



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

September 29, 2021

Subject: Request for Approval to Amend License No. LI-K1001 Issued to Sunrise Capital, Inc. to Withdrawal 21.25 Acres, More or Less, of Field 316 in Kekaha, Kauai, Tax Map Key (4) 1-2-002-001 (por)

Licensee: Sunrise Capital, Inc.

Authority: Section 163D-(a)(5), Hawaii Revised Statutes

Area: 414.85 acres (196.67 tillable, 218.18 non-tillable)

Field No(s).: 309 (por), 310-313, 315, 316, 408

Tax Map Key: (4) 1-2-002-001

Land Status: Set Aside by Governor's Executive Order No. 4007, as modified by Executive Orders No. 4034 and 4165, to the Agribusiness Development Corporation for Agricultural Purposes

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: Yes

Character of Use: Agricultural, Aquaculture

Land Doc. Type: License

Term: 20 Years (currently in year 13)

Base Rental Rate: \$150 per acre per year (tillable); \$1 per acre per year (un-tillable)
Annual Rent: \$29,718.68

BACKGROUND:

Sunrise Capital, Inc. ("Licensee") began its tenancy with the Agribusiness development Corporation ("ADC") as a start-up shrimp and bi-valve operation in 2009 under License No. LI-K1001 ("License"). As originally approved, the License encumbered 433.85 acres (the "Premises"). In order to accommodate the challenges of the start-up company, license rents were crafted to help ensure the success of the company, beginning with discounted rent values, and subsequent deferments of rent increases. Although it faced challenges, the Licensee, through its research and breeding operations, became one of the leading sources of "specific pathogen free" Pacific white shrimp broodstock for export to shrimp farms in Asia.

In 2011, the License was amended to withdrawal a 10-acre portion of Field 309 for the construction of office and processing facilities for BASF Plant Science L.L.C. In 2017, Licensee sold 51% of its stock to Hendrix Genetics USA LLC. In August 2020, the License was amended to recharacterize certain areas of the premises from "corn acreage" to a full diversified ag rate, as well as to recharacterize certain portions of the premises as "non-tillable."

At its meeting on October 3, 2018, the ADC Board consented to Licensee's request to sublicense 9 acres, more or less, of Field 314 to Global Ag Services, Inc. to grow tobacco. At its meeting on April 28, 2021, the Board approved the withdrawal of those 9 acres from the License in order to directly license to Hawaii Labor Solutions Inc. (Global Ag Services, Inc. and Hawaii Labor Solutions Inc. are affiliated companies under the ownership of Wallace and Jorienda Johnson).

LAND REQUEST:

Licensee requests (see "Exhibit A") that their License be amended to withdrawal 21.25 acres, more or less, of Field 316 (see "Exhibit B").

WATER NEEDS AND SOURCE OF WATER:

For the purposes of this request, there is no pending water need, However, Field 316 has ditch water access for irrigation purposes via Reservoir 117 which is fed by the Kekaha Ditch.

DISCUSSION:


Licensee requested the withdrawal of Field 316 on July 28, 2021 under the leadership of James Sweeney, in consultation with Hawaii Labor Solutions Inc. ("HLS"), with the intention that the subject acreage would be subsequently transferred to HLS. In the interim, Mr. Sweeney retired from Sunrise Capital and new leadership was installed. Staff conferred with the new leadership who concur with Mr. Sweeney's request.

This land request, on its own, represents a loss of \$21.25 to ADC in annual rental income. However, when considered together with agenda Item E, this request represents \$907.41 in additional annual rental income.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board approve Licensee's request to amend the License to withdrawal 21.25 acres, more or less, of Field 316.

Respectfully Submitted,

.. 

James J. Nakatani
Executive Director

EXHIBIT A



SUNRISE CAPITAL INC.

July 26, 2021

Mr. Lyle Roe, Property Manager
Agribusiness Development Corporation
1126 Whitmore Avenue
Wahiawa, HI 96786

Dear Lyle,

This letter is to give notice that Sunrise Capital would like to return the following parcels back to ADC
from our lease holdings at Kekaha:

- Field 316, 21.25 acres (see attached map)

Sincerely,

Jim Sweeney

Sunrise Capital, Inc.
P.O. Box 1282 ~ Kekaha, Kauai, HI 96752 ~ (808) 338-0331 office ~ (808) 338-0332 fax

EXHIBIT B





STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

September 29, 2021

Subject: Request for Approval to Amend License No. LI-K1901 Issued to Hawaii Labor Solutions Inc. to Include 21.25 Acres, More or Less, of Field 316 in Kekaha, Kauai, Tax Map Key (4) 1-2-002-001 (por)

Licensee: Hawaii Labor Solutions Inc.

Authority: Section 163D-(a)(5), Hawaii Revised Statutes

Area: 63.07 acres, more or less

Field No(s).: 123 (por), 207 (por), 314 (por)

Tax Map Key: (4) 1-2-002-001

Land Status: Set Aside by Governor's Executive Order No. 4007, as modified by Executive Orders No. 4034 and 4165, to the Agribusiness Development Corporation for Agricultural Purposes

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: Yes

Character of Use: Agricultural

Land Doc. Type: License

Term: 35 years (currently in year 3)

Base Rental Rate: \$150 per acre per year (tillable); \$1 per acre per year (un-tillable)
Annual Rent: \$9,460.50

BACKGROUND:

Hawaii Labor Solutions Inc. ("Licensee") was organized and established in 2016 under the ownership of Wallace and Jorienda Johnson for the purposes of providing contract labor, growing mangoes, and building and operating greenhouses for the production of fruits and vegetables. In March 2019, the Board of the Agribusiness Development Corporation ("ADC") approved the issuance of License No. LI-K1901 ("License") to Licensee for 13.25 acres of Field 123 on which Licensee currently grows mangoes for

sale and distribution restaurants and retail operations across Kauai. They have also constructed a tunnel house for production of the same and have plans to erect more.

At its meeting on September 23, 2020, the ADC Board approved the inclusion of 40.82 acres of Field 207 to Licensee for the construction of tunnel houses for the production of mangoes and melons. While Licensee had previously cleared much of the premises, some areas have begun to grow over again. Mr. Johnson has stated that he is currently working with USDA, Natural Resources Conservation Service to develop a soil conservation plan for Field 207.

In April 2021, the ADC Board approved Mr. Johnson's request to include 9 acres, more or less, of Field 314, for experimental tobacco plantings and the construction of shade houses for melon and bell pepper production.

LAND REQUEST:

Licensee requests that the License be amended to add 21.25 acres, more or less, of Field 316 (see "Exhibit A") for the purpose of erecting shade houses for the production of melons and bell peppers.

WATER NEEDS AND SOURCE OF WATER:

Based on crops, density, and crop cycles, Licensee estimates average water use of 6,535 gallons per acre per day¹. Field 316 has ditch water access for irrigation purposes via Reservoir 117 which is fed by the Kekaha Ditch.

OPERATIONAL PLAN:

Licensee intends to erect 5 shade houses on 6.09 acres², more or less, of the property (see "Exhibit B") for the production of melons and bell peppers for sale to local wholesale and retail outlets.

CONSERVATION PLAN:

If approved, Licensee will be required to develop and receive approval for a conservation plan for the modified use of the premises prior to the start of construction. Licensee will also be required to provide an updated utilization plan with an estimated timeline for completion and full production, as well.

DISCUSSION:

¹ Mr. Johnson estimates each shade house will use 600 gallons per day.

² Exhibit B provided by Mr. Johnson notes the number and placement of the initial installation of shade houses on Field 316. The two shade houses noted on the left of the field are for reference to his newly constructed shade houses in Field 314 (por).

The subject portion of Field 316 is currently disposed as fully untillable. However, 6.09 acres, more or less, (see "Exhibit B") are relatively flat and that area is the intended site for the erection of the shade houses. Remediation of the remaining acreage may eventually lead to full availability of this portion of the field for agricultural purposes and the construction of more shade houses. However, given the new use and the need for a relatively level grade for the erection of the shade houses, staff believes it is appropriate classify the subject property as 6.09 acres tillable and 15.16 acres untillable. Licensee has committed to consulting with ADC prior to any remediation of the field and ADC may subsequently seek to reclassify further portions of the Premises as tillable as they are remediated.

This land request, subject to the reclassification of tillable and untillable acreage, on its own, represents \$928.66 in additional annual rental income. However, when considered with agenda Item D, this request represents \$907.41 in net annual rental income.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board approve Licensee's request to amend the License to include 21.25 acres, more of less, of Field 316, subject to the following conditions:

1. License rents shall be \$150 per acre per year for 6.09 tillable acres, and \$1 per acre per year for 15.16 untillable acres;
2. Licensee shall pay and remain current with all dues and assessments issued by Kekaha Agriculture Association;
3. Licensee shall submit an approved soil conservation plan and a utilization plan with estimated timeline for full build-out of the subject premises to be included as an exhibit to the license.

Respectfully Submitted,



James J. Nakatani
Executive Director

EXHIBIT A



EXHIBIT B



RECENT IMAGES OF MELON PRODUCTION -- FIELD 314





STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

September 29, 2021

Subject: Request for Approval to Terminate License No. LI-KA1412 Issued to Gerald M. Sanchez for Unit J in Kalepa, Kauai, Tax Map Key (4) 4-2-001-003 (por)

Licensee: Gerald M. Sanchez

Authority: Section 163D-(a)(5), Hawaii Revised Statutes

Area: 160 Acres, more or less

Field No(s).: Unit J

Tax Map Key: (4) 4-2-001-003

Land Status: Set Aside by the Governor's Executive Order Nos. 4328 and 4401 to the Agribusiness Development Corporation for Agricultural Purposes

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes

Character of Use: Pastural

Land Doc. Type: License

Term: 35 years (currently in year 6)

Rental Rate: \$30.75 per acre per year
Annual Rent: \$4,920

BACKGROUND:

The Department of Land and Natural Resources issued Revocable Permit No. S-7457 to Gerald M. Sanchez ("Licensee") on November 1, 2010 for 160 acres, more or less, of Unit J ("Premises") (see "Exhibit A") for the purpose of grazing cattle. In August 2010, Executive Orders 4328 and 4401 set aside approximately 6,000 acres in Kalepa, Kauai, which include Unit J, to the Agribusiness Development Corporation ("ADC") for agricultural purposes. Licensee's tenancy with ADC remained in holdover status until December 1,

2014 when ADC and Licensee executed License No. LI-KA1412 (the "License") for the Premises.

