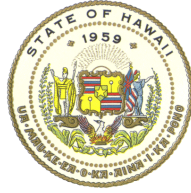
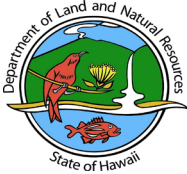


DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
FINANCE**

**Thursday, February 25, 2021
11:00 AM
State Capitol, Via Videoconference, Room 308**

**In consideration of
HOUSE BILL 469, HOUSE DRAFT 1
RELATING TO TRANSFER OF NON-AGRICULTURAL PARK LANDS**

House Bill 469, House Draft 1 proposes to facilitate the transfer of certain non-agricultural park lands from the Department of Land and Natural Resources (Department) to the Department of Agriculture (DOA) pursuant to Act 90, Session Laws of Hawaii (SLH) 2003, and chapter 166E, Hawaii Revised Statutes (HRS). House Draft 1 of the measure proposes provides creation of a third-party advisory committee to assess lands that have not been transferred to determine whether the Department or DOA is the appropriate managing agency for the lands. House Draft 1 further proposes to provide that the Board of Land and Natural Resources (BLNR) and Board of Agriculture (BOA) are to review and consider the findings of the advisory committee prior to approving any disposition or transfer of the lands. **The Department appreciates the amendments made by House Draft 1 of the measure to evaluate conservation interests in the Department's agricultural landholdings instead of mandating the transfer of all such lands to DOA without analysis and offers the following comments.**

House Bill 469, House Draft 1 proposes to require DOA to send the Department a list of lands DOA has identified as disputed lands no later than January 1, 2022. In the event the Department and DOA disagree on the transfer of the lands, the BLNR is tasked with establishing a third-party advisory committee with membership representing the Department, DOA, the University of Hawaii College of Tropical Agriculture, cattle producers, agricultural producers, conservation districts and watershed partnerships. The advisory committee then evaluates the lands for various factors listed in the bill with the goal of determining whether the Department or DOA is the appropriate managing agency for the parcel of land. The BLNR and BOA are then required to review and consider the findings of the advisory committee prior to approving any disposition or transfer of disputed lands. If the Department and DOA are unable to reach a mutual agreement regarding the disposition or transfer of disputed lands, the disputed lands, and the leases or revocable permits encumbering them, shall remain under

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
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

the jurisdiction and management of the Department until such time as a mutual agreement can be reached regarding their disposition.

Pursuant to Act 90, SLH 2003, now codified as Chapter 166E, HRS, the Department has transferred more than 19,000 acres of agricultural land to DOA, and additional transfers are in process, consisting of nearly all the agricultural crop land, such as former sugar cane land, held by the Department. Act 90, SLH 2003, required each transfer to be individually reviewed and approved by both the BLNR and the Board of Agriculture. And they have been. Since 2003, numerous properties that the Department has offered to transfer to DOA have been rejected by DOA for various reasons including topography, lack of agricultural features like irrigation, inaccessibility, irregular parcel sizes, or non-compliant tenants that the DOA did not have the capacity to manage.

Additionally, the Department has generally excluded large-acre pasture leases from these transfers because of the high natural resource value of certain pasture lands. Some pasture lands are remnant native forests that have never been plowed and contain native and endangered plants and wildlife. They adjoin or are near forest reserves and, as a result, have great potential for reforestation, and/or are important in providing access to other public lands for management, traditional gathering, and public recreation including hunting and trails.

The leases and revocable permits managed by the Department cover approximately 103,000 acres statewide. The attached map shows the number and location of lands potentially subject to transfer under Act 90, SLH 2003. The attached flyer entitled “Importance of Pasture Lands to DLNR’s Mission” provides additional information. It is important that the transfer of any additional lands to DOA carefully evaluate all the public trust values of these lands, such as:

- what resources are on the land,
- presence of endangered species,
- protection and care of our precious watersheds,
- recreational and hunting access,
- historical sites, and
- usability for agriculture.

The Department believes the involvement of an advisory committee such as proposed by the bill could help ensure that agricultural lands with resource value remain with the Department. For example, the 461-acre Onouli tract in Kealahou, Hawaii (Tax Map Key: (3) 8-1:005:001) is landlocked, unencumbered and not used for any agriculture though it is zoned in the agriculture district. It contains significant native forest resources that would be damaged by cattle grazing or other agricultural use, and is at a high-risk of conversion, wiping out native forests. It is in a region where substantial forest restoration and forestry production is developing and could be an important resource for supporting sustainable forestry management. If this sizable tract of land were to be approved for unconditional transfer to DOA, it would prevent the Department from directly managing the land for forestry conservation, and further threaten conversion of native forests in this region.

In addition, the Department’s Division of Forestry and Wildlife (DOFAW) does have forest reserves, game management areas, and timber management areas that are found within agricultural district, totaling over 81,000 acres. These lands support forest product development and management, and therefore have an agricultural production component to them, but fall within the Department’s

commercial and cultural forestry mandates. DOFAW prefers that these areas remain under its management and within the agricultural district to support these types of activities.

The perceived need to transfer pasture leases to DOA can be relieved by providing the Department with statutory powers similar to those exercised by DOA in the management of its leases. Accordingly, the Administration has introduced a measure this session, House Bill 1014, to give the Department greater flexibility to deal with pasture leases. Positive advancement in carbon sequestration challenges, wildlife management, wildfire protection, forestry development, and forest health concerns can be best managed by the Department through mutually beneficial practices with ranching, wildlife protection, and native forest restoration.

