

**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on May 18, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Ste. 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)  
Sharon Hurd, HBOA, Ex-Officio Member (Ms. Hurd)  
Jason Okuhama, Member-At-Large (Mr. Okuhama)  
Karen Seddon, Member-At-Large (Ms. Seddon)  
Lyle Tabata, Kauai County Member (Mr. Tabata)  
Jayson Watts, Maui County Member (Mr. Watts)  
Mary Alice Evans, Designated Representative, DBEDT, Ex-Officio Member (Ms. Evans)

**Members Excused:**

Kaleo Manuel, Designated Representative, DLNR for Ex-Officio Member Ms. Dawn Chang  
Warren Watanabe, Member-At-Large

**Counsel Present, virtually:**

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

**Staff Present, virtually:**

Mark Takemoto, Acting Executive Director (Mr. Takemoto)  
Ken Nakamoto, Project Manager (Mr. Nakamoto)  
Lynette Marushige, Executive Secretary (Ms. Marushige)

**Guests Present, virtually:**

ADC Guest  
Brian  
F Fuchigami  
rr0109  
Scott Ishikawa  
Scotty Wong, OHV INC.  
Stacie Sasagawa, Dole

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

**A. Call to Order**

Chair called the virtual meeting to order at 9:04 a.m.

Chair apologized but his camera was not working so he would not be visible.

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### **B. Roll Call**

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

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

### **C. Approval of Minutes**

#### **1. Board of Director’s Meeting on April 20, 2023.**

Chair stated that staff discovered an inadvertent omission after the minutes were posted on May 12, 2023. On page 10 of the draft minutes or on page 13 of the submittal, under item number “2. *Request for Approval of the Draft Annual Performance Review of the Executive Director,*” after the third line, the following sentences should be inserted, “Chair called for the vote. Hearing no objections the motion was approved: 10-0.”

Chair asked for a motion to approve the minutes of the April 20, 2023 meeting as amended.

Motion to Approve: Mr. Tabata; Second: Ms. Hurd.

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

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

Chair asked for board discussion. There was none.

Chair called for the vote. Hearing no objections the motion was approved: 8-0.

#### **2. Executive Session Meeting Minutes, April 20, 2023**

Chair stated that during the Executive Session held on April 20, 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, 92-5 (a)(2) allows for a meeting to be closed to the public when necessary to discuss an employee evaluation where consideration of matters affecting privacy will be involved. In order to maintain the confidentiality of matters discussed at 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 April 20, 2023 in discussing the approval of these minutes.

Chair asked for a motion to approve the April 20, 2023 minutes from the Executive Session.

Motion to Approve: Mr. Tabata; Second: Mr. Watts.

Chair asked if staff had any presentation. There was none.

**AGRIBUSINESS DEVELOPMENT CORPORATION**

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

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

Chair called for the vote. Hearing no objections the motion was approved: 8-0.

**3. Emergency Board Meeting Minutes, April 24, 2023**

Chair asked for a motion to approve.

Motion to Approve: Mr. Watts; Second: Mr. Hong.

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

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

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

Chair called for the vote. Hearing no objections the motion was approved: 8-0.

**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.)**

Chair called for a motion to approve.

Motion to approve: Ms. Evans; Second: Mr. Watts.

Chair asked for staff presentation.

Mr. Nakamoto stated that the requester was in Whitmore and the area will be redeveloped by putting in infrastructure and possibly some agriculture facilities. It's a revocable permit because ADC has allowed the tenant to remain on the property until the construction commences. There was a little reduction in rent, 10 cents per sq. foot because there was some damage to the roof from a recent windstorm, which the tenant paid for. Rent will be reduced from 70 cents to 60 cents per square foot for the building.

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

Chair asked if there were any questions from the Board. There were none.

Chair called for the vote. Hearing no objections the motion was approved: 8-0.

**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.**

Chair called for a motion to approve.

**AGRIBUSINESS DEVELOPMENT CORPORATION**

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Motion to approve: Ms. Evans; Second: Mr. Tabata.

Chair asked for staff presentation.

Mr. Takemoto said that in 2016, ADC asked to purchase this parcel and it was approved. During due diligence it was determined the title was not marketable. So the landowner instituted proceedings to quiet the title, which was completed in January 2023. What's being requested here is approval to move forward on due diligence and then we'll come back to the board with staff's findings to see if ADC should proceed with the purchase or not. This property is bounded on all sides by ADC property so it's in the middle of ADC property. That's why we'd like to complete this purchase.

