

This section is not TESTIMONY.

**The Hawaii State Senate
Committee on
Water and Land**

**Would like to provide you, the public,
with information on the**

**GM 514 – Chairperson
Department of
Land and Natural Resources**

**Attachment:
RESPONSE TO SENATE
QUESTIONNAIRE**

March 6, 2015

VIA HAND DELIVERY

Senator Laura H. Thielen
Chair, Senate Committee on Water and Land

Dear Senator Thielen:

Re: Governor's Message No. 514, Nomination of Carleton Ching
Chairperson, Department of Land and Natural Resources
Expiration Date: December 31, 2018

Thank you very much for your letter dated March 2, 2015, to assist the Senate with its constitutionally mandated responsibility to confirm gubernatorial nominees. I appreciate the opportunity to provide you the following information per the **respective questions**:

1. Please provide a list of the core State values that the Department of Land and Natural Resources (DLNR) is charged to protect.

The core State Values and that of the DLNR are embodied in the following:

Hawaii's public trust doctrine states:

For the benefit of present and future generations, the State and its political subdivisions shall conserve and protect Hawaii's natural beauty and all natural resources, including land, water, air, minerals and energy sources, and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State.

The 2050 Sustainability Plan that:

- ✓ Respects the culture, character, beauty and history of our state's island communities
- ✓ Strikes a balance between economic, social and community, and environmental priorities
- ✓ Meets the needs of the present without compromising the ability of future generations to meet their own needs

The DLNR's mission statement is to:

"Enhance, protect, conserve and manage Hawaii's unique and limited natural, cultural and historic resources held in public trust for current and future generations of the people of Hawaii nei, and its visitors, in partnership with others from the public and private sectors."

Each division (10) and other programs within DLNR are aligned with this core and are charged with a specific area and their own specific mission of enhancing, protecting conserving and managing the State's resources.

2. What is your assessment of the strengths and weaknesses of DLNR? Please include an explanation of how the strengths may be best utilized, as well as how the department/agency's weaknesses may be improved.

This is an important question that I intend to examine more closely if confirmed as Chair of the DLNR. Based on a brief orientation with the 10 division administrators and program managers within the DLNR, my preliminary observations are:

STRENGTHS:

- ✓ Dedicated administrators with institutional knowledge
- ✓ Administrators capable of representing their purpose and mission
- ✓ Improvements at certain departments are ongoing (Bureau, SHPD)
- ✓ Specific division successes in certain programs (DAR/Hā'ena Fishing Rules, Forestry/Healthy forest program, Land and Small Boat Harbor/revenue generation)
- ✓ December 2014 DLNR goals and objectives have been submitted to the 2015 Legislature
- ✓ Potential options for revenue generations, where appropriate

CHALLENGES:

- ✓ Funds and resources are varied and limited in some areas
- ✓ Some key positions are vacant
- ✓ Organizational structure is very broad
- ✓ Asset inventory, preventive maintenance program, deferred maintenance issues were not clear
- ✓ There is a need for more collaboration between divisions with respect to legislative coordination

INITIAL COURSE OF ACTION:

- ✓ Collaborate with First Deputy CWRM Deputy, and Division Administrators to cover issues and participation on boards, commissions, and other councils, task forces
- ✓ Identify specific actions to meet 2014 DLNR goals
- ✓ Clarify specific division strategic plans, and status
- ✓ Identify stakeholder/community groups per divisions to network, outreach, and engage more community input on division issues
- ✓ Seek private partnerships to engage in land and natural resources protection and management, and seek revenue generating options where appropriate
- ✓ Collaborate with Federal, State and County agencies to seek common/mutual benefits

The competencies and institutional knowledge of DLNR administrators are invaluable and ongoing improvements and successful projects are proof of their abilities and motivation of department personnel to further the DLNR's mission with the appropriate focus, strategic planning and support. With limited resources to achieve such large and varied tasks, I will be seeking optimal organizational structuring to achieve efficiencies, clear and measurable goals and personnel buy-in of goals and strategic planning to achieve them. I will also explore revenue/fee opportunities to support sustainable programs.