When Hawaii's native forests are converted to grasslands, they lose about half of their stored carbon – a loss of 54 metric tons of carbon per acre.¹ Reforesting grasslands is the largest carbon sequestration opportunity for Hawaii to reach the goal of carbon neutrality by 2045 (Act 15, SLH 2018). The Department is inventorying its natural and working lands for carbon sequestration opportunities, and plans on utilizing this information to support and encourage carbon positive practices including a combination of grazing, soil improvement, agroforestry, and reforestation projects where appropriate. The Department also offers voluntary incentive programs for ranchers to reforest lands and is developing standards for carbon credit projects that could further diversify revenues for ranchers. The transfer of lands proposed by the present measure would sever the Department's direct role in overseeing these stewardship options.

In similar bills last session, ranchers assured the Legislature that they would implement conservation measures on their own and do not need Departmental oversight. However, many of the conservation accomplishments the ranchers cited were directly from funding and oversight by the Department, or from federal funds rather than rancher investment. While ranchers should be commended for these conservation measures, they are voluntary and there are no assurances that they will continue, particularly when the Department's direct role has been severed.

The Department prefers the framework of House Bill 469, House Draft 1, over the prior version in that it requires analysis of the public resource value of agricultural lands through an advisory committee. At the same time, the advisory committee would be an administrative burden to the Department, which is already facing significant budget cuts, and possibly either staff furloughs or layoffs. The committee would be subject to Chapter 92, HRS and thus must hold open, sun-shined meetings, and maintain agendas, minutes and records. This would require additional staff positions including secretary/clerk, office space, equipment, supplies, travel and per diem for committee members, with estimated costs as high as \$500,000 annually. A general fund appropriation would be needed to support the proposed committee, as revenue from pasture leases are generally low and fall far short to adequately cover the costs of the proposed committee. Additionally, much of the lands used for pasture leases are ceded lands, so 20% of the lease revenues is paid to the Office of Hawaiian Affairs, and an additional 30% to the Department of Hawaiian Home Lands if the lands are former sugar cane lands.

¹ Baseline and Projected Future Carbon Storage and Carbon Fluxes in Ecosystems of Hawai'i Editors: Paul C. Selmants, Christian P. Giardina, James D. Jacobi, and Zhiliang Zhu U.S. Geological Survey Professional Paper 1834, 2017.

The Department also notes that the proposed committee is not attempting to be balanced or represent native Hawaiian, hunting, traditional and customary and public access, or general public interests, as it is comprised of five entities representing agricultural interests out of seven total members. Additionally, the Department notes the watershed partnerships are voluntary alliances of public and private landowners including conservation managers and ranchers collaborating towards mutually beneficial conservation goals. The Department suggests that a representative of an organization committed to watershed protection would be an appropriate representative on the committee. Proposed amendments to the committee are attached.

Alternatively, as state departments have been instructed to streamline their operations and eliminate committees, rather than creating a new and lop-sided committee that reviews controversies, these matters can be referred to the existing boards that are comprised of experts representing experts in native Hawaiian culture, conservation, and agriculture.

Finally, the Department respectfully requests the Legislature support House Bill 1014 as another tool to facilitate select lands remaining under the Department's management.

Thank you for the opportunity to comment on this measure.

Alternatively, the Department proposes the following amendment to this measure (amendments highlighted in gray shading):

"(d) No later than January 1, 2022, the department of agriculture shall transmit to the department of land and natural resources a list of all agricultural lands that it requests be transferred to it pursuant to this chapter that have not already been set aside to the department [of lands that it has identified as being disputed lands]. The department of land and natural resources shall review the list. In the event that the department and the department of land and natural resources disagree regarding the [disputed] lands, the board of land and natural resources shall establish a third-party advisory committee prior to any disposition or transfer of the [disputed] lands. The third-party advisory committee shall comprise the following members:

- (1) The chairperson of the board, or the chairperson's designee;
- (2) The chairperson of the board of land and natural resources, or the chairperson's designee;
- (3) A representative of the college of tropical agriculture and human resources of the University of Hawaii;
- (4) A representative of an organization that represents the interests of cattle producers in Hawaii;
- ~~(5) A representative of an organization that represents the interests of agricultural producers in Hawaii;~~
- ~~(6) A representative of an organization that represents the conservation districts in Hawaii; and~~
- ~~(7)~~ (5) A representative of an organization that represents watershed management partnerships in Hawaii.

(e) The third-party advisory committee established in subsection (d) shall review the [disputed] lands proposed for disposition or transfer and determine whether any of the lands requested:

- (1) Are suitable for food production for local consumption and export;
- (2) Contain important natural resources, including remnant native forests, important watersheds, or native or endangered plants and wildlife;
- (3) (3) Adjoin or are near forest reserves or are former forest lands and, as a result, have the potential for reforestation;
- (4) Are important for providing access to other public lands for management; traditional gathering; and public recreation, including hunting and trails; or
- (5) Could be used now or in the future for other public or priority purposes, such as public schools; institutions of higher education; affordable housing; renewable energy projects; or other income-producing opportunities or possibilities, such as commercial, hotel, mixed-use, or industrial use that could generate revenues for the State.

The third-party advisory committee shall recommend to the board and board of land and natural resources [determine] whether the department or the department of land and natural resources is the appropriate managing agency for the parcel of land.

