1		LAND USE COMMISSION
2		STATE OF HAWAII
3		May 7, 2019
4		Commencing at 9:30 a.m.
5		Natural Energy Laboratory Hawai'i Authority
6		73-987 Makako Bay Drive
7		Kailua-Kona, Hawaii 96740
8	AGEND.	<u>A</u>
9	I.	Call to Order
10	II.	Adoption of Minutes
11	III.	Tentative Meeting Schedule
12	IV.	ACTION Consider Motion to Correct Minutes of March 28, 2019, for Docket No. A18-805 Church to read as follows:
14 15 16 17 18		"Commissioner Okuda moved to approve Petitioner's motion that the Commission was the appropriate accepting agency for Petitioner's compliance with HRS Chapter 343; and, to determine an anticipated finding of no significant impact for the Petitioner's EA/FONSI; and that Petitioner work with LUC staff to put together the necessary documents required by OEQC for publication and review for an EA."
20	V.	ADOPTION OF ORDER A06-767 Waikoloa Mauka LLC, (Hawai'i)
21 22 23	VI.	STATUS REPORT A99-729 NEWTON FAMILY LIMITED PARTNERSHIP (HAWAI'I)
24	VII.	ADJOURNMENT
25	BEFOR:	E: Jean Marie McManus, CSR #156

	2
1	COMMISSIONERS:
2	JONATHAN SCHEUER, Chairperson NANCY CABRAL, Vice Chair
3	AARON MAHI, Vice Chair LEE OHIGASHI
4	GARY OKUDA DAWN N.S. CHANG
5	ARNOLD WONG
6	RANDALL S. NISHIYAMA, ESQ. Deputy Attorney General
7	STAFF:
8	DANIEL ORODENKER, Executive Officer RILEY K. HAKODA, Chief Clerk/Planner
9	SCOTT A.K. DERRICKSON, AICP RASMI AGRAHARI, Planner
10	STEVEN LIM, ESQ.
11	For A06-767 Waikoloa Mauka
12	LAURA KAAKUA, CEO For Hawaiian Islands Land Trust
13	A99-729 Newton Family Limited Partnership
14	DAWN APUNA, ESQ. Deputy Attorney General
15	State of Hawai'i Office of Planning
16	RON KIM, ESQ. Deputy Corporation Counsel
17	DUANE KANUHA, Deputy Director County of Hawai'i Planning Department
18	country of nawar relating beparement
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                CHAIRPERSON SCHEUER: Aloha mai kakou.
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     Good morning. This is the May 7, 2019, Land Use
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     Commission Meeting.
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                First order of business is the adoption of
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     the April 3rd, 2019 minutes. Any comments or
     corrections on the minutes?
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                If not, is there a motion to adopt?
                VICE CHAIR MAHI: I move.
8
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                CHAIRPERSON SCHEUER: Moved by Commissioner
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     Mahi.
                VICE CHAIR CABRAL: Seconded.
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12
                CHAIRPERSON SCHEUER: Seconded by
13
     Commissioner Cabral.
14
                Any discussion?
15
                If not, all in favor say "aye".
     opposed? The minutes are unanimously adopted.
16
17
                Our next agenda item is the tentative
     meeting schedule. Mr. Orodenker.
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19
                EXECUTIVE OFFICER: Thank you, Mr. Chair.
20
                On May 22nd we will be back here at NELHA
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     for the Bencorp and Shopoff matters. We have that
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      scheduled for the 22nd and 23rd at the moment.
23
                On June 5th we're asking the Commissioners
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     to keep that date open.
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                On June 6th, we will be on Oahu for
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1 | Poma'ikai Partners IAL site visit.

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- 2 On June 26th, we will be on Maui for the 3 evidentiary hearing for Ka'ono'ulu Ranch.
 - On June 27th, we will be here again for the Bencorp and Shopoff matter, assuming that there's an adoption of order on those dates.
- July 10th we're asking the Commissioners to keep open as well.
 - July 11th is the Poma'ikai Partners IAL hearing on Oahu.
- And on July 25th, we are on Kaua'i for the Kealia EIS hearing.
 - And August 14th and 15th we're asking the Commissioners to keep aside. We will be on Kaua'i for Commissioner training.
 - And August 28th and 29th, we will be on Oahu for the Waiawa matter; and on 29th Kaua'i for the Hokua matter.
- September is HCPO.
 - CHAIRPERSON SCHEUER: Thank you. Are there any questions for the executive officer?
- Hearing none.
- Our next agenda item Action Meeting Docket

 No. A18-805 Petition of Kenneth Stanley Church and

 Joan Evelyn Hildal to Amend the Conservation Land Use

1 District Boundary into the Agricultural Land Use

2 District for Approximately 3.4 Acres of Land at

3 | Wailea, Island of Hawaii, Tax Map Keys: (3)2-9-003

4 and lots 29 and lot 60 to Correct Minutes of the

5 | March 28, 2019 meeting to read as follows:

Quote - I will be reading how the minutes should now read.

8 "Comm.

"Commissioner Okuda moved to approve
Petitioner's motion that the Commission was the
appropriate accepting agency for Petitioner's
compliance with HRS Chapter 343; and, to determine an
anticipated finding of no significant impact for the
Petitioner's Draft EA/FONSI; and that the Petitioner
work with LUC staff to put together the necessary
documents required by OEQC for publication and review
for an EA."

Let me update the record.

On April 26, 2019, the Commission received an email from Mr. Church requesting clarification on the minutes for March 28, 2019. In response to his inquiry, LUC staff discovered that the minutes incorrectly reported Commissioner Okuda's motion after a review of the transcript.

