

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



MARK H. TAKEMOTO
Acting Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

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

Meeting of the ADC Board of Directors

Held via Teleconference

May 18, 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 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: [click here to join](#)

Telephone: (669) 900-6833, Webinar ID: 835 0901 3762

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.

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

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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. 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 MAY 12, 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

AGENDA

- A. Call to Order
- B. Roll Call
- C. Approval of Minutes
 - 1. Board Meeting Minutes, April 20, 2023
 - 2. Executive Session Meeting Minutes, April 20, 2023
 - 3. Emergency Board Meeting Minutes, April 24, 2023
- D. New Business
 - 1. Request for approval to issue a revocable permit to Donald R. McDonald dba AgTech Pacific for commercial warehouse space and auxiliary land in Whitmore Village, Oahu, Hawaii, Tax Map Key No. (1) 7-1-002:009 (por.)
 - 2. Request for approval to conduct due diligence for the purpose of negotiating the fee simple interest in real property located at Waialua, Oahu, Hawaii, Tax Map Key No. (1) 6-5-002:027
 - 3. Request for approval to enter into a Memorandum of Agreement with the State of Hawaii, Office of Planning and Sustainable Development to update the Hawaii Agribusiness Plan, pursuant to section 163D-5, Hawaii Revised Statutes (Supp. 2022)
 - 4. Request for approval to establish the ad hoc "Executive Director Search Committee" pursuant to section 92-2.5, Hawaii Revised Statutes; appointment of members thereto
 - 5. Update regarding ADC-owned buildings in Whitmore Village, Oahu, Hawaii, Tax Map Key No. (1) 7-1-002:004 (por.)
- E. Old Business
 - 1. None
- F. Acting 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 April 20, 2023

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

Members Present, virtually:

Frederick Lau, City & County of Honolulu, Chairperson (Chair)
Glenn Hong, Member-At-Large (Mr. Hong)
Kaleo Manuel, Designated Representative, DLNR, Ex-Officio Member (Mr. Manuel)
Jason Okuhama, Member-At-Large (Mr. Okuhama)
Karen Seddon, Member-At-Large (Ms. Seddon)
Lyle Tabata, Kauai County Member (Mr. Tabata)
Warren Watanabe, Member-At-Large (Mr. Watanabe)
Jayson Watts, Maui County Member (Mr. Watts)
Dane Wicker, Designated Representative, DBEDT, Ex-Officio Member (Mr. Wicker) exited the meeting at 10:25 a.m. Rejoined the meeting at 10:31 a.m.
Vacant – Hawaii County Member

Earl Yamamoto, Designated Representative for HBOA Chair, Ex-Officio Member (Mr. Yamamoto) joined the meeting at 9:14 a.m. Exited the meeting at 10:37 a.m.
Sharon Hurd, HBOA, Ex-Officio Member (Ms. Hurd) joined the meeting at 10:37 a.m.

Members Excused:

None.

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
Alison Fraley
Basil Gomez
Bill DeCosta, Kauai County Council (Mr. DeCosta)
Brad Rockwell
Chauncie
Chris Y.
D. Arruda
David Bissell, KIUC

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Dawn Huff, KIUC
Ford Fuchigami
Fredrick Berg, AES
Jhanavi Pomerantz
Josh Uyehara, KAA (Mr. Uyehara)
Keola Aki
Lei Leong (Ms. Leong)
Mike Faye, KAA (Mr. Faye)
RG
Scott
Scott Enright
Mark L
Senator Tim Richards

Guests Present, physical location: None.

A. Call to Order

Chair called the virtual meeting to order at 9:06 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 indicate 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 would be approved on the same basis as the roll call.

Roll call: Mr. Hong, Mr. Manuel, Mr. Okuhama, Ms. Seddon, Mr. Tabata, Mr. Watanabe, Mr. Watts, Mr. Wicker acknowledged attendance with no guests present. Mr. Yamamoto joined the meeting at 9:14 a.m. and exited the meeting at 10:37 a.m. Ms. Hurd joined the meeting at 10:37 a.m.

C. Approval of Minutes

1. Board of Director’s Meeting, March 16, 2023

Chair called for a motion to approve: Mr. Watanabe; Second: 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.

Mr. Manuel asked to abstain from voting because he was not present at that meeting. Mr. Okuhama also asked to abstain from voting because he was not present at the meeting.

Chair called for the vote. The motion was approved: 7-0; Mr. Manuel and Mr. Okuhama abstained.

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2. Executive Session Meeting Minutes, March 16, 2023

Chair stated that during the executive session held on March 16, 2023 the Board considered matters pertaining to the evaluation of the executive director's performance for fiscal year July 2021 to June 2022. HRS sections 92-4 and 92-5(a)(2) allow the meeting to be closed to the public when necessary to discuss an employee evaluation where consideration of matters affecting the privacy will be involved. In order to maintain the confidentiality of matters discussed in the executive session the draft minutes were provided directly to the board members for review. Chair asked that the Board respect the confidentiality of the executive session held on March 16, 2023 when discussing approval of these minutes.

Chair called for a motion to approve: Mr. Wicker; Second: Mr. Watts.

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.

Mr. Manuel stated he will abstain from voting because he was not present. Mr. Okuhama also abstained.

Chair called for the vote. The motion was approved: 7-0; Mr. Manuel and Mr. Okuhama abstained.

D. New Business

1. Request for Approval to Amend Site Location for License Agreement LI-KA-22-03 issued to Mahipapa, LLC, and Approval to Amend Exhibit "B" for License Agreement LI-KA-22-01 issued to Hanahanapuni Farm, to Reflect Changed Site Location of Unit GE(L), in Kalepa, Kauai, Hawaii, Tax Map Key No. (4) 3-9-002:001 (por.)

Chair called for a motion to approve: Mr. Tabata; Second: Mr. Wicker.

Chair asked if there was anything from the staff.

Mr. Roe stated that as noted in the submittal, license number K1102 originally issued to Green Energy Team (GET) in 2011, was assigned to Mahipapa in 2022. Before the assignment, GET negotiated with other revocable permit (RP) holders in Kalepa for about 1,000 acres divided amongst each of the RP holders for a portion of each of their units. In 2018, GET and Hanahanapuni Farms apparently came to an agreement to relocate a portion of GET's property within Unit L. Hanahanapuni Farm believes ADC was made aware of the change, but no formal action was ever taken by ADC to approve the change. This item is to request after-the-fact approval of the relocation of Unit GE(L) within Unit L and amend Exhibit B of Mahipapa's license to reflect the relocation.

Chair asked if there was anyone from the public who wished to provide testimony.

Mr. Nakamoto said there was one hand raised and called Ms. Leong to join the meeting.

Ms. Leong was representing Mahipapa in this matter. She just wanted to reiterate that Mahipapa supported this motion and if there were any questions or follow-up she would be glad to communicate that to them.

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Chair thanked Ms. Leong and asked if there was any Board discussion or questions.

Chair asked if there was any impact from the relocation?

Mr. Roe responded no, it's the same acreage, 28-acres, they just moved from one spot to the other with agreement from the parties. There appears to be no negative impact between either of the parties. The move was at their impetus.

Ms. Prescott-Tate interrupted to note that Mr. Yamamoto had joined the meeting on behalf of Ms. Hurd.

Chair asked if there were any other questions or any discussion on this. There were none.

Chair called for the vote. Hearing no objections, the motion was approved: 9-0 (Mr. Yamamoto's vote excluded due to his arrival just before the vote.)

2. Presentation by Josh Uyehara and Mike Faye Regarding Kekaha Agriculture Association's Activities and Projects in Kekaha, Kauai, Hawaii

Mr. Uyehara thanked the Board for the opportunity and started the presentation with the Kekaha Agriculture Association's Goals and Objectives. (See PowerPoint presentation attached for reference.)

Chair mentioned that ADC was installing a Yardi system for inventory of land and infrastructure. Would KAA be integrating their areas into that system?

Mr. Uyehara responded that was something that could certainly work with. One thing they are working on is building a GIS database of infrastructure, tenants, assets on the property under management, operational status, things like that. They have quite a bit of those systems with bits and pieces here and there and they're hoping to have that online in something like the ESRI, Arc GIS cloud or something like that. For example, right now a lot of the large tenants have separate GIS systems with data about the irrigation infrastructure on their parcel. KAA would like to consolidate that and give all the tenants access to that kind of information. It really doesn't make sense for tenant operations to duplicate that resource and it just makes all of their lives easier if they can share on a platform like that. Integration across systems like that would be ideal. If they don't have to build out a whole system to track tenants at the level of detail they need, that information can be provided to ADC system. He doesn't see why they would want to duplicate effort.

Chair said that would be great and KAA can work with Mr. Roe on that.

Mr. Uyehara finished the presentation with Kekaha Lands: the future. (See page 13 of PowerPoint.)

Chair stated that Mr. Uyehara touched on the energy project with KIUC and about the benefits from KIUC repairs to the ditch system and the Mana reservoir. How would KAA utilize the water from the pump station?

Mr. Uyehara responded that the benefits would be that the Kokee system is expensive to maintain; it's at a higher elevation, a little more remote. The three major reservoirs on the system, Pu'u Lua, Pu'u 'Ōpae and Mānā are all sort of in that registered dam scale. So, the cost to remediate them to meet the dam safety requirements and then continue to operate them as registered dams would be prohibitive. Certainly KIUC could justify to ADC to make that type of investment. The energy project, first and foremost, will provide for the rehabilitation and maintenance of all of that infrastructure. That's a great benefit because

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that provides for the security of that water system. As far as the water itself, they are looking at that flooded field agriculture on page 13 (of the PowerPoint Presentation). The really cold water that will come out of the Kokee System is ideal for that type of agriculture and working with KIUC, similar to how they have the pump storage, when it's dry they can figure out how to pump water to provide when necessary in between periods of rain. And when it's raining, they'll take that water, instead of pumping it and be able to use it for, whether it's taro, rice, watercress; there are some high value crops that they have been looking at that would really make sense, if you had that kind of flow available and that would be an opportunity provided by the energy project. The other thing Chair mentioned was the infrastructure. So, all the infrastructure they use, they are going to improve roads, they're going to improve the drainage canal system that's downstream of the project that will all be essential to the common benefit.

Chair asked if they would be supplying power to the farmers.

Mr. Uyehara responded that is part of the secondary agreement set around the project where they already have a power purchasing agreement in place between ADC, KAA and KIUC for the hydro(power) plants that they already have online. So, they are going to fold into that project with that agreement that will provide additional capacity and price stability for the farmers on the ADC property. They already provide through the KAA and ADC microgrid system below market price power to the farmers and they would anticipate that the capacity to do that would be increased with the energy project.

Mr. Nakatani remarked that going back and looking at the Becks facility, he thinks that rather than looking at the mill site, the VEX facility is the perfect spot for value added since it's pretty clean.

Mr. Uyehara agreed.

Mr. Nakatani said it has all the entitlements there and that rather than trying to rebuild something, he's pretty sure that the Department of Education is not going to use ten acres, or half of that but just for consideration.

Mr. Uyehara responded that he definitely agrees. Whatever they can put there, they would maximize the use of that. The things they are thinking about are, if things transition more from ag processing into the value-added manufacturing side, that will require a whole lot of work to put that on ADC land. That's an ag use, versus an industrial zoned area. That's kind of where they're thinking the difference would be.

Chair asked if there were any other questions for Mr. Uyehara or Mr. Faye.

Mr. Nakamoto said there was one hand raised and called Mr. DeCosta to join the meeting.

Mr. DeCosta introduced himself as a Kauai Councilmember. He has some ideas as a councilmember with some of the west-side community members on the mauka lands. A big group, including Mr. Tabata and Mr. Faye, wanted to do some kind of prescribed grazing whether it be sheep or cattle. He knows there are some mauka lands that's not in the forecasted future project of KAA and ADC. Mr. DeCosta believes he saw a slide that said Mauka Timber of 450-acres and Mauka Diversified ag of 600-acres, but he didn't know what the Mauka Diversified ag was for. He was wondering if that project that they had discussed with Mr. Tabata and Mr. Faye, and he believes Mr. Uyehara knows about the community project, they want to install out there to become food security and the fire mitigation that the County was really concerned about the grasslands in the mauka area are not managed. He was just wondering when they, Mr. Uyehara, when they did the community outlay of the ahupua'a, they did not mention the County fire department and the fire mitigation of keeping that tall grasslands under control. So, he wanted to know if he could submit a community proposal to this Board with some type of explanations and some slides to

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show what they were thinking about, and it will help with the silt runoff. He wants everyone to know that the silt runoff comes from lands that are not managed and when the guinea grass, that's the type of grass that is on that 1200+, 12,000+ acres up in the mauka land. Guinea grass gets so tall that under the guinea grass there is trenches of dirt because sunlight cannot reach it, so the seedlings of the guinea grass isn't able to propagate. Guinea grass helps as a silt modification if it's held at 18 inches above the ground level which means if you have grazing going on, the guinea grass will help keep back some of the silt runoff from the mauka lands. They had a professional from UH, a grazing specialist present for them. So, he was wondering if they could hear out this project or incorporate this project or at least help out the community. They wanted to do this back in 2015 and they had Representative Morikawa lead the charge on this out there and now it has been forgotten. He's just bringing it back, hoping to get some positive ears out there listening. He's willing to take any questions right now if they don't understand what is being proposed.

Chair thanked Mr. DeCosta for coming and said he would really like the board to look at what he was talking about. He briefly sat in on that meeting but had to jump off the call after a bit, so he'd like to hear about everything Mr. DeCosta had put together. Chair believes that Mr. Faye and Mr. Uyehara have some concerns. The Board does not have all the information they need to have a discussion. Could he get them that information?

Mr. DeCosta asked who would he send that information to?

Chair responded to Mr. Roe.

Mr. DeCosta said ok. He said that before he closed he just wanted everybody to know that this is not something like a rabbit out of a hat at a circus show. This was a community outcry to do some kind of livestock grazing and he knows ADC is underneath an environmental watch and there's some lawsuits going on with Earthjustice but some of the lawsuits is because, according to the professional from UH, of prescribed grazing, the guinea grasses are too tall up in the mountain area and underneath the guinea grass has a lot of open red dirt that allows the rain water bring its silt down to the makai ditches. We could work hand in hand with each other and do a pilot program possibly across the Kokee state road on the Waimea side. They want to do a 500-acre parcel to keep the grass down to a minimum, help with the fire mitigation. He believes across the State, Governor Green is moving towards keeping low grasses in fire hazard areas and their County fire department is really concerned when they fought the two fires out there. A lot of those valleys have no entrance or exit for fire trucks, so they have to go on foot and if the wind changes and these firefighters get caught in the six-foot tall grasses there is nowhere for them to run or get out. Whereas if it's more of a pasture, grazing lower end. They can do the numbers where they can keep the prescribed grazing to a minimal under the environmental impact so they could do like one cow per ten acres or maybe ten sheep per two acres. They could do something really, really low-impact and rotate them vigorously, so the grasses have a chance to stay at the 18-inches or 24-inches. They would hate to have to put some kind of stipulation where it says those grasses would have to be mowed in order to help with fire mitigation; he thinks there is much more intellectual ways to control grass heights and they do it all over the world actually. We are way behind the times. He's been to a place in California where they use goats on the side of the road to keep the guinea grass or their grasses down. There's ways to do it and there's smart techniques to use to be environmentally friendly and he would like to present that to the board.

Ms. Prescott-Tate reminded Mr. DeCosta that his presentation was scheduled today as agenda item 5. Did he want to send additional information? The Board could move the presentation to the next meeting.

Mr. DeCosta said he is a schoolteacher and took a break to join the meeting on Zoom. So, he doesn't have access to get the documents to the board.

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Ms. Prescott-Tate said that's ok. We will reschedule the presentation to the next meeting.

Mr. DeCosta asked if he was scheduled to do his presentation today?

Ms. Prescott-Tate responded yes, he was scheduled as item 5, but we're still on item 2.

Chair told Mr. DeCosta they'd like to defer item 5 to the next meeting so the board can get his information.

Mr. DeCosta responded ok.

Chair said so if he can submit that over the next month, they'll get him on the agenda.

Mr. DeCosta thanked everyone.

Chair asked if anyone had anything to say. There was none.

Chair thanked Mr. Uyehara and Mr. Faye for the excellent presentation.

Ms. Prescott-Tate asked if they could take a break.

Chair called for a five-minute break at 10:16 a.m.

Chair called the meeting back to order at 10:25 a.m.

Mr. Wicker exited the meeting at 10:25 a.m.

3. Request for Approval of Re-Opened Lease Rents for General Lease No. S-3940 Assigned to Kauai Island Utility Cooperative, Kalepa, Kauai, Hawaii, Tax Map Key No. (various)

Chair called for a motion to approve: Mr. Tabata; Second: Mr. Hong.

Chair asked if there was anything from the staff.

Mr. Roe stated that Lease No. S-3940 was issued by DLNR in 1965 for 65-years and it was issued to Citizens, McBride Sugar Company. Through a series of transfers and assignments it is now held by Kauai Island Utility Cooperative for 74.38 acres of land under easement for electro-utility transmission lines. The lease was reopened in 2020 and ADC conducted a fair-market rent appraisal. KIUC commissioned a review of ADC's appraisal and reached their own conclusion. At KIUC's suggestion, to avoid the added time and expense of appointing a third appraiser to mediate the fair-market value, ADC and KIUC agreed to split the difference between ADC's appraised value and the value associated with KIUC's review with a final figure shaded slightly in favor of ADC. You can see the details in the submittal, but we have reached the amount of \$64,000 a year for the new reopened rent.

Chair asked just to be clear that this has been agreed on by both parties, so this is not up for negotiation, this has been agreed to.

Mr. Roe responded yes and stressed that this amount was at KIUC's suggestion. ADC felt that it was fair and appropriate.

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

Chair asked if there were any questions or discussion by the Board.

Mr. Manuel stated in reviewing the submittal, there are eight-years left on this lease; is there an option to extend or what is the strategy considering these are utility easements.

Mr. Roe stated he doesn't recall if there was an option to extend. He is pretty sure he looked for that and didn't see it. So, KIUC would have to request a renewal. He would imagine these lines head over Princeville, Hanalei area so he would imagine unless they have alternate routes, KIUC would be interested in renewing this. The property came over to ADC as part of an EO (executive order), so we have control and management over it.

Mr. Manuel said he was wondering in terms of procurement if they would have to go out to bid and open it up, which doesn't seem logical if the infrastructure is there. He guessed that was something the future boards will have to deal with, but he just wanted to note that in the discussion.

Chair thanked Mr. Manuel and asked if there were any other questions or discussion.

Mr. Okuhama said he had a question just for his reference. So, Hastings, Conboy did the appraisal for us and then KIUC had Medusky do the review and the differences were quite big. What was the basis for the differences in the valuations and did our appraiser review Medusky's review to come up with rationale as to why there's such a big difference in the rent value versus our higher amount?