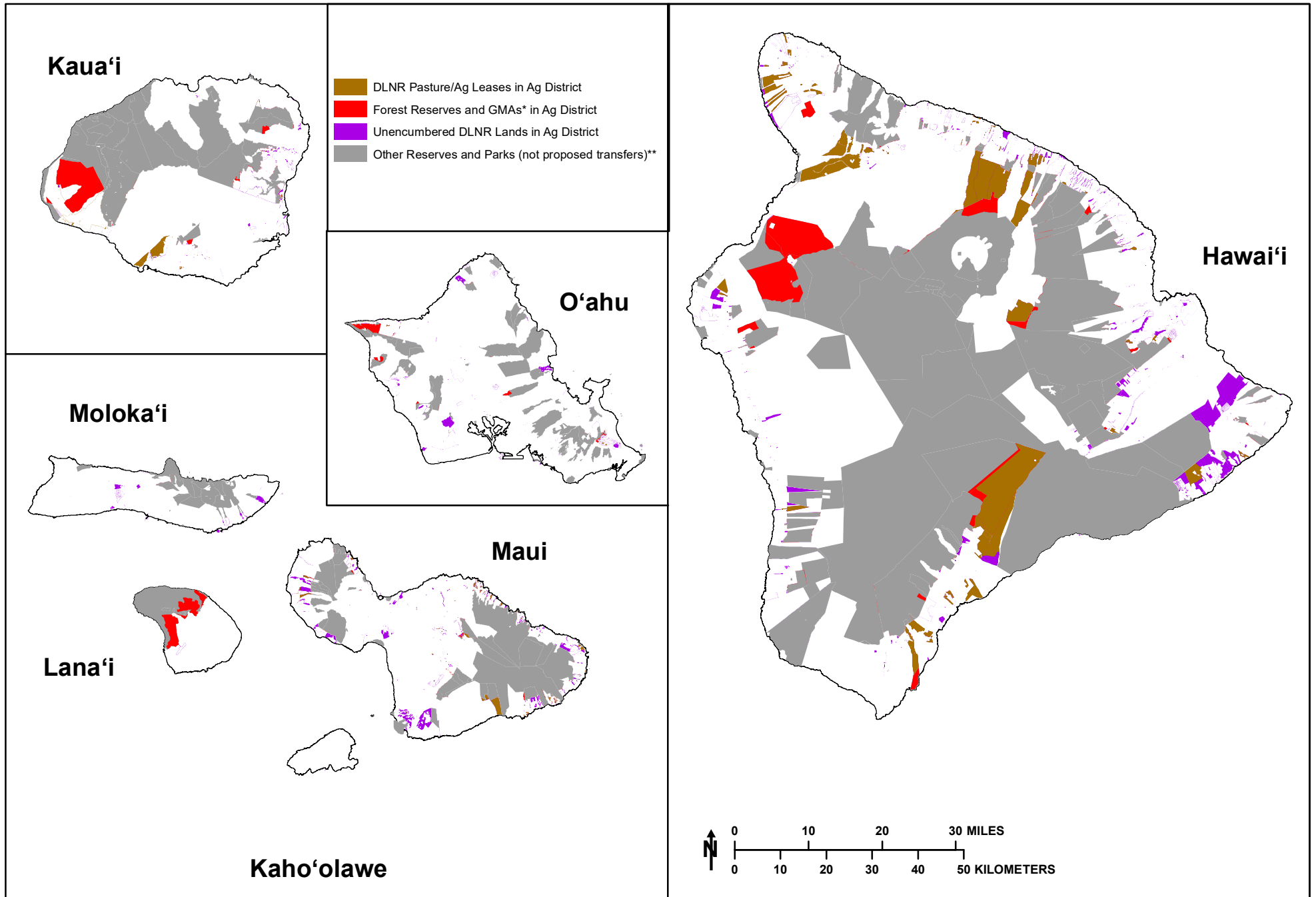
The board and board of land and natural resources shall review and consider the findings of the third-party advisory committee prior to approving any disposition or transfer of [disputed] lands.

(f) If the department and the department of land and natural resources are unable to reach a mutual agreement regarding the disposition or transfer of [disputed] lands, the [disputed] lands, and the leases or revocable permits encumbering them, shall remain under the jurisdiction and management of the department of land and natural resources until such time as a mutual agreement can be reached regarding their disposition. For lands for which the department and department of land and natural resources reach a mutual agreement regarding their disposition, such lands shall be transferred to the department.

[As used in this subsection and subsections (d) and (e), "disputed lands" means state lands managed by the department of land and natural resources that may qualify for transfer to the department pursuant to Act 90, Session Laws of Hawaii 2003, but have not been transferred because of a disagreement between the department and department of land and natural resources regarding whether or not the land should be transferred.]

(g) Beginning with the 2026-2027 fiscal year, and no less than every fifth fiscal year thereafter, the department and department of land and natural resources shall undertake the process set forth in subsections (d) through (f)."

Lands That Could Be Transferred to DOA By HB 469



*GMA is Game Management Area. **The gray layer "Other Reserves and Parks" shows lands not anticipated to be transferred to DOA via HB469, but included for context. Features approximate and subject to change. DLNR (808) 587-4170. Feb 2021.



SUMMARY

DESCRIPTION

EXPECTED BENEFITS





2020 LEGISLATIVE PROPOSALS

SB2812/HB2577 would transfer pasture leases to DOA because DOA appears to have greater flexibility under Chapter 166E, HRS to amend, extend, and issue new leases by negotiation. However, those goals could be achieved instead through SB2914/HB2358 to give DLNR similar statutory flexibility for negotiating pasture leases.



PASTURE LAND CONSERVATION VALUES



Water



Fire & Forest Health



Native Ecosystems



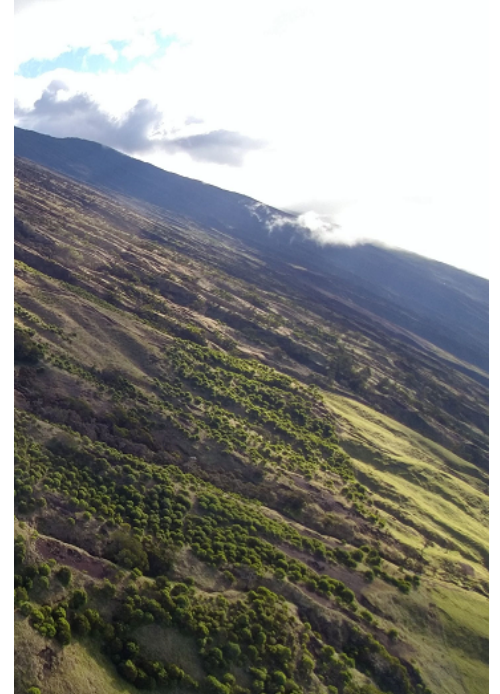
Forestry



Recreation

DLNR PARTNERSHIPS WITH RANCHERS

CLIMATE CHANGE AND CARBON NEUTRALITY



CONTACT PERSON

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE COMMITTEE ON FINANCE

THURSDAY, FEBRUARY 25, 2021

11:00 A.M.

