

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on January 25, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Rm. 204, Honolulu, HI 96813

Approved: ADC Board Meeting February 16, 2023
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1 *Pursuant to section 92-3.7, Hawaii Revised Statutes (HRS), this meeting was held remotely with*
2 *Board members, Staff, Applicants, and the Public participating via Zoom meeting venue, and an In-*
3 *Person meeting location available for public participation at the State of Hawaii, Leiopapa A*
4 *Kamehameha, State Office Tower Building, 235 S. Beretania St., Room 204, Honolulu, HI 96813.*

5

6 **Members Present, virtually:**

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8 Frederick Lau, City & County of Honolulu, Chairperson (Chair)

9 Glenn Hong, Member-At-Large (Mr. Hong)

10 Kaleo Manuel, Designated Representative, DLNR for Ex-Officio Member (Mr. Manuel)

11 Karen Seddon, Member-At-Large (Ms. Seddon)

12 Lyle Tabata, Kauai County Member (Mr. Tabata)

13 Warren Watanabe, Member-At-Large (Mr. Watanabe)

14 Jayson Watts, Maui County Member (Mr. Watts)

15 Dane Wicker, Designated Representative, DBEDT, Ex-Officio Member (Mr. Wicker) joined at 9:20 a.m.

16 Earl Yamamoto (designated attendee for HBOA, Ex-Officio Member Ms. Sharon Hurd) (Mr. Yamamoto)

17 Vacant – Member-At-Large

18 Vacant – Hawaii County Member

19

20 **Members Excused:**

21

22 None.

23

24 **Counsel Present, virtually:**

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26 Delanie Prescott-Tate, Deputy Attorney General (Ms. Prescott-Tate)

27

28 **Staff Present, virtually:**

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30 James Nakatani, Executive Director (Mr. Nakatani)

31 Mark Takemoto, Executive Assistant (Mr. Takemoto)

32 Ken Nakamoto, Project Manager (Mr. Nakamoto)

33 Lyle Roe, Property Manager (Mr. Roe)

34 Lynette Marushige, Executive Secretary

35

36 **Guests Present, virtually:**

37

38 ADC Guest

39 F. Fuchigami

40 Joshua Uyehara

41 Matt Andros

42 Mike Faye

43 Richard Loero

44

45 **Guests Present, physical location:** None.

46

47 **A. Call to Order**

48

49 Chair called the virtual meeting to order at 9:10 a.m.

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51

52 Chair apologized for his camera not working, so he would not be visible.

53
54 **B. Roll Call**

55
56 Chair conducted a roll call of the Board. Chair called the name of each board member and asked them to
57 identify their presence with a “here” or “present” and to state who if anyone was present in the room with
58 them. Chair stated that the roll call served as the roll call vote, and for each subsequent vote, the Chair
59 would ask if there were any objections. If there were no objections the motion will be approved on the
60 same basis as the roll call.

61
62 Roll call: Mr. Hong, Mr. Manuel, Ms. Seddon, Mr. Tabata, Mr. Watanabe, Mr. Watts and Mr.
63 Yamamoto acknowledged attendance with no guests present. Mr. Wicker joined at 9:20 a.m.

64
65 **C. Approval of Minutes**

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67 1. Board of Director’s Meeting, **November 2, 2022**

68 Motion to Approve: Mr. Watanabe; Seconded: Mr. Tabata

69
70 Chair asked if there was anything from the staff. There was none.

71
72 Chair asked if there was any comment from the public. There was none.

73
74 Chair asked for Board discussion. Mr. Manuel said he would abstain from voting because he was
75 not present. Mr. Watts and Mr. Yamamoto also abstained.

76
77 Chair asked if there was quorum.

78
79 Ms. Prescott-Tate stated there needs to be six members for quorum and there were only five.

80
81 Mr. Manuel asked if he reviewed the minutes would he be able to approve them?

82
83 Ms. Prescott-Tate responded yes he can do that.

84
85 Mr. Manuel withdrew his abstention.

86
87 Chair called for the vote.

88
89 Motion approved: 6-0 (Mr. Watts and Mr. Yamamoto abstained)

90
91
92 2. Executive Session Minutes, **November 2, 2022**

93
94 Chair stated that this agenda item will be taken out of order and be considered by the board during
95 executive session prior to item E-1 pursuant to HRS §92-5(a)(2), regarding the evaluation of an
96 officer or employee where consideration of matters affecting privacy are involved.

