

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OU LU AINA MAHIAI

Regular Meeting of the Board of Directors

Held via Teleconference with In-Person Viewing Location

March 3, 2025
1:00 p.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. If possible, 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, or delivered to:

Agribusiness Development Corporation
235 S. 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: <https://us06web.zoom.us/j/86789281523>

Telephone: (669) 900-6833, Webinar ID: 867 8928 1523

In-Person: at the meeting location indicated below

ICT ACCESS

To view the meeting and provide live oral testimony, please use the link above. You will be asked to enter your name in order to access the meeting as an attendee. 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.

As an attendee, 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 above.

Upon dialing the number, you will be prompted to enter the Meeting ID that is listed next to the Telephone Number above. After entering the Meeting ID, you will be asked to either enter your panelist number or wait to be admitted into the meeting. You will not have a panelist number. 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 been notified. When recognized by the

Board Meeting Agenda

March 3, 2025

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., Ste 200
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 meeting process, including translation or interpretation services, please contact staff at (808) 586-0186 or by email at dbedt.adc@hawaii.gov.

Please allow sufficient time for ADC staff to meet requests for special assistance, accommodation, modifications, auxiliary aids, translation, or interpretation services.

NOTE: MATERIALS FOR THIS AGENDA WILL BE AVAILABLE FOR REVIEW IN THE ADC OFFICE, 235 S. BERETANIA STREET, SUITE 205, HONOLULU, HAWAII 96813 ON AND AFTER FEBRUARY 26, 2025.

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

If you believe that you have been discriminated against with respect to an Agribusiness Development Corporation program or activity, you may contact the Acting Non-Discrimination Coordinator identified above.

AGENDA

- A. Call to Order & Roll Call
- B. Approval of Minutes
 - 1. Regular Session Minutes, November 21, 2024
 - 2. Executive Session Minutes, November 21, 2024
 - 3. Regular Session Minutes, December 5, 2024
 - 4. Executive Session Minutes, December 5, 2024
 - 5. Regular Session Minutes, January 16, 2025
- C. Chairperson's Report
 - 1. None
- D. Committee & Permitted Interaction Group Reports
 - 1. Presentation of report and findings of the value-add permitted interaction group, deferred from December 5, 2024 and January 16, 2025
 - 2. Presentation of report and findings of the land license permitted interaction group
 - 3. Presentation of report and findings of the executive director evaluation for pay increase & goal setting for fiscal year 2025 and fiscal year 2026 permitted interaction group
- E. Action Items
 - 1. Request to rescind prior board approval of a land license to University of Hawaii, College of Tropical Agriculture and Human Resources for weather recording purposes in Paalaa-uka, District of Waialua, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 6-4-003:016 (por.)
 - 2. Request for approval to refer License Agreement No. LI-GA2013 issued to Glory Herb Hawaii, LLC, to the Department of the Attorney General for possible legal action due to rent and water delinquency, District of Wahiawa, City and County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-012:001 (por.)

3. Request to accept and approve the recommendations of the Administration Committee to update fair market rents for new agricultural lease rates for the island of Oahu, State of Hawaii
4. Request for approval to execute and enter a memorandum of understanding between the Agribusiness Development Corporation and the University of Hawai'i Community Design Center to develop a proof-of-concept study for a feedlot on O'ahu
5. Request for approval to terminate Revocable Permit No. RP19-01 issued to Helemano Farms LLC for Building WW-M in Whitmore Village, District of Wahiawa, City and County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-002:009 (por.)
6. Request for approval to issue a right of entry agreement to Hawaiian Telcom to conduct reasonable site exploration and surveying for the purpose of constructing a telecommunication line; Wahiawa, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-002:004

F. Informational Items

1. Presentation by Hawaii Sustainable Agricultural Products, LLC on their land utilization plan for 234.031 gross acres of land located in Paalaa Uka, District of Waialua, City and County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 6-4-004:008; and :006
2. Update for the one-time program to preserve the agricultural value of lands held under License Agreement Nos. LI-08202 and LI-K0801 issued Hartung Brothers, Inc. for land in Kekaha, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.) and for the Executive Director to manage this program.
3. Executive Director's Report (see [ADC Website](#) for past weekly reports)

G. Adjourn

The Board may go into executive session on any agenda item pursuant to the exceptions provided under section §92-5, Hawaii Revised Statutes.