VIA VIDEOCONFERENCE

**HOUSE BILL NO. 469 HD1
RELATING TO THE TRANSFER OF NON-AGRICULTURAL PARK LANDS**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill 469 HD1. This bill establishes a mechanism for the transfer of certain non-agricultural park lands from the Department of Land and Natural Resources (“DLNR”) to the Department of Agriculture (“Department”) pursuant to Act 90,(2003), and Chapter 166E, HRS. The Department offers the following comments.

The Department appreciates the efforts of the Legislature to ensure that sufficient agricultural lands are available to support the State’s food sustainability and food security goals. This bill establishes a dispute resolution process for resolving any disagreements between the DLNR and the Department regarding the suitability for transfer of targeted agricultural parcels by establishing a third-party advisory committee to render a decision.

The establishment of and support for a third-party advisory committee, however, may require additional staffing and resources that the Department does not possess at this time. The Department is currently short staffed, and with anticipated pandemic related shortfalls and reductions in both staffing and resources, the Department is



concerned with the additional burdens this measure may impose on it without additional support.

HB-469-HD-1

Submitted on: 2/23/2021 1:44:53 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Ponoholo Ranch Limited	Support	No

Comments:

Please support HB 469 HD1

HB-469-HD-1

Submitted on: 2/23/2021 3:03:47 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
William G. Jacintho	Maui Cattlemen's Association	Support	No

Comments:

Fully and Strongly Support. Ranchers involved are good land stewards.

Thank you,

William

HB-469-HD-1

Submitted on: 2/23/2021 3:55:41 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sara Moore	Kealia Ranch	Support	No

Comments:

I support HB 469, which requires the department of land natural resources and department of agriculture to meet and identify the non-agricultural park lands that should be rezoned as those in the conservation district, requires that agricultural lands under the jurisdiction of the department of land and natural resources be transferred to the department of agriculture not later than 12/31/2023, requires the department of land and natural resources and department of agriculture to meet every five years to discuss transferring remaining lands, and requires the department of agriculture to inquire about any easements needed by the department of land and natural resources before offering a lease.

The intent of Act 90 SLH 2003 was to ensure the long-term productive use of agricultural lands across the islands by transferring them to DOA, which is better equipped to manage agricultural lands. This process mandated 18 years ago needs to be completed.

The success of ranchers and farmers is critical to the State's goal to double local food production. We believe that DOA is the agency best structured to advance agriculture and make it practical for producers to succeed and provide our communities with what they need. DOA's long-term leases make it possible for farmers and ranchers to thrive.

Please pass this measure to support Hawaii's farmers and ranchers and our communities.

Mahalo,

**LARRY JEFTS FARMS, LLC
PO BOX 27
KUNIA, HAWAII 96759
(808) 688-2892**

HB469hd1, Relating to The Transfer of Non-Agricultural Park Lands
House FIN Hearing
Thursday, February 25, 2021 – 11:00am
Videoconference

Testimony By: Larry Jeffs
Position: Support

Chair Luke, Vice Chair Cullen, and Members of the House FIN Committee:

I am Larry Jeffs, owner and operator of Larry Jeffs Farms, LLC. We have more than 42 years of Hawaii farm experience on Molokai and Oahu. I am a volunteer director, serving as Chair of the West Oahu Soil and Water Conservation District (SWCD). I have been an officer of the Hawaii Farm Bureau for many years.

We understand that there are still agricultural leases in DLNR that should be transferred to the DOA, where lease terms are favorable and encourage improvements to the land and expansion of local food production.

This delay in lease transfers creates a situation where ranchers cannot do long-term planning to increase local grass-fed beef production.

Ranchers, and all who are involved in agriculture production, need long-term leases before capital investments can be made for production.

Thank you for the opportunity to provide testimony.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Thursday, February 25, 2021 — 11:00 a.m.

Ulupono Initiative supports the intent of HB 469 HD 1, Relating to the Transfer of Non-Agricultural Park Lands.

Dear Chair Luke and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports the intent of HB 469 HD 1, which establishes a mechanism for the transfer of certain non-agricultural park lands from the DLNR to the DOA pursuant to Act 90, SLH 2003, and chapter 166E, HRS.

Ulupono supports the local livestock industry and its efforts to provide fresh, healthy products for Hawai'i's consumers. With the DOA's affordable, long-term lease structure in place, local ranchers will be able to make the necessary investments into their respective operations, improving economic viability and increasing local food production for the State.

While we support the DLNR's mission to preserve natural resources and maintain watershed protection, Ulupono believes that all active agricultural pasture leases should be transferred to the DOA as per the intent of Act 90, SLH 2003. The DOA's mission and expertise to manage agricultural activities, including pasture land production, through a favorable lease structure promotes local food production. As Hawai'i's local food issues become increasingly complex and challenging, the agricultural industry will need additional resources and support to address and overcome them. We appreciate this committee's efforts to look at policies that support local food production and increase our state's food security and resilience.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i

HB-469-HD-1

Submitted on: 2/24/2021 6:37:07 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jimmy Gomes	Ulupalakua Ranch	Support	No

Comments:

We support HB 469



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 25, 2021

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 469, HD1
RELATING TO THE TRANSFER OF NON-AGRICULTURAL PARK LANDS

Conference Room 308
11:00 AM

Aloha Chair Luke, Vice-Chair Cullen, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports HB 469, HD1, which requires the department of land natural resources and the department of agriculture to meet and identify the non-agricultural park lands that should be rezoned as those in the conservation district, requires that agricultural lands under the jurisdiction of the department of land and natural resources be transferred to the department of agriculture not later than 12/31/2023. It also requires the department of land and natural resources and department of agriculture to meet every five years to discuss transferring remaining lands and for the department of agriculture to inquire about any easements needed by the department of land and natural resources before offering a lease.

