provide?

20 THE WITNESS: It does but, you know, they
21 are limited. They're primarily limited because of
22 some things that Dr. Suzuka said in his testimony. We
23 have the range of services but we do not have the
24 physician complement to support the services.

25 So we have a real need to have a lot more

1 access to surgeons, for example, and specialists. And
2 the specialists are concentrated in the Honolulu and
3 probably Pearl Ridge/Pearl City area. So the
4 specialists due to physician shortages, they have
5 stopped coming to Wahiawa except on a consultant
6 basis.

7 So relocating the hospital closer into the
8 areas that would involve both West, presuming it
9 reopens, and Pali Momi, would allow the specialist
10 physicians to have a lot better access to hospitals in
11 that area. And it would be a lot better functional
12 situation for not only the physicians but for the
13 patients who need access to the specialty care.

14 And particularly in the hospitals today, the
15 number of admissions over years have dropped because a
16 lot more is being done on an outpatient basis. So
17 there's a lot more specialist physician need as far as
18 treating patients in the hospitals today.

19 And the other thing is that, in particular,
20 I think for Wahiawa and West most of the patients who
21 were admitted to those hospitals are admitted through
22 the emergency room. So you need the specialist
23 physician to support those because they are -- they're
24 the sicker patients. They're not the real short-stay
25 patients.

1 COMMISSIONER JUDGE: What would happen to
2 the existing Wahiawa Hospital?

3 THE WITNESS: Well, the discussions has
4 always been that it would become more of a geriatric
5 center facility. They would probably retain skilled
6 nursing services there. We have a senior behavioral
7 health unit there that's 10 beds. Some people call it
8 a geri-psych unit. But that would most likely stay
9 there. It may move, but it could stay there. So
10 that's more a geriatric center set of services.

11 And it would probably have an urgent care
12 center there onsite to handle the lower acute type
13 cases that were non-emergent.

14 COMMISSIONER JUDGE: So it would remain open
15 for that community for urgent care. I know, again,
16 previously there was discussion about the Wahiawa
17 community didn't want to see that go away because they
18 were concerned then they're going to have to drive
19 down to the critical, you know. So are you saying
20 that it would remain open?

21 THE WITNESS: It would -- yeah. The plan
22 would be that it would remain open. But it wouldn't
23 provide the higher level of acute services that would
24 be provided at the other hospital. And, really, for
25 the community -- and I've heard that discussion

1 several times with different people -- I think the
2 access to specialty physicians and the access to
3 technology that you need to run a modern hospital, the
4 only way that you can fund those today is to have the
5 hospital located in an area that has enough population
6 density that it can actually support it.

7 So the areas specifically where Wahiawa is
8 now it really isn't large enough to support a modern
9 day hospital like you would need.

10 So Wahiawa has been on a decline. And if I
11 trace it back to the period of time this started is
12 when Pali Momi was started in 1989. And then when
13 West went in in 1990 we went from over 3,000
14 admissions per year to about 17, 1800 since they
15 opened. And those hospitals went from zero admissions
16 to about 9,000 admissions.

17 So you need to get it located in an area
18 that's closer like that so there can be some synergy
19 between physicians and the community those hospitals
20 support.

21 (Mr. Seitz now present).

22 COMMISSIONER JUDGE: Then I guess the other
23 thing is have you -- have you gone -- I know there's a
24 Certificate of Need process that needs to be, you need
25 to get that from the state. Has that process started?

1 THE WITNESS: No. And the reason why it
2 hasn't is probably because of this committee, this
3 hearing and the repeats. We had -- we had spent
4 several million in pursuit of the project before this
5 restructuring occurred.

6 And we decided as part of this at this point
7 until it gets through Land Use Commission, gets
8 rezoning, we really can't, from a fiduciary
9 standpoint, spend more money on the project until we
10 get through that portion.

11 COMMISSIONER JUDGE: Thank you.

12 PRESIDING OFFICER CHOCK: Commissioner
13 Matsumura.

14 COMMISSIONER MATSUMURA: I think you might
15 have answered the question. But for clarity, have you
16 considered to take over the HMC facilities and why
17 not?

18 THE WITNESS: No, not really. There's been
19 some people suggested that. But we have not. We have
20 not had any discussions about it at all as far as our
21 board is concerned. Who would take it over at this
22 point? I don't -- I don't have any suggestions.

23 I don't think it would be -- if we were
24 going to do anything that way we would have to partner
25 with somebody to do it. And it's not -- the

1 discussions just haven't occurred.

2 COMMISSIONER MATSUMURA: Thank you.

3 PRESIDING OFFICER CHOCK: Commissioners, any
4 other questions?

5 MR. MATSUBARA: Mr. Chair, one housekeeping
6 matter. In the previous hearing Mr. Olden testified.
7 I had him qualified as an expert in medical facilities
8 administration. I would ask that he be also qualified
9 for purposes of today's testimony as an expert in the
10 area of medical facilities administration. His CV is
11 attached to his testimony.

12 PRESIDING OFFICER CHOCK: Parties, any
13 objections?

14 MS. TAKEUCHI-APUNA: No objections.

15 MR. YEE: No objection.

16 MR. SEITZ: No objection.

17 PRESIDING OFFICER CHOCK: Commissioners?

18 MR. MATSUBARA: Thank you very much.

19 MR. SEITZ: Mr. Chairman, I apologize. I
20 thought I'd be back for Mr. Olden. May I, with the
21 indulgence of the Commission, ask a few questions of
22 Mr. Olden?

23 PRESIDING OFFICER CHOCK: Petitioner?

24 MR. MATSUBARA: No objections.

25 PRESIDING OFFICER CHOCK: Go ahead.

1 CROSS EXAMINATION

2 BY MR. SEITZ:

3 Q Mr. Olden, am I correct that you're not
4 necessarily wedded to putting this new facility on
5 prime agricultural land so long as you could find some
6 location in the general vicinity where it's
7 contemplated? Is that fair to say?

8 A You know, we're committed to putting the
9 facility in a location that is conducive to building a
10 hospital that would support the community and support
11 the community out in that area as needed.

12 Connecting it to ag land, as you suggest, is
13 really not part of our thought process. It's not
14 really part of my responsibility or, you know, our
15 planning. It's just not, it's not part of our scheme
16 anyway.

17 Q And I wanted to ask, and I may have missed
18 this. It might have come up while I was gone. But if
19 you are, if you do move to this new location, what
20 happens to the facility in Wahiawa Town?

21 A We talked about that, you know, a few
22 minutes ago. One of the Commissioners had asked the
23 question. The response was that the plan is that it
24 would stay, probably remain a geriatric-oriented
25 facility with skilled nursing, perhaps senior

1 behavioral health and an urgent care center.

2 Q And that then just goes into my concern
3 which was raised by one of the Commissioners a minute
4 ago when I did get back here.

5 And that is there are a number of
6 ambiguities about healthcare planning in this region
7 now because of the closure of the hospital and what
8 would happen with your facility and a new facility.

9 Don't you think that those matters ought to
10 need to go through the Certificate of Need process
11 because of what's been going on in the health industry
12 in this entire region?

13 A The answer is no. I think, you know, going
14 through the Certificate of Need process for us on this
15 planning venture, we don't want to go through the CON
16 process until it gets through the Land Use Commission
17 and it gets through the zoning process. We have
18 spent, I said before, we've spent several million on
19 the project over a period of time.

20 And until it gets to the point where it
21 looks like there is approval of the location of the
22 land then, you know, to spend more money on it we're
23 not going to do that.

24 Now, as far as, you know, linking all of
25 this with the closure of West and what happens to our

1 hospital and anyone else in that area with respect to
2 that, I think proceeding forward would probably be
3 with a little more caution than it was prior.

4 But at the same time the closure of West
5 isn't necessarily something that creates a bad
6 situation for us in looking at this Project with
7 respect to that location. The closure of West we have
8 had to respond that. It's been a, I don't know about,
9 I would say a difficult struggle.

10 It has certainly been a situation where we
11 have doubled the number of patients that we're seeing
12 at our hospital. And we've seen a huge increase in
13 the number of emergency visits to the hospital. So it
14 puts a whole new kind of planning context and a set of
15 variables to deal with.

16 But as far as going through a CON process at
17 this point, I don't think that would be an appropriate
18 thing to do.

19 Q Well, I'm not suggesting to you that it puts
20 your plan in a different light. But in terms of
21 health planning for the entire region it may very well
22 be that a hundred bed critical care unit, which is
23 what you're planning to build, is just simply not
24 going to be enough.

25 And that the Certificate of Need process has

1 an overarching goal of ensuring that medical needs in
2 the region are being met, which may at some of point,
3 then, come into conflict with what limited plans you
4 have on this particular location. Would you agree
5 with that?

6 A It could be. It could be. Although the CON
7 process doesn't really build hospitals. It just
8 reviews people's applications.

9 MR. SEITZ: I understand. Thank you.

10 PRESIDING OFFICER CHOCK: Commissioners, any
11 follow up questions? Redirect, Petitioner?

12 MR. MATSUBARA: No redirect, Mr. Chair.

13 PRESIDING OFFICER CHOCK: Thank you for your
14 testimony, Mr. Olden.

15 THE WITNESS: Thank you very much.

16 PRESIDING OFFICER CHOCK: Before we break
17 for lunch I believe when we reconvene we're going to
18 be recalling Ms. Kodoma for Intervenor Sierra Club and
19 Senator Hee.

20 MR. MATSUBARA: Correct. And our witness
21 after that would be Bruce Plasch.

22 PRESIDING OFFICER CHOCK: It's 12:15. Why
23 don't we take a break for lunch until 1:30 and we'll
24 reconvene at that time.

25 MR. MATSUBARA: Thank you.

1 (Lunch recess was held. 1:30)

2 PRESIDING OFFICER CHOCK: (Gavel) Okay.

3 We're going to resume the proceedings at this time.

4 Mr. Seitz, I believe it's your witness.

5 MR. SEITZ: Thank you.

6 CROSS-EXAMINATION

7 BY MR. SEITZ:

8 Q Ms. Kodama, first of all, let me apologize
9 for having to leave and come back. I really
10 appreciate the courtesies of allowing me to question
11 you on this basis.

12 A Thank you.

13 Q Has anything changed since the time that
14 this Petition in its last iteration came before the
15 Land Use Commission, in your opinion?

16 A In terms of our plan?

17 Q Not in terms of your plan but in terms of
18 any factors affecting whether or not the plan is
19 viable or whether it's going to go forward.

20 A Not that I'm aware of.

21 Q Do you consider that -- were you here this
22 morning when I asked a couple questions of Mr. Olden
23 about regional health planning in the area?

24 A Yes, I was.

25 Q Do you think that situation has changed in

1 any significant respect that might affect whether or
2 not Wahiawa Hospital is actually going to be able to
3 move forward with its plants?

4 A I guess the only thing that I'm aware of is
5 the closing of the HMC. And the results as far as I
6 know as it impacts Wahiawa Hospital is that they've
7 actually, as Don testified this morning, doubled the
8 amount of patients. So their need has actually
9 increased.

10 Q Can you foresee that when Wahiawa Hospital
11 seeks its Certificate of Need that because the
12 population now that they would have to serve is much
13 greater than, in fact, what they might be faced with
14 is a determination that building a hundred-bed
15 hospital is just not what the region needs? They need
16 something much more substantial?

17 A I'm not an expert in that area so I wouldn't
18 be able to speculate on that.

19 Q And I guess my question, then, is if in fact
20 the needs of the region might have changed since the
21 last time around, isn't that something that ought to
22 be studied so we can determine the impact before we
23 start building another 5,000 homes where such an
24 important need has yet been undetermined?

25 A I think the need has been determined. I

1 think what you're trying to say is if there's changes
2 to the need does that have to be used. I'm not
3 certain since the need has been established and still
4 exists.

5 Q Let me in the same vein turn to Waiawa
6 Ridge, which I understood was something that you folks
7 were going to share infrastructure costs and planning
8 in regard to this Project as well, is that correct?

9 A For our Waiawa piece only, yes.

10 Q Okay. Do you know why that has not
11 proceeded?

12 A No. I don't know the details of why it's
13 not proceeded.

14 Q When I look at your plan, you have a plan
15 for one elementary school in each of the two pieces of
16 this Project, correct?

17 A That is correct.

18 Q If my recollection is correct, Kamehameha
19 Schools in their project, which has not proceeded, had
20 plans for schools, for secondary high school and
21 intermediate school, is that right?

22 A That's correct.

23 Q So if you guys go ahead or are permitted to
24 go ahead, is it likely that what's going to happen is
25 you're gonna maybe have as many as 5 to 8,000 children

1 in these two developments with two elementary schools
2 to go to, but no additional high schools or
3 intermediate schools based upon what's currently
4 planned? Isn't that kind of what we're looking at
5 here?

6 A When you say the "two developments" you mean
7 Castle & Cooke's development and Waiawa Ridge's
8 development?

9 Q No. Putting Waiawa Ridge to the side now.

10 A Right.

11 Q You folks are here with two pieces of a
12 development where you're asking for permission to
13 build 5,000 residential units, correct?

