

**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**JAMES J. NAKATANI**  
Executive Director

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

HUI HO'OULU AINA MAHIAI  
235 S. Beretania Street, Room 205  
Honolulu, HI 96813

## **Meeting of the ADC Board of Directors**

Held via Teleconference

March 16, 2023  
9:00 a.m.

*Pursuant to section 92-3.7, Hawaii Revised Statutes, this meeting will be held using interactive conference technology (ICT). Board members, staff, persons with business before the Board, and the public may participate remotely online using ICT, or may participate via the in-person meeting site which provides ICT.*

*Interested persons may submit written testimony in advance of the meeting, which will be distributed to Board members prior to the meeting. We request that testimony be received by our office not less than seventy-two hours prior to the meeting to ensure that staff has time to disseminate it and that Board members have time to review it. Written testimony may be submitted electronically to [dbedt.adc@hawaii.gov](mailto:dbedt.adc@hawaii.gov) or sent via U.S. Postal Service to: Agribusiness Development Corporation, 235 South Beretania Street, Suite 205, Honolulu, Hawaii 96813.*

*When testifying via ICT, via telephone, or in-person, you will be asked to identify yourself and the organization you represent, if any. Each testifier will be limited to two minutes of testimony per agenda item.*

*The public may participate in the meeting via:*

**ICT:** <https://us06web.zoom.us/j/86867791000>

**Telephone:** (669) 900-6833, Webinar ID: 868 6779 1000

**In-Person:** at the meeting location indicated below

### **ICT ACCESS**

To view the meeting and provide live oral testimony, please use the link at the top of the agenda. You will be asked to enter your name. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You will also be asked for an email address. You may fill in this field with any entry in an email format, e.g., \*\*\*\*@\*\*\*\*.com.

Your microphone will be automatically muted. When the Chairperson asks for public testimony, you may click the Raise Hand button found on your Zoom screen to indicate that you wish to testify about that agenda item. The Chairperson or staff will individually enable each testifier to unmute their microphone. When recognized by the Chairperson, please unmute your microphone before speaking and mute your microphone after you have finished speaking.

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

### **TELEPHONE ACCESS**

If you do not have ICT access, you may get audio-only access by calling the Telephone Number listed at the top on the agenda.

## Board Meeting Agenda

March 16, 2023

Page 2 of 4

Upon dialing the number, you will be prompted to enter the Meeting ID listed next to the Telephone Number at the top of the agenda. After entering the Meeting ID, you will be asked to either enter your panelist number or wait to be admitted into the meeting. Please wait until you are admitted into the meeting.

When the Chairperson asks for public testimony, you may indicate you want to testify by entering “#” and then “9” on your telephone’s keypad. After entering “#” and then “9”, a voice prompt will let you know that the host of the meeting has been notified. When recognized by the Chairperson, you may unmute yourself by pressing “#” and then “6” on your telephone. A voice prompt will let you know that you are unmuted. Once you are finished speaking, please enter “#” and then “6” again to mute yourself.

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

Instructions to attend State of Hawaii virtual board meetings may be found online at <https://cca.hawaii.gov/pvl/files/2020/08/State-of-Hawaii-Virtual-Board-Attendee-Instructions.pdf>.

### IN-PERSON ACCESS

There will also be one meeting location, open to the public, which will have an audio-visual connection. That meeting will be held at:

State of Hawaii, Leiopapa A Kamehameha  
State Office Tower Building  
235 S. Beretania St, Room 204  
Honolulu, HI 96813

For ICT, telephone, and in-person access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to two minutes of testimony per agenda item.

### LOSS OF CONNECTIVITY

In the event of a loss of ICT connectivity, the meeting will be recessed for a period not to exceed thirty minutes to restore connectivity with all board members and the public in-person access location noted above. In the event that audio connectivity is re-established within thirty minutes without video connectivity, interested participants can access the meeting via the telephone number and Meeting ID number noted above.

In the further event that connectivity is unable to be restored within thirty minutes, the meeting will be automatically continued to a date and time to be posted on the ADC website at <https://dbedt.hawaii.gov/adc/> no later than close of business the next business day. New ICT, telephone, and in-person access information will be posted on the website no less than twenty-four hours prior to the continued meeting date. Alternatively, if a decision is made to terminate the meeting, the termination will be posted on the ADC website.

### SPECIAL ASSISTANCE

If you require special assistance, accommodations, modifications, auxiliary aids, or services to participate in the public hearing process please contact staff at (808) 586-0186 preferably at least three business days prior to the meeting so arrangements can be made. To request translation or interpretation services please contact staff at (808) 586-0186 or email: [dbedt.adc@hawaii.gov](mailto:dbedt.adc@hawaii.gov). Please allow sufficient time for the ADC to meet translation or interpretation services requests.

**NOTE: MATERIALS FOR THIS AGENDA WILL BE AVAILABLE FOR REVIEW IN THE ADC OFFICE, 235 SOUTH BERETANIA STREET, SUITE 205, HONOLULU, HAWAII 96813 ON AND AFTER MARCH 10, 2023.**

### **Agribusiness Development Corporation Non-Discrimination Statement**

The Agribusiness Development Corporation does not discriminate on the basis of race, color, sex, national origin, age, or disability, or any other class as protected under applicable federal or state law, in administration of its programs, or activities, and the Agribusiness Development Corporation does not intimidate or retaliate against any individual or group because they have exercised their rights to participate in actions protected by, or oppose action prohibited by, 40 C.F.R. Parts 5 and 7, or for the purpose of interfering with such rights.

If you have any questions about this notice or any of the Agribusiness Development Corporation’s non-discrimination programs, policies, or procedures, you may contact:

Mark Takemoto  
Acting Title VI Non-Discrimination Coordinator  
235 S. Beretania St., Ste 205  
Honolulu, HI 96813  
(808) 586-0186  
[dbedt.adc.titlevi@hawaii.gov](mailto:dbedt.adc.titlevi@hawaii.gov)

## **AGENDA**

A. Call to Order

B. Roll Call

C. Approval of Minutes

1. Board Meeting Minutes, February 16, 2023

D. New Business

1. Request for Approval to Issue a Lease to Hartung Brothers Hawaii, LLC for 42.019 Acres of Existing Office and Processing Operations in Kekaha, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:035
2. Discussion of License Agreement Nos. LI-K1702 (Kokee Ditch) and LI-K1703 (Mana Reservoir) Issued to Kauai Island Utility Cooperative for the West Kauai Energy Project in Kekaha, Kauai, Hawaii, Tax Map Key (4) 1-2-002:001 (por.), Various

*The Board may go into executive session pursuant to §92-5(a)(4), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.*

3. Request for Approval to Issue a New and Amended Revocable Permit to The Davey Tree Expert Company and Davey Tree Surgery Company for 21,510.5 Square Feet of Space, More or Less, in Whitmore Village, Oahu, Hawaii, Tax Map Key Nos. (1) 7-1-002:004 (por.), :009 (por.)
4. Request for Approval to Issue a Right-of-Entry to the State of Hawaii, Department of Education, Helemano Elementary School for 1.0 Acre, More or Less, for Parking Access for May Day Activities on May 12, 2023 in Whitmore Village, Oahu, Hawaii, Tax Map Key Nos. (1) 7-1-002:004 (por.), :009 (por.)

E. Old Business

1. Presentation of the Draft Annual Performance Review of the Executive Director (continued from January 25, 2023, Item D-8)

*The Board may go into executive session pursuant to §92-5(a)(2), Hawaii Revised Statutes, to consider the evaluation of an employee where consideration of matters affecting privacy will be involved.*

F. Executive Director's Report

G. Adjourn

---

The Board may go into executive session on any agenda item pursuant to the exceptions provided under §92-5, Hawaii Revised Statutes.