The intent of Act 90 SLH 2003 was to ensure the long-term productive use of agricultural lands across the islands by transferring them to DOA, which is better equipped to manage agricultural lands. Nearly 18 years later, farmers and ranchers are still waiting for Act 90 SLH 2003 to be fully implemented.

The success of ranchers and farmers is critical to the State's goal to double local food production. We know you recognize that DOA is the only agency structured to advance agriculture and make it practical for producers to succeed and provide our communities with what they need. For example, under DOA, lands are appraised on their agricultural value while under DLNR, lands are auctioned for lease at the highest rates possible, which is typically unaffordable for farmers and ranchers. Additionally, DOA's long-term

leases make it possible for farmers and ranchers to prudently invest in infrastructure improvement and resource conservation on the leased land.

Please pass this measure to support Hawaii's farmers and ranchers and our communities.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

HB469 HD1

RELATING TO THE TRANSFER OF NON-AGRICULTURAL PARK LANDS.

DATE: Thursday, February 25, 2021

TIME: 11:00 a.m.

PLACE: VIA VIDEOCONFERENCE

Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance,

The Hawaii Cattlemen's Council **supports HB469 HD1**. While the COVID-19 pandemic has exposed important issues to address, the transfer of these leases to DOA is still a pressing issue for Hawaii's ranchers and farmers. It is apparent, more so now than ever, that Hawaii needs to diversify its economy and support agriculture, an essential business. Ranchers need agriculture-appropriate lease terms and management to make prudent business decisions. This bill will provide much needed support to keep agriculture in active production.

Act 90 was passed in 2003 for the purpose of ensuring the long-term productive use of public agricultural lands by allowing these lands to be transferred to and managed by the Department of Agriculture. We support HB469 because it sets a deadline for addressing leases that should be considered for transfer, and requires the Department of Agriculture and Department of Land and Natural Resources to mutually agree if a lease should stay under the management of the DLNR. It allows DLNR to advocate for lands that are valuable to their mission, while giving agricultural lands a chance to be properly managed by DOA. Without a deadline for transfers to occur by, ranchers are left in uncertain circumstances which hinders their ability for long-term planning and increasing contributions to food production. Agriculture has always been a vital part of Hawaii's well-being, and our current situation unfolding due to COVID-19 highlights that importance even more. For Hawaii to give agriculture the support it needs, agricultural lands should be transferred to DOA where lease terms are favorable and encourage improvements to the land and expansion of local food production.

Ranchers are proponents for stewarding the land well and will continue to implement conservation practices when leases are transferred to HDOA—the health of the land allows ranchers to continue their production. With long-term leases based on agricultural production, ranchers will be even better situated to invest in long-term conservation practices. They will continue to be cooperators with their local Soil and Water Conservation Districts, and manage their conservation plans under DOA leases. They will continue to fight invasive species, provide watershed management, and carbon sequestration, and provide all of the other eco-system services they have always provided, all at no cost to the State or the general public. But they need agricultural lease terms under DOA to be successful.

There are still agricultural leases under the DLNR that should be transferred to the Department of Agriculture and we respectfully ask that the committee supports HB469. We appreciate the opportunity to testify on this critical matter for our industry.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director

HB-469-HD-1

Submitted on: 2/24/2021 9:01:59 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephanie A Whalen	HARC	Support	No

Comments:

The communication between DLNR and HDOA on this subject has been less than satisfactory and it is great to see a deadline provided. DOA should be managing agricultural lands. I am not sure I understand that if the departments meet the 2023 deadline and ALL ag land is transferred what is the need for meeting every 5 years thereafter. This may just be a means for the DLNR to hold back agricultural land.

Thank you for this opportunity

HB-469-HD-1

Submitted on: 2/24/2021 9:09:59 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Weidenbach	Hawaii Aquaculture & Aquaponics Association	Support	No

Comments:

The Hawaii Aquaculture & Aquaponics Association (HAAA) strongly supports the intent of HB469 which sets a specific timeline for DLNR comply with Act 90 which was signed into law more than 17 years ago, requiring DLNR to transfer specific state ag leases to DOA, where they belong. Many farmers and ranchers have been waiting for decades to work under DOA's more beneficial and supportive lease program and management. If the State is serious about local food production and economic diversification, then the intent of this measure and its enforcement are essential. **However, we urge FIN to address the specific concerns expressed by the Hawaii Cattlemen's Council so that this measure fully addresses the needs of Hawaii's rancheers and their critical leases in this land transfer from DLNR to DOA.** Thank youi for the opportunity to testify in strong support of the very important measure for local agriculture producers and consumers. Please vote "yes" on HB 469 with appropriate ranch lease amendments.

HB-469-HD-1

Submitted on: 2/24/2021 9:35:27 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
DAVID N FELL	Fantastic Gardens Hawaii, Inc	Oppose	No

Comments:

Aloha,

I have been a leasee of state agricultural lands since 1998 and have lease 3 different agricultural properties. I've been under DLNR leases and leases that have been conferted to DOA leases.

I the case of my I had a lease rent on Oahu of \$10,000.00/year for our site in Waimanalo under DLNR. When it converted to DOA which has a provision for a percentage of gross sales, the lease rent went to \$45,000.00. Exactly how is this a benefit to farmers. The only change was in the cost of the lease. Zero benefits but a huge increase in cost. I would say this is detrimental to Farmers.