14 A That's correct.

15 Q So if you build 5,000 residential units,
16 arguably we're talking about somewhere maybe between
17 5,000 and 8,000 additional children who might occupy
18 those units at full buildout, correct?

19 A No, that's not correct. The projections
20 that the DOE has provided is student generation for
21 Koa Ridge Makai only is 628 students at the elementary
22 school level, and 178 students at the middle school
23 level, and 209 students at the high school level.

24 Q Okay. Even assuming that those numbers are
25 correct, and I'm very sceptical about those numbers

1 given the number of units you're going to build, you
2 still have another 3- or 400 students for secondary
3 schools which are already fairly crowded. Are you
4 aware of that?

5 A Yes, I'm aware of what is, that there's some
6 crowding in some schools.

7 Q We have one high school, Mililani High
8 School. And we have two intermediate schools that
9 serve that same population, correct?

10 A That's correct.

11 Q So adding an additional number of students
12 is at least a challenge. Would you agree?

13 A Ah, well, you're referencing Mililani
14 schools.

15 Q Yes.

16 A And the way the DOE, at least in my
17 understanding through them, how they would approach it
18 is until the new schools, middle and high school, were
19 built based on the need, the students that first get
20 there and need to go to the middle or high school
21 level would be placed at schools where capacity was
22 available. So they wouldn't be going to schools, say,
23 for instance, Mililani High School as you say is
24 over-capacity. So it wouldn't be that school that
25 they would pick.

1 Q What school would it be?

2 A Pearl City right now is identified as one
3 area where it has declining children as far as
4 school-age children. Now, the DOE, though, would have
5 to reassess -- or assess at the point that we're
6 developing where the capacity is available. So I'm
7 not committing them to any one school. I'm just
8 saying that that's their process.

9 Q Let me turn to just another area. Let me
10 ask you about the availability of sufficient water
11 resources if this Petition is granted.

12 Is it your understanding that there's no
13 controversy and no problems about supplying the water
14 needs of the community that you intend to construct?

15 A I wouldn't be able to answer that. I think
16 that question should be deferred to Tom Nance, our --

17 MR. MATSUBARA: We're going to have Tom
18 Nance tomorrow, Eric --

19 MR. SEITZ: Okay.

20 MR. MATSUBARA: -- on water resources.

21 Q (Mr. Seitz): Have you received, to your
22 knowledge, any questions or issues that have been
23 raised by the city with respect to the provision of
24 water? Are you aware of anything along those lines?

25 A No, I'm not.

1 Q In your written testimony you say at Page 4
2 under Agricultural Impacts, that you see no
3 significant impacts to existing agricultural
4 operations or employment if this Petition is granted.

5 And you base that upon the fact that as you
6 understand it, and as we see from the documentation
7 you've submitted, that the farms that are currently
8 there will be able to move to other locations.

9 A That's correct.

10 Q Now, first of all, let me ask you do you
11 know what crops are being grown currently on the
12 property that will be affected by this Petition?

13 A I couldn't say right now.

14 Q So we're going to have to ask other people
15 those questions.

16 A That's correct.

17 Q Okay. Now, assuming that, and I think it is
18 fair to assume, that some crops are being grown which
19 currently are being sold and consumed for food in
20 Hawai'i. That at the very least if this Project goes
21 forward the use of that particular land for
22 agricultural production will be lost, correct?

23 A For that particular land, yes.

24 Q And you heard the testimony this morning by
25 the gentleman from the Sierra Club who said that

1 currently, in his understanding, less than 10 percent
2 of the food that Hawai'i consumes is grown in Hawai'i
3 at this particular point. Did you hear that?

4 A I did hear him say that.

5 Q And if, in fact, this land is taken out of
6 agricultural production, that there will be a
7 significant drop, perhaps of as much as three to four
8 percent. Did you hear that testimony?

9 A Three or 4 percent of what? I'm sorry.

10 Q I think he was talking about we would then
11 drop to about 94 percent of our food having to be
12 imported because we would lose the production capacity
13 of this particular land.

14 Did you hear him testify to that?

15 A No, I didn't.

16 Q Okay. In any event, I started out by asking
17 you what might have changed now from the time that
18 this Project was originally conceived. Would you
19 agree with me that the general public's consciousness
20 about the importance of local food production and
21 preserving that production is certainly heightened now
22 than it was even a year or two ago or five years ago
23 or 10 years ago when this Project first was
24 contemplated? Would you agree with that?

25 A Yeah, I would agree with that.

1 Q So from the standpoint of taking any
2 agricultural land, the minimal land that we now have
3 under cultivation, and turning it into something else,
4 isn't there a significant public interest, whether you
5 prioritize it the same way we do or not, isn't there a
6 significant public interest in preserving that land
7 because it already is under cultivation and it has
8 been demonstrated that the land can be productive for
9 products sold and consumed here?

10 A I'm not sure -- what was that question in
11 all of that? I want to make sure I answer correctly.

12 Q The question was a multiple question and I
13 apologize for that. But the point I'm trying to raise
14 is would you agree that from a public policy
15 standpoint, at least, there is a significant interest
16 in preserving agricultural lands that already are in
17 production?

18 A As far as an interest?

19 Q Yes.

20 A I imagine there is.

21 Q And in that vein, then, wouldn't it be more
22 reasonable from the standpoint of public policy -- and
23 you're a planner -- to build these homes on some land
24 where it has not been demonstrated that the land can
25 be used similarly to produce products which are needed

1 and consumed in Hawai'i?

2 A I think, again, the question is
3 specifically...?

4 Q Why put this Project on some of the most
5 productive agricultural land that we have?

6 A If you're -- well, if you're referring to
7 specifically our Petition Areas?

8 Q Yes.

9 A While they are in current cultivation. They
10 also are within the community urban -- city's
11 community urban boundary. So there's also an
12 established need for housing demand to be met in this
13 urban fringe areas which is Central O'ahu on this
14 piece of property.

15 Q And, again, to some extent I'm arguing with
16 you. If your counsel wants to object I will
17 understand. But basically what I'm suggesting to you
18 is Castle & Cooke as a reasonable contributor in this
19 community, unlike others which we might be dealing
20 with, basically has expressed concern about the uses
21 of agricultural lands and the former agricultural
22 lands, correct?

23 A That is correct.

24 Q And its policies have been developed by that
25 concern, correct?

1 A That's right.

2 Q And guided?

3 A That's right.

4 Q So in this instance wouldn't it be better to
5 put new homes on former plantation land where the soil
6 has not yet been determined, and there is not water to
7 support the kind of agriculture which currently exists
8 on the parcel of land that you intend to develop for
9 this Project?

10 A I guess to put it a little differently than
11 the way you said that, is we would develop on the
12 lands that are within the urban community boundary.
13 But we found, mitigated the ag by relocating them on a
14 site that is suitable for ag but has been fallow. So
15 we are not displacing any other farm operation.

16 So that's how we're approaching it. I think
17 that addresses the concern of where -- that we can
18 still provide the needed housing but also still keep
19 our farmer going and the operation going as it is
20 today.

21 Q But that doesn't -- that doesn't address the
22 public policy which I pointed out to you earlier. We
23 not only need this land, we need a lot more land in
24 order to grow sufficient food to be even close to
25 self-sufficient, doesn't it?

1 A I think that that is best answered by Bruce
2 Plasch who's upcoming.

3 Q I'll raise those questions with him. But,
4 again, essentially you're asking the Land Use
5 Commission, are you not, to make a public policy
6 determination that it's okay to take land that's
7 already demonstrably productive in agriculture and to
8 turn that into something else, correct?

9 A That's correct.

10 Q You believe that's a legitimate planning
11 objective that's consistent with the policies and
12 practices of the state of Hawai'i.

13 A Yes, it is.

14 Q Has anything changed with regard to your
15 estimates of the pricing of these units when they're
16 built out?

17 A I'm not sure what you mean.

18 Q Well, I would assume at some point when you
19 came before the Land Use Commission in the past you
20 made representations or were asked about the pricing
21 of the units that you propose to build. Is that fair
22 to say?

23 A We have pricing, pricing ranges in our
24 market assessment.

25 Q Has that changed at all over time?

1 A No. Actually the numbers I believe that are
2 in our market assessment are as of 2008. And as far
3 as how as Castle & Cooke operations is concerned are,
4 we pretty much track with the Honolulu Board of
5 Realtors sort of median price, what happens at the
6 median price level.

7 And if you look at where it was in 2008
8 versus where it was in 2011 there's actually been a
9 decline in pricing.

10 Q Would that, in fact, have any impact on your
11 ultimate determination to build this Project because
12 the prices have declined?

13 A No.

14 Q Is it your impression that a number of other
15 projects which have been permitted, not necessarily in
16 the immediate area where you are but in other areas on
17 the west side of the island, that they have been
18 permitted but they haven't been built out because of
19 economic conditions would not support building and
20 selling those units?

21 A I wouldn't be able to -- I wouldn't presume
22 why these units weren't built out.

23 Q Do you know why the Waiawa Ridge project has
24 not gone forward?

25 A No, I don't know.

1 Q You have represented in your written
2 testimony that you intend to provide a certain number
3 of affordable homes.

4 A That's correct.

5 Q Can you tell us what you mean by "affordable
6 homes"?

7 A It would be following whatever the city
8 requirements are as far as the percentage which
9 currently now is 30 percent. It also would be, fall
10 into line of what the, hitting certain median income
11 projections. So it's 30 percent. Ten percent of that
12 would be below 80 percent. And sorry. I have to
13 refer to my notes.

14 So this is more typically what is required:
15 It would be 10 percent, 80 percent or below of AMI,
16 10 percent between 80 and 120 percent; and 10 percent
17 between 120 and 140 percent.

18 Q Can you attach actual pricing to that, to
19 those figures for me so what it would cost somebody to
20 actually purchase a unit?

21 A There's a lot of variables. I can give you
22 an example if you want.

23 Q Examples are fine.

24 A Okay. Because the variables would -- and
25 this is off of a list from HUD, provided by HUD -- the

1 variables would be because it could depend on the
2 family size, percentage and also what AMI you're
3 trying to hit.

4 So if I just were to give you an example of
5 a family of four, at 140 percent and very, very
6 conservatively looking at a 6 percent interest which
7 is, of course, well above what we have now. So I'm
8 actually going to be giving you an example of a lower
9 price point than if I were to use current interest
10 rates. It's \$473,200.

11 Q That's designated as an affordable unit.

12 A Hmm-hmm, for a family of four.

13 Q Lastly, let me just ask you a few questions
14 about the traffic situation. If you build out both of
15 these pieces of the Project to completion, what is
16 your estimate of how many additional vehicles will be
17 associated with the Project?

18 A That, sorry, I'm going to have to defer that
19 to our traffic engineer -- traffic consultant who
20 will be coming up later.

21 Q Okay. The one thing I did want to inquire
22 about is when you testified when I was here this
23 morning that you're contemplating building another
24 exchange on the freeway, is that correct?

25 A No, we're not -- when you say "exchange" are

1 you referring to the ramp?

2 Q Right.

3 A Okay. No, it's not -- it's not our
4 proposal. It's the city's proposal as part of the
5 rail transit project.

6 Q Where would this ramp be located?

7 A Sorry, we took down our PowerPoint.

8 Q Just tell me generally.

9 A It would go from H-2 Freeway. And it would
10 be, like, an extended offramp that would lead towards
11 a park 'n ride, 1600 car park 'n ride that would
12 service the Pearl Highlands transit station. So that
13 was brought up in my presentation as a way that would
14 connect our communities to the rail transit.

15 Q But in terms of essentially the Mililani and
16 the prior exchanges where people get on and off the
17 freeway out there, you would not add to or change the
18 traffic patterns in either of those places, is that
19 correct?

20 A No. I'm sorry. Maybe I misunderstood you.
21 Were you talking about interchanges?

22 Q Yes.

23 A Oh, okay. Okay. I'm sorry. We are doing
24 improvements at Waipio Interchange as well as creating
25 a new interchange at Ka Uka Intercha -- sorry, a Koa

1 Interchange where the Pineapple Road overpasses.

2 Sorry, I just realized that you might have been
3 talking about interchanges.

4 Q And that's going to be done at your expense?

5 A The Koa Ridge Interchange --

6 Q Yes.

7 A -- at the Pineapple Road would be borne by
8 Castle & Cooke. The Waipio Interchange, as it is
9 impacted by Koa Ridge, would be borne by Koa Ridge --
10 I mean Castle & Cooke. But any further mitigation
11 that's needed as it relates to anything that Waiawa
12 Ridge might generate in the future would be Waiawa
13 Ridge's share.

14 Q I'm sorry. I just have one other question I
15 want to ask you. With respect to this land which is
16 obviously in cultivation now, has Castle & Cooke ever
17 initiated any process to have those lands determined
18 as Important Agricultural Lands?

19 A No, not for the Petition Areas.

20 MR. SEITZ: Thank you. I appreciate it.

21 PRESIDING OFFICER CHOCK: Petitioner,
22 redirect?

23 MR. MATSUBARA: Yes, a few questions.

24 REDIRECT EXAMINATION

25 BY MR. MATSUBARA:

1 Q Let me ask you questions relating to schools
2 for your Project.

3 PRESIDING OFFICER CHOCK: Mr. Matsubara, can
4 you speak into the microphone.

5 Q I wanted to ask you some questions relating
6 to schools presently planned for the Koa Ridge
7 Project. You currently have an agreement with the
8 Department of Education, do you not?