Mr. Roe responded that the Medusky review identified a couple of properties that they thought should have been identified as commercial that Conboy identified as residential. They did take the appraisal back to Conboy who looked at it and said that they could go either way but stood by their appraisal amount; he didn't defer to the review. So, then it became a discussion between ADC and KIUC as to whether they could find agreement or whether or not they needed to find a third appraiser to find a mediated amount.

Mr. Okuhama said he's used to normally; the lessor and the lessee agrees to a third appraiser and then you get a valuation from an independent agreed upon appraiser and then you come out with a lease rent amount going forward. That's normally what he's seen, not a split the difference type of valuation on the lease rent. He was just kind of curious on how that works and for future reference when they come to situations like this.

Mr. Roe responded okay.

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

Chair called for the vote. Hearing no objection, the motion was approved: 9-0

Mr. Wicker rejoined the meeting at 10:31 a.m.

4. Request for Approval to Issue a 35-year non-Exclusive License to the County of Kauai for Two Monitoring Wells in Field 311 in Kekaha, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)

Chair noted that Mr. Wicker had rejoined meeting.

Chair asked for a motion to approve. Mr. Tabata; Second: Mr. Watanabe.

AGRIBUSINESS DEVELOPMENT CORPORATION

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Chair asked if there was anything from the staff.

Mr. Roe said the County of Kauai owns and operates the Kekaha landfill and the Hawaii Department of Health is requiring the landfill to establish background water quality monitoring, upgradient of the landfill. The County has requested permission to install two monitoring wells in field 311 across the highway from the landfill. That land is currently licensed to Hartung. Hartung has agreed in principle, if the county will agree to coordinate with them for access to the wells to avoid disrupting field activities and, if the structures can be located makai of the interior field road. You'll see the location on the map, and that location is satisfactory. That's basically what the board is being asked to approve.

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

Chair asked if there were any questions or discussion.

Mr. Manuel said, these are ground water monitoring wells regulated by the Department of Health, so the water commission doesn't regulate this development. He totally supports groundwater monitoring for the purposes of managing landfills.

Chair thanked him and asked if there were any other discussion or questions.

Mr. Okuhama asked if the monitoring wells are along the roadside. Is that correct?

Mr. Roe responded yes they will be.

Mr. Okuhama asked if the bollards and protection around it is going to be satisfactory so that in case a vehicle hits it or anything like that there won't be any risk of contamination or anything like that going into the well system.

Mr. Roe said that it should be high enough. It will be covered. There will be bollards protecting it, there may even be fencing but that is not certain yet. In spite of how it looks on the map, there is a fair amount of distance from the actual highway.

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

Chair called for the vote. Hearing no objections the motion was approved: 10-0

5. Discussion of Pilot Grazing Project on ADC Mauka Lands in Kekaha, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)

Chair stated that this item will be deferred until next month's agenda.

E. Old Business

- 1. Update Regarding 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 (continued from March 16, 2023, Item D-2)**

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

2. Request for Approval of the Draft Annual Performance Review of the Executive Director (continued from March 16, 2023, Item E-1)

The Board may go into executive session pursuant to HRS section 92-5(a)(2) to allow discussion of an employee evaluation where consideration of matters affecting privacy will be involved.

Chair stated that the Board would be going into executive session to discuss Old Business Agenda Items 1 and 2.

Chair asked if there was any public testimony before they enter Executive Session. There was none.

Chair called for a motion to approve: Mr. Manuel; Second: Mr. Watts.

The Board entered Executive Session at 10:35 a.m.

Mr. Yamamoto exited the meeting at 10:37 A.M. and Ms. Hurd joined the meeting at 10:37 a.m.

The open meeting resumed at 11:10 a.m.

Regarding agenda item E-2, Chair called for a motion to adopt the Evaluation Committees' report and recommendation to retain the Executive Director at his present salary.

Motion by Mr. Tabata; Second by Mr. Wicker.

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

Mr. Okuhama noted that he would abstain from voting since he was not present at the previous meeting.

Chair called for the vote. Hearing no objection the motion was approved: 9-0; Mr. Okuhama abstained.

Chair said the tenure of the ad-hoc committee to evaluate the fiscal year 2021-2022 annual performance of the Executive Director that was established on January 25, 2023 has now expired. Chair thanked Ms. Seddon, Mr. Watanabe and Mr. Manuel for their hard work on this committee.

F. Executive Director's Report

Chair called on the Executive Director to give his report.

Mr. Nakatani said that they have the report before them. The big bill is Senate Bill 833, SD2 that is related to the Wahiawa Irrigation System. That bill is going to conference and hopefully they'll get something out. They have conferees on the Senate side, but he hasn't seen the conferees on the House side. The other thing was, with legislature advise and consent on April 5, 2023, the Senate committee on Agriculture and Environment recommended to advise and consent the following gubernatorial nominees to serve on the ADC Board, and that's Jayson Watts, Karen Seddon and Jason Okuhama.

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Some other updates, if you turn to the next page, you'll see that we're progressing slowly except for one, item number 5. Some other bills that are still with the legislature is SB 818 to transfer aquaculture to ADC. That's going to conference. Other bills, HB 852 which amends the definition to allow eligible businesses to include value-added products grown within their enterprise area zone, that's also going to conference. And lastly, HB 1426 that establishes a food network statewide will also go to conference.

Chair asked if there were any questions. There were none.

Before ending the meeting Chair asked Mr. Okuhama to give a little introduction and background on himself.

Mr. Okuhama said he's a former banker and for a number of years he's been in the lending industry and banking for about forty years give or take. He's been self-employed for the past 22 - 23 years and primarily specializes in doing government loan programs. So, the farm service agency, USDA, USDA rural development, small business administration, he primarily does all these types of government lending and lately over the last several years he's been doing quite a bit of agricultural loans. And over the years too with the rural development programs, off and on over the years he's done food related type industries in financing. So, he thought that ADC would be an agency where, with his background and knowledge, he could contribute to the agency going forward. Especially, with the agriculture industry and food industry going forward and the responsibility ADC has with agricultural lands on Oahu and Kauai and some of the facilities they were talking about being funded, he hopes he can contribute going forward.

Chair thanked Mr. Okuhama and asked if the Board had any questions. There was none.

Mr. Watanabe said before closing he wanted to congratulate Chair for being the outstanding CTAHR alumnus.

Chair responded that was kind of fun.

G. Adjourn

Chair called for a Motion to Adjourn: Mr. Manuel; Second: Mr. Watts.

Chair asked for board discussion. There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 10-0

The meeting was adjourned at 11:19 a.m.

Respectfully submitted:

Lynette Marushige
Secretary



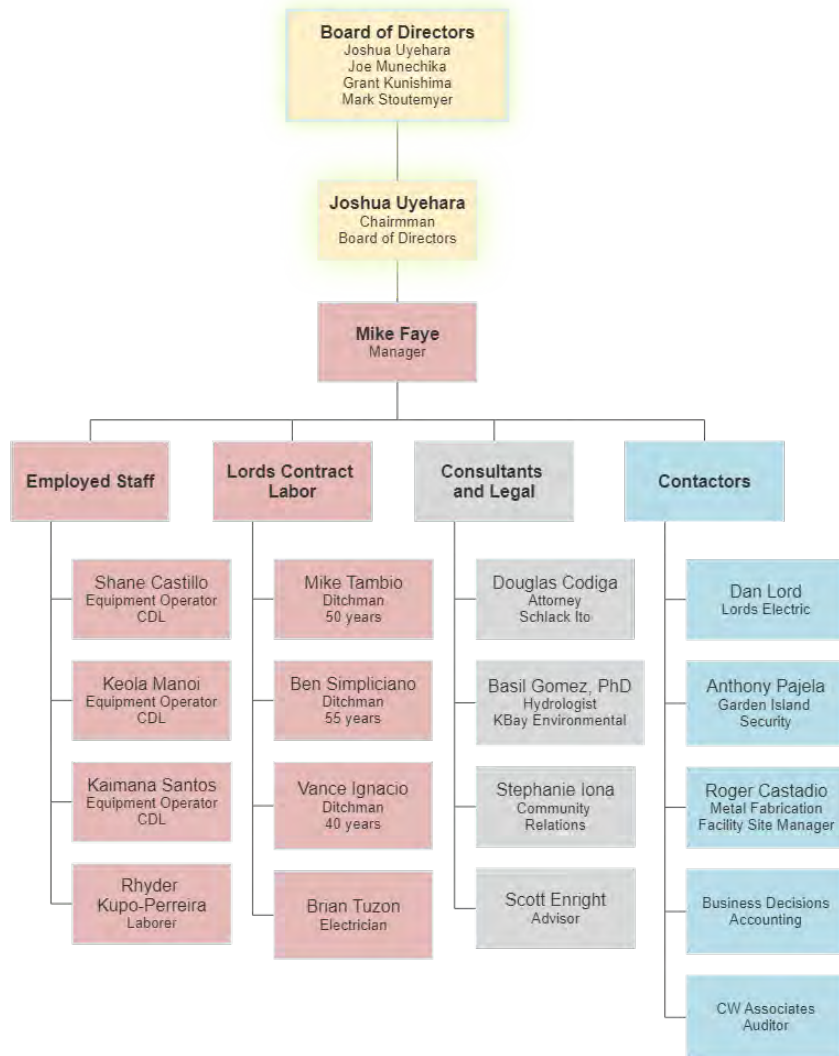
Kekaha, Kaua'i Lands

Prepared by the
Kekaha Agriculture Association
for the
Agribusiness Development Corporation
April 20th, 2023

**KEKAHA AGRICULTURE
ASSOCIATION**

A NON-PROFIT AGRICULTURAL COOPERATIVE
Est. 2003

Kekaha Agriculture



- **Leadership**

- Strong and involved Board of Directors
- Experienced management and staff
- Expert consultants and advisors

- **Financial stability**

- Operations and infrastructure maintenance at no cost to State (\$2M)
- Credit worthiness (\$0.65M)
- Clean audited financials

- **Forward thinking**

- Strategic plan (2020 attached)
- Draft land utilization plan



Goals and Objectives

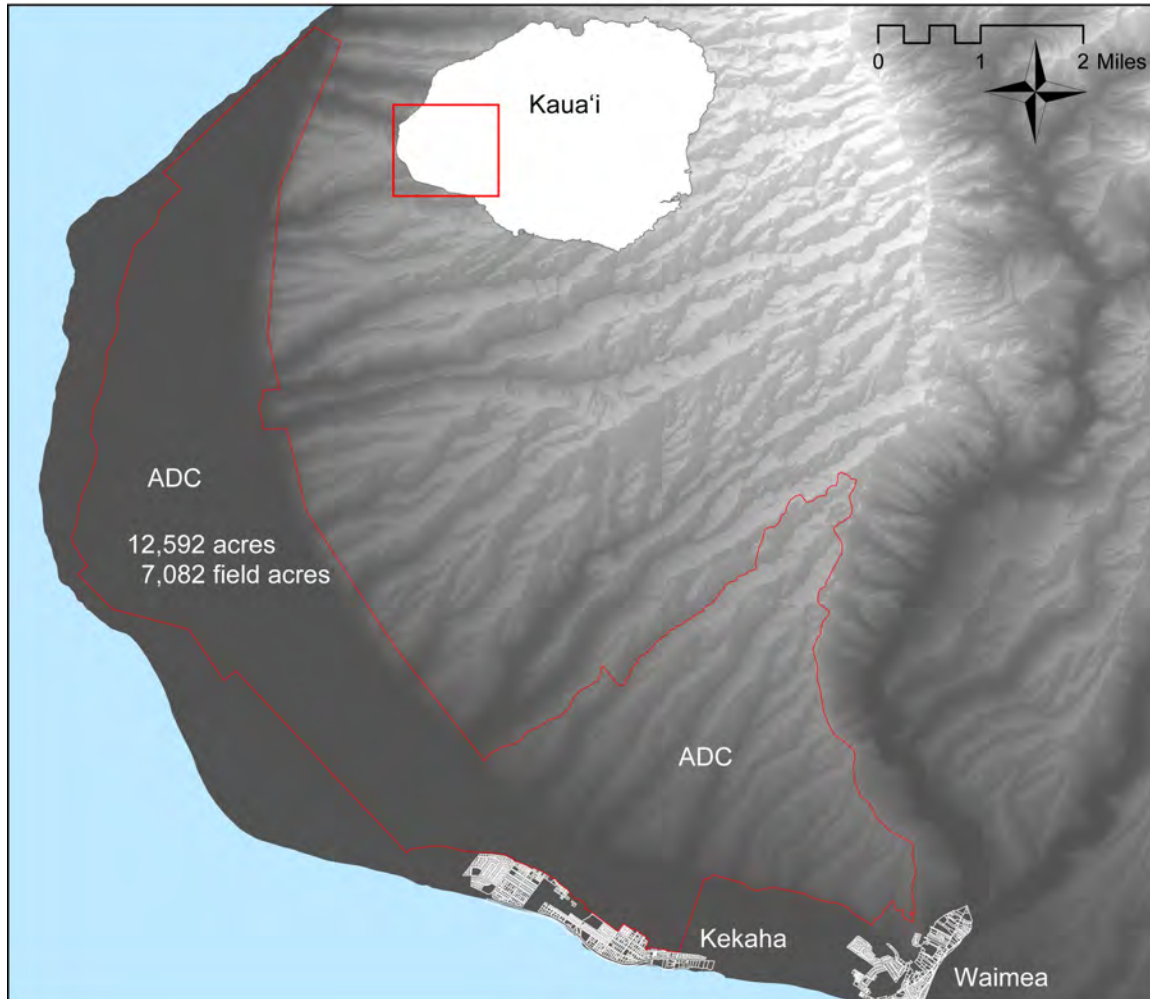
- **Increase number of tenants and diversify agricultural production**
 - Develop and maintain inventory of land, infrastructure, and other resources
 - Identify range of appropriate diversified crops to grow
 - Develop new farmer mentoring program
 - Develop Farm to Market marketing programs
 - Build new agricultural production facilities
- **Secure \$25 million for needed infrastructure improvements by 2025**
 - Prepare an asset optimization study
 - Develop capital improvement program
 - Develop plans for improvements
- **Obtain flexibility and authority by end of 2021 to effectively manage lands and natural resources for diversified agriculture**
 - Study other successful authorities with similar missions and scopes
 - Determine need for other legal entities and create if necessary
 - Revise MOA with ADC
 - Increase flexibility to lease and sublease land



Goals and Objectives

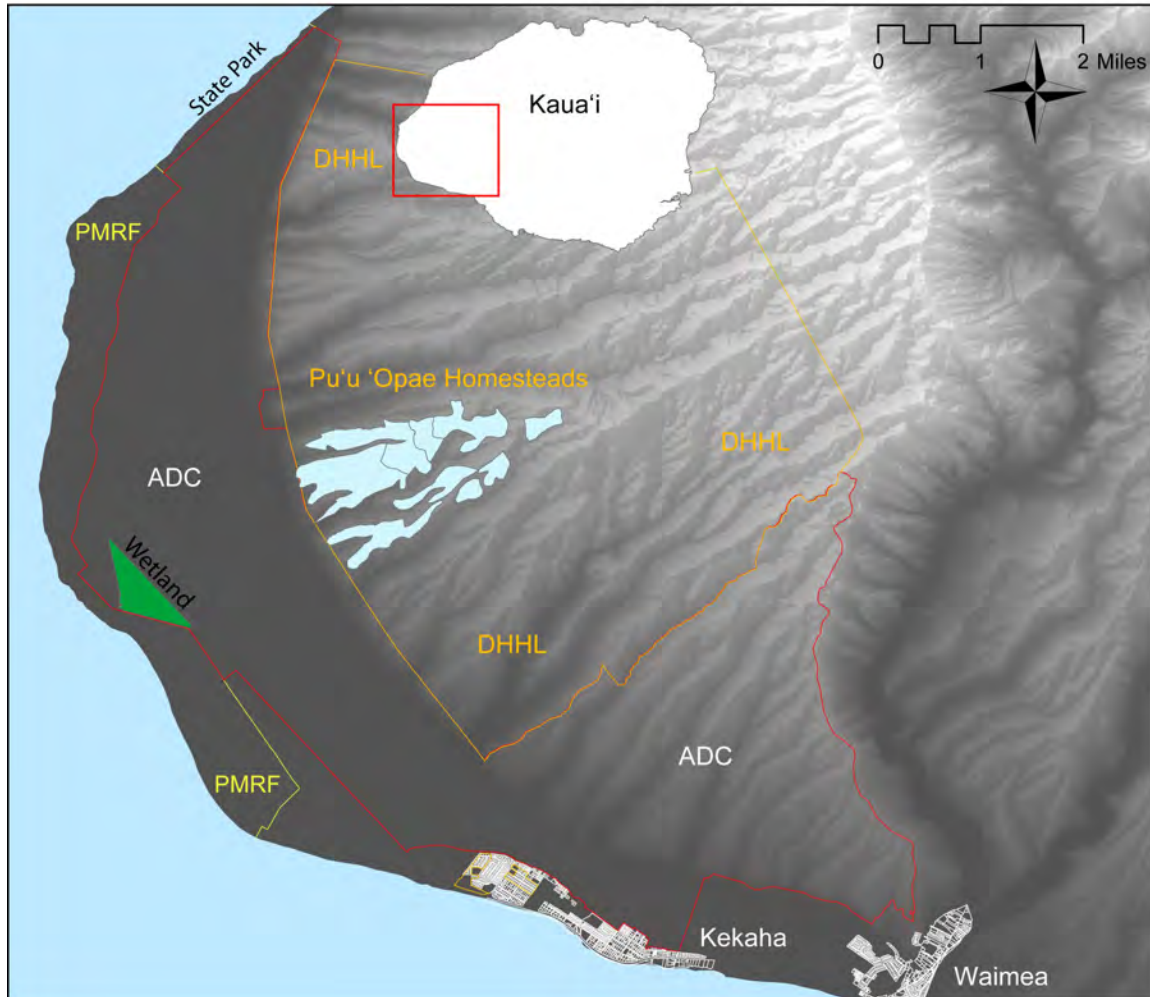
- **Become a more effective diversified agricultural organization**
 - Examine and evaluate KAA's Governing Structure
 - Measure progress of programs
 - Maintain effective public and government relations
 - Be meaningfully involved in community enhancement and development
 - Promote and implement environmental stewardship
 - Develop and maintain strong branding
 - Identify the appropriate crops and ranch operations to meet diversified needs
 - Build state-of-the-art facilities to support and market new diversified agricultural products
 - Identify other options for attracting visitors and raising visibility and activity levels

Kekaha Lands



- Mauka fields 1,878 acres
- Makai fields 5,204 acres
- Ravines, roads 5,510 acres
- Acres licensed 3,865 acres
- Waiaka project 359 acres
- OFS 405 acres
- Fields available 2,363 acres
(33% mostly Mauka)