January 29, 2025

FINAL REPORT OF THE VALUE-ADD PERMITTED INTERACTION GROUP

TO: Lyle Tabata, Chair and the Board of Directors of the Agribusiness
Development Corporation

FROM: Jayson Watts, Chair and Members of the 
Value-Add Permitted Interaction Group

RE: Final Report of the Value-Add Permitted Interaction Group

Executive Summary

The Agribusiness Development Corporation (ADC) has a statutory mandate under Hawaii Revised Statutes (HRS) Chapter 163D to create value-added opportunities in the agricultural sector for the economic, environmental, and social benefit of Hawaii's people. This includes fostering agricultural innovation, increasing local food production, addressing systemic food system challenges, providing support services for farmers, and developing infrastructure that supports long-term sustainability.

To fulfill this mission, ADC plays a critical role in land acquisition, infrastructure development, farmer support services, and the establishment of shared facilities essential for agricultural growth. By securing and managing land for affordable agricultural use, ADC ensures that farmers have the necessary resources to cultivate and expand their operations. Additionally, ADC's investment in infrastructure—such as cold storage, preprocessing facilities, and logistics hubs—helps resolve supply chain inefficiencies. Shared facilities further enable small and mid-sized farmers to access advanced technologies and services, fostering collaboration and innovation. These efforts empower farmers to process, package, and market their products more effectively, enhancing profitability and strengthening Hawaii's agricultural sector.

Strengthening Existing Commitments, The Importance of Data, Statistics, and Business Training in Agriculture

Data, statistics, and business training are essential tools for modern agriculture, enabling farmers to make informed decisions, optimize resources, and achieve long-term sustainability. Access to these resources can enhance productivity, resilience, and financial stability for those farming on ADC lands. By leveraging insights on past yields, market trends, and environmental factors, farmers can make strategic choices about crop selection, resource allocation, and risk management—ensuring their operations remain profitable and adaptable.

In addition to improving financial and operational planning, these tools support environmental stewardship and efficiency. Precision agriculture technologies, combined with data insights, allow farmers to minimize costs while reducing their environmental impact through optimized use of water, fertilizers, and other inputs. Business training further equips farmers with essential

skills such as budgeting, expense tracking, and securing funding, strengthening their ability to scale operations and navigate market fluctuations.

As ADC pursues value-added opportunities to elevate agricultural production, fostering an environment where farmers can succeed is paramount. By expanding access to data-driven decision-making, business development resources, and cutting-edge technologies, ADC can empower its farmers to improve efficiency, enhance product value, and contribute to a stronger local food system. When farmers have the tools to grow their businesses and maximize the value of their products, ADC advances its broader mission of strengthening Hawaii's agricultural industry and promoting long-term sustainability.

ADC has demonstrated its commitment to value-added agriculture through initiatives such as the Central Oahu Agriculture and Food Hub and the Wahiawa Value-Added Product Development Center. These projects address supply chain challenges and support small and mid-size farmers by providing preprocessing technologies, food safety training, and essential logistics services. Expanding these efforts is critical. The nearly 4,000 acres of agricultural land managed by ADC in Central Oahu should be prioritized for farmers committed to supplying the HIDOE with fresh, locally grown produce for student meals. HIDOE also needs to increase its efforts and the support services it provides to ADC farmers who want to supply Hawaii schools.

To further strengthen these initiatives, ADC should:

1. **Establish a Statewide Food and Product Innovation Network (FPIN)** – Connect businesses to manufacturing equipment, expert guidance, and certifications for both local and export markets to facilitate value-added production and economic diversification.
2. **Expand Training and Business Development Resources** – Offer courses in entrepreneurship, marketing, and business management to help farmers and agribusinesses capitalize on market opportunities and innovate product offerings.
3. **Enhance Preprocessing Services** – Provide essential post-harvest treatments such as cleaning, grading, and processing to meet specialized equipment requirements, reduce losses, and improve product quality. ADC should also prepare farmers to meet FPIN facility needs, including advanced technologies like high-pressure processing.
4. **Increase Cold Storage Capacity** – Develop statewide cold storage solutions to prevent spoilage, allow better market timing, and aggregate produce from multiple farmers to meet institutional volume requirements.
5. **Provide Distribution Services** - For individual farmers, distributing products can be cost-prohibitive due to high transportation and logistics costs. Many small and mid-size farmers cannot afford their own hauling vehicles and equipment. Providing distribution services will allow local farmers with limited resources to supply FPIN facilities.
6. **Integrate Packaging Services** – Equip ADC hubs with specialized packaging technology to improve shelf life, transportation efficiency, and marketability for processed and semi-processed goods.