**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

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

**Members Present, virtually:**

Frederick Lau, City & County of Honolulu, Chairperson (Chair)  
Mary Alice Evans, Designated Representative, DBEDT, Ex-Officio Member (Ms. Evans)  
Glenn Hong, Member-At-Large (Mr. Hong)  
Sharon Hurd, Chair HBOA, Ex-Officio Member (Ms. Hurd)  
Karen Seddon, Member-At-Large (Ms. Seddon)  
Lyle Tabata, Kauai County Member (Mr. Tabata)  
Jayson Watts, Maui County Member (Mr. Watts)  
Vacant – Member-At-Large  
Vacant – Hawaii County Member

**Members Excused:**

Kaleo Manuel, Designated Representative, DLNR, Ex-Officio Member (Mr. Manuel)  
Warren Watanabe, Member-At-Large (Mr. Watanabe)

**Counsel Present, virtually:**

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

**Staff Present, virtually:**

James Nakatani, Executive Director (Mr. Nakatani)  
Mark Takemoto, Executive Assistant  
Ken Nakamoto, Project Manager (Mr. Nakamoto)  
Lyle Roe, Property Manager (Mr. Roe)  
Lynette Marushige, Executive Secretary

**Guests Present, virtually:**

ADC Guest  
Aldric Ulep  
Beth Amaro, KIUC  
Blaise Boyle  
Dbissell  
f.fuchigami  
Mark Thomas  
Mike Faye  
mthomas  
Randall Tanaka (Mr. Tanaka)  
Roy Ikeda (Mr. Ikeda)  
Ryan Roylo  
Scott  
Tom Koch



**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

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

**A. Call to Order**

Chair called the virtual meeting to order at 9:07 a.m.

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

**B. Roll Call**

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

Roll call: Ms. Evans, Ms. Hurd, Mr. Hong, Ms. Seddon, Mr. Tabata, and Mr. Watts acknowledged attendance with no guests present. Mr. Watanabe and Mr. Manuel were excused.

**C. Approval of Minutes**

**1. Board of Director’s Meeting, January 25, 2023**

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

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

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

Chair asked for Board discussion. There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 7-0

**2. Executive Session Minutes, January 25, 2023**

Chair explained that during the Executive Session meeting on January 25, 2023, the board considered matters pertaining to a competitive bid procurement, received updates on the department of budget and finance referral, and Ohana Best vs. the State of Hawaii, et.al. Civil Number 19-1-1640. HRS section 92-4 and 92-5(a)(4) allows a meeting to be closed to the public when necessary to consult with the board’s attorney on questions and issues pertaining to the board’s powers, duties, privileges, immunities, and liabilities. In order to maintain the confidentiality of the matters discussed in the executive session, draft minutes are provided directly to the Board members for review. Chair asked that the Board respect the confidentiality of the session held on January 25, 2023 in discussing approval of these minutes.

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

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

# AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

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

Chair asked if there was any board discussion, no specifics please. There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 7-0

**Chair stated that Old Business agenda items E-1 and E-2 will be taken out of order to allow the participants to attend to other pressing matters.**

## **E. Old Business [Taken out of order]**

### **1. Presentation by Assistant Superintendent Randall Tanaka Regarding the Assignment and Transfer of Lease No. LE-K1201 from Beck's Superior Hybrids, Inc. to the State of Hawaii, Department of Education.**

Chair called on Assistant School Superintendent Mr. Tanaka regarding the assignment and transfer of Lease No. LE-K1201 from Beck's Superior Hybrids, Inc. to the State of Hawaii, Department of Education (DOE). Chair said this is just a presentation so there is no need for a motion.

Mr. Ikeda stated that Mr. Tanaka was stuck in traffic so in the interest of time, Mr. Ikeda would summarize where they are at in the transaction and when Mr. Tanaka arrives he can provide a presentation on the program itself. Mr. Ikeda said he is the interim public works manager for the DOE, and they have been working with leadership over at Beck's on the assignment of lease in Kekaha. They have a finalized purchase and sales agreement that has been signed by Beck's leadership and is on the Superintendent's desk awaiting signature. It has been approved by the Deputy Attorney General and they anticipate Superintendent's signature by the end of the week. Mr. Tanaka just arrived and is ready to do the presentation.

Mr. Tanaka introduced himself. He is the DOE, Assistant Superintendent for Facilities and Operations. For a little over 18 months, maybe 2 years, this opportunity was presented to them. For the last 2 years they have been recalibrating their program regarding agriculture and facility opportunities. The assignment opportunity aligned quite nicely with their future plans in ag education. One of the challenges that the department had was the lack of understanding of scale. They have a number of ag programs in their schools aligned with their innovation kitchens, but they didn't have a means to scale. So, fundamentally they were teaching gardening. It's a lot tougher to accomplish on a scalable standpoint. When the facility was brought to them and the change that Beck's was making, they thought it was an outstanding opportunity. They have a school out in Waimea, Waimea High School, that has an ag program that's aligned with this opportunity; with this facility. They also saw this as an opportunity to incorporate their STEM programs, their ag programs, and food service programs within the facility, which is perfectly aligned with the adjacency of high-end ag, large ag in that community. They see it as a tremendous opportunity for what they want to accomplish or where they hope to take the renaissance of ag in the State of Hawaii. Mr. Tanaka thanked the Board for their time and was available for questions.

Chair said a couple of years ago, DOE talked about using this as a central kitchen. What exactly are the plans now, are they changing to a classroom and outdoor ag?

Mr. Tanaka said they see the role of the school is to introduce students first on the island of Kauai, on what ag could look like as a career opportunity and what it will take to do ag at the scale of the State of Hawaii. It's a classroom for all ag programs on Kauai and they expect to roll-out and do

## AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

visitation programs from all the other islands, Hawaii Island, Oahu, Maui and begin to scale up from a statewide ed program. So that's stage one. They intend to work with the partners that are doing large scale ag. He's had a wonderful conversation with Stephanie Iona about how they should be working with Kekaha Agriculture Association (KAA) and the partners out there. Mr. Tanaka also had a discussion with Aloun Farms, not only what they're doing in Kekaha but also what could be possible on Oahu. It continues to evolve, but there's a research element, there's a STEM element, there's a practicum but it needs scale; their students need to understand scale. They are having discussions with folks from Samoa that want to understand how their ag programs are running. Mr. Tanaka had a discussion with the robotics people on what this could look like and how robotics plays a role in large scale ag. They have visited New Zealand and Korea recently, in the last three months to see how they're scaling. They hope to extend this ed opportunity to students across the state.

Chair asked if they'll be using part of the 8-acres in back of the building for ag production?

Mr. Tanaka responded correct. Last year they requested budget for 5-6 greenhouses across the state. The real estate they sit on is 10 acres. They believe the greenhouse opportunity is part of the ed program, how they can use less water, how they can use less pesticides and how they can manage scale. What they saw in Korea was phenomenal. The Koreans were amazed that we're not doing this to a large scale considering the growing seasons are much longer. So yes, their intention is to use the full footprint and with innovation.

Chair asked if the students would be interning on some of the farms that are tenants of ADC and KAA.

Mr. Tanaka responded that they absolutely hope so, they will give them those opportunities.

Chair asked if anyone else had questions. There were none. Chair said, that was just a presentation, there's no need to motion on this matter and he'll move onto the next agenda item.

### **2. Request for Approval for the Assignment and Transfer of Lease Agreement No. LE-K1201 from Beck's Superior Hybrids, Inc. to the State of Hawaii, Department of Education for Agricultural and Education Purposes of 10.0 Acres, More or Less, in Kekaha, Kauai, Hawaii, Tax Map Key Nos. (4) 1-2-002:001 (por.) (continued from August 25, 2021, Item H)**

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

Chair asked for staff presentation.

Mr. Roe said he had no presentation but was available for questions.