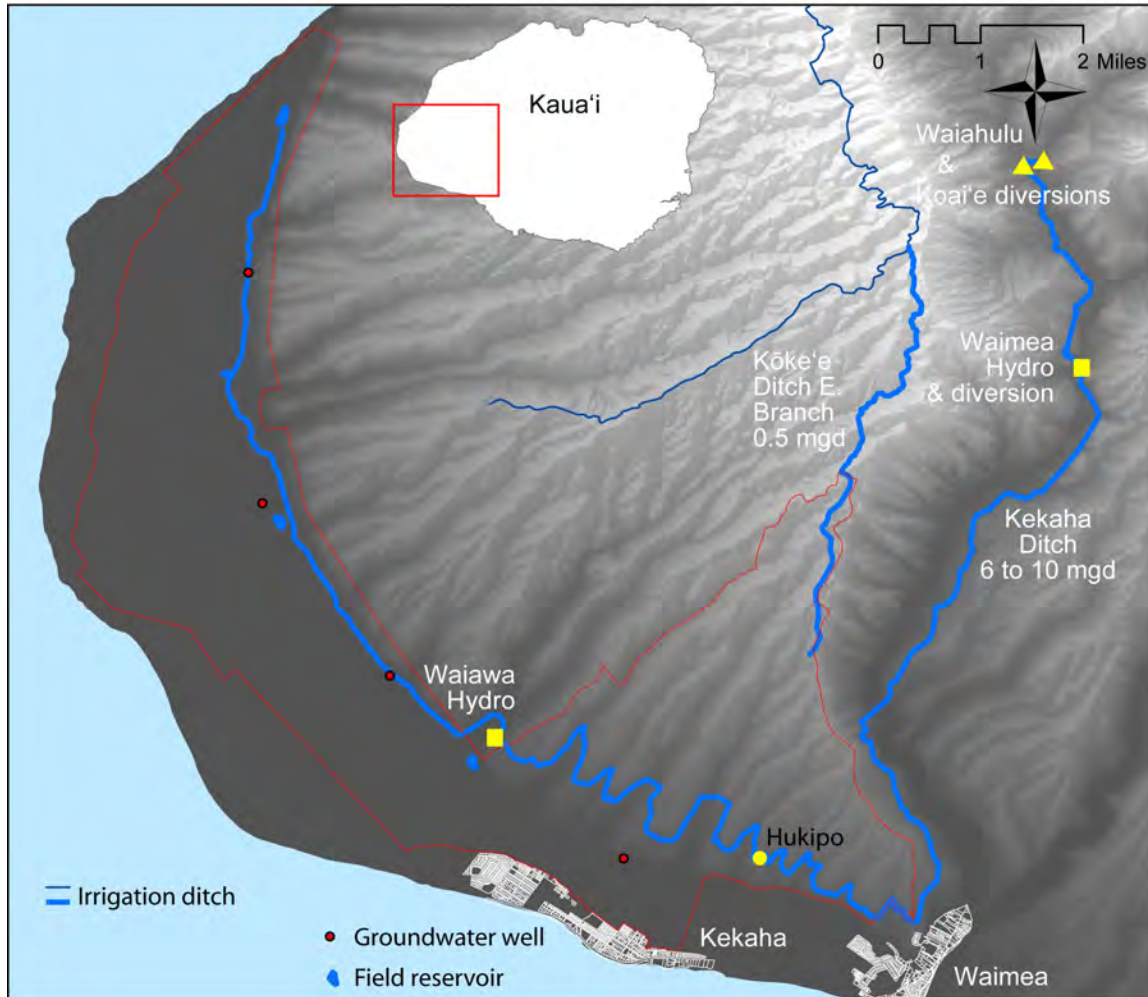
Kekaha Lands



Partners (Ahupua'a workgroup)

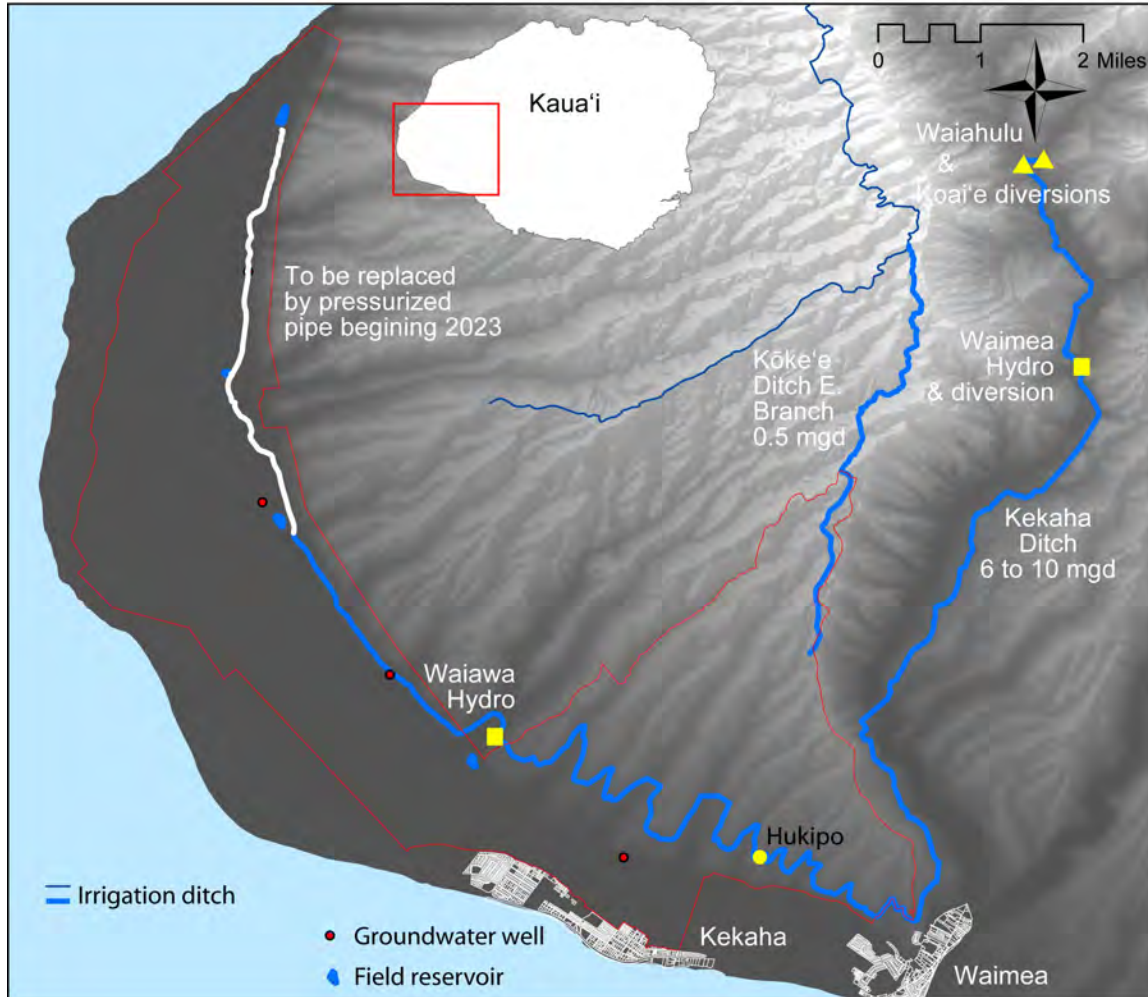
- Dept of Defense (PMRF)
 - Drainage
 - RUE's
- DOFAW
 - Hunting
 - Native species
- State Parks
 - Polihale access
 - Equipment
- DHHL
 - Access
 - KODIS maintenance/ops
- County of Kaua'i
 - Landfill cover soil
 - New landfill site
 - Wiamea 400
 - Storm water management
- KIUC
 - PPAs
 - WKEP
- Community
 - Food drives
 - Events support
 - Engagement and advocacy
 - KEDB

Infrastructure



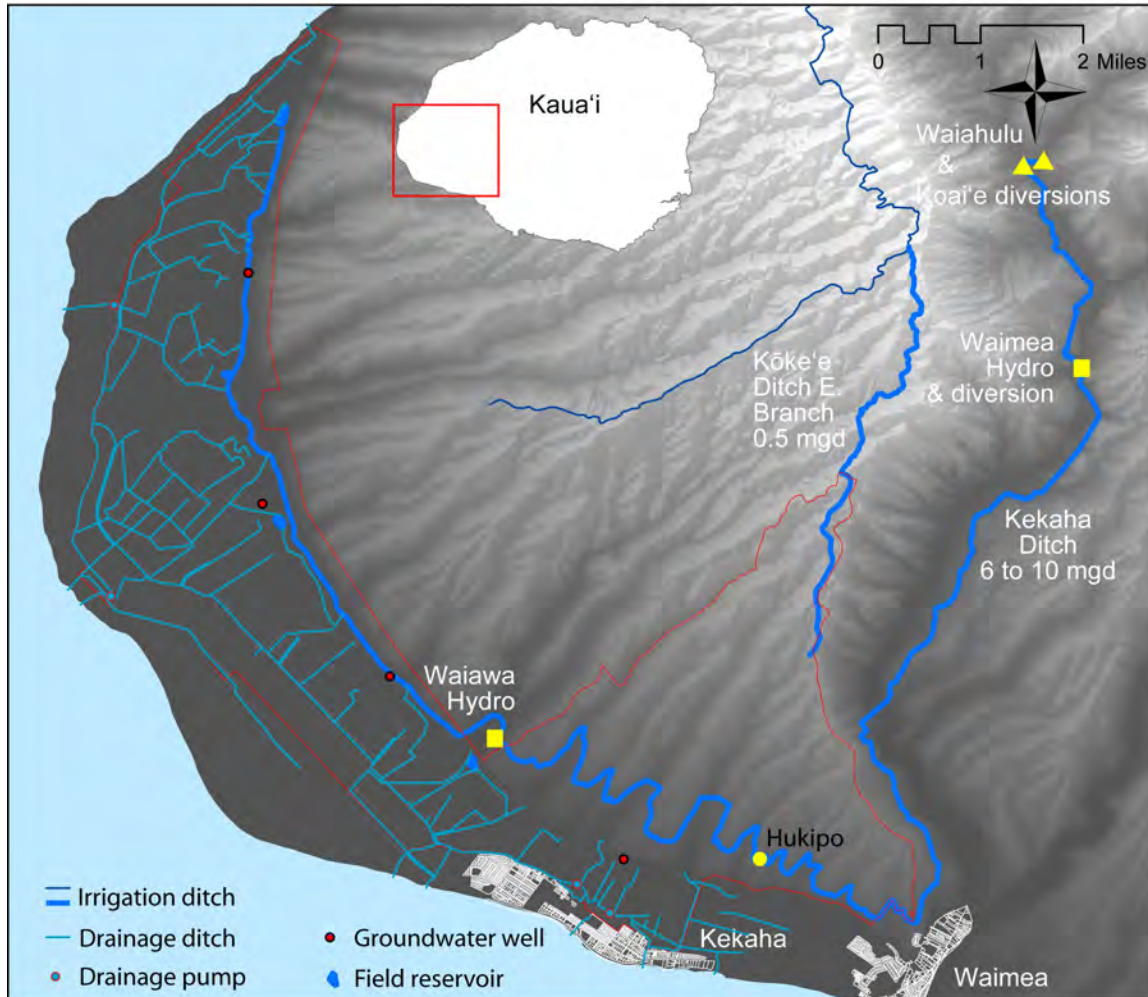
- Kekaha Ditch 29 miles
Koa'i'e to Polihale
 - Ave flow: plantation 35 mgd
 - Ave flow: current 8 mgd
- Kōke'e Ditch 19 miles
Waiakoali to 653 Basin
 - Ave flow: plantation 19 mgd
 - Ave flow: current 0.5mgd
 - Ave flow WKEP 11 mgd
- Groundwater wells
 - Huluhulunui
 - Kaunalewa
 - Mānā (2)
 - Saka Mānā
- Reservoirs
 - Waiawa 9.0 million gallons
 - Field 116 3.6
 - Field 117 9.8
 - Field 123 8.8
 - Field 127 3.5
 - Field 130 13.8
- \$400,000 maintenance per yr

Infrastructure



- 2017 Waimea Watershed Agreement (WWA)
- 2017 – 2023
Monitoring flows and water use
 - Koai'e Stream and diversion
 - Waiahulu diversion
 - Waiahulu ditch
 - Mauka Hydro penstock
 - Top of ditch (Camp 1)
 - Hukipo
 - Waiawa Hydro
 - Pu'u Moi divide
 - Field 646 Basin
- 2023
Milestone letter from CWRM accepting monitoring is in compliance with WWA
- 2023 – 2024
Phase 1 of pressurized irrigation system (\$5M)

Infrastructure



■ Hydro Electric Power Generation

- Mauka powerhouse (1912) 1,500 kW
4.4 megawatts annually
- Waiawa powerhouse (1908) 500 kW
1.4 megawatts annually
Scheduled for replacement with new 250 kW turbine (condition of WWA and to maximize efficiency of available ditch flows, 6 – 10 mgd)

Cost to produce = \$0.10/kW

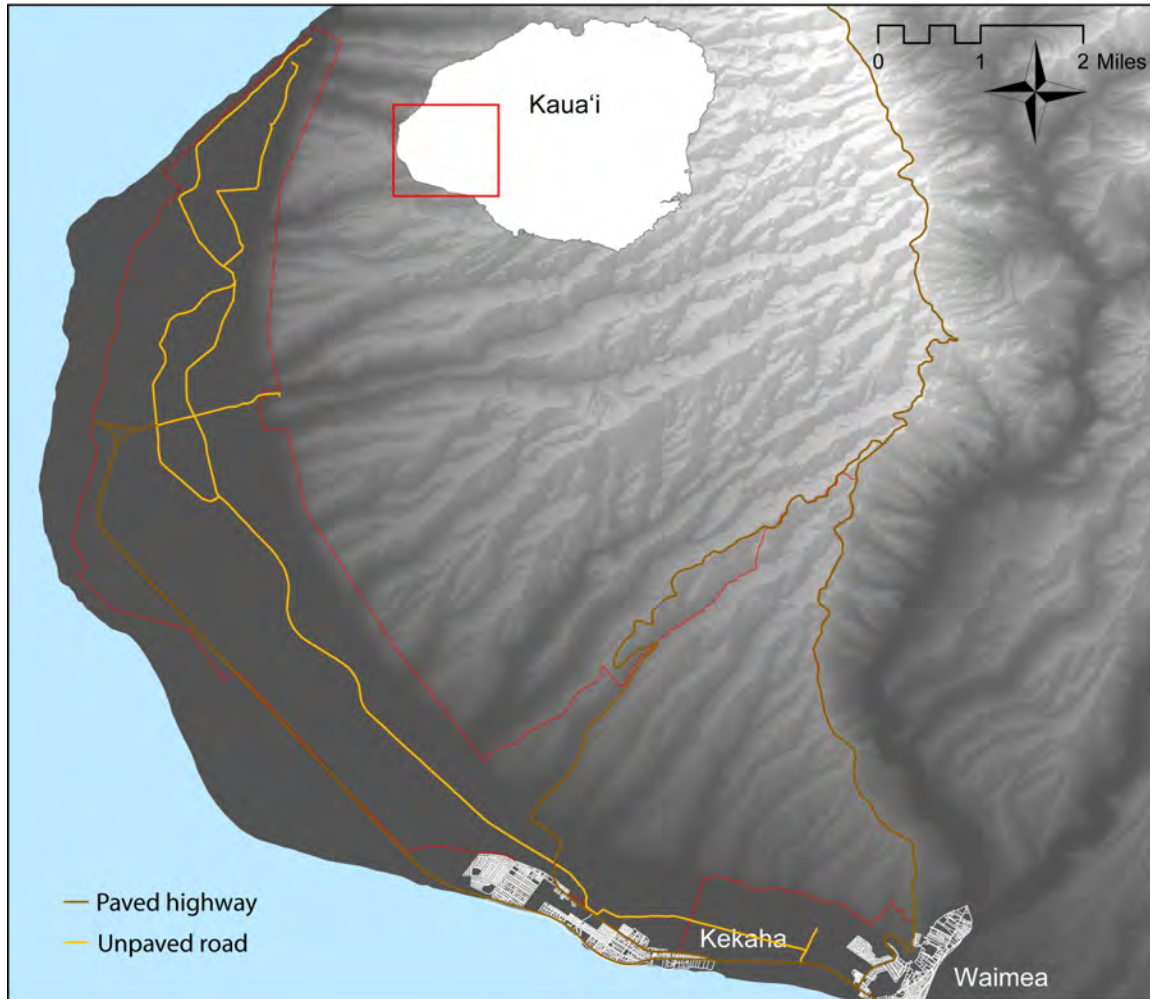
■ Irrigation pumping stations

- Six stations
- 3 mgd (1 billion gallons per year)

■ Drainage pumps (\$0.5M)

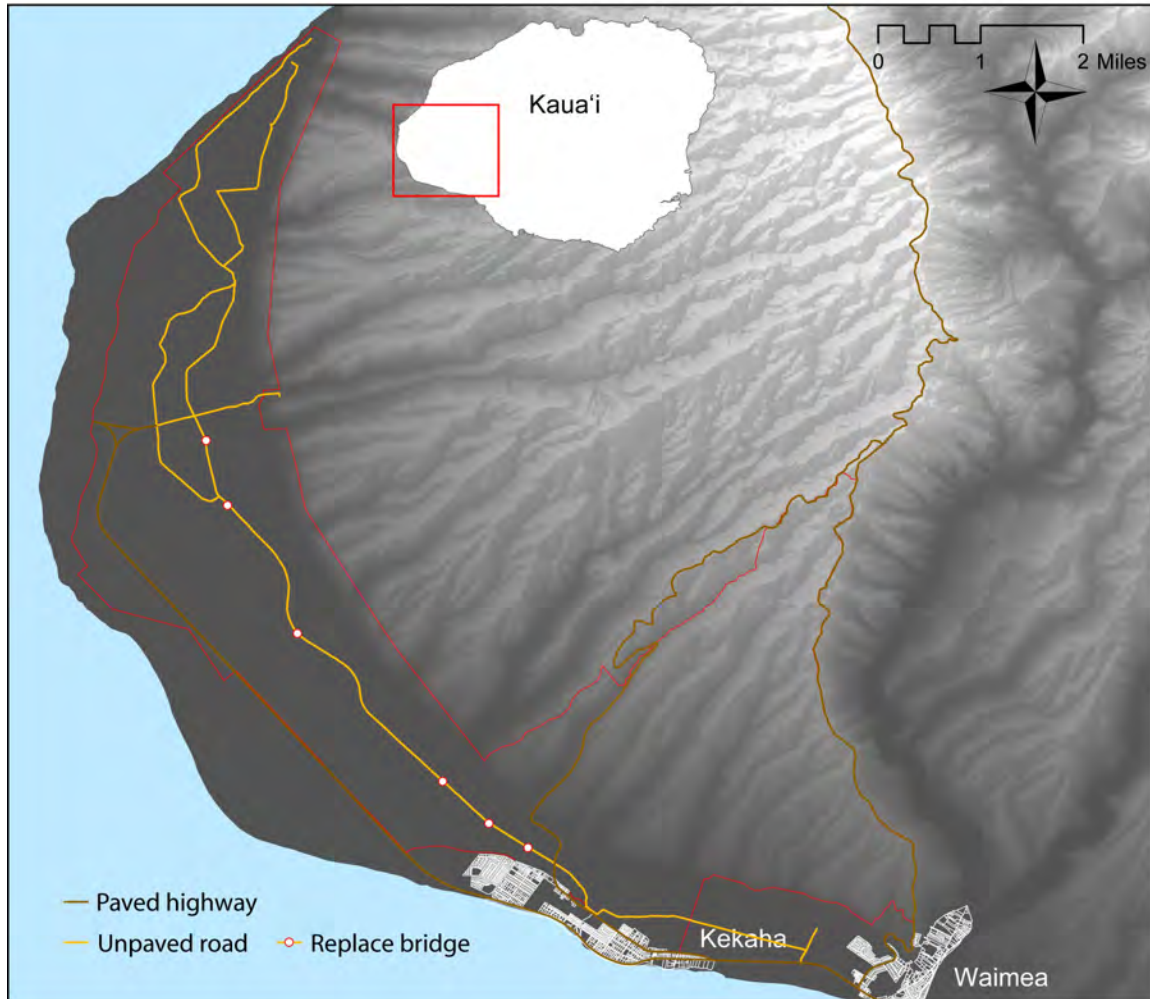
- Kawai'ele (US Navy's responsibility, ADC has contract to operate and maintain). Only managed discharge point (9.2 mgd)
- Nohili (currently inoperable)

