

Minutes of the May 18, 2007, Legacy Land Conservation Commission Meeting

COMMISSION MEMBERS PRESENT:

Dr. Dale B. Bonar, Chair
Dr. Carl J. Berg
Dr. Joan E. Canfield
Dr. Charles (“Chip”) Fletcher
Dr. Robert J. Shallenberger
Mr. Wesley Kaiwi Nui Yoon (arriving approx. 12 p.m.)
Ms. Karen G.S. Young

COMMISSION MEMBERS ABSENT:

Mr. Herbert (“Monty”) Richards

STAFF:

Julie China, Attorney General’s Office (counsel)
Randall Kennedy, DLNR, DOFAW
Molly Schmidt, DLNR, DOFAW
Gavin Chun, DLNR, Land Division
Barbara Lee, DLNR, Land Division

VISITORS:

Alfredo Lee, Agribusiness Development Corporation
Guy Nakashima, National Tropical Botanical Garden
Lea Hong, Trust for Public Land
Chipper Wichman, National Tropical Botanical Garden
Hau’oli Wichman, National Tropical Botanical Garden
Martha Yent, DLNR, Division of State Parks
Blake Vance, Hawaii Agriculture Research Center
Jill Olson, Kona Historical Society
Ralph Fukumitsu, Kona Historical Society
Sheri Mann, DLNR, DOFAW
Paul Conry, DLNR, DOFAW
Harry Yada, County of Hawaii

Item 1. Call to order and introduction of members and staff

Chair Bonar called the meeting to order 8:03 a.m., members introduced themselves, followed by staff. Chair Bonar stated that the purpose of the meeting is to review project proposals for FY07 funding and explains that proposals had been delayed while Commission established. Chair Bonar stated that he would like to have testimony first, then deliberations based on info in front of the Commission.

Item 2. Selection of a Vice-Chair for the Legacy Land Conservation Commission. Chair Bonar stated that a need exists to identify a co-chair or vice-chair, he then nominated Member Fletcher as the least-conflicted member with high availability due to his location

on Oahu. Member Fletcher accepted the nomination. Chair Bonar offered to entertain a motion from Commission members.

Dr. Shallenberger moved to elect Dr. Fletcher as the Commission's Vice-Chair.

Ms. Young seconded the motion.

All Commission members present were in favor.

Member Fletcher mentioned that even he, at times, may have conflicts.

Item 3. Discussion on Legacy Land Conservation Program 2006 applications.

Chair Bonar stated to applicants at the meeting that the Commission had been provided with applications and additional materials requested, and requested that applicants therefore limit their oral testimony to new information and present it within five minutes.

Chipper Wichmann, Chief Executive Officer and Director of the National Tropical Botanical Garden (NTBG), presented testimony on the parcel of land at Honomaele, Maui, that NTBG is seeking to acquire. Mr. Wichmann showed several maps and described the property's value and natural and cultural assets, surrounding properties, and vulnerability to development. He mentioned that the Pi'ilanihale Heiau is one of the great archeological construction projects in all of Polynesia and that the viewshed of the heiau would be impacted by development. He stated that when the parcels had become available, NTBG did not have money to buy the land, and its being saved had to do with generosity of Kinney Sweet owners, who have "tied up" the property until NTBG is in the position to purchase. These owners were not in a position to donate it, but can sell at value on NTBG grant application. He mentioned the native hala forest as one of the natural assets. He talked about NTBG's master plan for the area and the NTBG organizational structure, and the letters of support for the project.

Chair Bonar asked Mr. Wichmann to conclude, and asked if the Commission had any questions for Mr. Wichmann. Member Young inquired about surveys, Mr. Wichmann responded that there hadn't been any biological or cultural surveys done, but cultural sites may remain on the property despite its history of heavy use (plowing). Member Shallenberger asked whether the land value donation has increased; Mr. Wichman responded it had. Member Fletcher asked whether the property would produce agricultural products. Mr. Wichman responded that there would not be any commercial agricultural. Member Fletcher asked whether cultural practices were planned on this property. Mr. Wichmann responded that cultural practitioners need a place where there is privacy to conduct ceremony, and that this property could be developed as an area for that.

Chair Bonar then asked whether Guy Nakashima, NTBG, would like to testify. Mr. Nakashima declined.

Chair Bonar then offered Jill Olson of Kona Historical Society (KHS) an opportunity to testify on behalf of KHS's project.

Jill Olson, Executive Director of KHS, testified on behalf of KHS's project. Jill Olson stated her involvement with KHS, the history of KHS, the rarity and cultural value of the

farm itself, and the strong community support for its acquisition. Jill Olson mentioned that and the farm is one of the few remaining 1930-40 coffee farms on the Big Island of Hawaii, and that the living history farm has received much recognition and is very successful. Jill Olson stated that when the idea to purchase the farm had been long in the making and that many of the supporting individuals are now dead, with a few remaining members in their 80s that are looking to have the farm secured so that future generations will know where they came from. KHS has a lease with an option to purchase with the landowner for \$300,000 and the property is now worth over \$1 million. Jill Olson mentioned that the two children of the former owner are in agreement with the lease, but that if anything happens to them, the grandchildren may not be in agreement

Ralph Fukumitsu introduced himself, mentioning that he is 87 years old and is present at the meeting to humbly seek support to purchase property. Mr. Fukumitsu pointed out that the original coffee farm house is very unique and hard to find this kind today. Mr. Fukumitsu stated that he had come from this kind of this house, and that the 11 children abused the house and it is no longer in existence today. Mr. Fukumitsu stated that he had met many of the people that came through the tour and how they are shown how people used to wash clothes, cook rice, get water from a tank, and use outhouse with two holes one for father and son, one for daughter and mother. Mr. Fukumitsu stated that tourists from as far as Germany were able to identify and really appreciate what they've seen... and that the farm is doing good for community, the nation, and the world.

Jill Olson continued that those that visit the site are moved. It has captured a piece of Hawaii forever and from the time we've started the project all of the other farms have disappeared. The farm represents all of the ethnic groups that have worked on a coffee farm in Hawaii.

Chair Bonar asked if there were questions from the Commission. Member Shallenberger asked how long the existing lease was. Ms. Olson responded that the lease had another 30 years, but if anything happens to children of Greenwell, things may change. Member Young sought and received clarification about an item on the application. Chair Bonar asked about the organization.

Ms. Olson responded that the organization has about a thousand members, with a budget of about half a million a year. There are about 30 employees and a small endowment of about \$300,000. The farm itself is self-sustaining via its coffee crop. Mr. Greenwell made it possible with his property. The farm itself will make about \$400,000 this year on people coming through and it will probably break about even this year. KHS has long-range planning and is visited every day and is important to the kids of South Kona to see the good of where they've come from.

Carl Berg asked whether this is the only property that the KHS has. Jill Olson responded that KHS has the store property and one acre around it. Mr. Fukumitsu emphasized that it is a good investment for the state to invest in this land. Member Shallenberger inquired whether an appraisal had been done. Jill Olson responded that she didn't think they'd needed to have one done, but could have one done immediately if necessary.