Chair asked if there was anyone from the public wishing to provide testimony. There was none.

Chair asked if there was any discussion by the board.

Mr. Tabata said he cannot wait for the program to launch.

Chair asked Mr. Tabata if there was support from KAA on this.

Mr. Tabata responded yes.

## AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

Chair asked if there was any other discussion. There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 7-0

### D. New Business

#### 1. Request for Approval to Appoint Board Members to the Administrative Standing Committee pursuant to Article 4, Section 1 of the Bylaws of the Agribusiness Development Corporation.

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

Chair asked if there was any background from staff.

Mr. Roe stated there is no presentation, but Ms. Prescott-Tate and he were available to answer any questions.

Chair asked Ms. Prescott-Tate if she could provide a brief presentation.

Ms. Prescott-Tate said that this was the Executive Director's idea. The Executive Director wanted to use the bylaws that permitted the creation of standing committees. The standing committee will focus on designated projects for one year. It will be a sunshine meeting and the first thing we want them to tackle is getting farmers on the vacant ADC land. It will be like a land committee where they will send out the applications, review the applications, interview the applicant, and make referrals to the Board. She hopes they have some volunteers for the committee.

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

Chair asked for board discussion.

Mr. Nakatani said what they're trying to do, is that every time they look at disposition of lands it becomes quite problematic that they have to assemble a big group and look at all of the lands. It works if they have 3 or 4 parcels but when it comes down to parcels in say Kekaha, you're talking about 10 acres here, 10 acres there, 5 acres here, the appearance is that they're not doing it in a consistent way. So, rather than forming an ad hoc group every time, we'll form a standing committee, put all of the lands for disposition on the website so nobody can question that they're hiding lands from people. That's the gist of putting this thing forward, so there's no question and being open and transparent so everyone can see what lands are available.

Ms. Evans said she noted that there are three different functions of the administration committee: a) being to review and make recommendations on financial matters; b) review and make recommendations on personnel matters; and c) to make recommendations on any other matter. She said that seems quite broad and asked if the three are from the original bylaws.

Ms. Prescott-Tate said yes, those are from the bylaws and all of those tasks can be performed by the administration standing committee but right now they're going to focus on "c" and that is going to be the Chair appointing members to perform a task that he asks them to do.

Ms. Evans said she'll volunteer Mr. Wicker.

# AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

Chair laughed saying that's what he gets for not being here. Chair asked if there was any other discussion. There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 7-0

Chair stated that he was not prepared to appoint everyone to the committee right now but said he will serve as an ex-officio voting member of the Administration Committee. Chair noted that he would definitely like to appoint Mr. Tabata to be a member on this committee since a lot of the vacant lands are on Kauai.

Mr. Tabata thanked the Chair and said he accepts.

Chair remarked that Mr. Hong and Ms. Seddon are already on multiple committees. Chair asked for volunteers or asked that the appointment of members be put off till later.

Mr. Watts said he will volunteer.

Ms. Prescott-Tate said if they ask Mr. Wicker to serve that should be enough.

Chair asked if anyone else would like to serve, the more the merrier for this one. Chair confirmed that the committee members (Chair, Mr. Wicker, Mr. Tabata, & Mr. Watts) shall serve for 1-year or until the appointment of their successors. At the first meeting of the Administration Committee they shall elect a Chair and Vice Chair from its membership. Generally, the role of the Administration committee is to: a) review and make recommendations of all financial matters requiring approval of the Board of Directors, including but not limited to contractual matters and the annual budget of the Corporation, b) review and make recommendations on all personnel matters requiring approval of the Board of Directors and c) review and make recommendations regarding any other matter referred by the Chairperson of the Board of Directors.

## **2. Referral of Land Application Review, Evaluation, and Recommendation Matters for Vacant Lands on Oahu and Kauai to the Administration Committee.**

Chair called for a Motion to Approve: Ms. Evans; Seconded: Mr. Watts

Chair asked for presentation by staff.

Mr. Roe said there was no presentation, this was just a formality for the Chair to refer this particular matter to the Administration Committee for consideration.

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

Chair asked if there was discussion from the Board regarding directing the Administration Committee to seek applications for vacant ADC lands, review and evaluate the applications, and make recommendations to the full Board for selection and approval.

Ms. Seddon asked if it was an Administration or Administrative committee?

Ms. Prescott-Tate responded it's Administration.

Chair asked if there was any other discussion? There was none.

**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

Chair called for the vote. Hearing no objection, the motion was approved: 7-0

Chair said pursuant to Article 4, section 1, sub-section “c” of the By-laws of the Agribusiness Development Corporation, as Chair of the ADC Board of Directors, he directs the Administration Committee to focus its efforts on the licensing of the vacant ADC lands by seeking applicants, reviewing and evaluating the applicants, and making recommendations to the full board for approval.

**3. Request for Approval to Issue a Right of Entry to the Central Oahu Chief Petty Officer Association for Parking Access for the 46<sup>th</sup> Annual Wahiawa Pineapple 10k Run in Wahiawa, Oahu, Hawaii, Tax Map Key (1) 7-1-002:009 (por.), :004 (por.)**

Chair called for a Motion to Approve: Ms. Evans; Seconded: Mr. Watts

Chair asked for Staff presentation.

Mr. Roe said that ADC recently received this request. This run has happened in the past, but he doesn't think it has come to the board for action, but it is an extraordinary event. There will be a few extra people on the property, so they thought it best to bring it to the Board for approval. It's really just parking, overflow parking for attendees of this event. The right-of-entry includes indemnification language and requires appropriate levels of insurance. He's available for any questions.

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

Chair asked if there were any board discussion/questions?

Ms. Evans asked if the annual Wahiawa Pineapple 10K run benefitted charities in the area?

Mr. Roe said he doesn't know. He did not see any advertisement in the material they received.

Ms. Evans said since its been an ongoing tradition for 45-years, it seems like a reasonable community support activity and since it only runs for 1-day, it seems like a de minimis activity.

Chair asked if there were any other questions/discussion? There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 7-0

**4. Request for Approval to Renew Revocable Permit No. S-7004 Issued to Gary Smith for 2,780 Square Feet, More or Less, in Kekaha, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)**

Chair called for a Motion to Approve: Mr. Tabata, Seconded: Mr. Watts.

Chair asked if there was a presentation by staff.

Mr. Roe responded there was no presentation, but he would be available for questions.

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



**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

Chair asked if there was any board discussion.

Ms. Evans said she believes this was the second time this particular remnant parcel was brought before the board. She said at that time, there was a full and adequate discussion when it was first presented and so she has no questions.

Mr. Tabata asked if this was an annual thing.

Mr. Roe responded yes. Revocable Permits are month-to-month with annual approval by the Board.

Mr. Tabata said that since there are new board members could Mr. Roe explain to them what Mr. Smith was doing with this slip of property adjacent to the ditch.

Mr. Roe said he thinks the pictures show how well Mr. and Mrs. Smith are taking care of the property. If members haven't seen it, they should take a look at it; it's impressive. They keep up the property behind their house. It provides ditch access for ADC, they really need to control both sides of the ditch to make sure they can control flow, get access for any problems, blockages, etc.

Chair agreed that Mr. Smith does do a good job, it looks great. Chair asked if there was any further discussion. There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 7-0

**5. Request for Approval to Issue a Revocable Permit to Robert Rita Jr. (Mr. Rita) dba Robert's Equipment Services for 24 Acres, More or Less, of Land for Pastoral Purposes in Waialua, Oahu, Hawaii, Tax Map Key No. (1) 6-5-001:056 (por.)**

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

Chair asked for staff presentation.

Mr. Nakamoto said this was kind of similar to the previous request. There was an area close to the houses that includes a swell and some rocky areas so it's kind of difficult to get in with the mower. What they're suggesting was to put some livestock on the property and have ongoing maintenance, kind of eco-friendly in a sense. He's available for any questions.