On April 30, 2019, the Commission mailed an agenda notice letter to the Parties and the Hawaii

1 County mailing lists. 2 Are there any individuals wishing to 3 provide public testimony on this matter today? 4 I note there's no one wishing to provide 5 public testimony. 6 Concluding public testimony, I will 7 entertain a motion to revise and correct the minutes to March 28, 2019 meeting to reflect the stated 8 correction. 9 10 Commissioners, what is your pleasure? COMMISSIONER OKUDA: I make the motion and 11 12 so move that the minutes be corrected as you stated 13 on the record. 14 VICE CHAIR MAHI: Second. 15 CHAIRPERSON SCHEUER: A motion has been 16 made by Commissioner Okuda, and seconded by 17 Commissioner Mahi. 18 Is there any further discussion on the 19 motion? 20 Hearing none, Mr. Orodenker, please poll 21 the Commission. 22 EXECUTIVE OFFICER: Mr. Chair, the motion

25 COMMISSIONER OKUDA: Yes.

Commissioner Okuda?

is to amend the minutes.

23

1	EXECUTIVE OFFICER: Commissioner Mahi?
2	VICE CHAIR MAHI: Aye.
3	EXECUTIVE OFFICER: Commissioner Chang?
4	COMMISSIONER CHANG: Yes.
5	EXECUTIVE OFFICER: Commissioner Ohigashi?
6	COMMISSIONER OHIGASHI: Yes.
7	EXECUTIVE OFFICER: Commissioner Cabral?
8	VICE CHAIR CABRAL: Yes.
9	EXECUTIVE OFFICER: Commissioner Wong?
10	COMMISSIONER WONG: Yes.
11	EXECUTIVE OFFICER: Chair Scheuer?
12	CHAIRPERSON SCHEUER: Aye,
13	EXECUTIVE OFFICER: Thank you. Mr. Chair,
14	the motion passes unanimously.
15	A06-767 WAIKOLOA MAUKA
16	CHAIRPERSON SCHEUER: Our next agenda item
17	is AO6-767 Waikoloa Mauka to Approve the form of the
18	order in this matter.
19	Will the parties please identify themselves
20	for the record?
21	MR. LIM: Steven Lim, attorney for
22	Petitioner, Waikoloa Highlands Incorporated.
23	MR. KIM: Ron Kim, Deputy Corporation
24	Counsel for the County of Hawaii. Appearing with me
25	is Deputy Director for the Planning Department, Mr.

1 | Duane Kanuha.

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MS. APUNA: Deputy Attorney General, Dawn Apuna on behalf of State Office of Planning.

CHAIRPERSON SCHEUER: Let me update the record for this docket.

The Commission met in Kailua, Kona-Hawaii on November 28-29, 2018. Written public testimony was submitted to the Commission by Julia Alos and Petitioner's Exhibit 65 was admitted to the record.

The Commission voted 7-1 on Docket No.

A06-767 that a violation of conditions had occurred,
and that there had not been a substantial

commencement of use of the land, and that the

Petition Area should be reverted to its former

agricultural land use designation; and instructed

staff to prepare a proposed Findings of Fact,

Conclusions of Law, and Decision and Order consistent
with its decision for consideration, deliberation,
and adoption.

At that meeting, prior to voting, all the Commissioners affirmed that they had reviewed the record and transcripts in this Docket.

On March 18, 2019, the Commission mailed an agenda notice letter to the Parties and the Hawaii County mailing lists advising that the adoption of

the order for A06-767 would be addressed at the March 2 27-28, 2019 meeting.

On March 27, 2019, the Commission deferred the adoption of the order.

On April 30th of 2019, the Commission mailed an agenda notice letter to the Parties and the Hawaii County mailing lists advising that the adoption of the order for A06-767 would be addressed at the May 7, 2019 meeting.

Is there anyone in the audience who wishes to provide public testimony on this matter?

Seeing none.

Mr. Lim, can you please confirm that you have reviewed and will comply with HAR 15-15-45.1 with regard to the reimbursement of hearing expenses?

MR. LIM: Yes, we have reviewed it on behalf of the Petitioner. Petitioner agrees to the Commission's reimbursement policy.

CHAIRPERSON SCHEUER: Mr. Lim, before the Commission goes into deliberation on this matter, I understand you would like to make a statement to the Commission.

MR. LIM: Yes, thank you very much, Mr. Chairman.

I will be very brief. Again, I want to

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thank the Commission for its deliberations in this matter. We don't agree -- Petitioners don't agree with the end result, but we do want to make three points for the record before we close.

One is a procedural point. And obviously, based upon Hawaii Supreme Court case law, especially relating to the Kaniakapupu and the Lanai Company case before the Commission that were on appeal.

An OSC proceeding is a contested case as defined in Chapter 91.

One of the requirements of a contested case is that if a decision is adverse to any party, that all the Commissioners must have attended all of the OSC hearings, or they won't be qualified to have, in quotes, "heard and examined all of the evidence" according to HRS Section 91-11.

If that's the case here, which I believe so, the state law at 91-11 requires that a proposed Decision and Order be served on the parties, and their be given an opportunity to give their comments and to file exceptions and present argument to the Commission, the same procedure that you see in your typical district boundary amendment process.

Only then will the Commissioners who have not attended all of the evidentiary hearings be

qualified to have, quote, "heard and examined all of the evidence", close quote.

So we are aware that at least two of the Commissioners did not attend all of the evidentiary hearings, so that would be point one.

I think the Commission Rule 15-15-93(d) also requires the adoption of the proposed Decision and Order.

There are also no written findings in law, at least I haven't seen any written findings of facts or conclusions of law, decision and order that the Commission would sign in this matter. Is there one that's available today?

I don't have it anyway; Petitioner doesn't have it. So therefore we can't tell whether there are any written rulings on all substantive motions such as Petitioner's oral motion to dismiss made in November 28, 2018 hearing.

Secondly, we believe that the Petitioner's -- we believe the Commission is required to have six affirmative votes to take action on any OSC.

While we understand that the Aina Le'a case noted that some of the requirements of Section 205-4 need not be followed in an OSC, we would argue that this is essentially reclassification of the land, and

otherwise why is there a provision allowing the Commission to change back the land to either revert the land, or to change it to a more appropriate classification such as Urban in this case?

So even if only five votes are required for this action, Petitioner repeats its argument that the Petition Area is rightly in the Rural District. No party has alleged that it should be used for agricultural purposes, and the Commission's own findings in the original Decision and Order that the land is unsuitable for agricultural purposes I think stand.