97
98 3. Board Meeting Minutes, **November 16, 2022**

99
100 Motion to Approve: Ms. Seddon; Seconded: Mr. Hong

101

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102 Chair asked if there was anything from the staff. There was none.

103

104 Chair asked if there was any comment from the public. There was none.

105

106 Chair asked for Board discussion. There was none.

107

108 Chair called for the vote.

109

110 Motion approved: 6-0 (Mr. Watts and Mr. Yamamoto abstained)

111

112 4. Executive Session Minutes, **November 16, 2022**

113

114 Chair stated that this item will also be taken out of order and considered in Executive Session prior
115 to agenda item E. 1 and pursuant to HRS §92-5(a)(4), regarding consultation with the Board's
116 attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities,
117 and liabilities.

118

119 **D. New Business**

120

121 **1. Board Discussion and Approval of Board Meeting Schedule for Calendar Year 2023**

122

123 Chair stated that due to conflict with the Governor's Cabinet meetings scheduled for Wednesday's
124 at 10:00 a.m. it's proposed that the ADC Board Meeting be scheduled for the third Thursday of each
125 month at 9:00 a.m. Chair asked if there was any discussion.

126

127 Since ADC meetings have been on Wednesday's, Ms. Seddon noted there may be a conflict at times
128 with her corporate schedule. She will let the Chair know if an occasional conflict arises.

129

130 Chair agreed that it's a bit of a problem for him too, so he understands completely, but there doesn't
131 seem to be a better day. Would Tuesday be better for everyone?

132

133 Ms. Seddon stated there will always be a conflict someplace, she'll move things when she can, but
134 there's going to be times when she can't.

135

136 Hearing no further discussion, Chair announced that based on the agreement of the board, meetings
137 will be held at 9:00 a.m. on the third Thursday of each month.

138

139 **2. Request for Approval for the Assignment of License Agreement No. LI-K1502, Issued to**
140 **Andros Engineering Corporation, to Kekaha Agriculture Association, Kekaha, Kauai,**
141 **Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)**

142

143 Chair called for a Motion to Approve: Mr. Tabata; Seconded: Mr. Watanabe.

144

145 Chair asked for staff presentation.

146

147 Mr. Roe said the board has been made aware that Andros Engineering is leaving Hawaii. They have
148 already vacated their premises in Whitmore. They are doing the same in Kekaha. There is an
149 agreement between Kekaha Agriculture Association (KAA) and Andros Engineering for KAA to
150 take over their premises for use as a base yard. KAA will continue to provide some of the services
151 Andros had been providing to local farmers as well.

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Chair asked if there was anyone from the public who wished to give testimony. There was none.

Chair asked for Board discussion.

Mr. Manuel had a question. The term of the license expires on December 31, 2024 per the submittal. What is the strategy from staff on when the license ends? Is it going to be month to month or are there any ideas on where this property is going? Will it stay in the same type of use?

Mr. Roe said he believes for now it will stay in the same type of use. There is an option to extend.

Chair asked if it was only a base yard right now.

Mr. Roe responded it's a base yard with a temporary structure; a concrete floor with a series of trailers with a roof over the top. It's pretty well built with covered storage.

Chair asked if there was any other discussion. Hearing none, Chair called for the vote.

Motion Approved: 8-0

3. Request for Approval to Amend License Agreement No. LI-K1902 Issued to Kokee Farms LLC, Kekaha, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)

Chair called for a Motion to Approve: Mr. Watanabe; Seconded by Mr. Tabata

Chair asked for staff presentation. Mr. Roe stood on his submittal and was available for questions.

Chair asked if there was anyone from the public who wished to give testimony. There was none.

Chair asked if Mr. Roe could summarize before the board discussion.

Mr. Roe said that Mr. Loero was present if the Board wanted to speak with him. The board approved a license back in 2019, it's now in year 3. The pandemic hit, they lost one of their partners, development of their business plan took a hit, they're behind schedule and not as built out as they anticipated being. They don't have as many crops in the ground as expected. So, they're not really making money. They've made minimum payments in year one amounts. They're behind about \$4500 now. They are asking to restructure rent payments retroactively to the beginning so that will clear out the arrearage. It involves some rent relief for year two and three. They're in year three so there's some rent relief in years four and five as well.