9 A That's correct, we do.

10 Q It's a mutually agreed to document which
11 provides for the number and locations of schools, is
12 that correct?

13 A That is correct.

14 Q How is that determined?

15 A The determination was through the Department
16 of Education where they do have an established formula
17 and process in which they calculate out based on need
18 and the number of units and student -- projected
19 student generation, how much land the developer would
20 need to contribute as well as the impact fees so the
21 dollar figure that the developer would need to
22 contribute towards construction of a new school
23 facility.

24 Q So this was all arrived at through meetings
25 and discussions with the Department of Education?

1 A That's correct.

2 Q It wasn't a figure plucked out.

3 A No.

4 Q Thank you. In terms of the ag impact
5 relating to reclassifying this property from ag to
6 urban, in terms of your testimony you indicate that ag
7 production would not decrease at all based on the
8 relocation of the current farm up there.

9 A That is correct.

10 Q And the ranching operation would also be
11 relocated, so that should not reflect in any reduction
12 in ranching activities.

13 A Yes, that is correct.

14 Q So in terms of the decrease of food
15 production resulting from our Project, do you see any?

16 A I don't foresee any.

17 Q So equating a 5 percent reduction in
18 self-sufficiency based on approval of this Project,
19 is not possible.

20 A I don't see how that's possible.

21 Q Thank you. In terms of public policy that
22 the Commission has to consider for this Project, is
23 agricultural preservation the only policy, planning
24 agency like the Land Use Commission has to consider?

25 A No. From my understanding it's a balance of

1 different needs that they need to address.

2 Q In fact, under the law, 205-17 particularly,
3 don't they also have to consider the provision of
4 employment opportunities and economic development?

5 A Yes, that's correct.

6 Q Don't they also have to consider by law the
7 provision for housing opportunities for all income
8 groups, particularly low and moderate and gap groups?

9 A That is correct.

10 Q And you believe the Project as it's
11 configured now covers a whole slew of public policies
12 which comply with the state's plans and the
13 Commission's responsibilities?

14 A Yes, we feel that Koa Ridge does.

15 Q Thank you. No further questions.

16 PRESIDING OFFICER CHOCK: Commissioners, any
17 follow up questions for the witness? Thank you,
18 Ms. Kodama.

19 THE WITNESS: Thank you.

20 PRESIDING OFFICER CHOCK: Petitioner, your
21 next witness.

22 MR. MATSUBARA: Next witness will be
23 Mr. Bruce Plasch.

24 BRUCE PLASCH

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

1 and testified as follows:

2 THE WITNESS: Yes, I do.

3 PRESIDING OFFICER CHOCK: Name and address
4 for the record, please.

5 THE WITNESS: My name is Bruce Steven
6 Plasch. And my office is located at 1655 Kamole
7 Street, Honolulu, Hawai'i 96813.

8 PRESIDING OFFICER CHOCK: Petitioner.

9 MR. WYETH MATSUBARA: Thank you, Chair.

10 DIRECT EXAMINATION

11 BY MR. WYETH MATSUBARA:

12 Q Dr. Plasch, you prepared an impact and
13 agriculture report for Koa Ridge Makai and Waiawa
14 which is indicated as Petitioner's Exhibit 7H,
15 correct?

16 A Correct.

17 Q You also prepared an updated written
18 testimony and CV, which is indicated by Petitioner's
19 Exhibit 51, is that correct?

20 A I think that's correct.

21 Q Thank you. Your CV describes your
22 qualifications and experience in agriculture and
23 economic assessment, correct?

24 A I think that's correct.

25 Q You've been qualified as an expert before

1 the Land Use Commission in agriculture and economic
2 assessment before, correct?

3 A Yes, many times.

4 Q Okay. And, in fact, you've already been
5 admitted as an expert in a prior Koa Ridge petition on
6 February 18, 2010, correct?

7 A That's correct.

8 MR. WYETH MATSUBARA: Chair, at this time
9 Petitioner requests that Dr. Plasch be admitted as an
10 expert witness in the field of agriculture and
11 economic assessment.

12 PRESIDING OFFICER CHOCK: Parties, any
13 objections?

14 MS. TAKEUCHI-APUNA: No objection.

15 MR. YEE: No objection.

16 MR. POIRIER: No objection.

17 MR. SEITZ: No.

18 PRESIDING OFFICER CHOCK: Commissioners?

19 Q (Mr. Wyeth Matsubara) Dr. Plasch, could you
20 please summarize your written testimony for us.

21 A Yes. My name is Bruce Plasch. And I'm
22 president of a company called Plasch Econ Pacific
23 which is a consulting firm that specializes in land
24 economics. And I've been an economic consultant in
25 Hawai'i since 1971.

1 And I was retained by Castle & Cooke Hawai'i
2 Homes to analyze the agricultural impacts of Koa Ridge
3 Makai and Castle & Cooke Waiawa development. And my
4 two impact reports and supplemental analyses, they
5 cover a number of topics. But my testimony will cover
6 just seven items:

7 The agronomic conditions of the Project
8 site.

9 The impact of the Project on Aloun Farms.

10 The impact of the Project on grazing
11 operations.

12 The availability of land for diversified
13 farming.

14 Trends in crop acreage, intensive farming.

15 And food self-sufficiency.

16 Starting with the agricultural conditions.

17 The Project Area totals about 766 acres of which
18 565 acres, that's about 74 percent, are suitable for
19 growing low-elevation crops. The fields have
20 favorable soil conditions and soil ratings. The
21 terrain is gently sloping. And the climate is mild
22 and fairly sunny.

23 The 565 acres of prime agricultural land,
24 those acres comprise about 1.3 percent of the higher
25 quality agricultural lands on O'ahu that are outside

1 the city's Community Growth Boundary.

2 There's also water allocation:

3 0.84 million-gallons per day from Waiahole Ditch
4 that's available to irrigate the land. And that's a
5 correction from my written testimony. I think I
6 had 1.1 million gallons per day. The correct figure
7 is 0.84 million gallons per day.

8 Turning to the impact on Aloun Farms. Since
9 2002 446 acres at Koa Ridge have been leased to Aloun
10 Farms. And they farm about 348 acres of that land.
11 And they use land to grow leafy vegetables and melons
12 for the Honolulu market, and seed corn for export.

13 They provide an average about 30 field
14 jobs -- and that is my estimate -- about 30 field jobs
15 at Koa Ridge and additional dozen or so jobs at the
16 Aloun Farms packing and office facility in 'Ewa.

17 In order to replace the land lost to the
18 Project and to allow for an orderly transition to new
19 fields Castle & Cooke Homes Hawai'i arranged for Dole
20 Food Land Company to issue a license to Aloun Farms
21 for about 355 acres. This is former pineapple land to
22 locate north of the Dole Pineapple Plantation.

23 The license started near the end of 2009 and
24 runs for 2 -- excuse me -- runs for 10 years and
25 provides Aloun Farms the option to extend the lease

1 for additional 5 years for a total of 15 years. Aloun
2 Farms is amending the soil and adding irrigation
3 improvements. They expect their first crop this
4 summer.

5 In addition, Dole offered to lease some
6 additional land to Aloun Farms, a total of 332
7 additional acres which would, when you add that
8 replacement land plus additional land that's offered,
9 it would be more than double the amount of land
10 they're now farming in Koa Ridge.

11 And water to irrigate the crops on the
12 replacement land will come from Tanada Reservoir.

13 To help further with the transition Castle &
14 Cooke stopped charging rent for Koa Ridge at the end
15 of the year 2009. So they're not paying any rent for
16 that land.

17 In terms of the impact of the Project on
18 Aloun Farms, I do not expect any significant impact in
19 that Aloun Farms will be able to grow pretty much the
20 same crops, maintain the same level of production,
21 revenues, operating costs and delivery costs,
22 employment and payroll as they currently maintain at
23 Koa Ridge.

24 But there will have to be some adjustments
25 in varieties and cultivation practices because of

1 slightly different agronomic conditions. And they do
2 have to pay the cost of preparing the pineapple field
3 for farming vegetable crops.

4 Turning to the impact on grazing operations:
5 Since the year 2000, 186 acres at the Waiawa Petition
6 Area has been leased to the Flying R Livestock Company
7 for cattle grazing.

8 In addition, there's another 218 acres of
9 adjoining gulch land that's least to Flying R
10 Livestock Company. The operation involves one
11 part-time rancher to manage about 40 cow-and-calf
12 units and three bulls.

13 The development of the Project will
14 obviously eliminate cattle grazing on that land. But
15 there will be no significant impact because Flying R
16 Ranch, they have considerable land elsewhere to move
17 the 40 head of cattle. In particular they have land
18 at Koa Ridge Mauka as well as on the North Shore.
19 They have about 3,300 acres on the North Shore.

20 In terms of the availability of land for
21 diversified crops, I want to use this exhibit here.

22 Q Bruce, let me just interject, for
23 housekeeping this is found in Exhibit 7H. This is
24 figure ES1 at the end of the report.

25 A And this is an update of what was in my

1 report. And it's a graph that shows acreage in crop,
2 goes from 1960 to year 2010. And shows the total
3 acreage in crop peaking at 327,500 acres in 1968 and
4 gradually declining.

5 Most of the decline was due to the
6 contractions of sugar and pineapple, just an enormous
7 decline in acreage. This is a graph that shows the
8 growth in diversified agriculture.

9 To help visualize that contraction I'd like
10 to use what I call a plantation equivalent of
11 10,000 acres. That's an area of about 15.6 square
12 miles. So it'd be the equivalent of an area that's a
13 mile wide from the federal building up to Punchbowl
14 Lookout and going from the Capitol out to the middle
15 of Campbell Industrial Park.

16 So plantation equivalent is a huge amount of
17 land. Each of these small ticks from there to there
18 represents a plantation. So when you follow down that
19 green line, plantation agriculture, go down to there,
20 that's lost to one plantation. Wish I was a little
21 steadier with my pointer. Then there's another loss
22 of plantation, another loss, another loss.

23 Just going all the way down represents a
24 loss of 26 plantations. That's equivalent of a strip
25 of land a mile wide lining up all these plantations.

1 That'd go from Honolulu to Hilo and back. So it's a
2 huge amount of land.

3 Diversified agriculture, its growth, took up
4 about 10 percent of that land, the equivalent of about
5 three plantations, about -- some of the land went into
6 commercial forestry over at Hamakua, about three
7 plantations equivalent. And about two plantations
8 equivalents were urbanized. But most of this land
9 that was freed by plantation agriculture remains
10 available for agriculture.

11 Most of that went into grazing, but the
12 total amount I estimate about 177,000 acres plus or
13 minus about 5,000 acres. So it's a huge amount of
14 land.

15 O'ahu had a similar experience with the
16 release of plantation land. Since 1970 O'ahu lost the
17 equivalent of seven plantations, four before the
18 mid-1990s and three after the mid-1990s.

19 Let me just put up this graph or map. This
20 is a map of the high quality lands on O'ahu that are
21 outside the city's Urban Growth Boundaries. And by
22 "high quality" land I mean land that's rated A or B by
23 the Land Study Bureau or rated prime or unique under
24 ALISH. And that acreage, and excluding the land used
25 by the military or that's being planned for a wildlife

1 refuge up in Kahuku, totals about 42,600 acres.

2 The amount of land farmed on O'ahu as of
3 2010 is about 12,000 acres. So that's a difference of
4 about 30,000 acres. And since 2010 the seed corns
5 have acquired some additional land. And there's some
6 discussion of amending the boundary around Laie.

7 So that the amount of land that remains --
8 the amount of high quality land that used to be farmed
9 that has not been urbanized, not planned for being
10 urbanized, is a little bit less than 30,000 acres.

11 Most of that land at one time was irrigated.
12 But in order to irrigate lands that are now
13 available -- again, I mean by "available" the land is
14 not being farmed and it's not urbanized, not planned
15 for urban development -- a lot of that land went into
16 grazing. But in order to farm that land, again, there
17 will be a need for water improvements in terms of
18 repairs, rebuilding systems, or in some cases
19 extending the irrigation system to farm certain lands.

20 Returning to this graph. In terms of the
21 growth of diversified agriculture there's been slow
22 growth mostly -- most of the growth occurred before
23 1983, especially macadamia nuts. Most of the growth
24 since then has been seed corn growing at an average
25 rate a little over 300 acres per year.

1 You take away seed corn there's been no
2 significant growth in diversified agriculture for what
3 is approaching 30 years. It's not a short-term trend.
4 It's a very long-term trend.

5 And one of the implications of this, given
6 this huge release of land and very small growth in
7 diversified agriculture, it implies that land is not
8 the factor that's limiting the growth of diversified
9 agriculture. There are other factors involved.

10 I want to also just say a few words about
11 intensive farming. There's an ongoing trend,
12 high-tech hydroponic farming in greenhouses, which
13 will increase vegetable farming in Hawai'i by using
14 less land and water.

