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GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the House Committees on
AGRICULTURE
and
WATER & LAND**

**Thursday, February 6, 2014
9:30 A.M.**

State Capitol, Conference Room 312

**In consideration of
HOUSE BILL 2185
RELATING TO LAND EXCHANGE**

House Bill 2185 is a three-part bill that proposes: (1) an exchange of State lands for private lands owned by Dole Food Company, Inc. ("Dole Food"), (2) the establishment of the East Kapolei Community Development District, and (II3) the establishment of a project facility revenue bond special fund to support the acquisition of the Dole Food lands. **The Department of Land and Natural Resources ("Department") opposes the bill to the extent it directs the Board of Land and Natural Resources ("BLNR") to exchange state lands for private lands.**

House Bill 2185 identifies 12 parcels of State lands and directs the BLNR to exchange them for private lands owned by Dole Food that are also identified in the bill. The tax map keys of the 12 state parcels and their corresponding ownership information are as follows:

- 91016120]
- 91016179] All University of Hawaii lands for its West Oahu campus.
- 91016180]
- 91016181]

- 91017094]
- 91017095] Executive Order No. 4277 to Department of Transportation for its
- 91017096] North-South Road.

- 91017106 - BLNR approved the set-aside of this parcel to the Department of
- Education in October 2013. The executive order for the set-aside is being
- prepared.

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

- 91017107 - Owned by the Hawaii Housing Finance and Development Corporation.
- 91017110 - Majority ownership in the Department of Hawaiian Home Lands (“DHHL”).
- 91017111 - Owned by the City and County of Honolulu.
- 91151001 - Owned by DHHL.

The BLNR has no authority to exchange lands that it does not own. Of the four parcels (91017094, 91017095, 91017096 and 91017106) that remain under BLNR’s oversight pursuant to Section 171-11, Hawaii Revised Statutes, the existing executive orders would have to be canceled by the Governor with the BLNR’s approval before the parcels could be exchanged for private lands. The Department generally does not seek the cancellation of an existing executive order unless the agency holding the land requests the cancellation of the executive order and the return of the land to the BLNR, or the agency abandons the land.

Accordingly, because the parcels identified in the bill are owned by other state agencies or by the City and County, or have already been set-aside or approved for set-aside to another state agency, the BLNR would not be able to comply with this bill if it were to become law. The Department therefore opposes the bill.

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON AGRICULTURE AND WATER AND LAND
ON
HOUSE BILL NO. 2185

February 6, 2014

RELATING TO LAND EXCHANGE

House Bill No. 2185 authorizes the Board of Land and Natural Resources to exchange lands for certain agricultural and conservation lands owned by the Dole Food Company, Inc., and establishes the east Kapolei community development district. In addition, the bill further establishes the Whitmore Project Facility Revenue Bond special fund within the Agribusiness Development Corporation into which proceeds from revenue bonds shall be deposited for purchasing certain parcels of land from the Dole Food Company, Inc., and appropriates an undetermined amount of funds to acquire certain Dole Food lands.

While the Department of Budget and Finance does not take any position on the policy of acquiring agricultural and conservation lands and the establishment of the east Kapolei community development district, as a matter of general policy, the department does not support the creation of special funds which do not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to this bill, it is difficult to determine whether the special fund will be self-sustaining.

The department would also like to note that the issuance of revenue bonds require, among other things, the project to generate sufficient revenues to pay debt service on the bonds.



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
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TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE
COMMITTEES ON AGRICULTURE, AND WATER & LAND

February 06, 2014
9:30 a.m.
Conference Room 312

HOUSE BILL NO. 2185
RELATING TO LAND EXCHANGE

Chairpersons Wooley, Evans and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 2185, a bill to authorize the State to exchange lands for certain agricultural and conservation lands owned by Dole Food Company, Inc. In addition, this bill seeks to establish the East Kapolei Community Development District and the Whitmore Project Facility Revenue Bond Special Fund. Further, this measure appropriates funds to acquire certain Dole Lands. The Agribusiness Development Corporation (ADC) supports the intent of this measure, specifically Part III.