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

Chair asked for board discussion or questions.

Mr. Okuhama asked if the purchase price was still being negotiated for this property?

Mr. Takemoto said that to his understanding the purchase price has not changed so that's not what's being requested right now. They're just going through due diligence to make sure they can proceed. Then we'll come back to the board and request approval to complete the purchase.

Chair asked if Well 25, one of the wells ADC is purchasing, was serving this parcel.

Mr. Takemoto said yes.

Chair said great, at least it will have water.

Mr. Okuhama asked if the water rights get transferred over on the purchase.

Mr. Takemoto asked if he was referring to the well purchase, because the parcel itself has no water rights per se. There's a tenant farming the ADC property on both sides and this tenant is leasing the subject parcel from the current owner. This parcel doesn't carry any water rights.

Chair said he believes the water rights when ADC purchases the three-wells will transfer.

Mr. Okuhama said he wondered about having a parcel with no water rights.

Mr. Takemoto said it's part of the well purchase and it's a CWRM (Commission on Water Resource Management) question, but ADC intends to acquire those rights.

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

Chair called for the vote. Hearing no objections the motion was approved: 8-0.

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**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)**

Chair called for a motion to approve.

Motion to approve: Ms. Seddon; Second: Mr. Hong.

Chair asked for presentation from staff.

Mr. Nakamoto said no presentation but some background. ADC started out looking at a professional service contract to help update the Hawaii Agribusiness Plan but came to the realization that it was not what they were looking for. So, they looked within the State and found that the Office of Planning and Sustainable Development (OPSD) has a special plans branch, and this was in their wheelhouse. So ADC wants to enter into an agreement with OPSD and provide OPSD with the funds that the legislature appropriated to ADC to update this plan. Mr. Nakamoto is open for any questions.

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

Chair asked Ms. Evans if she had any comments.

Ms. Evans stated that she would first like to disclose that she will be involved in the execution of this memorandum of agreement if the board approves it and a memorandum of agreement is fully executed. She looks forward to working with ADC staff and stakeholders if the board approved this action item.

Chair thanked Ms. Evans and asked if there were any other questions.

Mr. Tabata asked how long the deliverable will be.

Mr. Nakamoto said ADC was running up against a July 1<sup>st</sup> deadline, but that timeline won't work for OPSD. Their portion would take eighteen months; the term of the MOA would be approximately eighteen months, with a December 31, 2024 termination date. ADC is trying to at least provide a quick update to the 2021 Hawaii Agribusiness Plan by the July 1<sup>st</sup> deadline.

Mr. Tabata asked if ADC had all of the data deliverables available. He knows ADC purchased software to inventory all the assets.

Mr. Nakamoto responded, that's correct.

Mr. Tabata asked how much it cost?

Mr. Nakamoto responded that ADC received \$90,000 from the legislature to update the plan.

Chair asked if there were any other questions.

Mr. Hong said just the fact that OPSD, with Mary Alice's involvement, will provide very knowledgeable leadership and he supports this project very much.

**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on May 18, 2023

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Ms. Prescott-Tate asked Ms. Evans if she was going to recuse herself from voting on this agenda item.

Ms. Evans stated she would like to recuse herself from voting but should that affect a quorum she would defer to the attorney general's office as to whether there may be a concern of an appearance of conflict.

Chair asked Ms. Prescott-Tate if they are ok.

Ms. Prescott-Tate responded that if Ms. Evans would feel better recusing herself that would be fine; we have quorum.

Chair said he was very happy that Ms. Evans was involved. We've been talking about this for over a year so he's very happy that she'll be working on updating the plan.

Chair called for the vote. Hearing no objections the motion was approved: 7-0 (Ms. Evans recused).

**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**

Chair asked for a motion to approve.

Motion to approve: Mr. Tabata; Second: Ms. Hurd.

Chair asked if there was any staff presentation.

Mr. Nakamoto said there was none, but Mr. Nakamoto and Mr. Takemoto were available for questions.

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

Chair asked if there were any board discussion.

Mr. Tabata asked if there was a template used in the past as a starting point for them.

Ms. Prescott-Tate said she would help them.

Chair said he did some research and as far as he knows there was no template, but Ms. Prescott-Tate had come up with a list of items that the committee could develop into the review process. Chair noted that Mr. Tabata was on the committee.