7. **Strengthen Collaboration with Partner Organizations** – Align preprocessing, packaging, and distribution services with the needs of Hawaii’s regional economies and county-specific agricultural priorities.
8. **Expand Food Safety Training** – Offer accessible, affordable training programs for small and mid-size farmers, focusing on USDA standards such as Harmonized GAP Plus+ and GroupGAP certifications. Multilingual resources should be developed to support Hawaii’s diverse agricultural workforce.
9. **Engage HIDOE to Strengthen Local Procurement** – Advocate for policies that incentivize HIDOE to work with ADC farmers to grow produce specifically for Hawaii schools, ensuring a steady supply of fresh, local food for students.
10. **Develop a Regional Aggregate Facility System** – Establish a network of aggregate facilities to support small and mid-size farmers by centralizing collection, preprocessing, storage, and distribution services. These facilities will enable farmers to efficiently supply both value-added markets and institutional buyers, including HIDOE’s regional kitchens.

Integrating these systems into ADC’s infrastructure and the FPIN will enhance market access, improve farmer profitability, and strengthen Hawaii’s local food security. By building on these successes and incorporating additional resources, ADC can further support local farmers while expanding the state’s food production and processing capacity. These initiatives will boost the economic viability of local agriculture while advancing long-term food security and sustainability across Hawai‘i.

Aligning Goals with Food Security and Economic Diversification

ADC’s initiatives play a vital role in reducing Hawaii’s dependence on imported foods and strengthening local food systems. By scaling food production and fostering value-added opportunities, ADC advances Hawaii’s food security goals and economic diversification. Key actions include:

1. **Developing Regional Innovation Hubs** within the FPIN to integrate resources for product development, manufacturing, and marketing, helping farmers transition from small-scale trials to full-scale commercialization.
2. **Providing Low-Risk Commercial Production Opportunities** through shared-use facilities equipped with advanced technologies that meet industry standards for both local and export markets.
3. **Expanding Workforce Development Programs** to train agricultural workers in value-added production processes, ensuring they are equipped for an evolving market.
4. **Enhancing Export Potential** by offering compliance programs and certifications that enable farmers to meet offshore market requirements.

5. **Supporting Small and Mid-Size Farmers** with affordable food safety training, helping them meet regulatory requirements and gain access to institutional markets such as schools and retail chains.
6. **Improving Distribution Services** to connect farmers with larger markets, address transportation challenges, and aggregate produce for high-volume demands. This includes logistical support to facilitate delivery to FPIN facilities and institutional buyers.
7. **Leveraging FPIN Resources** to provide businesses with specialized equipment, process optimization guidance, and entrepreneurial support, fostering innovation and growth.

By expanding access to these resources, ADC strengthens local agriculture, drives economic growth, and ensures a sustainable, secure food supply for Hawaii's residents.

Recommendations

1) Immediate Action Items

- a) **Whitmore Lease and Hawaii State Department of Education (HIDOE) MOA** – Finalize the lease and agreement with HIDOE to enhance centralized processing and meal delivery, streamlining logistics, and ensuring consistent supply chains for institutional food programs. Design incentives for HIDOE to work with ADC farmers and increase local food content in school meals.
- b) **Expansion of Critical Support Services** – Enhance ADC farmers' access to distribution, preprocessing, cold storage, packaging, and food safety training. These services will strengthen the agricultural value chain, improving farmer profitability and marketability.
- c) **Small Animal Slaughterhouse Feasibility** – Conduct feasibility studies for small animal slaughterhouses on Maui, Hawai'i Island, Kauai, and Oahu. Assess market demand, infrastructure, environmental impact, and long-term sustainability. If viable, secure funding and establish facilities to reduce import dependence and support local livestock producers.
- d) **Land Acquisition for Expansion** – Initiate land acquisition processes on Maui, Molokai, and Hawaii Island to expand ADC's reach, increasing farming capacity and ensuring access to affordable agricultural land for small and mid-sized farmers.