Chair clarified, so basically we're in year one rental fee for this year is what you're saying?

Mr. Roe responded yes, continuing \$1500 from years one, two and three, that is what they'd be amending it to.

Chair asked and we're in the third year?

Mr. Roe responded yes.

Chair asked if there were any further board discussion. There were none.

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Chair called for the vote.

Motion approved: 8-0.

4. Request for Approval to Authorize the Executive Director to Execute the *Department of Health – Wastewater Branch Individual Wastewater System (IWS) Owner’s Certification Form*

Chair called for a Motion to Approve: Mr. Watanabe; Seconded by Mr. Hong.

Chair asked for staff presentation. Mr. Roe stood on his submittal and was available for questions.

Chair asked if there was anyone from the public who wished to give testimony. There was none.

Chair asked for board discussion or questions? There were none.

Chair called for the vote.

Motion approved: 8-0.

5. Request for Approval to Amend License Agreement No. LI-WM1505 Issued to William H. Wise III dba Waiiii Farms and Kalama Hardwood LLC for 16 Acres, More or Less, in Whitmore, Oahu, Hawaii, Tax Map Key No. (1) 7-1-002:004 (por.) by adding an Addendum that Requires the Licensees to Abide by the Requirements of Title 11, chapter 62 of the Hawaii Administrative Rules (HAR)

Chair called for a Motion to Approve: Ms. Seddon; Seconded by Mr. Hong.

Chair asked for staff presentation.

Mr. Roe said this was related to an item the board previously approved. It incorporates the requirements of the certification form into Mr. Wise’s license to make sure that he abides by the terms of the certification form, which involves a number of administrative rules that are listed in the submittal.

Chair asked if there was anyone in the public who wished to provide testimony. There was none.

Chair asked for board discussion.

Mr. Wicker asked what type of activity this entity was doing on the land.

Mr. Roe responded he is farming, growing some turmeric, flowers. There’s also a woodworking shop, that’s Kalama Hardwoods, they are operating out of one of the shelters there.

Mr. Wicker asked if he’s reading the submittal correctly, there are two homes? What do they mean by homes?

Mr. Roe said there are, the licensees were grandfathered in.

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251 Mr. Tabata said in reading the submittal, he just wanted to make a point that these are aerobic units
252 versus straight septic. It's a little more complicated system. Maintenance has to be followed. It's
253 not so simple as a straight IWS septic system.
254

255 Mr. Roe responded the Licensees and the Contractor are aware of that. The contractor will be
256 assisting with the management of the system developing a manual for the licensee as well.
257

258 Mr. Tabata said that is required by the Department of Health, but the follow-through part is many
259 times neglected.
260

261 Chair asked how do we ensure that it is maintained then?
262

263 Mr. Roe said to approve this agenda item. That is what we are attempting to do here; to incorporate
264 the requirements into the license so we have an enforcement mechanism.
265

266 Mr. Manuel asked what sort of enforcement authority do we have, just to cancel the license? Or do
267 we have the ability to seek fines? We don't have the ability to fine right? So, what is the corrective
268 action. If they are not fulfilling the license terms, the only recourse is rescission?
269

270 Mr. Roe responded he believes so. Before it got to that point we would be having a conversation
271 with the Lessees. It's ADC's reputation on the line with Department of Health as we are the
272 landowner. We have been keeping a pretty close watch on this.
273

274 Mr. Nakatani asked if he could interrupt. He thinks it's ADC's responsibility because the fine
275 always comes to ADC, so we'll make sure to keep tabs on him and make sure that the system runs
276 efficiently. That's the reason we're having this meeting to get the Board's approval because ADC is
277 the owner and is responsible.
278

279 Mr. Manuel says he recalls this conversation. He asked if it can be built into the license that if there
280 are any fines assessed by DOH to ADC as the landowner that the licensee agrees to pay.
281

282 Mr. Nakatani said that he talked to Mr. Wise and Mr. Wise will pay the fines and he thinks that the
283 biggest thing they have is if he doesn't follow through ADC will terminate his lease/license.
284

285 Mr. Manuel asked if they could make it explicit as a condition in the license.
286

287 Mr. Nakatani responded that ADC does not have the authority to fine, it's the Department of Health
288 that fines.
289

290 Mr. Manuel said he understands that, he is just saying that if a fine is levied by DOH to ADC as the
291 landowner that as a condition of the license, the licensee agrees that if it is in fact their fault, that
292 they will reimburse ADC for the fine.
293

294 Mr. Nakatani said that is something for Ms. Prescott-Tate to look at. For now, Mr. Wise has
295 promised to pay the fines. When we rewrite the contract, we can always put that in.
296

297 Mr. Manuel asked Ms. Prescott-Tate if it is something that can be pursued.
298

299 Ms. Prescott-Tate responded yes. She said the license already allows us to seek contributions from
300 the licensee for violations.