Mr. Tabata said his concern was that now they were under the Department of Business, Economic Development, and Tourism (DBEDT), he personally has difficulty with understanding DBEDT. He knows the Director so he's going to grab his ear one day and ask what their strategy is for ADC. How does ADC proceed in light of the new legislative changes to ADC that the board reviewed about three meetings ago. ADC needs somebody "to put the stake in the ground" as he likes to say.

Chair agreed.

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Ms. Evans said having been the deputy director for DBEDT for eight years, she might be able to provide a little bit of framework for that. All of the attached agencies that are attached to any principal department including the ten that are attached to DBEDT, enjoy policy autonomy under HRS section 26-35, which means that their boards have the autonomy to make their own policies, to govern their agencies based on the agencies enabling legislation. The framework for ADC is HRS chapter 163D, and the Board would follow that. DBEDT's philosophy is to support its attached agencies to the extent possible with its fiscal personnel, I.T. and procurement and contracting services under their central administrative services office. There are limitations to that because they also took lots of personnel cuts when the budget has not been as big as it could be. Because the Administrative Services office is funded by general funds, it doesn't have special funds available, so it shares in the fiscal pain that all general funded programs do. She hoped that information helped Mr. Tabata.

Mr. Tabata said yes and being that ADC's a semi-autonomous agency it does shed some light but going from under the Department of Agriculture to DBEDT, there's differences in those departments. So does ADC carry on and just take advantage of the administrative support or is there another charge. He's an engineer so he needs more details.

Ms. Evans said DBEDT is the business promotion department, so all of their agencies share in different ways, in different niches. The goal is helping their businesses and business people to be successful. The Board has to balance that with the need to earn revenue to offset the general funds that the legislature provides. So, to that extent the Board itself is a business board that makes those judgments about how much to charge its licensees in order to break even and have sufficient surplus for unexpected disasters or occurrences. Does that help?

Mr. Tabata responded yes, he has a business background too, so he said yes to being on the selection committee.

Ms. Prescott-Tate said no worries, she will help them.

Chair asked if there were other questions or concerns.

Mr. Okuhama said when he was on another board they went through several executive director searches. Once they used a professional agency and the other time they pretty much did it internally. There are examples of board driven agencies that go through the executive director search, and they did this quite recently going through several different executive directors. There is precedence on how these things are done and the processes.

Chair thanked Mr. Okuhama.

Ms. Hurd said she's not familiar with the relationship of an attached agency, but she's wondering, if ADC has any shared resources within DBEDT such as grant writers, fiscal services, any kind of shared support services.

Ms. Evans responded yes and no. DBEDT is one of the smallest departments in the State, so they have very limited Director's office and ASO (Administrative Service Office) type services. They always reach out to their sister agencies where they have someone who specializes in especially procurement; HHFDC (Hawaii Housing Finance & Development Corporation) has an excellent procurement specialist who is willing to share her expertise with other DBEDT agencies. The Director's office has a communication specialist who sometimes helps with news releases but that's

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entirely up to the attached agency if they want to reach out and ask for that kind of help. The attached agency can do it internally with their own staff should they choose to. As you know, Ms. Hurd, all attached agencies fiscal and personnel transactions flow up through the Director's office and that's by State law.

Ms. Hurd said the direct question would have been, with the infrastructure investment Jobs Act funding, that massive \$2.8 billion dollars, her question basically is, would ADC have the capability, maybe one of the qualities of a new executive director should be some sort of grant seeking, grant writing type background. Because if there is no such relationship with DBEDT that they can rely on and the vast amounts of funding that's coming through, she doesn't want ADC to be out of the loop. Just a comment that maybe one of the shared services can be with the grant writing section.

Ms. Evans responded that DBEDT doesn't per se have a grant writing section. Each one of the twenty different programs in DBEDT has a different niche and any staff that does grant writing has a specialty in that particular niche, not general grant writing expertise. People who have a passion for a particular area and develop their expertise by doing it rather than by coming in with that particular skill. It's different for each federal agency that you are requesting grant awards from, they have some things in common but some unique quirks that they like to see in their grant applications.

Chair agreed with both. He normally writes up the grant request and then uses a grant writer to put it all together; he's not a grant writer; he pays for that service. You have to be familiar with what they're asking for, what the grant is about. It's important though, with what's coming down the pike.

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

Chair called for the vote. Hearing no objections the motion was approved: 8-0.