Chair Bonar asked whether Harry Yada would like to testify.

Harry Yada, Property Manager, County of Hawaii, Department of Finance, distributed two letters, one from the open space commission and one from the Mayor of Hawaii. Mr. Yada read the Mayor's letter and offered to answer questions.

Member Fletcher asked Mr. Yada to describe the threat to the property. Harry Yada responded that the threat is that property is for sale, and if sold, can't tell you what could happen, already had one house developed down the coast that created stir. Mr. Yada stated that the other three parcels in the County's area of interest than this are owned by owner that is friendly to this project. Mr. Yada stated that the County had made an offer on this particular piece, and that the value of the property still in discussion. If the County gets the State grant, it will help the County acquire this piece and use County funds to purchase the other properties.

Member Fletcher asked about the nature of the infrastructure and sewage. Mr. Yada stated that the Punaluu Sea Mountain development is just down the road. Mr. Yada stated that with the acquisition of the properties, it is going to be a majority of the coastline down to Honuapo that is preserved.

Member Canfield asked to be shown the parcel line on this map. Mr. Yada did so. Member Canfield asked whether a dollar amount was approved along with the County resolution.

Mr. Yada stated that there had been no dollar amount, but that there will be a little over \$3 million available in the open space fund. The County's two top priorities on the list are the Kawaa parcels and parcels near Waipio.

Chair Bonar asked whether the Mayor makes final decision on open space funding. Mr. Yada replied that the open space commission comes up with recommendations regarding priorities, which go to mayor, who can make changes to these priorities, which then go to the County Council, which makes resolutions authorizing certain acquisitions.

Chair Bonar asks whether the county council can recommend to drop this one and go to the next one? Mr. Yada responded when I started in there were four resolutions ... didn't know which to buy first...

Chair Bonar asked Molly Schmidt whether the applicants had one year from date of start to finish projects. Ms. Schmidt responded that the applicants had two years from the date of the contract.

Chair Bonar asked whether there were any kuleana or clouded title issues with the property. Mr. Yada responded that to the best of his knowledge the title is clear but it is possible that somebody out there is still trying to make an argument.

Member Young asked why agricultural value is marked on application. Mr. Yada replied that there would not likely be any commercial agriculture. Member Canfield responded that there had been a note about milo production. Member Young added that there had been a mention of \$8 million regarding the property's cost. Mr. Yada responded that this may be one of the ways that the groups that intend to manage the property might raise funds for the property. As soon as owners bought property, they put it on the market for \$8 million. Mr. Yada said that the property would be able to be acquired for 1 to 2 million. What the County may do is initiate a new appraisal, and the current owner is initiating a private appraisal. The discussion of value is ongoing. Chair Bonar asked for the appraisal value. Mr. Yada replied that he thought \$1.92 million was the appraised value.

Chair Bonar asked whether the zoning was all conservation. Mr. Yada replied that some of this is conservation, not all of it.

Chair Bonar commented that being the case, it very much limits what people can do.

Member Fletcher asked if there is a non-permitted house on the property. Mr. Yada clarified that there is an unauthorized house on the property. Member Young stated that they'd gotten a CDUP somehow.

Chair Bonar then thanked Mr. Yada and offered the floor to Lea Hong.

Lea Hong, Hawaiian Islands Director, Trust for Public Land (TPL), provided testimony on behalf of TPL's two projects. Ms. Hong first spoke regarding parcels in the vicinity Lapakahi State Historical Park. Owner Robert Reich indicated he would like a price of \$2.7 million for his parcel. Hong stated that he and TPL have been in discussions but no formal agreement had taken place, but had agreed to share costs of appraisal. Hong remarked that the property is a high priority for DLNR, State Parks Division. Hong then stated that Jonathan Cohen, the owner of the other parcel, very recently send out letters to orgs offering property for \$2.5 million, and that TPL had not been able to reach an agreement. Cohen asked for a "60-day turnaround" on his offer, which, Hong stated, is difficult for TPL to accomplish.

Chair Bonar asked what coordination had occurred between State Parks (SP) and TPL on the Lapakahi parcel that the two applications had in common. Hong replied that they had mutual knowledge of each other's applications, and she had talked to SP about funding from Land and Water Conservation Fund (LWCF).

Member Berg asked whether much of the matching funds that might have available are no longer available. Ms. Hong replied that TPL may still be in the running for the National Oceanic and Atmospheric Administration's (NOAA) Coastal and Estuarine Land Conservation Program (CELCP) funding.

Ms. Hong continued, stating that TPL's project involving a parcel near Kapua was not ready and had been relegated to a long term list of properties to protect. Hong emphasized the importance of protecting the property, which is next to Milolii, next to Manuka Natural Area Reserve. The property is owned by company that is owned by Jeff

Stone, who develops property effectively. Mr. Stone has subdivided the property in way that indicates he may develop, but has also indicated a past willingness to work with TPL.

Member Shallenberger asked whether the sunset provision on the South Kona Wilderness proposal is this year. Ms. Hong replied that it is at the end of this year, and the Legislature had already met. Member Young asked whether more time could be obtained. Ms. Hong responded that it is within Legislature's power, Governor cannot provide more time.

Member Fletcher asked why the project had been considered premature. Ms. Hong replied that TPL didn't have a price or an agreement. Ms. Hong added that if TPL is funded through the Legacy Land Conservation Program, the owner may take the project more seriously. Ms. Hong displayed a map of Kawaa, in support of the County of Hawaii, and remarked that TPL is assisting the County of Hawaii in applying for Coastal Wetland funding.

Chair Bonar asked whether, if given partial funding, TPL would be able to provide the match. Ms. Hong could not commit on behalf of TPL, but stated that TPL has lines of credit and sources of funds, and that it's a possibility that the national office would consider stepping up, Hong would have to go to the national board for decision. Chair Bonar remarked that the annual spending limit made the decision difficult for the Commission.

Member Shallenberger asked which Lapakahi parcel is TPL's priority, and whether there was a threat of development. Ms. Hong said the Reich parcel, and that she couldn't be sure until she had spoken to the landowner.

Chair Bonar then thanked Ms. Hong and invited Paul Conry to testify.

Paul Conry, Administrator of the Division of Forestry and Wildlife, DLNR, thanked the Commission for its work and provided the status of DOFAW's project proposal for a parcel of property adjacent to a Forest Reserve near Hilo. Mr. Conry stated that DOFAW has Resource Land Acquisition grant funding for the property due to its threatened and endangered species habitat values. Mr. Conry stated that the property contained diverse native flora, ohia, koa, loulu, etc., and displayed a map of the area. Mr. Conry indicated the property provided habitat for forest birds in the area on adjacent lands, the Hawaiian bat, Hawaiian hawk, apapane, iiwi, plus reintroduction habitat for amakihi, akiapolaau, creeper, and akepa. Mr. Conry emphasized the national competitive nature of the process. Mr. Conry remarked that the acquisition would consolidate lands into State management. Mr. Conry stated that the State had completed vast proportion of due diligence for the transaction, and can proceed quickly with the acquisition if the required matching State funds are granted. Mr. Conry also stated that property is up for sale, which indicates threat of development.