Infrastructure



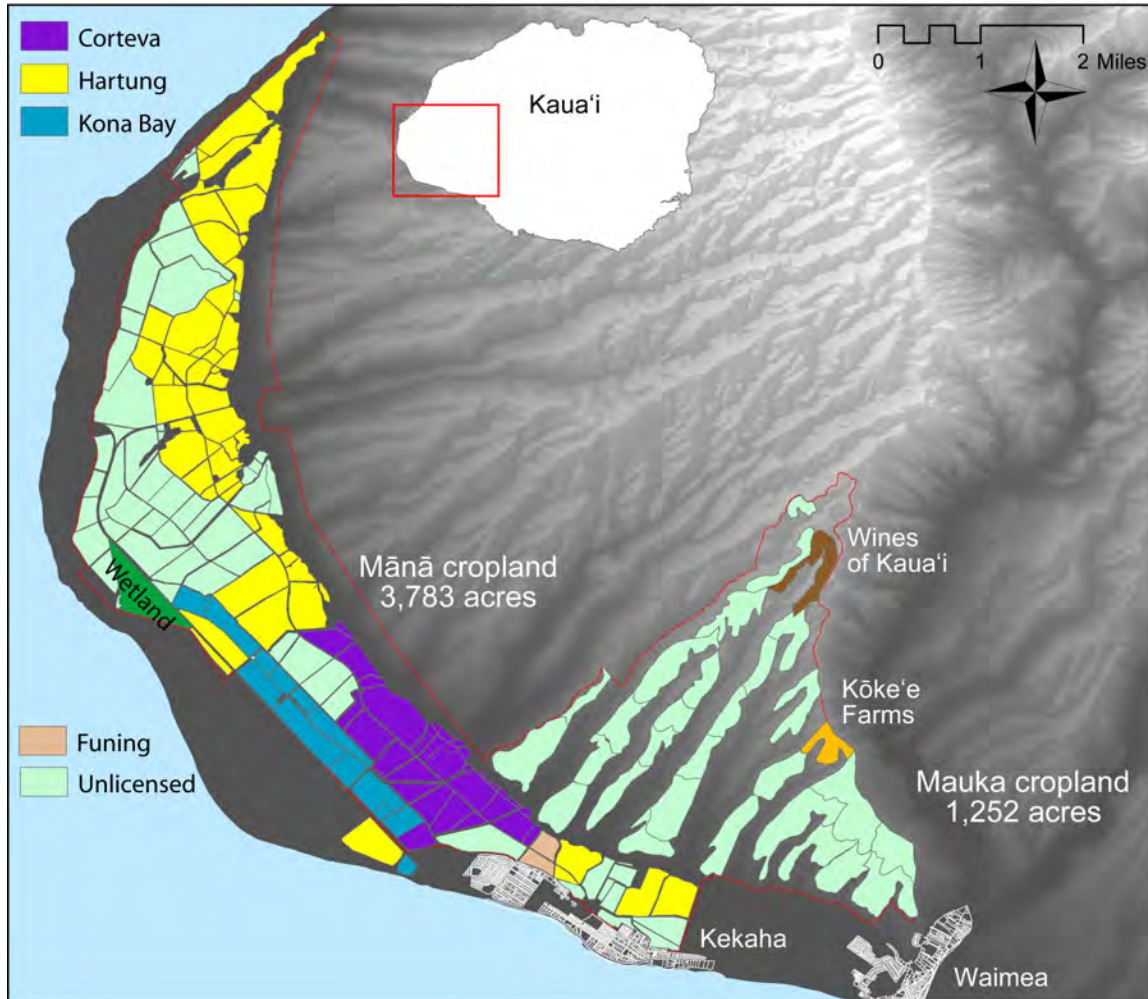
- Road mowing and maintenance (\$0.1M, 34.7 miles)
 - Main track
Field 101 to Polihale 11.5 miles
 - Makai access 9.7 miles
 - Mauka access 13.5 miles
- 2023 Pilot paving project
 - 3,200 FT (12 FT wide)

Infrastructure



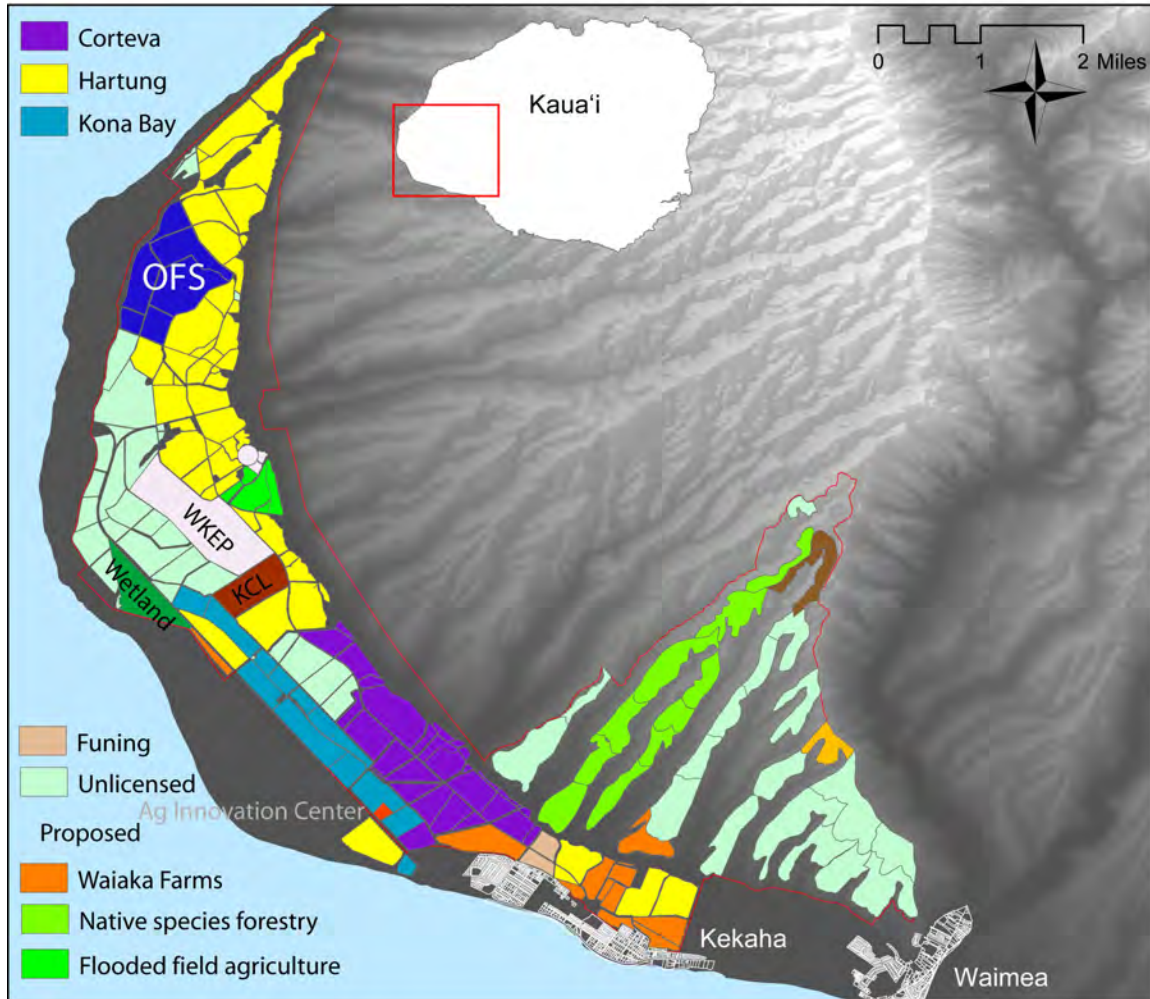
- Bridge replacement
 - Main track 6 bridges
 - Other roads 4 bridges
- 2022 Bridge design project (\$500,000)

Croplands



- Food production initiatives
 - Corteva Incubator program
 - Small farms support
 - Waiaka project
 - Aloun Farms Cooperation
 - DOE Food processing facility
 - Kekaha Mill value added production
 - Hartung alfalfa
 - Kauai Shrimp production

Kekaha Lands: the future



Planned land utilization

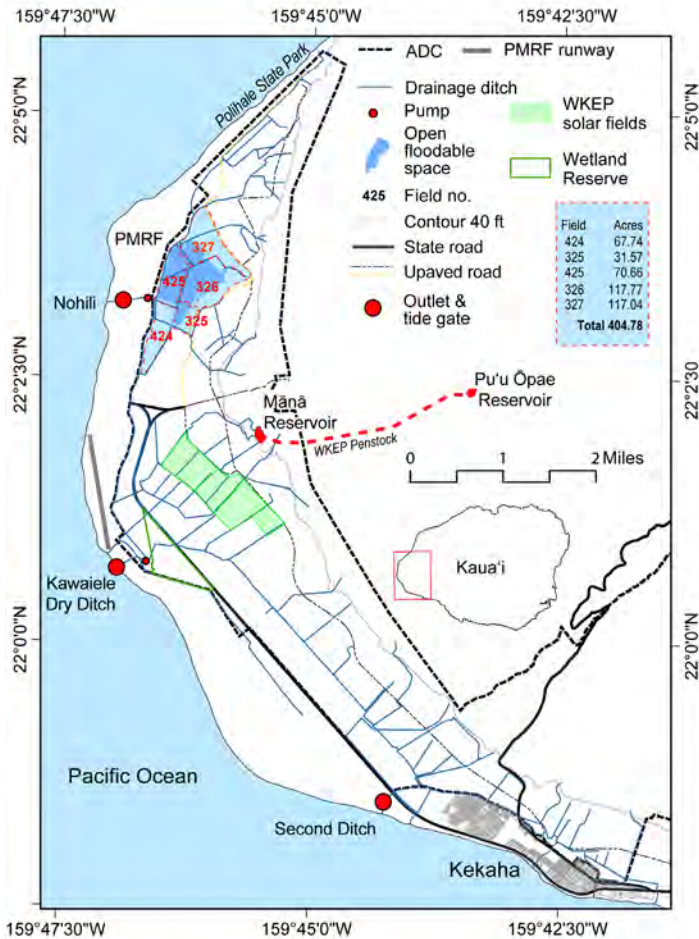
- Open Floodable Space 405 acres
- WKEP 272 acres
- Landfill 112 acres
- Flooded field agriculture 94 acres
- Waiaka project 281 acres
- Mauka diversified ag. 600 acres
- Mauka native timber 450 acres

- Workforce housing (Field 201)

- Value added production (Kekaha Mill)

- Ag. Tourism

REPI: goals and outcomes



- **Create** open floodable space (where some storm runoff can be retained)
 - Trap sediment and improve water quality
- **Install** tide gates
 - Maintain gravity drainage as sea level rises
- **Upgrade** pumps
 - Enable ditch system to accommodate outflow from WKEP and additional agricultural runoff from DHHL homesteads
- **5-year design phase \$5.6M**



Mahalo

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Emergency Board of Directors Meeting held Virtually on April 24, 2023

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

Pursuant to section 92-8(b), Hawaii Revised Statutes, the Board of Directors of the Agribusiness Development Corporation may hold an emergency meeting if an unanticipated event requires the board to take action on a matter over which it has supervision, control, jurisdiction, or advisory power. The board may hold an emergency meeting with less than six calendar day notice in order to deliberate and decide on how to respond to the unanticipated event.

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

Members Present, virtually:

Warren Watanabe, Member-At-Large (Mr. Watanabe) Vice-Chairperson
Glenn Hong, Member-At-Large (Mr. Hong)
Sharon Hurd, Chair HBOA, Ex-Officio Member (Ms. Hurd)
Kaleo Manuel, DLNR, Ex-Officio Member (Mr. Manuel)
Lyle Tabata, Kauai County Member (Mr. Tabata)
Dane Wicker, Designated Representative, DBEDT, Ex-Officio Member (Mr. Wicker)
Jayson Watts, Maui County Member (Mr. Watts)

Members Excused:

Frederick Lau, Chairperson
Karen Seddon, Member-At-Large
Jason Okuhama, Member-At-Large

Counsel Present, virtually:

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

Staff Present, virtually:

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

Guests Present, virtually:

ADC Guest
AGR-Maeda, Isaac
dnellis
Jasmine Tavui
Kyle Barber
Trisha Kehaulani Watson

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WAM Staff

Guests Present, physical location: None.

A. Call to Order

Pursuant to Article 3, Section 5 of the Bylaws of the Agribusiness Development Corporation, in the absence of the chairperson, the vice-chairperson shall perform the duties of the chairperson. Chair Lau was out of the country and unable to conduct the meeting. Vice-Chair called the virtual meeting to order at 3:34 p.m.

B. Roll Call

Vice-Chair conducted a roll call of the Board. Vice-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. Vice-Chair stated that the roll call served as the roll call vote, and for each subsequent vote, the Vice-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: Mr. Hong, Ms. Hurd, Mr. Manuel, Mr. Tabata, Mr. Watts, Mr. Wicker and Mr. Watanabe acknowledged attendance with no guests present.

Chair Lau, Mr. Okuhama and Ms. Seddon were excused.

Vice-Chair stated that pursuant to section 92-8(b)(2), for purposes of an Emergency Meeting, two-thirds of all members to which the board is entitled must agree that conditions necessary for an emergency meeting exist. Seven members of the Board constitutes two-thirds of the eleven members established by section 163D-3(b), Hawaii Revised Statutes.

There are seven members present, which is two-thirds of the board members.

C. New Business

- 1. Declaration of Emergency:** Pursuant to section 92-8(b), Hawaii Revised Statutes, if an unanticipated event requires a board to take action on a matter over which it has supervision, control, jurisdiction, or advisory power, within less time than is provided for in section 92-7 to notice and convene a meeting of the board (normally six calendar days advance notice), the board may hold an emergency meeting to deliberate and decide whether and how to act in response to the unanticipated event.

Section 92-8(c), Hawaii Revised Statutes, defines an “unanticipated event” as:

- (1) An event which members of the board did not have sufficient advance knowledge of or reasonably could not have known about from information published by the media or information generally available in the community;

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- (2) A deadline established by a legislative body, a court, or a federal, state, or county agency beyond the control of a board; or
- (3) A consequence of an event for which reasonably informed and knowledgeable board members could not have taken all necessary action.

In this matter, HRS section 92-8(c)(1) and (3) apply. The passing of Mr. James Nakatani on Sunday, April 23, 2023 was unexpected and not something the Board reasonably could have anticipated.

Vice-Chair asked for a motion to declare an emergency due to the passing of Mr. James Nakatani, ADC's Executive Director.

Motion: Mr. Wicker; Second: Mr. Watts

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

Vice-Chair asked if there was any board discussion. There was none.

Vice-Chair called for the vote. Hearing no objections the motion was approved: 7-0.

Vice-Chair asked if the deputy attorney general agrees with the Board's finding that the passing of the executive director on April 23, 2023 constitutes an emergency that necessitates holding an emergency meeting in response to this unanticipated event.

Ms. Prescott-Tate responded that yes, she concurs with the Board's finding that an emergency exists. Pursuant to section 92-8(b)(1), the record will reflect that Mr. James Nakatani was the Executive Director of the Agribusiness Development Corporation when he unexpectedly passed away on Sunday, April 23, 2023.

According to Article 6, Section 1 of the Bylaws of the Agribusiness Development Corporation, the executive director shall serve as the chief executive officer of the Corporation and shall be directly responsible for the day-to-day operations of the Corporation, including control of and responsibility for the execution of the policies of the Board of Directors, the supervision of the Corporation's staff, and the administration of the Corporation's programs, projects, and affairs, including approving transactions involving purchasing, property management, budgeting, accounting, travel, insurance claims, and the issuance of manuals of administrative procedure, and shall also perform such other duties as may be delegated from time to time by the Board of Directors.

As such, the everyday business of the corporation cannot be conducted in the absence of the executive director.

According to Article 6, Section 1, of the Bylaws of the Agribusiness Development Corporation, should the position of the executive director become vacant, the Board of

AGRIBUSINESS DEVELOPMENT CORPORATION

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Directors may appoint an acting executive director from among the employees of the Corporation until such vacancy is filled by a permanent appointment.

Ms. Prescott-Tate turned the meeting back to the Vice-Chair for Agenda Item 2.

2. Appointment of Acting Executive Director of the Agribusiness Development Corporation

May I have a Motion to appoint an acting executive director of the Agribusiness Development Corporation?

Mr. Watts moved to nominate Mark Takemoto, executive assistant, to the position of acting executive director. Second: Mr. Hong.

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

Vice-Chair asked if there was any board discussion.

Mr. Wicker asked what the process was moving forward. He appreciated the fast action since they have week-long conference meetings, a lot of legislative policy and budget. Will it be discussed here or at a future meeting. What is the path forward?

Ms. Prescott-Tate responded that they will hopefully appoint an acting executive director today. The acting executive director serves until a permanent person is appointed.

Mr. Wicker asked if that time was determined by the board?

Ms. Prescott-Tate responded correct.

Vice-Chair asked if there was any other board discussion.

Mr. Manuel said he just wanted to add for the record that he supports the recommendation. As being part of the last evaluation committee and hearing directly from the former Executive Director, he definitely supported the leadership skills of Mr. Takemoto and the work that he's been able to accomplish during his short time with ADC. He will support this nomination. And similar to what Mr. Wicker mentioned, he thinks they should meet, perhaps on the next agenda, and discuss what that timeline looks like for a replacement of the executive director.

