

LAND USE COMMISSION
MEETING MINUTES

September 8, 2011 – 9:30 a.m.

**Site Visit: DR11-45 PARKER RANCH, INC.
Starting from Parker Ranch Headquarters Office
66-1304 Mamalahoa Highway, Kamuela, HI 96743**

COMMISSIONERS PRESENT: Normand Lezy
Ronald Heller
Ernest Matsumura
Napua Makua
Chad McDonald
Thomas Contrades
Lisa Judge

COMMISSIONERS EXCUSED: Kyle Chock
Nicholas Teves, Jr

STAFF PRESENT: Orlando Davidson, Executive Officer
Bert Saruwatari, Staff Planner
Riley Hakoda, Staff Planner/Acting Chief Clerk

Executive Officer Davidson described the protocol for the site visit to those present at 9:35 a.m. and the site visit began thereafter. The site visit concluded at 10:40 a.m.

**September 8, 2011 – 1:30 p.m.
Waikoloa Beach Marriott Resort
Naupaka Rooms V, VI, and VII
69-275 Waikoloa Beach Drive
Waikoloa, Hawaii 96738**

COMMISSIONERS PRESENT: Normand Lezy
Ronald Heller
Ernest Matsumura
Napua Makua
Chad McDonald
Thomas Contrades
Lisa Judge

COMMISSIONERS EXCUSED: Kyle Chock
Nicholas Teves, Jr

STAFF PRESENT: Orlando Davidson, Executive Officer
Bert Saruwatari, Staff Planner
Riley Hakoda, Staff Planner/Acting Chief Clerk

COURT REPORTER: Holly Hackett

AUDIO TECHNICIAN: Walter Mensching

CALL TO ORDER

Chair Lezy called the meeting to order 1:30 p.m.

APPROVAL OF MINUTES

Chair Lezy asked if there were any corrections or additions to the August 25-26, 2011 minutes. Commissioner Judge noted changes that she wished to make to the Friday, August 26, meeting minutes. There were no objections to her changes and there were no further revisions. Commissioner Heller moved to accept the minutes as amended. Commissioner Contrades seconded the motion. The minutes were unanimously approved by a voice vote (7-0).

TENTATIVE MEETING SCHEDULE

Executive Officer Davidson provided the following:

- The tentative meeting schedule for the remainder of the calendar year 2011 was distributed in the handout material for the Commissioners.
- Any questions or concerns- please contact LUC staff.

DR11-45 PARKER RANCH, INC.

Chair Lezy announced that this was a hearing and action meeting in the matter of the Petition for Parker Ranch Inc., for a Declaratory Order to designate Important Agricultural Lands (IAL) for approximately 56,771.81 acres at Hāmākua and South Kohala, Hawai`i.

APPEARANCES

Curtis Tabata, Esq. and Benjamin Matsubara, Esq., represented Petitioner Parker Ranch Inc.

Neil "Dutch" Kuyper, President and CEO, Parker Ranch Inc.

William Brillhante, Esq., Deputy Corporate Counsel, represented County of Hawaii Planning Department

Bobbie-Jean Leithead-Todd, Planning Director, County of Hawaii Planning Department

Bryan Yee, Esq., represented State Office of Planning

Jessie Souki, Director, State Office of Planning

Russell Kokubun, Director, State Department of Agriculture

Chair Lezy noted that Commissioner McDonald had a disclosure to make. Commissioner McDonald stated that Petitioner's attorneys' office (Matsubara-Kotake) has represented the firm he currently worked for regarding legal matters but that he had not been personally involved and was making the disclosure to the Parties to seek approval to continue to participate in the proceedings. Chair Lezy inquired if the legal representation by Petitioner's attorneys would affect his ability to impartially participate in deliberations on this docket. Commissioner McDonald replied that he did not feel that his participation would be affected by the relationship that his firm had with Petitioner's attorneys.

Chair Lezy asked the Parties if there were any objections to Commissioner McDonald's continued participation in the proceedings. Petitioner, County of Hawaii and the State Office of Planning had no objections.

Chair Lezy updated the record and described the procedures to be followed for the hearing. There were no questions or comments on the procedures for the hearing.