Member Shallenberger asked whether the parcel will become a Forest Reserve or Natural Area Reserve. Mr. Conry stated that he is leaning toward forest reserve to consolidate

management along boundaries, and added that, in addition to Forest Reserve protection, the federal grant requires DOFAW to manage the property for purposes of the grant.

Chair Bonar inquired as to the clear title of the property. Sheri Mann, a forester with DLNR, DOFAW, responded that it is.

Chair Bonar asked what the priority between the SP and DOFAW applications were for Mr. Conry. Mr. Conry stated that DOFAW was the priority application.

Sheri Mann testified that the parcel is very strategic piece of land in terms of management. Ms. Mann remarked that landowner has shown patience and a lot of people had been involved (Land Division, Attorney General's office) to get the project to its current state. Ms. Mann stated that the appraisal has been completed and reviewed at the federal level, and that in her opinion, the acquisition could close within months if Legacy Land Conservation Program funds are granted.

Ivan Lui-Kwan, an owner of the subject property, testified on behalf of the DOFAW project. Lui-Kwan thanked DOFAW for its help and diligence in getting together the project and investing time, energy, and resources in the project. Mr. Lui-Kwan stated that the property is owned by himself, the Carlsmith Ball law firm, and several charities. Mr. Lui-Kwan owns 49% and had been trying to figure out what to do with this property for long time when DOFAW approached about the wildlife values of the property. Mr. Lui-Kwan testified that the project is very synergistic with what the owners want to do with it.

Member Canfield asked whether the owners were still willing to sell for the amount on the application, given the recent appraisal that was completed.

Mr. Lui-Kwan stated that, based on an opinion from Attorney General's office, the State has declined to share appraisal report with the landowners, but that the owners were satisfied with the amounts from State and Federal Governments. Chair Bonar thanked Mr. Lui-Kwan for his testimony. Chair Bonar then asked if koa would be harvested on the property. Ms. Mann answered that while the koa is merchantable, the State's goal in acquiring the property is to maintain threatened and endangered species habitat, not to harvest koa.

Chair Bonar asked Alfredo Lee to testify.

Mr. Lee, the executive director of the Agribusiness Development Corporation (ADC), testified on behalf of ADC's project. Mr. Lee stated that ADC is a State agency established in 1994 to transition agricultural plantations to diversify agricultural. One of ADC's missions is to protect and preserve agricultural land and infrastructure. The project that ADC is looking at in Kunia involves Farm and Ranchland Protection Program (FRPP) funding through the Farm Bill. ADC has secured \$1.7 million from FRPP through a signed approved agreement with NRCS and ADC is asking for the matching funds necessary for participation in the program. Mr. Lee stated that the project had passed the strict criteria of the FRPP and that only thing left to do to move the project ahead is to determine the value of the parcel with the federally-required Yellowbook

appraisal. ADC will acquire an easement over the land to protect it perpetually. Mr. Lee distributed a map that shows Walmart, Wendy's, and a new mall across the street from the subject property. Mr. Lee stated that this property is an anchor piece that will hopefully lead to the protection of adjacent agricultural lands. Mr. Lee stated that ADC would like to keep entire left side of map in agriculture, and that by anchoring this piece of land, ADC could protect several thousand acres.

Member Berg asked why ADC did not acquire fee simple. Mr. Lee replied that the FRPP authorized conservation easements. Member Berg stated that the funding seemed to be going to the Hawaii Agriculture Research Center (HARC) to perform what it is already supposed to be doing under its mission.

Mr. Lee stated that HARC would probably continue to do agriculture on the land but there was no way of knowing what would happen in 10 years. ADC has to ensure that there is no development of the property. The FRPP is designed for farms on the mainland that can't make it... the program gives them incentive to stay in agriculture, money is to invest in infrastructure, research.

Member Young asked Mr. Lee ADC's stand on GMO. Mr. Lee replied that he could not answer this question before it is brought before the board of ADC.

Member Berg asked whether Monsanto and other businesses buying land in the area are GMO-producing. Mr. Lee stated that he was not prepared to answer the question, but it had been in the papers.

Chair Bonar asked which entity would be the steward of the land, and whether FRPP funds would be used for management (some confusion in application). Mr. Lee clarified.

Chair Bonar stated that HARC is involved with genetic engineering and asked whether it was taking place on the property in question.

Blake Vance, Vice-President of Operations at HARC, confirmed that genetic engineering is being done at HARC. Member Canfield asked Mr. Vance to explain HARC. Mr. Vance stated that HARC is a 501c5 organization that was originally the Hawaiian Sugar Planters Association. The sugar planters had been looking at diversified agriculture for a long time and changed its name to reflect fact that sugar is downsizing in Hawaii. HARC continues to do that type of work with diversified crops and still get funding from two remaining sugar plantations in Hawaii and also gets State funding through Hawaii Farm Bureau. Different commodity entities (coffee growers, pineapple growers) and smaller agricultural entities that don't have financial resources to establish a research entity present ideas to the Farm Bureau, which weighs project validity and then gives funding to HARC to conduct the research. Many of HARC's project leaders are affiliate faculty at the University of Hawaii, HARC also gets federal funds through USDA, thus HARC has a background of collaboration with multiple entities.

Member Canfield asked whether HARC ran any public facilities like a library. Mr. Vance replied that HARC had library at its Aiea offices, which were recently sold; HARC will be relocating operations to Kunia.

Member Canfield asked whether HARC ran demonstration projects for the public. Mr. Vance replied that HARC wanted to become an agricultural center for Oahu by having everything in a given location, from the research facilities and farming operations. The idea is to do the research, put species in ground. HARC can then show school children both the research and the value of the end product.

Chair Bonar thanked Mr. Vance and then gave Martha Yent the opportunity to testify.

Ms. Yent, with the Division of State Parks testified to emphasize the potential threats to the parcel. She stated that Mr. Reich had developed a proposal for the planned development of the property. The development is pretty elaborate and is across the whole 17 acres of the property. Ms. Yent stressed that the timing is opportune now, while the owner willing to sell and is somewhat put off by the problems he has encountered in developing it, which he purchased it for 2002. SP is working on obtaining Land and Water Conservation Funds (LWCF) through the National Park Service. These funds are generated thru offshore drilling profits and are subject to Congress giving States apportionments. Ms. Yent stated that two LWCF projects that had been funded and were cancelled, and with this circumstance, she felt comfortable asking for \$800,000 for LWCF, but that SP cannot request the funding until matching State funds are available. Ms. Yent stated that SP is willing to take the lead on the Lapakahi project with TPL's assistance.

