



MINUTES

AGRICULTURAL DEVELOPMENT TASK FORCE MEETING

MONDAY, MAY 07, 2007

The Agricultural Development Task Force held a meeting on Monday, May 07, 2007 at 1:20. p.m. in the Council Committee Meeting Room, 2nd Floor, Room 205, Honolulu Hale, Honolulu, Hawaii 96813.

MEMBERS PRESENT: Yuki Kitagawa (Chair), Dean Okimoto, Vice Chair, Charly Ice, Jimmy Nakatani, Wayne Ogasawara and Kapu Smith.

NOT PRESENT: Calvin Lum.

ADMINISTRATION/OTHERS PRESENT:

Kimberly Ribellia (Councilmember Dela Cruz's staff); Kathy Sokugawa, Department of Planning and Permitting (DPP).

Earl Yamamoto, State Department of Agriculture (DOA), Dave Arakawa, Land Use Research Foundation (LURF), Steve Hoag, Hawaii Reserves, Inc.

AGENDA ITEMS

ITEM 1 UPDATE ON IMPORTANT AGRICULTURAL LANDS (IAL) BY LAND USE RESEARCH FOUNDATION (LURF) AND THE STATE DEPARTMENT OF AGRICULTURE (DOA)

Task Force Chair (Chair) Kitagawa stated that the purpose of the meeting was to discuss the IAL as it relates to developing a guide for Agriculture (Ag) for this county.

LURF Executive Director, Dave Arakawa, and DOA staff planner, Earl Yamamoto made presentations on the topic and responded to questions.

Mr. Arakawa reported that although all of the legislation relating to the IAL did not pass this session, because Agriculture is a Constitutional mandate, the Legislature is serious about IAL incentives.

Next year is a do or die year to get the IAL incentives in. It is important to get a unified position on an incentive package before the Legislature starts the clock. There is need to identify the kind of incentives necessary to get landowners and other developers to set aside important Ag lands for perpetuity.

During the off session, LURF and the Farm Bureau would like to work with the various stakeholders including the counties to get input for the incentive packages. The strategy is to focus the IAL efforts on one county, perhaps Oahu, to be the forefront on the IAL issue and be the model for all of the other counties. During the interim they will also engage in more communication and education for the various legislators.

Chair Kitagawa asked what the concerns of the legislators were. Mr. Arakawa responded that the authors of the original IAL legislation are not now in office. The new crop of officials needs to be educated. The IAL was not the number one issue on their list. Some of legislators do not like tax incentives, they would prefer giving grants. In order to gain a broader support, a model, a tangible product, needs to be created.

The good news is that the leadership in the both the House and the Senate see the value of IAL lands and the value of incentives. They will do their part, too, in the off session.

He requested the Task Force's support for a major piece of legislation relating to infrastructure. It requests that the State set aside \$100 - \$400 million to create a county infrastructure capacity construction loan revolving fund. This would allow the counties to borrow money at favorable interest rates better than the bond rates to develop infrastructure and assist agricultural uses. He noted that supportive testimonies from the counties are very important to provide the nuts and bolts of the issue for the legislature.

Member Okimoto noted that Oahu has a City Council and Mayor/Administration who are supportive of agriculture.

Member Nakatani questioned the focus of incentives, noting that incentives are different for landowners and suggested beginning with their priorities. Member Smith commented that each landowner had different priorities and there is a document containing a description of what various landowners want.

The DOA staff planner, Earl Yamamoto, reported that he was personally responsible for forty-nine written testimonies regarding land use and economic development. One measure that passed was the Senate Resolution 63 asking the DOA to reconvene an

Ag working group to look at the economic analysis of the incentive measures for the IAL.

Mr. Yamamoto noted that the clock does not start ticking until the incentives are found to be satisfactory by the Legislature.

The genesis or core of the IAL is to give existing Ag operations the means to survive and to lend support to other Ag-related businesses. The IAL is not for landowners only.

Mr. Yamamoto suggested that the Task Force keep working to: 1) address the concerns of legislature, 2) create landowner-oriented incentives and, 3) allay suspicions of the small farmers who are concerned about the incentives. It is important to meet with all concerned parties to look at incentives to reduce the cost of holding land and property taxes as well as reducing infrastructure costs and requirements. The State is thinking about compensating the counties for infrastructure costs.

The DOA will once again introduce bills next year at Legislature. Mr. Yamamoto stated that he will submit his report on Incentives to the Task Force for its use.

Mr. Yamamoto noted that the Ag Task Force is the only one of its kind and commended its efforts.

Chair Kitagawa stated that the Task Force should create an Oahu model before attempting to launch a statewide program.

Chair Kitagawa thanked LURF and DOA for their presentations.

Other related topics were rural designation and Lake Wilson to be discussed at a future meeting.

Related communication:

M-713 David Arakawa, Executive Director, LURF, transmitting a summary of the Important Agricultural Land Bills at the 2007 Legislative Session.

ITEM 2 DEVELOPMENT PLAN TO GUIDE USAGE OF AGRICULTURAL LANDS
BY THE DEPARTMENT OF PLANNING AND PERMITTING (DPP)

Chair Kitagawa stated that he was hopeful that the Task Force would come up with a plan that would be accepted by the Council and Administration as a guide for future development of Ag in this county, before it is too late. There are hundreds of thousands of acres being subdivided and it's inevitable that developers who may not be interested in Ag will buy these lands.

Member Smith stated that the ACT 183 requires that the counties prepare maps for submission in conjunction with any plans. Funding is necessary.

Ms. Sokugawa stated that the counties agreed to do the mapping with the understanding that the State would support it financially. The request went in for \$500,000 and the State gave \$43,000 to be split among all four counties. The job cannot be done for the reduced amount.

Ms. Sokugawa suggested some ideas for the Task Force to undertake.

The DPP just started a 5-year Rural Development Plan (DP) Review and that one area that could be included would be a reconfirmation of the important Ag lands for that region. The consultant will look at all of the DPs and all of the policies and connect them with the implementing codes and laws. There will be gaps where the codes will not implement the policies of the DP. The Task Force could comment on the gaps that deal with the Ag policy.

The other suggestion is that the City has a General Plan (GP) that contains the long-range policies of the City. There are sections in the GP that deal with Ag are super out dated, it still assumes a plantation economy. The Task Force could compile a list of updated objectives and policies dealing with Ag for the GP and turn it into a GP amendment. She will provide a copy of the GP for the Task Force.

Ms. Sokugawa suggested that for the proposed Ag plan, that the Task Force consider three components/segments: 1) change the regulations, 2) look at the policies which are above the regulations (priorities), and 3) come up with specific recommendations on either CIP projects or change in programs. Sub-projects could include Lake Wilson, tax incentives, CIP for roads etc.

Chair Kitagawa suggested that the Task Force's plan not identify important Ag lands, but instead work to develop policies to preserve Ag lands.

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Chair Kitagawa announced the next meeting will be scheduled for Monday, July 2, 2007
at 1:00 p.m.

ADJOURNMENT

The meeting was adjourned at 2:50 p.m.