In 2010, Licensee initially made certain improvements to the Premises such as land clearing and fence installation. An inspection in August 2012, noted that since the initial improvements, the Premises remained in "...fair condition with an Albizia stand of trees which Green Energy Team ("GET") will harvest eventually." At that time, Licensee maintained approximately 30 head of cattle. However, subsequent inspections in 2014, 2017, and 2019 revealed non-use and increasing weed and tree growth including Albizia trees, African tulip, guava, lantana, Isenberg bush, fern, and various noxious weeds. A recent inspection on January 11, 2021 revealed abandoned vehicles and equipment, and the Premises so overgrown that the interior couldn't be accessed and had to be verified by drone. Licensee's utilization plan notes "Project to be 100% developed in 5 years", or by December 1, 2019 (see "Exhibit B").

In September 2011, Licensee granted Green Energy Team, LLC ("GET") "Consent to Enter" ("Agreement") for the purpose of harvesting Albizia trees on the Premises. GET eventually harvested the trees and left the stumps. Disagreement between the parties arose over who was responsible for removing the stumps. Subsequently, both parties stopped communicating. Presently, the stumps remain, and the land continues to deteriorate due to lack of use and lack of care.

In recent years, Licensee has only paid sporadic rent and has accrued an approximate arrearage of \$14,100.00 as of April 21, 2021. Additionally, Licensee has neither joined Kalepa Coalition or executed any written agreement with them, per the terms of the License.

At their meeting on April 28, 2021, the ADC Board approved the referral of the License to the Department of the Attorney General ("DAG"). On June 16, 2021, ADC received a check from the Licensee in the amount of \$18,285.92 which brought his account fairly current. Following confirmation of the payment deposit¹, on July 23, 2021, DAG issued a "Notice of Default & Demand" ("Notice") (see "Exhibit C") to the Licensee for his remaining license breaches. Pursuant to the terms of the License, Licensee had 60 days to cure, or begin to cure, the default. That 60-days to cure expired on September 21, 2021.

DISCUSSION:

After the issuance of the Notice, neither ADC staff nor DAG has received any communication from the Licensee, staff has not received any reports of activity on the premises, the abandoned vehicles have not been removed, and Kalepa Coalition

¹ License Agreement No. LI-KA1412 (para. 19): "Acceptance of Rent Not a Waiver. The acceptance of rent by LICENSOR shall not be deemed a waiver of any breach by LICENSEE or any term, covenant, or condition of this license, of LICENSOR's right to re-entry for breach of covenant, or of LICENSOR's right to declare and enforce a forfeiture for any breach; and the failure of LICENSOR to insist upon strict performance of any term, covenant, or condition, or to exercise any option conferred herein, shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or option."

confirms² that the Licensee has neither joined the Koalition or executed a written agreement with them. Currently, Unit J remains unused, untended, and overgrown.

Additionally, ADC is aware of interest in, and has received several requests for, land in Kalepa for purposes which include orchard, silviculture, and livestock (for dairy production), all of which are preferable uses to the derelict state in which the Premises are now kept by the Licensee.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board approve the termination of the License issued to Gerald M. Sanchez, pursuant to paragraph 18³ of the License.

Respectfully Submitted,

.. 

James J. Nakatani
Executive Director

² Kalepa Koalition President Leslie Milnes notes in an email dated September 20, 2021 that "Mr. Gerald Sanchez has not, to date, joined or requested to join Kalepa Koalition or executed an agreement."

³ License Agreement No. LI-KA1412 (para. 18): "Breach or Default. It is expressly agreed that this License is contingent upon the continuing condition that, if LICENSEE fails to observe or perform substantially the provisions contained herein, and if LICENSEE does not commence to cure, and diligently continue to attempt to cure, such default within sixty (60) days, or thirty (30) days where the default involves a failure to make timely license fee payments, including payment of any Common Road Improvement Costs (or any substitute assessment or charges specified in the MOU or the Kalepa Koalition Documents) payable directly to LICENSOR, after delivery by LICENSOR of a written notice of such failure by personal service or by registered or certified mail to LICENSEE; or, if LICENSEE becomes bankrupt or insolvent or files any debtor proceedings or takes or has any taken against it for good cause any proceedings of any kind or character whatsoever under any provision of the Federal Bankruptcy Code seeking readjustment, rearrangement, postponement, composition, or reduction of LICENSEE's debts, liabilities, or obligations; then, in any such event, LICENSOR may, at its option, to the extent permitted by law, cancel this License and thereupon take immediate possession of the Premises, after a reasonable time or pursuant to any right of action which LICENSOR may have."

EXHIBIT A

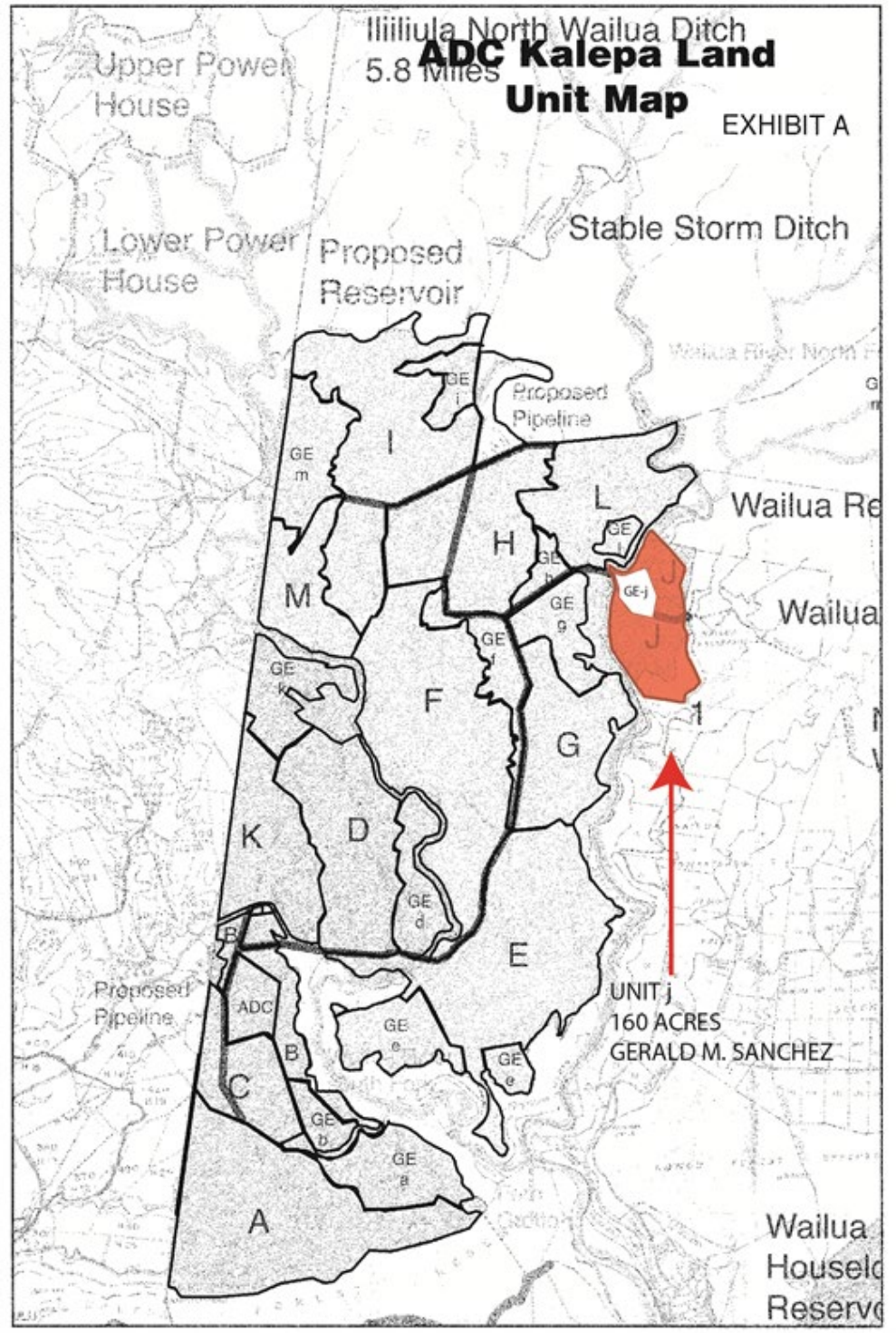


EXHIBIT B

Utilization & Development Plan

Field #1 Cleared grass planted in use

Field #3 Cleared grass planted in use

Field #2 & #4 Awaiting Green Energy Harvesting of trees. To be completed
2013. Project to be 100% developed in 5 years.