Member Shallenberger inquired what the funding cycle for LWCF is. Ms. Yent replied that the funds cycle on the federal fiscal year. Funding from cancelled projects is available right away, whereas Ms. Yent just recently got word on FY 07 funds. Ms. Yent stated that SP needs to put in an application soon and could get the project through in a year. Ms. Yent stated that SP's competition for the funding are the county park systems. Projects are reviewed based on the Statewide Comprehensive Outdoor Recreation Plan (SCORP), and how well projects meet the goals of this plan. The Lapakahi project will be well received because is shoreline. Ms. Yent stated that she is not comfortable with requesting more than \$800,000 from the LWCF because that seems to be the cut off for awards.

Member Canfield asked Ms. Yent to clarify State Parks fund. Ms. Yent responded that the fund is a revolving fund from fees, and that SP has to get legislative approval every year to spend those monies, which do not going to lapse. While SP is jammed up because of rockfalls, earthquakes, copper thefts, SP can expect funding to be available July 1, 2007.

Member Shallenberger asked Ms. Yent about the "Gordy property". Ms. Yent replied that Gordy had done grading on the property...but that she is not aware of any construction or development.

Member Young asked Ms. Yent to clarify the funding request. Ms. Yent stated that SP is asking for \$1.5 million.

Chair Bonar asked why two applications turned in for the Lapakahi parcel from SP and TPL? Ms. Yent stated that she had indicated to TPL that she would apply. Ms. Hong stated that to be safe, TPL covered the property in order to make the best case possible for it.

Chair Bonar asked what the threat to the property is. Ms. Hong replied that Mr. Reich wants to sell, but the problem is that TPL, SP can only pay for appraised value of the property... it is a valuation dilemma, not a question of whether to sell.

Member Shallenberger asked what is Mr. Reich's CDUP was for? Ms. Hong clarified that it was denied. Ms. Yent stated that she is concerned about how long she can hold the \$300,000 of LWCF funds awarded from this fiscal year.

Chair Bonar asked whether LWCF funding was being cut. Ms. Yent replied that it had been cut substantially in past years. Ms. Yent stated that the State is putting in \$150,000 (for other purposes – the SCORP update) in hopes of receiving a 50% reimbursement from the LWCF, and that counties had other project requests.

Chair Bonar asked whether anyone else wished to testify. Paul Conry offered to give a brief presentation program information. Mr. Conry stated the following: the overall cap is \$5.1 million for program, \$1.1 of that is earmarked for use with the FRPP. For future years DLNR has asked for \$5.1 million for FY08 and \$5.1 million for FY09, 5% of the previous year's revenues of that are set aside for administrative costs. This year, there is room to use some of this 5% for appraisals. Ms. Schmidt clarified that, according to the Attorney General's office, this is an acceptable use of the fund. Mr. Conry clarified that the fund's ceiling is separate from the amount of money in the fund itself.

Chair Bonar asked whether funds need to be specifically encumbered to a specific recipient before the Program loses its ability to spend them under the cap, or whether a back-up encumbrance is permissible. Ms. China stated that a back-up encumbrance is not possible. Mr. Conry explained the steps in gaining approval for grants under the Legacy Land Conservation Program. He then explained the methods of encumbering funds for the program.

Member Canfield asked whether projects that might not "pan out" should be funded, and whether this presents a risk. Mr. Conry responded that he encourages the Commission to fully utilize the funds.

Mr. Conry explained that although there are presently no more earmarks for FRPP agricultural easements, the fund ceiling for the next two years allows for these grants to be continued.

Chair Bonar calls a recess of 10 minutes and calls Commission back into session at 10:47 a.m. Chair Bonar begins by requesting that the absent Member Richards' feedback on the projects be provided to the group in the form of testimony. Member Shallenberger stated that the forms did not lend themselves to being read into testimony, as all they consisted of were scores which cannot be factored in. Ms. China stated that that the

scores cannot be entered into the group matrix such that he is participating in the voting process.

Chair Bonar proposes discussing the group's thoughts on each of the proposals, with Member Shallenberger reading in Member Richards' scores. Member Shallenberger disagreed with the method. Ms. China stated that the numbers wouldn't be used anyway. Chair Bonar stated that as long as that is a legal way of presenting some other information/input without affecting the vote. Member Shallenberger asked whether, if the other members were going to use their scores in that way, if it is relevant to do that for Member Richards. Chair Bonar added that his input may have changed based on the testimony of the day. Member Canfield suggested keeping his scores for the purposes of evaluating the evaluation form.

Chair Bonar stated that the commission had anticipated a subcommittee that will take a look at evaluation forms. Chipper Wichman inquired whether the score sheets would be public. Chair Bonar responded in the affirmative.

Member Shallenberger explained that the Commission is going through the form as sort of an exercise, then evaluate and edit it into something the Commission is comfortable with.

Chair Bonar then proposed going through the various proposals in front of the Commission and opened the ADC proposal for discussion.

Member Canfield asked if a landowner letter was available for ADC's proposal. Ms. Schmidt responded that a landowner letter was not required for Legacy Land applications from State agencies and clarified that ADC is a State agency.

Member Fletcher asked whether the agricultural easement's purpose was to infuse ADC with funding to perform research on the land, and whether ADC was seeking funding for themselves.

Chair Bonar stated that HARC owned the land as an asset, and could sell the land to a developer, notwithstanding HARC's mission. The easement maintains the land in agriculture into perpetuity. It is most commonly used with a private form and focuses on maintaining priority soils. While it does provide a source of money to HARC, it is geared by the federal program to ensure the land is maintained.

Member Fletcher asked what the chances of HARC selling were. Chair Bonar answered by asking, hypothetically, what might happen if HARC went out of business.

Member Berg stated that HARC just sold its last property to development.

Member Shallenberger stated concern over the surrounding development. Member Fletcher stated that he was clear on how solid the protection of the surrounding acreage is.

Member Young mentioned that Monsanto had purchased some of the surrounding land. Member Canfield stated that the purchase of the parcel to protect the surrounding acreage was, then, a bit of stretch. Chair Bonar stated that funding for HARC could be encouragement for HARC to remain in the area and maintain the agriculture, because nothing guarantees that Monsanto won't sell to Walmart. Member Young stated that the area is pretty dense with business on other side of the street, thus it is imaginable that development would jump over to the other side. Member Berg stated that the funds cannot be used for management, and that there has been confusion on that point.

Member Canfield stated that the purpose of the FRPP program is to maintain high value agricultural lands in agriculture, and the purpose of this parcel is going to be partially demonstration, research buildings, infrastructure. Chair Bonar stated that the FRPP requires that no more than 6% may be impermeable and must be open soil. Kent Matsutani, FRPP, concurs. Chair Bonar stated that ADC would hold perpetual easement – their responsibility in perpetuity is to monitor and ensure that HARC maintains the conditions of easement.

Member Berg stated that the Commission's options are to either fund this easement or letting the funds rest in the Land Conservation Fund.