15 Right now many of the tomatoes, cucumbers,
16 peppers, lettuces, strawberries that are sold in our
17 supermarkets are grown hydroponically in greenhouses
18 by both Hawai'i farmers as well as mainland farmers.
19 And the industry is expanding fairly rapidly.

20 For the U.S. as a whole over half of the
21 tomatoes now sold in supermarkets are grown
22 hydroponically in greenhouses. And the capital costs
23 are higher. But basically the large farms and
24 greenhouses, hydroponic farms they have a number of
25 advantages including a controlled environment which

1 gives year 'round production, much higher yields, in
2 some cases as much as 50 times higher than field
3 farming, uses much, much less water, does not require
4 good farmland.

5 In fact you can put it on industrial land or
6 on top of a building. No pesticides or herbicides,
7 less energy. And no crop losses from storms.

8 And as far as long-term future I do think it
9 represents the future for vegetable farming in Hawai'i
10 and the mainland and advanced countries. And I think
11 it will put a lot of economic pressure on Hawai'i
12 farmers that will force them to follow suit.

13 And there are already quite a number of
14 hydroponic operations that do exist in Hawai'i that
15 are supplying our markets, including a couple on the
16 Big Island, Maui, O'ahu and Kaua'i.

17 And since these farms are located in
18 greenhouses, the large agricultural fields' soil
19 quality, developing irrigation systems and finding
20 size of specific microclimates have become
21 progressively less important for vegetable farms
22 located in these greenhouses.

23 Turning to food self-sufficiency. Most of
24 the focus on saving prime agricultural land to grow
25 more food is on fresh vegetables, melons and fruits.

1 And currently -- and this is a high estimate --
2 currently about 15,000 acres of farms statewide do
3 produce about 33 percent of the fresh vegetables,
4 melons, fruits grown in Hawai'i -- or sold in Hawai'i,
5 excuse me.

6 And in terms of land use planning it would
7 be optimistic to assume we could reach about 50
8 percent self-sufficiency in locally grown food crops.
9 Fifty percent self-sufficiency would require
10 7,500 acres or less of additional land.

11 This is based on traditional field farming
12 and currently fallow practices. If you go into more
13 intensive farming, hydroponic farming, it would be
14 even less land. And 7,500 acres that's that much land
15 (indicating) versus 177,000 acres that have been
16 released -- or excuse me, that are currently available
17 for farming. So it's a very small share of available
18 land.

19 In addition, if you do get in a situation
20 where it's difficult to import food, it also means
21 it's difficult to export food. And that by not
22 exporting it frees up about 70,000 acres of additional
23 land.

24 So to summarize my findings: The proposed
25 Project I do not expect it to have a significant

1 adverse impact on agriculture. Replacement lands are
2 being made available to Aloun Farms.

3 The Flying R Livestock Company, they have
4 sufficient land to relocate its small herd at Waiawa.
5 And sufficient farmland is available for increased
6 self-sufficiency and fresh vegetables, melons and
7 fruits as well as to accommodate the future growth of
8 diversified agriculture.

9 But there's the caveat that in order to farm
10 additional lands, generally water systems need to be
11 repaired, rebuilt or extended. They went for a long
12 time without being used and they deteriorate. So if
13 you use them again you have to rebuild them. That's
14 it.

15 Q Dr. Plasch, I have a couple follow-up
16 questions. I'm going to steer your attention towards
17 Aloun Farms and the mitigation efforts for that, and
18 your comment about the cost associated with the
19 amending the soil with the relocation lands.

20 Your understanding is that Aloun Farms is
21 currently farming at Koa Ridge and also has been, has
22 a license since 2009 to start its farming operation to
23 replace the lands, correct?

24 A That is correct.

25 Q And your understanding is also that rent for

1 Koa Ridge has been waived as to Aloun Farms since
2 2009, correct?

3 A That's correct.

4 Q So the waiving of rent would at least help
5 mitigate or offset some of those costs associated with
6 the relocation lands and the amendments needed to get
7 those soils up to par.

8 A That's correct. In addition, I would add
9 that the rent at Koa Ridge was well below market. So
10 that would contribute as well to the cost of amending
11 or preparing those lands at Helemano for farming.

12 Q So Aloun Farms enjoyed a below-rent stay at
13 Koa Ridge.

14 A They definitely did.

15 Q Thanks.

16 MR. WYETH MATSUBARA: Dr. Plasch is
17 available for cross-examination.

18 PRESIDING OFFICER CHOCK: County?

19 CROSS-EXAMINATION

20 BY MS. TAKEUCHI-APUNA:

21 Q I have one question. How practical is
22 achieving full food self-sufficiency?

23 A How practical is it?

24 Q Yes, for the state.

25 A A hundred percent or just increased?

1 Q Increased.

2 A It's possible. It's difficult. There's a
3 lot of pressure on farmers in terms of low-cost
4 imports. So achieving -- increasing self-sufficiency
5 you look at the numbers, there's a potential for
6 growth but it's not a lot.

7 MS. TAKEUCHI-APUNA: Thank you.

8 PRESIDING OFFICER CHOCK: State?

9 CROSS-EXAMINATION

10 BY MR. YEE:

11 Q Dr. Plasch, I thought I heard you refer to
12 replacement lands of 355 acres. Is that 335 acres?

13 A If I said that it was a mistake.

14 Q Your written testimony would have the
15 correct data.

16 A That is correct. It's 335 acres plus an
17 additional 325 acres -- excuse me, additional 332 have
18 been offered.

19 Q Then you refer to the first crop coming in
20 this summer. And I noticed that in the Aloun Farm
21 letter they do refer to the need to plant multiple
22 cover crops to remove chemicals from the soil.

23 Is the crop that's coming this summer part
24 of the preparation of the land? Or is it -- or have
25 they finished that process and now they have started

1 to begin commercial production?

2 A I think it's a little of both. I think
3 certain crops can be grown now, but I think they're
4 still working to prepare, to amend the soils.

5 Q So would the summer crop be part of that
6 multiple cover crops?

7 A I don't think so.

8 Q Okay. Then you referred to the waiving of
9 rent for the Koa Ridge site. Do you know how long
10 that waiver would last?

11 A Until they move off the land.

12 Q And are they going to be allowed to
13 transition off the land as the need -- let me
14 backtrack. Do you remember your testimony in
15 Ho'opili, right?

16 A Yes.

17 Q There's a transition as they move off as the
18 development requires them to move off?

19 A I think that's correct.

20 Q Is that same thing going to happen in this
21 case? Are they going to be required -- are they going
22 to be allowed to stay until the development requires
23 them to move off?

24 A I think that's correct.

25 Q Did you have a chance to read the Department

1 of Agriculture letter, Office of Planning's Exhibit 17
2 dated January 9th, 2011?

3 A Yes, I did.

4 Q Do you recall generally that they asked for
5 some clarification from the Petitioner on various
6 items?

7 A I remember that. I don't remember they
8 requested it.

9 Q Okay. I'm going to go over some of those
10 requests for clarification. Just tell me if you know
11 what the answer is. Is it your understanding that the
12 annual lease rentals for Koa Ridge Makai is
13 approximately 129,000?

14 A I think that's incorrect. I think it's
15 less.

16 Q Less than that. Do you know what the status
17 of the irrigation water is for the replacement site?

18 A Well, water's available from Tanada
19 Reservoir.

20 Q Are water infrastructure improvements needed
21 for the replacement site?

22 A I think the only improvements needed are
23 onsite improvements to allow Aloun Farms to farm small
24 areas. If you look at their farm operation some of
25 their crops they grow are on the order of sometimes a

1 fraction of an acre or a few acres or 10 acres or 20
2 acres.

3 They don't irrigate the whole field all at
4 once for all the crops. So I think they're putting in
5 more of an infrastructure to allow better control over
6 the irrigation system. But in terms of the delivery
7 system I think that's already in place.

8 Q Do you know if they'd have to construct
9 additional irrigation water for storage to allow for
10 sufficient water pressure?

11 A Not that I know of, but I wouldn't rule it
12 out.

13 Q Do you know if they had to put in pumps to
14 fill the reservoir?

15 A Put in pumps to what?

16 Q Pumps to fill the reservoir.

17 A I don't think so. Pumps to fill up Tanada
18 Reservoir?

19 Q No. Pumps to fill up their storage.

20 A Not that I know of.

21 Q Do you know if they're required to put in
22 water filtration to prevent clogging?

23 A That's a common practice. So that wouldn't
24 surprise me.

25 Q Do you know if they had to do pressure

1 regulation measures to ensure sufficient pipeline
2 pressures?

3 A I don't know.

4 Q Do you know if they had to put in additional
5 drip tubes or overhead sprinklers through the site?

6 A It's possible.

7 Q I guess given your uncertainty about the
8 infrastructure that's needed, how are you able to
9 conclude that the irrigation system infrastructure's
10 basically fine for that site today?

11 A When I talked to Aloun Farms about they're,
12 for relocating their crops, they're very comfortable
13 with their ability to relocate and grow pretty much
14 the same crops that they're growing at Koa Ridge.

15 Q And I wasn't -- thank you for that. I was
16 not intending to challenge their eventual ability to
17 replace. I was just looking for a snapshot of where
18 they are today.

19 Do you happen to have information about
20 where they are today in irrigation?

21 A In terms of irrigation, no.

22 Q The Department of Agriculture also noted
23 that there are sometimes clauses in licenses which
24 make use of that license as collateral problematic.
25 Are you familiar with that general concern?

1 A I'm not -- I have not read that license.

2 Q Go ahead.

3 A So it would be better to direct that
4 question to Castle & Cooke or Dole.

5 Q Are you familiar with licenses which contain
6 things like a 30- or 90-day termination clause?

7 A I am familiar with the idea.

8 Q Do you know -- is it your understanding that
9 these types of termination clauses can make it
10 difficult to use a license as collateral with a bank
11 or financial institution?

12 A I assume that's correct.

13 Q And I think you've testified, but I just
14 want to confirm, there's a standing offer to offer an
15 additional 332 acres of land to Aloun Farms, correct?

16 A That's correct.

17 Q And that's adjacent to their current
18 335 acres of replacement lands.

19 A Yes.

20 MR. YEE: Okay. Thank you very much.

21 PRESIDING OFFICER CHOCK: Neighborhood
22 Board.

23 CROSS-EXAMINATION

24 BY MR. POIRIER:

25 Q Dr. Plasch, from a public policy perspective

1 what would be the advantages or disadvantages of
2 having the state implement a program to land bank
3 prime agricultural lands?

4 A Advantages and disadvantages of land banking
5 for agriculture?

6 Q Yeah.

7 A You mean like purchasing Galbraith land?

8 Q Yeah.

9 A I would think -- well, if they purchased it
10 I would think they would want to put it in
11 agriculture. But if the irrigation system is not in
12 place, or in case of Lake Wilson the water is going to
13 be rated R2, it makes sense to acquire the land and
14 wait for the city to improve the wastewater treatment
15 plant so the discharge is R1. Then you could irrigate
16 that land and lease it out in the future, which is not
17 that far off.

18 MR. POIRIER: Thank you.

19 PRESIDING OFFICER CHOCK: Senator Hee,
20 Sierra Club?

21 CROSS-EXAMINATION

22 BY MR. SEITZ:

23 Q You and I have been through some of these
24 questions recently, but since we have a new record
25 we're going to have to repeat some of them.

1 A Okay.

2 Q First of all, am I correct you have no
3 academic background in agriculture?

4 A That's correct.

5 Q You also have never been a farmer or run an
6 agricultural business yourself, correct?

7 A That's correct.

8 Q Now, you said some things here which I'm
9 interested in. You said that there has been no
10 significant growth in diversified agriculture other
11 than seed corn in the past 30 years. Was that your
12 statement?

13 A Yes. And I'm doing my analysis or in my
14 graphs in terms of crop acreage.

15 Q Well, during that 30 years Aloun Farms has
16 come along, right?

17 A That's correct.

18 Q And MA'O Farms has come along, correct?

19 A That's correct.

20 Q And Dean Okimoto's operations in Waimanalo
21 have come along, right?

22 A I'm not sure when they started, but during
23 this -- going back to 1960s sure, yes. I assume. I
24 think that's correct. I'm not sure when they parted
25 the land in Waimanalo.

1 Q In fact over the last 10 or 15 years hasn't
2 there been a very significant development in not only
3 growing crops in Hawai'i, diversified agricultural
4 crops, but in marketing them to people in Hawai'i and
5 having them showcased and used by restaurants and the
6 tourist industry in Hawai'i?

7 A In terms of food crops you're correct.
8 Although even in terms of food crops a lot of the --
9 definitely been growth in acreage on O'ahu with Aloun
10 Farms and Larry Jefts' farms leading the way.

11 And a lot of that occurred at the expense of
12 the neighbor island farmers. There was some growth in
13 production but there's also a very large shift in
14 production from the neighbor islands to O'ahu.

15 Q You've been to some of the people's markets?
16 Have you ever been?

17 A On occasion, sure.

18 Q Have you ever been to the one at Kapiolani
19 College?

20 A I have not.

21 Q Are you aware that thousands of people go
22 there every Saturday to purchase all of the produce
23 that's available for sale there?