EXHIBIT C

“Notice of Default & Demand”

[see following pages 1 – 3]

DAVID Y. IGE
GOVERNOR



CLARE E. CONNORS
ATTORNEY GENERAL

HOLLY T. SHIKADA
FIRST DEPUTY ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
COMMERCE AND ECONOMIC DEVELOPMENT DIVISION
425 QUEEN STREET
HONOLULU, HAWAII 96813
(808) 586-1180
FAX (808) 586-1205

July 23, 2021

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

7019 2280 0000 2201 8576

Mr. Gerald M. Sanchez



RE: License Agreement No. LI-KA1412 effective December 1, 2014 (the "License") by and between the State of Hawaii, Agribusiness Development Corporation ("Licensor") and Gerald M. Sanchez ("Licensee") for Unit J, TMK No. (4) 4-2-001-003 containing 160 acres, more or less ("Premises")

NOTICE OF DEFAULT & DEMAND

Dear Mr. Sanchez:

I am the attorney for the State of Hawaii's Agribusiness Development Corporation. This letter is written notice pursuant to paragraph 18 of the above-referenced License. July 16, 2021 was the most recent inspection of your property. You are in breach of the License as follows:

Under paragraph 18, you have sixty (60) days from the date of this letter to cure or begin to cure, if applicable, the following breaches by September 21, 2021:

I. Failure to Utilize and Develop the Land/Abandonment.

Pursuant to paragraph 9 of the License, the Licensee shall utilize and develop the Premises in accordance with the Licensee's plan for utilization and development plan attached as "Exhibit C" to the License. Your License was executed on February 9, 2015, effective December 1, 2014 and your land utilization plan states that insofar as Fields 1 - 4 are concerned, "Project to be 100% developed in 5 years." ADC staff has documented more than five years of non-performance including overgrown, undeveloped, and unused premises.

2. Failure to Maintain Sanitary Conditions

Pursuant to paragraph 12 of the License, the Licensee shall keep the Premises and improvements in a strictly clean, sanitary, and orderly condition and shall use reasonable and prudent measures to cut, remove, or otherwise control weeds and grass, in complete conformance with applicable laws, rules, and statutes and consistent with the terms and conditions of the License. As recently as January 11, 2021, ADC staff has documented your failure to keep the premises in a sanitary condition, including the complete overgrowth of trees and grass.

3. Failure to Remove Abandoned Vehicles

Pursuant to paragraph 55 of the License, the Licensee shall take all steps necessary to prevent the placing or storing of abandoned vehicles within the Premises. Any and all abandoned vehicles within the Premises shall be removed by Licensee at Licensee's cost and expense. ADC staff has documented several abandoned vehicles on your premises.

4. Abandonment and Termination

Pursuant to paragraph 31 of the License, if, after putting the Premises into service, Licensee abandons or ceases to use the Premises for a period of four (4) or more consecutive months, Licensor shall have the right to terminate this License. ADC staff has documented well over four (4) months of inactivity on the Premises.

5. Kalepa Koalition

Pursuant to paragraph 69 of the License, the Licensee shall join or become a member or shareholder of the Kalepa Koalition or execute a written agreement with the Kalepa Koalition relating to the Licensee's responsibilities on common infrastructure maintenance and all other assessments required by the Kalepa Koalition documents. Moreover, proof of Licensee's membership with the Kalepa Koalition or a copy of a fully executed agreement between the Licensee and the Kalepa Koalition relating to Licensee's responsibilities on common infrastructure maintenance and all other assessments required by the Kalepa Koalition Documents, shall be provided to Licensor. As noted in the attached letter from Kalepa Koalition dated February 9, 2021, Licensee is not, nor has ever been, a member of Kalepa Koalition, nor has it executed a written agreement with the Kalepa Koalition.

(Paragraph 18 of the License requires an attempt to cure payment of any Common Road Improvement Costs to Kalepa Koalition within 30 days.)

In addition to joining Kalepa Koalition as a requirement of your License, you will also be responsible to pay any past dues assessed by the Kalepa Koalition before ADC will consider your default to be cured.

If Licensee does not fully cure the above breaches within the time specified, then the Licensor may, at its option, terminate the License and take any subsequent action under the License

Gerald M. Sanchez

July 23, 2021

Page 3

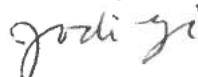
without further notice to you.

Licensee may be obligated to pay for any costs and attorneys fees incurred by Licensor. Nothing herein is intended or shall be deemed to be a waiver, modification, or release of any rights or remedies of Licensor under the License or otherwise, all of which remedies are hereby expressly reserved.

Lastly, as you know, on April 28, 2021, you attended and addressed the ADC's Board of Directors at their meeting. The Board voted to refer this matter to the Department of the Attorney General for legal action. Therefore, if you do not comply with the above and begin to cure your violations, then the Attorney General's office will begin legal action. We will recover service charges, amounts due to the Kalepa Koalition, attorneys' fees, expenses and costs.

Please immediately contact Lyle Roe at (808) 622-6696 if you have any questions or to discuss your specific plans and options to remedy the above. We urge your immediate attention to this matter.

Sincerely,



Jodi L. K. Yi

Deputy Attorney General
State of Hawaii

Enclosure

c: Kalepa Koalition
Tenant File



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

September 29, 2021

Subject: Request for Approval to Amend License No. LI-KA1811 Issued to Tiansheng Lin DBA Lin's Farm to Include 12 Acres, More or Less, of Unit HSPA 3 in Kalepa, Kauai, Tax Map Key (4) 3-9-002-001 (por)

Licensee: Tiansheng Lin dba Lin's Farm

Authority: Section 163D-(a)(5), Hawaii Revised Statutes

Area: 9 acres, more or less

Field No(s): HSPA 2, HSPA 3 (por)

Tax Map Key: (4) 3-9-002-001

Land Status: Set Aside by the Governor's Executive Order Nos. 4328 and 4401 to the Agribusiness Development Corporation for Agricultural Purposes

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes

Character of Use: Agricultural

Land Doc. Type: License

Term: 35 years (currently in year 4)

Base Rental Rate: \$100 per acre per year tillable, \$1 per acre per year untillable
Annual Rent: \$900

BACKGROUND:

In 2018, the Board ("Board") of the Agribusiness Development Corporation ("ADC") approved a land request from Tiansheng Lin dba Lin's Farm ("Licensee") for the 2 acres of HSPA 2 (see "Exhibit A"). The Licensee's utilization plan called for a small base yard and crops that included jackfruit, Chinese berry, soursop, avocado, mango, and lychee. Following approval of the land request, License No. LI-KA1811 ("License") was executed

on April 27, 2018, effective April 1, 2018. Subsequent inspections documented that the Licensee kept the premises generally well-tended and was working towards full utilization of the premises. The Premises quickly became fully built out as the orchard crops grew large enough to prevent effective inter-row cropping of the field.

At their meeting on September 23, 2020, the Board approved Licensee's request for 7 acres, more or less, of field HSPA 3 (por) (see "Exhibit A-1"), subject to an agreement with the previous licensee of HSPA 3. Licensee has since cleared and built out that portion of HSPA 3 with field and shade houses crops. In December 2020, the previous licensee requested to terminate her license agreement. Licensee then requested the remaining 12 acres of HSPA 3.

The premises are generally well-tended and no License violations have been documented (see "Exhibit B"). Licensee has noted that they are currently attending a series of trainings to facilitate GAP certification.

LAND REQUEST:

Licensee requests that their License be amended to include the remaining 12-acre portion of HSPA 3 which is comprised of 3 tillable acres and 9 untillable acres (see "Exhibit A-1").

WATER NEEDS AND SOURCE OF WATER:

HSPA 3 has access to the Hanamaulu Ditch for irrigation purposes. Pursuant to this request, it is estimated that Licensee will use an additional 8,100 gallons per day.

OPERATIONAL PLAN:

Presently, Licensee grows a wide variety of field and orchard crops including arugula, basil, bell pepper, carrots, cucumber, eggplant, ginger, sweet potato, turmeric, okra, avocado, banana, lilikoi, lime, soursop, and watermelon, among others. They sell primarily at local farmers' markets and have received interest from vendors in Honolulu's Chinatown for possible off-island export of their produce (see "Exhibit C").

Licensee is currently working with Malama Kauai and the University of Hawaii's College of Tropical Agriculture and Human Resources to achieve USDA GAP certification. Such certification would allow Licensee access to larger markets for their products.

CONSERVATION PLAN:

Licensee will be required develop an approved soil conservation plan for the lands under this request which will be incorporated as part of the License.

DISCUSSION:

Licensee's current utilization of HSPA 2 & 3 (por) is completely built out and the additional 3 tillable acres will allow them not only to expand but will re-combine HSPA 3 into one unit that is no longer subdivided. The addition of the remaining portion of HSPA 3 under the License would represent the final step in returning the unit into full production following years of disuse and overgrowth.

Approval of this request represents \$309 in additional annual rental income.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board approve Licensee's request to amend the License to include the remaining 12 acres, more or less, of HSPA 3, subject to the following conditions:

1. License rents shall be \$100 per acre per year for 3 tillable acres, and \$1 per year for 9 untillable acres;
2. Licensee shall pay and remain current with all dues and assessments issued by Kalepa Coalition;
3. Licensee shall submit and approved soil conservation plan and a utilization plan with an estimated timeline for full build-out to be included as an exhibit to the license.
4. ADC reserves the right to update the License tillable and untillable acreage classifications pursuant to its review of the Licensee's soil conservation plan for this portion of HSPA 3.

Respectfully Submitted,

.. 