Ms. Hurd asked if there was any potential use of this pastoral land for this trucking company, as she noticed he was dba Robert's Equipment Services.

Mr. Nakamoto said it's not for his company, just pastoral. This property will be included when we put out all the vacant lands, but it's kind of tricky due to its proximity to the homes, so obviously we don't want to dust out any homes. We have been mowing it for fire mitigation because the community's very vocal about those kinds of things. That's a tough area and Mr. Rita has been keeping the area maintained by putting some horses to keep the fire risk low, especially the areas near the homes.

Ms. Hurd said so he plans to put 24 horses there to control the grass.

Mr. Nakamoto responded no, it's 5 horses on 24 acres.



## AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

Ms. Hurd clarified, 24-acres with 5 horses?

Mr. Nakamoto said yes, it's kind of like a drainage area, it's sloped and rocky and the mower has a hard time going down into that area but from what Mr. Rita said the horses have no problem going down into that area.

Ms. Hurd said ok, thank you.

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

Chair asked if there was any further discussion by the Board. There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 7-0

### **6. Request for Approval to Extend the Terms of License Agreement Nos. LI-K1702 (Kokee Ditch) and LI-K1703 (Mana Reservoir) Issued to Kauai Island Utility Cooperative in Kekaha, Kauai, Hawaii, Tax Map Key Nos. (4) 1-2-002:001 (por.), Various**

Chair called for a Motion to Approve: Ms. Evans, Seconded: Mr. Tabata

Chair asked for staff presentation.

Mr. Roe said there was no staff presentation, but he 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. Hong asked if it was 6 months or 4 months because in the term it says 6 months but in the recommendation it says 4 months.

Mr. Roe said that was his error, the recommendation should read 6 months.

Chair asked if there were any other discussion/questions? There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 7-0

### **E. Executive Director's Report**

Mr. Nakatani gave an update on the legislature. He said if they read the paper they know session has been brutal, with Director Anderson not being confirmed. With DBEDT, they had a very thorough briefing with the Ways and Means committee; they went back 5-times. Ms. Evans can attest to that. Mr. Nakatani gave updates on SB833, SB825, SB818, SB836, SB1246/HB946, SB1547 and SB1507. The last bill, HB255, is dead.

Chair asked if there were any other questions.

Mr. Nakatani said there were a lot of bills relating to Aquaculture/Agriculture and a whole bunch of them, especially in the House didn't make it. Today's the last day for a bill with a double referral to

**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on February 16, 2023

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

452 have a hearing. So, if it didn't get a hearing today, the bill is pretty much dead. We'll be able to tell  
453 better next week what's happened, but it's just half-time and they have a lot more to go after that.

454  
455 Chair asked for an update on the three-wells.

456  
457 Mr. Nakatani said the first part was the purchase of the wells and he thinks Ms. Prescott-Tate is close to  
458 finalizing that.

459  
460 Ms. Prescott-Tate said she's almost there. She's drafting the final documents today and then it will go  
461 back to Dole for their signature and then it will go to escrow.

462  
463 Chair asked her how much longer she anticipates it will take till it happens.

464  
465 Ms. Prescott-Tate said, to go through escrow and everything, a couple of months. At least a month and  
466 then we'll have to go shopping for new pumps and all of that.

467  
468 Mr. Nakatani said the new pumps and everything, that's a separate appropriation. He thinks that they  
469 have already requested the funds be released by the Governor.

470  
471 Chair said the only reason he asks is because it is holding up one of the tenants for sure.

472  
473 Chair asked if there was any other discussion. There was none.

474  
475 **F. Adjourn**

476  
477 Chair called for a Motion to Adjourn: Mr. Tabata; Seconded: Mr. Watts.

478  
479 Chair asked if there was any discussion. There was none.

480  
481 Chair called for the vote. Hearing no objection, the motion was approved: 7-0

482  
483 The meeting was adjourned at 9:45 a.m.

484  
485 Respectfully submitted:

486  
487  
488  
489 Lynette Marushige  
490 Secretary  
491

**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**JAMES J. NAKATANI**  
Executive Director

**ITEM D-1**

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

HUI HO'OU LU AINA MAHIAI  
235 S. Beretania Street, Room 205  
Honolulu, HI 96813

March 16, 2023

Subject: Request for Approval to Issue a Lease to Hartung Brothers Hawaii, LLC for 42.019 Acres of Existing Office and Processing Operations in Kekaha, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:035

Lessee: Hartung Brothers Hawaii, LLC

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

Area: 42.019 acres

Field No(s).: Parcel E

Tax Map Key: (4) 1-2-002:035

Land Status: Set aside by the Governor's Executive Order No. 4660 to the Agribusiness Development Corporation for Agricultural and Related Purposes.

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act  
Yes ☒ No ☐

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes ☐ No ☒

Zoning: Agricultural

Character of Use: Agricultural

Land Doc. Type: Lease

Term: 35 years

Rental Rate: \$150 per acre per year  
Annual Rent: \$6,302.85

---

**BACKGROUND:**

Hawaii Department of Land and Natural Resources (DLNR) General Lease No. S-4654 was issued to Pride Company, Inc., a division of Northrup King Company (Pride) for 20

years effective May 16, 1980 for 42.019 acres of land in Kekaha, Kauai, Hawaii, hereinafter referred to as “subject parcel” (Exhibit A).

On May 14, 1993, Pride as the assignor and Northrup King Company as the assignee (Northrup) executed that certain “Assignment of Lease” agreement whereby General Lease No. S-4654 was assigned to Northrup. Effective May 16, 2000, at Northrup’s request, General Lease No. S-4654 was extended for 23 years. General Lease No. S-4654 expires on May 15, 2023.

In 2004, Northrup merged with Syngenta Seeds, Inc. (Syngenta Seeds) and executed that certain “Assignment and Assumption of Lease” agreement whereby General Lease No. S-4654 was assigned to Syngenta Seeds.

In 2008, Syngenta Seeds as the assignor and Syngenta Hawaii, LLC (Syngenta Hawaii) as the assignee executed that certain “Assignment and Assumption of General Lease No. S-4654 and Revocable Permit No. S-5983”.<sup>1</sup> Subsequently, on January 6, 2009, Governor’s Executive Order No. 4259 transferred the control and management of the subject parcel from DLNR to the Hawaii Department of Agriculture (DOA) for agricultural purposes. DOA board consented to the assignment from Syngenta Seeds to Syngenta Hawaii on October 25, 2012. The last annual rental reopening occurred in 2015 via appraisal.

At their meeting on June 20, 2017, the DOA board consented to (i) the transfer of 100% of Syngenta Hawaii’s membership interest to Hartung Brothers, Inc., a Wisconsin corporation, and (ii) the amendment of General Lease No. S-4654 to reflect the change of name from Syngenta Hawaii, LLC to Hartung Brothers Hawaii, LLC (Lessee).

Governor’s Executive Order No. 4660 transferred the control and management of the subject parcel to the Agribusiness Development Corporation (ADC) for agricultural and related purposes on September 23, 2021.

LAND REQUEST:

Lessee requests that General Lease No. S-4654 be extended for a term of 35-years on the same terms and previously approved by the Board of Agriculture for the subject parcel and transferred by Executive Order 4660 to ADC (Land Request).

WATER NEEDS AND SOURCE OF WATER:

Potable water is provided by Pacific Missile Range Facility.

OPERATIONAL PLAN:

Lessee does not intend any operational changes at the subject parcel beyond current and existing operations, which includes office and administrative operations, staff parking, and agricultural processing operations.

---

<sup>1</sup> The property subject to Revocable Permit No. S-5983 is not under ADC’s management and control.

CONSERVATION PLAN:

N/A

DISCUSSION:

Lessee is currently an ADC tenant in good standing under General Lease No. S-4654.

