

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Administration Committee Meeting held Virtually on January 16, 2024

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

Pursuant to section 92-3.7, Hawaii Revised Statutes (HRS), this meeting was held remotely with Committee 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 Hawai'i, Leiopapa A Kamehameha, State Office Tower Building, 235 S. Beretania St., Room 204, Honolulu, HI 96813.

Members Present, virtually:

Warren Watanabe, Member-At-Large (Mr. Watanabe)
Lyle Tabata, Kauai County Member (Mr. Tabata)
Jayson Watts, Maui County Member (Mr. Watts)
Dane Wicker, Designated Representative, DBEDT, (Mr. Wicker)

Members Excused:

None.

Counsel Present, virtually:

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

Staff Present, virtually:

Mark Takemoto, Executive Assistant
Ken Nakamoto, Project Manager (Mr. Nakamoto)
Lyle Roe, Asset Manager (Mr. Roe)
Ingrid Hisatake, Secretary

Guests Present, virtually:

None.

Guests Present, physical location:

None.

Roll Call

Mr. Roe conducted a roll call of the Administration Standing Committee (Committee), established on February 16, 2023, pursuant to Article 4, Section 1, subsection 1 c. of the Bylaws of the Agribusiness Development Corporation (ADC). Mr. Watanabe, Mr. Tabata, Mr. Watts, and Mr. Wicker acknowledged their presence.

A. Call to Order

As this was the first meeting of the Committee, Mr. Roe called the meeting to order at 9:20 A.M.

B. Approval of Minutes

1. None

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C. Action Items

1. Election of Committee chair and vice-chair

When the Committee was established on February 16, 2023, Former Chair Fred Lau (Former Chair Lau), directed the Committee to elect a Chair and Vice-Chair from the Committee's membership at the first meeting. Mr. Roe asked for nominations from the committee members. Mr. Watanabe nominated Mr. Tabata as Committee chair and Mr. Watts as Committee vice-chair. Mr. Wicker concurred with the nominations. Hearing no further nominations, the nominations were closed. Committee members had no comments or discussion. There were no guests present to comment. Mr. Roe called for the vote: Mr. Tabata as Committee chair and Mr. Watts as Committee vice-chair were unanimously approved: 4-0. Mr. Roe turned the meeting over to Mr. Tabata.

2. Discussion regarding the process, scope, terms, scoring, timeline, and other criteria necessary to publish a request for land application for vacant ADC lands

Mr. Tabata opened the discussion and asked Mr. Roe to summarize the request.

Mr. Roe stated that the membership and specific responsibilities of the Committee were established at the ADC Board meeting on February 16, 2023. Former Chair Lau appointed Mr. Tabata, Mr. Watts, and Mr. Wicker to the Committee. As allowed by Article 4, Section 2 of the ADC By-laws, Former Chair Lau joined the Committee as an ex officio, voting member. Having established the membership to the Committee, Former Chair Lau charged the Committee, pursuant to Article 4, section 1, subsection 1 c. of the ADC By-laws with focusing its efforts on the licensing of vacant ADC lands by seeking applicants, reviewing and evaluating the applicants, and making recommendations to the full board for approval.

Mr. Watts asked if there were any other scoring criteria used by ADC in the past.

Mr. Nakamoto noted that the documents included in today's submittal contained criteria that was developed in the past for the Galbraith land solicitation, which was bare-bones at the time. The 2021 criteria expanded on those criteria in order to prioritize food crops.

Mr. Roe asked Committee members to refer to the bottom of submittal page 19 where the 2021 scoring criteria was listed and asked for thoughts on changing anything. Hearing no response, Mr. Roe recommended that the Committee consider adding criteria and points to benefit farmers with GAP [Good Agricultural Practices] certification. Mr. Watts, Mr. Watanabe, and Mr. Wicker supported the recommendation.

Mr. Watts commented that ADC may want to seek funding to assist farmers in becoming GAP certified.

Mr. Tabata asked about the process for adding additional criteria to the expression of interest or the land application.

Ms. Prescott-Tate noted that the Committee was creating that application process now, but it may be easier to complete development of the application and approve the final product.

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Mr. Tabata asked Committee members to look through the land application and note any items they may wish to include in order to score the applications fairly and accurately. Mr. Tabata asked how often the Committee could meet.

Ms. Prescott-Tate said it was up to the Committee how often they would like to meet.