James J. Nakatani
Executive Director

EXHIBIT A

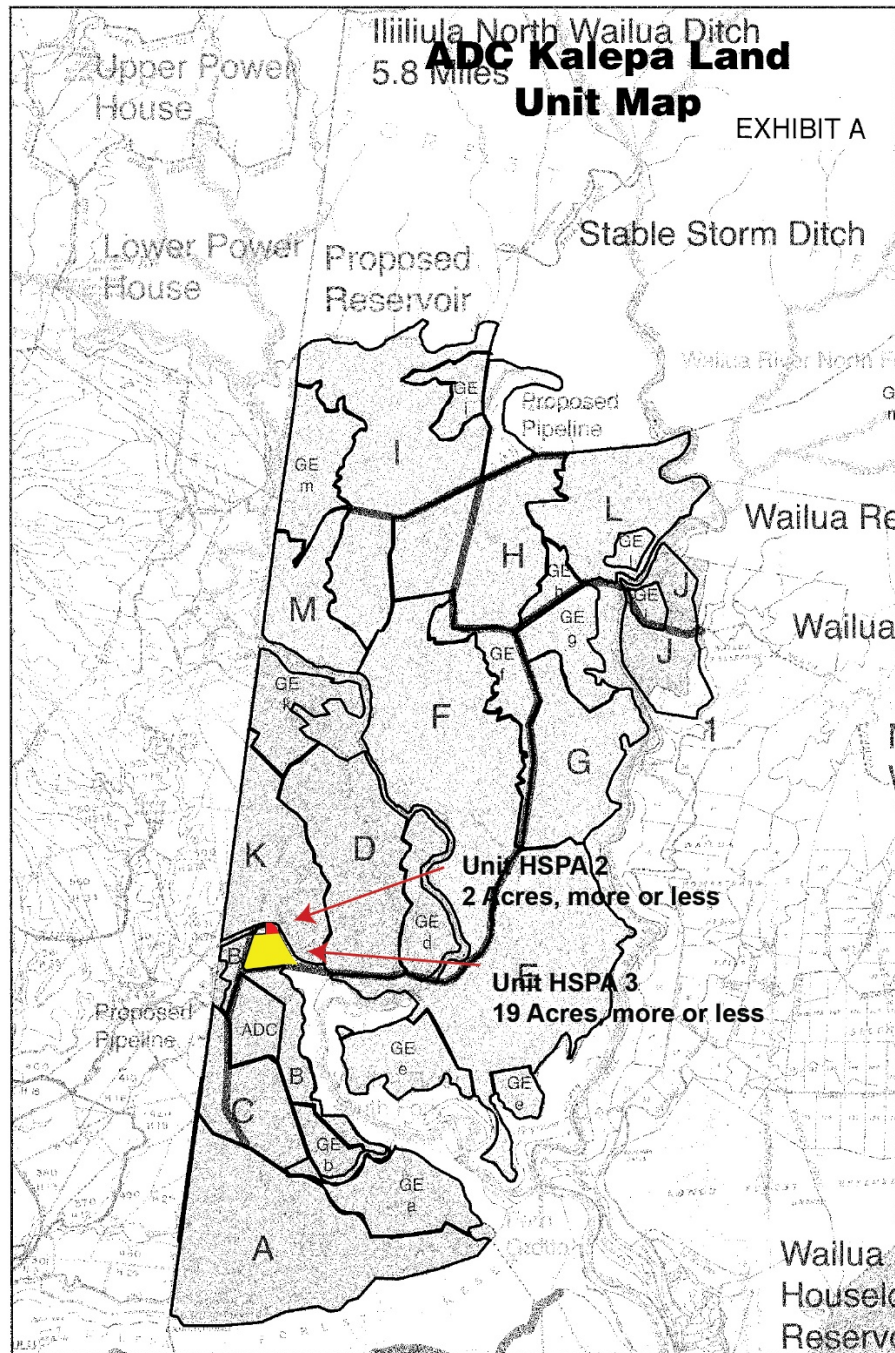


EXHIBIT A-1



EXHIBIT B



Request for Approval to Amend License No. LI-KA1811 Issued to Tiansheng Lin DBA Lin's Farm
to Include 12 Acres, More or Less, of Unit HSPA 3 in Kalepa, Kauai, Tax Map Key (4) 3-9-002-001
(por)
September 29, 2021
Page 7 of 11



Request for Approval to Amend License No. LI-KA1811 Issued to Tiansheng Lin DBA Lin's Farm
to Include 12 Acres, More or Less, of Unit HSPA 3 in Kalepa, Kauai, Tax Map Key (4) 3-9-002-001
(por)
September 29, 2021
Page 8 of 11







Request for Approval to Amend License No. LI-KA1811 Issued to Tiansheng Lin DBA Lin's Farm
to Include 12 Acres, More or Less, of Unit HSPA 3 in Kalepa, Kauai, Tax Map Key (4) 3-9-002-001
(por)
September 29, 2021
Page 11 of 11

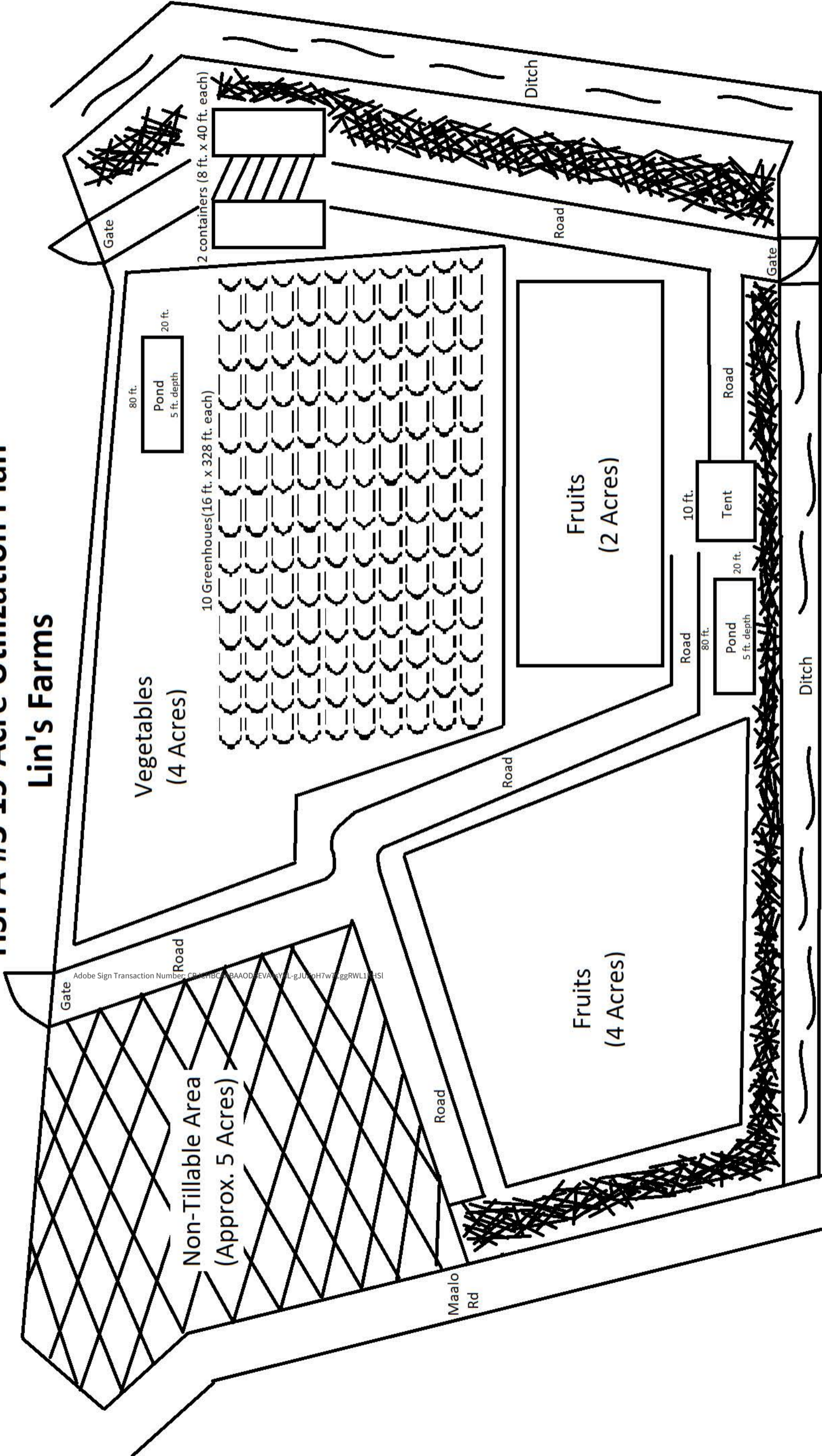
EXHIBIT C

“HSPA #3 19-Acre Utilization Plan – Lin’s Farms”

[see following pages 1 – 3]

HSPA #3 19-Acre Utilization Plan

Lin's Farms



HSPA #3 19-Acre Utilization Plan

Lin's Farms (Addendum 1)

Vegetable (4 Acres) List:

- Amaranth
- Arugula
- Basil – Sweet
- Basil – Thai
- Beets
- Bell Pepper
- Bok Choy
- Broccoli
- Carrot
- Cauliflower
- Chinese Broccoli
- Chinese Cabbage
- Chives
- Cherry Tomatoes
- Choy Sum
- Cilantro
- Corn
- Cucumber
- Eggplant
- Dill
- Ginger
- Green Onion
- Head Cabbage
- Head Lettuce
- Jalapeno
- Kale
- Kohlrabi
- Long Beans
- Malabar Spinach
- Mixed Greens
- Ong Choy
- Parsley
- Pea
- Pea Shoots
- Pumpkin
- Radish
- String Beans
- Spinach
- Sunflower Sprouts
- Sweet Pepper
- Sweet Potatoes
- Swiss Chard
- Tomato
- Thai Pepper
- Turmeric
- Turnip
- Okra
- Watercress
- Zucchini

HSPA #3 19-Acre Utilization Plan

Lin's Farms (Addendum 2)

Fruits (6 Acres) List:

- Avocado
- Banana
- Blackberry
- Blueberry
- Carambola
- Chinese Berry
- Custard Apple
- Dragon Fruit
- Durian
- Grapefruit
- Guava
- Honeydew
- Jackfruit
- Kumquat
- Lemon
- Lilikoi
- Lime
- Longan
- Loquat
- Lychee
- Mango
- Mangosteen
- Orange
- Papaya
- Passion Fruit
- Peach
- Pineapple
- Plum
- Pomegranate
- Raspberry
- Soursop
- Star Apple
- Watermelon



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

September 29, 2021

Subject: Request for Approval to Issue a License to Hawaii Golden Farm, Inc. for 182 Acres, More or Less, of Unit A-1 in Kalepa, Kauai, Tax Map Key (4) 3-9-002-001 (por)

Licensee: Hawaii Golden Farm, Inc.