Other ADC lessees/licensees that previously entered into lease/license agreements with DLNR and HDOA, but are now subject to ADC's control and management through Executive Order No. 4660, have had their lease/license converted to an ADC lease/license. Rather than extend General Lease No. S-4654, a new ADC lease should be executed between ADC and Lessee for a term of 35 years.

Pursuant to ADC's land management policies and procedures, beginning in the 25<sup>th</sup> year of the new lease term, Lessee may request in writing to extend the lease for one additional term. Any such extension option must be approved by the ADC Board of Directors (Board), whose approval may be withheld at the Board's sole discretion.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board approve the Land Request, subject to the following conditions:

1. ADC shall issue a new lease with terms and conditions similar to General Lease No. S-4654 and other ADC lessees/licensees who are subject to ADC's control and management pursuant to Executive Order No. 4660; and
2. The term of the lease shall be for 35 years; and
3. Rent shall be set at \$150/acre/year with a 2.5% increase at the start of the 6<sup>th</sup>, 11<sup>th</sup>, 16<sup>th</sup>, 21<sup>st</sup>, 26<sup>th</sup>, and 31<sup>st</sup> years; and
4. Lessee may make a written request to extend the lease for one additional term no sooner than the first day of the 25<sup>th</sup> year; and
5. Lessee shall amend their membership agreement Kekaha Agriculture Association to include the subject property.

Respectfully Submitted,

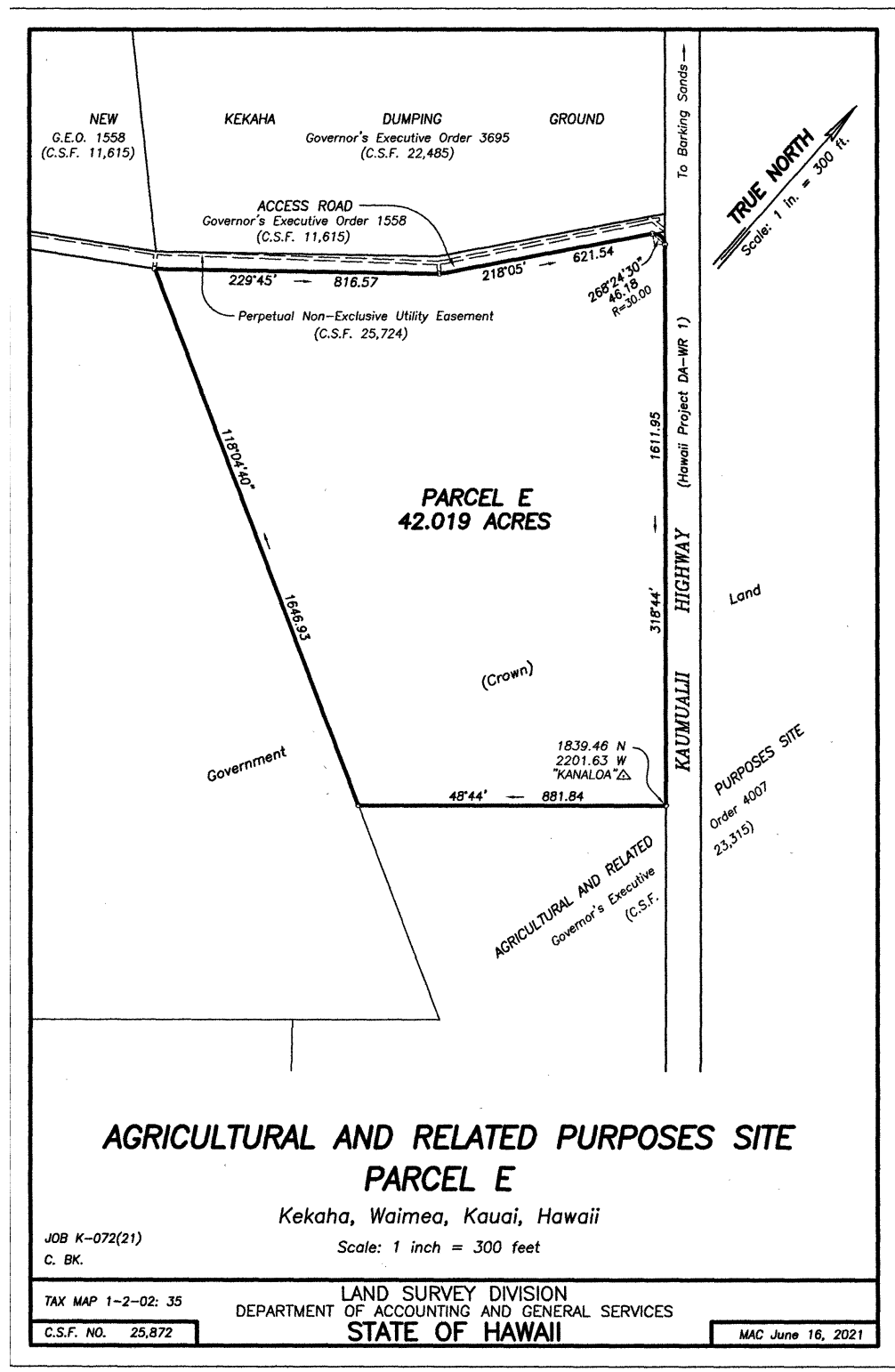
.. 

James J. Nakatani  
Executive Director

March 16, 2023

Page 4 of 5

EXHIBIT A



*Request for Approval to Issue a Lease to Hartung Brothers Hawaii, LLC for 42.019 Acres of Existing Office and Processing Operations in Kekaha, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:035*

March 16, 2023

Page 5 of 5

EXHIBIT B



Hartung Brothers, Inc.

P.O. Box 823  
Kekaha, HI. 96752

Tel. 808-337-1408  
Fax. 808-337-1560

February 6, 2023

Mr. James Nakatani, Executive Director  
State of Hawaii Agribusiness Development Corporation  
235 S. Beretania Street, Suite 205  
Honolulu, Hawaii 96813

Re: Extension and restatement of General Lease No. S-4654


Dear Mr. Nakatani:

I am writing on behalf of Hartung Brothers Hawaii, LLC ("HBH"), a Hawaii limited liability company and the current lessee under that certain General Lease No. S-4654, dated October 9, 1980, originally made by the State of Hawaii, through its Board of Land and Natural Resources in favor of Pride Company, Inc., a division of Northrup King Co., as extended for a term ending May 15, 2023 pursuant to that certain Extension of General Lease No. S-4654 dated October 4, 1994, (the "Lease"). The Lease demises approximately 42.019 acres of land in Kekaha, County of Kauai, identified by Tax Map Key No. (4) 1-2-002-035, and was set aside for control and management purposes to the ADC pursuant Governor's Executive Order No. 4660, dated September 23, 2021. I write to formally request an extension of the Lease for an additional term of thirty-five (35) years, or such other period as may be agreed between HBH and ADC, and subject to such other mutually acceptable terms and conditions as HBH and ADC may agree.

Please note that it is HBH's intention to adopt a form of lease that is generally consistent with leases previously approved by and entered into with ADC. Accordingly, we would propose that the Lease be amended and restated to conform to an ADC-approved lease form at the same time the term of the Lease is extended. Also, it is HBH's intention and understanding that the Lease, as so amended, would require HBH to pay, in addition to base rent paid to ADC, certain "common infrastructure improvement costs" to the Kekaha Agriculture Association, in conformity with what we understand to be standard practice in ADC license and lease agreements for land in Kekaha.

Please feel free to contact the undersigned with any questions you may have about this request. Thank you for your assistance.