2) Mid-Term Goals

- a) **Statewide Mapping of Agricultural Assets** – Conduct a comprehensive assessment of existing and potential value-added infrastructure, including FPIN facilities, slaughterhouses, cold storage, and distribution centers. Use data to identify investment gaps and optimize resource allocation.
- b) **Legislative Advocacy for Neighbor Island Projects** – Engage lawmakers and stakeholders to secure funding for capital improvement projects focused on land and infrastructure expansion, fostering public-private collaboration to address island-specific agricultural needs.

3) Expansion to Neighbor Islands

a) **Land Portfolio Expansion** – Extend ADC’s agricultural land holdings to Maui, Molokai, and Hawaii Island, prioritizing affordability and accessibility for small and mid-size farmers.

b) **County-Specific Processing Hubs** – Establish value-added processing hubs on Maui, Molokai, and Hawaii Island, modeled after successful initiatives like the Central Oahu Agriculture and Food Hub but tailored to each island’s unique agricultural strengths.

4) Long-Term Vision

a) **Island-Specific Value-Added Production Hubs** – Develop integrated processing, distribution, and food safety training centers on all major islands, enabling farmers to leverage advanced technologies and expand market opportunities.

b) **Investment in Innovation and Market Trends** – Regularly assess emerging agricultural technologies and industry trends to ensure Hawaii’s competitiveness in value-added agriculture, focusing on efficiency, sustainability, and farmer profitability.

c) **Diversification of Protein Production** – Support aquaculture and small animal farming through investments in feed mills, processing facilities, and workforce training to strengthen food security and reduce import dependency.

5) Community and Legislative Engagement

a) **Local Stakeholder Engagement** – Encourage board members with constituency seats to take an active role in island-specific collaborations with cooperatives, community organizations, and farmers. By serving as liaisons, they help ensure that ADC initiatives align with the unique agricultural needs of their respective islands.

b) **Legislative Advocacy Strategy** – Actively involve board members with constituency seats to participate in legislative advocacy for their respective islands, focusing on securing funding for agricultural and infrastructure projects that address island-specific challenges.

c) **Accountability and Reporting** – Require board members leading engagement efforts to provide regular updates to the full board, detailing community feedback, project progress, and challenges. This structured reporting ensures transparency and informed decision-making.

d) **Strengthening Partnerships** – Encourage board members to build relationships with state and county agencies, private stakeholders, and agricultural cooperatives to align priorities, secure additional resources, and leverage funding opportunities for their respective islands.

e) **University of Hawaii Collaboration** – ADC should actively engage with the University of Hawaii System to support food innovation centers within community colleges and collaborate on joint projects. This engagement will ensure financial sustainability, proper resource utilization, and alignment with agricultural and workforce development needs across the state.

f) Economic Impact Analysis with the University of Hawaii Economic Research Office (UHERO) – ADC should collaborate with UHERO to conduct economic impact analyses, leveraging UHERO’s expertise to gather data and insights specific to each island’s agricultural sector and the overall state economy. This partnership will help ADC make informed, data-driven decisions that maximize economic benefits statewide.

Conclusion

The ADC plays a critical role in strengthening Hawaii’s agricultural sector through strategic land management, infrastructure investments, and value-added opportunities. Its statutory mandate to foster agricultural innovation and economic resilience remains central to ensuring local food security and long-term sustainability.

ADC's initiatives—such as the statewide FPIN, expanded preprocessing and cold storage capabilities, and enhanced food safety training—are designed to address supply chain inefficiencies and support the scalability of small and mid-sized farmers. By integrating data-driven decision-making, workforce development, and business training, ADC is equipping farmers with the tools needed to compete in an evolving market while advancing the state's self-sufficiency goals.

The corporation’s commitment to regional expansion—including land acquisition, county-specific processing hubs, and feasibility studies for small animal slaughterhouses—ensures that agricultural growth is inclusive and tailored to each island's unique needs. Institutional procurement partnerships, particularly with the HDOE, provide a direct pathway to increasing the supply of fresh, locally grown food for schools, bolstering both food security and economic diversification.