Bobby Farias
President
Hawaii Meats, LLC
91-319 Olai Street
Kapolei, HI 96707

COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair

Re: HB 469, HD1
Thursday, February 25, 2021, 11:00am
Conference Room 308
VIA Video Conference

Aloha e Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Bobby Farias, part owner of Hawaii Meats LLC, I am a 3rd generation rancher from Kauai and I **support HB469, HD1**. Ranchers need agriculture-appropriate lease terms and management to make prudent business decisions. This bill will provide much needed support to keep agriculture in active production.

I support HB469 because it sets a deadline for addressing leases that should be considered for transfer, and requires the Department of Agriculture and Department of Land and Natural Resources to mutually agree if a lease should stay under the management of the DLNR. It allows DLNR to advocate for lands that are valuable to their mission, while giving agricultural lands a chance to be properly managed by DOA. Without a deadline for transfers to occur by, ranchers are left in uncertain circumstances which hinders their ability for long-term planning and increasing contributions to food production. Agriculture has always been a vital part of Hawaii's well-being, and our current situation unfolding due to COVID-19 highlights that importance even more. For Hawaii to give agriculture the support it needs, agricultural lands should be transferred to DOA where lease terms are favorable and encourage improvements to the land and expansion of local food production.

Ranchers are proponents for stewarding the land well and will continue to implement conservation practices when leases are transferred to HDOA. With long-term leases based on agricultural production, ranchers will be even better situated to invest in long-

term conservation practices. But we need agricultural lease terms under DOA to be successful.

There are still agricultural leases under the DLNR that should be transferred to the Department of Agriculture and we respectfully ask that the committee support HB469.

Thank you for the opportunity to testify on this matter,

Bobby Farias
President of
Hawaii Meats, LLC

Aloha Chair Luke, Vice-Chair Cullen, and Members of the Committee,

We support the intent of HB 469 HD1, which attempts to provide a mechanism for the transfer of certain non-agricultural park lands from the department of land and natural resources to the department of agriculture pursuant to Act 90, Sessions Laws of Hawaii 2003, and chapter 166E, Hawaii Revised Statutes.

- 1) We believe it is the department of land and natural resources and not the department of agriculture that needs to transmit a list of lands that they have identified as disputed
- 2) Both departments should review the list
- 3) In the event that there is disagreement the deputies of each department and the current lessee should jointly meet to see if a resolution can be found.
- 4) In the event no resolution can be found a third party advisory committee can be established by both departments to review the issues not agreed upon.
- 5) In the event the department of land and natural resources and department of agriculture are listed as part of the "third party" advisory committee, then so should be the lessee. No individual or entity will have more knowledge of the lease than the lessees, most of who have 30+ years of management experience on these leases.

The intent of Act 90 SLH 2003 was to ensure the long-term productive use of agricultural lands across the islands by transferring them to DOA, which is better equipped to manage agricultural lands. Nearly 18 years later, farmers and particularly ranchers are still waiting for Act 90 SLH 2003 to be fully implemented. We believe that DLNR is not focused on agriculture and that DOA is the agency best structured to advance agriculture and make it practical for producers to succeed and provide our communities with what they need. DOA's ability to negotiate leases make it possible for farmers and ranchers to prudently invest in infrastructure improvement and resource conservation on the leased land throughout the term of their leases and not allow for deterioration of improvements and conditions towards the end of the leases as is the case with DLNR terms.

Please pass this measure to support Hawaii's farmers and ranchers and our communities.

Mahalo,

Jeri Ann Moniz
KK Ranch



SIERRA CLUB OF HAWAI'I

HOUSE COMMITTEE ON FINANCE

February 25, 2021 11:00 AM

In **OPPOSITION** to **HB469 HD1**: Relating to the Transfer of Non-Agricultural Park Lands

Aloha Chair Luke, Vice Chair Cullen, and members of the committee,

On behalf of our 27,000 members and supporters, the Sierra Club of Hawai'i **OPPOSES HB469** to transfer nearly **one hundred thousand acres** of public watershed lands from the Department of Land and Natural Resources to the Department of Agriculture.

Not agricultural lands

The 93 thousand acres of land at issue in this bill are crucial watershed lands that have been used on a temporary basis for ranching activities and hunting. As the title of the bill says, these are “non-agricultural park lands.” It is appropriate for the agency responsible for managing the state’s watersheds for healthy forests, robust drinking water supplies, and native species habitat should be responsible for managing these high-value lands. The Department of Land and Natural Resources is that agency, not the Department of Agriculture.

Fix DLNR’s leasing, licensing, and permitting process

The real issue behind this bill is the challenge ranchers face in securing the proper land dispositions from DLNR. We understand this problem. The Club continues to be a consistent critic of the DLNR’s handling of public land dispositions, in particular the improper use of revocable permits like those ranchers are currently using for access to these public lands.

The proper solution here is to fix DLNR’s process for handling land and water dispositions, not to transfer specific pieces of property away from the very agency that should be managing them. The Club is committed to helping in this process. The committee should review SB916(2019) for guidance on ways to improve DLNR’s land disposition process in a way that protects public trust resources and state interests in the long-term health of public watershed lands, while also reducing the hurdles for small-scale, low-impact uses of public lands (such as ranching and pasture lands).

Act 90, SLH 2003 was a mistake that should not be repeated

The 2003 Legislature should have never identified specific tax map key numbers for transfer from one agency to another. That is special legislation, which is prohibited by the state's constitution.

The Legislature should focus on establishing general policy direction and providing the funding necessary to implement those policies. It is the task of the agencies to actually implement those policies, employing their relative expertise in each subject matter area.

In this situation, the real purpose of these lands is watershed protection and management. This is the source of our future water, this is the home for Hawai'i's native species. That makes these lands the responsibility of the Department of Land and Natural Resources, not the Department of Agriculture.

For these reasons, we urge this committee to **HOLD** this bill. Thank you very much for this opportunity to provide testimony in **opposition to HB469 HD1**.