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Mr. Manuel said so it's already imbedded in the existing license terms and what we are amending here is specific to the DOH title?

Ms. Prescott-Tate confirmed.

Chair asked if there was any further discussion or questions. There were none

Chair called for the vote.

Motion Approved: 8-0

6. Request for Approval of the Transfer of Water Use Permit No. 808 from Pioneer Hi-Bred International, Inc. to Aloun Farm, Inc.

Chair called for a Motion to Approve: Mr. Manuel; Seconded: Mr. Watanabe

Chair asked for staff presentation. Mr. Roe stood on his submittal and was available for questions.

Chair asked if there was anyone from the public who wished to give testimony. There was none.

Chair asked for board discussion.

Mr. Manuel asked to make a recommendation to the language in the recommended action because ADC can't actually approve the transfer. If anything, it would be for approval to allow Aloun Farms to request a transfer from the Commission on Water Resource Management. The Commission is the only entity that can actually transfer the permit. As written this sounds like ADC is actually transferring it but that's not the mechanism. So, to clarify, the board is supporting its tenant to apply for a transfer of permit. He asked Ms. Prescott-Tate, if that would help it be more in alignment with the intent of the submittal as drafted.

Ms. Prescott-Tate asked so the request is amended to: "Request for Approval to allow Aloun Farms to apply for the transfer of Water Use Permit No. 808 from Pioneer Hi-Bred Int'l Inc. to Aloun Farms Inc."

Mr. Manuel said yes, that would be more in alignment with the procedures under the Water Code, if the body is open to that amendment.

Ms. Prescott-Tate stated that a motion to approve the amendment of the action as previously stated was required.

Mr. Manuel moved to approve as amended.

Mr. Watanabe seconded the motion.

Chair asked if there was any other discussion.

Mr. Manuel said just to highlight, when it goes over to the Water Commission, they'll review it, and it should just be an administrative trading of names. But, if there are any issues that are raised that

350 are substantive then it may need to go back to the Commission for final disposition. But it seems
351 like a pure administrative transfer. That's just an FYI to the group.
352

353 Chair thanked Mr. Manuel asked if there was any other discussion. Hearing none he called for the
354 vote.
355

356 Motion as Amended Approved: 8-0
357

358 **7. Presentation by Deputy Attorney General Delanie Prescott-Tate on Changes to Chapter 163D,**
359 **Hawaii Revised Statutes**
360

361 Chair called on Ms. Prescott-Tate to present on changes to Chapter 163D, Hawaii Revised Statutes.
362

363 Ms. Prescott Tate said, Senate Bill 2473 from the 2022 legislative session is the bill that started out
364 its life changing the administrative attachment of ADC from the Department of Agriculture to the
365 Department of Business, Economic Development and Tourism. The testimony supported the move
366 because ADC's mission was to spur economic development in agriculture, while HDOA's mission
367 was more regulatory. The legislature believed that ADC's goals and objectives would align with the
368 goals and objectives of DBEDT. Near the end of Senate Bill 2473's legislative evolution, some of
369 the investigative committee's recommendations were included in the bill. These recommendations
370 included amending the focus, scope, responsibilities, and powers of ADC. The legislature
371 recommended amending the requirements and responsibilities of the ADC board; they specified the
372 contents of the Hawaii Agribusiness Plan; and prioritized local food production. A written
373 comparison between the two statutes was provided to you. The purpose changed from marketing
374 and export to supporting agricultural production for local consumption. The theme of local
375 production is shown in the change to the definition of agriculture. All the other definitions remain
376 the same. As to section 163D-3, this is where the changes to the board functions come in. The
377 legislature focused on making sure that the board is the entity in charge and included a mechanism
378 to ensure that the board's goals are being implemented. This mechanism is the annual evaluation of
379 the executive director where the board gives the executive director the goals and performance
380 measures. This was something the investigative committee thought was very important. Then
381 163D-4, which specifies ADC's powers, they took away the focus on marketing and export and
382 replaced it with agricultural production for local consumption. In 163D-5 they refocused the
383 contents of the Hawaii agribusiness plan, which includes assembling an inventory of ADC assets
384 and preparing a plan on how these assets can be used to prioritize local food production. They set a
385 timetable for how often this plan needs to be reviewed. Lastly, they repealed 163D-8.5 that required
386 HDOA oversight of all ADC projects. Everything else remains the same.
387