Moving forward, ADC must remain proactive in legislative advocacy, community engagement, and public-private collaboration to secure the necessary resources and funding for these initiatives. Strengthening partnerships with state and county agencies, industry stakeholders, and the University of Hawaii System, especially the Community Colleges, will be crucial to expanding innovation in value-added agriculture.

By implementing these strategic recommendations, ADC will enhance local food production, improve farmer profitability, and ensure that Hawaii’s agricultural sector remains resilient in the face of evolving economic and environmental challenges. The execution of these priorities will not only strengthen Hawaii’s food systems but also lay the foundation for a sustainable, diversified, and prosperous agricultural future for the state.

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

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PERMITTED INTERACTION GROUP REPORT TO THE BOARD OF DIRECTORS
March 3, 2025

Subject: Presentation of report and findings of the land license permitted interaction group

Applicant: N/A

Authority: 163D-4(a)(15), Hawaii Revised Statutes
92-2.5, Hawaii Revised Statutes

REPORT & FINDINGS

The land license permitted interaction group (PIG) met on January 17, 2025, elected Mr. Tabata as the chair, reviewed, scored and developed the recommended list of applicants based upon the two established criteria: score of 300 points or above, and designated small disadvantaged farmer based on the USDA definition which will be considered for Oahu and Kauai.

Based on the scoring of 300 points or more: cMakuele Ranch LLC, Uthen Sila Farms, Thirawat Vongcammar, Thanongsak Chumphang, Thanawat Chak Ano, Kiattisak Kulcher, Supphasit Yusaka, Weerawak Khotkham, Hanpromkitti, Kauai Taro, Sophia Nuanbunma, Suriwong Chaiyachet, Truatnok Srihabut, Anurat Farm, Taworn Panyamee, Sanya Phanphaphon 17B, SID Produce 17C, Chanchai Phaeothaisong, Samart Khotowongthong, Scott Wong Kauai, Scott Wong Oahu, Rungnapa Haoham, Surapon Suwanna, and Singha Na 17A.

Based on the USDA definition of a small disadvantaged farmer include the addition of the following: Komkwan Moses, Long Spon Farms, May Maharath, Dehua Liu, Wilawan Kundet, Laos Sugar Cane Juice, Jaturong & Buaron Jairuan, Phirom & Tong On Krinsongnoen, Keala Foundation, Hongdam Racham, Hawaii Mushroom Farm, & JayJay Sagucio.

PIG recommends the following applicants for a license:

Aloun Farms, Teng Da Inc., Kunhu Xiong, Xianshi Zhao, Lao Aqua Farm, Phen Kaeohutchha KP Farm, Uthen Sila Farms, Thirawat Vongcammar, Thanopngsak Chumphang, Thanawat Chak Ano, Kiattisak Kulcharo, Supphasi Yusaka, Weerasak Khotkham, Kauai Taro, Sophia Nuanbunma, Suriwong Chaiyachaet, Chanchai Phaeothaisong, Samart Khotowongthong, Rungnapa Haoham, Surapon Suwanna, Wilawan Kundet, Jaturong & Buaron Jairuan, & Hongdam Racham.

PIG recommends that the staff develop specific parcel assignments with these applicants and execute a right-of-entry agreement with those approved applicants immediately. PIG would like the staff to present to the ADC Board of Directors (Board) the applicants, their parcel assignments and rent for tillable and non-tillable lands for the purpose of issuing a license no later than April 17, 2025.

For the applicants who are not recommended for a license currently, we recommend the ADC staff meet with the applicants who have applied for land in this round for a debrief. We recognize the dedication of time and energy put forth. The applicants not recommended for a license at this time are: Makuele Ranch LLC, Scott Wong Oahu, Scott Wong Kauai, Hanpromkitti, Truatnok Srihabut, Anurat Farm, Taworn Panyamee, Truatnok Srihabut, Sanya Panhaphon 17B, SID Produce 17C, Singha Na 17A, Long Spoon Farms, May Maharath, Dehua Liu, Erik Horn, Laos Sugar Cane Juice, Keala Foundation, Hawaii Mushroom Farm, JayJay Sagucio, Phirom & Tong On Krinsongnoen, Haturong Jairuan, & Khotwongthong.

