

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Special Meeting of the Board of Directors held Virtually on November 1, 2024
Via Zoom Teleconference and In-Person at 235 S. Beretania Street, Suite 205, 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 Office Tower, 235 S. Beretania Street, Suite 205, Honolulu, HI 96813

Members Present, virtually:

Lyle Tabata, Kauai County member (Chair)
Jesse Cooke, Honolulu City and County member (Member Cooke)
Sharon Hurd, HBOA ex officio member (Member Hurd)
Dean Okimoto, member-at-large (Member Okimoto) (entered the meeting at 2:14 p.m.)
Jason Okuhama, member-at-large (Member Okuhama)
Nathan Trump, Hawaii County member (Member Trump)
Dane Wicker, designee for DBEDT ex officio member James Tokioka (Member Wicker) (exited the meeting at 2:45 p.m.)

Members Excused:

Glenn Hong, member-at-large (Member Hong)
Ryan Kanaka'ole, designee for DLNR ex-officio member Dawn Chang (Member Kanaka'ole)
Karen Seddon, member-at-large (Member Seddon)
Jayson Watts, Maui County Member (Member Watts)

Counsel Present, virtually:

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

Staff Present, virtually:

Wendy Gady, Executive Director (Ms. Gady)
Mark Takemoto, Sr. Executive Assistant
Lyle Roe, Asset Manager (Mr. Roe)
Ken Nakamoto, Project Manager
Roger Clemente, Property Manager (Mr. Clemente)
Frankie Empeno, Contract Manager
Ingrid Hisatake, Executive Secretary

Guests Present, virtually:

ADC Guest
Mike Faye (Mr. Faye), Kekaha Agriculture Association (KAA)

Guests Present, physical location:

None.

A. Call to Order:

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Chair called the special meeting to order at 2:08 p.m.

Chair conducted a roll call of the Board. Chair called each Board members name and asked them to acknowledge their presence and state who if anyone over the age of eighteen was present in the room with them. The roll call served as a roll call vote and for each subsequent vote, Chair would ask if there were any objections or abstentions. If there were none the motion would be approved on the same basis as the initial roll call.

Chair, Member Cooke, Member Hurd, Member Okuhama, Member Trump, and Member Wicker acknowledged their presence. Member Okimoto entered the meeting at 2:14 p.m.

Chair noted that Member Hong, Ryan Kanaka'ole, Member Seddon, and Member Watts were excused from the meeting.

B. Approval of Minutes

1. None

C. Chairperson's Report

1. None

D. Committee Reports

1. None

E. Action Items

1. **Request to accept the recommendations of the Land Application permitted interaction group**

Chair called for a motion to approve.

Motion by Member Wicker; Second by Member Hurd.

Chair called on Mr. Clemente for the staff presentation.

Mr. Clemente read from the submittal, noting that the Land Application permitted interaction group recommended the top five high scoring applicants to receive land:

Aloun Kauai Farming LLC
Teng Da Inc. – Yida Zeng
Xianzhi Zhao
Suriwong Chaiyachet
Kauai Taro

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

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Chair asked if there was any board discussion.

Member Cooke clarified that these applicants were the first round picks.

Member Okimoto expressed concern about the many farmers being displaced from their farming operations and wanted to make sure they were taken care of, or discussed, at some point.

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

2. Request for approval to establish a permitted interaction group to make recommendations on land opportunities project for small and disadvantaged land applicants; appointment of members thereto

Chair called for a motion to approve.

Motion by Member Okimoto; Second by Member Wicker.

Chair called on Mr. Roe for the staff presentation.

Mr. Roe stated that in regard to what Member Cooke and Member Okimoto were talking about earlier, this is the first round, high scoring farmers. To reach other farmers who may have scored beneath the threshold that the Board had set, but who may very well be good valuable farmers, staff asks that a permitted interaction group be established that will consider a proposed location, criteria, time frame, special license terms, and eligibility requirements for a proposed project. This project is for Parcel 16, which is just north of Wahiawa, which will be a special area to locate some disadvantaged farmers. This submittal does not address the Kauai applicants. Another project will be proposed for the low scoring applicants on Kauai. The request does not include reevaluation or rescoring the applications. These applications have already been scored. This is just to reevaluate some of the criteria to see if some of the other applicants who didn't make the first cut may qualify for this special project location.

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

Chair asked if there was any board discussion.

Member Trump asked if this allows the Board to consider awarding land to applicants that scored below the point threshold and if the land permitted interaction group would use this further criteria for evaluation.