Vice-Chair asked if there was any other board discussion. Hearing no further discussion, Vice-Chair called for the vote. Hearing no objection, the motion was approved: 7-0.

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Vice-Chair announced that the term of the Acting Executive Director shall be until the Board permanently appoints a new executive director.

Ms. Prescott-Tate provided a recap of Agenda Item 2. The nomination was for Mr. Takemoto, who is currently the assistant to the executive director. There were no further nominations. The vote was taken, 7-0 in favor of Mr. Takemoto. So the new Acting Executive Director is Mark Takemoto.

3. Request to Delegate Authority to the Acting Executive Director to execute any and all documents to which the Corporation is a party, and to which the former Executive Director had been given specific authority to sign.

Vice-Chair asked for a motion to Delegate Authority to the Acting Executive Director to Execute any and all documents to which the Corporation is a party, and to which the former Executive Director has been given specific authority to sign?

Motion: Mr. Wicker; Second: Mr. Watts.

Chair asked Mr. Roe to give his presentation.

Mr. Roe stated that at the last Board meeting on April 20, 2023, the Executive Director was given authority to sign license agreements for Mahipapa, LLC, and Hanahanapuni Farms; update reopened lease rents for lease agreement S-3940 for Kauai Island Utility Cooperative, and a license agreement for the County of Kauai for two monitoring wells. On April 20, 2022, the Executive Director was previously given authority to finalize the purchase of three deep wells from Dole Food Company, Inc., which will probably be completed in May 2023. The Board has previously authorized the Executive Director to execute right-of-entry documents without prior board approval. The acting Executive Director requires the ability to execute documents in support of the supervisory authority of staff, such as leave of absence forms, and other employment related paperwork. The Acting Executive Director also requires the ability to execute and administer the Corporation's programs, projects, affairs, budget, legislative matters, transactions involving purchasing, property management, budgeting, accounting, travel, insurance and other duties as delegated by the Board including anything previously approved by the board but that has not yet been executed. These are the sorts of things that this particular motion would cover.

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

Vice-Chair asked if there was any board discussion. Hearing none, Vice-Chair called for the vote asking if there were any objections to authorizing the Acting Executive Director to execute all documents that the former executive director was previously authorized to execute, and to execute all documents to which the Corporation is a party as authorized under Article 6, section 1 of the Bylaws of the Agribusiness Development Corporation.

AGRIBUSINESS DEVELOPMENT CORPORATION

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Hearing no objection, the motion was approved: 7-0.

D. Adjourn

Chair called for a Motion to Adjourn: Mr. Manuel; Second: Mr. Tabata.

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

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

The meeting was adjourned at 3:51 p.m.

Respectfully submitted:

Lynette Marushige
Secretary

DRAFT



ITEM D-1

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

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

May 18, 2023

Subject: Request for approval to issue a revocable permit to Donald R. McDonald dba AgTech Pacific for commercial warehouse space and auxiliary land in Whitmore Village, Oahu, Hawaii, Tax Map Key No. (1) 7-1-002:009 (por.)

Applicant: Donald R. McDonald dba AgTech Pacific

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

Area: Warehouse (Bldg Z): 4,500 square feet
Exclusive land area: 7,000 square feet

Field No(s).: Non-designated

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

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2012

Trust Land Status: Section ___ lands of the Hawaii Admission Act
Yes ___ No

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

Character of Use: Commercial

Land Doc. Type: Revocable permit

Term: Month-to-month (annual renewal)

Rental Rate: Warehouse: \$0.70 per square foot per month (under license)
Auxiliary Area: \$0.10 per square foot per month
Annual Rent: \$40,800

BACKGROUND:

AgTech Pacific (AgTech) is owned and operated by Donald R. McDonald (Applicant) and has been in operation since 2000. AgTech specializes in irrigation design, sales of agricultural and irrigation supplies, and installation of irrigation infrastructure and

Request for approval to issue a revocable permit to Donald R. McDonald dba AgTech Pacific for commercial warehouse space and auxiliary land in Whitmore Village, Oahu, Hawaii, Tax Map Key No. (1) 7-1-002:009 (por.)

May 18, 2023

Page 2 of 3

equipment in Hawaii. AgTech has been a tenant of the Agribusiness Development Corporation (ADC) since 2015.

In February, 2020, ADC Board of Directors (Board) approved a new 3-year lease agreement for AgTech for 11,500 gross square feet of land in Whitmore Village that includes a 4,500 square foot warehouse (Premises) (Exhibit A). Lease rents were set at \$0.60/square foot/month for the warehouse; \$0.10/square foot/month for exclusive land area. That lease expired on May 10, 2023.

LAND REQUEST:

Applicant requests a revocable permit for 11,500 gross square feet of land in Whitmore Village that includes a 4,500 square foot warehouse in order to continue to provide irrigation and agricultural equipment sales and design services in Hawaii.

WATER NEEDS AND SOURCE OF WATER:

Water needs for site location are served by Honolulu Board of Water Supply.

OPERATIONAL PLAN:

Applicant has retrofitted the 4,500 square foot warehouse into commercial storage, showroom, and office space for AgTech Pacific. Applicant intends to continue to provide agricultural and irrigation sales and design services for agricultural operations in Hawaii.

CONSERVATION PLAN:

N/A

DISCUSSION:

The Premises are located within the footprint of the Central Oahu Agriculture and Food Hub Project which is currently in Phase 1 of re-development. As such, it is not appropriate to issue a lease or license agreement. Applicant has been advised that development of the site is imminent, and that ADC will be terminating the revocable permit at some point within the next 2-3 years. ADC will make every effort to provide the Applicant with at least 6-months notice of termination.

Given the imminent re-development of the area, ADC is hesitant to invest significant money or effort in the maintenance of the building. Applicant has agreed to accept the building as *is* and to be responsible for all repairs and maintenance of the building. In lieu of this understanding, staff recommends that reducing the monthly rent to \$0.60/square foot/month for the warehouse portion of the rent fee and \$0.10/square foot/month for the exclusive land area.

RECOMMENDATION(S):

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

1. Rental rate shall be: 1) warehouse: \$0.60/square foot/month; 2) exclusive area: \$0.10/square foot/month; and
2. Applicant shall be responsible for all repairs and maintenance and accepts the property as *is*; and

Request for approval to issue a revocable permit to Donald R. McDonald dba AgTech Pacific for commercial warehouse space and auxiliary land in Whitmore Village, Oahu, Hawaii, Tax Map Key No. (1) 7-1-002:009 (por.)

May 18, 2023

Page 3 of 3

3. The revocable permit shall be effective as of May 11, 2023; and
4. All other standard terms and conditions of the revocable permit shall remain unchanged.

Respectfully Submitted,

Mark Takemoto

Mark H. Takemoto
Acting Executive Director

EXHIBIT A

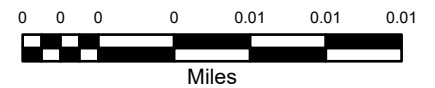


STATE OF HAWAII
AGRIBUSINESS
DEVELOPMENT CORPORATION

Donald R. McDonald
dba AgTech Pacific

Lot: non-designated,
TMK (1) 7-1-002:009 (por.)

AgTech
Pacific



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STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

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

May 18, 2023

Subject: Request for approval to conduct due diligence for the purpose of negotiating the fee simple interest in real property located at Waialua, Oahu, Hawaii, Tax Map Key No. (1) 6-5-002:027

Applicant: N/A

Authority: 163D-4(a)(6) & 3(g), Hawaii Revised Statutes

Area: 45.430 acres

Field No(s).: Currently designated "Parcel 27"

Tax Map Key: (1) 6-5-002:027

Land Status: Owned in fee by Allen P.Y. Tyau, as trustee of the Frances S.L. Tyau Revocable Living Trust, and Dole Food Company, Inc. as tenants in common (jointly the "Owner")

Trust Land Status: Section ___ lands of the Hawaii Admission Act
Yes ___ No

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

Character of Use: Agricultural

Zoning: Ag-1 (Restricted Agriculture)

Land Doc. Type: N/A

Term: N/A

Rental Rate: N/A

BACKGROUND:

On August 24, 2016, the Board of Directors (Board) of the Agribusiness Development Corporation (ADC) considered and approved a request to negotiate the fee simple interest in real property owned by Dole Food Company, Inc. (Dole) for a number of properties (Exhibit A) which included Tax Map Key No. 6-5-002:027 (Property)(Exhibit

B).¹ During the due diligence process, a title issue affecting the Property was discovered and the Property was excluded from the purchase. The original funding appropriation for the purchase of the Property lapsed

Dole asserts that the title issue has been resolved and funding for purchase of the Property has been included in ADC's budget appropriation for Fiscal year 2023-2024². As of this writing, the funding has not yet been approved by the Governor.

Dole currently leases the Property to Kelena Farms, Inc. (Kelena), who also holds a license for adjacent ADC properties.

REQUEST:

Staff requests that the Board authorize the staff to conduct due diligence for purposes of negotiating the purchase of the fee simple interest in real property near Wahiawa, Oahu, Hawaii, Tax Map Key No. (1) 6-5-002:027 (Request).

WATER NEEDS AND SOURCE OF WATER:

Water interests of the Property are currently served by Dole Well #25³ under Water Use Permit 826 issued to Kelena.

OPERATIONAL PLAN:

N/A

CONSERVATION PLAN:

N/A

DISCUSSION:

During preliminary due diligence of the Property, the title report revealed title concerns about the title. It appears the Property thereafter underwent quiet title process with final judgement entered on January 13, 2023 in the Circuit Court of the First Circuit, State of Hawaii, under Civil No. 18-1-1127.

The Property represents the "missing link" in a series of contiguous properties already owned by ADC (Exhibit C). Purchase of the Property would contribute to ADC's current agricultural holdings and would ensure that another buyer with non-aligned interests could not impede access and freedom of travel between the contiguous parcels, or otherwise inconvenience the use of adjacent ADC-owned parcels for agricultural purposes.

Owner currently lists the Property for \$2,952,950. 2023 legislative appropriations to ADC for Fiscal Year 2023-2024 includes approximately \$3,000,000 to ADC for the purchase of the Property, subject to approval of the appropriation by the Governor.

RECOMMENDATION(S):

¹ Agribusiness Development Corporation. (2016, August 24). *Minutes of the Board of Directors Meeting of August 24, 2016*. <https://dbedt.hawaii.gov/adc/files/2021/11/2016-ADC-Meeting-Minutes.pdf>

² H.B. 300, 32nd Leg., Reg. Sess. (2023).

³ ADC is in the process of acquiring three wells from Dole, including Well #25.

Request for approval to conduct due diligence for the purpose of negotiating the fee simple interest in real property located at Waialua, Oahu, Hawaii, Tax Map Key No. (1) 6-5-002:027

May 18, 2023

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Based on the foregoing, staff recommends that the Board approve the prior Request, subject to the following condition(s):

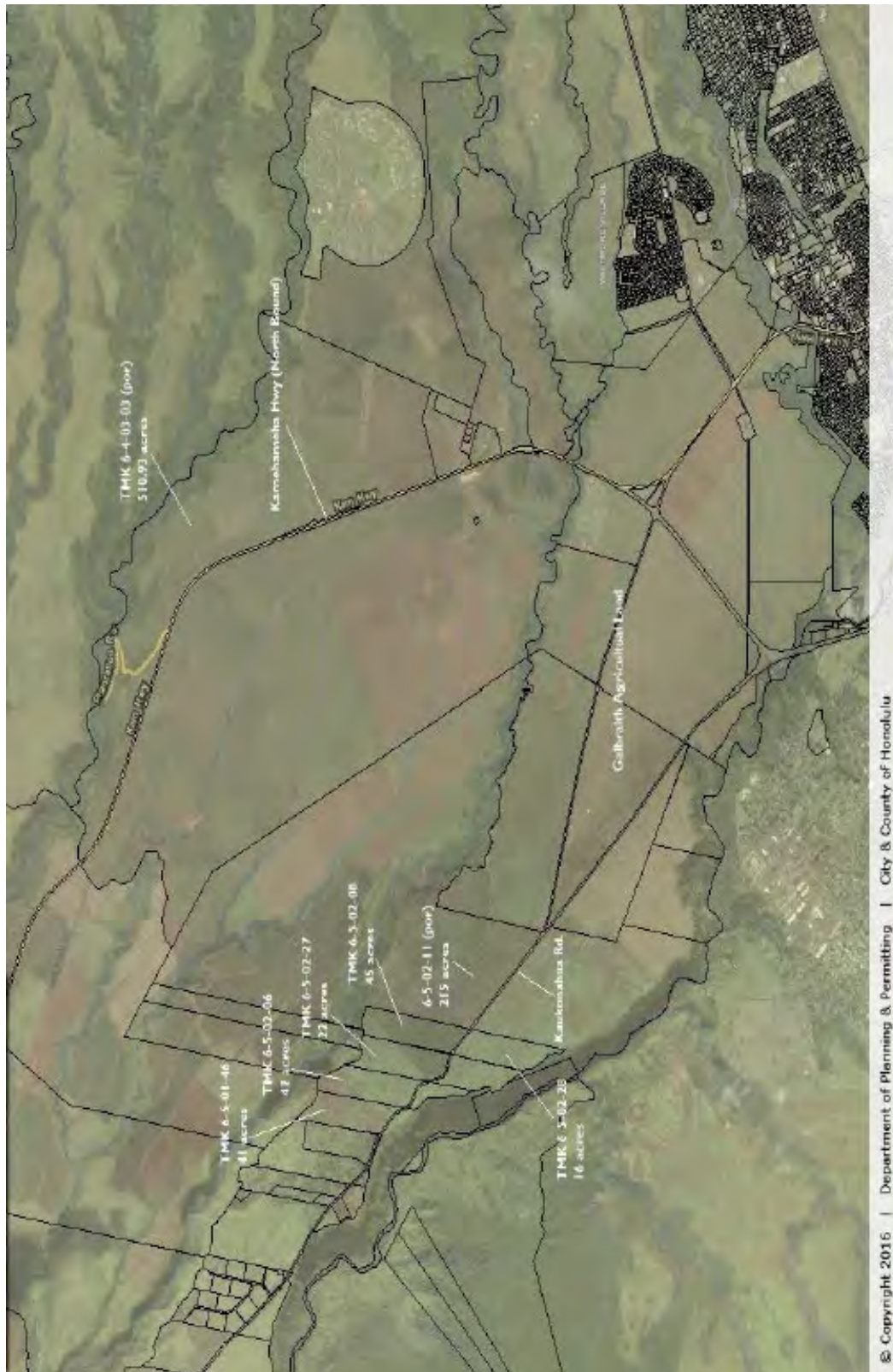
1. Staff will report due diligence findings to the Board and, as appropriate, seek approval of final terms and conditions of the purchase.

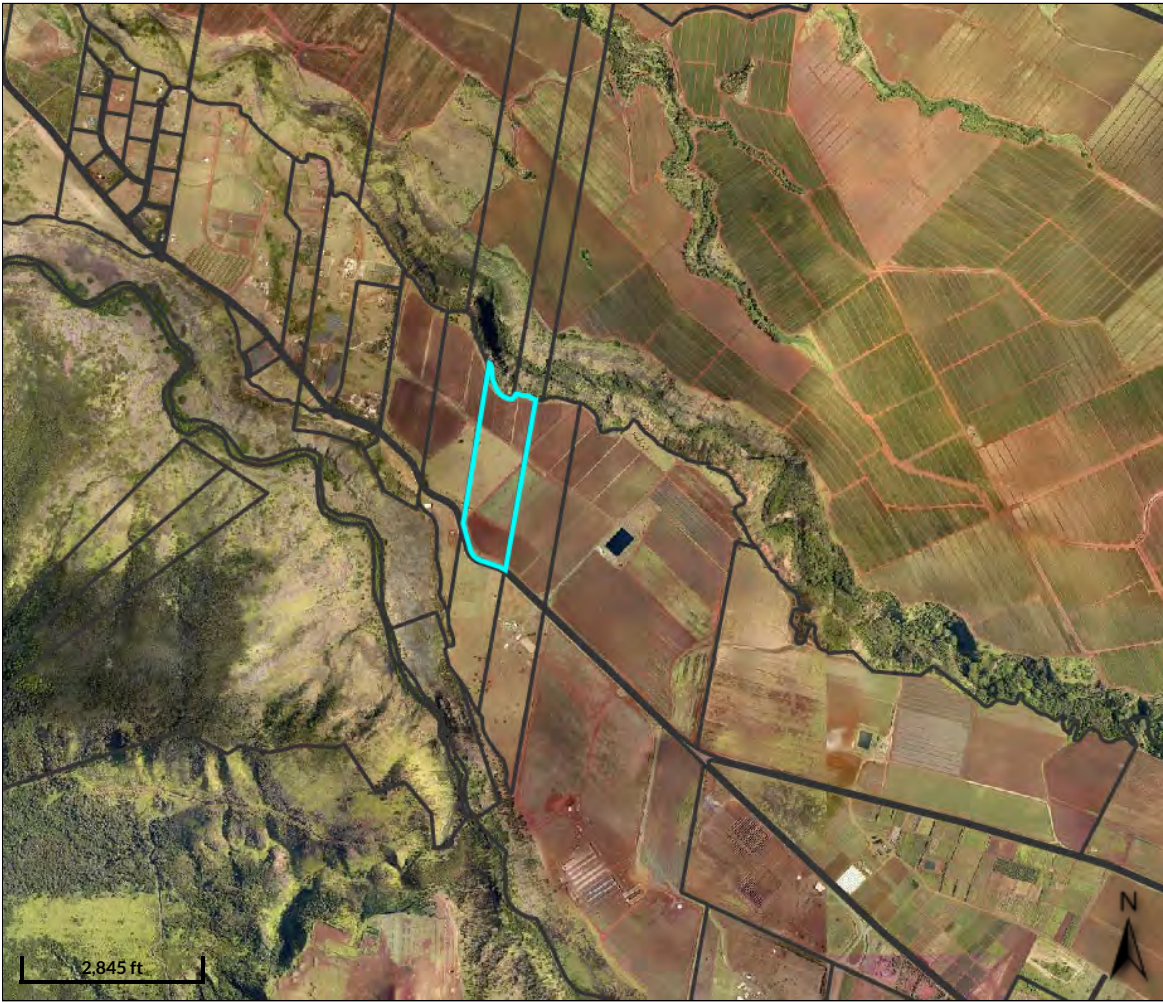
Respectfully Submitted,

Mark Takemoto

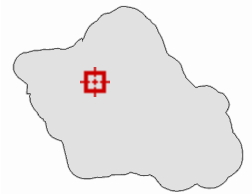
Mark H. Takemoto
Acting Executive Director