24 A I'm sure that's the case.

25 Q Are you aware that the purchasers for some

1 of the big supermarket chains, Whole Foods, Safeway
2 and others can't get enough locally grown produce to
3 satisfy their customers?

4 A That would not surprise me at all.

5 Q Let's shift gears here. With respect to
6 this particular parcel of land, do you know if this
7 parcel would meet the criteria to be designated as an
8 Important Agricultural Land?

9 A My understanding from the way the law's set
10 up it would not.

11 Q Why would it not?

12 A It's within the Urban Growth Boundary.

13 Q Is that the only criterion that this
14 particular parcel of land fails to meet?

15 A No.

16 Q Are there others?

17 A Yes.

18 Q What others do you think it fails to meet?

19 A I think in terms of Hawaiian or unique crops
20 I'm not sure that has on there.

21 Q Okay. In order to be an Important
22 Agricultural Land you don't have to meet all of the
23 criteria, right?

24 A In order to be proposed for Important
25 Agricultural Land either the landowner has to propose

1 it or the city has to propose it. And the way the law
2 is written as long as that's within Urban Growth
3 Boundaries they're barred from proposing or
4 designation.

5 Q That's the way you read the law.

6 A That's my understanding of the law.

7 Q In any event this land has never been
8 classified as an Important Agricultural Land, correct?

9 A That's correct.

10 Q Would you agree with me that it meets the
11 other criteria other than the two that you just cited?

12 A I think that's correct.

13 Q You also, I think, said that if we want to
14 reach 50 percent self-sufficiency for food production
15 in Hawai'i, by your estimate all we'd really need is
16 7500 acres, is that correct?

17 A And I'm referring to the vegetable, melon
18 and fruit crops which are the focus of saving prime
19 agricultural land. But that's correct.

20 Q Okay. And you also, I think, testified
21 candidly that we don't have 7500 acres on which people
22 could currently relocate with water and soil
23 conditions and other conditions necessary for viable
24 economic farming, correct?

25 A If you put it all on O'ahu, there would be a

1 need to improve water systems.

2 Q So if I wanted to go out and grow organic
3 crops or crops for sale here in Hawai'i, I would have
4 to invest an enormous amount of money if I wanted to
5 do that on O'ahu, correct?

6 A I'm not sure it would be you. But there
7 would be a need for investment either by a landowner
8 or possibly the state, possibly with federal
9 assistance.

10 Q It wouldn't be me because everything I put
11 in the ground dies. (Laughter). But if somebody
12 wanted to do that, if we wanted to encourage that
13 process we're talking about a fairly significant
14 investment in order to make that happen, correct?

15 A That's true, yeah. The planning for O'ahu
16 is based upon preserving a lot of the lands in Kunia
17 and the North Shore for farming in order to implement
18 the city's plan. It does require investment in water
19 systems.

20 MR. SEITZ: Thank you. I have no further
21 questions.

22 PRESIDING OFFICER CHOCK: Petitioner
23 redirect?

24 REDIRECT EXAMINATION

25 BY MR. WYETH MATSUBARA:

1 Q Just a couple questions, Dr. Plasch. There
2 were questions raised about in the past 30 years that
3 your testimony was in regards to acres in crop.

4 A Yes.

5 Q Correct. And the question was regarding the
6 last 30 years hasn't Aloun Farms popped up in the last
7 30 years, hasn't MA'O Farms, hasn't Okimoto Farms
8 farmed the lands for 30 years, correct?

9 A That's correct.

10 Q So does that also indicate that these
11 diversified ag farmers have been able to be efficient
12 on the limited amount of land, good quality land, and
13 still be able to produce, harvest that acreage?

14 A Yes. Those farmers have been pretty much
15 successful. For the most part farming is, it's a very
16 difficult business, a lot of hard work, fairly low
17 pay. And most of them are marginally profitable but
18 there are a few that can overcome those limitations.

19 Q So we're not really talking about a shortage
20 of acreage. We're talking about deficiencies and the
21 business plan and the farming capabilities of these
22 farmers.

23 A Yes. The problem is the small market and
24 trying to find a crop that is profitable in
25 competition with either an export or profitable in

1 competition with imports.

2 MR. WYETH MATSUBARA: No further questions.

3 PRESIDING OFFICER CHOCK: Commissioners, any
4 questions? Commissioner Matsumura.

5 COMMISSIONER MATSUMURA: Dr. Plasch, you're
6 talking about hydroponic. A couple questions on that.
7 You're saying that we import tomatoes from the
8 mainland, hydroponically, that's grown hydroponically.
9 And yet you're saying that we cannot compete if we
10 grow hydroponically in Hawai'i?

11 THE WITNESS: I'm saying that if you're
12 gonna -- let me just give you an example. If you go
13 to Costco all of the tomatoes sold at Costco are
14 hydroponic tomatoes grown in greenhouses. The best
15 ones are really from Hamakua Springs on the Big
16 Island. The second best is Kamuela tomatoes from the
17 Big Island. And then they're others.

18 The large tomatoes and cherry tomatoes
19 they're from Oxnard, California, Hauweling. That's --
20 I think I testified in Ho'opili they have a greenhouse
21 the size of 30 Costcos.

22 COMMISSIONER MATSUMURA: So you're saying
23 that if we build an economy of scale that we can
24 compete.

25 THE WITNESS: We are competing. There are

1 some hydroponic operations. I mentioned those two on
2 the Big Island, there's one here in Hau'ula. There's
3 a lettuce operation in Kula that's hydroponic, May's
4 Winter Garden up in Haleiwa. There's hydroponic
5 operations. And there's another one up on the
6 Northern part of Kauai. I don't know much about that
7 one. But they do exist already in Hawai'i. And they
8 are competitive.

9 COMMISSIONER MATSUMURA: In regards to food
10 it's hydroponically. In regards to biofuel with the
11 military and the state is pushing, what kind of
12 acreage do you foresee that we're going to need if we
13 were to supplement 50 percent of the fuels in the
14 state of Hawai'i?

15 THE WITNESS: I guess I'm very sceptical
16 when it comes to biofuels. When I look at the
17 revenues from biofuels compared to revenues from
18 sugar, it's certainly less. And sugar could make a go
19 of it. I don't think biofuels will.

20 I think there are other alternatives that
21 look more promising, for example algae. Especially
22 for O'ahu. There might be some biofuel operations
23 that make a go of it on the neighbor islands. But for
24 O'ahu it would be very difficult to assemble the land.

25 They would want land for very a long term at

1 a low rent. Right now it's subsidized heavily. And
2 you always have to worry about how long those
3 subsidies would last.

4 Some of the newer technology they keep
5 talking about is cellulosic sources of the sugar for
6 making a biofuel. On O'ahu you have just an enormous
7 amount of green waste that's already collected, and
8 they pay a company to compost it. You already have
9 the green waste.

10 Why grow green waste in our biofuel? You
11 can get it for free with no land cost, no labor cost,
12 no water cost, no hauling cost and be paid to take it.

13 So I just don't see a biofuel plantation of
14 any size occurring on O'ahu. I wouldn't rule it out
15 as an experiment on the neighbor islands. I just
16 don't see it for O'ahu.

17 COMMISSIONER MATSUMURA: So you're saying if
18 the military wants biofuel it would have to be on the
19 neighbor islands then. You don't see anything on
20 O'ahu.

21 THE WITNESS: On O'ahu it'd be a smaller
22 operation. The algae operations to me in terms of
23 biofuel, if it's gonna work I would expect that to
24 work. And you don't need good farmland to grow algae.

25 All you need is a place to put a pond, sun,

1 source of nutrients like a wastewater treatment plant,
2 and maybe some CO2 from an industrial area. But to me
3 that makes a lot more economic sense.

4 COMMISSIONER MATSUMURA: Are you familiar
5 with Spain's Almeria where they have 75,000 acres of
6 hydroponic plant facilities?

7 THE WITNESS: Spain's? No. How many acres
8 of hydroponic?

9 COMMISSIONER MATSUMURA: 75,000 acres.

10 THE WITNESS: No, I'm not familiar with
11 that. That sounds huge.

12 COMMISSIONER MATSUMURA: Right. I was
13 wondering from your experience, you know, if they're
14 successful is it something that we can emulate on this
15 side on Hawai'i? And they're exporting.

16 THE WITNESS: Yeah, I have been following
17 the hydroponic operations on the mainland. In terms
18 of acreage it's small, 125 acres, 300 acres. But in
19 terms of production it's just massive. I'm talking
20 about tomatoes and cucumbers and the like.

21 COMMISSIONER MATSUMURA: Are you familiar
22 with what they're doing in Asia where they're
23 planting, like mangos all on the roof?

24 THE WITNESS: I'm familiar with some of the
25 melons being grown hydroponically on rooftops but not

1 mangos.

2 COMMISSIONER MATSUMURA: Not roof tops. In
3 the greenhouses. They have mangos there, square
4 watermelons.

5 THE WITNESS: Yeah. I've seen watermelons.

6 COMMISSIONER MATSUMURA: So you don't think
7 that would be an industry in Hawai'i?

8 THE WITNESS: As a general rule I do think
9 there's going to be a movement to more greenhouses.

10 COMMISSIONER MATSUMURA: What kind of -- in
11 terms of projection if the state is looking to
12 supplement a lot of the imports, what kind of a land
13 area do we need to satisfy that future need?

14 THE WITNESS: For greenhouses it's just a
15 matter of a couple hundred acres. And it doesn't have
16 to be farmland.

17 COMMISSIONER MATSUMURA: Hundred acres. As
18 I mentioned Almeria has 75,000 acres.

19 THE WITNESS: Yeah, it sounds massive. I
20 wonder what sort of yields they're achieving. The
21 greenhouses that I'm familiar with their yields are
22 very, very high. So Hawai'i's a small market. They
23 would never be able to support massive acreage unless
24 it's for export.

25 And the economics would favor going down

1 into the southern part of the U.S. or into Mexico, not
2 for Hawai'i to supply them. Not for Hawai'i to supply
3 the mainland or other countries.

4 COMMISSIONER MATSUMURA: So you're really
5 saying that we don't have any economic future in
6 agriculture in the state of Hawai'i.

7 THE WITNESS: For food I don't think it's
8 going to be that large of an acreage. Right now
9 85 percent by value, 85 percent of our crops are
10 exported.

11 So if you're talking about large acreages
12 you really have to find exported crops that take up
13 all the land that's become available.

14 That's typical but obviously doable in some
15 cases, the macadamia nuts. The one that's really
16 growing now rapidly and still growing is seed corn.
17 And that's where Hawai'i's basically helping to feed
18 the world.

19 COMMISSIONER MATSUMURA: Also seed rice,
20 right?

21 THE WITNESS: Seed rice, yes. Commercial
22 rice probably not.

23 COMMISSIONER MATSUMURA: No further
24 questions.

25 PRESIDING OFFICER CHOCK: Commissioner

1 Judge?

2 COMMISSIONER JUDGE: Thank you. Dr. Plasch,
3 just a follow up on the line of questioning. So is
4 the hydroponic tomatoes that are grown on the Big
5 Island are they exporting? Are they just -- are they
6 just within Hawai'i? Or are they actually exporting
7 to Costcos on the mainland?

8 THE WITNESS: As far as I know they're not
9 exporting. I'm pretty sure they're being sold
10 locally.

11 COMMISSIONER JUDGE: They're just being sold
12 locally.

13 THE WITNESS: Yes.

14 COMMISSIONER JUDGE: And the seed corn on
15 Aloun Farms right now in the Koa Ridge Makai Petition
16 Area, of the 325 acres how much of that, if you know,
17 is for seed corn?

18 THE WITNESS: 25 percent.

19 COMMISSIONER JUDGE: So 75 percent is used
20 for --

21 THE WITNESS: They do it by harvested
22 acreage. And in terms of their harvested acreage it's
23 about 25 percent. So the harvested acreage -- when I
24 say that -- let me back up. In certain crops you can
25 grow more than one crop a year. So if you have a

1 hundred acres in farming, you harvest two crops,
2 that's 200 harvested acres.

3 And in terms of their harvested acreage seed
4 corn makes up about 25 percent. So it's more land
5 than you guessed at in terms of harvested acreage.

6 COMMISSIONER JUDGE: So in terms of -- what
7 does that mean in terms of -- in everything they grow
8 25 percent of that would be seed corn?

9 THE WITNESS: In terms of the acreage they
10 harvested in 2011, about 25 percent of it was for seed
11 corn.

12 COMMISSIONER JUDGE: Okay. And that just
13 means that not all of that, not all of the acreage is
14 being used, that some may lie fallow.

15 THE WITNESS: Yes. Sometimes the acreage is
16 used more than once.

17 COMMISSIONER JUDGE: Oh, I see. It goes --

18 THE WITNESS: It may be a three-month crop,
19 rest the land for a month and replant it. So your
20 harvested acreage will exceed your farmed acreage
21 because of the multiple crops.