Hartung Brothers Hawaii, LLC

By:   
Joshua Uyehara  
VP - GM, Hawaii Operations



**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**JAMES J. NAKATANI**  
Executive Director

**ITEM D-2**

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

HUI HO'OULU AINA MAHIAI  
235 S. Beretania Street, Room 205  
Honolulu, HI 96813

March 16, 2023

**Subject:** Discussion of License Agreement Nos. LI-K1702 (Kokee Ditch) and LI-K1703 (Mana Reservoir) Issued to Kauai Island Utility Cooperative for the West Kauai Energy Project in Kekaha, Kauai, Hawaii, Tax Map Key (4) 1-2-002:001 (por.), Various

**Licensee:** Kauai Island Utility Cooperative

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

**Area:** Mana Reservoir 30 acres, more or less  
Kokee Ditch Undetermined

**Field No(s).:** Non-Designated

**Tax Map Key:** Mana Reservoir (4) 1-2-002:001  
Kokee Ditch (4) 1-2-001 (various)  
(4) 1-4-001 (various)

**Land Status:** Portions of various parcels of Tax Map Key (4) 1-2-002:001 (por.) under Governor's Executive Order No. 4007 to the Agribusiness Development Corporation for Agricultural and Related Purposes, as modified by Governor's Executive Order Nos. 4034 and 4165, and  
  
Portions of various parcels of Tax Map Key (4) 1-2-001 and (4) 1-4-001 under Governor's Executive Order No. 4287

**Trust Land Status:** Section 5(b) lands of the Hawaii Admission Act  
Yes ☒ No ☐  
  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes ☒ No ☐

**Character of Use:** Access for due diligence purposes; construction and operation of the West Kauai Energy Project; agricultural

**Land Doc. Type:** License (option to convert to lease)

**Term:** 6 years (extended to and including August 27, 2023)

Rental Rate: N/A

---

**BACKGROUND:**

Kauai Island Utility Cooperative (KIUC) has been incorporated in the State of Hawaii since November 1999, as a non-profit Cooperative whose stated purpose is the generation, transmission, and distribution of electricity to its member-owners. Discussions regarding the West Kauai Energy Project (WKEP) (formerly the “Puu Opae Project”) involving the Agribusiness Development Corporation, (ADC), Hawaii Department of Land and Natural Resources (DLNR), and Hawaii Department of Hawaiian Home Lands (DHHL) lands and infrastructure began in or around 2011. KIUC has made multiple presentations to the ADC board regarding WKEP, which include components that would be beneficial to agricultural and other activities in the area.

WKEP would utilize the upper portion of the Kokee Ditch and all pertinent diversions, and the Puu Lua (DLNR), Puu Opae (DHHL) and Mana (ADC) Reservoirs in order to integrate pumped storage, store and release hydro generation, and the delivery of water for irrigation (Project) (Exhibit A). The purpose of the project is to make the most efficient use of the water resource, to allow KIUC to maximize renewable generation during the evening peak demand hours, and to support irrigation on the west side.

The parties to the WKEP are also subject to a Mediation Agreement for the Waimea Watershed Area effective April 18, 2017 (Mediation Agreement) based upon a 2013 Complaint, Petition for Declaratory Order Against Waste, and a Petition to Amend the Interim Instream Flow Standards for Waimea River and Its Headwaters and Tributaries, which was filed by community groups (Complainants) represented by EarthJustice. Pursuant to this Mediation Agreement, the parties meet quarterly with the Commission on Water Resource Management to discuss the diversion of water from the Waimea River and its tributaries for purposes of achieving Complainants’ goals of allowing all streams to flow from the mountain to the sea with no total diversions.

On November 16, 2016, the Board of Directors (Board) of ADC approved the issuance of a 5-year land license for the Kokee Ditch and the Mana Reservoir with an option to convert<sup>1</sup> the license to a 65-year lease for the same, pending completion of the environmental review process. ADC engaged with KIUC to negotiate the terms of the licenses on the basis of KIUC’s not-for-profit status as an energy cooperative. License Agreement Nos. LI-K1702 (Kokee Ditch) and LI-K1703

---

<sup>1</sup> Licenses 2(A): “Provided that LICENSEE meets the 343 Requirements, LICENSEE has the option at its sole discretion, to convert the license of the Premises granted by this License Agreement to a sixty-five (65) year lease of the Premises on substantially the same terms, covenants, and conditions set forth in the Lease Agreement attached hereto as Exhibit “B.””

(Mana Reservoir), collectively the “Licenses,” were issued and effective August 28, 2017.

In January 2021, KIUC provided notice that they were partnering with the AES Corporation (AES), a global for-profit energy company, to provide operational expertise with WKEP.

In August 2022, as the expiration of the Licenses was approaching and the environmental review was not yet completed, KIUC requested a 6-month extension of the Licenses. The Board approved the request at their meeting on August 17, 2022.

KIUC submitted their Final Environmental Assessment (FEA) to (DLNR) in December 2022 with a *finding of no significant impact* (FONSI) and the FEA was published in the January 8, 2023 issue of *The Environmental Notice*.

On February 6, 2023, EarthJustice, on behalf of their clients, filed a challenge in State of Hawaii First Circuit Court under Civ. No. 1CCV-23-0000165 to DLNR’s approval of the FONSI. The filing of this lawsuit brings into question whether the chapter 343, Hawaii Revised Statutes, requirements have been met.

#### DISCUSSION:

ADC engaged in good-faith negotiations with KIUC regarding the terms and conditions of the Licenses, based primarily on KIUC’s not-for-profit status as a utility cooperative and the fact that WKEP promises to be a major step towards fulfilling the County of Kauai’s renewable energy production goals. To that end, ADC is supportive of WKEP and agreed to very generous license terms, including no rent in lieu of improvements to the Kokee Ditch and Mana Reservoir.

The participation of AES as a for-profit operational partner with KIUC for WKEP is reason for pause and concern for ADC as it represents a for-profit entity potentially set to benefit from lease terms and conditions that were negotiated for a not-for-profit entity, at the expense of the State and taxpayers.

Additionally, the terms of the leases include broad language that allows KIUC to sublease or assign the lease to a “subsidiary of LESSEE or to a joint venture in which the LESSEE is a joint venturer.”<sup>2</sup> Given the participation of AES, ADC does not believe the sublease and assignment language is appropriate.

Lastly, it should be noted that ADC has held the Mana reservoir in abeyance for KIUC since 2017 and has continued to pay related dam safety fees for the reservoir. Any new agreement should require KIUC to immediately assume responsibility for all aspects of the reservoir, including compliance with all dam safety regulations and the mitigation and repair of any noted deficiencies as documented by Hawaii Department of Land and Natural Resources, Engineering Division, Dam Safety.

**RECOMMENDATION:**

Based on the foregoing, staff recommends that the Board authorize the Executive Director to engage in discussions with KIUC on long-term licenses/leases terms that reflect the change in business and operational realities of the project, subject to the following condition(s).