3. Please explain the efficiencies you mean to bring to DLNR.

The First Deputy and I will work collaboratively to seek input from all divisions.

In the area of funding, I will prioritize the legislative funding request and develop an approach to engage divisions to explore revenue generating programs, where appropriate.

In the areas of personnel, I will review the organizational structure to understand the division's operating efficiencies and accountabilities, fill key administrative and managerial positions to provide leadership and continuity, and review overall personnel counts to determine program needs and identify deficiencies.

I will explore opportunities to package or bundle projects and services that cover multiple divisions for costs and operating efficiencies and to minimize disruption to public services.

I would propose an overall Asset Inventory Matrix Report that provides baseline data (facility, age, expenses, revenues, resource assignments, equipment, etc.) and tracks repairs and maintenance. This will allow us to evaluate performance.

4. What is your plan to help DLNR's many different divisions work more fluidly together, and would any particular divisions be an initial priority for you?

To strive for fluidly and cohesiveness, promote the one team, one purpose concept; to re-forge a common purpose and goal at DLNR; to deter conflicting interest between divisions. Create Ad Hoc management groups using administrators or key managers to internalize and discuss the challenges across divisions, to utilize their strengths, to come together to find mutual solutions.

Establish executive summaries for Board agenda items to expedite Board reviews and to facilitate discussions.

A priority will be at those division or programs that have particular mandates or deadlines to address such as the three federal programs (Kahoolawe Island reserve, Papahānaumokuākea Monument, Humpback Whale Sanctuary).

Also the 2016 IUCN World Conservation Congress being hosted by the State of Hawaii is a priority and requires extensive coordination, collaboration and participation by many stakeholders and participants.

5. The announcement of your appointment included the following statement:

"Stewardship of Hawai'i's unique resources is one of the most critical tasks of the State government, and Carleton Ching has the heart, knowledge and skills to lead the Department of Land and Natural Resources. No one understands better the complex

issues this department handles and how to balance the need of our environment and our residents."

- **Please describe your experiences prior to your nomination where you dealt with any of the issues Department of Land and Natural Resources handles, and how you balanced the needs of the environment and residents in each of those experiences.**

At Molokai Ranch (1996 to 2002), I managed the facilities and a wide array of land management and conservation programs that spanned the 60,000 + acres of land under its ownership at that time. These programs covered areas such as:

- ✓ Maintenance of cultural sites, such as the "Rain Heiau", Hula Piko mound (Molokai Ka Hula Piko began in 1991, and was founded by Kumu Hula John Kaimikaua, Halau Hula O Kukunaokala and the Molokai Community)
- ✓ Restoration and renovation of Maunaloa Town
- ✓ Restoration, repairs and maintenance of Plantation Manager homes
- ✓ Development of single family residential homes in Maunaloa Town
- ✓ Employee hunting and fishing programs (sustenance, conservation /limits per employee)
- ✓ Educational/recreational programs of Molokai Culture and ego-systems; honoring and respecting Molokai's culture
- ✓ Deer eradication, wild bulls eradication to protect natural resources
- ✓ Public hunting programs
- ✓ Recreational Trail (Bike, hike), Zip Line and signage makers maintenance
- ✓ Cooke Pine Tree orchard – propagation and maintenance; tree plantings at various sites
- ✓ Agricultural and potable water system maintenance
- ✓ Erosion controls
- ✓ Closure of wild life park and relocation of animals to Niihau and other organizations.

My return to Castle & Cooke (2003) provided an experience working as part of a management team for a major Hawaii landowner with approximately 120,000 acres. Heading the community and government relations for Castle & Cooke has provided me exposure to and familiarity with a range of land management and stewardship responsibilities and issues. Castle & Cooke and its sister company Dole Foods Hawai'i are not just developers, since only a relatively small portion of their landholdings are held for development. Castle & Cooke and Dole landholdings (until recently) have included over 88,000 acres of land on Lanai, most of which is conservation and agricultural land, and large agricultural and conservation acreage on Oahu.