22 COMMISSIONER JUDGE: Understood. So when
23 you talk about the future of agriculture, if I
24 understood you properly, the growing of food within
25 the Hawaiian Islands you don't see it as being

1 profitable to think about growing food that you're
2 going to export off because it's just not, it's not
3 profitable. It can be done far cheaper in other
4 places in the country.

5 THE WITNESS: Well, we're doing it with
6 macadamia nuts and pineapple so there are some foods
7 that are exported. But in terms of the fresh produce
8 they have a limited shelf life which gives them
9 advantage for growing locally.

10 It's often said we only have a seven day
11 supply of food because the shelf life is about seven
12 days. So it does give a competitive advantage for
13 local farmers to grow crops that have a very short
14 shelf life.

15 COMMISSIONER JUDGE: Okay. And if I
16 understood you correctly, you see the future of the
17 production of this food is going to more towards being
18 in greenhouses because that's the -- it's being
19 technologically driven; it's cheaper to do it that
20 way.

21 THE WITNESS: I think that's correct.

22 COMMISSIONER JUDGE: And if you do it that
23 way you don't necessarily need to do it on
24 agricultural -- that the quality of land is not the
25 issue. It's just wherever you can put a greenhouse.

1 THE WITNESS: That's right.

2 COMMISSIONER JUDGE: So it might actually be
3 even more suitable to put it in an urban area because
4 you've got less area to put it to market?

5 THE WITNESS: Like on top the Comp-USA
6 building, which is being done.

7 COMMISSIONER JUDGE: So it's a whole
8 shift -- it's like a shift in thinking that
9 agriculture doesn't necessarily need to be on A rated
10 land. It could be done anywhere and could be
11 successful.

12 THE WITNESS: For some crops, especially a
13 lot of the vegetable crops, that's absolutely true.
14 You can go to an industrial area, you can go to the
15 top of a big box store and do it there.

16 COMMISSIONER JUDGE: I'm just trying to --
17 'cause we all think of agriculture as always being
18 farming always related to the ground. But now with
19 this new technology that's not necessarily true
20 anymore. It could be -- it's kind of a shift in
21 thinking.

22 THE WITNESS: Yes. And when I testified for
23 Ho'opili I mentioned visiting Hauweling Nurseries in
24 Oxnard. And you have to clean your shoes when you
25 walk in, put on a white suit, the covering. And it's

1 really high tech. You feel like you're walking into a
2 laboratory. You don't get muddy.

3 If you go out to Koa Ridge and drive around,
4 walk around, you come back really muddy. These high
5 tech operations are just the reverse. It feels like a
6 laboratory.

7 COMMISSIONER JUDGE: Oxnard I know is in
8 Southern California. So these greenhouses, are they
9 in industrial areas or they in fields?

10 THE WITNESS: The ones that I know about are
11 located on farmland because they want to be in a farm
12 community, but they don't need to be. And they're
13 buying land, farmland on the mainland for about a
14 \$100,000 an acre to do it.

15 COMMISSIONER JUDGE: Thank you.

16 PRESIDING OFFICER CHOCK: Commissioners, any
17 questions? I have one follow up question. You cited
18 a statistic or figure of 30,000 acres of crop acreage
19 outside of the district area, is that correct?

20 THE WITNESS: That's correct.

21 PRESIDING OFFICER CHOCK: Of high quality ag
22 land A and B.

23 THE WITNESS: According to the state mapping
24 system, that's what I'm using. It's land that's rated
25 A or B under the LSB system or prime or unique under

1 the ALISH system. So I'm combining the two systems.

2 PRESIDING OFFICER CHOCK: If that entire
3 acreage, that entire crop acreage of 30,000 acres was
4 in full productivity and was being harvested in its
5 totality, how much would that reduce the amount of
6 food we currently import right now, the 85 percent
7 number that's commonly used? How much would that
8 number come down if that 30,000 acres were being
9 actively cultivated?

10 THE WITNESS: In terms of vegetables,
11 fruits, melons, zero.

12 PRESIDING OFFICER CHOCK: Zero. No impact.

13 THE WITNESS: It would be self sufficient.

14 PRESIDING OFFICER CHOCK: I'm sorry, total
15 sufficiency?

16 THE WITNESS: That state would be
17 self-sufficient.

18 PRESIDING OFFICER CHOCK: Total
19 self-sufficiency statewide?

20 THE WITNESS: In those crops.

21 PRESIDING OFFICER CHOCK: In those crops.

22 THE WITNESS: Yes.

23 PRESIDING OFFICER CHOCK: One hundred
24 percent.

25 THE WITNESS: Yes.

1 PRESIDING OFFICER CHOCK: Okay.

2 Commissioners, any other -- I'm sorry, follow up?

3 COMMISSIONER MATSUMURA: Follow up question.

4 I noticed in some agricultural countries they treat
5 the soil, grade A soil by heating or whatever, not by
6 chemicals. And then they're using that
7 hydroponically. Is that something that you're
8 familiar with? You're saying that all lands have to
9 be F lands or whatever. But I'm saying where they are
10 using the prime lands but they're using different
11 techniques.

12 THE WITNESS: There's another tomato
13 operation over on the Big Island. It's a greenhouse
14 operation. Basically they're doing that. It's very
15 close to being hydroponic but they're actually using
16 the soil.

17 They're enriching the soil but the operation
18 is closer to being hydroponic than it is being field
19 farming. But because they're using dirt it's not
20 considered hydroponic. But, yes --

21 COMMISSIONER MATSUMURA: So do you see a
22 future of that in Hawai'i?

23 THE WITNESS: Sure. That can be done.

24 COMMISSIONER MATSUMURA: So then you're
25 going to need some land.

1 THE WITNESS: Well you need some sort of
2 medium to grow the crop in. And it could be soil, it
3 could be coconut husk. It could be lava rock.

4 COMMISSIONER MATSUMURA: No further
5 questions.

6 PRESIDING OFFICER CHOCK: Just another
7 follow up to that 30,000-acre figure. What are the
8 impediments and barriers as to why those lands are not
9 in productivity now?

10 THE WITNESS: I think the real impediment is
11 that the size of the local market isn't very big and
12 it's hard to be profitable for a lot of crops. Lot of
13 this is driven by profits.

14 If you're growing a crop that's highly
15 profitable, then they find land and water. That was
16 clearly the case with sugar, pineapple; to a limited
17 sense the case of marijuana.

18 They do find the resources if there's a big
19 profit. But there's -- if it's marginally profitable
20 then they struggle to get the resources. From the
21 landowner's standpoint, you know, there isn't --
22 oftentimes they'll put it out for grazing because the
23 land management costs and the returns are such that
24 grazing is not the most profitable use of land. It's
25 the least costly way of holding the land.

1 PRESIDING OFFICER CHOCK: So you're saying
2 that the size, the smallness of the market is the
3 biggest barrier for why we don't have more local food
4 production?

5 THE WITNESS: That's one of it. And the
6 fact that it's difficult to be profitable.

7 PRESIDING OFFICER CHOCK: Okay. No further
8 questions. Commissioners, any other followups?

9 COMMISSIONER MATSUMURA: One more just
10 follow up question came to my mind. I was talking to
11 a person in Hilo, at the University of Hawai'i at
12 Hilo, and they were raising green tea. And the
13 estimate per pound is like \$4,000 which is much more
14 profitable than marijuana. (Laughter).

15 So I was thinking that maybe it's not the
16 size. Maybe it's the technology, knowledge, education
17 in farming that's not been used in Hawai'i. We have
18 seen a solution such as importing, not trying to
19 cultivate our knowledge base here.

20 THE WITNESS: Yeah. One of the things you
21 notice on this graph is that in most of the growth in
22 diversified agriculture was really occurring in the
23 '70s and early '80s.

24 That's when the plantations were first
25 closing and there was a lot of agricultural expertise

1 around, a lot of effort by those plantations to find
2 replacement crops. So we did lose expertise.

3 But in terms of crops like tea, any major
4 crop coming out of countries with really low labor
5 costs and you could ship it on ships so there's no
6 short shelf life, it's really difficult to compete
7 against crops like that. You're competing against a
8 lot of countries in Asia where the labor costs are
9 just so much less.

10 PRESIDING OFFICER CHOCK: Commissioner
11 McDonald.

12 COMMISSIONER McDONALD: Do you know of any
13 local farmers that are pursuing this new technology
14 search as Aloun Farms in their farming practices?

15 THE WITNESS: Aloun Farms, they're not
16 pursuing it yet, but I've provided them some
17 information on this subject. I know on one other
18 farm, major farmer, who's looking into it. But as I
19 mentioned some of the -- there are some existing
20 farmers on all the islands, all the major islands, Big
21 Island, Maui, O'ahu and Kaua'i. They do have fairly
22 advanced higher tech farms, but not on the scale that
23 you find on the mainland. And they're much smaller.

24 COMMISSIONER McDONALD: Okay. Thank you.

25 PRESIDING OFFICER CHOCK: Okay. No further

1 questions. We're going to take a 10 minute break,
2 then resume. We're going to just note for the parties
3 we're going to be adjourning at 4:00 p.m. today.

4 (3:00 p.m. recess.)

5 MR. MATSUBARA: My next witness, Mr. Chair,
6 is Garret Matsunami.

7 GARRET MATSUNAMI

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

10 THE WITNESS: Yes.

11 DIRECT EXAMINATION

12 BY MR. MATSUBARA:

13 Q Mr. Matsunami, could you indicate where
14 you're employed and what your position is.

15 A Castle & Cooke Homes Hawai'i, Inc. director
16 of engineering and site construction.

17 Q Pursuant to my request you prepared
18 testimony and your curriculum vitae which is attached
19 and marked as Exhibit 35, is that correct?

20 A Correct.

21 Q In the prior hearing where you testified
22 based on your experience and your education, you were
23 qualified as an expert in engineering and site
24 construction, is that correct?

25 A Correct.

1 MR. MATSUBARA: I'd like to qualify
2 Mr. Matsunami again as an expert in engineering and
3 site construction.

4 PRESIDING OFFICER CHOCK: Parties, any
5 objections?

6 MS. TAKEUCHI-APUNA: No objection.

7 MR. YEE: No objection.

8 PRESIDING OFFICER CHOCK: Commissioners?
9 Mr. Seitz, you okay?

10 MR. SEITZ: Yes. No objection.

11 MR. MATSUBARA: Thank you.

12 Q I asked you to appear today because the
13 Office of Planning had specific questions related to
14 an area known as low impact development practices.
15 Could you describe for the Commission what that
16 involves, what's included and describe it the best you
17 can.

18 A LID stands for Low Impact Development.
19 Simply put, I guess, it a development that impacts the
20 environment at a lower level than traditional
21 developments.

22 So LID minimizes imperviousness, treats
23 stormwater as a resource rather than a waste product.
24 So if you think about a roadway design, when you grew
25 up you have a roadway, the curb and gutter and when it

1 rains it would go down the gutter into a storm drain
2 out into a canal or stream and into the ocean.

3 But today that same rainwater will lead to
4 green infrastructure such as water quality basins and
5 detention basins. And for Koa Ridge, in addition to
6 those basins we'll continue to work closely with the
7 city and state to incorporate other green features
8 where feasible per their guidelines such as utilizing
9 bioswales and underground retention vessels to capture
10 and reuse stormwater for irrigation.

11 Mr. Yee, during the last hearing you had
12 asked for specifics on which reports that was. So I
13 actually have it here for you. This was prepared,
14 says December 2008 Commission on Water Resource
15 Management. It's called A Handbook for Stormwater
16 Reclamation and Reuse Best Management Practices in
17 Hawai'i. It's the state one.

18 And the city did something very similar
19 called the City and County of Honolulu Stormwater Best
20 Management Practice Manual. This is final as of
21 November 2011. And they're right off the website.

22 So we'll continue to work with both the city
23 and state to implement what is determined to be
24 practical and feasible. Also as a member of the State
25 of Hawai'i Water Conservation Advisory Group we are

1 working together with CWRM and the Board of Water
2 Supply, along with other stakeholders, to develop the
3 State Water Conservation Plan which will address state
4 government, municipal, military, commercial and ag
5 water uses.

6 Q Does low impact development practice also
7 include the reuse of wastewater?

8 A Low impact -- I guess in terms of what I
9 said low impact development was, it could be but it
10 more as of these standards it addresses more
11 stormwater. (tape)

12 Q Would wastewater reuse be an option for a
13 project?

14 A Definitely, yeah. At the time of our last
15 hearing the Board of Water Supply was planning on
16 bringing Wahiawa R1 water down past the site to serve
17 central regional park and Waikele golf course. And I
18 believe those plans have changed. Or they were unable
19 to fund it so it was just kind of shelved. But the
20 idea is still there.

21 Q So if it's available it's an option that you
22 guys will use.

23 A If it's available we'll use it on site for
24 our common landscaped areas.

25 Q Thank you. When Laura Kodama was on the

1 stand Commissioner McDonald had some questions
2 relating to roadway access to the Project, Kamehameha
3 Highway distance between intersections on Ka Uka
4 Boulevard and right in/right out we're proposing or
5 discussing on installing.

6 Could you provide further information in
7 regard to the distance perhaps between those
8 intersections, the proposed and the Ka Uka?