Chair Bonar, going in alphabetical order, moved the discussion to the Carlsmith parcel. Chair Bonar stated that although the State does not need matching funds for a project, DOFAW is only asking the program to fund 34% of the project, and that this proportion of match money, is, in his mind, a good expenditure of funds. Chair Bonar disclosed that he had been involved in the early development of the project by sitting on an advisory board involving how the State can work with land acquisition.

Member Canfield stated that she had requested the paperwork from federal funding proposal to clarify some questions she'd had. The materials revealed that habitat modifying weeds not there yet, and threatened and endangered species were on the property. Member Canfield opined that it would be good to snap this up before other invasives start moving in to the nearby Forest Reserve.

Member Young was impressed by the completeness of the proposal. Member Berg stated that the proposal was just waiting for a yes or no from the Commission.

Member Shallenberger stated that this acquisition could be the start of something because the land is in good shape and it is not often the state gets opportunity to buy land adjacent to Forest Reserve to incorporate into it.

Chair Bonar emphasized the connectivity, ecological significance of the parcel. Member Canfield mentioned that the parcel is in the critical habitat area for three or four listed bird species, and this would create corridors for these species.

Member Shallenberger stated that his hope is that the area will be managed well, like a NAR, in a Forest Reserve. Chair Bonar stated that there is a process for proposals to add lands to NARS management and mentioned that it is up to the NARS Commission to decide what to manage, and it may be possible for this property.

Member Fletcher asked about photos of dead or diseased koa in the application. Member Canfield stated that the information was to show that koa is healthy old growth and might be good habitat for nesting akepa. Member Fletcher commented that there are recent lava flows over the area, and asked what the likelihood of development is, considering insurance.

Chair Bonar responded that the property is not so remote as to make it improbable. Member Berg stated that he thought it a very high value proposal.

Chair Bonar then opened the discussion on the Cave Conservancy's (CCH) proposal to buy two lots and donate a third lot as a matching land value donation. He stated that the Cave Conservancy is asking for 64% of the value of the property. Member Shallenberger stated that he had been in the cave system and that cave conservancies they either acquire easements or seek landowner agreements and asked why CCH is asking to buy these instead of landowner agreements.

Member Young stated that the application stated it says Kula Kai Estates contains 135 individual lots and that she had a sense that it was at risk of being privately owned and developed and that the price mentioned in the application was affordable and doable.

Chair Bonar expressed concern over whether the lots were part of a system, or just "freckles on a map." Ms. Schmidt provided that the donated parcel is located almost between the other two parcels, which were nearby, but not contiguous.

Member Canfield stated that the lots situated in between may be owned by CCH, it is not clear. Member Young stated that CCH had 80 acres thus far and was working on acquiring more.

Chair Bonar stated that he was compelled by the spectacular cave system. Member Berg stated that the idea of acquisition was "twofold," that one lot provided a rare access and the other lot contained an area of extremely dense lava tubes. His understanding was that the goal is to protect as much as possible and provide a blanket covering to protect the caves from development.

Member Canfield stated that the biological resources in the tubes are high value, according to experts Frank Howarth and Fred Stone. Chair Bonar expressed concern over the sustainability of the organization. Member Fletcher stated that he had been favorably impressed by proposal and wished that the proposal had answered some of the questions for us regarding resources and future plans. Member Young stated that there had been an urgent deadline for those preparing applications.

Member Shallenberger stated that CCH is trying to protect systematically, not just little pieces.

Chair Bonar then moved the discussion to Hawaii County's proposal to acquire land in Kawaa. Member Shallenberger provided some background on the history of the Honuapo acquisition and the strong community support and reverence for the preservation of this area of the coastline, mentioning that the erection of the house gelled

the community's support against development. He stated that 4 parcels were being sought and that Legacy funding for the property in question would free up the County's open space funding for the other three.

In response to a member's question, Member Shallenberger explained that there were a non-permitted structure and a CDUP-permitted structure both on the properties, and that the one on the property in question is not permitted. To the community the house is a huge eyesore and rallying point for the preservation of the coast. Ed Case introduced legislation to report on the protection the coast its potential as part of the national park.

Chair Bonar expressed concern that the property is on the market for \$8 million, although it is a high priority for the county. Chair Bonar asked whether it is realistic to expect that the project will go through.

Member Shallenberger mentioned back up funding as an option. Ms. China specified that the program's funds can only be encumbered for specific tax map keys (TMK) that the applicant had applied for.

Member Canfield pointed out that the County had offered \$1.9 and landowner said forget it. Member Berg stated that this acquisition is one where funds could be lost for the year.

Randall Kennedy, DLNR, DOFAW, stated that the program cannot purchase land for over fair market value.

Ms. China stated that the county cannot pay more than appraised value, either. Member Berg asked whether, if program was allowed to participate in a purchase over the appraised value, even though the program's amount contributed is less than appraised value.

Ms. China replied that State statute makes this impossible. If it is a nonprofit, however, there is not, to her knowledge, a statute that says the program cannot grant the funds. It would be a policy call.

Member Fletcher asked whether condemnation is a tool that can be used. Ms. China stated that the State or County would have to make this call. She stated that federal funds also were often restricted to purchases under fair market value.

Chair Bonar asked whether stewardship would be an issue for this property. Member Shallenberger responded that nearby Honuapo had been able to do it, and that the needs for infrastructure maintenance were low.

Chair Bonar then moved the discussion to KHS's project. He stated that KHS's match would be 85% for what they are requesting. Chair Bonar asked whether KHS's status as a land conservation organization was sufficient. Ms. China responded that it is a fact-based determination to be made by Commission members. The alternatives are creating rules, or having the statutes amended. She stated that the Commission had been chosen, mostly, for its experience and ability to determine these things factually.

Member Shallenberger stressed the need for a broad concept, Member Young agreed.

Chair Bonar suggested that the Commission's duty is to ensure it is a responsible organization and capable steward with a backup plan. Definition can evolve as program continues.

Member Shallenberger was pleased to see a historical-cultural project.

Harry Yada clarified for the Commission that RS-10 zoning is residential.

Chair Bonar stated that projects like this inspire others. Member Shallenberger commented on the movement for preservation along Kona highway and stated concern about the prospects of the next generation not supporting the acquisition.

Members Young and Canfield pointed out missing information on the application. Member Shallenberger explained the gaps by stating that a land value donation is implicit. Chair Bonar stated that this project could use some closure.

Chair Bonar opened the discussion regarding the two TPL properties and the SP proposal.

Regarding Kapua, Chair Bonar stated that he was impressed with the quality of the application, but no match exists and there doesn't look to be one forthcoming. Given that the value is up above \$10 million it may be a project for next year.

Member Berg stated that the project is not right for this funding cycle, but that TPL should come back again with matching funds together, because it is a good proposal.

Member Shallenberger expressed frustration that the project could not be funded yet, because is a terrific shoreline, remnant dry forests and the issue of the wilderness area and designation expiring in December.

Chair Bonar moves to discuss both Lapakahi applications, commenting that no match came through for TPL. Members Berg and Shallenberger favored deferring the 26-acre parcel and TPL's application and focusing on the SP application for the 17-acre parcel within the park.

