# Elements of Agricultural Land Preservation

## Hawaii

<table>
<thead>
<tr>
<th>Technique</th>
<th>Comments</th>
<th>Status in Hawaii</th>
<th>Special Consideration</th>
<th>Additional Tasks</th>
<th>Remedy Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture Zoning</td>
<td>Most effective if it minimizes farmland conversion and prevents the intrusion of non-farm uses into the areas designated for agriculture</td>
<td>Available in all counties</td>
<td>Multiple jurisdictions is cumbersome</td>
<td>AP2 infrastructures</td>
<td>AP2 infrastructures</td>
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<td></td>
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<td>Not regional approach as we do not have townships or city boundaries</td>
<td>Rural designation</td>
<td>• Not have infrastructure but reducing in zones</td>
<td>• Drive political demand for other uses with market</td>
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<td></td>
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<td></td>
<td>• Often synonymous with agriculture zone in Hawaii</td>
<td>• Ag district of overlay</td>
<td>• Ag district of overlay where farmers are “enterprise”</td>
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<td></td>
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<td>• Rural in Hawaii is R2 R3</td>
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<td></td>
<td></td>
<td></td>
<td>• Smaller lots in most places</td>
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<td></td>
<td>• Larger cluster or open space designates for transition</td>
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<td></td>
<td>• Open land for transition</td>
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<tr>
<td>Agriculture Enterprise Zone</td>
<td>Exemption from GET</td>
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<td></td>
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<td>Cumbersome with many bureaucratic rules</td>
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<tr>
<td>Agriculture Tax Dedication</td>
<td>State enabled, county implemented</td>
<td></td>
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<td></td>
<td>No incentive to make commitment</td>
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<td></td>
<td>Enforcement—need receipts</td>
</tr>
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<tr>
<td>Agricultural subdivision</td>
<td>Not commonly found elsewhere</td>
<td>County set the standards for development</td>
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<tr>
<td>Comprehensive County Plans</td>
<td>Comprehensive planning allows counties to create a vision for their future. They typically identify areas targeted for a variety of different land uses, including agriculture, forestry, residential, commercial, industrial and recreational services.</td>
<td>County generate general plans Community plans •Identify urban growth boundaries</td>
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<tr>
<td>Conservation easements</td>
<td>Allows qualified public agencies and private conservation org to accept, acquire and hold less-than-fee simple interests in land for purposes of conservation and preservation</td>
<td>Very broad</td>
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<tr>
<td>Right to Farm</td>
<td>Intended to protect farmers and ranchers from nuisance lawsuits. It is a state policy assertion that commercial agriculture is an important activity.</td>
<td>State Law</td>
<td></td>
<td>May need to be a tiered approach to meet specific agricultural needs • Kona coffee similar to Napa Valley • Commodity ag use with increased impact on use/right to farm</td>
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<tr>
<td>State Rural Zoning</td>
<td>Zoning is a local government land use control. Zoning ordinances segment counties, cities, into areas devoted to specific land use and establish standards and densities for development.</td>
<td>County implementation Maui Oahu</td>
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<tr>
<td>Site Development Plan</td>
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<tr>
<td>Transfer of Development</td>
<td>Allows landowners to transfer the right to develop one parcel of land to a different parcel of land. Generally, TDR programs are</td>
<td>State enabled counties adopt by ordinance</td>
<td>Implementation on two tiers State County</td>
<td>CCHNL not focused on agriculture, sending area OK Receiving area has greater density-higher residential area Hawaii never got to density area need strong</td>
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<tr>
<td>Planning and review</td>
<td>Establishment by local zoning ordinances. TDR is used to shift development from agricultural areas to designated growth zones closer to municipal services.</td>
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</tbody>
</table>
| Benefits for density | - Water, sewer capacity  
- Discharge into sewer  
- Greater capacity, buy more |
## Business Support for Agriculture

