



# OFFICE OF PLANNING STATE OF HAWAII

NEIL ABERCROMBIE  
GOVERNOR

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Statement of  
**JESSE K. SOUKI**  
Director, Office of Planning  
before the  
**HOUSE COMMITTEE ON FINANCE**  
Friday, February 21, 2014  
12:00 PM  
State Capitol, Conference Room 308

in consideration of  
**HB 1120, HD 1**  
**RELATING TO LAND USE.**

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the House Committee on Finance.

HB 1120, HD 1 enumerates additional duties for the Office of Planning (OP) under Hawaii Revised Statutes (HRS) § 226-53, without funding or support to carry out the purposes of the bill. As amended, the bill requires OP to study the Land Study Bureau (LSB or Bureau) and potential alternative systems of classifying and regulating agricultural land and to submit interim and final reports to the legislature.

The Bureau prepared the Overall Productivity Rating of Hawaii's soils as it related to agricultural productive capacity. The Bureau, which was located at the University of Hawaii, no longer exists. It was tasked with preparing an inventory and evaluation of the State's land resources during the 1960s and 1970s. The Bureau developed the LSB rating system by grouping all lands in the State, except those in the State urban district, into homogeneous units of land types; described their condition and environment; rated the land on its overall quality in terms of agricultural productivity; appraised its performance for selected alternative crops; and

delineated the various land types and groupings based on soil properties and productive capabilities. The Bureau evaluated several land types based on several factors including soil profile, slope, erosion, and rainfall to determine its over-all or general productive capacity and not for any specific crop. Lands are classified into five categories from “A” to “E,” with “A” being the most productive and “E” being least productive. A more detailed summary of the Bureau’s work can be found at <http://files.hawaii.gov/dbedt/op/gis/data/lsb.pdf>.

The LSB rating system continues to be used in land use decision-making today. The LSB rating system is used to determine where educational ecotourism will be allowed (HRS § 205-6); where certain uses will be allowed within the State agricultural district (HRS §§ 205-2 and -4.5); where exemptions from subdivision requirements will be allowed for lands in the State agricultural district (HRS § 201N-14); and whether State non-agricultural park lands can be transferred for the use or development of golf courses, golf driving ranges, and country clubs (HRS § 166E-3).

The amendments to the bill are a great improvement in setting a more prudent course of action to address current concerns. However, there is still no provision for funding, and OP is inadequately staffed and has no discretionary monies to undertake the study while fully engaging the views of federal, state and county agencies, soil scientists, the agricultural community, landowners, developers and the general public. We recommend allocating funds to carry out this endeavor. Approximately \$500,000 would allow the office to contract for services to generate such a report, based on other planning projects of similar scope and size. The scope of work includes consultation with relevant experts, stakeholders, public, and report drafting.

Thank you for the opportunity to testify on this measure.

**NEIL ABERCROMBIE**  
Governor



**SCOTT E. ENRIGHT**  
Chairperson, Board of Agriculture

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**TESTIMONY OF SCOTT E. ENRIGHT  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON FINANCE  
FRIDAY, FEBRUARY 21, 2014  
12:00 P.M.  
Room 308**

**HOUSE BILL NO. 1120, HOUSE DRAFT 1  
RELATING TO LAND USE**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 1120, House Draft 1 that requires the Office of Planning to study current and potential alternative systems of classifying and regulating agricultural lands and to submit interim and final reports to the Legislature in 2015 and 2016. The Department of Agriculture defers to the Office of Planning, and offers to assist in this endeavor, subject to availability of personnel resources.

Thank you, again, for the opportunity to testify on this measure.



**finance1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 19, 2014 11:22 AM  
**To:** FINTestimony  
**Cc:** ndavlantes@aol.com  
**Subject:** \*Submitted testimony for HB1120 on Feb 21, 2014 12:00PM\*

**HB1120**

Submitted on: 2/19/2014

Testimony for FIN on Feb 21, 2014 12:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nancy Davlantes	Individual	Support	No

Comments:

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**LATE**

February 20, 2014

Representative Sylvia Luke, Chair  
Representative Scott Y. Nishimoto, Vice Chair  
Representative Aaron Ling Johanson, Vice Chair  
House Committee on Finance

**Comments and Concerns Regarding HB 1120, HD1, Relating to Land Use (Requires the Office of Planning to study current and potential alternative systems of classifying and regulating agricultural land and to submit interim and final reports to the legislature.)**

**Friday, February 21, 2014, 12:00 p.m., in Conference Room 308**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF’s mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii’s significant natural and cultural resources, and public health and safety.