RECOMMENDATION:

These findings and report of the land license permitted interaction group are for presentation purposes only. No action is required or permitted by the Board at this time.

STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

D-3

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
February 20, 2025

Subject: Report from the Executive Director Evaluation Permitted Interaction Group formed on January 16, 2025, to conduct an evaluation of the Executive Director (ED) for Pay Increase and Goal Setting for FY25 and FY26

Applicant: Agribusiness Development Corporation (ADC)

Authority: Section 163D-3 (d)-(f), Hawaii Revised Statutes (HRS)

BACKGROUND:

Section 163D-3 (d)-(f), HRS states:

(d) The board shall appoint an executive director, who shall serve at the pleasure of the board and shall be exempt from chapter 76. The salary of the executive director shall be set by the board.

(e) The board shall develop and document annual goals and performance measures for the executive director that allow the board to annually evaluate the executive director's work to ensure compliance by the corporation with statutory requirements and achievement of its statutory purposes.

(f) The board shall evaluate and document the evaluation of the executive director's performance annually, or more frequently upon the request of at least four board members, based on annual goals, performance measures, and other relevant criteria.

The ED was hired and began work on August 21, 2023. The Board did not provide the new ED with annual goals and performance measures. However, the new ED was informed of and did implement the annual goals and performance measures that were given to the ED's predecessor on April 20, 2023.

On March 21, 2024, the Board approved former chair Warren Watanabe's (Former Chair Watanabe) request to establish a permitted interaction group for purposes of conducting the ED annual performance review. Former Chair Watanabe appointed Member Seddon, Member Hurd, and Member Wicker to the ED evaluation permitted interaction group. Former Chair Watanabe directed the ED evaluation group to document the evaluation, prepare a list of annual goals and performance measures, indicate whether or not the ED should be retained and whether or not a salary increase was warranted. The ED evaluation group was to make its report at the June 20, 2024 Board meeting. The ED evaluation group's report was deferred from May 16, 2024, June 20, 2024, July 18, 2024, and August 1, 2024. On September 19, 2024, the ED evaluation group gave its report to the Board. The ED evaluation group evaluated the ED performance from August 2023 to June 2024 and recommended that the ED be retained for another year. The ED evaluation group recommended performance objectives for the July 2024 to June 2025 fiscal year. The ED evaluation group could not unanimously decide on a salary recommendation. After presenting its report the ED evaluation group was dissolved. On October 24, 2024, the Board accepted the ED evaluation groups recommendation and approved retaining the ED for another year.

At the Board meeting held on October 24, 2024, Chair Tabata (Chair) requested the Board's approval to establish a new permitted interaction group to establish ED goals and objectives for FY 2025 (July 2024

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to June 2025). The Board granted Chair's request. Chair appointed himself, Member Seddon, Member Watts, and Member Wicker to the permitted interaction group. The ED evaluation group was asked to develop specific goals and objectives for the ED to accomplish during fiscal year 2024-2025 and report the group's recommendations at the next Board meeting.

On November 21, 2024, Chair asked to dissolve the ED evaluation group established at the October 24, 2024 Board meeting in order to add an additional task for the group to accomplish. The Board approved Chair's request and the ED evaluation group established on October 24, 2024 was dissolved. Thereafter, Chair requested the Board's approval to establish a new permitted interaction group to develop goals and objectives for the ED for fiscal year 2024-2025 and to consider the salary amount for the ED for fiscal year 2024-2025, to cover the time period between July 1, 2024 and June 30, 2025. The Board granted Chair's request. Chair appointed himself, Member Seddon, and Member Watts to the ED evaluation permitted interaction group. Member Wicker asked to be a part of the group, which Chair took under advisement. The ED evaluation group was asked to develop specific goals and objectives for the ED to accomplish during fiscal year 2024-2025 and to make a salary recommendation for the same time period. The ED evaluation group was to present its report with the goals, objectives, and salary recommendation at the December 5, 2024 Board meeting.

On December 5, 2024, Member Seddon presented the ED evaluation group's report and recommendations to the Board. A copy of the report was attached to the Board submittal at pages 011-014. The report contained performance objectives and goals, and a salary recommendation.