Member Shallenberger stated that investing would be a risk, betting that TPL or SP can pull off the matching funds. Ms. Schmidt and Chair Bonar clarified that the State has \$300,000 in LWCF funding that may go to this project, thus Ms. Yent can ask for a total of \$800,000, which drops the SP request to \$1.5 million.

Chair Bonar stated that LWCF funds have been notoriously hard to follow through with.

Member Kaiwi joined the meeting, Chair Bonar updated him and called a break.

Member Young stated that she found the TPL application very compelling and well written... but the reality may be that if the match doesn't come through, there is no

match. Chair Bonar stated that the landowner had been inconsistent in coming up with good deal.

Member Fletcher stated that the landowner had been told to downscale his development plans and had not obtained a CDUP yet. Member Canfield said that she'd gotten the impression the landowner was attempting to move on and cut his losses.

Chair Bonar stated that if the Commission allocates money to project it doesn't get spent it is lost to the year's funding cycle. His impression is that SP will work with TPL on the Lapakahi project (17 acre parcel) and getting the LWCF funds, which can't be obtained without a match prior to application.

Member Kaiwi asked what the comments had been on cultural resources. Member Shallenberger stated that this had been the project's whole rationale for funding.

Chair Bonar moved the discussion back to the SP application. Member Berg stated that that this is a strong proposal and a valuable thing to set aside.

Member Shallenberger stated a need to put perspective on whether there is a risk to the property being developed, and stated that the program should be taking a risk because these properties has changed hand several times over the past years.

Member Kaiwi stated that the project is important culturally. Furthermore, that sites and or areas of land should not be looked at as isolated instances and that every square inch of Hawai'i is culturally significant; land, wind, rain, sun, moon, ocean, etc. It is recognized this way as it encompasses the very essence of pono, or all inclusive, leaving nothing aside. An ecosystem is balanced when all its parts are so balanced.

Chair Bonar moved the discussion to NTGB's application. Member Shallenberger disclosed that his supervisor had written a letter of support for the project. Ms. China stated that as long as The Nature Conservancy had not been the applicant, it was not a conflict.

Chair Bonar and Members Shallenberger stated that the application had been done professionally and was a model for future applicants. Member Young expressed unfamiliarity with the area, that hadn't been clarified by the application.

Member Fletcher stated that it is a model project because the land owner just waiting to sell and impending development surrounded the property. Chair Bonar stated that the owner had purchased to assist in saving the property. Member Canfield expressed regret that the matching funds were not greater. Member Berg stated that the site is not a major cultural site, but as a view plane from the heiau. Member Kaiwi commented the area around the heiau is important to the heiau as are parts to a body. Even around a heiau there is mana, it is not limited to the heiau.

Chair Bonar points out that the view plane is important. Member Shallenberger stated that he was compelled by the value, and that the landowner was willing to go for it.

Chair Bonar stated that these people did buy it to protect it. Member Young commented on the excellent testimony that had been sent to the Commission.

Chair Bonar then moved the discussion to Kauai Public Land Trust's (KPLT). He stated that he found the project and recent additions of information confusing. Member Canfield pointed out that the TMKs had been totally switched from the original application. Member Berg stated that a bait and switch had occurred.

Ms. China stated that whether the Commission should accept the application should be a policy consideration.

Member Canfield pointed out that there was still no landowner letter, etc. with the application. Member Berg asked whether there was similarity between this and County of Hawaii's application. Chair Bonar pointed out that the idea behind the County of Hawaii project is to structure the contract to cover several parcels in case one drops out, while here there is a switch of one for another.

Chair Bonar read from KPLT's letter to clarify which lot was being proposed for acquisition funding, and for how much. He stated that it was a new TMK for a \$1,000,000 grant.

Member Young stated that he could reapply next year. Member Shallenberger stressed that this should say something to applicants about how to apply and incorporate flexibility.

Chair Bonar stated that he was uncomfortable with the information presented and Member Canfield agreed that the matching funds may no longer be secured.

Member Fletcher pointed out that the north shore Kauai is under development assault, but on the other hand, the property is in the 100-year floodplain... a hotel on this property would stink...but there are many questions raised by the application. Member Berg stated that he is not a member of KPLT, but is familiar with property, and it is being used as a place to put canoes right now, but that the whole area is ripe for development and the other properties fell for this reason. It is a public gathering place and the County of Kauai is trying to secure it. Chair Bonar pointed out that the low elevation may be a barrier to development.

Chair Bonar reiterated that certain issues regarding application changes and requirements would have to be addressed at future Commission meetings. Member Shallenberger pointed out the extraordinary circumstances this year, including the time limits and delay in project recommendations.

Chair Bonar called a recess for lunch and following, called the meeting back into order at 1:30 p.m.

Chair Bonar proposes setting up a prioritization of the projects that will encumber the funds and then add projects below that in the event a project drops out or isn't funded by the BLNR. This next Wednesday, staff and Chair Bonar will meet with the Legislature's

leadership to consult with them regarding the prioritization of the projects. Chair Bonar asked Member Kaiwi if there is anything he wanted to go back and examine. Chair Bonar proposed putting checks on matrix board instead of numbers to give the Commission a sense of how far it must go to reach an outcome.

Member Kaiwi commented on his uneasiness that, with the exception of NTGB, there is no action plan in terms of caring for cultural sites or historic sites. It is hard to vote without knowing how the responsible parties plan to manage and caretake what may or may not be awarded to them. Member Kaiwi suggested recommending to the Board a rider clause that entities must come up with management plan for cultural resources to receive funding.

Chair Bonar stated that at next couple of meetings, the Commission will be able to look at way the projects have been evaluated and ranked and see if our comments reflected that there were pukas. Member Kaiwi again stressed the need for management commitments. Chair Bonar stated that the opportunity to form procedural requirements would arise and that stewardship is a critical element.

Member Fletcher asked whether it is in the Commission's power to revise the program applications. Ms. Schmidt responded that the Commission can advise the BLNR on these matters. Member Fletcher stressed that this is something he would like accomplished in the upcoming year.

Chair Bonar asked whether a subcommittee on revising the criteria could be formed. Ms. Schmidt replied that the action may fall within rulemaking and that legal counsel should be asked this question.

Chair Bonar suggests checking the top five priorities of each Commission member on the provided matrix. The Commission then placed its prioritized projects on the chart, leaving the ADC proposal as a separate discussion.

Chair Bonar points out that everyone chose DOFAW and the Cave Conservancy. DOFAW asked for about \$430,000 and CCH for about \$154,000. He suggested the member look at NTGB, for \$1.5 and Kona Historical for \$301,000. Chair Bonar added the top five together for an estimated \$3,731,000.

Due to the fact that the total amount in demand fell above the \$3.6 million available for grants, Member Fletcher suggested another matrix where the Commission ranks its top four. Chair Bonar suggested ranking top five as a prioritization. The Commission ranked its top five in order of priority.