Chair asked Ms. Prescott-Tate if he could take a step-back to item No. 2, the approval to conduct due diligence for the purpose of negotiating the fee simple interest in real property in Waialua. Is this something that the administration committee should participate in, the committee that they formed a few meetings ago.

Ms. Prescott-Tate responded that they could.

Chair asked if that was something that requires board approval or is that something that should just be part of the flow.

Ms. Prescott-Tate responded that as of right now, the board delegated to staff the authority to conduct the due-diligence. Maybe after the initial due-diligence has been conducted then it can go back to the board for assignment to the administration committee to assist with negotiations.

Chair said ok, he just wanted that clarified.

### **5. Update regarding ADC-owned buildings in Whitmore Village, Oahu, Hawaii, Tax Map Key No. (1) 7-1-002:004 (por.)**

Chair asked if Property Manager Lyle Roe (Mr. Roe) or Mr. Takemoto will be providing the update.

## **AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on May 18, 2023

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

Ms. Prescott-Tate said that in Mr. Roe's absence, she would be giving the update. ADC is the current owner of former Dole Food Company land. This is in the Whitmore area, Wahiawa. ADC purchased this land and infrastructure from Dole. During the high wind events in March and April of 2023, corrugated metal panels and other debris began blowing off the roof of several open bay steel and metal framed structures. Due to the emergency created by the high winds and flying debris, ADC contracted with a roofing company to remove the loose corrugated metal panels. On April 24, 2023, the contractor performed a pre-demolition hazardous materials assessment, which is standard operating procedure when they're working on old roofs.

On May 11, 2023, ADC was verbally informed that the hazardous material assessment revealed the presence of lead and asbestos within the open bay steel and metal structures. On May 12, 2023, ADC received a brief preliminary report on the hazardous materials assessment. After review of the preliminary report, and in an abundance of caution, ADC asked the tenants of the open bay structures to move to other areas of ADC property by close of business Friday, May 12, 2023. These efforts were successful, and the tenants have been relocated. ADC received the lab results on May 16, which was too late to comply with the Sunshine Law, HRS Section 92-7.5 because the board packets had already been distributed. So, you will receive all the updated materials and reports at the next board meeting, and we'll do another update at that meeting in June.

Briefly, the lab reports identified the presence of asbestos and lead in the steel and metal framed structures. The report noted that the corrugated roof panels were safely removed, along with all visible dust and contaminated debris. The work was performed in strict compliance with all applicable EPA, OSHA and Department of Health statutes and rules. The lab results indicated that samples collected during the roof panel removal were reported at below the OSHA permissible exposure limit for lead and asbestos. Upon first learning of the hazardous materials finding, ADC notified and obtained advice from the State Department of Health Asbestos and Lead Program and the Clean-Air Branch. ADC will be procuring the services of a hazardous waste assessment team to test other buildings in the area that were built around the same time as the open bay structures.

Once this testing is completed and the test results received, the information will be provided to the Board for further planning. Right now we have a determination that the open bay steel and metal structures do have asbestos and lead. Those buildings that have hazardous materials verification have been vacated and will remain vacant until ADC decides what to do. ADC is in the process of hiring somebody who will go out and test all the remaining buildings and then we'll come back to the Board with the information and decide on a plan. ADC has been doing what the Department of Health advised them to do, which included removing people from the buildings.

Chair thanked Ms. Prescott-Tate and said that during the roof panel removal the hazardous materials testing showed it was below approved levels so it may not be as bad as it sounded last week.

Ms. Evans asked Ms. Prescott-Tate that when the property was purchased was there a Phase 1 environmental assessment to determine if there was a probability of hazardous materials on the property which would give ADC the innocent land owner defense?

Ms. Prescott-Tate responded that Phase 1 and Phase 2 environmental assessments were conducted however, asbestos and lead were not part of those assessments; the pesticides in the soil was the primary concern, but no, ADC does not have an innocent owner defense.

Chair said he believed part of the reason was when the land was purchased the buildings were slated for demolition; they weren't meant to be kept.

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Minutes of the Board of Directors Meeting held Virtually on May 18, 2023

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

Chair said this was just an informational presentation so there was no need for a motion or vote.

### **E. Old Business**

1. None.

### **F. Acting Executive Director's Update**

#### **1. Capital Improvement Project**

Mr. Takemoto said ADC finished a 15-million-gallon reservoir in Kunia. This project captures some of the tail water so you don't lose the water, you can keep using it. It's also part of the overall plan to increase the storage capacity in looking into the future on how water was going to be managed for agriculture. This was a good project to have completed.