Authority: Section 163D-(a)(5), Hawaii Revised Statutes

Area: 297 acres, more or less (237 acres of which are not yet executed)

Field No(s): Unit C (por), Unit A (not yet executed)

Tax Map Key: (4) 3-9-002-001

Land Status: Set Aside by the Governor's Executive Order Nos. 4328 and 4401 to the Agribusiness Development Corporation for Agricultural Purposes

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: Yes

Character of Use: Agricultural

Land Doc. Type: License

Term: Unit C (por): 35 years (currently in year 7)
Unit A: 10 years (not yet executed)

Rental Rate: \$100 per acre per year
Annual Rent: \$29,700 (\$26,700 not yet assessed)

BACKGROUND:

Hawaii Golden Farm, Inc. ("HGF") is a domestic for-profit corporation doing business in the State of Hawaii. HGF, currently a co-tenant with Taiwan Gu in Kalepa, Kauai, has been a tenant with the Agribusiness Development Corporation ("ADC") since 2016. Their jointly utilized premises include 68 acres, more or less of Unit C (por) under License No.

LI-KA1503 issued jointly to Taiwan Gu and HGF, 80 acres, more or less, of Unit C (por) pursuant to that certain tripartite Crop & Cattle Rotation Agreement executed under LI-KA2101 issued to Aurora S. Bunao and Arnold S. Bunao, and a land license that has been approved but not yet executed for 237 acres, more or less, of Unit A.

Unit A-1 has been encumbered under RP 1803 ("RP") to Taiwan Gu and Hawaii Golden Farm LLC (jointly the "Partners") since 2018. In early 2020, the Partners requested a land license for Unit A-1 which the Board approved at their meeting in May 2020, along with the termination of the RP. Concurrent with the Board's approval, the business relationship between the Partners began to deteriorate and the license was never executed. At their meeting in September 2021, the Board rescinded their prior approval for a land license and also approved the issuance of a new license to HGF for the 237 acres, more or less, of Unit A. Presently, HGF is working with both a conservation planner and surveyor as they work towards executing a license for Unit A, and they are in discussions with William Sanchez to develop a crop & cattle rotation agreement for the premises.

LAND REQUEST:

HGF requests a land license for 182 acres, more or less, of Unit A-1 for purposes of diversified agriculture to include ginger, sweet potato, and orchard crops (see "Exhibit A").

WATER NEEDS AND SOURCE OF WATER:

HGF estimates that they will need approximately 2,400 GPD. Irrigation water for Unit A-1 is accessed via the Hanamaulu Ditch.

OPERATIONAL PLAN:

HGF supplies sweet potato and ginger to Hawaii markets and to mainland wholesalers and distributors including Aloha Produce, Aloun Farm, Armstrong Produce, Ham Produce & Seafood Inc., Times Supermarket, as well as continental markets in California, Texas, Louisiana, Florida, Massachusetts, New Jersey, and New York. HGF plans to utilize Unit A-1, in part, for approximately 70 acres of orchard crops including mango, lychee, longan, jackfruit, durian, and papaya.

Their business plan calls for HGF to employ two full-time employees, as well as contract immigrant farm laborers.

CONSERVATION PLAN:

HGF will be required to finalize an approved conservation plan that will be included in the license.

DISCUSSION:

Given HGF's current tenancy with ADC and the current limited access to the premises jointly utilized with Taiwan Gu, staff believe that it is appropriate to issue a land license to HGF for a 35-year term for purposes of orchard crops. Additionally, given the current disposition of the premises, granting a license for purposes of diversified agriculture represents a step towards realizing the State's goal of doubling food production by 2030.

Such a license would represent a maximum annual rental income to ADC of \$18,200 per year, pending verification of gross, tillable, and untillable acreage. At a later date, staff may recommend re-combining Units A and A-1 in one distinct unit and amending the license to reflect that recombination. contiguous

RECOMMENDATION:

Based on the forgoing, staff recommends that the Board approve the issuance of a land license to Hawaii Golden Farm, Inc. for 182 acres, more or less, of Unit A-1 in Kalepa, Kauai, subject to the following conditions:

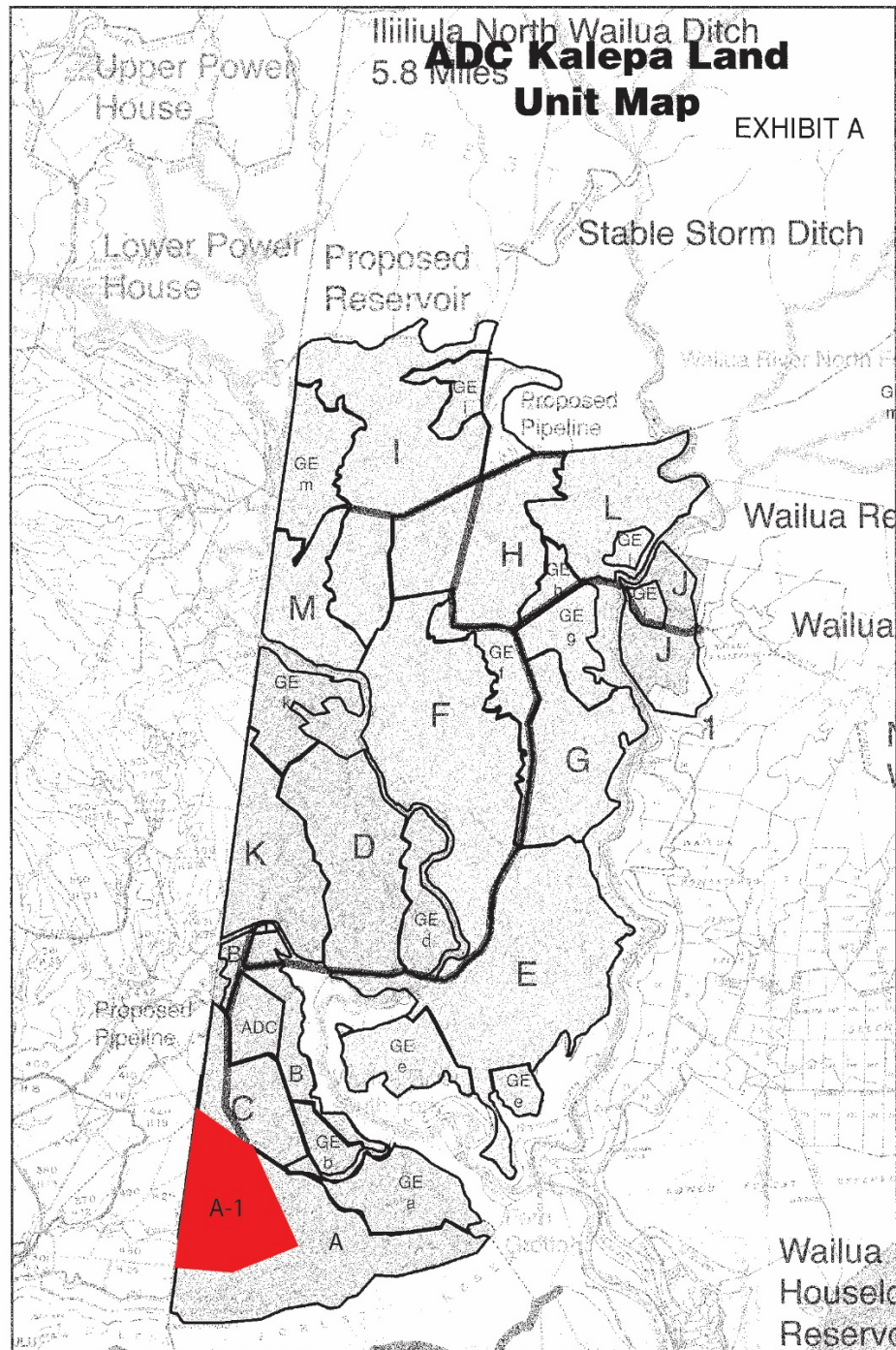
1. The License term shall be 35 years;
2. Rent shall be \$100 per acre per year for tillable land; \$1 per acre per year for untillable land;
3. HGF shall secure an approved soil conservation plan and the requisite policies of insurance prior to the execution of a license;
4. HGF shall secure the services of a land surveyor, subject to ADC's approval, to verify the actual acreage of Unit A-1, and to determine which portions of the property are tillable and untillable.

Respectfully Submitted,



James J. Nakatani
Executive Director

EXHIBIT A



DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



JAMES J. NAKATANI
Executive Director

ITEM I

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

September 29, 2021

Subject: Request for Approval to Adopt the Tenant Review and Recommendation Committee's Recommendations for Selecting Applicants for ADC Land Licenses

Authority: Section 163D-4(a)(5), Hawaii Revised Statutes

BACKGROUND

On September 23, 2020, the Tenant Review and Recommendations Committee ("Committee") was tasked by the Chair of the Agribusiness Development Corporation ("ADC") Board of Directors with assisting ADC in 1) Developing criteria for the qualification and selection of potential tenants of vacant ADC agricultural lands on Oahu, 2) Developing a fair and effective solicitation processes for the submission of applications and 3) Upon completion of the solicitation process, review and evaluate the applications received in accordance with the qualification and selection criteria and select the best applicants.

