



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

AGRICULTURAL DEVELOPMENT TASK FORCE

MINUTES

TUESDAY, JANUARY 29, 2019
CITY COUNCIL COMMITTEE MEETING ROOM
HONOLULU HALE, 2nd FLOOR

Members Present: Yukio Kitagawa, James Nakatani, Dean Okimoto, Alan Takemoto
Members Excused: Fred Humphrey, Charley Ice
Staff: Kamakana Watanabe, Legislative Aide, Office of Council Services (OCS)

1. With a quorum present, the meeting was called to order at 9:34 a.m.
2. The Minutes of November 20, 2018 were approved as circulated.

Motion made by Member Nakatani, seconded by Member Okimoto

AYES: Kitagawa, Nakatani, Takemoto, Okimoto- 4
NOES: None- 0
EXCUSED: Humphrey, Ice- 2

3. Update by Dr. Po Young Lai, Mayor's Agricultural Liaison

The issues on the IAL has been discussed and have been studied and looked at for quite some time. Since 2013, as far as I got involved the DPP have gone through a number of meetings, with the technical committee, and the scoping process with the general public, in the different districts on this island. The input from the task force embers was weighed and looked at all the different issues. Then the amount of criteria, the 8 criteria in chapter 305, the committee has come up with three: Good soil, lots of water, and the historical or former practice of agriculture in the area. These three criteria were recommended and used by the DPP to develop the IAL Mapping. And the results of the mapping were presented to the public for input.

The final report of the effort made by the DPP was submitted to the Council last year. The task force is requested to review the IAL lands and the incentives.

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4. ADTF Business Items

a. Discussion on Important Agricultural Lands:

Chair: When was the mapping done?

Response from DPP rep. Dina Wong, Planning Division: DPP transmitted the final report to the Council in August 31st, 2018 and a resolution was passed by the Council for consideration.

Chair: Was there any concerns related to the report?

Ms. Wong: No, the resolution just states that it's the Council's prerogative to recommend the report as is or recommend changes to the LUC.

Chair: Whatever action we take, we transmit that action to the Council. Then my understanding is that it's really up to the Council whether they accept it or not. Then next step for the Council is to send the whole package to the LUC. Am I correct?

Ms. Wong: Yes

Chair: So for this morning do we basically support the request of land lease and transmit that message to the Council or just leave it as is?

Member Okimoto: How do we transmit to the LUC without incentives, as incentives are required by the State bill on IAL?

Ms. Wong: The mapping project was strictly a resource based mapping exercise, as Dr. Lai mentioned, to use the three criteria to identify IAL.

Dr. Lai: Some of the incentives for agriculture have always existed, but not specifically for IAL. The property tax for Ag use has been there, the water rate for ag has always been there.

Member Okimoto: My concern is 1) it's in the bill that the City gives incentives 2) you're supposed to wait 3 years to present it to the LUC. Is anyone looking at going back to the State and amend that wait period. Otherwise it's going to the LUC and you'll have a lot of legal problems.

Dr. Lai: That's why the Council requested the task force to look at the mapping, but also the incentives.

Chair Kitagawa: Some members are concerned about what was presented to us. I'm going to call on Ann and Jennifer to present their concerns regarding the IAL Map.

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Ann Wharton, for Island Palm Communities: Island Palm Communities is a partnership with the Department of the Army. Intended purpose is to provide housing for military families. The Army has a significant owner/interest in the property. We ask you consider deferring any designation of IAL on the property at this time. Just to allow the partnership to continue with it's planning.

Chair: Land in question is in the Kunia area?

Member Okimoto: It takes like three years for this the State to even come about, is there a concern that it takes three years? I don't see a problem, or is there a problem?

Ms. Wharton: We want the Army and the partnership to have the flexibility to complete the master plan.

Member Okimoto: Doesn't the federal government trump the state government anyway?

Ms. Wharton: They could I guess but right now we're currently concerned that the IAL overlay will cause some challenges in the master plan processes.

Member Okimoto: How much time are you looking at?

Ms. Wharton: The planning with the government does take a long time. We can provide updates as the planning process does move along, we can provide some updates to the committee as we move along. We are committed to agriculture long term. There's ag going on now on the majority of the land. The intent is always to have agriculture there long term. The Army may have a need for military housing. But long term intent is to have agriculture out there.