388 Chair asked, so 163D-8.5 was repealed and that was the approval by HDOA right?
389

390 Ms. Prescott-Tate responded correct.
391

392 Chair said that was his main question. He asked if there were any other board discussion questions.
393

394 Mr. Tabata remarked that he remembers when he first came on, they were talking about inventory
395 on agriculture infrastructure, irrigation system, drainage system, processing facilities etcetera. He
396 remembers something about software being purchased. Do we have the tools to accomplish this?
397

398 Mr. Nakatani responded that we were talking about the Yardi inventory program that we're just
399 about to execute the contract. ADC had a lot of problems when we made the transfer from HDOA

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400 to DBEDT. The transfer date was July 1st and what happened was that when it came to July 1st
401 many of their contracts were stuck at HDOA. It took well over four months to get everything
402 resolved. He believes they're starting to contract and asked Mr. Nakamoto if he had information.
403

404 Mr. Nakamoto said the contract was fully executed and he has started discussions with Yardi. ADC
405 is providing them with the base information that will go into the database. That's ongoing and they
406 should be wrapping up very shortly.
407

408 Chair asked if he could give the board an overview of what the Yardi program will be able to do.
409

410 Mr. Nakamoto responded that the premise was property management. This was cited in the audit.
411 The inventory of the lands and infrastructure was mentioned. My understanding is that Yardi will
412 put this in, and it'll help us keep track of license, leases but it'll also create a database where ADC
413 and the public can have all of this information. Make special reports to say, here is all of the vacant
414 lands, here is what is occupied, and where. We could even try to craft water availability and
415 infrastructure. The capabilities of the software are pretty good. ADC is just trying to get the
416 baseline chart of accounts where we provide them the base information. That will set up the
417 database. So that's ongoing. We've been working on this since July, so ADC is pretty close to
418 giving them something.
419

420 Mr. Tabata asked if the program has a maintenance component so that they can understand
421 infrastructure, especially in Kekaha. It can be very delicate especially when it floods. Could it tell
422 ADC the status of clearing of canals and ditches out there? Would that be part of the
423 documentation, if it's on an annual cycle, if they're in a cycle, etc.?
424

425 Mr. Nakamoto said that it should be able to provide some kind of depreciation and maintenance
426 schedule. He's not sure how "in-depth" it's going to be. It's something we can consider.
427

428 Mr. Tabata said especially the discharge pumps; they need to know the status and useful remaining
429 life and depreciation. If funds are available.
430

431 Chair asked who would populate this, who would put the data in? And then who would do the
432 maintenance, who would continue to put data in, further down the road.
433

434 Mr. Nakamoto said we have them on contract for 5-years. They will provide tech support and
435 training as well to help us to take this to where it needs to be. As far as who is putting in the
436 information, that's coming from ADC staff. We are trying to get some accounting services, not
437 necessarily related to property management. They can help us with the licenses and make sure the
438 data is accurate before it is entered.
439

440 Chair asked if there was any other discussion.
441

442 Mr. Hong asked if relative to the whole Yardi system, how is the Board going to see information out
443 of this. What are the dates they are looking for, baseline implementation, mid-baseline
444 implementation and full-implementation? What are the target dates to get this done? If they don't
445 have a target this thing could roll on for a long time.
446

447 Mr. Nakatani said he doesn't think it's going to roll-on for a long time because the pressure from the
448 legislature mandated for them to come up with a system for land. That's one of the priorities. It is
449 one of the sore points, that we don't know what we're doing with our land. This gives us a report

450 for licenses. On the other side of that it will also give us the location of lands that are not being
451 farmed. For the legislature it's a priority and they will probably ask where we are with this. It will
452 be done by summer. Should be. We have the data to input, and we have one former employee
453 coming in and helping us gather that information so it should be moving.