At the Board meeting held on December 6, 2024, it was discovered that the wrong "Jayson" was appointed to the ED evaluation group on October 24, 2024. Although Chair said "Jayson Watts" was appointed to the ED evaluation group on October 24, 2024, he meant to appoint "Jason Okuhama" to the group. Chair, Member Seddon, and Member Okuhama participated in the ED evaluation permitted interaction group meetings and contributed to the final report and recommendations of the group that were presented at the December 5, 2024 meeting. After discovery of the group membership error, the matter was deferred indefinitely.

At the Board meeting held on January 16, 2025, the Chair asked the Board to approve his "Request to establish a [sic] ED Evaluation for Pay Increase & Goal Setting for FY25 and FY26 permitted interaction group to review prior PIG goals drafted with staff input, Current ED self-evaluation based on BOD goals set by the Board, & establish SMART goals for FY25 & FY26. The PIG is to deliver a written report by 2/10 to ADC Staff for bundling with agenda submittal package posted 2/16 [corrected to 2/14 on the record], present the report at the 2/20 ADC BOD meeting, and 3/3 ADC BOD to hold a Special Board Meeting to vote on the recommendation SMART goals for FY25 & FY26". The Board approved Chair's request. Chair appointed himself, Member Okuhama, and Member Wicker to the ED Evaluation permitted interaction group. The ED evaluation group was asked to:

1. Meet on January 17, 2025; pick a chairperson, and set schedule for meetings;
2. Meet to review permitted interaction group goals drafted with staff input; executive director self-evaluation based on former executive director's goals set by the Board; SMART goals for FY2025 & 2026.
3. Draft report for the Board.
4. February 10, 2025: Submit to ADC staff the written report to be included in the ADC Board meeting agenda and submittal package.
5. February 14, 2025: Agenda and submittal package uploaded.

6. February 20, 2025: ADC Board receives the executive director evaluation for pay increase and setting goals for FY2025 and FY2026 permitted interaction group report for review and discussion.
7. March 3, 2025: ADC Board has Special Board Meeting to vote on the executive director evaluation for pay increase & setting goals for FY2025 and FY2026 permitted interaction group recommendation.

The ED Evaluation permitted interaction group met and developed performance goals and objectives for the time period between July 1, 2024 and June 30, 2025.

REPORT AND RECOMMENDATION:

The ED Evaluation group developed fiscal year 2025 goals for the ED and prepared the report and recommendations, attached as “Exhibit A”. The group used “SMART GOAL” - Specific, Measurable, Achievable, Relevant, and Time-Bound, as a guide:

Specific: The goal is clear and states what will be done and who will do it.

Measurable: The goal includes how you will measure your progress.

Achievable: The goal is realistic and can be achieved within a specific time frame.

Relevant: The goal makes sense and fits the purpose of your project.

Time-bound: The goal has a clear deadline.

Because section 163D-3 (e), HRS, requires the Board to conduct an “annual” goals and performance evaluation, the ED Evaluation group recommends that the ED’s performance evaluation and salary discussion for fiscal year 2026 be conducted **after** the Board votes to approve the current fiscal year 2025 performance evaluation, which is tentatively scheduled for vote at the next ADC Board meeting.

The ED Evaluation permitted interaction group recommends the Board adopt and approve the Performance Goals and Objectives set forth in the report attached as Exhibit “A”. The ED Evaluation group further requests that a new ED Evaluation permitted interaction group be created to complete the following tasks:

1. Establish the 2026 fiscal year goals for the ED (March – May 2025, timeframe);
2. Evaluate the performance of the executive director for the 2025 fiscal year (April 2025);
3. Make a recommendation whether to retain the ED for another year (May 2025); and
4. Make a salary recommendation (May 2025).

Adherence to the timeframe referenced above will allow the 2025 fiscal year annual performance evaluation to be completed before the annual evaluation of the 2026 fiscal year begins. Ensuring that the 2026 fiscal year goals and objectives are approved by the Board before July 1, 2025 will allow the Board’s annual obligation to evaluate the ED’s prior year performance and create future goals to proceed as intended by section 163D-3(d)-(f), HRS.