ADC's mission is to acquire, and manage in partnership with farmers, ranchers, and aquaculture groups, selected high-value lands, water systems, and infrastructure for commercial agricultural use and to direct research into areas that will lead to the

development of new crops, markets, and lower production costs. This bill will assist ADC achieve its mission and further provide the state with an opportunity to preserve the largest agricultural tract on Oahu.

ADC has recently undertaken the Whitmore Project which is a long-range plan to create a centralized hub for agricultural operations in Central Oahu that includes but is not limited to commercial farming, land acquisition, packing, processing, workforce housing, food safety, education, value-added, marketing, high-tech, agro-tourism and manufacturing.

In conjunction with the Whitmore Project, ADC has recently acquired property with existing infrastructure to provide support services for farmers on the Galbraith Lands. ADC supports Part III of this bill which establishes the Whitmore project facility revenue bond special fund. This fund would further enhance ADC's flexibility to achieve its mission. Monies from this fund will go towards the purchase of real property for the protection of agricultural lands, land banking, promotion of farm ownership, and agricultural diversity which would essentially increase the corporation's available agricultural land under its control that the corporation may license to qualified farmers, businesses, and agencies.

Thank you for the opportunity to testify.

THE TRUST *for* PUBLIC LAND

CONSERVING LAND FOR PEOPLE

**THE TRUST FOR PUBLIC LAND'S TESTIMONY
IN SUPPORT OF HB 2185 RELATING TO LAND EXCHANGE
House Committees on Agriculture and Water & Land
Thursday, February 6, 9:30 a.m., Room 312**

The Trust for Public Land supports the intent of HB 2185 relating to land exchange. This bill proposes a land exchange of state owned lands in Kapolei for nearly 20,000 acres of agricultural and conservation lands owned by Dole Foods LLC on the North of O'ahu, creates a special fund for the operation, maintenance, and management of agricultural lands by the State Agribusiness Development Corporation (ADC), and authorizes revenue bonds to purchase the Dole lands. The Dole lands include prime agricultural land, watershed lands that produce our drinking water, lands that are the scenic gateway to the North Shore, and lands that are important habitat for dozens of endangered and threatened plant and animal species.

The Trust for Public Land is currently working with one of the largest renewable energy companies in the world to purchase the Dole lands and give the State time (3-5 years) to raise funds to purchase the Dole lands for agriculture and conservation of important watershed lands that produce our drinking water. The renewable energy company does not yet have a contract or deal with Dole, but hopes to have a tentative deal or letter of intent with Dole before the end of session. The Trust for Public Land is working with ADC and the Department of Land and Natural Resource to raise other sources of funding (e.g., federal, private) so that the burden is not entirely on the State. Purchasing the Dole land (listed at over \$200 million) will be a complex and difficult transaction. ADC and the State need flexibility and alternatives to achieve the goal of conserving all of the Dole lands and this bill attempts to provide such flexibility.

The Trust for Public Land does not know and has questions regarding whether the affected state agencies, the Kapolei community, and the Kapolei legislators support the land exchange. However, in general, The Trust for Public Land supports the intent of the bill. Although we support the intent of the bill, I will not be able to appear in person to testify because I will be on the mainland on business.

Mahalo for this opportunity to testify -



Lea Hong
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Hawaii Rifle Association

State Affiliate of the National Rifle Association
Founded in 1857

February 5, 2014

Testimony on HB 2185
Before AGR/WAL, February 5, 2014, 9:30 am, Rm 312

IN SUPPORT with RECOMMENDED AMENDMENTS

Hon. Chairs, Vice Chairs, and Members,

HRA supports this bill. We respectfully ask that it be amended to incorporate the language from the Senate version, SB 3065, designating approximately 9,000 acres for multi-use activities including hunting:

“(c) After this exchange between the State and Dole Food Company, Inc., the State shall transfer the acquired lands as follows:

- (1) Approximately 6,000 acres of land to the agribusiness development corporation for farming and ranching;
- (2) Approximately 9,000 acres of land to the department of land and natural resources for recreation, hiking, hunting, and watershed and species protection; and
- (3) Existing land with housing to the Hawaii housing finance development corporation for workforce housing.”

Thank you for the opportunity to testify on behalf of HRA.

Dr. Maxwell Cooper,
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