And lastly, Petitioner would like to thank the Commission again, but we really request that the Commission look at the obligation the Commission has on any OSC, Order to Show Cause. Is it to revert the land? Or is it to compel compliance of conditions of approval?

We think, we believe, especially after going through this hearing, is that the Draconian option of reversion should be reserved for only extreme cases, such as Petitioner's willful disregard of the Commission's orders after notice.

Things like the instant Petition, we believe they submitted sufficient evidence to allow

1 the Commission not to revert. And with that, I'll reserve all of our objections made during the 3 hearing.

And, again, I appreciate your consideration. Thank you.

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CHAIRPERSON SCHEUER: Thank you, Mr. Lim.

Commissioners, before you, for your consideration, deliberation and adoption is a proposed order, Findings of Fact, Conclusions of Law and Decision and Order prepared by staff as instructed at the last meeting on this docket.

Any discussion? Commissioner Okuda.

COMMISSIONER OKUDA: Mr. Chair, I would request that we be given additional time for two things: Number one, to review the staff draft, but also additional time to consider Mr. Lim's presentation and points that he made to determine what course of action might need be taken regarding that.

Although, you know, I recognize the fact Mr. Lim did not present something in writing as far as a written motion, I think it behooves us to also take time to consider what he's raised.

But with the Chair's indulgence, I do have one question for Mr. Lim if at some point in time I

1 | would be allowed to ask it.

CHAIRPERSON SCHEUER: Let me first see whether other Commissioners have comments on your desire to defer action on this matter.

Commissioner Chang.

COMMISSIONER CHANG: I would concur with Commissioner Okuda's request, as I would like some additional time to review the proposed order as well as consider Mr. Lim's oral request today.

CHAIRPERSON SCHEUER: Commissioners?

COMMISSIONER OHIGASHI: Mr. Chairman.

CHAIRPERSON SCHEUER: Commissioner

Ohigashi.

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COMMISSIONER OHIGASHI: I would like to request that we enter into executive session for the purposes of consulting with our attorney to determine the procedures that we should follow in adopting this Findings of Facts and Conclusions of Law, so I'm going to make that motion.

CHAIRPERSON SCHEUER: A motion has been made to go into executive session to consult with our attorney on our powers, duties, privileges, and immunities, particularly regarding the procedures that we must follow in adopting this order.

Is there a second?

1 COMMISSIONER WONG: Second. 2 CHAIRPERSON SCHEUER: It has been seconded 3 by Commissioner Wong. Is there discussion on the 4 motion? 5 If not, all in favor say "aye". Anybody 6 opposed? The Commission will go into executive 7 session. 8 (Executive session.) 9 CHAIRPERSON SCHEUER: We are back on the 10 record. 11 Commissioners, we were discussing that 12 before you for your consideration, deliberation and 13 adoption was a proposed Findings of facts, 14 Conclusions of Law, and Decision and Order prepared 15 by the staff as they had been instructed to at the 16 last meeting on this docket. 17 Commissioner Okuda. 18 COMMISSIONER OKUDA: Thank you, Mr. Chair. 19 Mr. Chair, I would like to make a motion to 20 defer the matters on the agenda regarding this docket 21 to consider the request that was made by Mr. Lim, 22 which he orally stated, with this proviso: 23 Provided that within 48 hours as of right 24 now, Mr. Lim puts in writing his request so that

we're very clear what the request is, and states the

legal basis for the request he is making. And when I say "state the legal basis", I mean specific citation to either statute, rule, case authority, or other legal authority, and containing the appropriate citation to such authority, and file that request with the Land Use Commission.

CHAIRPERSON SCHEUER: Thank you. Mr. Okuda.

COMMISSIONER WONG: Second.

CHAIRPERSON SCHEUER: Commissioner Wong has seconded the motion.

So there's a motion before us to defer for the reasons with the provisos provided.

Is there discussion on this motion?

Commissioner Okuda.

COMMISSIONER OKUDA: Thank you, Mr. Chair.

The reason why I'm making this motion is, I believe that even though much time has already been spent on this docket, Mr. Lim has raised on its face what seemed to be legitimate concerns, and I think it behooves any decisionmaker to give him and his client due process, meaning the opportunity to be heard on matters which, on its face, seem to be made in good faith, and so I think that -- or I would urge support of this motion.

1 CHAIRPERSON SCHEUER: Commissioner Okuda,

2 may I ask you a question about your motion?

Procedurally, if the Petitioner filed a brief, the other parties in this case would have a chance to respond to their brief, and then the Petitioner might have a further chance to answer anything that was in those briefs.

Do you believe that it should be a part of the process, and if so, what timelines did you envision?

COMMISSIONER OKUDA: Yes, Mr. Chair. I'm sorry I didn't think of that.

I would suggest that the parties be allowed to file any responses to Mr. Lim's request. I would likewise suggest and request that they file their responses in writing with the Land Use Commission within 48 hours of being served with Mr. Lim's document; service means receipt by email, hand delivery, not by putting it in the mail, regular U.S. mail, and that Mr. Lim have 24 hours thereafter to respond or file a reply limited to only those items which were filed in response to his initial filing, and the filing that he makes within would have to be with the Land Use Commission within 24 hours after receiving the response by any other party.

CHAIRPERSON SCHEUER: Thank you for that clarification.

MR. LIM: I want to make it clear, it's not my request that the Commissioners do this. I'm just pointing out what Chapter 91 requires.

CHAIRPERSON SCHEUER: Are you stating for the record that you're not agreeing to file such a written document as requested by this Commission?

MR. LIM: We could file it, but I don't want to be limiting my rights by doing so.

CHAIRPERSON SCHEUER: Mr. Okuda.

COMMISSIONER OKUDA: Mr. Chair, my motion is requesting the deferral based specifically on what has been orally stated here on the record today. So by Mr. Lim -- so, Mr. Lim, it's to give you the -- I should speak to the Chair not specific party.

So, Mr. Chair, it's to allow counsel who is making this request the ability to put in writing so that it's very clear what the request is, so that the party who counsel is representing has their due process rights respected.

Again, the reason to ask for this to be placed in writing is so that we are very clear that we don't misinterpret what was stated on the record today as the basis for the statements.