1. Staff shall submit any updated and revised license/lease agreement to the Board for consideration and approval.

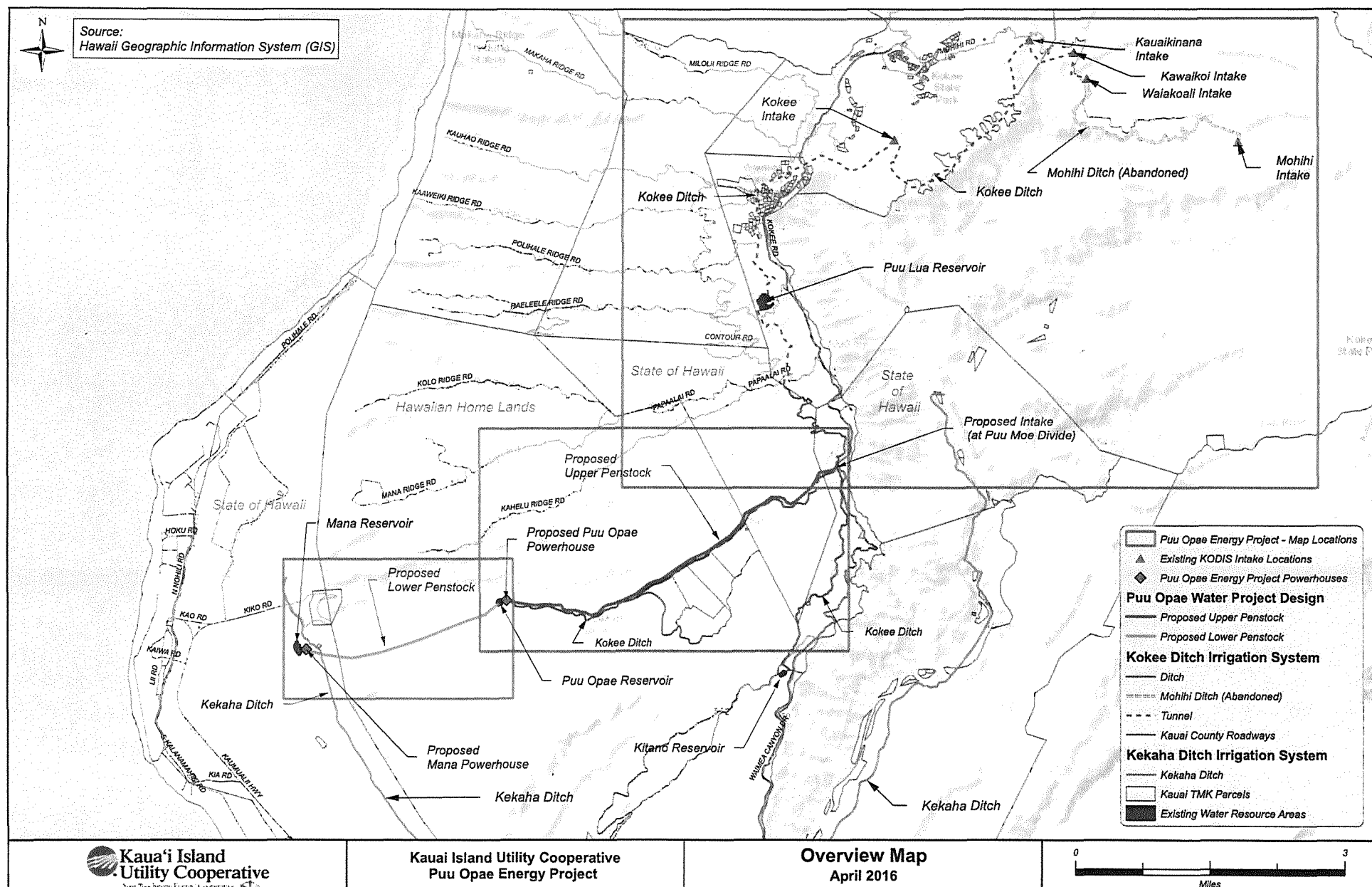
Respectfully Submitted,



James J. Nakatani  
Executive Director

---

<sup>2</sup> Leases (paragraph 6): "Sublease and Assignment. LESSEE shall not sublease or rent the whole or any portion of the Premises, or assign this Lease Agreement, without the prior consent of LESSOR, which consent may be withheld in LESSOR's sole discretion. Any sublease or assignment request shall be submitted in writing to LESSOR, together with the material terms of the sublease agreement for LESSOR's consideration. Profit on any sublease or assignment charges are not allowed, and therefore, shall not be sought by LESSEE. Notwithstanding the above, LESSOR hereby consents to and approves of LESSEE subleasing the Premises (or any portion thereof) or assigning this Lease Agreement to subsidiary of LESSEE or to a joint venture in which LESSEE is a joint venture. ..."



**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**JAMES J. NAKATANI**  
Executive Director

**ITEM D-3**

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

HUI HO'OULU AINA MAHIAI  
235 S. Beretania Street, Room 205  
Honolulu, HI 96813

March 16, 2023

**Subject:** Request for Approval to Issue a New and Amended Revocable Permit to The Davey Tree Expert Company and Davey Tree Surgery Company for 21,510.5 Square Feet of Space, More or Less, in Whitmore Village, Oahu, Hawaii, Tax Map Key Nos. (1) 7-1-002:004 (por.), :009 (por.)

**Licensee:** The Davey Tree Expert Company and Davey Tree Surgery Company

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

**Area:** 21,510.5 gross square feet

**Field No(s).:** Bldg I, Bldg J (por.), Office A, Office B, Office C, parking area

**Tax Map Key:** (1) 7-1-002:004 (por.), :009 (por.)

**Land Status:** Acquired in fee by the Agribusiness Development Corporation in 2013 and 2015.

**Trust Land Status:** Section 5(b) lands of the Hawaii Admission Act  
Yes \_\_\_\_ No **X**

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes \_\_\_\_ No **X**

**Character of Use:** Parking, storage, and office space

**Land Doc. Type:** Revocable Permit

**Term:** Month-to-month (annual renewal)

**Rental Rate:**

Parking/storage	\$0.10/sf/mo	21,060 sf	\$2,106/mo
Office Space	\$0.60/sf/mo	450.5 sf	\$270.30/mo
<b>Total Annual Rent</b>	<b>\$28,515.60/year</b>		

---

**BACKGROUND:**

The Agribusiness Development Corporation (ADC) and The Davey Tree Expert Company (Davey Tree Expert) executed Revocable Permit No. RP16-01 on March 1, 2016 for 224 sq. ft. of office space, 5,000 sq. ft. of covered storage space, and 10,000



sq. ft. of parking area. Davey Tree Expert had been gradually expanding their operation and the expansion resulted in a certain amount of encroachment upon the premises of an adjacent tenant, Dole Food Company, Inc. (Dole).

In September 2020, after reaching agreement with Dole to allow Davey Tree Expert to take over a portion of Building J, ADC Board of Directors (Board) approved Davey Tree Expert's request to include 5,460 sq. ft. of Building J (por) for the purpose of equipment storage. On December 1, 2020, ADC and Davey Tree Expert executed RP257-21-01 for 5,224 sq. ft. of office space, 5,460 sq. ft. of Building J (por) of storage space, and 10,000 sq. ft. of parking area. RP16-01 was terminated.

In mid-2021, Davey Tree Surgery Company (Davey Tree Surgery), an allied company with The Davey Tree Expert Company, approached ADC seeking space at Whitmore Ag-Tech Park. Agreement was reached between Davey Tree Expert and Davey Tree Surgery (jointly, the "Davey Tree Companies") to seek a joint permit that would include additional office space for Davey Tree Surgery. The Board approved the request at their meeting on June 23, 2021. On July 29, 2021, ADC and Davey Tree Companies executed RP-W257-21-02 for 5,600 sq. ft. of Building I, 5,460 sq. ft. of Building J (por) for storage space, 333 sq. ft. of Building E (por) for office space, and 10,000 sq. ft. of parking area. RP257-21-01 was terminated.

**REQUEST:**

Davey Tree Companies request a new and amended permit to include their current premises, totaling 21,393 sq. ft. as well as an additional 117.5 sq. ft. of office space in Building E (see "Exhibit A") to accommodate their expanding operation.

Premises	Dimensions	Sq. Ft. (Area)	\$/Sq. Ft./Mo	Monthly Rent Assessment
Office A (current)	18'7"x11'9"	218.0	\$0.60	\$130.80
Office B (current)	9'10"x11'8"	115.0	\$0.60	\$69.00
Building I (current)	160x35'	5,600.0	\$0.10	\$560.00
Building J (por)(current)	91x60'	5,460.0	\$0.10	\$546.00
Parking (current)	To be staked	10,000.0	\$0.10	\$1,000.00
Office C (requested)	10x11'-9"	117.5	\$0.60	\$70.50
<b>Total</b>		<b>21,510.5</b>		<b>\$2,376.30</b>

**WATER NEEDS AND SOURCE OF WATER:**

The Board of Water Supply provided water to the Whitmore Ag-Tech Park. Other than minimal needs for washing their small fleet of vehicles, the Davey Tree Companies do not require water for their operations.