Lanai programs administered by the Lanai Island operations team involved:

- ✓ A habitat conservation plan and incidental take permit and license for a met tower (wind data collection) program in the state involving significant collaboration with USFWS & DLNR. Involved monitoring, reporting, presentations to BLNR,

contributing funds to organizations that support endangered species protection (i.e. jay peniman seabird project). Included native habitat restoration (1 acre cleared on the lanai hale) and predator trapping (cat trapping/killing), among other things.

- ✓ Critical Habitat areas established on Lanai with USFWS
- ✓ Cooperative Game Management Area with DLNR to provide hunting for the public.
- ✓ An employee hunting program
- ✓ Lanai Small Boart Harbor facility improvements
- ✓ Kaunalapau Harbor mooring improvements
- ✓ Securing fed/state grants and work cooperatively with DLNR/USFWS: tree snail habitat improvement, miles of fencing installed to protect the Lanai Hale watershed area from feral ungulates (i.e. hooved creatures like deer and sheep that kill of the trees in the watershed), maintain firebreaks on Ag land.
- ✓ Water resource management game management, conservation easement, watershed, wind farm, and solar farm, as well as ag tenants
- ✓ La'Ola Solar PV farm implemented in 2008 to reduce fossil fuel on the Lanai Grid
- ✓ Other renewable energy programs to reduce electrical use of Castle & Cooke Lanai facilities
- ✓ Public outreach forums to inform and to gather input from the community on the proposed Lanai Wind project, Lanai Community Listening Workshop (September 2010) to engage community input on challenges facing Lanai
- ✓ Compliance with all state and county requirements, environmental compliance

On Oahu, Castle & Cooke has been engaged in varied land stewardship such as:

- ✓ Conveyed 4,525 acres of pristine forest reserve to the U S Fish & Wildlife on December 2000 so it could be maintained in its natural state
- ✓ Conveyed 270 acres to the City and County of Honolulu for the Central Oahu Regional Park on November 2001
- ✓ First Oahu landowner to designate over 670 acres as land as Important Agriculture Lands (IAL- March 2011)
- ✓ Sale of lands to promote diversified AG
- ✓ Sale of lands to promote renewable energy (utility scale solar PV program)
- ✓ Sale of 24 acres to State ADC (2013) for Agricultural processing
- ✓ Various acres leased to 21 tenants for farming
- ✓ Assisting Aloun Farms to secure relocation of new farm site in Halemano
- ✓ Dole—Poamoho trail access for hiking and Stryker Brigade road
- ✓ Maintenance and security of vacant acreage
- ✓ State and County Land use entitlement processes and EIS compliances
- ✓ Stakeholder and community outreach for all development projects
- ✓ Smart growth development concepts
- ✓ Compliance with all state and county requirements, environmental compliance

These experiences provide a baseline of land stewardship practices, issues, public policy, community engagement, understanding, legislative process and management. This perspective will assist me in the much bigger scope and responsibilities of DLNR's mission.

6. The announcement of your appointment also stated that you have the ability to resolve conflicts, and specifically points out your role in facilitating a resolution to the contentious conflict between the Waiahole-Waikane Community Association and the State during your tenure at the Hawaii Housing Authority.

• Please describe your role in resolving the Waiahole-Waikāne conflict.

During my tenure (1980 to 1990) with the State of Hawaii, the Hawaii Housing Authority (HHA), now known as the Hawaii Housing Finance & Development Corporation (HHFDC), was instrumental in “keeping the country country” by acquiring approximately 600 acres of Waiahole Valley. In the late 70s as this windward community was revolting over development plans by the land owner, Governor Ariyoshi authorized the HHA to purchase Waiahole Valley from the Elizabeth Marks Estate to preserve the rural agricultural nature of the valley. It was developed predominately as a farming community, with agricultural and residential leasehold lots, community and minor infrastructure improvements. Preservation of agricultural lands and the Valley’s water resources were developed to promote diversified agricultural and to maintain cultural practices (lo’i) in Waiahole.