CHAIRPERSON SCHEUER: Thank you very much,
Commissioner Okuda.

Is there further discussion on the motion with its clarifications by the Commission?

Commissioner Chang.

COMMISSIONER CHANG: Mr. Okuda, 48 hours, I guess I would ask the parties, I want to be reasonable, and you've provided 48 hours. If all the parties agree to that, and they stipulate with your time period, I'm comfortable; but if there is a request for additional time, I would like to consider that.

MR. LIM: Perhaps 72 hours.

CHAIRPERSON SCHEUER: Hold on. The question was addressed through me to Commissioner Okuda.

Commissioner Okuda.

COMMISSIONER OKUDA: Commissioner Chang, I believe 48 hours is a reasonable amount to submit both the initial statement that Mr. Lim made and any reply to that.

The reason why I believe it's reasonable is, for example, when we're in trial in circuit court, the judge oftentimes will give us only 12 hours or the next morning to submit a memorandum

that something -- an issue that came up at the close of the trial date but, you know, I believe Mr. Lim, if he mentioned 72 hours. I think 72 hours would also be a reasonable amount, so I would amend my motion and request that the parties -- that Mr. Lim be given 72 hours to submit his initial, or submit confirmation in writing as far as what he stated on the record so the submission is basically confirming in writing what was said here orally on the record today.

And, again, let me just supplement that, Mr. Chair, if I can.

This is not meant to be a criticism of anyone, but it would have been possible, if this was going to be an important issue, to file something in writing beforehand so all of us could have at least tried to do our homework to educate ourselves on this issue.

So the filing within 72 hours would be to basically put in writing what was said here on the record today. It's not intended to expand what was stated here on the record today.

CHAIRPERSON SCHEUER: Thank you, Mr. Okuda.

Commissioner Ohigashi.

COMMISSIONER OHIGASHI: Just a short

clarification.

72 hours, so what we're saying is Friday, by this Friday. If you're giving the county and the state another 24 hours, that would be on the weekend, but that would be probably Tuesday their response is due. I'm just trying to clarify.

CHAIRPERSON SCHEUER: Commissioner

Ohigashi, first of all, I think because the motion
has been clarified a few times. I would actually ask
to have the most clear record, that the original
motion and second be withdrawn, and the motion be
restated in its entirety.

With that said, I would also like to briefly check with the parties, knowing that we're not bound by their wishes, whether the rough timelines that we're talking about, taking into account weekends and other issues would be acceptable to them.

I'm going to go to the parties one by one.

Mr. Lim?

MR. LIM: Petitioner can file its position statement by close of business this Friday.

CHAIRPERSON SCHEUER: Hawaii County?

MR. KIM: Hawaii County would ask, I believe, for 72 hours as well following the filing of

1 Mr. Lim's position statement. 2 CHAIRPERSON SCHEUER: Would you like that 3 72 hours to include or exclude weekends, holidays, 4 bank holidays, and other birthdays? VICE CHAIR CABRAL: Power outages. 5 MR. KIM: We can include it. 6 7 CHAIRPERSON SCHEUER: Office of Planning? MS. APUNA: I would like to note that the 8 9 rules provide one week for responses to motions, so 10 that would be --11 CHAIRPERSON SCHEUER: This is not a motion, 12 however. MS. APUNA: Well, response to whatever 13 14 question. 15 CHAIRPERSON SCHEUER: Are you asking for a 16 week, Ms. Apuna? 17 MS. APUNA: I think that's reasonable. Ιf 18 the Petitioner puts in the written questions by 19 Friday, I think it's reasonable for the other parties 20 to respond by the following Friday. 21 CHAIRPERSON SCHEUER: And, Mr. Lim, if you 22 have further response to the briefs from the county 23 or the Office of Planning, how long would you -- if 24 the 24 hours, which was initially proposed by

Commissioner Okuda acceptable?

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MR. LIM: We could file that by close of
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     business the next Monday.
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                CHAIRPERSON SCHEUER: Thank you, parties.
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                So I suggested -- you don't have to do
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      it -- but I suggested that it might be best to
     withdraw the first motion and just state a new motion
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7
      in its entirety.
                Is the movant and seconder open to that?
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                COMMISSIONER OKUDA: Yes.
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                CHAIRPERSON SCHEUER: The motion that was
     on the table has been withdrawn and the secondary
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12
     concurred with that.
                Is the movant ready to make a new motion?
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14
     Do you want a couple minutes?
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                COMMISSIONER OKUDA: May I have a moment
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      just to --
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               CHAIRPERSON SCHEUER: We're going into
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     recess.
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                (Recess taken.)
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                CHAIRPERSON SCHEUER: We are back on the
21
     record.
22
                Commissioner Okuda.
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                COMMISSIONER OKUDA: Thank you, Mr. Chair.
24
                I would like to make a motion that we defer
25
     the matters on the agenda regarding this docket to
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consider the oral request that was made by Mr. Lim, which he stated on the record, provided that the following take place:

Number one, that Mr. Lim confirm in writing and state the request that he made by Friday May 10, 2019, close of business. And confirmation means filing with the Land Use Commission and serving on all other parties by email or hand-delivery his filing, and that the other parties may have until close of business Friday May 17 to file their responses to what Mr. Lim has filed, and to serve by either hand-delivery or email to all other parties, including Mr. Lim, their responses, and Mr. Lim will have until the close of business Monday, May 20 to submit any reply limited to the issues or matters that the other parties had filed and served on him in their responses.

The filing shall include any citation or -- strike that.

The filing shall include citation to the appropriate legal authority for any request or statements made. Legal authority means citation to the appropriate statute, rule or case law. That's my motion.

COMMISSIONER WONG: Second.