HAWAII CROP IMPROVEMENT ASSOCIATION

In Support of HB469 HD1
Relating to The Transfer of Non-Agricultural Park Lands

House Committee on Finance

LATE

Date: Thursday, February 25, 2021

Time: 11:00 a.m.

Place: Via Video Conference

Chair Luke, Vice-Chair Cullen, and members of the committee:

Thank you for allowing the Hawaii Crop Improvement Association the opportunity to provide testimony in support of HB469 HD1 which establishes a mechanism for the transfer of certain non-agricultural park lands from the DLNR to the DOA pursuant to Act 90, SLH 2003, and chapter 166E, HRS.

The intent of Act 90 SLH 2003 was to ensure the long-term productive use of agricultural lands across the islands by transferring them to DOA, which is better equipped to manage agricultural lands. Nearly 18 years later, farmers and ranchers are still waiting for Act 90 SLH 2003 to be fully implemented.

One of the largest obstacles farmers and ranchers face is access to feasible financing and lease terms. The mutually agreed upon transfer of agricultural lands to DOA will help ensure proper agricultural business valuations and lease terms leading to access to feasible financing and capital improvement projects.

Mahalo for the opportunity to testify in support of HB469 HD1. If you have any questions, please contact me at your convenience.

Sincerely,

Emmanuel Zibakalam

Executive Director, Hawaii Crop Improvement Association

The Hawaii Crop Improvement Association is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy economy.

LATE

HB-469-HD-1

Submitted on: 2/25/2021 8:37:01 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bud & Katy Gibson	Rocker G Livestock	Support	No

Comments:

As stewards of the land in the livestock industry, we support this bill. It will help bring our costs down as food producers in Hawaii.



February 25, 2021

COMMITTEE ON FINANCE
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair

Re: **HB469** Relating to the transfer of non-agricultural park lands

In Support

Dear Rep. Luke, Rep. Cullen and members of the Committee:

GreenWheel Food Hub works to support better health outcomes among Hawaii's citizens, and supports the passage of this bill because it will contribute to providing Hawaii's people with more and better access to healthy local produce.

It will do so by making more affordable land available to farmers through appropriate appraisal and favorable lease terms.

The bill also promotes a structured and orderly process to transfer responsibility from DLNR to DOA.

"Win-win" may be a trite expression but seems appropriate in this case. Both consumers and the agricultural community will benefit. It should also increase the proportion of agricultural products grown locally instead of imported—contributing to the resilience of our state in the event of disaster.

Larry Geller
Project Director
GreenWheel Food Hub

HB-469-HD-1

Submitted on: 2/23/2021 6:26:43 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Cabral	Individual	Support	No

Comments:

Support

HB-469-HD-1

Submitted on: 2/24/2021 5:26:02 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alex Franco	Individual	Support	No

Comments:

I'm in support of HB469.

HB-469-HD-1

Submitted on: 2/24/2021 6:25:32 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Theresa M Thompson	Individual	Comments	No

Comments:

I support the transfer of certain non-agricultural park lands from the DLNR to the DOA.

Personal Testimony in SUPPORT of HB 469
RELATING TO THE TRANSFER OF NON-AGRICULTURAL PARK LAND
by
Jenee S. Odani, DVM, DACVP

House Committee on Finance
Thursday, February 25, 2021
11:00 am; via Video Conference

Aloha Chair Luke, Vice Chair Cullen, and members of the committee:

My name is Jenee Odani, and I am the Extension Veterinarian with the University of Hawaii at Manoa's College of Tropical Agriculture and Human Resources. I am grateful for the opportunity to provide personal testimony in **SUPPORT of HB 469**. This testimony does not represent the position of the University of Hawaii nor CTAHR.

Hawaii's cattle ranchers manage and preserve over 750,000 acres of rangeland. However, to properly manage these lands, ranchers need long-term land leases so they can continue to invest in improving the infrastructure. Ranchers play a "long game" and understand that they must sustainably manage the land to ensure the long-term success of their cattle operation. For this reason, I support the transfer of agricultural leases under DLNR to the Hawaii Department of Agriculture.

Thank you for the opportunity to testify on this matter.

HB-469-HD-1

Submitted on: 2/24/2021 6:51:39 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Woody Child	Individual	Support	No

Comments:

I strongly support HB469HD1.

HB-469-HD-1

Submitted on: 2/24/2021 7:54:18 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristin Mack Almasin	Individual	Support	No

Comments:

i support this bill.

HB-469-HD-1

Submitted on: 2/24/2021 9:09:06 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John R. Gordines	Individual	Support	No

Comments:

Aloha Chair Luke, Vice-Chair Cullen, and Members of the Committee,

I support HB 469 HD1, which requires the department of land natural resources and department of agriculture to meet and identify the non-agricultural park lands that should be rezoned as those in the conservation district, requires that agricultural lands under the jurisdiction of the department of land and natural resources be transferred to the department of agriculture not later than 12/31/2023, requires the department of land and natural resources and department of agriculture to meet every five years to discuss transferring remaining lands, and requires the department of agriculture to inquire about any easements needed by the department of land and natural resources before offering a lease.

The intent of Act 90 SLH 2003 was to ensure the long-term productive use of agricultural lands across the islands by transferring them to DOA, which is better equipped to manage agricultural lands. Nearly 18 years later, farmers and ranchers are still waiting for Act 90 SLH 2003 to be fully implemented.

The success of ranchers and farmers is critical to the State's goal to double local food production. We believe that DOA is the agency best structured to advance agriculture and make it practical for producers to succeed and provide our communities with what they need. For example, under DOA, lands are appraised on their agricultural value while under DLNR, lands are auctioned for lease at the highest rates possible, which is typically unaffordable for farmers and ranchers. Additionally, DOA's long-term leases make it possible for farmers and ranchers to prudently invest in infrastructure improvement and resource conservation on the leased land.