#### **2. Legislative Update:**

Mr. Takemoto reported that the sole bill to pass was SB 833, which was the Wahiawa Irrigation System. This bill allows the Governor to negotiate with the current landowner for control over Lake Wilson, the dam, and irrigation system. ADC is currently doing due diligence. If completed, ADC will control the irrigation system, which includes the dam and the gates and the management of that system to provide irrigation water for the farmers in the area.

Mr. Tabata said, as he understands, the City disposes of their wastewater treatment plant effluent into Lake Wilson. Is the City participating in funding infrastructure needs?

Mr. Takemoto responded that the City does discharge treated wastewater into the lake. ADC's project is to take the treated water and use it for irrigation. ADC is going to be piping that. The result of that project will reduce the impact to the lake water quality.

Mr. Tabata asked so they're separating it?

Mr. Takemoto responded, correct. He's not certain whether the City is participating in the funding; at this time he doesn't believe so.

Mr. Tabata said so every effluent system needs a backup disposal system.

Mr. Takemoto responded yes.

Mr. Tabata continued, so the primary now is sending the water directly in an enclosed pipe or into a ditch?

Mr. Takemoto responded, into an enclosed pipe.

Mr. Tabata stated they will need a second disposal, is that still going to be the lake?

Mr. Takemoto said he's not certain about that.

**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on May 18, 2023

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Mr. Tabata said they should check into that. If they do, we'll want the City to pay.

Mr. Takemoto said that's a good point. The federal government discharges into the ditch and they pay every year.

Mr. Tabata said he used to work for Aqua Engineers, and he was part of the Schofield Barracks privatization so, it's all about the money.

Chair stated that he was under the impression that this water was R1. Is that the level of the water being discharged or is it raw?

Mr. Takemoto said the water being discharged from the Wahiawa Wastewater Treatment facility is R1 and that's the water they're taking, so it's R1.

Chair said and the military water is R1 correct?

Mr. Takemoto said that's correct.

Mr. Tabata said not to make you guys worried, but sometimes there are disruptions and its sub-standard and it has to go somewhere. That's what his concern is.

Mr. Takemoto said, that's a good question. There's a requirement for wastewater treatment facilities to capture storm water impacts because a lot of times that water does enter the system and they need to be able to capture that. That's part of the due diligence. They'll have to find out all of that because the whole goal would be improve the water quality of the lake. Then the water can be used for irrigation purposes as well as its current use, which is a fresh water recreational facility that DLNR (Department of Land and Natural Resources) maintains.

Mr. Tabata said, so the City side, for storm water there is this whole thing that they call MS-4, it's a whole different world also so, there's a lot of work to be done.

Mr. Takemoto agreed. They know it's going to take some time, and a lot of questions to be answered.

Chair said he wants to go back to the reservoir, the 15-million-gallon reservoir. What does it service, is this the one in Kunia, where is this one?

Mr. Takemoto said that's correct. It's at the end of the line so to speak and it will capture water from the tail-end of the system so they can make use of it. It will service, from a gravity point of view, it will service, if you drive up Kunia Road, you can see it from Kunia Road, it could service everything south from there.

Chair said so these are not ADC tenants, but they are being charged for the water provided by ADC.

Mr. Takemoto said they pay for the delivery of the water.

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### **3. ADC Discussions with the U.S. Navy Regarding Restrictive Use Easements for Whitmore Parcels.**

Mr. Takemoto said this is what's called the REPI project. It is a project that the military will compensate ADC for a restrictive use easement on the property. Generally, the military prefer not to have large buildings or structures built around their installations. So the Navy wants ADC to provide ADC restrictive use easements that's primarily height restrictions. Because all of the ADC property around the Navy installation is in farming, it doesn't cause ADC any hardship, and the Navy will provide ADC with up to 50% of the purchase price of the property for the impacted area. So, ADC is currently in discussions with the Navy on this to determine what the restrictive easements are worth. We'll be coming back to the board for approval on this to continue moving forward.