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CHAIRPERSON SCHEUER: The motion has been
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     made by Commissioner Okuda and seconded by
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     Commissioner Wong.
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                Is there any discussion on the motion?
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     Hearing none.
                Commissioner Okuda.
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                COMMISSIONER OKUDA: Mr. Chair, I
      incorporate by reference what I said earlier about
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      the reasons about making my prior motion.
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                CHAIRPERSON SCHEUER: Thank you.
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                Commissioner Chang.
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                COMMISSIONER CHANG: Before we act on the
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     motion, can I ask Mr. Lim why he didn't file a
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     proposed --
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                CHAIRPERSON SCHEUER: Commissioner Chang,
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     please direct it towards me.
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                COMMISSIONER CHANG: I would like to ask
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     the parties why they didn't file proposed Findings of
19
     Facts, and Decision and Order to the LUC on this
20
     matter?
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                CHAIRPERSON SCHEUER: I'll give you each
22
     about a minute to respond.
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                MR. LIM: In short, the position is that an
24
      order to show cause, unlike district boundary
25
      amendment petition, is the Commission's burden.
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1 MR. KIM: The county was also believing 2 that the Commission would file a proposed finding of 3 fact, conclusion of law. I believe that was ordered 4 at the conclusion of the last hearing. 5 MS. APUNA: I concur with the other 6 parties. 7 CHAIRPERSON SCHEUER: Commission, knowing we are in deliberation among ourselves, is there any 8 further discussion on this matter? 9 10 Hearing none, Mr. Orodenker, please poll the Commission. 11 12 EXECUTIVE OFFICER: Thank you, Mr. Chair. 13 The motion is to defer this matter to allow 14 Petitioner's arguments to be submitted in writing by 15 Friday May 10th with responses due from the other parties by Friday May 17th, and the response is due 16 17 on May -- responses from the Petitioner by May 20th. 18 Commissioner Okuda? 19 COMMISSIONER OKUDA: Yes. 20 EXECUTIVE OFFICER: Commissioner Wong? 21 COMMISSIONER WONG: Yes. 22 EXECUTIVE OFFICER: Commissioner Cabral? 23 VICE CHAIR CABRAL: Yes. 24 EXECUTIVE OFFICER: Commissioner Ohigashi? 25 COMMISSIONER OHIGASHI: Yes.

1	EXECUTIVE OFFICER: Commissioner Chang?
2	COMMISSIONER CHANG: Yes.
3	EXECUTIVE OFFICER: Commissioner Mahi?
4	VICE CHAIR MAHI: Aye.
5	EXECUTIVE OFFICER: Chair Scheuer?
6	CHAIRPERSON SCHEUER: Aye.
7	EXECUTIVE OFFICER: Thank you. Mr. Chair,
8	the motion passes unanimously.
9	A99-729 NEWTON FAMILY LIMITED PARTNERSHIP
10	CHAIRPERSON SCHEUER: I will begin with a
11	disclosure that the land that is the subject of this
12	docket was recently gifted to the Hawaiian Island
13	Land Trust, of which I am currently the Board Chair.
14	While I have no financial benefit
15	whatsoever from this transaction or from our
16	management on the land, in abundance of caution, and
17	to avoid any appearance of impropriety, I'm going to
18	recuse myself from this matter, and Vice Chair Cabral
19	will reside for the remainder of the hearing.
20	(Chairperson Scheuer leaves the room.)
21	ACTING CHAIR CABRAL: The next item on the
22	agenda, Status Report on Docket A99-729 Newton Family
23	Limited Partnership.
24	Let me pause for a moment and have all of
25	the parties introduce themselves for the record on

1 this docket, please.

MS. KAAKUA: Aloha, Commissioners, thank you for allowing me to be here today. My name is Laura Kaakua, and I'm CEO of Hawaiian Islands Land Trust.

MR. KIM: Good morning, Commissioners.

Deputy Corporation Counsel, Ron Kim for the County of Hawaii, and with me is Deputy Director -- or Director of Planning Department, Mr. Duane Kanuha.

MS. APUNA: Good morning, Deputy Attorney General Dawn Apuna on behalf of State Office of Planning.

ACTING CHAIR CABRAL: Thank you very much.

Let me update the record in this docket.

On November 16, 2001, the Commission issued its Decision and Order for this docket.

From 2002 until 2018, the Commission received the annual reports and the various County of Hawai'i comments and correspondence on the annual reports.

On April 17, 2019, the Commission received a copy of the County of Hawaii's correspondence to the Petitioner Newton's representative Belt Collins describing how water issues and zoning issues had not been addressed in the response in their earlier

notice of March 19, 2018.

On April 24, 2019, LUC staff sent an email notifying Petitioner Newton's attorney, Steve Lim, that in reaction to the information contained in County of Hawaii's letter, the LUC would be requesting a status report at its May 7, 2019 meeting.

On April 25, 2019, Petitioner Newton's attorney replied via email that they were authorized to move forward and would be responding soon. Later that day, a Notice of Transfer of Ownership from the Newton Family Partnership to Hawaiian Islands Land Trust was filed by Petitioner.

On April 30, 2019, the Commission mailed an agenda notice letter to the Parties and the Hawaii County mailing lists advising of the May 7, 2019 meeting.

For the members of the Public, please be reminded that the Commission will not be considering the merits of A99-729 Newton Family Limited Partnership Petition; rather, the Commission is interested in learning about the current state of activities related to this docket, including compliance with conditions.

Let me go over our procedures for this

1 docket.

First those individuals desiring to provide public testimony for the Commission's consideration will be asked to identify themselves and will be called in order to our witness box where they will be sworn in prior to testimony.

7 Have any public signed up to be heard 8 today?

EXECUTIVE OFFICER: Madam Chair, we don't have anyone signed up.

ACTING CHAIR CABRAL: Thank you. No one has signed up so we will proceed.

The Chair will now call for the Status

Report from the new owner, Hawaiian Islands Land

Trust. Please, Laura, please proceed.

MS. KAAKUA: Thank you.

So I just want to give a little bit of background from the Hawaiian Islands Land Trust's perspective.

And also related to myself, the property is new to the land trust, and I'm also new to the land trust, so I started as CEO with Hawai'i Island Land Trust on March 11th, and two days later the deed for the Kukuau forested property was recorded giving title to the Hawaiian Island Land Trust, and so it is

a very new property to us.

And just a little bit of background on why we were very thankful for the Newton's donation of this property.

The mission of the Hawaiian Islands Land

Trust is to protect the lands that sustain us for

future and current generations. We currently own

five preserves throughout the islands, most are

coastal preserves, and we actively steward all those

preserves in partnership with communities; and we

also hold conservation easements restricting lands

that have high conservation or cultural values.