I personally participated in community outreach, site visits, community resolution of property boundaries and uses, development design and planning, a full Environmental Impact Statement (EIS), a State Land Use Commission (LUC) petition and a condemnation proceeding to clear title.

Today, Waiahole Valley stands as a testament to preserving a lifestyle, promoting of diversified agriculture, of limiting urban growth, to “keep the country country.”

Note: During my tenure at HHA, I also participated in the development of affordable homes for first-time buyers and renters.

• Please also describe your role in any other situation, particularly any related to your current or prior employment, where you worked collaboratively with diverse groups to resolve conflicts in an equitable manner, including the Lanai and Molokai communities in relation to the Big Wind project.

For the Lanai Wind project, the Lanai team engaged the community by conducting several public forums to provide information and to gather input from the community. A community benefits program was proposed as part of the Lanai Wind projects. The purpose was to diversify the Lanai economy and to also harness an abundant renewable energy resource that would make an impact in reducing our reliance on fossil fuel. It is my understanding that this project is pending further review by the PUC.

Furthermore, in September 2010, the Hawaii Alliance for Community Based Economic Development (HACBED) conducted a Lanai Community Listening Workshop in participation with Lanainans for Sensible Growth (LSG), the Lanai Makani Group, and the ILWU. The workshop provided an opportunity for the community to share their

aspirations and worries; their perspectives and the challenges facing Lanai. This resulted in a Lanai Community Listening Workshops Report Dated December 2010

The Lanai team did not participate in any community outreach for the Molokai Wind project as there was no jurisdiction on Molokai.

7. According to your resume, you have served on the Boards of four organizations and as a trustee of another organization.

- **For each organization, please provide the**
 - **Dates during which you served,**
 - **The title or position(s) you held or currently hold during your tenure, and**
 - **A brief description of the mission.**

Pacific Housing Assistance Corporation (PHAC):

- November 2005 to January 27, 2015
- Board of Director, Board Secretary, Board President 2014
- PHAC was formed on February 26, 1980 as a statewide, private non-profit housing corporation. Since its inception, Pacific Housing has focused its energies and resources on the development of affordable housing opportunities for low, moderate, and gap group income households in Hawaii. To achieve this goal, Pacific Housing has developed and rehabilitated housing and provided consulting, research and planning services to public and private agencies with similar housing goals. Pacific Housing's projects and activities have resulted in the development of homeownership housing, rehabilitation of existing housing and the creation of rental housing opportunities for low and moderate income families and persons with special needs.

Pali Momi Hospital:

- September 20, 2006 through January 27, 2015
- Community Director
- The mission of Pali Momi Medical Center is to improve and advocate for the health and well-being of our neighbors on Oahu.

Land Use Research Foundation (LURF):

- 2006 to 1/27/15
- President FY 08/09, Board Member
- LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

Hawaii Pacific University (HPU):

- December 10, 2010 through January 27, 2015
- University Trustee: Strategic Planning & Governance Committee member

- HPU Mission: Hawai'i Pacific University is an international learning community set in the rich cultural context of Hawai'i. Students from around the world join us for an American education built on a liberal arts foundation. Our innovative undergraduate and graduate programs anticipate the changing needs of the community and prepare our graduates to live, work, and learn as active members of a global society.

Building Industry Association of Hawaii (BIA):

- January 1, 2014 - January 27, 2015
- Board member
- The Building Industry Association of Hawaii (BIA) is The VOICE of the Construction Industry. The BIA promotes our members through advocacy and education, and provides community outreach programs to enhance the quality of life for the people of Hawaii. The BIA is a not-for-profit trade organization chartered in 1955, affiliated with the National Association of Home Builders (NAHB).

My participation on management teams of private companies as well as participation on various non-profit Boards has provided invaluable experience with Board protocol and governance, of setting goals and objectives, of strategic/business plans, of measured metrics and accountability, of reliance on and support for a dedicated work force committed to a core mission. Board participation has been at a high level, macro perspective involved in policy decisions impacting hundreds of employees as well as important multi-million dollar budget decisions. While all organizations are unique in their organization, missions and challenges, my experience on non-profit Boards, as well as management teams for large landowners have provided invaluable experience for my role as Chair of the Board of Land and Natural Resources.

