



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

AGRICULTURAL DEVELOPMENT TASK FORCE

MINUTES

MONDAY, SEPTEMBER 26, 2016
CITY COUNCIL COMMITTEE MEETING ROOM
HONOLULU HALE, 2nd FLOOR

Members Present: Charley Ice, Yukio Kitagawa, James Nakatani, Dean Okimoto (arrived at 1:15 p.m.), Alan Takemoto
Members Excused: Fred Humphrey
Staff: Sharleen Oshiro, City Council staff

1. With a quorum present, the meeting was called to order at 1:05 p.m.
2. The Minutes of December 1, 2015 were approved as circulated.

AYES: Ice, Kitagawa, Nakatani, Okimoto, Takemoto - 5
NOES: None - 0

3. Reports: Update by Mayor's Agricultural Liaison, Dr. Po-Yung Lai. Dr. Lai reviewed his written report that was previously circulated to the members. He reported that he continues to work on 1) Promotion of locally produced fresh or processed agricultural products; 2) Promotion of value-added processing of agricultural commodities. Currently the City is working with Wahiawa Community Based Development Organization (WEBDO) to expand its partnership with Kapiolani Community College to develop 2-6 prototype agricultural products which are targeted for taste testing and marketing trials at the end of 2016; 3) Promotion of exports of fresh fruits and vegetables to the mainland U.S. The Office of Economic Development (OED) worked with Paina Hawaii and Hawaii Department of Agriculture under a Federal grant to determine the dosimetry for 14 export-ready agricultural commodities. These have been added to the approved list maintained by the USDA APHIS-PPQ to facilitate export of those commodities; and 4) Training of new and existing farmers with farming experience. The Agribusiness Development Corporation (ADC) has required farmers for the Galbraith lands to be properly trained prior to issuing licenses. OED provided funding support to WEBDO to initiate training programs for the selected farmers. In addition to the above,

Dr. Lai continues to work with the Department of Planning and Permitting (DPP) on the Important Agricultural Lands project.

4. Important Agricultural Lands (IAL). Mr. Tim Hata, Department of Planning and Permitting (DPP) gave an update on the project. The Technical Advisory Committee (TAC) held its second community meeting on December 8, 2015. DPP reviewed the community comments to determine the criteria to be used and decided to maintain the top 3 criteria: lands in current agricultural production, lands that have good agricultural quality, and availability of water. Each designated property needs only one of the three criteria for IAL consideration and DPP continues to work on the landowner list. After the list is refined, landowners will be notified. A second round of community meetings will be held at which the draft map will be presented to the community for a 60-day comment period. In mid-2017 DPP plans to transmit the final IAL map and project report to the council for review and adoption by resolution. The City's package will then be forwarded to the State Land Use Commission for review and action. Mr. Hata stated that incentives are not part of this phase due to lack of funding for consultant work on that issue. Chair Takemoto pointed out the concern that if the mapping comes out before the incentives, there would be greater concern than something they would support and voluntarily dedicate.

Upon questioning, it was noted that acreage is not a consideration, and that pasture lands might be included, depending on the boundaries. Mr. Hata noted that the consultant used blocks of parcels (100' x 100') so specific types or sizes of parcels may not fit neatly into the grid. He also stated that pasture lands are included since they have not been excluded.

Earl Yamamoto, Department of Agriculture (DOA), testified that the process differs among counties. He noted that the Oahu county process is quite far along and that Kauai is taking a different path which emphasizes a voluntary application based on a 2015 study on acreage condition and self-sufficiency. Mr. Yamamoto was not sure about the other two counties. He stated that he is impressed with the city's efforts and the persistence of city. Mr. Yamamoto explained the State's efforts to identify their IAL lands is an independent process from the counties. Department of Land and Natural Resources (DLNR) identifies the lands which are then transferred to DOA. He noted that the term "public lands" is restricted so many parcels are excluded. Discussions with DLNR have been ongoing since the time of the Governor Lingle administration.

5. Real Property Tax Agricultural Dedication. The Department of Budget and Fiscal Services (BFS) submitted a draft proposal addressing the issue of real property tax assessments for beginning farmers. Representatives of BFS included Gary Kurokawa, Deputy Director; Lee Ideoka, Supervisor of the Real Property Agricultural Dedication Valuation Division, and Keith Yamashita, Chief Appraisal Officer, who testified in support of the proposed ordinance change which they drafted in collaboration with the

agricultural community. Mr. Kurokawa explained the suggested changes in the draft for the agricultural tax dedication and noted that the deadlines are set by law.

Member Ice confirmed with Mr. Yamashita that multiyear crops and tree crops are all considered the same. Mr. Yamashita explained that if it's planted anytime within 24 months, it's considered to be in production.

Chair Takemoto clarified for the public that the TF has been discussing this complicated issue for a while and that there are many different aspects so the issues are being addressed individually. This first proposal is to address those farmers on state land. Member Okimoto noted that if there are mango trees already producing, but there is a new farmer, then that new farmer must apply for the agricultural dedication or continue to pay the regular rate.

Member Nakatani noted that there is a gap from the time the lease is signed to the time that production starts, but if the land is already in production there should not be an issue. This proposal is trying to fill that gap. He also noted that there are many leases in the process of being issued which will be covered by this proposal.

Mr. Kurokawa explained that at times there is a timing issue where the lease is recorded past the dedication period. This proposal will allow the dedication period to be the date of the lease signing to avoid that timing issue. If the land is already dedicated, then the transition of the dedication should be seamless. As long as paperwork is done, and agriculture continues on the land, the dedication should continue to the new lessee. Member Kitagawa noted that if the crop is just planted, it is considered to be in production. It requires an effort made to seriously farm, a positive action, to fill the criteria. If the entire parcel is dedicated, then all of it should be in agricultural production.

Brian Miyamoto, Hawaii Farm Bureau Executive Director, testified in support of the proposed draft and noted that he is working with the City and the farmers.

Earl Yamamoto, DOA, testified in support of the draft bill and noted that the Department is part of the effort to move this forward. Member Kitagawa requested that the DOA Chair testify in support of this bill at the Council hearings.

Member Nakatani moved that the proposed draft submitted by BFS be added to the agenda for discussion and action. Member Okimoto seconded the motion. Member Ice noted that it is important to move this proposal to council to get their response to it. Hearing no objections, the motion passed unanimously.

AYES: Ice, Kitagawa, Nakatani, Okimoto, Takemoto - 5
NOES: None - 0

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Member Kitagawa moved that the ADTF recommend that the bill be sent to the council for their consideration and approval. Member Ice seconded the motion. There was no discussion. Hearing no objections, the motion passed unanimously.

AYES: Ice, Kitagawa, Nakatani, Okimoto, Takemoto - 5
NOES: None - 0

6. Announcements:

Chair Takemoto asked everyone to please ask the public and the agricultural community to support this bill at the council meetings.

Chair Takemoto announced that the next meeting will be in November and that election for the next chair will be on the agenda.

7. Adjournment. The meeting was adjourned at 2:06 p.m.