Please pass this measure to support Hawaii's farmers and ranchers and our communities.

Mahalo,

Johnny Gordines

Kauai farmer

HB-469-HD-1

Submitted on: 2/24/2021 9:34:33 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Frederick M. Mencher	Individual	Support	No

Comments:

Aloha Chair Luke, Vice-Chair Cullen, and Members of the Committee,

I support HB 469 HD1, which requires the department of land natural resources and department of agriculture to meet and identify the non-agricultural park lands that should be rezoned as those in the conservation district, requires that agricultural lands under the jurisdiction of the department of land and natural resources be transferred to the department of agriculture not later than 12/31/2023, requires the department of land and natural resources and department of agriculture to meet every five years to discuss transferring remaining lands, and requires the department of agriculture to inquire about any easements needed by the department of land and natural resources before offering a lease.

The intent of Act 90 SLH 2003 was to ensure the long-term productive use of agricultural lands across the islands by transferring them to DOA, which is better equipped to manage agricultural lands. Nearly 18 years later, farmers and ranchers are still waiting for Act 90 SLH 2003 to be fully implemented.

The success of ranchers and farmers is critical to the State's goal to double local food production. We believe that DOA is the agency best structured to advance agriculture and make it practical for producers to succeed and provide our communities with what they need. For example, under DOA, lands are appraised on their agricultural value while under DLNR, lands are auctioned for lease at the highest rates possible, which is typically unaffordable for farmers and ranchers. Additionally, DOA's long-term leases make it possible for farmers and ranchers to prudently invest in infrastructure improvement and resource conservation on the leased land.

Please pass this measure to support Hawaii's farmers and ranchers and our communities.

Mahalo,

Frederick M. Mencher

Testimony of Gordon E. Inouye on HB 469 relating to the Transfer of Non-Ag Park Lands to the Department of Agriculture. Feb. 24, 2021.

While this legislation is too late to help our former company, Floral Resources Hawaii, Inc., it is direly needed to help support farmers who continually battle with all the common challenges that farmer face. In our situation, our original lease was signed in 1964 and restricted the use for agriculture and related uses. Many years later the parcel was rezoned unilaterally by the County of Hawaii as RS-10 (10,000 sq ft. residential).

In 2014, at the last rental renegotiation, despite the lease restrictions limiting the company's use, the Department of Land and Natural Resources engaged an appraiser from Oahu who appraised the land at its "highest and best use" which was residential and appraised the 10 acre parcel for \$400,000 and proposed a capitalization rate of 7% stating the fair market rent was \$28,000.00 annually. The company spent in excess of \$10,000 to engage its' own appraiser, as well as an attorney to assist the company proceed through the mediation process. The company's appraiser using parameters for agriculture (DOA parameters) stated a fair market rent for agriculture for the property as \$8,000/year. The best that DL&R would do was split the difference. While the next step would be for arbitration, the company reluctantly agreed to a rent of \$18,000/year which is substantially greater than it could afford.

It is very possible that the company may have survived if the land was managed by the Department of Agriculture.

We wholeheartedly support HP469.

Sincerely, Gordon E. Inouye

HB-469-HD-1

Submitted on: 2/24/2021 9:55:41 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
No Boddame	Individual	Support	No

Comments:

Aloha Chair Luke, Vice-Chair Cullen, and Members of the Committee,

I support HB 469 HD1, which requires the department of land natural resources and department of agriculture to meet and identify the non-agricultural park lands that should be rezoned as those in the conservation district, requires that agricultural lands under the jurisdiction of the department of land and natural resources be transferred to the department of agriculture not later than 12/31/2023, requires the department of land and natural resources and department of agriculture to meet every five years to discuss transferring remaining lands, and requires the department of agriculture to inquire about any easements needed by the department of land and natural resources before offering a lease.

The intent of Act 90 SLH 2003 was to ensure the long-term productive use of agricultural lands across the islands by transferring them to DOA, which is better equipped to manage agricultural lands. Nearly 18 years later, farmers and ranchers are still waiting for Act 90 SLH 2003 to be fully implemented.

The success of ranchers and farmers is critical to the State's goal to double local food production. We believe that DOA is the agency best structured to advance agriculture and make it practical for producers to succeed and provide our communities with what they need. For example, under DOA, lands are appraised on their agricultural value while under DLNR, lands are auctioned for lease at the highest rates possible, which is typically unaffordable for farmers and ranchers. Additionally, DOA's long-term leases make it possible for farmers and ranchers to prudently invest in infrastructure improvement and resource conservation on the leased land.

Please pass this measure to support Hawaii's farmers and ranchers and our communities.

Mahalo,

No Boddame

HB-469-HD-1

Submitted on: 2/24/2021 10:43:12 AM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
DeeDee Bertelmann	Individual	Support	No

Comments:



Cindy Goldstein, PhD
Ag Matters, LLC
98-814 C Kaonohi Street
Aiea, HI 96701
agmatters@hawaii.rr.com

HB469_HD1 Transfer of Non-Agricultural Lands
House Committee on Finance
Thursday, February 25, 2021 at 11 a.m.

Position: **Support**

Chair Representative Sylvia Luke, Vice Chair Representative Ty Cullen, and members of the House Committee on Finance

I support HB469_HD1 to transfer non-agricultural park lands from the DLNR to HDOA for agricultural leases. The transfer proposed in this legislation is long overdue. This process should be initiated in a timely manner and then continue with DLNR and HDOA meeting to discuss the transfer of remaining lands.

HDOA is better suited for oversight and structuring agricultural land use. Long term leases are much needed to provide farmers and ranchers with the ability to make longer term business decisions about infrastructure investment and use of the land they lease. HB469_HD1 will help ensure the stability and long-term productive use of agricultural lands at lease rates more in line with an agricultural land value.

Thank you for the opportunity to provide testimony in support of the future of Hawaii agriculture for farmers and ranchers statewide.