And so for us this property, which is over 1600 acres in total above Hilo, is really exciting from a conservation standpoint, because the property still has very healthy koa and ohia trees on the property, as well as predominantly native understory of uluhe and pala'a ferns and moa.

I took an initial site visit onto the property a few weeks back, and the first thing that we saw upon getting up to the land was an i'o Hawaiian hawk perched high up on one of the trees. So it is native habitat.

What we also noticed right away is that there are invasive species rapidly encroaching upon

the native forest, strawberry guava, albesia, African tulip. And so our thought when we accepted the property was we know there is native species here.

It's really the land trust's responsibility to protect what we can, and that was a special area for us.

And so now, looking forward now, that we have accepted this generous donation from the Newton Family, we are anticipating needing to actively manage the forest rather than, okay, it's now under the land trust and we're just not going to touch it.

Because there is invasive species, we do anticipate getting outside sources to give us their expert opinions on whether the property should be fenced for native habitat; what that would look like to remove those invasive species.

And so we're really just starting to develop a plan for the land. And one of our big questions is, is the current agricultural land use district, agricultural county zoning, actually possibly beneficial to not subdivide and develop the property, but to help us actively steward the property's natural and cultural resources, its native resources, and what's actually on the property.

And so we would request a year's time if

possible to give us a chance to make the best plan possible for the forest resources on the land, and be able to update this Commission as our plan progresses.

We think that in six months time we can have a biological survey done with an inventory so we know what native species are there; we know the extent of the invasive species there.

And in six months time we will have some opinions from our other conservation partners on different forest stewardship possibilities. Then we think in a year's time we will have our full detailed plan for management of the land, and then we will then be able to know if we can support a full reversion back to the original Conservation District, or if maybe there's a possible middle ground of the A800, which the county had proposed; or maybe based on our conservation practices that we want to engage in, we might actually benefit from the current county zoning.

So we're really not sure at this time, and we're hoping for just a little more time to help us plan.

I can say now that we will not be pursuing subdivision of the property. We don't want it to be

subdivided to allow for different residential 1 2 possibilities. We want to see an intact forest, and 3 we're just trying to find the right steps to get us 4 there. 5 ACTING CHAIR CABRAL: Thank you very much. 6 I'd like now to call on County of Hawai'i. 7 Any questions of the Petitioner? MR. KIM: We have no questions of the 8 9 Petitioner and -- let me just check -- no objection 10 to the request for a year to get a conservation 11 management plan. 12 ACTING CHAIR CABRAL: Thank you very much. 13 Can I ask the Office of Planning, do you 14 have any questions or comments at this time? 15 MS. APUNA: I just had a question. I think she mentioned 1600 acres was the 16 17 total area, is that correct? So I understand the Petition Area is about 18 19 800, but what is the other? Was it they donated 20 1600. 21 MS. KAAKUA: Right. They donated the 22 entire tax map key and it's over 1600 acres. The 23 mauka half of the property is still within the

Conservation District. And so that mauka half of the

property actually has the native forest on the mauka

24

half is much more in tact. It's 800 acres that's further makai in the Agricultural District that we anticipate will need more active management to remove those invasive species. We don't want to change the mauka Conservation District into Ag.

ACTING CHAIR CABRAL: Thank you.

I would like to ask then if there are any comments or questions from anyone in the public that has not already commented?

Moving right along.

Do you, Laura, have any other comments you would like to make at this time? Are you ready to conclude you presentation?

MS. KAAKUA: I think the only thing to add is, we would welcome status updates being required of us to keep you all up-to-date, so I don't know if one year seems acceptable to the Commission. We welcome as frequently as you would like us to update you all until we reach our conclusion, which would really either be full concurrence with reversion, or we will come back to you and request specific amendments that may no longer make sense, because they were tied to the original subdivision plan.

ACTING CHAIR CABRAL: Thank you.

At this point I would like to open it up to

the Commissioners for questions for our Petitioner. 1 2 COMMISSIONER CHANG: I would just like to 3 make a comment. 4 I appreciate you being here today providing 5 us some clarification and update. And the fact that 6 when you did acquire the property you were aware of 7 the LUC conditions. MS. KAAKUA: Yes. I think that there was 8 9 absolutely proper disclosure made to Hawaiian Islands 10 Land Trust. And my understanding is that my 11 predecessor was definitely aware of the conditions 12 and that we were not -- that we would basically be inheriting a property that was not in compliance. So 13 14 our real goal is to get in compliance, or amend so 15 that the goals of the Commission and the land trust 16 and the county and state are in alignment. 17 COMMISSIONER CHANG: Thank you. 18 VICE CHAIR CABRAL: Any other comments? 19 Commissioner Lee. 20 COMMISSIONER OHIGASHI: There is a Korean 2.1 comment --22 ACTING CHAIR CABRAL: Spare me. 23 COMMISSIONER OHIGASHI: So my question is: 24 Do you intend to follow the reporting

requirements under the existing? And I'm just

25

curious when is the 2019 reporting requirements due;

if you know?

MS. KAAKUA: Yes. So we do intend to file our annual report, unless it needs to be changed, but our default would be that we would file an annual report with this Commission on time. And I don't know off the top of my head exactly when that annual report is due.

ACTING CHAIR CABRAL: That's honest. Thank you.

Commissioners, any other comments or questions? Commissioner Okuda.

COMMISSIONER OKUDA: Thank you, Ms. Chair.

As a new owner, does your entity have any intention to use the property for agriculture?

MS. KAAKUA: So any intention of using the property for agriculture, so my understanding of agriculture is that it's wide enough to also encompass forestry or sustainable forestry, so I guess there is a possibility that -- especially invasive species that we remove from the land, that if there was another use for them, we would want to make use of them, which I believe would fall under forestry, which would fall under agriculture, so I think in that respect.

But really our goal for that landscape is to preserve it and kind of enhance it as native forest, so limited in use to forestry.

COMMISSIONER OKUDA: So in other words, if you did conduct agricultural activity, it would be basically for purposes broadly described as conservation; is that what you're saying?