Chair Lezy inquired if Petitioner had been advised on the Commission's policy regarding hearing expense reimbursements. Mr. Tabata replied that he

had been advised and that the Petitioner was willing to comply with the Commission's policy.

Chair Lezy commented that he intended to declare that the documents submitted by the Department of Agriculture (DOA), Office of Planning (OP), Hawai'i County and Petitioner's responses were part of the record in this matter. Mr. Tabata replied that he had no objections.

PUBLIC WITNESSES

1. Robert Momsen, Chairman, North Hawaii Hospital

Mr. Momsen described the relationship that his organization had with Parker Ranch and expressed his reasons for supporting the Petition.

There were no questions for Mr. Momsen.

2. Herbert "Tim" Richards III

Mr. Richards voiced his support of the Petition and described why he thought the IAL designation should be granted.

There were no further questions for Mr. Richards.

There were no other public witnesses.

Chair Lezy called on LUC staff to provide a map orientation of the Petition Area. LUC Planner Bert Saruwatari described the features of the Petition Area and there were no questions on his presentation.

PETITIONER

Mr. Tabata introduced Mr. Kuyper to the Commission and Mr. Kuyper described the history of Parker Ranch, the relationship that it had with the local community; and why it was seeking the IAL designation. There were no questions for Mr. Kuyper.

Mr. Tabata argued the reasons why the IAL designation should be granted to the Petitioner. Commissioner Heller requested clarification on the water resources for the Petition Area. Mr. Tabata shared his understanding of what the sources, capacities, and distribution systems were for water in the Petition Area; and commented that the County Board of Water Supply was aware of the water demands of the Petition Area.

Commissioner Matsumura requested clarification on Petitioner's beef production operation. Mr. Kuyper described how the various components of the

Petitioner's beef production operation functioned, and what the informational report figures provided to the Commission represented.

Chair Lezy requested clarification on what percentage of the beef consumption in Hawaii was provided by Petitioner. Mr. Kuyper provided his estimate of how much beef his company was responsible for in the Hawaii marketplace and described future production plans he had to build his company's market share.

There were no further questions for Petitioner.

COUNTY OF HAWAII

Mr. Brillhante stated that the County of Hawaii stood on its previous written testimony in support of the Petition.

Ms. Leithead-Todd clarified how the existing water resources were diverted by the County to supply the needs of the Petition Area.

There were no questions for County of Hawaii.

OFFICE OF PLANNING

Mr. Souki stated that the Office of Planning stood on its previous written testimony in support of the Petition and described how his office had reviewed and considered the factors involved in the Petition. Mr. Souki also clarified how the issues of water concerns and IAL credits under HRS 205-46H had been adequately addressed by Petitioner.

There were no questions for the Office of Planning.

DEPARTMENT OF AGRICULTURE

Mr. Kokubun stated that the DOA stood on its previous written testimony in support of the Petition.

There were no questions for DOA.

Commissioner Matsumura requested further clarification on whether the County of Hawaii had established an index of or identified locally available IAL lands. Ms. Leithead-Todd described how the County of Hawaii had addressed IAL designations based on its limited funding and understanding of IAL requirements.

There were no further questions.

Commissioner Contrades moved to approve the DR11-45 Petition. Commission Judge seconded the motion and offered a friendly amendment that added two conditions- 1) that the Petitioner comply with the representations made to the Commission to not claim any credits as described in subsection (c)

of HRS 205-45(h) with respect to the Petition Area and 2) that the Decision and Order be recorded with the Bureau of Conveyances within 7 days of its issuance.

Commissioner Contrades accepted the friendly amendment.

There were no questions, comments and further discussion.

The Commission was polled as follows:

Ayes: Commissioners Contrades, Judge, Matsumura, McDonald, Makua, Heller and Chair Lezy.

Nays: None

The motion passed 7-0 with two excused.

Chair Lezy recognized the efforts of the Parties and thanked them for their participation in the IAL process.

Chair Lezy announced that the Commission would reconvene again in Honolulu, Hawaii at the Leiopapa A Kamehameha Building, Room 204 on September 9, 2011 at 9:30 a.m.

The Commission went into recess at 2:15 p.m.

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