Mr. Roe replied that the land permitted interaction group has been dissolved. This request is for a new permitted interaction group that will consider what criteria should be evaluated; perhaps even a new scoring threshold for small, disadvantaged immigrant farmers who may need some additional help. Based on farm visits, scoring, application, financial ability; maybe those who the new permitted interaction group think are valid good farmers.

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Member Trump asked if the creation of this permitted interaction group would allow them to amend the criteria.

Mr. Roe stated that the applications are already scored. Based on that, it would be a simple chore for staff to apply the new criteria to see who qualifies. And then that recommendation would be made to the Board. After that, the Board would have to adopt the new recommendations made by staff.

Member Okimoto stated that he's glad they're going to reevaluate the criteria because there's a lot of things that need to be evaluated before a decision is made on some of these applications. It's also the timing. He's concerned about one of the farmers on Kauai who is going to lose his land by March of next year. And there are all of those farmers whose time is up in September of next year. The permitted interaction group must be very expeditious and act in a timely manner so that they don't cause these farmers more anxiety. Plus, they have to move things, and set up, and all those things. There's an urgency to it all.

Mr. Roe stated that he needed to make the Board aware that the Oahu project area is not ready to accept farmers. There's very little water and it's going to take a lot of work. On Kauai most fields are move-in ready; much more move-in ready than Oahu. That is really the only significant parcel left on Oahu. Even if the permitted interaction group moves expeditiously, and the Board moves expeditiously, there's still a massive amount of work to be done to get water to this parcel, such as building reservoirs, and building an access road.

Member Wicker stated that if they do that on Oahu, it sets a precedent. Those that meet the amended criteria on the neighbor island are going to want the same treatment. Whatever we're doing on Oahu should be done for Kauai as well. If the farmers are doing food production, which is our mission, should we be concerned about why they fell below the scoring bar. Can the low scores be mitigated or addressed through workshops or different types of programs or training? If that's within our statute we should look at that. What resources does that involve? If there's no water to this site, ADC should look at nearby water systems that ADC could purchase to make sure we get that critical infrastructure to our parcels.

Mr. Roe added that ADC is waiting on land court for the purchase of the Dole wells. Well number 26 is just across the road from Parcel 16. The other water source is the Waiawa ditch, which is part of what we're trying to acquire from Dole. Those are long term projects that are going to require money and fixes. Just so the Board is aware, those are the two water draws ADC will seek first.

Member Wicker stated the path to food security and resiliency is not going to be cheap.

Ms. Gady stated that in 2022, HRS chapter 163D was updated to specifically address small local farmers. Many of the small farmers have not started GAP training. In regard to land preparation, members of the ag community are asking how to help; can they bring in equipment to help clear; make small reservoirs; help to afford a pump. They're asking how they can help these individuals get set up sooner rather than later. We are waiting for recordation to acquire the three Dole wells. But we need to acquire the Haleiwa, Waialua, and Wahiawa irrigation systems that is a core component of water source to this land.

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Member Cooke commented that he was under the impression that a lot of the farmers saw the land on Oahu was up for license and knew the land doesn't have water.

Mr. Roe stated that the individuals who attended the site visit were aware. That was made abundantly clear, as well as the proposed time frame. They should be aware of that.

Member Okuhama had a question about the parcels. Who will actually survey and unofficially subdivide the property on paper; actually chart out five acres, ten acres.

Mr. Roe stated that his understanding was that most of the requests were for twenty to forty acres and that ADC will subdivide this. He doesn't know if there's going to be an informal subdivision or a formal subdivision. There's also an access road that needs to be taken care of.

Ms. Gady said in the past FSA [USDA Farm Service Agency] gets involved. They have a drone they fly over the land in addition to looking at the former ag infrastructure that shows where the water lines are at. That starts the mapping and creating the subdivisions. The individual farmers should have their own subdivision to qualify for NRCS, USDA, FSA programs.

Member Okimoto said he doesn't know how they're going to be able to accommodate all of the applicants we have because of the acreage and other things. They need to take care of as many of the immigrant farmers that want to farm.

Mr. Roe said the short answer is there's more desire for land than land available. What this permitted interaction group does as far as setting criteria will be crucial and doing it expeditiously is important. But getting good farmers is also important.

Member Okuhama stated that if FSA is going to help them, most of the lots are round numbers; ten, fifteen, twenty, and they just chart it out for five acre parcels. Have them start mapping this parcel, at least start the work. If time is of the essence, we can get that moving.

Mr. Roe explained that's going to be a policy decision by the board. Do they want a lot of really small farmers on five to ten acres or do they want more mid-sized farms that can take advantage of economy of scale in the ten to fifty acre range and fifty to one hundred acre range. The bigger we make it, the fewer people we can service, the smaller we make it, the more management problems we're going to have. It really comes down to a policy decision.