Member Takemoto: Just for transparency purposes, my company subleases from Island Palm Communities.

Member Nakatani: How do you handle a dispute of IAL designation?

Ms. Wong: Right now it's with the Council, so we'd let the Council deal with that. In the past we met with different parties or entities, maybe it was a mapping error or they have an urban designation, so we maybe work on removing it.

Member Nakatani: I suspect there are a lot of parcels that are supposed to go in or not supposed to go in because it doesn't meet the criteria. In this case if it's up to the Council wouldn't the Council, it's a process where the Council makes a recommendation to the LUC and the LUC makes the final decision. Your duty is just to map the IAL?

Ms. Wong: Yes.

Member Nakatani: So it's up to the Council to change the IAL designations.

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Ms. Wong: Yes, the Council can change what lands we designated for IAL.

Member Okimoto: The reason I ask about how long, because it might mean we go back to the State to amend the State bill and cut back on the three years or amend the process. What is the Island Palm Communities thoughts on the three year process?

Ms. Wharton: Do you mean like defer it.

Member Okimoto: Say we get incentives in, that's when the clock starts ticking on the three years. Is that long enough for you?

Ms. Wharton: It's possible that we could have a plan to address agriculture in the master plan. But I don't want to commit to a timeline.

Chair Kitagawa: Your concern is that the property would be designated as IAL?

Ms. Wharton: Yes.

Chair Kitagawa: The fact that it is zoned Ag, and the fact that it's going to be Ag land whether it's IAL or not. In your case you're asking the task force to look at it and recommend to the Council whether it should be IAL or Ag land?

Jennifer Sabas, Island Palm Communities: The issue is the request for a bit of a delay, because othe property interest, The army owns 48% of this property, so the requirement going forward is in the Pentagon, to make sure the property is master planned appropriately. The concern, as the planning goes on in the Pentagon, is a confusion as to this overlay. With reference to Dean's comment, the three years should be enough time to work through it. But the initial confusion about explaining the IAL overlay to the Pentagon is a concern. The endgame with regard to the timing, if the strategy is to go to the legislature I think its fine. It's just a request for a short term delay.

Member Nakatani: So what's the short term solution?

Ms. Sabas: What is short term? Consideration of the task force with regard to the land is one. Then having discussions with Council is two. Then, it's LUC or if there is a required legislative action. At the end of the day, with regard to the three years, I don't think that's a problem. The concern is just with the master plan discussion, it just gets confusing to explain IAL to the Pentagon during the initial process.

Member Okimoto: Say we do carve out the land and push forward the maps, is that a possibility?

Member Nakatani: Maybe we get an MOU or memorandum from the organization that they intend to keep the land 50% Ag. Or make the recommendation that we carve this out and move this thing forward, considering we agree with the rest of the incentives?

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Chair Kitagawa: Whatever action we take, we transmit it to the Council. Then my understanding is that it's up to the Council whether they accept it or not and push it through to the LUC. For this morning, do we support the request of land use, and transmit that message to the Council or we transmit as is?

Member Okimoto: Are we going to push all the incentives through, or just a few, or prioritize?

Member Nakatani: We assume if we pass this incentive, we assume we can add in the recommendation to carve out the land and make that a whole recommendation.

Chair Kitagawa: We're saying that we will take this action and incentives and put it into one package. We can move on to a discussion on incentives. In your packet is a list of items that Alan thought were a good start to our discussion on incentives.

b. Discussion of Incentives:

Member Takemoto: The list was developed throughout our discussions. I just put it together for discussion. The list is:

- Ag real property tax - automatic renewal of Ag dedication.
- Waive building permit fee and other admin fees
- Priority or expedited building permit approval
- Reduce or ease requirements for fire hydrants, roads, etc
- Waive impact fee and other fees for water hook up (similar to incentives for affordable housing)
- Waive fees for back flow preventer
- Priority list for city services such as grants and programs.
- Reduce building requirements for greenhouses
- Auto registration for Farm equipment. LERF put in for farm vehicles, sometime of exemption or reduce auto registration fee for equipment that service IAL lands. If I recall correctly there is something in the State bill about incentives for equipment.