MS. KAAKUA: Yes, I think so, right. So native forest management. I guess native forest management. I think most people would typically think of that as conservation and conservation practices.

But the interesting thing is that I think technically it would fall under agriculture, and having it in the Agricultural District and agricultural county zoning would actually help us to more easily remove the invasive species encroaching on the native forest, because then we wouldn't have to go ahead and do a conservation district use permit to remove an invasive species or -- we are still trying to figure that out.

COMMISSIONER OKUDA: Thank you. I understand.

ACTING CHAIR CABRAL: Commissioner Chang.

COMMISSIONER CHANG: So at this point in

time, are you planning to do any activity on the property prior to the submission of your plan, not even removal of invasive species?

MS. KAAKUA: No. So we will complete the plan for the land before taking any action, and then any action that we take will be per the directions of our plan.

COMMISSIONER CHANG: The land use conditions on this particular document really were tied to the subdivision, but it does include, for example, prior to any land alteration, you have to do an archaeological inventory survey.

So that may or may not be appropriate, but what I'm hearing your representation is you're not proposing to do any activity on the property, even including invasive species, until you have a plan in place?

MS. KAAKUA: That's correct.

COMMISSIONER CHANG: And you would report back to us and you're asking for a year?

MS. KAAKUA: I'm asking for a year.

COMMISSIONER CHANG: Thank you.

ACTING CHAIR CABRAL: Commissioners, if there are no final questions or comments for the parties, I believe we can now enter into

deliberations in this matter.

2 Commissioner Chang.

3 COMMISSIONER CHANG: I have a question for 4 the county.

Were you proposing -- you had sent a letter to the Petitioner proposing to change the zoning to the property to Ag 800A.

Could you explain to me what is that? What were you going to change the zoning to?

MR. KIM: Agriculture 800A.

COMMISSIONER CHANG: I was trying to recall the letter. You sent them a letter saying there's been no activity, and we're going to change the zoning if you don't get in compliance.

What were you going to change the zoning to?

MR. KIM: Agricultural 800 acres, it's Ag 800A. So just means your minimum lot size would be 800 acres. So it's a big, big parcel basically.

COMMISSIONER CHANG: I'm just wondering procedurally, would your zoning change, affect the rights of the landowner, the Petitioner, under the Land Use Commission's existing -- the boundary amendment and the conditions? Would your zoning in any way have affected the landowner's ability to

proceed on the proposed development?

MR. KIM: Yes, it would have. I mean, the land use classification and the zoning would be consistent, but with the specifics of, you know, the conditions and what they were being asked to do, for all intents and purposes that wouldn't have been practicable if they're limited to an 800-acre parcel.

COMMISSIONER CHANG: This is probably a legal question, and hopefully it's not relevant depending upon what happens in a year, but does the county have the authority to change the entitlements by the Petitioner that the Land Use granted in this docket to subdivide this land?

MR. KIM: With all due respect, my analysis would be that this Commission, the State Land Use Commission has jurisdiction and authority to change the district boundary. But when it comes down to the detailed and nitty-gritty of an actual subdivision, that would fall within the county's authority actually.

COMMISSIONER CHANG: So if the conditions were approved at a time when they could do certain kinds of activities, the county -- is it your position that the county can subsequently change those conditions that would no longer permit the

1 Petitioner to proceed on the approved Application?

MR. KIM: No, it wouldn't change the conditions, so much as there would be a separate matter with the zoning, because we couldn't change the Land Use Commission's Decision and Order. That's within this body's jurisdiction, so we couldn't change that.

COMMISSIONER CHANG: Hopefully that won't be an issue. I was wondering about the legal authority to do that. Okay.

ACTING CHAIR CABRAL: Thank you, Commissioner Chang.

COMMISSIONER CHANG: That's it, I promise.

VICE CHAIR CABRAL: Commissioners, I believe we are now ready to enter deliberations on this matter.

Based on the circumstances, I would like to remind the Commissioners that this agenda item is of the nature of a status conference, and the Commission is not required to take action or schedule an order to show cause hearing if it is willing to receive more information and give more time before rendering a decision.

So the ability to have a motion to allow more time to come forward would be acceptable from my

1 understanding from management. 2 COMMISSIONER OHIGASHI: Madam Chair. 3 VICE CHAIR CABRAL: Yes. 4 COMMISSIONER OHIGASHI: May I make a 5 motion? 6 VICE CHAIR CABRAL: Yes, Commissioner. 7 COMMISSIONER OHIGASHI: I move that we 8 accept the Status Report by the Petitioner, and that we schedule this matter within one year, conditioned 9 10 upon the Petitioner filing the necessary updated reports required under the Petition. 11 12 VICE CHAIR MAHI: I second that. 13 ACTING CHAIR CABRAL: We have a motion and now Commissioner Mahi made a second on that. 14 15 Would you folks like to provide testimony 16 supporting your motion? 17 COMMISSIONER OHIGASHI: I think it's self-evident. 18 ACTING CHAIR CABRAL: Commissioner Mahi? 19 20 VICE CHAIR MAHI: Likewise. 21 CHAIRPERSON SCHEUER: Commissioners, any 22 other comments on the motion? 23 Commissioner Okuda. 24 COMMISSIONER OKUDA: I'm sorry to my fellow 25 Commissioners, sometimes I don't get the self-evident stuff. It's like weighing pros and cons.

I understand the advantage of active forest management based on some of what my other clients do who are in this for profit, that actually managing a forest and getting rid of invasive species, in fact, sometimes even cutting down some of the koa trees, leads existing trees to drop more seeds. And if you manage it properly, you actually restore the forest.

So I understand having active agriculture actually can actually assist conservation, and nothing wrong with making money off that too, you know, because that's part of sustainability.

I think the concern I have is a year seems like a long time to wait for the next report, especially since these conditions haven't been met for many, many years.

And so I would just ask if we could have a shorter time for at least an initial report to come back to the Commission, something less than a year, maybe around a six-month or four-month period of time just to see, to ensure that these conservation measures -- or these measures to have conservation agriculture I think you could call it -- are moving forward so that we're not left with a situation where we have, again, conditions unfulfilled since the time

1 the docket was first approved.