Chair said if you give them five acres when they actually asked for twenty, there will be no room to expand. It will be pretty cumbersome to set up small parcels. It must be decided from the beginning, what they're going to eventually end up with, it's complicated and needs more discussion.

Mr. Roe explained that it's also part of what the permitted interaction group will consider; the proposed location, criteria, time frame, special license terms. These are all the things that the permitted interaction group can consider, evaluate, and make recommendations to the Board.

Member Okimoto stated that as much as they want five-year build up plans, they must look at how fast they're going to build this out. We need to tell them that within one year or two years, you'll have this much land, and they're going to need to build out by that time; be very stringent

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about that. And if they're not there, then they're in violation. The thing that is going to hurt these guys is if they want to do fruits and vegetables, they're not going to be able to do both because the build out takes too long. The criteria to be developed must look at how fast they're going to put it into production.

Ms. Gady said it's important the applicants know how many acres they are getting because they need to go at once for a conservation plan. It cripples the whole system waiting for the conservation plan. To start moving they need to know their boundaries. We need to look at our land policy and procedures, if somebody's not actively farming in like a year or two years, we need to take a strong look at that strategy and make changes in the license agreement.

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

Chair remarked that he had spoken to all the members of the recently dissolved land permitted interaction group and would like to reappoint them all: Chair, Member Cooke, Member Okimoto, Member Okuhama, and Member Trump. This group has already established ideas and desired changes and to maintain continuity. Mr. Clemente will be the staff member assigned to assist this land opportunity project group. He asked if Mr. Roe could serve as a reference point to keep them on track.

Mr. Roe replied that he can do that.

Chair stated that the permitted interaction group shall consider a potential land opportunity project for small and disadvantaged farmers who may be imminently displaced from their current farming operations. Discuss many of the points that have been brought up during the first permitted interaction group review of applicants; try and improve the process. Consider the proposed location, criteria, time frame, special license terms, and eligibility requirements for the proposed project, and meet with the applicants if necessary. Present their findings and recommendations to the Board, as soon as possible, hopefully by the November 21st Board meeting. That is a really short timeline.

Ms. Prescott-Tate interjected that Mr. Faye had his hand raised.

Mr. Faye stated that he just wanted to comment that the two successful candidates on Kauai had somewhat extensive pre-application communications with KAA, who helped to identify lands, what resources were on that land, and how to properly fill out the land application. ADC's land policy and procedures manual regarding the Kekaha lands includes consultation with KAA. KAA would certainly like to help educate applicants on what's available and what to expect out here. In that regard, KAA would ask that the land policy be followed and that KAA be consulted early in this process so we may be able to help some of these applicants.

Chair asked if there were any further public testimony. There were none.

Member Trump stated that he thinks it is sufficient to just address the immediate criteria allowing the Board to award land licenses to the current group of applicants. They are trying to do this as simply as possible without rescoring. That's why the staff submittal was structured that way.

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Chair stated that the Board approved what was presented by staff.

Ms. Waihee-Polk stated that the permitted interaction group can take into account anything that the Board has shown concern about when they discuss the recommendations.

Ms. Gady remarked that a couple of things have happened. The Board members have gone out to look at the farms. Sometimes the farmers don't put everything on their application but when you actually go out to the farm you realize how many workers they have, how much more equipment than they actually listed. Some folks already had potted trees ready to go. There are things that you see on a farm and talk about plans with the applicants. Like, one applicant didn't include his two sons that help on the weekends and the evenings, but they want to do farming full-time. That's helpful information. Member Okimoto talked about the fact that some of these folks were losing their land; that information was not included in the application. So keeping the scoring as-is and try to get the permitted interaction group out to see some of the additional applicants would pretty much make it clear that the small and disadvantaged farmers are pretty strong applicants.

Chair stated that he'll contact the permitted interaction group members that he appointed and will schedule their next meeting at the earliest convenience of all. And at this point we're moving onto informational items so there will be no motion or vote needed.

Member Wicker left the meeting at 2:45 p.m.

F. Informational Items

1. Notice of Regular Meeting of the Board of Directors to be held on December 5, 2024

Chair noted that the December Board meeting was moved from December 19, 2024 to December 5, 2024 so please adjust your schedules accordingly.

G. Adjourn

Having no further business before the board, Chair called for a motion to adjourn.

Motion by Member Hurd; Second by Member Cooke.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 6-0.

Chair adjourned the meeting at 2:53 p.m.