

Date: October 14, 2024

To: ADC Board of Directors & Attorney General's Office

From: Wendy Gady, Executive Director, Agribusiness Development Corporation (ADC)

Subject: Weekly Report (October 14– October 18, 2024)

End-of-Week Debrief

1. Grant Submission:

- Received confirmation 3 of the HI-EMA Grant Notice of Intents, were invited to develop a full sub application. There is a 25% Non-Federal Share: 75% Federal Share. The projects proposed included Waterlines, and Water Storage for Whitmore, Kalepa and Central Oahu were chosen. We had submitted a total of 9 projects for consideration.

2. Incident Report:

- None.

3. Conference Attendance:

- None.

4. Meetings and Collaborations:

- Toured a Centralized Nutrition Center in Sacramento preparing 84,000 meals per day in 80 schools- breakfast, lunch, after school snack and supper. Focus is lunch primarily
 - i. 1 menu for elementary and 1 menu for all secondary
 - ii. The Center opened during COVID and was used for sending meals out to area drop off points. Center now has a truck. The Center was also used to prepare meals when electricity was out at schools
 - iii. The builder was chosen because they specialized in building kitchens and manufacturing NOT building schools. The builder was attuned to the fact the kitchen would remain after they were gone, and the input from school staff was critical. They recommended keeping the menu in mind when designing the kitchen.
 1. I'll be traveling to Culinary Institute of America in November where Hawaii menus will be designed
 - iv. In CA all school kitchens have cooking facilities, however in Hawaii some schools do not. They used a bond to build the facility and upgrade all schools to Smart Ovens so preparation would be standardized.
 - v. They received a USDA Farm to School Grant and had posters of the 4 seasons and highlighted the farms and produce purchased based on the time of the year.
 1. They forward contract with a lettuce grower and the plastic harvest boxes come to the kitchen where produce is washed in special sinks and boxes collapse and are sent back to the farm.
 2. The USDA Commodity Allocation is divided by the number of meals, and they get an additional \$0.43/to offset local costs.
 - a. We discussed working together to get specialty crops grown in CA and HI added to the Commodity List

- b. Normally commodities are not a great grade, so they mix with higher local quality i.e. commodity protein/beef is mixed with local beef.
 3. Operational costs are \$5.45/for lunch, local food source was 44% of the budget and they can control waste from centralization so don't throw out as much.
 4. Farm to School initiative is a CA First Lady Initiative
 - a. First year: \$450,000
 - b. Second Year: \$12M
 - c. Last Year: \$44M
 - d. Current Year: \$66M
 5. The kitchen started in 2007 with a mandarin orange grower and now has local sources of rice, grapes, lettuce, tortillas but not tomatoes
 6. The State Procurement Office rules were changed to support purchasing local. They stay under the federal threshold of \$250k- get two quotes
 7. Grants Procured include: CDFA for Forward Contracting; Food Literacy Center for After School Nutrition Program, Health Centers i.e. Kaiser
 8. Mistakes they would not repeat: Boiler room was double what they needed (think of servicing of equipment); Over purchases equipment and size; Floors in boiler room are not sloping to drains
 9. They showed a large number of can openers they no longer use because tomato sauce in bags has a 3-month shelf life and is the equivalent of 60 tomato sauce cans
 10. September is the state Farm to Fork month in CA
 11. They buy directly from General Mills in bulk and have significant savings
 12. The kitchen has 25 FT staff working 6 a.m. – 3 p.m. and they also distribute mail and textbooks
 - Met with Land Application PIG.
 - Met with Tenant regarding an unauthorized event.
 - Completed Hawaii Investment Ready Cohort and Funder Presentation 10/17, met with potential funders 10/18.
5. Ongoing Projects:
- Continuous meetings regarding CIP projects.
 - Preparing for the 10/29 Hawaii Farm Bureau Convention on Oahu presentation
 - Preparing for the 11/7 Ag Leadership Summit presentation with Deputy Director Wicker
 - Supporting the Land Application Permitted Interaction Group.
 - Continued work with the CIP Permitted Interaction Group (PIG) and staff on 5-year Capital Improvement Plans.
6. Staffing and Operations:
- Work has started on the ADC Annual Report

- Hiring updates: offer extended to Accountant IV position, submitted paperwork for Climate Resilient Food & Product Innovation Network Manager, completed Form B forms for the Kauai staffing positions.
- Ongoing UHDCDC work regarding the forage drying facility and FPINs projects, now being called the Entrepreneurial Product Innovation Network (EPIC)
- Wrapping up due diligence for Wahiawa-Haleiwa-Waiialua, awaiting final appraisals.
- The Waiahole System Team are testing four GPS systems for future placement on vehicles to keep workers safe.

7. Capital Improvements:

- Advancing projects such as Aahoaka Reservoir, Christian Crossing Bridge, Kekaha Ditch Bridge Crossing, and Kekaha Post Harvest Processing Center (Ken has submitted forms for fund release).

8. Grants and Agreements:

- Expressed interest in participating in DLNR's \$10M dam safety grant.
- Drafted MOAs with the AG's office for HDOE (Kauai & Oahu) for review.
- Held meetings regarding the Waimea Watershed Agreement to determine the next steps.
- Working on contract extension with Spire, a forensic accounting company. Of the original 8 projects, 6 have been completed with the funding allotted and we are refining the scope moving forward.
- Collaborating with staff to create the FY26 budget, which includes FY24 actuals.

9. Project Management:

- Continuing oversight on the HPP (Received 6 Notice of Intent from Companies who will be bidding) and Central Oahu Food Hub projects.
- Managing LOI for Oahu parcels and planning next steps for PSAs.

Events and Conferences

October 21-23, 25: Out of office (will attend the ADC Board meeting on 10/24).
 October 28-30: Hawaii Farm Bureau Federation Annual Convention.
 November 7-8: Hawaii Ag Summit @ the Convention Center (ADC working session on Strategic Plan Input from the Ag Industry).
 November 11-13: Culinary Institute of America, San Antonio
 November 22: Cattlemen's Council Meeting.
 November 25-28: Out of office/vacation.

Upcoming Deadlines & Events

October 11: Notice of Intent due for HPP RFP bids.
 October 24: Legacy Land Application due.
 October 24: ADC Board meeting (virtual)
 November 1: ADC Board Meeting (virtual).
 November 21: ADC Board meeting.

December 19: ADC Board meeting.

Strategic Planning

1. Permitted Interaction Groups (PIGs):
 - Land PIG: Information shared.
 - Distribution Services & Value-Add PIG: Information shared, ongoing discussions.

2. Strategic Plan Updates:
 - The MOU for OPSD to post the RFP for additional work on the ADC Strategic Plan is under review.
 - The current RFP rewrite is with OPSD for scope changes, as per budget adjustments.
 - November 1-30: Board review and edits of the Strategic Plan.

Projects

For a detailed overview of ongoing projects, please refer to the attached Gantt Chart.