2 COMMISSIONER OHIGASHI: May I respond?

ACTING CHAIR CABRAL: At this point the

4 Chair would like to recognize Commissioner Wong.

COMMISSIONER WONG: Madam Chair, with all due respect to Commissioner Okuda, in my former life I note that the standing that the Petitioner is getting for a 600-acre parcel will take a long time. They cannot do it like overnight sending a helicopter in one specific area, so I totally disagree with that position and would like to give them a year.

CHAIRPERSON SCHEUER: Commissioner Ohigashi.

COMMISSIONER OHIGASHI: I think that the specific request or specific statement that they provide us the annual report, since they're a new Petitioner, and they just got this, they should include in their annual report the mechanism of how they're planning this out, should include in the annual report what is their timetables, and provide that.

And that to me, that would be the report that we would rely upon. And I believe, I haven't seen the filing of the 2019 report, but I believe they indicated that they would be filing a 2019

1 report.

So in a sense, we do have some kind of report. And if it's necessary to move to a status hearing based upon that report, the Commission can do so affirmatively, if they do come up with some kind of agreement or some kind of statement or some kind of plan prior to the one year time, they're free to petition the Land Use Commission to bring up their proposed plan to the Land Use Commission, which I envision that they intend to do, and that may resolve everything.

But I think there's enough safeguards in this. That's all I'm saying.

VICE CHAIR CABRAL: Commissioner Okuda.

COMMISSIONER OKUDA: Listening to

Commissioner Ohigashi and Commissioner Wong, they've

convinced me, and I think I reconsider my position.

So I think I'm in favor of the motion now. I

understand.

ACTING CHAIR CABRAL: Thank you.

And Commissioner Chang.

COMMISSIONER CHANG: My understanding, based upon the Petitioner's representation, is actually this is going to occur in two phases:

25 Within six months develop a conservation

plan to determine what they're going to do on the land; and within a year they're going to come back to the LUC in their status report on whether reversion is the right thing, or how they're going to comply with the conditions.

Because I think there are two separate conditions. One is LUC conditions, and I don't think they're prepared to address whether they're going to comply with those conditions or whether they may voluntarily, you know, say reversion is the appropriate course of action.

I would also ask that the county, I guess,

Madam Chair -- not too sure if it's a question -
that the county not take any action on zoning this

property until this Petitioner has had an opportunity

to decide what course of action they're going to

take.

ACTING CHAIR CABRAL: Would the county like to respond?

22 MR. KIM: I don't believe -- deputy 23 director.

MR. KANUHA: Thank you, Madam Chairperson, and members of the Commission.

Just to clarify Ron's comment on that, this dba was issued in 2001, and following that it came to the county for the rezoning, and they got it rezoned to ag, what we call A80. In other words, 80 acre lots is the sizes they could have.

But in the process of getting county rezoning, there's also a performance time, just like how the Land Use Commission has a performance time.

So what happened in this application is that the time frame to comply with the zoning timed out. And when that happens, then the county can initiate rezoning back to the original zoning, or more appropriate zoning. That's why the latest correspondence to the previous petitioner was if we were to initiate a rezoning, we would initiate it back to this A800 acre.

In other words, the parcel would be one intact parcel, rather than the ability to create ten 80-acre lots. And that was, you know, that's the sequence. That's how it got to this A800.

Given that there's this new petitioner, they going to take a look at it again, you know, we have no problem in holding any initiation of that rezoning component in abeyance until we find out what they do plan to do. Because if it reverts to

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      conservation, then our zoning is moot, doesn't apply.
2
     Thank you.
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                ACTING CHAIR CABRAL: Thank you for your
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      input and explanation.
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                Commissioners, do I hear any other comments
 6
      at this time in our deliberations?
7
                I believe we have a motion on the floor by
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      Commissioner Ohigashi and a second by Commissioner
9
     Mahi. And if there's no other comments, are we
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     prepared to have a vote taken?
11
                Can I call on our executive director?
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                EXECUTIVE OFFICER: Thank you, Madam Chair.
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                The motion is to accept the status report
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      and reschedule this matter within one year,
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      conditioned on Petitioner filing the required
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      reports.
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                Commissioner Ohigashi?
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                COMMISSIONER OHIGASHI:
                                        Aye.
19
                EXECUTIVE OFFICER: Commissioner Mahi?
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                VICE CHAIR MAHI: Aye.
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                EXECUTIVE OFFICER: Commissioner Chang?
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                COMMISSIONER CHANG: Yes.
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                EXECUTIVE OFFICER: Chair Scheuer is
2.4
     excused.
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                Commissioner Okuda?
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1	COMMISSIONER OKUDA: Yes.
2	EXECUTIVE OFFICER: Commissioner Wong?
3	COMMISSIONER WONG: Yes.
4	EXECUTIVE OFFICER: Chair Cabral?
5	VICE CHAIR CABRAL: Yes.
6	EXECUTIVE OFFICER: Thank you, Madam Chair,
7	the motion passes unanimously.
8	ACTING CHAIR CABRAL: I would like to turn
9	the Chair back over
10	And if there is no other business before
11	this group, I will adjourn this meeting. Thank you
12	very much.
13	(The proceedings adjourned at 11:04 a.m.)
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1	CERTIFICATE
2	STATE OF HAWAII) SS.
3	COUNTY OF HONOLULU)
4	I, JEAN MARIE McMANUS, do hereby certify:
5	That on May 7, 2019, at 9:30 a.m., the
6	proceedings contained herein was taken down by me in
7	machine shorthand and was thereafter reduced to
8	typewriting under my supervision; that the foregoing
9	represents, to the best of my ability, a true and
10	correct copy of the proceedings had in the foregoing
11	matter.
12	I further certify that I am not of counsel for
13	any of the parties hereto, nor in any way interested
14	in the outcome of the cause named in this caption.
15	Dated this 7th day of May, 2019, in Honolulu,
16	Hawaii.
17	
18	
19	/s/ Jean Marie McManus
20	JEAN MARIE McMANUS, CSR #156
21	
22	
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