EXHIBIT A





Overview



Legend

- Roads
- Parcels

Parcel ID 650020270000	Situs/Physical Address HUKILAU LP	Assessed Land Value	\$1,484,600	Last 2 Sales			
Acreage 45.43		Assessed Building Value	\$0	Date	Price	Reason	Qual
Class AGRICULTURAL		Total Property Assessed Value	\$14,800	n/a	0	n/a	n/a
		Total Property Exemptions	\$0	n/a	0	n/a	n/a
		Total Net Taxable Value	\$14,800				

Brief Tax Description LOT 1332-A POR GR 1332 45.43 AC
 (Note: Not to be used on legal documents)

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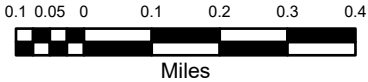
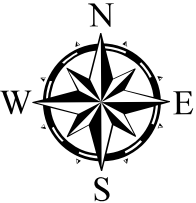
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EXHIBIT C

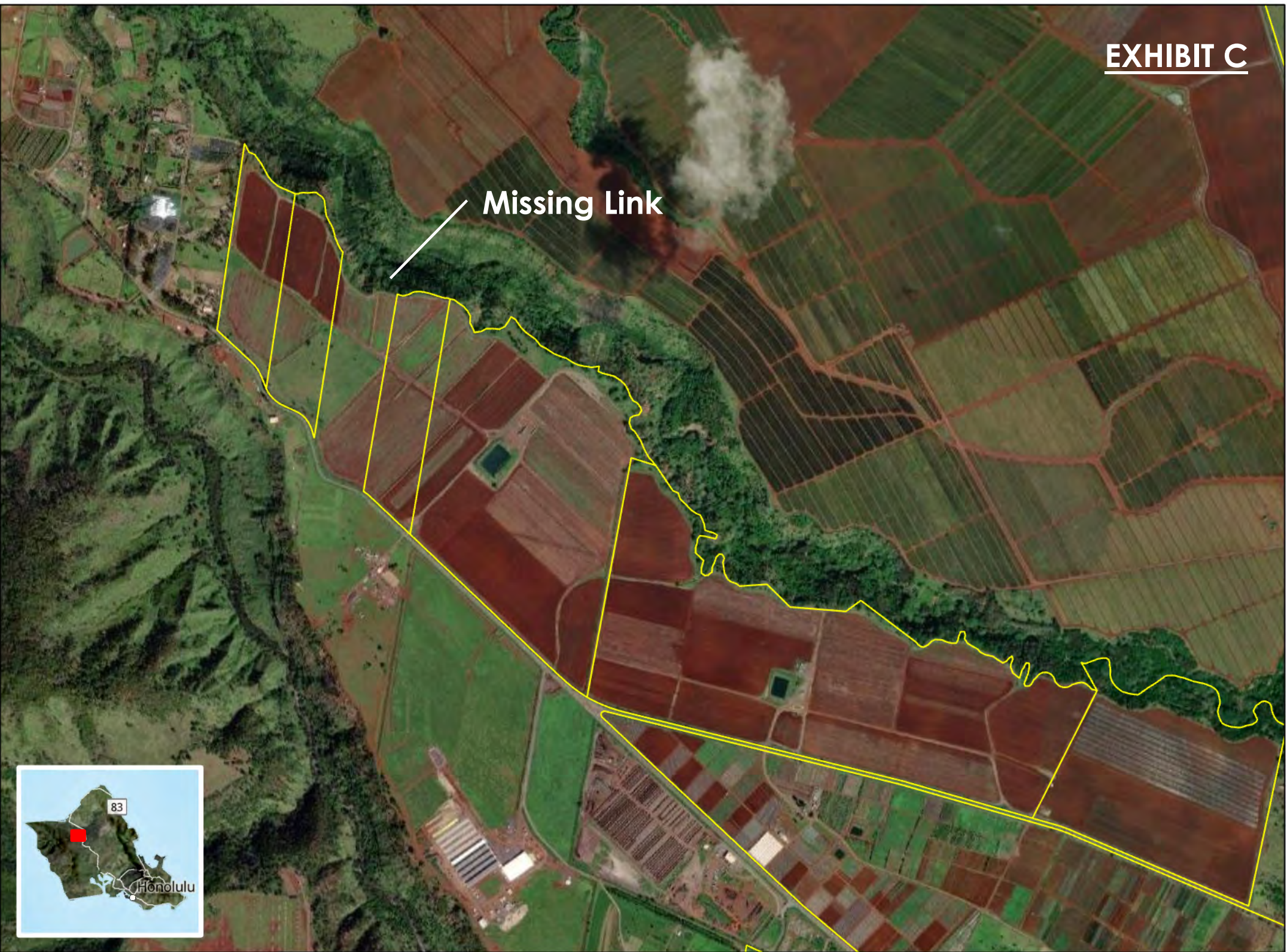


STATE OF HAWAII
AGRIBUSINESS
DEVELOPMENT CORPORATION

Partial ADC Land Holdings
at Galbraith and Paalaa
Uka/Kamananui



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JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



ITEM D-3

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Suite 205
Honolulu, HI96813
Phone: (808) 586-0186 Fax: (808) 586-0189

May 18, 2023

Subject: Request for approval to enter into a Memorandum of Agreement with the State of Hawaii, Office of Planning and Sustainable Development to update the Hawaii Agribusiness Plan, pursuant to section 163D-5, Hawaii Revised Statutes (Supp. 2022)

Authority: Section 163D-5, Hawaii Revised Statutes (Supp. 2022)

BACKGROUND:

The Agribusiness Development Corporation (ADC), established in 1994, facilitates and provides direction for diversification of Hawaii's agricultural industry. ADC's goals include 1) transition former plantation land and water systems for diversified agriculture; 2) initiate development of facilities and provide support as necessary for successful diversified agriculture; and 3) provide solutions to certain bottleneck issues facing the agriculture industry. Section 163D-5, Hawaii Revised Statutes, as amended by Act 219, Session Laws of Hawai'i, 2022, states:

§163D-5 Hawaii agribusiness plan. (a) The corporation shall prepare and post on its website the Hawaii agribusiness plan, which shall define and establish goals, objectives, policies, and priority guidelines for its agribusiness development strategy. The plan shall include but not be limited to:

- (1) An inventory of agricultural lands with suitable adequate water resources that are or will become available; provided that the inventory of agricultural lands under this paragraph shall be agricultural lands within the purview of the corporation that can be used to meet present and future agricultural production needs;
- (2) An inventory of available agricultural infrastructure, such as irrigation systems, drainage systems, processing facilities, and other accessory facilities, that are controlled by the corporation; and
- (3) Strategies for federal, state, county, and community stakeholder actions that will promote the development and enhancement of Hawaii's agricultural industries.

(b) The Hawaii agribusiness plan goals shall have specific one-year, five-year, and ten-year objectives and measurable outcomes that prioritize local food production from the corporation's leases or licenses. The objectives and outcomes shall include annual performance goals and measures that the corporation shall be evaluated on annually.

(c) The Hawaii agribusiness plan shall also include metrics, timeframes, and budget expectations as part of the corporation's agribusiness development strategy.

(d) The corporation shall update the Hawaii agribusiness plan no later than July 1, 2023, and every five years thereafter, and shall incorporate the plan in its annual report to the governor and the legislature as provided in section 163D-19.

LAND REQUEST:

N/A

WATER NEEDS AND SOURCE OF WATER:

N/A

OPERATIONAL PLAN:

Act 219, Session Laws of Hawaii 2022, allocated \$90,000 to ADC to develop a Hawaii Agribusiness Plan pursuant to section 163D-5, Hawaii Revised Statutes. Initially, ADC planned to conduct a professional service selection pursuant to section 103D-304, Hawaii Revised Statutes, to contract a professional planning consultant to assist ADC in preparing and finalizing the Hawaii Agribusiness Plan, including the facilitation of community stakeholder involvement. Upon further review of the planning consultant's qualifications and list of previous projects completed, it became apparent that none of the consultants provide this type of service.

The Department of Business, Economic Development, and Tourism referred ADC to the Office of Planning and Sustainable Development's Special Plans Branch (OPSD) who is tasked with carrying out the functions of OPSD related to statewide planning under the Hawaii State Planning Act. The Special Plans Branch purpose is to improve the planning process in the State, to increase the effectiveness of government and private actions, to improve coordination among different agencies and levels of government, to provide for wise use of Hawaii's resources, and to guide the future development of the State.

OPSD informed ADC that the Special Plans Branch has the personnel and expertise to assist ADC in completing the Hawaii Agribusiness Plan. As the specific type of planning falls within the capabilities of OPSD, ADC seeks to enter into a Memorandum of Agreement with OPSD to update the 2021 Hawaii Agribusiness Plan (Exhibit A). Because section 163D-5, Hawaii Revised Statutes, requires ADC to update the Hawaii agribusiness plan no later than July 1, 2023, and every five years thereafter, the 2021 Hawaii Agribusiness Plan will undergo minor revision and posting by July 2023, with the major revision by OPSD to be completed and posted on the ADC website by December 31, 2024.

Through the Memorandum of Agreement, the Parties shall commit to the following:

OPSD shall perform/oversee the following tasks:

- 1) OPSD shall submit a Work Plan for ADC's review, revisions, and approval. The Work Plan shall include the following: Project goals, objectives, and tasks; project deliverables; due dates for deliverables and progress reports; estimated costs for the deliverables.
- 2) OPSD shall designate a project manager who will be responsible for informing ADC of progress and any barriers encountered.
- 3) OPSD shall propose potential areas for consultant services for ADC's review and approval.
- 4) OPSD shall convert the lists of land parcels under ADC control and infrastructure to GIS maps, annotated with water infrastructure and soil characteristics, and existing encumbrances.
- 5) OPSD shall submit a Stakeholder Engagement Strategy for ADC's review and approval.
- 6) OPSD shall consult with agricultural resource economists to determine the economic supports, including grants and tax credits, needed to improve the business success of licensees.
- 7) OPSD shall detail accessory facilities and services needed to move licensees' products from field to consumers, i.e. food safety certifications, food hubs, wholesalers, air and surface transportation, promotion and marketing, and retail distributors.
- 8) OPSD shall create scenarios for economic recovery from predictable natural disasters for licensees.
- 9) OPSD and its consultants shall make written and oral progress reports to ADC staff and board members and the public.
- 10) OPSD shall submit a draft and a final Hawaii Agribusiness Plan to ADC for review and approval.

ADC shall perform/oversee the following tasks:

- 1) ADC agrees to execute a Memorandum of Agreement with OPSD for planning services to prepare the Hawaii Agribusiness Plan.
- 2) ADC agrees to pay OPSD an agreed upon amount for planning services.
- 3) ADC and OPSD shall each designate a contract manager to serve as the responsible point of contact for reviewing progress towards completion of the Plan.

Request for approval to enter into a Memorandum of Agreement with the State of Hawaii, Office of Planning and Sustainable Development to update the Hawaii Agribusiness Plan, pursuant to section 163D-5, Hawaii Revised Statutes (Supp. 2022)

May 18, 2023

Page 4 of 4

- 4) ADC will provide OPSD a list of land parcels identified by TMK to form the basis for the inventory.
- 5) ADC will provide OPSD a list of wells, reservoirs, flumes, and transmission pipes that serve ADC lands.
- 6) ADC will provide OPSD with a list of licensees/lessees from which to form stakeholder groups.

CONSERVATION PLAN:

N/A

DISCUSSION:

The 2021 Hawaii Agribusiness Plan needs to be updated and incorporated into ADC's development strategy for its properties and infrastructure on Oahu and Kauai. The plan shall define and establish goals, objectives, policies, and priority guidelines for its agribusiness development strategy and inform budget requests for land, infrastructure, and other capital improvement budget requests. ADC does not have planners on staff, or the expertise necessary to develop the plan on its own. For these reasons, ADC seeks to enter into a Memorandum of Agreement with OPSD for preparation of an updated agribusiness plan.

RECOMMENDATION:

To authorize the Acting Executive Director to enter into a Memorandum of Agreement with the State of Hawaii, Office of Planning and Sustainable Development to develop the Hawaii Agribusiness Plan, pursuant to section 163D-5, Hawaii Revised Statutes (Supp. 2022).

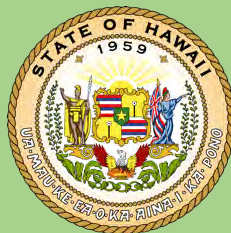
Respectfully Submitted,

Mark Takemoto

Mark H. Takemoto
Acting Executive Director

DECEMBER 2020

HAWAII AGRIBUSINESS PLAN 2021



Agribusiness Development Corporation

CONTENTS

3	Introduction
5	ADC Framework for Increased Agricultural Productivity
6	Land Acquisition & Development
8	Irrigation System Development & Maintenance
9	Improve Components of the Food System
10	HRS 163D-5(a) Requirements
12	Appendix 1: Past Agriculture Strategic Plans
13	LRB Report: No Further Study Needed; Implementation Needed
23	Appendix 2: Maps

INTRODUCTION

Before developing the Hawaii Agribusiness Plan, the Agribusiness Development Corporation (ADC) resolved to understand the numerous reports and plans prompted by the legislature and other agricultural interests; to identify the organizational, procedural, and substantive hurdles preventing the ADC from operating as effectively as anticipated; and to assimilate these reports and plans into a coherent and comprehensive plan to expand agriculture in Hawaii.

The earliest of these efforts was the 1997 Legislative Reference Bureau (“LRB” or “Bureau”) Report No. 2 [“Plan(ing) Is Not A Four-Letter Word: A Formative Evaluation of the Agribusiness Development Corporation”]. That year, the Bureau made seven recommendations, including recommendations that ADC be given more time and sufficient staffing to meet its mandates; that deadlines be imposed for the development of a strategic plan; and that the ADC mission be clarified. None of the seven recommendations were followed or acted upon.

In 2007, the LRB conducted a follow-up study (“Agribusiness Development Corporation: Revisited”), in response to Act 267, Session Laws of Hawaii 2006. The 2007 Report noted that the ADC had yet to prepare a Hawaii agribusiness plan and, as set forth in Act 267, solicited input from governmental agencies and stakeholders in the agricultural industry to identify the necessary elements of a Hawaii agribusiness plan. The Bureau identified and sent out fifty-four letters to governmental agencies and industry stakeholders asking for their input to this legislative request. The bulk of the report was a compilation and discussion of the responses that the Bureau received in response to its inquiry.



The 2007 Report found that the predominant sentiment of the stakeholders were:

- Further studies would be redundant; ADC should focus its resources on implementing existing studies
- Key elements of an agribusiness plan are already set forth in section 163D-5(a), HRS
- ADC’s role in the growth of agriculture should be redefined to avoid overlapping with the roles of other agencies and organizations

The 2007 Report pointedly stated that the Legislature should decide whether the ADC should be an all-expansive agency or whether it should be more focused on what it was then doing at the time in 2007. In 2013, the Legislature began allocating tens of millions of dollars to the ADC towards acquiring agricultural lands from private landowners such as the Galbraith Agricultural Lands, and other vacant plantation lands to transition these lands into smaller diversified farms. Since then, ADC shifted its focus to developing, remediating, improving and making these lands available to the agricultural community, the foundations that are fundamental to successfully expand diversified agriculture before it casts its wide net over other areas of agribusiness. Those foundations and therefore ADC’s goals are 1) Land

Acquisition and Development, 2) Irrigation System Development and Maintenance, and 3) Improving Components of the Food System.

Land Acquisition & Development	Irrigation System Development & Maintenance	Improve Components of the Food System
PURCHASE/ EXECUTIVE ORDER/ LAND EXCHANGE INFRASTRUCTURE DEVELOPMENT/ MAINTENANCE	RESERVOIR DEVELOPMENT SYSTEM DEVELOPMENT/ MAINTENANCE	GROWING HARVESTING PROCESSING PACKAGING DISTRIBUTING CONSUMING RECYCLING MARKETING

ADC Framework for Increased Agricultural Productivity Land Acquisition & Development:

The ADC manages 22,000 acres on the island of Kauai and Oahu. Of the 22,000 acres it manages, 13,900 acres have commercial value and are considered ideal lands for agriculture production. The remainder is comprised of gulches, ravines, ditches, and roadways. To date, the ADC issued license agreements and permits to agriculture operations for long-term use of 8,000+ acres, which represents over 60% of its total land inventory. Keeping large tracts of former plantation lands in agriculture and providing long-term licenses and leases to agricultural operations are the key elements to building the agriculture sector of the future.

Goal: Acquire and develop productive agricultural lands for agricultural development

Objective(s):

1. To maximize utilization (100% occupancy) of ADC agricultural land resources for diversified agribusiness.
2. To implement the State’s goal to double local food production and consumption.
3. To reduce food imports.
4. To acquire and make agriculture lands available for production.
5. Educate the public on the importance of local agriculture and farming to our state economy and food supply during this COVID-19 pandemic.

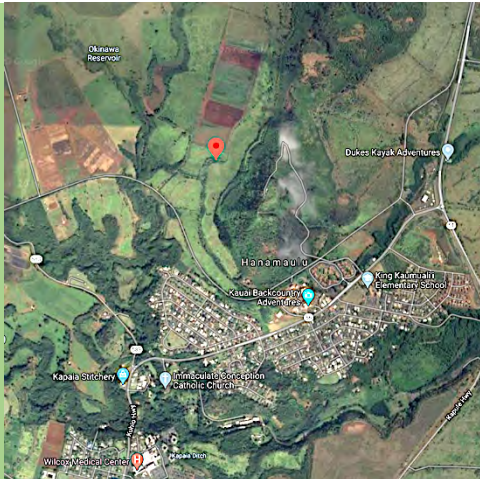


LAND ACQUISITION & DEVELOPMENT

ACTION ITEMS

OAHU

- Acquire additional acres into ADC land inventory (5 to 7 years). Selected parcels will be purchased to protect agriculture status and availability.
- Convert an additional 1,000 acres of vacant land to productive diversified agriculture status (1 to 3 years). Selected parcels will be targeted for land preparation including tree clearing and amending the conditions of the soil.
- Develop and implement a crop rotation framework that includes both livestock and crops (1 to 3 years).
- Develop facilities and infrastructure to accommodate agriculture activities (harvesting, packing, processing and distribution) (5 to 7 years).



KALEPA, KAUAI

- Convert 500 acres to productive diversified agriculture status (1 to 3 years). Selected parcels will be targeted for land preparation including tree clearing and amending the conditions of the soil.
- Implement a crop rotation program (1 to 3 years). Develop a crop rotation framework that includes both livestock and field crops.



KEKAHA, KAUAI

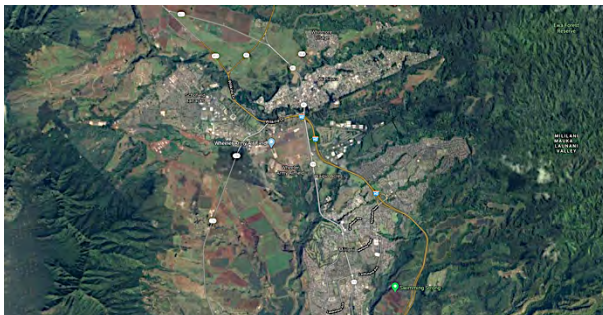
Convert 1,000 acres to productive diversified agriculture status (1 to 3 years). Selected parcels will be targeted for land preparation including tree clearing and amending the conditions of the soil.