The Commission produced the following ranking and then commenced a discussion about the two projects that tied at fifth place.

1. DOFAW, Carlsmith parcel, at \$430,250
2. NTB, Hoomaele parcel, at \$1,500,000
3. CCH, Kula Kai parcel, at \$155,600
4. KHS, Uchida Farm parcel, at \$301,000
5. County of Hawaii, Kawaa, and SP, Lapakahi, tied (request \$1.5 million each)

Chair Bonar stated concern over whether Kawaa can cut an effective deal and close. Member Shallenberger opined that the County of Hawaii project would be money well-spent if it is given the flexibility to close, and pointed out that Lapakahi project does not have the match, whereas the County has backup funding. Chair Bonar stated that Ms. China had said that a specific TMK is needed to encumber funds, which does not leave the County much time to deliberate.

Member Shallenberger pointed out that the Kawaa parcel is top priority for the County and doubted the feasibility of the Lapakahi project when SP hadn't yet asked for the funding.

Chair Bonar emphasized that the project that has flexibility to take less funding should be chosen, and that Kawaa probably had more flexibility. Member Shallenberger suggests asking Harry Yada the Commission's questions. Mr. Yada stated that the owner of the parcel is doing an appraisal (Marcia Johnson) for the property, and that it is doubtful she will not accept her own appraisal.

Chair Bonar asked whether the owner of the other parcels was willing to sell. Mr. Yada replied that he was, and that he was not in a rush to sell.

Chair Bonar stated that the contract needs to specify a parcel. Mr. Yada replied that he is confident that Mr. Olson will sell, but cannot say Ms. Johnson will with certainty.

Member Kaiwi commented that a landowner asking for \$8 million is not likely to sell at the appraised value.

Mr. Yada stated that the County will have \$3 million to work with.

Chair Bonar asked whether, if the County substituted parcels in the agreement with the program, and then dropped parcels that weren't able to be purchased.

Ms. Schmidt stated that the TMKs could not be switched.

Chair Bonar asked whether two could be plugged in and one dropped, and Member Young asked whether the contract could be formed this way.

Ms. Schmidt replied that she did not see an immediate reason why not, but wanted to be cautious about it. Chair Bonar replied that nobody was present from the AG's office.

Ms. Schmidt stated that she could not give a legal opinion.

Member Shallenberger recommended putting the projects together as discussed thus far and keeping Lapakahi as the priority after Kawaa on the list. Thus the Board can decide whether the agreement is feasible.

Member Fletcher proposes dropping KHS to fifth place to make a better funding fit. The Commission does not support the proposal. Member Berg then asked NTBG's Chipper Wichman if NTBG could afford to drop funds. Mr. Wichman replied that he would if it

would stop KHS's proposal from being dropped, but that it would be incredibly difficult. Members of the Commission were not comfortable with NTBG being asked to alter its project simply because its representative was present.

Chair Bonar suggested dropping Kawaa to \$1.215 million. Member Canfield concurred.

Member Kaiwi stated that he had joined the Commission for protection of resource lands and that it was incredibly hard to horse-trade lands and value important lands in this way. Member Kaiwi noted and understood that land acquisition and its finances must be discussed but wanted to hear more from the fellow commissioners what they thought coming from their specific areas of expertise. The example was given to member Fletcher that perhaps we could discuss a sight's geology in a little more depth before its price tag.

Chair Bonar stated that every one of these projects has legacy value, and that this is the method by which the Commission must work. Member Kaiwi stated that he felt uneasy to assign numerical values to lands based on minimum information.

Mr. Yada commented that Hawaii County's open space commission struggled in the same way.

Member Fletcher stated that this is only going to get harder as applicants get better. Member Young stated that Legacy Land didn't exist before, and that at least it is now in existence.

Member Shallenberger pointed out the need for community support and real leverage. Member Young pointed out the inequity in project areas, where some citizens do not have the time and resources to put together these types of project applications.

Chair Bonar proposed to drop Kawaa in funding and take the Commission's top five as listed and drop the \$1.5 million in funding for Kawaa to \$1.215, and then place Lapakahi at number six, leaving the rest (regarding projects dropping out) to the decision of the BLNR.

Member Fletcher commented to Member Kaiwi that the he had been satisfied with the Commission's choices on environmental protection, cultural protection with the top two projects, thus allowing for horse-trading for the remaining projects... the Commission is always going to have to get to the uncomfortable stuff.

Member Kaiwi stated that he had felt more emphasis on the resources was needed, but that he was not present in the morning.

Chair Bonar stated that the more the Commission can get protected... the more strength strength the Commission has in the future to request more funding. Member Fletcher contributed that there may be some respect for the fact that the Commission is making the hard decisions.

Chair Bonar commented that the Big Island is making out like a bandit. Member Shallenberger pointed out that most of the proposals had been for the Big Island. Chair Bonar pointed out that there'd be future

Ms. Schmidt clarified the following:

Projects 1 through 4 fully funded for a total (\$2,385,250), and 5 is Kawaa will be funded for \$1,214,750 in a flexible manner that maximizes the possibility of getting the deal done for that cluster of lands. Sixth place as a backup is Lapakahi / State Parks, for 17 acres, for any remaining amount.

Chair Bonar asked whether the rest of the projects needed to be ranked. The Commission declined. Member Shallenberger stated that the Commission needed to be able to discuss why the remaining projects didn't rank.

Chair Bonar entertained a motion that the Commission set the prioritized list, the first being DOFAW, second being NTBG, third being CCH, fourth being KHS, fifth being Kawaa at \$1.215 million, and the alternate being SP/Lapakahi at \$1.215 million.

Member Shallenberger stated that if Kawaa is set at number 5, the program needs to be explicit about what it needs from the County in the next few weeks. Chair Bonar stated that the County and State attorneys need to work out a contract that meets State standards. Member Shallenberger stated that he'd meant the order of acquisition for the County parcels. Chair Bonar asked whether there'd be State attorney to work on this. Ms. Schmidt replied that she'd have to ask a different Deputy AG.

Members Young and Canfield seconded the motion

The Commission unanimously approved.

Member Fletcher stated that the BLNR is going to want to know the Commission chose what it chose. Chair Bonar stated that he would represent the Commission's choices to the Legislature's leadership and the BLNR and would prefer that other members join.

Mr. Wichmann asked whether the applicants ought to attend the BLNR meeting. Chair Bonar stated that it would not hurt. Member Fletcher stated it might hurt if the "horse-trading" started again.

Chair Bonar brought the conversation back to ADC's project proposal. Chair Bonar briefed Member Kaiwi on the morning's discussion regarding ADC and HARC.

Member Kaiwi stated that when he had read the proposal he was concerned about GMOs, and asked whether it had been covered in the morning. Chair Bonar replied that it had been mentioned, and that corn had been mentioned as a crop. Member Kaiwi asked the Commission how it felt about the GMOs.

