



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-189

TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE
COMMITTEE ON FINANCE

Wednesday, February 26, 2014
11:15 a.m.
Conference Room 308

HOUSE BILL NO. 2011
RELATING TO AGRICULTURAL LANDS

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to submit testimony on House Bill No. 2011.

This measure seeks to create the Agribusiness land and facilities special fund. In addition, this bill authorizes the Agribusiness Development Corporation (ADC) to subdivide agricultural lands and requires the establishment of an agriculture subdivision code. Further, this measure appropriates funds to acquire certain agricultural lands. ADC supports this measure with amendments.

ADC's primary mission is to transition former plantation land and water systems for diversified agriculture. The corporation was established during the downsizing of the sugar and pineapple industries to generate revenue and assist the state address

ongoing issues. Today, ADC is on the cusp of establishing an agricultural operations hub utilizing existing agricultural land and infrastructure in Central Oahu.

H.B. 2011 as written not only reduces ADC's flexibility when licensing land under its jurisdiction, it complicates the bond language and creates uncertainty as to whether the bond may be approved. Specifically, the language on page 3 lines 3-20 which establishes a new section under chapter 163D HRS pertaining to agricultural leases is not necessary and may hinder ADC's progress. The special purpose revenue bond must be paid back by the revenues generated by the activities derived from ADC's lands. Any additional restrictions may inhibit the corporation's ability to generate revenue. In addition, ADC believes the bond language should be kept separate due to the sensitivity of the bond approval process.

ADC recommends keeping the language in this bill specifically relating to the revenue bond and removing any ambiguity not relating to the revenue bond similar to H.B. 747 proposed draft from the 2013 session.

Thank you for the opportunity to testify.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.dpp.org • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



GEORGE I. ATTA, FAICP
DIRECTOR

ARTHUR D. CHALLACOMBE
DEPUTY DIRECTOR

February 26, 2014

The Honorable Sylvia Luke, Chair
and Members of the Committee on Finance
State House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Luke and Committee Members:

SUBJECT: House Bill No. 2011
Relating to Agricultural Lands

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 2011 as written.

The DPP strongly supports food sustainability and self-sufficiency in Hawaii. However, we oppose this Bill because it would add a new section to Chapter 163D, Hawaii Revised Statutes, and allow the Agribusiness Development Corporation (ADC) to subdivide lands under its ownership and control, and exempt the subdivided lands from infrastructure and road requirements to encourage farming. The Bill also would require counties to enact an agriculture subdivision code to promote agriculture, and allow the ADC to establish such an ordinance if there is no county agriculture subdivision code enacted by 2015.

Our opposition is based on several reasons. First, it is unclear how exempting the subdivision from infrastructure and road requirements will encourage farming. Farmers or agribusinesses require an adequately developed supply of water not only to irrigate crops, but also to ensure safe drinking water, sanitation, and fire protection. They also require adequately paved roads to transport their products to market and bring in supplies necessary for the farming operation. Unless the ADC provides the infrastructure and roads for all of its lands, or the subdivision is submitted through the county process, it is unrealistic to expect the individual farmers to construct their infrastructure and roads in a coordinated way.

Second, a subdivision process administered by the ADC only for its lands would be an unnecessary duplication of existing county permit functions and not an efficient use of government resources. The ADC would have to set up its own staff for subdivision processing, recordkeeping and inspection, and adopt its own subdivision rules and regulations. In contrast, for the past 75 years the City and County of Honolulu has maintained subdivision records of public and private lands for permit and development purposes. It is unclear how the records for agricultural subdivisions approved by the ADC would be managed and maintained, or whether

The Honorable Sylvia Luke, Chair
and Members of the Committee on Finance
State House of Representatives
Hawaii State Capitol
Re: House Bill No. 2011
February 26, 2014
Page 2

these would be shared with others. There is the potential to add confusion for other government agencies, landowners, lenders, and the real estate and insurance industries, as the ADC subdivision actions may not be acknowledged or recognized by all parties, and thereby complicate future real estate and financial transactions.

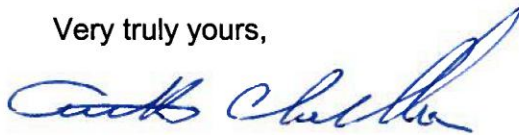
Third, if the ADC is granted authority to approve its own subdivisions with exemptions to encourage farming, then what is the purpose of requiring the counties to enact agriculture subdivision codes to promote agriculture by 2015? It is unclear what type of subdivision code will promote farming. The current county subdivision rules and regulations already contain relaxed standards for roadways and utilities serving agricultural subdivisions. For example, agricultural roads may consist of only asphalt pavement without sidewalks, curbs and gutters, and electrical utility lines can be placed overhead instead of underground.