On March 4, 2021, the ADC solicited applications (see "Exhibit A") from interested farmers and ranchers to fill five (5) non-contiguous parcels located in the Whitmore and Mililani area of Central Oahu. These noncontiguous lots range in size from 91 acres to 511 acres and have not been farmed in decades. In addition to the individuals who submitted expression of interest for land, the ADC expanded its solicitation outreach to include the Hawaii Department of Agriculture, USDA, Hawaii Farm Bureau, Hawaii Farmers Union Foundation, Go Farm, Office of Hawaiian Affairs, DHHL, UH-CTAHR, Kamehameha Schools Bishop Estate, Dole Foods, Hawaii Cattlemen's Council, Star Advertiser, and various community groups in the area.

The ADC extended its deadline to receive applications citing more interest received after issuing its solicitation, the storm events in February and March 2021, and the COVID-19 pandemic as the reasons for the extension. The Committee completed its rating on May 25, 2021.

FINDINGS

Finding #1

In total, the ADC received 33 land applications. Of the 33 land applications received, three (3) were for cattle ranching, and five (5) was submitted after the April 27, 2021 deadline and would only be considered if the committee was unable to identify a suitable applicant amongst those who turned in their land application on time. The committee chose to accept and review all applications, including those that were incomplete (missing attachments, notary, etc.) because they did not want to eliminate any proposal on a technicality. If any incomplete applications were selected, the Committee would afford the applicant the opportunity to complete their application.

The 33 applications were placed in five (5) separate groups based on the five (5) different areas they applied for. The areas were listed in ADC's Request for Applications Spring 2021 notification along with pertinent information such as, the condition of the land, water availability, acreage, location, etc. It should be noted that several applicants applied for multiple parcels.

1. TMK 6-4-003-016 in Paalaa Uka – 10 Applicants;
2. TMK 6-4-004-006 & 008 in Whitmore – 9 Applicants;
3. TMKs 7-1-002-034 & 006, 7-1-002-041, 7-1-002-047, and 7-1-001-012, Whitmore Agricultural Lands – 14 Applicants;
4. TMK 9-3-005-007 in Mililani Mauka – 11 Applicants; and
5. TMK 7-1-001-005 Galbraith Agricultural Lands – 14 Applicants.

Using their discretion and expertise, the Committee evaluated the applications and awarded points for each of the following categories: a maximum score of 15 points for experience; a maximum score of 20 points for marketability of product; a maximum score of 40 points for finances; a maximum of 15 points for business plan; and a maximum of 10 points for farming practices. The maximum score an applicant could receive is 100 points per committee member for a total of 400 points. The following is a list of the top scores for each area/TMK:

TMK 6-4-003-016

- 1) Larry Jeffs Farms
- 2) Cedar Grove Hawaii, Inc.
- 3) Hawaii Sustainable Agricultural Products, LLC

TMK 6-4-004-006 & 008

- 1) Larry Jeffs Farms
- 2) Tony and Manyvone Law
- 3) Hawaii Sustainable Agricultural Products, LLC

TMKs 7-1-002-034 & 006, 7-1-002-041, 7-1-002-047, and 7-1-001-012

- 1) Larry Jefts Farms
- 2) Hawaii Sustainable Agricultural Products, LLC
- 3) Sila Farms

TMK 9-3-005-007

- 1) Larry Jefts Farms
- 2) Tony and Manyvone Law
- 3) Hawaii Sustainable Agricultural Products, LLC

TMK 7-1-001-005

- 1) Larry Jefts Farms
- 2) Thomas Law
- 3) Tony and Manyvone Law

Finding #2

In addition to evaluating the individual land applications, the Committee also interviewed the top-rated applicants to help them formulate their recommendations. During the interview, the Committee reminded the applicants that the lands will be issued as is where is and that the preparation and development of the parcel, which includes land clearing and water infrastructure, are the sole responsibility of the applicant. The Committee also had concerns that the applicants were not fully aware of the conditions of the land and external factors that cannot be overlooked such as community engagement and security concerns because many of them did not attend the site visit. The following are the applicants the Committee interviewed:

Larry Jefts Farms

Larry Jefts Farms is currently farming in Kunia, Oahu. Their major crops include cabbage, watermelon, bell peppers, bananas, and tomatoes, which is sold for local consumption. They are excellent operators and one of the largest growers of local produce in the State. They currently sell produce to large retailers and local distributors based on the customer's needs. Their request is for any available lands with adequate water supply.

Thomas Law

Thomas Law is currently farming in Kunia, Oahu. His major crops include basil, mint, taro, galanga, curry leaf, turmeric, malongai, and betel leaf. He has been farming in Hawaii since 1991 and are excellent operators. He currently sells produce to wholesalers and retailers in Hawaii, U.S. Mainland, and Canada based on the customer's needs. His request is for 200+ acres.

Cedar Grove Hawaii, Inc.

Cedar Grove Hawaii, Inc. have been operating in Hawaii since 1993 as Menehune Green, LLC dba Hawaiian Earth Products. They are the largest green and wood recycler in the State of Hawaii. Their major crops include sod, livestock feed/hay, breadfruit, citrus, taro, sweet potato and other root crops, turmeric, leafy greens, and a variety of fruits and vegetable. They also have a 60-acre farm in Redmond, Washington where they produce organic fruits and vegetables for local businesses and restaurants. The crops they produce include lettuce, kale, tomatoes, broccoli, carrots, squash, head cabbage, and other fruits and vegetables. Their request is for 500+ acres.

Tony and Manyvone Law

Tony and Manyvone Law began farming together in Kahuku, Oahu. In 2009, they moved their operation to the west side of Oahu. Their major crops include eggplant, daikon, curry leaf, squash, ginger, and banana. They have been farming in Hawaii for over 25 years and are excellent operators. They currently sell their produce to farmers market vendors, local supermarkets, restaurants, as well as retailers in the U.S. Mainland. Their request is for 90-200+ acres.

Hawaii Sustainable Agricultural Products, LLC

Hawaii Sustainable Agricultural Products, LLC have a combined 120 years of agriculture and business experience in Hawaii, Colorado, Missouri, and Africa. They have extensive agricultural husbandry and business acumen. Their major crops they are considering include cauliflower, Charentais melons, turmeric, alfalfa, tea, cacao, mamaki, citrus, and cashew. Their target market are local grocery stores and restaurants, and possibly export markets. Their request is for 90-500+ acres.

Sila Farms

Sila Farms is currently farming in Waialua, Oahu. Their major crops include Asian vegetables, banana, papaya, mango, and avocado. Sila Farm is a limited partnership comprised of family members who are excellent operators. They currently only sell wholesale to local retailers who makes their produce available at farmers markets, retail shops, and marketplaces in Chinatown. Their request is for 100 acres.

Phayvanh Inthisane

Phayvanh Inthisane and her husband are currently farming in Kunia, Oahu. Their major crops include Asian vegetable dragon fruit, lychee, longan, avocado, citrus, mango, and banana. They have 25 years of experience and are excellent operator. They currently sell their produce at a store front in Chinatown for local consumption. Her request is for 100-200 acres.

Ohana Hui Ventures, Inc.

Ohana Hui Ventures, Inc. and their coalition of businesses and non-profit organizations, which include Friends of Waimanalo, Root-Wise, Hemp Robotics, New Pineapple, Ke Alaula Group, LLC, Freimegio, and Modern Brands of Hawaii, are currently farming in various locations on Oahu and Oregon. Their major crop is hemp, which can be used in a variety of value-added products such as CBD Wellness, CBD infused sodas, hemp milk, hemp honey, hemp grains, hemp wood, and hempcrete. The group has over 20 years of farming experience and community engagement in the areas of workforce development and trade certifications. In addition to farming, their focus is to provide communities with opportunities in workforce training and education. These are for profit companies newly engaged in the industrial hemp industry in Hawaii, but with many years of farming experience and currently have product out on the market. Their request is for 200 acres.

RECOMMENDATIONS

The committee through its evaluation has identified the top applicants based on their experience, marketability of product, finances, business plan, and farming practices. With this report are the full scoring results for each area, shown in Exhibit B. The committee's selection and recommendations are summarized below for the Board's review and consideration:

Recommendation #1:

Award 511 gross acres (385 usable acres more or less) identified as TMK 6-4-003-016 to Cedar Grove Hawaii, Inc. (CGH). Upon further review of parcels and confirming that the lands will be issued as is where is, the top scorer, Larry Jefts Farms, withdrew his application citing the development cost and market instability as the deciding factors. CGH received one of the highest scores overall and was the second highest scoring applicant for the area. Their plan includes producing sod and livestock feed, which include hay and alfalfa. Their plan also includes dedicating a portion of the land for small farmers and establishing a post-incubator for recent graduates from the University of Hawaii's Go Farm Hawaii program. Plot sizes will range from 1-5 acres.

Recommendation #2:

Award 234 gross acres (162 usable acres more or less) identified as TMK 6-4-004-006 and 008 to Hawaii Sustainable Agricultural Products, LLC. Upon further review of parcels and confirming that the lands will be issued as is where is, the top scorer, Larry Jefts Farms, withdrew his application citing the development cost and market instability as the deciding factors. The second highest score was Tony and Manyvone Law. They too applied for multiple parcels and informed the Committee that they preferred another area.