### **4. Update on Mililani Mauka Parcel/Malama Aina Collective**

Mr. Takemoto moved on to item 4. There is a tenant with a ROE (Right-of-Entry) and the ROE has been going on for a long time. ADC told them it's time to move forward with the license. This parcel is difficult because there is a water challenge. At one time this was unirrigated sugar and with sugar you plant for the season; it's an eighteen- or twenty-four-month crop and you rely solely on rainwater. ADC has requested that they re-look at their initial proposal and come back with a new proposal, something they could actually do with the property, or they may elect to exit the deal. This is for the Malama Aina Collective. The property north of Mililani. It's set-back from the highway quite a bit. It looks like a set of fingers in the mountain. This was just an update.

Chair asked if the tenant approached the Board of Water Supply (BWS)? There is a BWS water tank above the property.

Mr. Takemoto said there is, and you would have to withdraw from the tank and pump it. He's not sure if Malama Aina approached the BWS. They were looking at catchment and other ways to do it to keep their costs down as opposed to BWS ag rates.

Chair said that's interesting because the tank is not that far away.

Ms. Evans asked if there were any indications of illegal activity on the property. Is Malama Aina keeping a presence on the property to inhibit illegal use of this property?

Mr. Takemoto responded that Malama Aina is not actively on the property, on a daily basis. Mr. Roe conducted the last visit. There's a gate but it is overgrown so he doesn't believe that they have done very much. It's fairly remote so it's difficult to get to. For homeless activity, it's unlikely, the road doesn't look like it was driven so he doesn't believe there is much activity now. It is a large parcel so he doesn't think Mr. Roe could walk all the way in.

Chair said yes, there are actually two gates to the parcel. It's not easy to access but there is a BWS roadway that makes it accessible to a certain point. But getting into the property and deep in the property is difficult. ADC's concern when they put it out for lease or license was that there were so many trees on the parcel and it's getting to be really overgrown and it's going to be really expensive to clear it if they just keep waiting. Chair thought it's about one hundred acres.

Mr. Takemoto said it isn't that large, but you're correct, those larger trees, if it's just grass you're looking at up to \$1200/acre to clear and that's just clearing not ready to plant. When you get trees

## **AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on May 18, 2023

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

in there the cost could significantly rise so it could be easily \$2500 and up per acre to clear and then you have all that green waste to contend with. He agreed that they should be looking at someone who can make use of it sooner than later.

Chair asked if there were any other questions.

Ms. Hurd said she had a question about item 3. The Department of Agriculture is also in some discussion with REPI; they're great collaborators, great partners. If there will be further discussion on how much land is involved and her understanding is they pay 50% of the purchase price, do they own it or does it still belong to ADC.

Mr. Takemoto said no, the land still belongs to ADC.

Ms. Hurd said she'd like to get more information so that they can talk about maybe putting Ag people on that land and keeping it in Ag production rather than in development that REPI wants them to do. Further clarification.

Mr. Takemoto said REPI do not want development.

Ms. Hurd responded, correct.

Mr. Takemoto said there is an ag presence, and it will be maintained. Those parcels have perspective tenants with ROE's to begin due diligence on the property and hopefully they move into the planting phase soon on the land they occupy. Right now, on the parcels they're discussing, ADC has established water on one of the parcels, they're still working on water for the other parcel. He'll definitely provide more details going forward. The purchase price for the two parcels would be somewhere around \$8 million, so ADC's looking at a possible \$4 million REPI payment to control the easements. ADC will still own the property in fee, but the military will have a restrictive use easement on the boundary of the property.

Ms. Hurd asked if he had an idea of the size of the property.

Mr. Takemoto said he believes it's approximately two hundred acres. He can get the exact acreage for her.

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

### **G. Adjourn**

Chair said before adjourning he wanted to say some things about Mr. Nakatani. They would spend a lot of time talking about ADC. Every Friday he would have a meeting with Mr. Nakatani, and they'd spend about two to two and a half hours talking about ADC goals and ADC projects and all the things coming about. He will sorely, sorely miss that. Mr. Nakatani had foresight and a lot of connections in planning for what he saw and what he was trying to bring around to ADC. Chair will really miss him.

Chair also noted that this was the executive secretary, Ms. Marushige, last meeting and that she was leaving ADC to work for another department. Chair wished Ms. Marushige goodbye and good luck.

Chair called for a motion to adjourn.

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Motion to Adjourn: Ms. Evans, Second: Mr. Seddon.

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

Chair called for the vote. Hearing no objections the motion was approved: 8-0.

The meeting was adjourned at 10:01 a.m.

Respectfully submitted:

Lynette Marushige  
Secretary

DRAFT