454
455 Mr. Hong said that's great, he would like to see what that plan is to get it done by summer. What are
456 the resources that are needed, when the resources will be coming in and when can they expect to see
457 a functioning system?

458
459 Chair asked if they need more staff to do the work.

460
461 Mr. Tabata said so along the lines of what Mr. Hong mentioned is the budget funded for the
462 appropriate staffing to support this program? It could be huge. He's not sure how much total
463 acreage is under our responsibility, but the devil is in the details.

464
465 Mr. Nakatani said just an FYI. We've been going to legislative hearings, and it's almost every
466 single department has a huge number of vacancies and having a hard time to fill. For ADC, we are
467 adequately funded but we might want to look at bumping up those salaries. Everybody is just having
468 a hard time finding people to come into the office. The accounting position is so important but so
469 far they haven't gotten any qualified takers. We also have the asset manager position that's been
470 out for recruitment and so far they haven't gotten anybody. Some other departments have asked for
471 bumping up the compensation. Everybody's having a hard time. But we'll get there. Luckily we
472 have a small hard-working staff so they can do a lot of things. Yardi will help a lot. We might have
473 to depend on volunteers or 89-day hires to help input. But we'll get it done.

474
475 Mr. Hong said he understands the problem with getting resources. One thing that we may want to
476 ask HR is can they establish an intern program with the University, Chaminade, HPU. They have
477 people who want to get hands-on experience and they're available for a few months during the
478 summer and spring. Some of them may be able to start simultaneously with their spring classes,
479 they can help input information. Most of those folks in that category are tech savvy and capable of
480 doing things like that. Just a suggestion.

481
482 Mr. Nakatani thanked Mr. Hong for that suggestion. That conversation is also going on with some
483 of the other programs. If it's specific programs like engineering or accounting internship like that
484 then fine. ADC's problem is we don't have an HR. We depend on DBEDT's HR and although they
485 are very accommodating, they have shortfalls. It's just problematic across the state. Everybody's
486 trying to find a solution. It's a good idea conceptually but because we're so small, we cannot afford
487 to have somebody train somebody, take away time from their work and after 3-months the person
488 leaves. 89-day hire, if the person was experienced or past employees, that would be good, or they
489 know the accounting system. At one time, they got somebody from the Department of Agriculture
490 to help with the accounting, that's an option. We're looking at all the options. We're not ignoring
491 this, and we're starting to get desperate, looking at going out into the private sector and taking a
492 look instead of depending on the HR list. If you read this morning's paper, even the Federal
493 government, and the City and County, they need 200 positions. And the City and the Federal
494 government pays a lot more than the State. That's part of the problem.

495
496 Mr. Manuel said DLNR is in the same spot, and they are looking into ways to create a relationship
497 with UH to create a pipeline for capacity and filling the vacancies at the State level, so he thinks it's
498 across the board. Is Yardi a geospatial database or is just an asset management type of database? Is
499 it going to have that capability?

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Mr. Roe responded that it's focused on land management but they did organize this procurement so it will connect with ARC GIS. That's one of the things he has been working on as well.

Mr. Manuel said he was going to recommend that in the interim, Office of Planning also has GIS capabilities and manages the State files. If you need help with that as an agency, maybe as a sister agency we can partner with them.

Mr. Roe responded that they have already been a huge help.

Mr. Manuel said he wanted to shift to 163D-5, the Hawaii Agribusiness Plan. This is something he had brought up before. Are we contracting out the development of this plan, do we have this plan, what's the strategy to meet this new mandate?

Mr. Nakamoto said they tried to do a professional selection, and that Mr. Yamamoto sat on the selection committee. What they realized was that a lot of these professionals were not quite what they were looking for. We reached out to DBEDT and specifically, the new director, Mr. Wicker, as well as Scott Glenn from the OPSD division. They are trying to tap the special planning branch. They have the ability to contract and so they are trying to set up an agreement with them, they are just waiting for the Governor's approval to execute and to staff by contract. WE have already been in touch with Scott Glenn, they're on board. We will try to tap some of their professionals, they know a lot more planners than ADC does. It will be a similar approach to the 2012 study that was done, where they set up interviews and they will focus on ADC's properties.

Chair asked if there was any other discussion? If not, let's move on.