9 A The minimum distance for a full traffic
10 signal past Ka Uka would be 1200 feet from Ka Uka.
11 Although we're not proposing a full intersection, and
12 just the right in/right out, it's at 1200 feet. We
13 have it at 1200 feet.

14 Possibly in the future they're going to
15 widen -- they have plans to widen Kipapa Bridge and
16 Kam Highway. And at that time if it makes sense for
17 us to do a full intersection at least we're at 1200
18 feet.

19 MR. MATSUBARA: Thank you. Mr. Matsunami's
20 available for questions.

21 PRESIDING OFFICER CHOCK: County?

22 MS. TAKEUCHI-APUNA: No questions.

23 PRESIDING OFFICER CHOCK: State?

24 CROSS-EXAMINATION

25 BY MR. YEE:

1 Q Mr. Matsunami, with respect to R1 water or
2 wastewater use, generally it's always cheaper to put
3 in the dual water system at the time the project is
4 developed, correct?

5 A Correct.

6 Q You don't want to dig up the streets again
7 just to lay a line.

8 A Correct.

9 Q In this case is there an intent -- well, let
10 me backtrack. On many of the West O'ahu or 'Ewa
11 projects the city requires the project to put in dual
12 waterlines at the time they're developed, correct?

13 A Correct.

14 Q There are current city plans to make sure
15 there's water available.

16 A There's water available for them there, yes.

17 Q I guess my question is if you're not sure
18 whether or not the city or when the city's going to
19 have water available to your Project, are you going to
20 install the infrastructure within the Project at the
21 time of development?

22 A I think as we continue through this process
23 and we go through zoning, we're going to have to do a
24 non-potable water master plan with the Board of Water
25 Supply.

1 And at that time I'm hoping that they'll
2 understand better if that source would ever be
3 available. And if so we would commit to doing a dual
4 water system in that area.

5 Q Is it fair to say that if R1 water is likely
6 to become available that you will then commit to
7 putting in the infrastructure within the Project?

8 A Within the, I guess as...

9 Q Within the Petition Area.

10 A Where practical and feasible. The reason I
11 say that is because if we do implement the LID
12 features such as these bioswales or underground
13 vessels, being parks that irrigate those parks, we
14 wouldn't necessarily need for that R1 to go to that
15 same park, supposedly. So we can identify that in the
16 non-potable water Master Plan.

17 Q At this time could you explain, again, what
18 is the status of the likelihood that R1 water will be
19 available to this Petition Area?

20 A I can't answer that.

21 Q Is that a city issue?

22 A Yeah, yeah.

23 Q With respect to stormwater reuse can you
24 explain what, if any, stormwater reuse measures this
25 Project will have?

1 A Based on some of this stuff that we're
2 working with, perhaps we met with the city and the
3 state, the ones I mentioned are bioswales and these
4 underground retention vessels. So I think that's easy
5 enough for us to install to be practical for us to do.

6 And then Commissioner McDonald did ask
7 previously about the city's willingness to take those
8 streets. We would have to talk to the Department of
9 Facility Maintenance with the city to see if they
10 would maintain it, which I doubt. At which time I
11 think they would agree to take ownership of the
12 roadways but that we would have our Association
13 maintain it, if that were the case.

14 Q So at least with respect to bioswales and
15 underground retention vessels, these are things that
16 will be in the Project.

17 A Yes.

18 Q Do you have an estimate of the amount or the
19 size or the amount of volume for the underground
20 retention vessels?

21 A No, I don't, not at this time. We haven't
22 looked at the actual size or amount.

23 Q Do you have an estimate of what it would
24 cover through the Project? So I mean what areas
25 would be irrigated.

1 A Initially I think we have our commercial
2 area up front, large parking areas where we would, we
3 would likely put those vessels to capture water, reuse
4 the landscaped areas surrounding them. So probably be
5 most practical for us to irrigate at the site of
6 capture versus pumping it somewhere.

7 Q Anywhere else where you intend to recapture
8 stormwater for underground retention?

9 A We have green streets that we proposed, main
10 thoroughfares along the way that we'd like to put in
11 green infrastructure and open curves and bioswales in
12 those areas.

13 Q When you say you "would like" to put it in,
14 is this something you have not yet decided on?

15 A No. Again, in that non-potable water Master
16 Plan whether it's for us to use R1 water or stormwater
17 or possibly even Waiahole Ditch water we're not
18 certain at this time.

19 Q So the type of non-potable water use is
20 unknown but you're committing to using some type of
21 non-potable water.

22 A Correct.

23 Q And that would be sufficient to -- do you
24 have an estimate of how much non-potable water will be
25 used?

1 A No, I don't.

2 Q Do you have an area, an estimate of whether
3 it would take care of all common area irrigation?

4 A I think it depends on the system, the
5 elevation of it. For example, the Board of Water
6 Supply may propose to put in a reservoir at the
7 existing Mililani Wastewater Treatment site which is
8 at maybe a 500-foot elevation. So for that pressure
9 zone it would probably cover the bottom half of Koa
10 Ridge Makai.

11 I'm not certain the elevations there. But
12 it would be kind of, like, dependent upon that
13 pressure. If it -- sorry. If it were the case that
14 we were required to pump it, and if it was deemed too
15 expensive to do something like that because of the
16 added cost to the Association, then we may decide not
17 to do that.

18 Q So you don't yet know what the extent of the
19 non-potable water use would be for this Project yet.

20 A No.

21 Q I understand that the detention and
22 retention basins are useful to mitigate not only
23 flooding but also environmental hazards. Is this your
24 understanding?

25 A Water quality basins for the contaminants.

1 Q Right.

2 A Yes. Detention -- or retention basins to
3 slow down the flow.

4 Q In this case are there going to be detention
5 or retention basins for water in the Petition Area?

6 A In the Petition Area, no.

7 Q That's because for flooding purposes you're
8 going to be detaining water from a different project
9 to reduce your downstream, or to make your downstream
10 flow up to county standards.

11 A Correct. On our property upstream we'll
12 have a detention basin that captures Mililani Mauka
13 water which at that time we didn't have the
14 requirement to do this.

15 So we'll capture that water and allow that
16 same amount of flow to go into Kipapa Stream so that
17 the net effect on the stream is zero.

18 Q And that resolves the flooding concerns.

19 A Correct. However, we will also have water
20 quality basins at the bottom of our Project, not up in
21 Mililani but before it goes off of Koa Ridge it will
22 go to water quality basins before it goes into Kipapa
23 Stream.

24 Q And that's what I was going to ask you
25 about. Can you describe what that water quality basin

1 is? What does it do?

2 A It's just a natural cut grassed basin with
3 gravel to slow down the water and let the contaminants
4 settle.

5 Q And how's that different from retention or
6 detention basin?

7 A Detention basin I guess I think the last
8 time we discussed it might look like a dam except that
9 you have discharge points that control the flow of
10 water into the stream. So it's not a dam or retention
11 basin where it holds it back, but it allows it to flow
12 at a certain rate.

13 Q Over a fairly long perimeter I suppose
14 rather than over a particular point?

15 A The entire, entire drainage area will flow
16 through detention basins or water quality basins.

17 Q Will these water quality basins have the
18 same effect in terms of removing contaminants from the
19 water as the detention or retention basin?

20 A Detention or retention is just to slow it
21 down. Water quality is for the contamination.
22 Separate. Separate but can be combined within the
23 same structure.

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

1 PRESIDING OFFICER CHOCK: Neighborhood
2 Board?

3 CROSS-EXAMINATION

4 BY MR. POIRIER:

5 Q What is your understanding of the status of
6 the Kam Highway widening project?

7 A I believe last time we met it's just in the
8 planning stage. They have different alternatives but
9 haven't committed to any of them at this time.

10 Q And it would be like a year, five years, 10
11 years, I mean that type of thing?

12 A I can't say. I know it's in the preliminary
13 planning stage.

14 Q That being the case, what is the likelihood
15 of the state letting you put in the right in/right out
16 connection?

17 A The right in/right out -- that has no effect
18 on our right in/right out. We are at the point where
19 we submitted our plans to the state; they're reviewing
20 it.

21 And we believe that at 1200 feet it will
22 meet all our criteria for right in/right out and that
23 we'll be able to get that. We're working on an
24 agreement in principle with them at this time. We
25 hope to get that soon.

1 MR. POIRIER: That's great. Thank you.

2 PRESIDING OFFICER CHOCK: Mr. Seitz.

3 CROSS-EXAMINATION

4 BY MR. SEITZ:

5 Q Have you personally participated in meetings
6 and discussions with the Board of Water Supply over
7 the issues that Mr. Yee was raising with you?

8 A Yes.

9 Q Has there been disagreement among the Board
10 of Water Supply representatives with whom you've been
11 meeting about how these various issues should be
12 handled?

13 A No. We're in full agreement with, as we
14 continue discussing this.

15 Q So as you sit there today you're not aware
16 of any controversy in regard to any of those issues
17 which might bear upon your ability to meet the
18 requirements that the city and the state have in this
19 regard?

20 A I don't see any problems.

21 MR. SEITZ: Thank you.

22 PRESIDING OFFICER CHOCK: Petitioner?

23 MR. MATSUBARA: No redirect.

24 PRESIDING OFFICER CHOCK: Commissioners, any
25 questions? Commissioner McDonald.

1 COMMISSIONER McDONALD: Hey, Garret.

2 THE WITNESS: Hey, Chad.

3 COMMISSIONER McDONALD: Has the City DPP
4 accepted your folks' drainage Master Plan?

5 THE WITNESS: It's submitted.

6 COMMISSIONER McDONALD: It's submitted. So
7 it's in the process, review process.

8 THE WITNESS: Yeah.

9 COMMISSIONER McDONALD: I guess what are
10 some of the DPP's concerns regarding your folks'
11 drainage Master Plan?

12 THE WITNESS: Well, it was prepared by Park
13 Engineering. And if anything I think at the beginning
14 with what Mr. Yee had mentioned, they were concerned
15 of us actually capturing Mililani water versus Koa
16 Ridge water.

17 COMMISSIONER McDONALD: Right.

18 THE WITNESS: But overall since the net of
19 the effect of the stream was zero -- in fact our
20 Project will probably hold back even more than what it
21 would have been. They were, in turn, fine with the
22 concept.

23 COMMISSIONER McDONALD: So you folks
24 anticipate approval on this drainage concept.

25 THE WITNESS: Definitely, yeah.

1 COMMISSIONER McDONALD: Okay. Looking at it
2 it's kind of -- what first stuck out was, you know,
3 the design intent that the city would actually allow
4 you folks to detain something that has already been
5 developed.

6 THE WITNESS: Right, right, right.

7 COMMISSIONER McDONALD: Okay.

8 THE WITNESS: And for Mililani, again, in
9 the beginning there was no requirement for that
10 detention basin. So the idea came up to detain that
11 water upstream.

12 COMMISSIONER McDONALD: Right.

13 THE WITNESS: Yeah.

14 COMMISSIONER McDONALD: Okay. In regards to
15 the Pineapple Interchange, where are you folks with
16 regarding discussions with FHWA on allowing the
17 additional access to the H-2?

18 THE WITNESS: They're aware of it. We have
19 just discussed it and we're proceeding. Of course,
20 during the design process they want to see more
21 specifics on it. But they're okay with that. It's
22 about 1500 -- oh, it's over a mile away.

23 COMMISSIONER McDONALD: So as far as FHWA is
24 concerned they're looking for more specific details
25 before actually giving you folks a green light for

1 that additional access to the freeway?

2 THE WITNESS: Wouldn't say -- they're okay
3 with us proceeding with it. So I think it's just the
4 specific information that they want to see. But right
5 now all signs are go.

6 COMMISSIONER McDONALD: Okay. Thanks.

7 THE WITNESS: If I might say the city -- Mel
8 Hirayama at DPP wanted us to take a look at an exit
9 off of -- the exit -- the soft exit to Costco. They
10 wanted us to take a right turn directly into the
11 Project. And it's something that FHW did not want us
12 to do. So... so again no design but, you know, there
13 is a green light to go ahead.

14 PRESIDING OFFICER CHOCK: Commissioner
15 Judge.

16 COMMISSIONER JUDGE: I just want to ask
17 again about the exit on the Kamehameha Highway.

18 THE WITNESS: Yes.

19 COMMISSIONER JUDGE: Would you describe
20 your -- you just described your discussions as a green
21 light for the highway. Would you characterize your
22 discussions with the DOT as a green light for the
23 Kamehameha access as well?

24 THE WITNESS: Yes.

25 COMMISSIONER JUDGE: Thank you.

1 PRESIDING OFFICER CHOCK: Any other
2 questions? Thank you very much. I'm sorry, County?

3 MS. TAKEUCHI-APUNA: I'm sorry. Could I ask
4 a question? I apologize.

5 PRESIDING OFFICER CHOCK: Go ahead.

6 CROSS-EXAMINATION

7 BY MS. TAKEUCHI-APUNA:

8 Q Ms. Kodama had talked about the trigger for
9 construction of the Pineapple Interchange.

10 A Mm-hmm.

11 Q And I guess there's different ways of doing
12 it.

13 A Right.

14 Q Last time we talked maybe about a 2017 --

15 A Correct.

16 Q -- absolute date. And then there's possibly
17 like a, well, a date with possible extensions --

18 A Right.

19 Q -- based on certain factors. And then
20 Ms. Kodama mentioned the commercial development.

21 A So many units, so much percent of
22 commercial.

23 Q Right. Or even the residential buildout?

24 A Right.

25 Q Fifty-one percent of there. Is there a

1 preference or is there -- yeah, a preference by Castle
2 & Cooke of how they would like to proceed as far as
3 the timing of the construction?