March 16, 2023

Page 3 of 3

OPERATIONAL PLAN:

Davey Tree Companies will continue to use existing facilities to house their administrative offices, storage of fleet vehicles and equipment, as well as parking facilities for staff.

CONSERVATION PLAN:

N/A

DISCUSSION:

The Davey Tree Companies are a tenant in good standing with ADC, current on all rents and obligations. They underwent a drastic downsizing during the recent COVID-19 pandemic; however, they are currently expanding and have surpassed pre-pandemic business targets. To help guide the expansion, additional management staff is being brought on board and more office space is needed.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board authorize the Executive Director to execute a new and amended revocable permit with the Davey Tree Companies, subject to the following conditions:

1. Davey Tree Companies shall procure all appropriate policies of insurance pursuant to the terms of the most recent and current permit form, sufficient to cover the additional office space; and
2. Rental rates shall remain the same for current premises. Rent for the additional 117.5 sq.ft of office space shall be levied at \$0.60/sq. ft. per month, which represents an increase in monthly revenue of \$70.50; and
3. Revocable Permit RP-W257-21-02 shall terminate upon the execution of the new and amended revocable permit; and
4. All other material terms and conditions shall remain the same.

Respectfully Submitted,

.. 

James J. Nakatani  
Executive Director



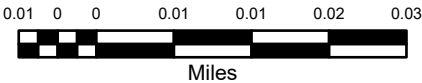
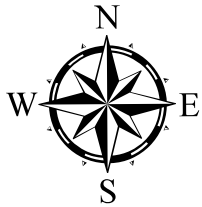
EXHIBIT A



STATE OF HAWAII  
**AGRIBUSINESS**  
DEVELOPMENT CORPORATION

The Davey Tree Expert Co.  
and  
Davey Tree Surgery Co.

TMK (1) 7-1-002:004 (por.)  
(1) 7-1-002:009 (por.)



This work is licensed under the Esri Master License Agreement. [View Summary](#) | [View Terms of Use](#)  
Export: This layer is not intended to be used to export tiles for offline. , Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, Esri, USGS





**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**JAMES J. NAKATANI**  
Executive Director

**ITEM D-4**

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

HUI HO'OULU AINA MAHIAI  
235 S. Beretania Street, Room 205  
Honolulu, HI 96813

March 16, 2023

**Subject:** Request for Approval to Issue a Right-of-Entry to the State of Hawaii, Department of Education, Helemano Elementary School for 1.0 Acre, More or Less, for Parking Access for May Day Activities on May 12, 2023 in Whitmore Village, Oahu, Hawaii, Tax Map Key Nos. (1) 7-1-002:009 (por.), :004 (por.)

**Applicant:** Helemano Elementary School

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

**Area:** 1 acre, more or less

**Field No(s).:** Non-Designated

**Tax Map Key:** (1) 7-1-002:004, :009

**Land Status:** Acquired in fee by the Agribusiness Development Corporation in 2013 and 2015.

**Trust Land Status:** Section 5(b) lands of the Hawaii Admission Act  
Yes \_\_\_\_ No **X**

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution? Yes \_\_\_\_ No **X**

**Character of Use:** Parking

**Land Doc. Type:** Right-of-Entry

**Term:** 1 day (May 12, 2023)

**Rental Rate:** N/A

---

**BACKGROUND:**

Helemano Elementary School (Applicant) located in Whitmore Village, Oahu, will host their annual May Day celebration on May 12, 2023. The May Day celebration has been an annual tradition at the school since at least 2000, and, in the past, has hosted up to 400 spectators including parents and guests.

REQUEST:

Applicant requests a one-day right of entry for access to an open area (parking site) for parking purposes (Exhibit A) for the May Day celebration to be held on Friday, May 12, 2023.

WATER NEEDS AND SOURCE OF WATER:

N/A

OPERATIONAL PLAN:

Applicant will have volunteers and members in place at the entrance and in the parking area to guide the vehicles and to maintain an orderly process. Attendees will walk from the parking site to the school.

DISCUSSION:


In prior years, the celebration has been successfully executed with overflow parking demand for approximately 20-30 vehicles. Applicant will be required to provide parking staff to guarantee orderly ingress and egress. This event falls on a Friday and ADC tenant Davey Tree will also be utilizing a portion of the site for staff parking. Applicant is self-insured and will be required to provide evidence of their self-insurance status.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board approve the Request noted above and authorize the Executive Director to execute a Right of Entry agreement with the Applicant, subject to the following condition(s).

1. Right-of-Entry shall be effective from 6:00 a.m. – 5:00 p.m. on Friday, May 12, 2023; and
2. Applicant shall provide volunteers to ensure the safe and orderly use of the premises; and
3. Applicant shall provide evidence of self-insurance; and
4. Applicant shall guarantee that their operations in no way obstructs the use of the site by the Davey Tree employees; and
5. All other standard terms and conditions of the right-of-entry shall apply.

Respectfully Submitted,

.. 

James J. Nakatani  
Executive Director

# EXHIBIT A





STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

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

**EXECUTIVE DIRECTOR'S REPORT**

March 16, 2023

---

1. Legislative Update

ADC is tracking several bills this session that would have an impact on the agency and the Department of Business, Economic Development, and Tourism. The following is a list of bills that have cleared a key legislative deadline on March 3, 2023:

SB833 SD2 – RELATING TO THE WAHIAWA IRRIGATION SYSTEM.

Requires the Office of the Governor to negotiate the State's fee simple acquisition of the Wahiawa irrigation system on the island of Oahu. Authorizes and appropriates funds for the Department of Agriculture, Agribusiness Development Corporation, and Department of Land and Natural Resources to purchase, repair, and maintain the Wahiawa irrigation system and the associated spillway. Appropriates funds four full-time equivalent (4.0 FTE) positions for the Department of Land and Natural Resources. Effective 7/1/2050. (SD1)

SB818 SD1 – RELATING TO AQUACULTURE.

Transfers the aquaculture program from the Department of Agriculture to the Agribusiness Development Corporation. Appropriates moneys.

SB817 – RELATING TO STATE ENTERPRISE ZONES.

Amends the definition of "eligible business activity" to include the processing of value-added agricultural products grown within an enterprise zone and the development or production of renewable energy.

SB837 SD1 – RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

Authorizes the Department of Business, Economic Development, and Tourism to acquire real, personal, or mixed property; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, dispose, or encumber the property; and acquire property by condemnation. Takes effect 3/22/2075. (SD1)



SB1547 SD1 – RELATING TO VALUE ADDED PRODUCTS.

Establishes a food and product innovation network within the Agribusiness Development Corporation. Appropriates moneys for food and product innovation facilities on the islands of Molokai and Oahu.

HB 1426 HD1 – RELATING TO VALUE-ADDED PRODUCTS.

Establishes a food and product innovation network within the Agribusiness Development Corporation. Appropriates funds for food and product innovation facilities on the islands of Molokai, Oahu, and Hawai'i. Effective 6/30/3000. (HD1)

HB852 – RELATING TO VALUE ADDED PRODUCTS.

Amends the definition of "eligible business activity" to include the processing of value-added agricultural products grown within an enterprise zone and the development or production of renewable energy. Effective 6/30/3000. (HD1)

2. Audit No. 21-01

ADC has established a schedule for regular staff meetings. Meetings will be held bi-monthly via videoconference and in-person beginning on 3/10/2023.