8. Request for Approval to Establish an Ad Hoc "Committee to Evaluate the FY2021-2022 Annual Performance of the Executive Director"; Appointment of Members thereto.

Chair called for a Motion to Approve: Mr. Tabata; Seconded by Mr. Watanabe

Chair asked for staff presentation. There was none

Chair asked if there was anyone from the public who wished to give testimony. There were none.

Chair asked for Board discussion. There was none.

Chair called for the vote.

Motion approved: 8-0

Chair appointed Ms. Seddon, Mr. Watanabe and Mr. Manuel.

9. Request for Approval to Adopt the RFP-2022 Evaluation Committee's Recommendations to Establish a Permitted Interaction Group of Board Members and Project Professionals to Assess and Evaluate the Offeror's Proposal.

Chair called for a Motion to Approve: Mr. Tabata; Seconded: Mr. Watanabe

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on January 25, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Rm. 204, Honolulu, HI 96813

Approved: ADC Board Meeting

February 16, 2023

549 Chair asked for staff presentation. Mr. Nakamoto stated this is related to the RFP that was issued
550 back in June. It's still an open procurement, which is why they are recommending that they form
551 this committee to kind of look into the proposal they received in more detail. He is open for any
552 questions but if it is too specific they may have to go into Executive Session because it is still an
553 ongoing procurement.
554

555 Chair asked if there was anyone from the public who wished to give testimony. There was no one.
556

557 Chair asked Ms. Prescott-Tate if they should go into Executive Session.
558

559 Ms. Prescott-Tate responded yes.
560

561 Chair Lau stated HRS section 92-4 allows the Board to hold an executive meeting closed to the
562 public for the Board to discuss New Business Item 9, which is a competitive bid procurement matter
563 that has yet to be awarded. HRS chapter 103D requires this discussion to be closed to the public
564 pursuant to HRS section 92-5(a)(8) in order to deliberate or make a decision upon a matter that
565 requires consideration of information that must be kept confidential.
566

567 Also, to be considered in Executive session is Old Business Agenda Item E-1, 4, regarding the
568 Complaint Referral from Department of Budget & Finance, and Old Business Agenda Item E-2, 1,
569 regarding the Ohana Best v. State of Hawaii, et al., Civ No. 19-1-1640 update. These matters must
570 be heard in executive session pursuant to HRS section 92-5(a)(4) for purposes of consulting with the
571 board's attorney on questions and issues pertaining to the board's powers, duties, privileges,
572 immunities, and liabilities.
573

574 Before going into Executive Session Chair asked if there was any public testimony. There was none.
575

576 Chair called asked for a motion to go into Executive Session and a 10-minute break prior to
577 Executive Session. Motion: Ms. Seddon; Seconded by Mr. Manuel.
578

579 Chair called for the vote.
580

581 Motion approved: 8-0
582

583 Board closed for Executive Session at 10:05 a.m.
584

585 Meeting resumed at 10:40 a.m.
586

587 Chair called for the vote on New Business Item 9.
588

589 Motion approved: 8-0
590

591 Chair appointed Ms. Seddon, Mr. Hong and himself as members of the Permitted Interaction Group
592 to Assess and Evaluate the Offeror's Proposal and then report back to the Board.
593

594 **E. Old Business**
595

- 596 1. Complaint Referral from the Department of Budget & Finance
- 597
- 598 2. Update Regarding Ohana Best v. State of Hawaii, et al., Civ. No. 19-1-1640-10

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Chair stated that both items were provided for informational purposes only so there will be no motion or vote.

F. Executive Director’s Report

Mr. Nakatani stated that most of ADC’s time was spent on the transition from HDOA to DBEDT. This legislative session has been somewhat challenging. People who have witnessed the hearings will see that it’s pretty intense. They have been spending a lot of time trying to listen to what the new administration has. Today, DBEDT, has to go back for another hearing at 2:00 p.m. so they’re trying to prepare for that. Overall, there’s a number of bills that are coming out, today’s the deadline and as soon as he accumulates the bills that affect ADC, he will send it to the Chair and the board members.

G. Adjourn

Chair called for a Motion to Adjourn: Mr. Watanabe, Seconded: Mr. Manuel

Chair asked if there were any discussion/objections. There was none.

Chair called for the vote.

Motion approved: 8-0

The meeting was adjourned at 10:50 a.m.

Respectfully submitted:



Lynette Marushige
Secretary