Chair Bonar stated that he had been involved in research at one point. Member Fletcher stated that organizations have a duty to respect host culture. Member Canfield stated that

there were pros and cons, but she saw value in GMO work that saved crop species. Member Shallenberger agreed with Member Fletcher. Member Young stated that she is opposed to GMO, organic farms in Waianae had been tainted by GMOs, and she had watched several documentaries on the process.

Member Berg stated that GMOs effectively destroyed the ability of land itself to produce organic crops, but that the Commission may not be in the position to judge on this matter. Member Kaiwi stated that their decision would affect the matter by making a recommendation that would serve as a preventative measure to the possibility of GMO agribusiness.

Chair Bonar take was that GMO can be good and bad, good if done right. The more support the Commission can give to protecting agricultural lands, the better. Chair Bonar pointed out the lack of other projects to give funding to, and stated that the unspent \$1.1 million would go back into the Land Conservation Fund.

Member Kaiwi asked whether the Waipahu basal aquifer had problems with contamination from the pineapple industry. Member Young stated that people in Kunia could not drink tap water. Member Kaiwi asked whether Castle and Cooke was in cooperation with the effort. Mr. Lee answered in the negative.

Mr. Lee stated that he had been with ADC for seven years and had seen agriculture change drastically over this time. Mr. Lee stated that he didn't know what would happen in the next five years in agriculture, because in seven years there had been multiple changes, but that once houses go up, there is no going back. Agriculture may change, and GMOs are one continuing project that ADC is looking at, however, protecting the land permanently is the issue in question, and if it does not happen today, it may not be here tomorrow.

Member Fletcher asked whether HARC is participating in GMO research. Mr. Lee replied that HARC was participating in many projects. Member Young stated that Member Kaiwi and Young's point is that pesticides get into the land and the water, and whether there are safeguards for this. Mr. Lee stated that it is also important to separate houses from agricultural lands.

Member Berg asked whether the land is prime for farming. Mr. Lee responded that it is.

Member Fletcher asked how much of food raised on these lands stays within the State. Mr. Lee stated that a study done by HDOA in 2000 involving the Waiahole Ditch water...the agricultural products at that time is about 50% of Oahu's ... and at that time Del Monte was here to export. Mr. Lee listed which percentages of crops were grown in the area for local and export. Obviously corn is for export, but most other products stay here.

Chair Bonar entertained a motion to recommend funding ADC at \$1.1 million.

Member Berg made the motion. Member Shallenberger seconded.

Member Canfield asked whether, if the Commission did not fund ADC, it would send the wrong message to the board. Member Kaiwi commented that the message might be the right one.

Chair Bonar stated that the project shows local support for protecting local agriculture. Member Shallenberger asked whether another proposal would have competed. Mr. Conry stated that his understanding of the statute is that it was to support the federal program, so that if another project had worked its way through the program, there could have been a choice.

Member Shallenberger asked why the new legislation for agricultural easements was required. Chair Bonar explained.

Member Fletcher stated that he had heard that in any moment in time there are four days of food in the state and that we're rescued every day by Matson. Members had a brief discussion over the productivity of the State's farmland.

Member Young abstained from the vote because of her involvement with organic food farms.

Member Kaiwi stated that it is understood by some Native Hawaiians that there is nothing more natural in life than its most natural process of birth and death. Therefore to assume that industry or business that create measures to prolong life, whether it be pharmaceuticals or GMOs, is perhaps not the right assumption if it comes at the cost to land and the safety of Hawai'i's people. Member Kaiwi stated that he will oppose funding the ADC acquisition it because it comes at the price of sacrificing the land.

Member Fletcher inquired whether the groundwater is tainted under the property, and whether the crops are irrigated with this water.

Member Berg moved on the stated motion, Member Shallenberger seconded it, two ayes (Member Shallenberger and Berg) three nays (Members Canfield, Fletcher, and Kaiwi) ensued, and Member Young and Chair Bonar abstained due to conflicts of interest.

Mr. Conry informed the Commission of the possible following scenarios: The DLNR will go to the BLNR to lay out the Commission's input, Legislature's input and the meeting will be public and open to testimony. Mr. Conry stated that the DLNR will reach a position to bring to the BLNR as well.

Chair Bonar asked members that voted against ADC to present an explanation to the BLNR. Member Fletcher stated that he would be there.

Member Canfield stated that she felt that the Commission as a whole didn't support the proposal.

Member Fletcher stated that his personal vision of agriculture in the State is for and by the people. With the industrial agriculture, Member Fletcher is concerned about groundwater pollution and perpetuating poison among Hawaii's people. It is evident

from other islands, like Saipan, where a million people can't drink the water. People can eat/drink themselves out of house and home...and this is our future if we're not careful. He stated that he does not see this project as leaving a legacy.

Chair Bonar then asked whether the members would turn down everything that's not organic. Member Fletcher stated that this is the first year and that tough choices had to be made.

Member Young stated that if some safeguards or ways to do research that are wholesome and pesticide-free are established, she might change her mind about such proposals. She stated that it is a nationwide, systemic issue.

Member Berg stated that he felt the Commission had to make a value judgment on HARC, and that he did not know well enough from what said what HARC does. Member Berg stated that he regretted the low selection but wanted to support agriculture, and that the Commission would have to look, in future, to see whether projects are really legacies of the land.

Chair Bonar mentioned that HARC will have representatives available at the BLNR hearing. Member Fletcher stated that the Commission is learning the importance of talking to applicants.

Member Canfield stated that it is important to set a high standard and keep to it.

Chair Bonar moved to the items to place on the next agenda and proposed a subgroup be put together to work on project ranking criteria. He suggested Member Canfield lead the subcommittee.

Member Shallenberger stated that the forms didn't match up with applications and that the two needed to be worked on together.

Chair Bonar entertained a revised motion to review the efficacy of the application and evaluation processes and make suggestions on how the processes can be modified for Commission discussion.

Member Shallenberger moved. Member Fletcher seconded. All were in favor.

Member Canfield agreed to lead the subcommittee and Members Shallenberger and Fletcher volunteered to serve on the subcommittee.

Chair Bonar asked if there were other issues to be discussed at the next meeting.

Member Shallenberger requested that the Commission revisit its list of responsibilities of individual member of the Commission.

Ms. Schmidt pointed out that forming criteria may be subject to rulemaking process and that counsel would need to be consulted. Ms. Schmidt mentioned that the State Ethics

Commission would need to make a presentation. Additional suggestions for next meeting's agenda can be emailed to Ms. Schmidt.

Chair Bonar asked for final announcements and the next meeting date. The Commission concluded that the following dates in July would be investigated as future meeting dates: July 6, 9, 10, 11.

Ms. Schmidt stated that she will check with OIP to determine whether subcommittees are subject to sunshine laws. Ms. Schmidt stated that she would assist the subcommittee and collect info on evaluations and distribute to the Commission if it is legal.

Chair Bonar entertained a motion to adjourn. Member Fletcher motions, Member Canfield seconded the motion, all were in agreement.