**HB 1120, HD1.** This purpose of this bill is to direct the Office of Planning (“OP”) to investigate the current status of the five-class productivity rating system developed by the Land Study Bureau (“LSB”) of the University of Hawaii in the 1960’s and 1970’s, as it applies to the classification and allowable uses of agricultural land in the State, and to make recommendations regarding the continued relevance of the system and the potential adoption of an alternative regulatory basis. The LSB five-class productivity rating includes “A”, “B”, “C”, “D” and “E” lands, with “A” representing the class of highest productivity and “E” the lowest.

Based on the following reasons and considerations, LURF **opposes** HB 1120, HD1, and requests that this bill be held in Committee.

**LURF’s Position.**

- **The OP is Not in the Position to Conduct the Study Proposed by this Bill.**

With all due respect to the OP, LURF believes it is not appropriate for that office to conduct the study proposed by the current version of this bill as the OP does not have

the expertise **in agriculture** that is required to assume that function. Conducting the proposed study may be less daunting than the task assigned to the OP under the original version of this bill (i.e., periodic update of the LSB's detailed land use classification productivity rating of Hawaii's soils as it relates to agricultural productive capacity), however, without proficiency in agriculture, and despite being authorized to collaborate with other agencies and organizations, the OP is nevertheless still not in the position to make the determinations, evaluations and recommendations required by this bill.

The OP by its own admission also lacks the funding necessary to carry out the specified objectives of this measure.

- **There is No Need for this Legislation as the LSB's Five-Class Productivity Rating System is No Longer a Driver of Land Use and Agricultural Policy.**

LURF believes that despite its continued statutory existence, the LSB's five-class system is no longer a leading factor in land use and agricultural policy, and for all practical purposes, has been superseded by the IAL laws, which have changed the paradigm from soil classification to encouraging and supporting successful and viable agricultural operations regardless of soil type or quality.

Most significant about the IAL laws is the fact that said laws were based on a consensus of agricultural stakeholders (including landowners, the Hawaii Farm Bureau Federation (HFBF), and various agricultural and government stakeholders); all of them coming together to form a mutual agreement on a system to protect agricultural lands based on the common understanding that the only effective long-term way to protect agricultural lands is to protect and support viable agricultural businesses on such lands.

While soil is important, the IAL laws recognize that it is not the only consideration for the identification and designation of agricultural land, and thus refers to soil quality as a standard in only two of the eight IAL criteria. The LSB's five-class soil classification system disregarded the significance of uses made of agricultural lands with non-class "A" soil, such as cattle-grazing pasture lands, dairy, eggs, chicken, pork, coffee, wine vineyards, ornamental flowers, aquaponics and hydroponics. Many such agricultural uses including livestock, eggs and pork were understood by IAL as being important to "food sustainability," and were recognized by the consensus-driven IAL process as providing opportunities and helping farmers to be profitable.

LURF believes that the LSB's soil classifications have not changed much over the past 20 years (when the soil classifications were established, sugar and pineapple were the main agricultural products), however, the agricultural industry has changed dramatically and has become much more diverse as farmers continue efforts to find ways to remain profitable. Land use and agricultural policy is now driven by IAL because it is based on the diversity and viability of agriculture (not the soil itself), and on the preservation of lands through dedication. Under the new IAL dynamic, the State encourages and incentivizes the designation of agricultural lands of any soil quality. Significant tracts of non-class "A" agricultural lands on Hawaii Island have, for example,

already been designated as IAL for use as cattle grazing and core ranch operations that annually produce 7.5 million pounds of beef.

Given the establishment and implementation of the IAL laws, this Legislature should move forward by creating more incentives for agricultural operators; focusing on IAL dedications by the counties; and assisting with funding for the studies required in connection with said dedications, rather than looking backward and unnecessarily revisiting soil classifications.

Should agricultural stakeholders themselves identify a legitimate need to go back and review soil classifications, such a review should be conducted through the same collaborative process originally followed for the establishment of the IAL laws.

For the reasons stated above, LURF respectfully recommends that **HB 1120, HD1 be held in this Committee.**

Thank you for the opportunity to provide comments regarding this proposed measure.

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**LATE**

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 21, 2014 7:28 AM  
**To:** FINTestimony  
**Cc:** gottlieb@hawaii.rr.com  
**Subject:** \*Submitted testimony for HB1120 on Feb 21, 2014 12:00PM\*

**HB1120**

Submitted on: 2/21/2014

Testimony for FIN on Feb 21, 2014 12:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alan Gottlieb	Hawaii Cattlemen's Council	Oppose	No

Comments:

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