Recommendation #3:

Award 416 acres (280 usable acres more or less) identified as TMK(s): 7-1-001-012, 7-1-002-041, 046, & 047, and 7-1-002-034 & 006 to Ohana Hui Ventures, Inc. Upon further review of parcels and confirming that the lands will be issued as is where is, the top scorers, Larry Jefts Farms and Sila Farms, withdrew their application citing the development cost and market instability as deciding factors. The second highest scorer was Hawaii Sustainable Agriculture Products, LLC who informed the Committee that they preferred another area. The next highest scorer was Phayvanh Inthisane. The committee had concerns about her capability to develop an extensive area by herself in a timely manner. The Committee also had concerns about her aptitude to engage and work with the community, which is highly recommended for this area. For these reasons, the Committee did not recommend this application. The next highest scorer was Ohana Hui Ventures, Inc. whose proposal included working with community by providing workforce training and education. Ohana Hui Ventures, Inc. informed the Committee that it has a coalition of businesses to help develop the lands and have already begun building relationships within the community with groups like the Whitmore Economic Development Group who is assisting community members obtain trade certifications, such as Commercial Driver's License.

Recommendation #4:

Award 100 acres more or less identified as TMK: 7-1-001-005 (por) to Thomas Law and award 100 acres more or less identified as TMK: 7-1-001-005 (por) to Tony and Manyvone Law. Upon further review of parcels and confirming that the lands will be issued as is where is, the top scorer, Larry Jefts Farms, withdrew his application citing the development cost and market instability as the deciding factors. The second and third highest scores overall were Thomas Law and Tony and Manyvone Law. The brothers both applied for the same 230-acre parcel and informed the Committee that they are willing to share the parcel.

CONCLUSION

This presents the summary of the Committee's evaluation of the land applications. The recommended applicants acknowledged during the interviews that the lands will be issued as is where is and that they are solely responsible for developing the lands, which includes, but is not limited to, land clearing and water infrastructure. The Committee is still in the process of interviewing applicants who applied for the 91 acres in Mililani Mauka, identified as TMK 9-3-005-007 and will present its recommendation to the Board at a later date to be determined. The Committee made their selection in confidence based on their expertise and discretion and believes that the land application process has identified the most qualified applicants who can put the State in a position to achieve its goals and increase its local agriculture productions.

RECOMMENDATION

Based on the finding above, the recommendation is to adopt the Tenant Review and Recommendation Committee's recommendations for selecting applicants for ADC land licenses.

Respectfully submitted,

.. 

James J. Nakatani
Executive Director

EXHIBIT A

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

March 4, 2021

To: Interested applicants

RE: Request for Applications

The State of Hawaii Agribusiness Development Corporation (ADC) is accepting applications from interested farmers and cattle ranchers seeking land for agricultural production and pastoral use. All interested applicants can go the ADC website at <http://hdoa.hawaii.gov/adc/land-application/> to obtain an application form, or they can contact the ADC office at (808) 586-0186. Office hours are 8:00am to 5:00pm, Monday through Friday, except holidays.

The ADC has available vacant lands for agricultural production on Oahu identified as Tax Map Keys: 6-4-003-016, 6-4-004-006 & 008, 7-1-001-005, 7-1-001-012, 7-1-002-034 and 006, 7-1-002-041, 046, & 047, and 9-5-003-007 (see attached general location map). Multi-year Licenses to farm these lands, or occupy for pastoral use, will be issued based on merit. All applications will be rated and only the highest rated applicants will be selected. Cattle ranchers may apply for the available parcels, however, preference will be given to crop farmers. Accordingly, we are seeking farmers and ranchers with the following requirements:

- Minimum 5 years farming experience; or
- Owner-operator of an established farm conducting a substantial farming or cattle ranching operation.

It is not required, but highly preferred that applicants be trained and certified in food safety and Good Agricultural Practices.

All applications will be rated 0-100 points based on the following questions:

1. Does the applicant have farming experience? (Max score: 15)
2. Do the crops selected appeal to consumers and will they generate profit? (Max score: 20)
3. Has the applicant demonstrated adequate financial ability? (Max score: 40)
4. Has the applicant demonstrated adequate goals and strategies in their business plan to achieve them? (Max score: 15)
5. Does the applicant's operation meet basic regulatory requirements and industry standards regarding safety and sanitation? (Max score: 10)

The following are the available parcels:

Page 2 of 6

1. Paalaa Uka, Kamehameha Hwy./Paalaa Uka Pupukea Rd., TMK: 6-4-003-016.

- A. Size: 511 Gross Acres, approximately 385 is usable for diversified farming. Minimum size lot for diversified agriculture operation is 100 acres.
- B. Location: Paalaa Uka, Oahu, gates to the property located on Kamehameha Hwy and Paalaa Uka Rd.
- C. Water source: A pump station owned by Dole is located across Kamehameha Hwy. approx. 500 yards from the property. A possible second water source is an irrigation ditch running on the northern end of the property: Licensee will need to procure an agreement from Dole to use water from the pump station or R2 ditch water. The Licensee is also responsible for the development of the irrigation water infrastructure, including transporting water and constructing its own water storage onsite.
- D. Condition of property: The property has several abandoned vehicles on site, as well as debris and rubbish. The land is overgrown with grass and tall trees. The land will require clearing before any agricultural activities can begin and will be issued "as is." The Licensee is responsible for developing the land in accordance with applicable laws and license provisions. Access from Kamehameha Hwy on the West boundary for several hundred yards makes security a concern for the farmer. If Licensee chooses, Licensee may erect fencing as allowed in the License.

The following are the general license provisions for diversified agriculture:

- Starting at \$100-\$200/acre/year
- Up to 35-year term
- Licensee is responsible for the development of the water infrastructure
- Must submit an approved conservation plan
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

The following are the general license provisions for cattle ranching:

- Starting at \$11-\$15/acre/year
- 5 years with an option to renew
- Licensee is required to install cattle fencing at its own cost
- Licensee is responsible for the development of the water infrastructure
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

2. Whitmore Lands (North), Kamehameha Hwy., TMK(s) 6-4-004-006 & 008

- A. Size: 234 Gross Acres, approximately 162 acres is usable for diversified farming

Page 3 of 6

- B. Location: Whitmore Village, Oahu, Kamehameha Hwy access to the property is currently blocked by concrete jersey barriers. Access road via Saipan Rd is in poor condition due to muddy and uneven road.
- C. Water Source: Dole's Tanada Reservoir (surface water) located 200 feet more or less from the property line. Licensee will need to procure an agreement from Dole to use water from Tanada Reservoir. The Licensee is also responsible for the development of the irrigation water infrastructure, which includes a pump, filter station, waterlines, and a reservoir/water storage, and other equipment needed to transport water from Dole's reservoir to the site.
- D. Condition of property: Property is fairly clear of debris and rubbish, however, it is overgrown with grass and trees. The land will require clearing before any agricultural activities can begin and will be issued "as is." The Licensee is responsible for developing the land in accordance with applicable laws and license provisions.

The following are the general license provisions for diversified agriculture:

- Starting at \$100-\$200/acre/year
- Up to 35-year term
- Must submit an approved conservation plan
- Licensee is responsible for the development of the water infrastructure
- Licensee is responsible for obtain approvals or permits for ingress/egress
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

The following are the general license provisions for cattle ranching:

- Starting at \$11-\$15/acre/year
- 5 years with an option to renew
- Licensee is required to install cattle fencing at its own cost
- Licensee is responsible for the development of the water infrastructure
- Licensee is responsible for obtain approvals or permits for ingress/egress
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

3. Whitmore Agricultural Lands, Whitmore Ave./Saipan Rd., TMK(s): 7-1-001-012, 7-1-002-041, 046, & 047, and 7-1-002-034 & 006. (These lands have been designated for green houses and orchards)

- A. Size: TMK: 7-1-001-012 (32 gross acres);
TMK: 7-1-002-041, 046 and 047 (205 gross acres); and
TMK: 7-1-002-034, and 006 (179 gross acres)
416 Gross Acres, 280 Acres, more or less, of relatively flat terrain

Page 4 of 6

- B. Location: Whitmore Village, Oahu, three (3) contiguous parcels with access via Whitmore Avenue and Saipan Road. Although contiguous these three (3) parcels could be considered as individual lots.
- C. Water source: TMK: 7-1-002-034 currently has a ¾" water meter. The other two properties do not have access to a water source. The Licensee is responsible for the development of the lot's irrigation water infrastructure, including transporting water and constructing its own water storage onsite.
- D. Condition of property: Hawaiian Electric power source located on Whitmore Ave. All three of the properties will require clearing and removal of junk and abandoned vehicles before agricultural activities can begin. Lot 034 is relatively flat, but it will require removal of a lot of tree trunks that were left behind after cutting down hundreds of invasive Albizia trees. The property is adjacent to Whitmore Village along the West boundary so it could be susceptible to vandalism and theft. The lots will also require clearing of grass and trees before any agricultural activities can begin and will be issued as is. The Licensee is responsible for developing their individual lots in accordance with applicable laws and license provisions.

TMK: 7-1-001-012	32 gross acres
TMK: 7-1-002-041, 046, and 047	205 gross acres
TMK: 7-1-002-034, and 006	179 gross acres
Total:	416 gross acres, more or less

The following are the general license provisions for diversified agriculture:

- Starting at \$100-200/acre/year
- Up to 35-year term
- Must submit an approved conservation plan
- Licensee is responsible for the development of the water infrastructure
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed, except as approved by ADC
- Rent credit for improvements to the land may apply, if approved by ADC

The following are the general license provisions for cattle ranching:

- Starting at \$11-\$15/acre/year
- 5 years with an option to renew
- Licensee is required to install cattle fencing at its own cost
- Licensee is responsible for the development of the water infrastructure
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

4. Mililani Mauka, Keni St., TMK: 9-5-003-007.

Page 5 of 6

- A. Size: 91 Gross Acres, farmable acres TBD.
- B. Location: Mililani Mauka, Oahu, access is through a Board of Water Supply (BWS) gate on Keni St.
- C. Water source: The property is adjacent to BWS Storage Tanks identified as Mililani 1150 Reservoirs 1 & 2. Licensee will need to procure an agreement from BWS to install a water meter. The Licensee is also responsible for the development of the irrigation water infrastructure, including water storage.
- D. Condition of property: The lot has not been farmed in decades and is overgrown with tall grass and trees. Access through two secure gates has deterred illegal dumpers and will stop most thieves. However, large trucks and equipment would have a difficult time accessing the property due to steep and narrow access road to the property. The lot will require clearing before any agricultural activities can begin and will be issued as is. The Licensee is responsible for developing the land in accordance with applicable laws and license provisions.