Irrigation System Development & Maintenance: In addition to agricultural lands on Kauai and Oahu, the ADC also manages the Waiahole Water System. The ADC continues to work with its farmers to improve and maintain critical infrastructure necessary to support agricultural operations. In addition to ongoing maintenance of existing infrastructure, the ADC is also developing new infrastructure and improving water storage capacity by constructing reservoirs and storage ponds to ensure farmers have a consistent and affordable supply of irrigation water.

Goal: Assure the continued availability of adequate, reasonably priced water to lands to accommodate present and future agricultural activities.

Objective(s):

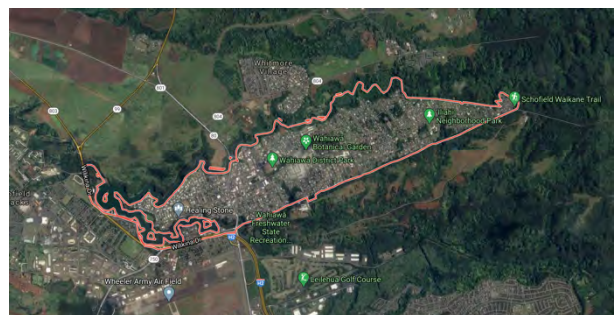
- To develop a master irrigation plan which incorporates system development, watershed management and water recycling.
- To maintain and improve the efficiency of existing irrigations systems.
- To expand agricultural water resources.



CENTRAL OAHU

Implement the Central Oahu Watershed Management Plan (5 to 7 years).

Rehabilitate the existing Waiahole Water System which includes constructing a reservoir, back-up well development, enclosing high-risk sections, and improving data gathering (1 to 5 years).



WAHIAWA, OAHU

Incorporate R-1 water from the Wahiawa Wastewater Treatment Plant into the agriculture system (5 to 10 years).

Expand system capacity by acquiring and incorporating 3 existing wells (1 to 3 years).

Develop additional reservoirs to accumulate surface water and incorporate into the agriculture system (2 to 5 years).

IRRIGATION SYSTEM DEVELOPMENT & MAINTENANCE

ACTION ITEMS



KALEPA, KAUAI

- Work with the Department of Land and Natural Resources to rehabilitate the Hanamaulu ditch portion of the existing irrigation system (2 to 5 years).
- Improve the Christian Crossing Bridge which provides access for standard trucks and heavy equipment (1 to 3 years).

KEKAHA, KAUAI

- Pressurize the existing irrigation system (1 to 5 years).
- Rehabilitate the existing irrigation system including repair of the hydro-electric plant (2 to 5 years).
- Work with the Kekaha Agriculture Association to improve the Kekaha Bridge which provides access for standard trucks and heavy equipment (1 to 3 years).

Improve Components of the Food System: A food system includes all processes and infrastructure involved in feeding a population: growing, harvesting, processing, packaging, transporting, marketing, consumption, and disposal of food and food-related items. It also includes the inputs needed and outputs generated at each of these steps. A food system operates within and is influenced by social, political, economic and environmental contexts. It also requires human resources that provide labor, research and education.

Goal: To improve the productivity of agriculture operations by providing brick and mortar facilities, as needed, and to promote efficient profitability by enticing the development of applied research and innovation on State lands and in State facilities.

Objective: Identify and deploy viable new techniques and tools to improve crop and livestock yield and marketability.

ACTION ITEMS

Research & Development:

- Greenhouse development to lower costs and implement new technology
- Plant breeding to develop new varietal and cultivar annually
- Improve the handling and processing of papaya
- Increase the 'ulu industry to productive scale

Marketing:

- Increase exposure of emerging crops that include, but are not limited to, tilapia and 'ulu for local, as well as export markets such as papaya.
- Provide available space to producers who can afford to construct their own food hub facility.

Kekaha, Kauai:

- Develop a central food hub to accommodate processing, packing, storage and distribution
- Develop a workforce housing solution with private partner

HRS 163D-5(a) Requirements: Over the past 25 years, all of the plantations have closed and many of the 9 items listed in 163D are obsolete or duplicate the function of the Hawaii Department of Agriculture. ADC will refocus its efforts on current and relevant priorities.

[1994] HRS 163D-5(a) The corporation shall prepare the Hawaii agribusiness plan which shall define and establish goals, objectives, policies, and priority guidelines for its agribusiness development strategy. The plan shall include but not be limited to the below.

1994 REPORT REQUIREMENT	2020 ADC COMMENTS
An inventory of agricultural lands with suitable adequate water resources that are or will become available due to the downsizing of the sugar and pineapple industries that can be used to meet present and future agricultural production needs.	Information provided by HDOA "Statewide Agricultural Land Use Baseline 2015" report.
An inventory of agricultural infrastructure that will be abandoned by sugar and pineapple industries such as irrigation systems, drainage systems, processing facilities, and other accessory facilities.	Useful inventory has been accounted for over the past 25 years.
An analysis of imported agricultural products and the potential for increasing local production to replace imported products in a manner that complements existing local producers and increases Hawaii's agricultural self-sufficiency.	Support provided by HDOA Agricultural Development Division.
Alternatives in the establishment of sound financial programs to promote the development of diversified agriculture.	Support provided by HDOA Agricultural Loan Division, DBEDT and the private sector.
Feasible strategies for the promotion, marketing, and distribution of Hawaii agricultural products in local, national, and international markets.	Support provided by HDOA Agricultural Development Division. ADC will focus on production development.

1994 REPORT REQUIREMENT	2020 ADC COMMENTS
<p>Programs to promote and facilitate the absorbing of displaced agricultural workers into alternative agricultural enterprises.</p>	<p>Current issue is the lack of farm labor.</p>
<p>Strategies to insure the provision of adequate air and surface transportation services and supporting facilities to support the agricultural industry in meeting local, national, and international market needs.</p>	<p>Information provided in “The Demand for Interisland Shipping and the Impact of Shipping Costs on Hawaii Agricultural Production 2008” report.</p>
<p>Proposals to improve the gathering of data and the timely presentation of information on market demands and trends that can be used to plan future harvests and production.</p>	<p>Support provided by HDOA Agricultural Development Division.</p>
<p>Strategies for federal and state legislative actions that will promote the development and enhancement of Hawaii's agricultural industries.</p>	<p>Collaborate with Federal, State, County and Stakeholder organizations to support agriculture initiatives.</p>



APPENDIX 1

PAST AGRICULTURE STRATEGIC PLANS

LRB Report: No Further Study Needed; Implementation Needed:

Perhaps the most emphatic comment in this regard came from Ms. Stephanie Whalen, President and Director of HARC:

With respect to the preparation of a Hawaii agribusiness plan I would like to bring to your attention if you haven't already discovered it that there have been at least 8 such plans without implementation since 1966. These were either called State Agricultural Plans or State Agricultural Functional Plans or similar titles. None of these plans have been implemented nor is there much difference among them. The issues have been recognized for decades; solutions have been suggested; little implementation has occurred.

Ms. Whalen goes on to note, as do other respondents, that "The Hawaii Farm Bureau Federation, an organization representing the farming community, has the most recently developed A Strategic Plan for Hawaii's Agriculture.... As all the state plans before it, it identifies what needs to be done. What is needed is for all the support organizations to work with this 'plan' and develop and support action items within their expertise for implementation." Further in her response she states: "If the goal of this is to support agricultural (sic), then another plan is not needed. What is needed is a recognition that the necessary elements have been identified over and over again in the past 4 decades in at least 9 plans already."

In a similar note, Ms. Teena Rasmussen, Chairperson of ADC states: "The Hawaii Farm Bureau Federation completed a very comprehensive plan titled 'Strategic Plan for Hawaii's Agriculture.'...We urge the LRB to look at these plans and studies in detail and avoid a duplication of effort." Also, the Maui County Farm Bureau stated: "The Hawaii Farm Bureau Federation has prepared and regularly updates a Strategic Vision and Implementation Actions for Agriculture in Hawaii. ...We strongly recommend that this Vision and Plan be used as the basis a (sic) Hawaii Agribusiness Plan. Duplication of effort is counterproductive. Rather, time would be better spent further developing the implementation actions."

Similarly, HFBF notes: "ADC should expound on the existing general agricultural plans and move into the implementation state with annual review of performance and measurement standards." Further in its response, HFBF states: "The Bureau should use existing agricultural plans such as the Farm Bureaus' (sic) strategic plan and the DOA's general agricultural plan. This will reduce duplication of resources and efforts to start a

whole new plan. At this point, we should be updating or implementing sections within these plans." Finally, HC&S (?) states: "Preparing a new Plan may not be needed ... rather implementation of an existing plan."

Due to the prominence with which the HFBF's plan is mentioned in many responses, a quick review of that plan is warranted. The plan opens with an introduction and vision followed by a stated purpose.

The purpose of this plan is to evaluate the production, financial, marketing, and distribution problems and opportunities facing Hawaii's agriculture. The plan provides a roadmap to formulate a strategy to address issues hindering Hawaii's agriculture and to fully realize its potential. By identifying each issue, attention can be focused on reaching new or different solutions. This third version begins to identify some of the actions that have taken place and sets into the implementation phase of the Plan.

Private sector motivation must be the driver to move these goals and objectives forward. Agriculture should not rely on government or others to determine its future. Government's role must be limited to providing the political, regulatory, and infrastructural support needed to enhance agriculture.

Previous Agriculture Plans Summary | Section 1 (identified by Paul Schwind 2000)

Hawaii State Plan

Next to the Constitution in importance, the State Plan (first enacted in 1978) contains legislatively adopted agricultural and agriculture-related objectives, policies and priority guidelines. The three primary objectives of the State Plan for agriculture are (1) viability of Hawaii's sugar and pineapple industries, (2) growth and development of diversified agriculture throughout the State, and (3) an agriculture industry that continues to constitute a dynamic and essential component of Hawaii's strategic economic and social well-being. These broad objectives are fleshed out by policies (long-range courses of action to be carried out to achieve the objectives), and priority guidelines (focus for public and private actions to address major statewide problems requiring more immediate attention). The State Plan Policy Council, which had been the core of the statewide planning coordination and implementation system for the State Plan, was abolished by the Legislature in 1991.

The State Plan distinguishes policies and priority guidelines in the sense that a guideline “may be deviated from without penalty or sanction.” implying that there might be some legal penalty or sanction for deviating from a policy. But priority guidelines are further defined as those which “shall take precedence when addressing areas of statewide concern.” The State Plan policies and priority guidelines for agriculture are stated in full in Appendix A and are cited as appropriate in the following sections.

Hawaii State Constitution

The most fundamental direction for agricultural planning is contained in the State Constitution, as amended by the Constitutional Convention of 1978:

The State shall conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands. The legislature shall provide standards and criteria to accomplish the foregoing.

Lands identified by the State as important agricultural lands needed to fulfill the purposes above shall not be reclassified by the State or rezoned by its political subdivisions without meeting the standards and criteria established by the legislature and approved by a two-thirds vote of the body responsible for the reclassification or rezoning action.

Notwithstanding the explicit direction adopted by the electorate more than twenty years ago. The Legislature has to date failed to enact the standards and criteria for conservation and protection of important agricultural lands. (The identification and inventory of such lands is discussed below.)

DOA State Agriculture Functional Plan

This is the only plan specifically for agriculture to have achieved a measure of official acceptance. As such, the Functional Plan (prepared by the Department of Agriculture (DOA) with advice from an Advisory Committee appointed by the Governor) identifies priority issues in agriculture and contains objectives, policies. Also identified is implementing actions including legislative proposals: initiatives for organization, management programs, and services; and development of facilities or physical infrastructure.

As originally conceived, the Functional Plans were intended to be adopted by concurrent resolution of the Legislature upon the findings and recommendations of the State Plan Policy Council, and the Plan for agriculture was adopted in this manner in 1985. Subsequently, Functional Plans were to be submitted to the Legislature by the Governor for information only, along with the Policy Council's findings and recommendations; it is in this form that the last Agriculture Functional Plan was completed and approved by Governor John Waihee on May 22, 1991. After the abolition of the Policy Council, Functional Plans were to be prepared in accordance with guidelines developed by the Department of Budget and Finance; but inasmuch as such guidelines were not forthcoming, preparation of Functional Plans effectively ceased after 1991.

Implementation of the State Agriculture Functional Plan has also met evolving purposes over the years as the Hawaii State Plan underwent amendments. Initially, Functional Plans were not to be used as statements or interpretations of State policy without legislative approval. Later, the Plans were to be used as guidelines to implement State policies adopted by the Legislature. Most recently, Functional Plans are to be used "to guide the allocation of resources" for the implementation of legislatively adopted policies. The issue areas and a selection of the objectives, policies, and actions for which the DOA was the lead agency for implementation in its last Functional Plan are stated in Appendix B, and are cited as appropriate in the following sections.

OSP Transformation of Hawaii's Agriculture

The former Office of State Planning (OSP) produced a document in 1994 which proposed a comprehensive, coordinated mechanism to guide the transformation from the dominance of the sugar and pineapple industries to market-driven, fully diversified agribusiness. The OSP document proposed that the former Governor's Agriculture Coordinating Committee (GACC) be the lead agency ("the voice of the Governor") for implementation of a "transformed agriculture" through the mechanism of commodity industry "Action Groups." These Action Groups would consist of partnerships of public and private interests ("statespersons and stakeholders") empowered by their linkages to achieve specific goals and objectives.

The former OSP saw itself as the logical focus for a leadership role in a "Transformation Action Group" involved with the advocacy of agriculture in the context of broad, "transcommodity" issues. However, OSP also foresaw an important role for the ADC as a semi-government corporation to facilitate the transformation of agricultural infrastructure from plantation operations into other agricultural enterprises by means of projects self-funded by their own beneficiaries. The general bottleneck areas identified in agriculture by OSP, and examples of the kinds of actions envisioned for ADC, are

summarized in Appendix C; these and additional materials from the "Transformation" document are also referred to as appropriate in the following sections.

DOA New Opportunities for Agriculture in Hawaii

Independently of the OSP's "Transformation" document as well as the strictures of the Functional Plan process, the Department of Agriculture (DOA) prepared its own assessment of the need for an empowered "champion" or advocate and leader for agriculture in Hawaii. In the "Blueprint Plan," the DOA envisioned a future in which prime agricultural lands were fully utilized by a diversified, intensive, and technologically sophisticated agricultural industry developed in a dynamic public/private partnership. The "Blueprint" was approved by the Board of Agriculture [for the purpose of review and comment] in December, 1994, and presented to a conference at the College of Tropical Agriculture and Human Resources (CTAHR) at the University of Hawaii in April 1995.

Not surprisingly, the "Blueprint" foresaw DOA as the "torch bearer" and catalyst for planning with implementation supported primarily by the agricultural development plans, projects, and facility programs of the ADC and the agricultural research, development and extension activities of the Hawaii Agriculture Research Center (HARC) [former Hawaiian Sugar Planters' Association]. However, in a departmental restructuring which accompanied a more than twenty percent reduction in workforce, the DOA's Planning and Development Office was eliminated in September 1996 and its functions were placed within the Chairperson's office with reduced staffing.



DOA Hawaii's Agriculture: 2000 and Beyond

The DOA established a more commodity specific vision in 1996 with short-term "benchmark" goals by crop and livestock categories. The vision foresees Hawaii as an agricultural center for production, marketing, and technology transfer -- a "Holland of the Pacific" for potted plants and cut flowers -- and looks to agriculture as a growth opportunity in which Hawaii can be competitive and reduce its dependency on tourism. In its "Agriculture 2000" document, the Department sought a 15 to 30 percent increase in farm production value, or a dollar increase of from \$50 to \$100 million, between 1994 and the year 2000. Examples of means by which these production goals could be achieved include creation of a hog breeding operation; overcoming Japanese quarantine restrictions against potted foliage plants; preservation of irrigation resources (ditch systems) throughout the State; encouraging local production of livestock feed; control of papaya ringspot virus; test marketing of tropical specialty fruits treated by irradiation to prevent fruit fly infestation; development of a center for biological control; support of "eco" or "green" tourism; and use of vacant lands for agroforestry (production of high-value hardwoods).

ADC Progress Report Draft Outline

The ADC reorganized internally during 1997 to become more project focused: this focus is reflected in the Draft Outline of the Hawaii Agribusiness Plan included in the Progress Report incorporated in the ADC Annual Report for that year. The report notes that 103,400 acres and 193 million gallons per day (MGD) of irrigation water have become available since 1990 due to closure of sugar plantations, with only modest gains in acreage planted and infrastructure utilized in other types of crops. The ADC has seen itself as playing a complementary role to DOA in achieving the goal of transforming Hawaii's agricultural industry into one of farmers empowered by an entrepreneurial, market-driven philosophy. In the past, ADC fulfilled this role by assisting dislocated agricultural workers make the transition into their own farming operations. In the future, ADC expects to focus more on projects with the greatest effect on the entire industry, in particular preserving and making available critical land, roadways, and water delivery infrastructure.

The projects prioritized in the Draft Outline of the Hawaii Agribusiness Plan are (1) purchase of the Waiahole Water System, (2) restoration of Lower Hamakua Ditch, (3) profitable agricultural reuse of Waipio Peninsula, (4) feasibility investigation of a Hawaii Freight Consolidation Center along with West Coast Redistribution Centers, and (5) new subdivision standards for Reparcelsation of Agriculturally Zoned Lands. To these five projects, a sixth was added in 1998, (6) a Marketing Inventory of Former Sugarcane Lands and Water Systems, to publicize the availability and suitability of these resources for a variety of new crops.

RETA-H Marketing Inventory

This is the second example of a concept proposal submitted by the ADC for federal funds through the Rural Economic Transition Assistance Hawaii (RETA-H) program. In the first example, the concept proposal for the Waipio Peninsula project was approved, and ADC was invited to submit a full proposal for \$100,000 in matching funds for engineering and feasibility studies of off-site water source development and on-site infrastructure layout and costs on 600 arable acres of former sugarcane land (and 52 acres requiring fill and stabilization), which may be used for seed corn, silage, and soybean production. In the second example, ADC is seeking \$400,000 to inventory 60 to 80 sugarcane water systems and adjacent lands in detail as to their sources of water, ownership, capacity, average flow, condition, personnel, operating costs, and location of agricultural lands served. This information is essential to the State's efforts to attract small diversified family farms with financing to start up and expand operations on lands formerly utilized in sugarcane production.