<table>
<thead>
<tr>
<th>Item</th>
<th>Status</th>
<th>Comment</th>
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</thead>
<tbody>
<tr>
<td>Agricultural Development Corporation</td>
<td>State</td>
<td></td>
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<tr>
<td>Agricultural Cooperatives (private)</td>
<td></td>
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<tr>
<td>Agriculture loans</td>
<td>State, federal, private</td>
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<tr>
<td>Agriculture parks</td>
<td>State, county</td>
<td></td>
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<tr>
<td>Agriculture water</td>
<td>Development plan in progress</td>
<td></td>
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<tr>
<td>Agricultural water systems</td>
<td>Systems operational</td>
<td></td>
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<tr>
<td>Department of Ag programs</td>
<td>State</td>
<td></td>
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<tr>
<td>Economic Development Boards (EDB)</td>
<td>County wide</td>
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<td>• HIEDB</td>
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<td>• MEDB</td>
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<td>• KEDB</td>
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<td>• EH</td>
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<td>Enterprise Zone</td>
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<td>Farm Credit Service</td>
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<td>Farmers markets</td>
<td>CCHNL Ordinance 64</td>
<td>Kauai</td>
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<tr>
<td>Federal Land Bank (PCA)</td>
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<td>Federal Programs</td>
<td>• US DOA</td>
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<td>• FSA</td>
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<td></td>
<td>• NCRS</td>
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<tr>
<td>Hawaii Farm Bureau Federation</td>
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<tr>
<td>Market</td>
<td>State</td>
<td></td>
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<tr>
<td>development/research</td>
<td>County</td>
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<tr>
<td>Small Business Development Centers (SBDC)</td>
<td>Statewide</td>
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<tr>
<td>University of Hawaii CTAHR</td>
<td>Extension programs</td>
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</table>

What are we missing?
How well is it working?
Is it truly working as designed?

Promotion/support of agriculture as an economic development tool -- it is seen as reg.???

**Lack of Ability to Implement**
- business plan-
  - not service-orientated to customers - "family farm"
  - current laws are not set up to be friendly to new agricultural entrepreneurs

What do we have - framework?
- not working - why?
- what would make it work?

**Promotion/Support**
- meeting the need for a better distribution system
- need the coordination of DOA statistical information with distribution
- farmers are not organized to get to the market
- value-added not getting farmers at the needed time

There is a need for better coordination from production to market with small entrepreneurs agricultural cooperatives - under association
- Marketing person to assist in production schedule
• End result would be selling at better price
• Cooperatives have many benefits, preclude price fixing and other factors

TDR - set-up system
sending areas - OK
receiving area > density - higher residential area
Hawaii never got to density areas - need strong planning and review
• parking
• streamlining
• Unique design - TDR development
• not look different from next door
• benefits for density:
  o water, sewer capacity - limiting
  o discharge into sewer - x capacity - buy more

What is it that people want in the development area? We need to build the benefits around that

How do you deliver TDR when under multiple jurisdiction?
• TDR that does not control - implements on 2 tiers (State and County)?
• **All TDR must be under single jurisdiction (county or township)**
• Cross jurisdictional areas are difficult – none work on multi-jurisdictional

**Question:** What criteria to buy development rights?
• Ag Zone? Large info on case studies

**Response:** Each county has to set up its own criteria specific to its own county (point systems)
• number of prime lands
• size
• Where are they in relationship to other lands?
  o Montana  More points close to urban areas
  o Lancaster County, PA.
    ▪ Set up a point system for evaluation
    ▪ More points given to urban
    ▪ More points for class 1 soils
• Adams County
  ▪ What’s good soils to class 1 soils
  ▪ Higher points when farther from urban, close to Gettysburg for example, as a way to provide greenbelt

Criteria is based on what values you want to develop? What do you want for your community?
  • Most strategic lands
  • Protected for what is desired
  • Scenic vistas for tourism
  • Crops and their proximity to other farms

TDR – 2 jurisdictions
  Help identify benefits/incentives > 2 different goals
  Have to implement > develop mechanism to bank
  • Identify how and why should landowners participate

Valuation-
  • System for how to value land – very complicated
  • PDR – allowed some development
    ▪ Skagit Valley, WA within agricultural zone
  • Zoning – Agriculture to agriculture --path of development to value – how does it work?
    ▪ Appraisal process – general size category – works if similar property sold, etc.
    ▪ Point-based system > criteria > also for value – attributes analyzing for evaluating similar to what the community wants to protect
    ▪ Value on what community wants to protect

Examples
  • Montgomery County – not use appraisal – uses point systems
  • Easement – point system – tied to money management practices, business plan, and proximity to urban areas

Question: Does it approximate market value range 20% to 90% value?