The following are the general license provisions for diversified agriculture:

- Starting at \$100-\$200/acre/year
- Up to 35-year term
- Must submit an approved conservation plan
- Licensee is required to pay BWS water meter installation cost
- Licensee is responsible for the development of the water infrastructure
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

The following are the general license provisions for cattle ranching:

- Starting at \$11-\$15/acre/year
- 5 years with an option to renew
- Licensee is required to install cattle fencing at its own cost
- Licensee is required to pay BWS water meter installation cost
- Licensee is responsible for the development of the water infrastructure
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

**5. Galbraith Agricultural Lands (North), Kamehameha Hwy., TMK: 7-1-001-005
(These lands have been designated for truck crops, no cattle ranching)**

- A. Size: 230 Gross acres, farmable acres TBD. Minimum size lot for diversified agriculture operation is 100 acres.
- B. Location: Whitmore Village, Oahu, Access through gate located on Kamehameha Hwy.
- C. Water source: There is a reservoir on the property connected to ADC's Bott Well Pump Station. The water line from Kamehameha Hwy to the reservoir has a saddle

Page 6 of 6

connection that the farmer may use for their operation. The licensee will need to procure an agreement from ADC to use water from the Bott Well Pump Station and install a water meter. The Licensee is responsible for the development of the lot's irrigation water infrastructure, including transporting water from a water meter designated by ADC and constructing its own water storage onsite.

- D. Condition of property: There are numerous abandoned vehicles and trash on a portion of the property that need to be removed. 90 acres, more or less do not have any abandoned vehicles or trash and has recently been cleared. The lot will require clearing of grass and small trees before any agricultural activities can begin and will be issued as is. The Licensee is responsible for developing the land in accordance with applicable laws and license provisions.

The following are the general license provisions for the Galbraith Agricultural Lands:

- Starting at \$100-\$200/acre/year
- Up to 35-year term
- Must submit an approved conservation plan
- Licensee is responsible for the development of the water infrastructure
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

A site visit of the available parcels will be held on Tuesday, March 16, 2021 from 9:00am.-2:00pm. This will be the only site visit. However, due to Coronavirus (COVID-19) pandemic, we may schedule multiple site visits to comply with the state's rules and regulations. Interested applicants wishing to attend the site visit should RSVP at least 24 hours prior to the site visit. All interested applicants who wish to attend the site visit shall meet at 1116 Whitmore Ave., Building E, Wahiawa, HI 96786. For more information about the site visit, please contact the ADC.

Applications shall be received by the ADC Office before 2:00pm, Friday, April 9, 2021. The applicants are required to answer all applicable questions and complete all attachments as prescribed in the application. Any incomplete application will automatically be disqualified. All completed applications shall be mailed or delivered to 235 S. Beretania St., Room 205, Honolulu, HI 96813. For more information about the parcels, interested applicants can contact the ADC Office at (808) 586-0087.

/s/ James J. Nakatani
Executive Director

ADC does not discriminate on the basis of race, color, national origin, disability, age, or sex in administration of its programs or activities, and, ADC does not retaliate against any individual because they have exercised their rights to participate in or oppose actions protected by 40 CFR Parts 5 and 7 or for the purpose of interfering with such rights. (As prohibited under Title VI of the Civil Rights Act of 1964, as amended; Rehabilitation Act of 1973 §504; Age Discrimination Act of 1975; Title IX of the Education Amendments of 1972; and Federal Water Pollution Control Act Amendments of 1972 §13 (hereinafter referred to collectively as the federal non-discrimination statutes.)

EXHIBIT B

Agribusiness Development Corporation
Board of Directors
Selection Committee

SCORING RESULTS

Project: TMK 6-4-003-016, Paalaa Uka. Oahu

Date: May 25, 2021

APPLICANT	RATER & SCORE				TOTAL	RANK
	Member 1	Member 2	Member 3	Member 4		
Cedar Grove Hawaii, Inc.	87	85	90	54	316	2
HSAP LLC	91	85	77	41	294	3
Hawaii Golden Farm LLC	67	65	81	61	274	
Larry Jefts	93	94	95	93	375	1
Tony Sybounmy	76	57	40	53	226	
Robert Rita Jr. (Livestock)	83	59	80	28	250	
Justine Robello (Livestock)	81	76	67	33	257	
Thoune Hongphao (LATE)	73	56	10	39	178	
Zachary Baccam (LATE)	59	35	70	33	197	
Ralph Fukushima (Livestock) (LATE)	62	44	25	30	161	

Project: TMK(s) 6-4-004-006 & 008, Whitmore, Oahu

Date: May 25, 2021

APPLICANT	RATER & SCORE				TOTAL	RANK
	Member 1	Member 2	Member 3	Member 4		
HSAP LLC	91	85	77	41	294	3
Phaiboun Hongphao	35	26	12	13	86	
Phen Khaephutcha	75	54	55	33	217	
Tony and Manyvone Law	89	85	75	76	325	2
Larry Jefts	93	94	95	93	375	1
Tony Sybounmy	76	57	40	53	226	
Justine Robello (Livestock)	81	76	67	33	257	
Thoune Hongphao (LATE)	73	56	10	39	178	
Ralph Fukushima (Livestock) (LATE)	62	44	25	30	161	

Project: TMK(s): 7-1-001-012, 7-1-002-041, 046, & 047, and 7-1-002-034 & 006, Whitmore, Oahu

Date: May 25, 2021

APPLICANT	RATER & SCORE				TOTAL	RANK
	Member 1	Member 2	Member 3	Member 4		
HSAP LLC	91	85	77	41	294	2
Phaiboun Hongphao	35	26	12	13	86	
Phayvanh Inthisane	78	74	60	56	268	
Phen Khaephutcha	75	54	55	33	217	
Weerasak Khotkham	75	68	55	37	235	
Langsy Farm LLC	70	54	61	64	249	
Larry Jefts	93	94	95	93	375	1
Ohana Hui Ventures, Inc.	85	75	75	27	262	
Sally's Farm	76	60	45	60	241	
Sila Farm	82	66	70	55	273	3
Natthawut Sinsom	69	59	68	60	256	
Tony Sybounmy	76	57	40	53	226	
Root Wise Hawaii (LATE)	77	56	22	20	175	
Ralph Fukushima (Livestock) (LATE)	62	44	25	30	161	

Project: TMK 9-5-003-007, Mililani Mauka, Oahu

Date: May 25, 2021

APPLICANT	RATER & SCORE				TOTAL	RANK
	Member 1	Member 2	Member 3	Member 4		
HSAP LLC	91	85	77	41	294	3
Malama Aina Collective LLC	85	83	65	47	280	
Weerasak Khotkham	75	68	55	37	235	
Langsy Farm LLC	70	54	61	64	249	
Larry Jefts	93	94	95	93	375	1
Tony and Manyvone Law	89	85	75	76	325	2
Natthawut Sinsom	69	59	68	60	256	
Tony Sybounmy	76	57	40	53	226	
Justine Robello (Livestock)	81	76	67	33	257	
Zachary Baccam (LATE)	59	35	70	33	197	
Ralph Fukushima (Livestock) (LATE)	62	44	25	30	161	

Project: TMK 7-1-001-005, Galbraith, Whitmore, Oahu

Date: May 25, 2021

APPLICANT	RATER & SCORE				TOTAL	RANK
	Member 1	Member 2	Member 3	Member 4		
Sisouphanh Chanthabandith	71	45	40	62	218	
George Fukumitsu	83	65	35	50	233	
HSAP, LLC	91	85	77	41	294	
Hawaii Golden Farms LLC	67	65	81	61	274	
Pahiboun Hongphao	35	26	12	13	86	
Phayvanh Inthisane	78	74	60	56	268	
Phen Khaephutcha	75	54	45	33	207	
Larry Jefts	93	94	95	93	375	1
Thomas Law	89	91	95	74	349	2
Tony and Manyvone Law	89	85	75	76	325	3
Orathay Rasabout	76	85	65	38	264	
Tony Sybounmy	76	57	40	53	226	
Zhao Produce	80	75	85	44	284	
BLH Farm (LATE)	77	74	40	20	211	

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



JAMES J. NAKATANI
Executive Director

ITEM K

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

ADC Executive Director's Update
September 29, 2021

1. Whitmore

After a grace period of five years, Dole Food Company, Inc. ceased providing custodial services for Building E in Whitmore. Building E houses ADC offices, as well as several other tenants. However, ADC's attempts to obtain a Request for Exemption of Contractual Services (RECS) were denied by HDOA's administrative office. Due to COVID prevention advice stressing the need for cleanliness and handwashing, ADC's property manager cleaned and maintained the bathroom, sometimes using his own money to procure soap, toilet paper, and hand towels. In June 2021, at ADC's request, Dole agreed to resume custodial services at a rate of \$33.03/hour in exchange for rent credit (not to exceed 13 hours per month). Dole's rate was well below that of the bids ADC received prior to the RECS denial. Staff is in the process of amending the Dole license to reflect the rent credit. For the two months of July and August, Dole has accumulated \$419.43 in rent credits.