If a subdivision code promoting agriculture is one that is stripped of its provisions requiring good planning and design, efficient arrangement of streets, utilities, and other features to achieve an orderly layout and efficient use of the land, it would be contrary to its main purpose of promoting the general welfare and an environment that is safer, healthier, and attractive. Promoting farming should not exclude meeting minimum standards for health and safety, such as adequate street improvements, traffic controls, water supply, sewage disposal, drainage, and protection from fire and other dangers to persons and property.

For these reasons, we believe the Bill to be seriously flawed. Accordingly, please hold House Bill No. 2011 in Committee.

Thank you for the opportunity to testify.

Very truly yours,



 George I. Atta, FAICP
Director

GIA:cj
HB2011-msl



HOUSE COMMITTEE ON FINANCE
Wednesday, February 26, 2014 – 11:15 a.m. – Room 308

Ulupono Initiative Strongly Supports HB 2011, Relating to Agricultural Lands

Dear Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson and Members of the Committee:

My name is Kyle Datta and I am general partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

Ulupono strongly supports HB 2011, which creates the agribusiness land and facilities special fund and allows Agribusiness Development Corporation (ADC) to acquire certain agricultural lands through the issuance of revenue bonds. Quality agricultural land is one of the main prerequisites for local food production. Yet, living in an island community that faces constant pressure for development, means the amount of quality agricultural land is becoming more scarce for farmers and ranchers to access.

Another problem that the state of Hawai'i faces for local food production and consumption is most of our local production comes from the neighbor islands while most of our consumption occurs on O'ahu. A large reason for the difference is there is more agricultural land on the neighbor islands. This dichotomy though makes O'ahu's agricultural land even more valuable for local food production.

Within O'ahu, the largest remaining contiguous agricultural land region is in Central O'ahu to the North Shore. Currently, if the Dole lands – ~20,000 acres of agricultural and conservation land – are sold to a non-agriculture or conservation entity, the lands could be used for development, which would prevent future agricultural production. The high cost of land acquisition and infrastructure development for the Dole parcels will require collaboration amongst many stakeholders, including the State of Hawai'i.

To fund the acquisition and infrastructure buildout, Ulupono supports using State general obligation bonds as the best method to do so. These bonds will mandate adequate payments, which forces economic analysis and rigorous business practices for the use of the land's assets.

We believe that working together we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,

Kyle Datta
General Partner

Pacific Guardian Center, Mauka Tower
737 Bishop Street, Suite 2350, Honolulu, HI 96813

808 544 8960 o | 808 544 8961 f
www.ulupono.com



Email: communications@ulupono.com

finance1

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 25, 2014 2:09 PM
To: FINTestimony
Cc: akamaimom@gmail.com
Subject: Submitted testimony for HB2011 on Feb 26, 2014 11:15AM

HB2011

Submitted on: 2/25/2014

Testimony for FIN on Feb 26, 2014 11:15AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Felicia Cowden	Individual	Support	No

Comments: The ADC lands need to be allocated to small farmers without requiring such difficult application processes. On Kauai, we are currently holding a handful of farmer training courses, permaculture and otherwise to help build the incoming farmer. There are a good number of younger people looking to move into agriculture. We are building co-ops and collaborative opportunities with landowners. Availability of ADC lands is very appropriate. Currently with their emphasis on serving the bio-tech folks almost exclusively, the land does not produce food for Hawaii, it contaminates it, and they pay little taxes. Small farms will be more beneficial, even if they require more training and administration.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 25, 2014 2:39 PM
To: FINTestimony
Cc: madcower@gmail.com
Subject: Submitted testimony for HB2011 on Feb 26, 2014 11:15AM

HB2011

Submitted on: 2/25/2014

Testimony for FIN on Feb 26, 2014 11:15AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Bryce Boeder	Individual	Support	No

Comments: I am a young farmer looking for a parcel of land to farm. I have inquired about state leased ag lands from the ADC and have never heard back from them. It seems they are only interested in leasing lands to large chemical agriculture companies instead of young Hawaiian farmers such as myself. I am currently in session with many other young farmers who are studying permaculture. The Hawaiians understood these concepts very well and fed and sustained a bigger population than we have now without running everything. This is what future farming will be as we and our island cannot sustain these large chemical based, high input monocultures that are destroying our island and poisoning the land and water. Please pass this bill.

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LATE

From: mailinglist@capitol.hawaii.gov
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To: FINTestimony
Cc: cmanfredi@kaufarmandranch.com
Subject: *Submitted testimony for HB2011 on Feb 26, 2014 11:15AM*

HB2011

Submitted on: 2/25/2014

Testimony for FIN on Feb 26, 2014 11:15AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Manfredi	Hawaii Farm Bureau	Support	Yes

Comments:

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To: FINTestimony
Cc: ponosize@hotmail.com
Subject: Submitted testimony for HB2011 on Feb 26, 2014 11:15AM

HB2011

Submitted on: 2/26/2014

Testimony for FIN on Feb 26, 2014 11:15AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Pono Kealoha	Individual	Support	No

Comments: hawaiiankingdom.org

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