Response: Mechanism – works best where there is good regulation or county planning. Important community vision/comprehensive plan, etc.
  • Should go into local areas
- County/state – work best when counties identify what they want (e.g. Maryland, Pennsylvania)
  - State – enable
  - County – implement zoning

Question: How are funds available for these efforts?
- Dedicated income for preservation of agricultural lands
  - 2 cent cigarette tax
  - Federal cost share
- Maryland
  - Transfer tax

Bond authorization – multi-year-
  - Other types of value
  - Access
  - Allow charitable contribution as tax
  - 1031 tax exchange-- like kind exchange – OK by IRS
    - sell > State > Attraction> Business in agricultural area

Incentives-
  - Time is a value
  - Streamlining can be a significant incentive

What is not working
- Ag Zone – AP2 – infrastructures
  - Desired description of AP2 –
  - Not that have infrastructure but reducing – in the zone > drive political demand for other uses with more development

AP2 – agricultural district of overlay where the farmers – “Enterprise”
  - Special designation
    - Ag Enterprise Zone-
      - Exemption from General Excise Tax

Ag Zoning
- Not incorporate townships – no city boundaries
• Not regional approach – must be more regional approach – more comprehensive
• Hawaiian Ocean View – want county services – 1 acre agriculture lava lots
  o Heavy burden on the county

**Rural designation** (Rural often synonymous with Agricultural)
Rural in Hawaii – R_2/R_3
  Smaller lots – in most places – larger cluster or open space designates for transition – open land for transition

**Zoning** – Yolo County, California
  o Up zoning– how paid – in information package
  Have to zone > 1-1 acre mitigation that is agricultural in nature or pay into fund – to purchase land

**Standards**
“Code of the West” – if more of these areas – not have services
  o Agricultural subdivision – new term
  o Concurrence of public facilities

**TDR**
• what are banks used for? Encumber land – what incentives
• incentive to provide additional density / another floor on building / another condo they already own
• New Jersey Highland – have a bank
  o State buys easement until a time of greater need
  o permanent redistribution of development allowance from one area to another
• PDR – retire
• TDR – redistribute

**Term easement:** purchasing land for a period of time
• Arizona new law – not sure how it works
• AFT believes buying a permanent easement rather than term
• Promote conservation / wildlife habitat if farmer not planning to do – for 5-10 years

**Landowner – large – not farmers**
• Typically not looking at owners
• Start building incentives TDR
  o Within ownership
  o Term easement – encouragement to long term leasing
Example: if farm has large land holding –
   200 acres – for urban development
   800 acres – agricultural easement for long period of time
   Allowance for development up zoning in exchange for transfer for the land area that will protect the agricultural lands (there is no true protection now)

New Jersey agricultural district
   o eligible cost share (state) rac
   o pratices in agricultural district

Ag lands in Hawaii are not easily transferred at the State level > not necessary in part of community level – there is legislation in place to support this

**Voluntary program**

In Hawaii, landowners generally want to develop prime lands
   Which land worth preserving?
   Have to identify lands
   • State does not have authority at this time
   • Under current process, land is under the Land Use Commission and the Agriculture Board, always AB
     The amount of restrictions keep it under agriculture

1978 through the Constitutional Convention, the Protection of Agricultural Land was placed in the constitution. It has always been viewed as a land use issue and not implemented. Our goal is to broaden the focus to look at agriculture where land is one of the uses. **Farms are not farms without farmers.** Maybe some of the prime agricultural lands are not in agriculture

Require each community to protect lands – adopted by State legislature
   o LUC may be the point identification A
   o Land classified as ABC may not be the best approach, and may not work

Right to farm – what are additional incentives?
Tiered approach – right to farm issues
   • Kona coffee ≈ Napa Valley
     liberalize to promote those areas
• Commodity ag used > impact on use/right to farm

More flexible tools

Next Steps:
Group will send tools to Bob
  o Will look at what tools is optimal
  o Look at regional approach tools to promote areas
  o Small group can begin to develop draft of legislation
    o Get feedback from larger AWG
    o Information is scattered
    o Identify issues that may gain consensus as first and second priority

Action: By August create position paper, request assistance from Bob for needed clarification
  1. Develop concepts / areas of concentration > TDR > Clusters
  2. Create a proposals

Meetings
AWG Subcommittees June 26 (1-4)
AWG subcommittees July 24 (1-4)
AWG August TBA

Hurdle for Federal matching fund is the need state plan
  It is not a comprehensive plan
  NRCS needs to put plan
   other state put together plans
  Seeks information on how to spend money, match, strategic approach, how used, etc.