DOA Agricultural Water Use and Development Plan

As part of the Hawaii Water Plan required under the State Water Code, each County shall prepare a Water Use and Development Plan, and the appropriate agency (Department of Land and Natural Resources (DLNR) shall prepare a State Water Projects Plan. To this was added in 1998 the Agricultural Water Use and Development Plan, to be prepared by DOA and submitted to the Legislature before the Regular Session of 2000. The Agricultural Water Plan is to include a master inventory of irrigation water systems, identifying the extent of rehabilitation needed, subsidy required for the cost of repair and maintenance, and criteria to prioritize the rehabilitation of systems. The Plan shall develop a five-year program to repair the irrigation systems and set up a long-range plan for their management.

CTAHR Strategic Plan

The College of Tropical Agriculture and Human Resources (CTAHR) at the University of Hawaii recently issued an undated five-year Strategic Plan to guide it through the aftermath of a period of severe budget restrictions in which the College experienced a 15 percent increase in student enrollment and a net loss of 49 professional positions. The vision of CTAHR is that it will be "the premier resource for tropical agricultural systems and resource management in the Asia-Pacific region." In its mission, CTAHR is committed to "the preparation of students and all citizens of Hawaii for life in the global community through research and educational programs supporting tropical agricultural systems that foster viable communities, a diversified economy, and a healthy environment." The two centerpieces of the Strategic Plan are (I) a comprehensive

reorganization of CTAHR's staff and resources into six departments from eleven; and (2) rejuvenation of outreach and Extension programs to make the College's new academic programs and its research results more accessible to the citizens of Hawaii. New faculty, staff, and capital improvement funds are needed for all of these efforts.



USDA/HACC Action Plan Statement

A document prepared by the "USDA/Hawaii Agricultural Coordinating Committee" suggests a joint Federal/State effort at outlining the essential content of a new plan for agriculture in Hawaii. The action statements are organized into eleven categories, consisting of Market Development, Pest Management, Quarantine Treatment, Biotechnology Development, Forestry Development, Reuse of Agricultural Lands, Rural Infrastructure Development, Agricultural Financial Assistance, Conservation and Resource Management, Transportation, and Other Issues. The statements are a response by the Office of the Governor to a request from Senator Daniel K. Inouye that the State of Hawaii develop a Memorandum of Understanding with the U.S. Department of Agriculture. The document is distinguished by reference to a number of Federal agencies which may be role players in the agricultural development process in Hawaii. These agencies include the Foreign Agricultural Service, Agricultural Research Service and Rural Business Cooperative Service of the U.S. Department of Agriculture (USDA).

Hawaii Agriculture Research Center

No survey of agribusiness development efforts in Hawaii would be complete without specific reference to the programs of the Hawaii Agriculture Research Center (HARC), which during 1997 completed its transformation from its predecessor organization, the Hawaiian Sugar Planters' Association (HSPA). The historical focus of HARC (HSPA) has been on plant breeding and selection for sugarcane, more recently augmented by related research in diversified crops such as acacia koa and eucalyptus (commercial forest products), coffee, papaya, pineapple, banana, asparagus, and taro. The administrative structure of HARC reflects its blend of old and new emphases, with its Board of Directors consisting of representatives from sugar producing companies, assisted by an Advisory Council of representatives from the Hawaii Farm Bureau Federation, the forestry, coffee, papaya, macadamia nut, seed com, and pineapple industries, and DOA and CTAHR. HARC supports the Farm Bureau's Commodity Advisory Group in helping export + industries solve problems related to land, water, transportation, marketing, and the environment. HARC also works cooperatively with DOA, CTAHR and USDA to share expertise, facilities, and other resources. HARC's budget is symptomatic of its eclectic nature with 60 percent of its funding coming from the private sector, 21 percent from the State, and 19 percent from the Federal Government.

Section 2: Recent Agriculture Plans

The Hawaii 2050 Sustainability Plan was published in 2008 in accordance with Act 8, Special Session Laws of 2005. Act 8, Special Session Laws of 2005 requires the State Auditor, with the assistance of the Office of Planning, to update this plan every ten years; due to a lack of funding for the update of this plan, the Office of Planning, through the State's Sustainability Coordinator, conducted an evaluation of the metrics and indicators established by the 2008 Hawaii 2050 Sustainability Plan. This evaluation and measurement was the first of its kind over the past decade. This report reviews the data collected over the course of this ten-year measurement of Hawaii's progress toward sustainability according to the Hawaii 2050 Sustainability Plan's 5 goals, 9 "2020 benchmarks", 22 strategic actions, and 55 indicators.

Hawaii Farm Bureau Federation: A Strategic Plan for Hawaii's Agriculture 2004

The Hawaii Farm Bureau is a grassroots non-profit organization founded by Hawaii farmers and ranchers and working with organizations, communities and individuals involved in all aspects of the Agricultural Industry in Hawaii. The purpose of the plan is to evaluate the production, financial, marketing, and distribution problems and opportunities facing Hawaii's agriculture. The plan provides a roadmap to formulate a strategy to address issues hindering Hawaii's agriculture and to fully realize its potential. By identifying each issue, attention can be focused on reaching new or different solutions. This third version begins to identify some of the actions that have taken place and sets into the implementation phase of the Plan. Private sector motivation must be

the driver to move these goals and objectives forward. Agriculture should not rely on government or others to determine its future. Government's role must be limited to providing the political, regulatory, and infrastructural support needed to enhance agriculture.

DBEDT Office of Planning: Increased Food Security and Food Self-Sufficiency Strategy 2012

The “Increased Food Security and Food Self-Sufficiency Strategy” sets forth objectives, policies and actions to increase the amount of locally grown food consumed by Hawaii’s residents. The economic impact of food import replacement is significant. Replacing just 10% of the food Hawaii currently imports would amount to approximately \$313 million dollars which would remain in the State. The Strategy recommends actions to market “Buy Local/It Matters” and to brand and label local food products. The Strategy emphasizes increasing production by strengthening agricultural infrastructure i.e. agricultural parks, irrigation systems and distribution systems/facilities. It also recommends actions to provide for food safety, pest prevention and control, workforce training, research and extension services, and policy and organizational support. A critical factor towards successful implementation will be building partnerships with the increasing number of organizations involved in food self-sufficiency/ food security.

Agriculture Strategy Working Group: A Strategic Direction for Agriculture in Hawaii 2017
Focused on addressing the following issues: 1) Identify regions to develop economies of scale for the purposes of cost control and price competitiveness; 2) Identify commodities that can replace imports and commodities that will increase exports (i.e., value-added products) based on private distributors; 3) Match commodities with regional pilot project areas to see growth potential; and 4) Create a comprehensive approach to address problems of housing, workforce training, and research.

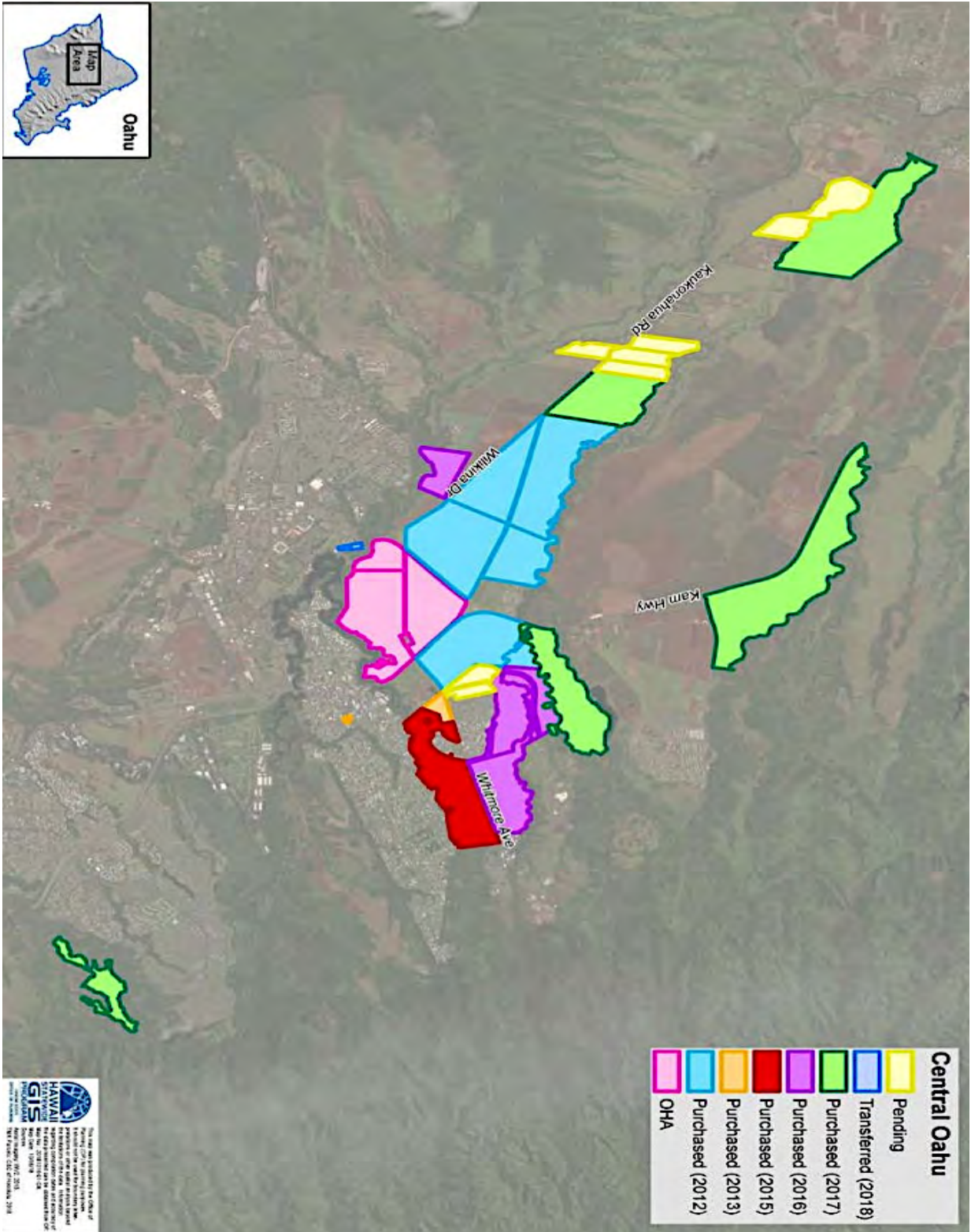
DBEDT Office of Planning: Hawaii 2050 Sustainability Plan Ten Year Measurement Update (2008-2017) 2018

The Hawaii 2050 Sustainability Plan was published in 2008 in accordance with Act 8, Special Session Laws of 2005. Act 8, Special Session Laws of 2005 requires the State Auditor, with the assistance of the Office of Planning, to update this plan every ten years; due to a lack of funding for the update of this plan, the Office of Planning, through the State’s Sustainability Coordinator, conducted an evaluation of the metrics and indicators established by the 2008 Hawaii 2050 Sustainability Plan. This evaluation and measurement was the first of its kind over the past decade. This report reviews the data collected over the course of this ten-year measurement of Hawaii’s progress toward sustainability according to the Hawaii 2050 Sustainability Plan’s 5 goals, 9 “2020 benchmarks”, 22 strategic actions, and 55 indicators.

APPENDIX 2

MAPS

CENTRAL OAHU



Central Oahu	
Yellow	Pending
Light Green	Transferred (2018)
Blue	Purchased (2017)
Light Green	Purchased (2016)
Purple	Purchased (2015)
Red	Purchased (2013)
Orange	Purchased (2012)
Pink	OHA

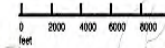
This map was developed by the Office of Planning and Economic Development, Hawaii State GIS. It is based on data provided by the Department of Land and Natural Resources, Office of Planning and Economic Development. The map is for informational purposes only and does not constitute a contract or any other legal instrument. The map is not to be used for any other purpose without the express written consent of the Department of Land and Natural Resources, Office of Planning and Economic Development.

KALEPA, KAUAI

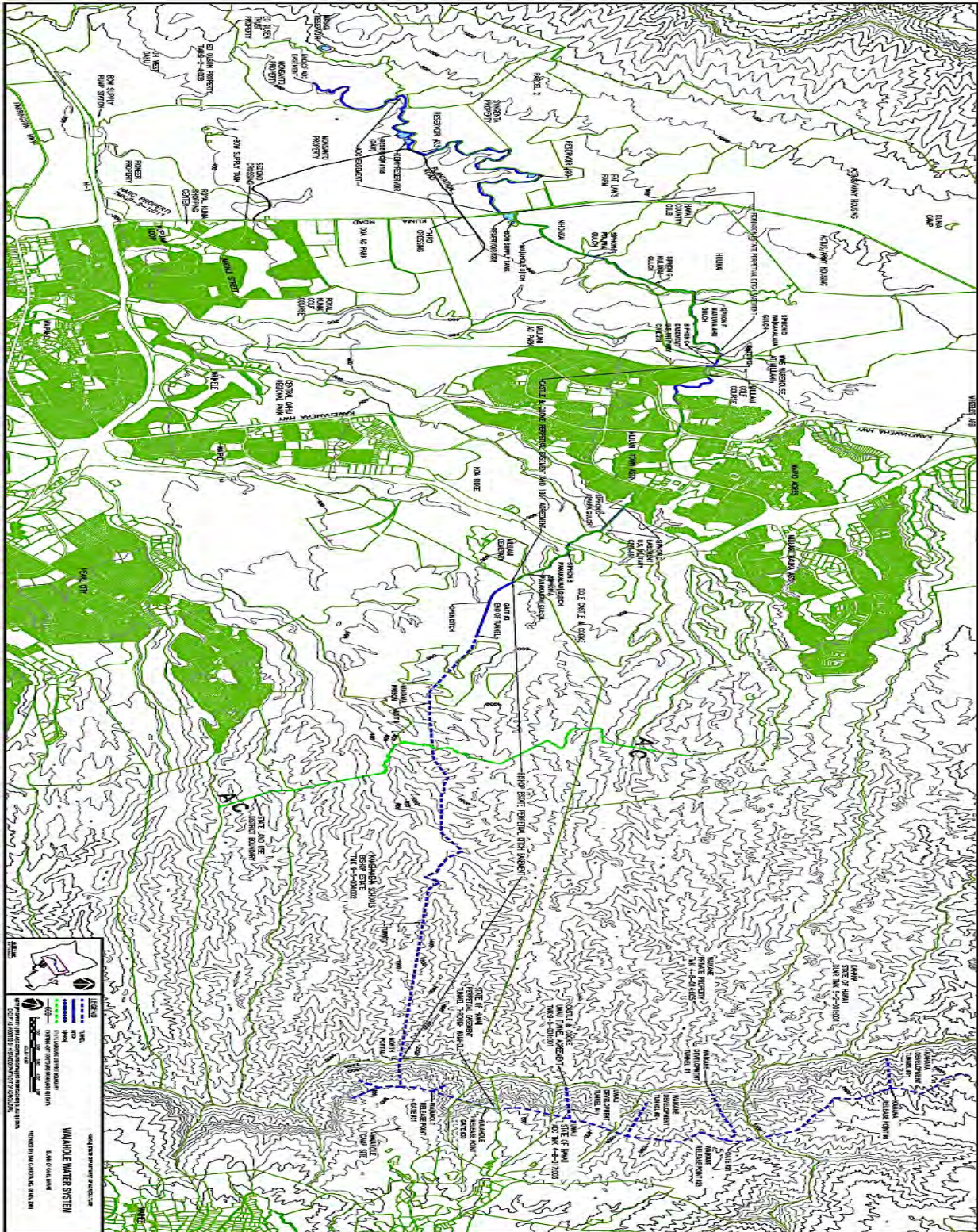
MAP OF THE LIHUE PLANTATION LIHUE - KAWAIHAU, KAUAI

SCALE - 1 INCH = 2000 FEET
APRIL, 1939
REVISED FEB 1965

- State Diversion
- State Ditch
- Private Ditches



WAIAHOLE WATER SYSTEM, OAHU



DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



MARK H. TAKEMOTO
Acting Executive Director

ITEM D-4

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

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

May 18, 2023

Subject: Request for approval to establish the ad hoc "Executive Director Search Committee" pursuant to section 92-2.5, Hawaii Revised Statutes; appointment of members thereto

Authority: Section 92-2.5, Hawaii Revised Statutes, Articles 4(3) & 6(1), Bylaws of the Agribusiness Development Corporation

BACKGROUND:

Former ADC Executive Director James Nakatani passed away on April 23, 2023. On April 24, 2023, the ADC Board of Directors (Board) held an emergency meeting and appointed Mark H. Takemoto as Acting Executive Director.

REQUEST:

That the Board approve the establishment of the ad hoc "Executive Director Search Committee" (Committee) comprised of four Board members to include Warren Watanabe, Karren Seddon, Lyle Tabata, and Dane Wicker.

RECOMMENDATION:

Recommended that the Board approve the above request, subject to the following conditions:

1. The Committee shall develop an application process for non-civil service applicants; and
2. The Committee shall develop a solicitation/advertisement for the position of executive director; and
3. The Committee shall select a method of posting the solicitation/advertisement and post the solicitation/advertisement; and
4. The Committee shall develop criteria for ranking the applicants; and
5. The Committee shall accept the applications and conduct initial review and ranking of the applicants; and
6. Depending on the number of valid applications received, the Committee shall narrow the selection to the top two candidates and report their findings to the Board.

Respectfully Submitted,

Fred Lau
Chair, Board of Directors



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
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ACTING EXECUTIVE DIRECTOR'S UPDATE

May 18, 2023

1. Capital Improvement Project:



15 MGD Reservoir, Kunia, Oahu

ADC recently completed construction of a new 15 MGD reservoir and irrigation improvements for the Waiahole Ditch Irrigation System pursuant to Act 049, SLH 2017 and Act 053, SLH 2018.

2. Legislative Update: The 2023 regular legislative session adjourned sine die on Thursday, May 4th. Among the legislation to be passed and sent on to the governor is the following measure:

S.B. 833 – Relating to the Wahiawa Irrigation System.

The measure requires the Office of the Governor to negotiate the State's fee simple acquisition of the Wahiawa irrigation system on the island of Oahu. The measure also 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.

3. ADC Discussions with U.S. Navy Regarding Restrictive Use Easements for Whitmore Parcels 32, 8:

U.S. Navy has reopened discussions with ADC regarding a restrictive use easement (RUE) on certain properties in proximity to the Naval Computer and Telecommunications Area Master Station, Pacific (NCTAMS) near Whitmore Village. The Navy seeks to purchase RUE's on certain properties to limit development rights on the certain parcels in order to protect land from development adjacent to military installations and reduce encroachment by incompatible land uses next to military installations. Potential benefit to ADC and the state also exists by protecting agricultural land and increasing food security. RUEs can pay up to 50% of the purchase price of the property.

4. Update on Mililani Mauka Parcel/Malama Aina Collective

Staff met representatives of Malama Aina Collective (MAC) regarding their progress toward putting the parcel into agricultural production. MAC is concerned about access to water, access to the property for large equipment, and the cost associated with developing the property. Staff asked MAC to develop a reasonable proposal for what it would take for MAC to put the property into production. Discussion will continue.