4 A Right now our meetings with the State
5 Department of Transportation I'd agree with an update
6 to a TIAR. It was every two or three years. Based on
7 that, which would incorporate everything to determine
8 when we should build the interchange.

9 Q Okay. So leave it up to the TIAR.

10 A Right. Which would incorporate everything
11 anyway, the new counts, et cetera?

12 MS. TAKEUCHI-APUNA: Okay. Thank you.
13 Thank you, Chair.

14 PRESIDING OFFICER CHOCK: Okay. Thank you
15 very much. Petitioner, next witness.

16 MR. MATSUBARA: Next witness will be Gail
17 Renard.

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

21 THE WITNESS: Yes.

22 PRESIDING OFFICER CHOCK: Petitioner, please
23 proceed.

24 MR. TABATA: Mr. Chair, Ms. Renard is being
25 produced for cross-examination at the request of the

1 Neighborhood Board. And I just need to lay some quick
2 foundation first.

3 PRESIDING OFFICER CHOCK: Please proceed.

4 MR. TABATA: Thank you.

5 DIRECT EXAMINATION

6 BY MR. TABATA:

7 Q Ms. Renard, could you please state your
8 occupation and place of employment and position
9 please.

10 A Yes. I'm a senior associate with Helber
11 Hastert & Fee Planners.

12 Q And did you prepare you curriculum vitae
13 which is Petitioner's Exhibit No. 50?

14 A Yes, I did.

15 Q And in your curriculum vitae does that set
16 forth your qualifications and experience in the fields
17 of environmental impacts and land use planning?

18 A Yes, it does.

19 Q And does your experience include
20 approximately 20 years as a practicing land use
21 planner?

22 A Yes.

23 Q And does your experience also include you
24 preparing approximately half a dozen environmental
25 impact statements?

1 A Yes.

2 MR. TABATA: Mr. Chair, Petitioner requests
3 that Ms. Renard be admitted as an expert witness in
4 the fields of environmental impacts and land use
5 planning.

6 PRESIDING OFFICER CHOCK: Parties, any
7 objections?

8 MR. YEE: No objections.

9 MR. POIRIER: No.

10 MR. SEITZ: No objection.

11 PRESIDING OFFICER CHOCK: Commissioners? Go
12 ahead. Thank you.

13 Q (Mr. Tabata) Ms. Renard, were you the
14 preparer of the final environmental impact statement
15 that is Petitioner's Exhibit No. 7?

16 A Yes, I was the primary author and project
17 manager.

18 MR. TABATA: Thank you. Mr. Chair, the
19 witness is available for questioning.

20 PRESIDING OFFICER CHOCK: County?

21 MS. TAKEUCHI-APUNA: No questions.

22 PRESIDING OFFICER CHOCK: State?

23 MR. YEE: No questions.

24 PRESIDING OFFICER CHOCK: Neighborhood
25 Board?

1 MR. POIRIER: Couple questions.

2 CROSS-EXAMINATION

3 BY MR. POIRIER:

4 Q One of our problems with the EIS was the
5 fact that we asked that it include analysis of the
6 primary, secondary and cumulative impacts of the
7 regional transportation infrastructure. And I'd like
8 to ask you some questions regarding that.

9 Did your EIS, your Final EIS, include the
10 incremental effect on commuter travel time resulting
11 from the construction of additional housing units in
12 Central O'ahu?

13 And a determination as to what point in time
14 proposed developments in Central O'ahu will exceed the
15 ability of the regional transportation infrastructure
16 to accommodate such development at the time of
17 occupancy under existing conditions?

18 PRESIDING OFFICER CHOCK: Excuse me.
19 Mr. Poirier, would you mind slowing down for the
20 benefit of our court reporter.

21 MR. POIRIER: I will.

22 PRESIDING OFFICER CHOCK: Thank you.

23 THE WITNESS: Okay. Could you please repeat
24 your question?

25 MR. POIRIER: Yeah, I will.

1 PRESIDING OFFICER CHOCK: And maybe speak a
2 little more closely to the mic if you don't mind.

3 MR. POIRIER: Okay. I'll also do that too.

4 Q Did your Final Environmental Impact
5 Statement look at the incremental effect on commuter
6 travel time resulting from the construction of
7 additional housing units in Central O'ahu in a
8 determination as to what point in time proposed
9 developments in Central O'ahu will exceed the ability
10 of the regional transportation infrastructure to
11 accommodate such development at the time of occupancy
12 under existing conditions?

13 A The EIS did look at impacts to roadways. We
14 also, I think, in the follow up TIAR, or a study,
15 looked at commuter travel times based between Mililani
16 and Pearl City.

17 I don't think that there was a specific
18 point in time, determination of any kind of trigger.
19 And I don't want to get into an area that the traffic
20 engineer would be more appropriate to respond to.

21 So the impacts were to roadways and to
22 identify what kinds of improvements would be needed at
23 the various intersections that would be directly
24 affected by the Project.

25 Q Okay. So the answer to that was no.

1 A Your question -- I'm sorry, I'm really
2 having a hard time understanding your question. So I
3 guess I might have to do for that.

4 MR. TABATA: We will be calling Pete Pascua,
5 our traffic engineer, at our next meeting.

6 Q (Mr. Poirier): Okay. As a part of the
7 Final Environmental Impact Statement did you people
8 look at the individual and cumulative impacts
9 regarding the following transportation improvements to
10 Central O'ahu on commuter travel time: First being
11 the timing and construction of all new improved H-2
12 Interchanges identified in the OMPO 2030 Regional
13 Transportation Plan?

14 A The commuter travel time study was, you know
15 I really would like to defer that to Mr. Pascua
16 because I'm not really familiar with the details of
17 that travel time study.

18 Q Okay. The second one, the timing and
19 construction of the Central Mauka Road identified in
20 the 2030 Regional Transportation Plan.

21 A The Central Mauka Road I'm -- I'm not sure
22 if it's still in the 2035 plan. I kind of glanced at
23 the 2035 plan recently. I didn't see it. So I don't
24 imagine that it would have included that segment, no.

25 Q But it was included in the 2030 plan at the

1 time of the environmental impact statement.

2 A Well, that's true. But I don't think so.

3 Q Okay. Next one, the timing and construction
4 of a road connecting Kamehameha Highway and Paiwa Road
5 as identified in the OMPO 2030 Regional Transportation
6 Plan.

7 A So your question is still on the commuter
8 travel time study.

9 Q Uh-huh.

10 A So I would like to defer that to Mr. Pascua.

11 Q Okay. The timing and construction of the
12 widening of the Kamehameha Highway to four lanes
13 between Ka Uka Boulevard and Lanikuhana Avenue as
14 identified in the 2030 Regional Transportation Plan?

15 A I think I would like to defer all the
16 traffic-related, traffic study-related questions to
17 Mr. Pascua if I may.

18 Q Okay. The location of the regional park 'n
19 ride facility located on the H-2 corridor near Koa
20 Ridge was identified in the Mililani Mauka park 'n
21 ride feasibility study --

22 THE REPORTER: Mr. Poirier, slow down,
23 please.

24 PRESIDING OFFICER CHOCK: Slow down.

25 Q (Mr. Poirier) -- the location of a regional

1 park 'n ride facility located on the H-2 corridor near
2 Koa Ridge as identified in the Mililani Mauka park 'n
3 ride feasibility study.

4 A I don't know.

5 Q Thank you. The timing and construction of
6 the southern access road connecting the Waiawa and Koa
7 Ridge development to Kamehameha Highway and the H-1
8 via Pearl City or Seaview as an alternative to or in
9 addition to the northern Ka Uka access road?

10 A I'm going to defer that to Mr. Pascua.

11 Q Okay. Finally, this is the last one.
12 Timing and construction of adequate access to the
13 rapid transit system assuming either a fixed rail,
14 Central O'ahu spur or access via buses utilizing
15 dedicated bus lanes connected to the Central O'ahu
16 regional park 'n ride facilities?

17 A This is all -- you're still asking about the
18 commuter travel time. So I'm going to defer that to
19 Mr. Pascua.

20 Q Okay. That's it. Thank you.

21 A Sorry I couldn't be of more help to you
22 today.

23 PRESIDING OFFICER CHOCK: Mr. Seitz?

24 MR. SEITZ: No questions. Thank you.

25 PRESIDING OFFICER CHOCK: Redirect?

1 MR. TABATA: No redirect, thank you.

2 PRESIDING OFFICER CHOCK: Commissioners, any
3 questions. Okay. Thank you for your testimony.
4 Petitioner, do we have anybody else?

5 MR. TABATA: I think we're out of witnesses.

6 PRESIDING OFFICER CHOCK: Out of witnesses.

7 MR. MATSUBARA: I apologize for
8 underestimating the efficiency.

9 PRESIDING OFFICER CHOCK: I think this
10 Commission is happy to be accused of being too
11 efficient. (Laughter) Who do you have for tomorrow?

12 MR. MATSUBARA: We have two more witnesses
13 tomorrow. They will be Tom Nance addressing the water
14 issues and Ron Nishihara answering questions relating
15 to the sustainability plan. That will be it.

16 I've talked to Mr. Yee about deferring our
17 traffic expert, Mr. Pascua, until the next meeting
18 since they're currently discussing with DOT a
19 Memorandum of Understanding which I believe will speed
20 things up. We'll submit that MOU once it's done. It
21 will, I think obviate a lot of cross-examination
22 questions. So for tomorrow we just have two more
23 witnesses.

24 PRESIDING OFFICER CHOCK: Thank you.
25 County, who do you folks have?

1 MS. TAKEUCHI-APUNA: We just have our one
2 witness. We'll be ready for tomorrow.

3 PRESIDING OFFICER CHOCK: Okay. OP?

4 MR. YEE: I'm sorry, the Office of Planning
5 will not have any witnesses available tomorrow. We
6 have listed two which is the director and DOT. We
7 agreed to try to get Department of Ag and I think we
8 can but we're just not ready with his testimony.
9 We've agreed to bring the Department of Ag because it
10 was listed by one of the intervenors. We only had two
11 witnesses listed and neither of them are going to be
12 available tomorrow.

13 PRESIDING OFFICER CHOCK: Okay.
14 Neighborhood Board, do you guys have anybody ready for
15 tomorrow?

16 MR. POIRIER: No, we do not.

17 PRESIDING OFFICER CHOCK: Nobody. Okay. We
18 do have a full day scheduled for tomorrow. And we
19 have neighborhood island Commissioners who made the
20 flight over. So I'd like to ask the parties if at all
21 possible if you have any witnesses that are ready to
22 go tomorrow, we'd like to take advantage of the time
23 we've allotted to be here and get through them.
24 Mr. Seitz, do you have anybody for tomorrow?

25 MR. SEITZ: I don't. I'm going to try and

1 get one, but that's all I can realistically do. And I
2 think the likelihood of that is very slim.

3 PRESIDING OFFICER CHOCK: Slim. Petitioner,
4 do you have anybody else that you could make available
5 for tomorrow?

6 MR. MATSUBARA: No.

7 PRESIDING OFFICER CHOCK: It's going to be a
8 very short day, if not.

9 MR. MATSUBARA: The only witness left would
10 be Pete Pascua.

11 MR. YEE: Could I ask are the Sous not going
12 to come? They're listed.

13 MR. MATSUBARA: Their scheduling prevented
14 them from coming to this segment.

15 MR. YEE: Okay.

16 MR. MATSUBARA: Maybe at another segment.
17 They won't be available for this one. So they would
18 be the only other ones.

19 PRESIDING OFFICER CHOCK: Just one more
20 quick request, Mr. Poirier, Neighborhood Board. If at
21 all possible we'd like you to try to make whoever you
22 can bring tomorrow available.

23 MR. POIRIER: I shall try, but I can't
24 guarantee it.

25 PRESIDING OFFICER CHOCK: We're trying to be

1 very accommodating to the parties to move these
2 proceedings along. So I appreciate if you guys could
3 be a little more cooperative on your end as well.
4 Okay. Any other business? Commissioners, questions?
5 Motion to adjourn?

6 COMMISSIONER TEVES: Second.

7 (The proceedings were adjourned at 3:45 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;

6

That I was acting as court reporter in the
foregoing LUC matter on the 2nd day of February
2012;

9

That the proceedings were taken down in
computerized machine shorthand by me and were
thereafter reduced to print by me;

12

That the foregoing represents, to the best
of my ability, a true and correct transcript of the
proceedings had in the foregoing matter.

15

16

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DATED: This _____ day of _____ 2012

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HOLLY M. HACKETT, HI CSR #130, RPR
Certified Shorthand Reporter

24

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