8. **Provide a description of any volunteer activities, especially those pertinent to the mission of the Department of Land and Natural Resources, including any service on boards or other positions in organizations, or other community service projects or activities. Please include your time commitment.**

Community service projects have been mostly through Castle & Cooke and our employee based group called "ClassicCookees" that have participated in a variety of charitable programs over the years, including:

- ✓ Weed Circle clean up (Haleiwa) with support by Haleiwa Outdoor Circle and North Shore Chamber of Commerce, Waialua High School
- ✓ Special Olympics Summer Games
- ✓ Hawaii Food Bank Food Drives
- ✓ American Cancer Society's Relay For Life
- ✓ Lokahi Giving Project
- ✓ Toys for Tots
- ✓ AUW Pacesetter Campaign
- ✓ Mililani High School PTSO Paint the Bleachers Project

- ✓ Food Fair benefitting Institute For Human Services
- ✓ Food Fair benefitting Aloha United Way
- ✓ Waiialua High School Robotics promotions

Other volunteer participation: Farrington High School Football Coach (1976), youth soccer/ baseball/ basketball coach. Maryknoll grade school boys basketball coach (6th and 7th grade)

9. Over the past twenty years you have worked for three companies in various positions. Please describe your management experience in each of these three organizations during this period, including:

- **A list of projects in which you were the lead manager,**

Various residential development projects where I was responsible for execution while with the State of Hawaii, (over 15 affordable housing developments), West Loch (Phase I and II), Castle & Cooke Kunia Phase I, and Molokai Ranch Maunaloa Single Family (10 units); 19 projects with over 2,000 total units. While it has not yet been built, I was part of the management team that entitled the proposed Koa Ridge community.

- **The size of any project budget you directly managed, and**

Development budgets ranged from \$2 million to upwards of \$20 million depending on the size of the development. Participation in Corporate Budget reviews involving annual multi-million dollars expenditures

- **The number of personnel subject to your supervision.**

Development projects mostly consisted of managing multiple contractors and suppliers. However, at Molokai Ranch where I was involved in day to day operations, there were over 50 personnel under my direct supervision with indirect supervision (Human Resources and Safety programs) over the entire Ranch personnel (~ 100+ employees).

10. Are there any situations where you can foresee recusing yourself from a decision as the Chair of DLNR on the grounds that you have, or there is an appearance of, a bias or favoritism?

- **For each such situation, please describe how you would handle the matter.**

Approvals and decisions relating to matters in which I have a personal interest or which have an appearance of conflict or favoritism would raise an issue of potential conflict. This would include approvals and decisions relating to Castle & Cooke. As to these matters, I would rely on the Attorney General, and BLNR to determine if a conflict

exist, or if an appearance of a conflict or favoritism exists, and if so, I would recuse myself.


11. Is there any other information regarding your experience and background that you believe should be considered by the committee?

Since the date when Governor Ige asked me to serve, I have had the opportunity to meet with a wide range of people from our community for a frank and honest discussion of their concerns. I have also met with administrators, managers and staff of the Department. I have heard from former employees of the Department. My outreach included those who might not support my nomination. I believe that to carry out the mission of the DLNR, the Director must be willing hear and consider all points of view.

The DLNR's mission statement speaks of the important role of partnerships with the public and private sectors in fulfilling conservation and self-sufficiency goals of the public trust. Collaborative, sustainable solutions and successful partnerships cannot be accomplished by being one sided and inflexible or by drawing lines and taking unreasonable positions. Sustainable, win-win solutions require collaboration and reasonable negotiation to achieve the best outcome. To this end, I will seek resolution and balance by engaging all stakeholders, by listening and understanding perspectives, by collaborating, by relying on the input and expertise of staff and other technical specialists, by working closely with the BLNR and CRWM, by complying with the law and mission of the DLNR. We do this for our children, our moopuna, our future and the legacy we leave to honor and respect our host culture.

I trust the information I have provided will assist you and the committee members in the confirmation process.

Mahalo,



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