Mr. Tabata asked if the members could have comments and edits to the staff within a month.

Mr. Roe noted that the Executive Director had suggested that the application request go out as soon as possible due to the large demand for land. Mr. Roe also noted that he could update the Request for Application to present a final version to the Committee at the next meeting. He also noted that the 2021 Land Application included a breakout of each of the parcels that were being released at the time, but that the current release included many more parcels so it may not be feasible to list the individual properties at this time. He recommended including language that would refer applicants to the ADC website where the available properties were listed. Mr. Roe also suggested that the Request for Application note that ADC does not guarantee specifically requested parcels; that decisions on where to place an applicant would be done as part of a conversation that includes consideration of the applicants' business plan, discussions with the Executive Director, the Committee, any co-op that may have responsibilities for a particular property, etc.

Mr. Watts observed that knowing what an applicant was growing and what they could be spraying is necessary to determine a suitable location.

Mr. Tabata noted that erosion control and soil particulate was an important consideration under a NPDES [National Pollutant Discharge Elimination System]. Mr. Tabata reminded members to get their comments in to him and Mr. Roe so that a final document could be approved.

Mr. Roe noted that he would be the one to work on the update to the Request for Application.

Mr. Watts asked about general license provisions and asked if there were situations where ranching was occurring next to diversified agriculture.

Mr. Roe replied yes.

Mr. Watts asked how to separate the two activities as ranching can affect GAP certification.

Mr. Roe noted that it is the responsibility of the rancher to install fencing and that he was only aware of one instance where diversified ag operations occur in close proximity to ranching.

Mr. Nakamoto noted that crop cattle could not work with leafy green crops and also noted that the Request for Application was modeled after a request for procurement proposal and that a minimum score should be considered with regard to any application.

Mr. Tabata noted that the Request for Application should advise applicants of any infrastructure costs, and of any splits.

Mr. Watts asked about Department of Education (DOE) centralized facilities and if it was appropriate to ask on the application if an applicant would be willing to partner with a state entity for food production.

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Mr. Wicker noted that discussions about that were premature, but ADC should be prepared to align production with demand when the time comes.

Ms. Prescott-Tate asked if that should be the farmers' decision.

Mr. Wicker said yes.

Mr. Roe noted that in the past, it has been ADC's position not to tell farmers what to grow, but eventually we may be in a position to try and align the state's food needs with ADC tenants.

Mr. Tabata noted multi-agency discussions regarding that food strategy and that the biggest client would be DOE and creating a menu and much more planning needed to occur before such an alignment could occur.

Mr. Watts responded that he was trying to find out whether a farmer with access to a large institutional purchaser would be willing to partner.

Mr. Tabata asked Mr. Watts to put into writing what changes he would like to see in the land application. Mr. Tabata asked if the Committee could schedule a standing meeting for the 3rd Tuesday of the month at 10:00 a.m. Hearing no objection the next meeting was scheduled for the 3rd Tuesday in February with documents ready for final approval.

Mr. Watts asked about the jurisdiction of the Administration Committee and whether or not they could determine their own agenda or only the charge that was referred to it by the ADC Board Chair, and if the Administration Committee was created on a case-by-case basis.

Ms. Prescott-Tate responded that standing committees are created for a one-year term and for this particular committee, the ADC Board Chair gave them a specific task under Article 4, section 1, subsection 1 c. of the ADC By-Laws.

Mr. Watts asked if the Administration Committee was only for the specific purpose referred to it by the Board Chair.

Ms. Prescott-Tate responded that for purposes of today's meeting, the Committee was specifically tasked to deal with the land application matters.

Mr. Watts asked by what mechanism was the ADC Board supposed to consider the ADC budget?

Ms. Prescott-Tate noted that discussion of the budget was not agendized for today's meeting and recommended that Mr. Watts ask to bring the matter up for discussion at a regular Board meeting.

D. Informational Items

1. None

E. Adjourn

Mr. Tabata noted that they were at the end of the meeting and called for a motion to adjourn: Mr. Watts; Seconded: Mr. Watanabe.

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Mr. Tabata called for the vote. Hearing no objection the motion was approved: 4-0.

The meeting was adjourned at 10:05 a.m.

Date of Next Meeting: The next Committee meeting will be held on February 20, 2024, at 10 A.M.

DRAFT