Dr. Lai: I imagine some of the items are already in place. I did talk to the real property tax division relating to Ag use dedication, the concern from the division was, if they are farming its fine that IAL once designated you get auto renewal for Ag use dedication. Concern was what about the farm land that is not in use after it is dedicated as IAL? Or the use has been changed for some reason. The division was concerned about how to verify changes or continued use.

In terms of water, the water rate, has been reduced for Ag use from the Board of Water supply.

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Member Okimoto: The concern is that every ten years you have to declare what you're growing on that land. But what's to stop real property from sending out a letter and asking for an update. There are a lot of farmers that are being hurt by forgetting about the dedication and then going back to development values. When you're talking about IAL lands it's even worse. As far as vacancy. I know there is a different tax rate for vacant lands.

Chair Kitagawa: We would present to the Council what our thoughts are, and it's up to them whether they're going to accept it or not. I don't necessarily think we should debate the issue, I think if we agree that these are incentives that are useful, we should just send them forward.

Member Okimoto: I think we should rank them at least, because there are some more doable.

Member Nakatani: Or leave it up to them. We've been struggling with dedication and reporting tax on state land for agri business. There's a disconnect between the City and the State, and if we're having a hard time, I can imagine the rest of the County is having a harder time not reporting or under reporting. We're trying to talk to the tax office and trying to work things out. It's not a simple formula. We got to come up with a better formula to help the tax folks and us. Let us look at the tax thing with Dr. Lai, and then we should come back and report back.

Member Okimoto: On vacant lands, it's an IAL already, so it's not penalized. It's vacant, they can't use it for anything but Ag.

Member Nakatani: We have a tenant like Larry who does a lot of Fallowing, so you farm for 3 months and you fallow for 9 months and you get penalized but it's a normal practice that's supposed to be helping. A lot of things sort of just fell through the cracks.

Dr. Lai: In terms of notification, the tax office sends out reminders for renewal and Farm Bureau is helping. The practice has been done. But the question is how to verify that the land is being used as intended. That's the key question. If you're not practicing Ag, that will change the whole tax scale.

Chair Kitagawa: In order to make sure that these lands are being used the way they're supposed to be used, somebody has to go and check it periodically. Because particularly those small parcels that are now in IAL designation, unless someone is out there checking it if they are in fact using it as IAL, it doesn't make sense. That's a concern. I'm not saying therefore we should evaluate these lands to make sure they're being used the way they send. As part of IAL they are going to have some advantages.

Member Okimoto: That might be another thing to add to the incentives. Provide a position at real property tax so they can go out and check.

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Chair Kitagawa: That's a thought.

Member Nakatani: Let's identify a problem first and then add a solution first. No we're giving solutions for no problem.

Member Takemoto: The list I provided is only a one liner, or do you want more meat to the bones.

Member Nakatani: The problem is to an ag person this list makes sense, but to an outsider it might not. But Dr. Lai can explain.

Motion made by Member Takemoto to accept DPP's IAL maps, carving out Island Palm Communities parcel, pending federal planning review, and our suggested IAL incentives as listed in our discussion here today.

Seconded by Mr. Nakatani:

Chair Kitagawa: I have one concern. It would be simpler to say we just carve it out, rather than say pending federal planning review. Then they have to go back to DPP or LUC to have it changed.

Member Okimoto: Pending the master plan from the feds, the rest of it they're going to put in agriculture.

Chair Kitagawa: It's going to be in Ag. The question is should it be in IAL designation or whether it should be in Ag.

Member Okimoto: The reason I wanted to put pending federal mapping review, they might. Try to make a commitment to put some of it in IAL. So maybe the feds will understand they can dedicate 51% to IAL and take up 49%.

Member Takemoto: I retract my motion

Member Nakatani: I retract my second

Chair calls for a short recess.

Chair Kitagawa calls the meeting back to order at 10:25am.

Motion made by Member Okimoto: I move to send IAL incentives to Council for review and approval and that we carve out the Island Palms Parcel, from the IAL designation and send that forward for review and approval.

Member Nakatani: Seconded the motion.

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AYES: Kitagawa, Okimoto, Nakatani, Takemoto
NOES: 0
EXCUSED: Humphrey and Ice.

Dr. Lai: The tax map key for the island palm communities parcel is in the DPP report.

6. Adjournment: Member Okimoto moved to adjourn, seconded by Member Nakatani.
Motion passed unanimously at 10:32am