Respectfully Submitted,

Lyle Tabata
Chairperson

**Agribusiness Development Corporation
Executive Director
Performance Goals and Objectives**

Annual Goals and Objectives - July 1, 2024 to June 30, 2025

1. LEADERSHIP

Specific Goals:

- **Dole Wells Acquisition:** Secure formal acquisition documents and funding by Q4 FY 2024/2025. Collaboration with DLNR and the Department of the Attorney General for legal processes, leveraging ADC's existing experience in irrigation system acquisitions (e.g., East Kauai Irrigation System transition).
- **PIG Facilitation:** Track the number of Permitted Interaction Group (PIG) meetings facilitated with assigned staff and ensure 90% of meetings are completed on schedule with progress reports submitted to the ADC Board.
- **ADC Agribusiness Development Plan:** Establish a hard completion date for Office of Planning and Sustainable Development (OPSD) to complete the ADC Agribusiness Development Plan. If necessary, assign staff to assist OPSD in completing Agribusiness Development Plan.

Measurable and Achievable:

- **Dole Wells Acquisition:** Secured formal acquisition documents and funding for Dole Well acquisition by Q4 FY 2024/2025.
- **PIG Facilitation:** Utilized existing staff resources and assigned dedicated project managers to ensure 90% of meetings were on schedule and progress reports are submitted to Board.
- **ADC Agribusiness Development Plan:** Final date set for OPSD to complete the ADC Agribusiness Development Plan with assistance from ADC Staff.

2. STAFF DEVELOPMENT

Specific Goals:

- **Staff Meetings:** Conduct a minimum of 26 bi-weekly staff meetings within FY 2024/2025.

- **Work Monitoring System:** Implement the system by Q2 FY 2024/2025 and conduct quarterly performance reviews to adjust workloads.
- **Cross-Training:** Ensure 80% of staff complete at least one cross-training session by Q3 FY 2024/2025.
- **Continuing Education:** Apply lessons learned from staff development practices to achieve at least 75% staff participation in one State HRD or private training by FY end.
- **Grant Writer Hiring:** Hire a qualified grant writer by Q4 FY 2024/2025, with legislative support secured by mid-year.
- **Kauai Staff Positions:** Hire Kauai Property Manager and Water Manager positions by FYE 2025.

Measurable and Achievable:

- **Staff Meetings:** Confirmed 26 bi-weekly staff meetings by FY 2024/2025.
- **Work Monitoring System:** Implement internal tools like the Yardi system to monitor workload distribution, ensuring feasibility.
- **Cross Training:** Confirmed 80% of staff completed at least one cross-training session by Q3 FY 2024/2025.
- **Continuing Education:** Applied lessons learned from staff development practices to meet 75% staff participation in FY 2024/2025.
- **Grant Writer Hired:** Grant writer hired in FY 2024/2025.
- **Kauai Staff Positions:** Leveraged ADC's current recruitment strategies as successfully demonstrated in the hiring of the Kauai Property Manager and Water Manager positions by FY 2024/2025.

3. MANAGEMENT

Specific Goals:

- **File Management System:** Fully operational system for electronic and physical file storage implemented by Q3 FY 2024/2025, with quarterly audits to ensure compliance.

- **Records Retention Policy:** Finalize and implement the policy by Q2 FY 2024/2025, with staff training completed within one month of implementation.
- **Audit Issues:** Address 100% of outstanding audit findings by June 30, 2025, with quarterly status updates provided to the Board.
- **Yardi System - Maximizing Use:** Utilize Yardi System for water use agreement and land management.

Measurable and Achievable:

- **File Management System:** File Management System operational by Q3 FY 2024/2025.
- **Records Retention Policy:** Final Records Retention Policy with staff training implemented by Q2 FY 2024/2025.
- **Audit Issues:** 100% of outstanding audit findings addressed by June 30, 2025, with quarterly status updates provided to Board. Audit issues will follow the SOP developed and initiated, as seen with the East Kauai Irrigation System acquisition.
- **Yardi System:** Utilized Yardi system best practices to apply to water use agreements and land management.

4. BOARD RELATIONS

Specific Goals:

- **Weekly Reports:** Ensure 100% of ED Weekly Reports are submitted on time and uploaded to the ADC website within 48 hours.
- **Timely Board Packages:** Distribute comprehensive Board packages at least five business days before each meeting, maintaining 100% on-time delivery rate. Allows Board sufficient time to review meeting materials and time for any questions.
- **Major Project Schedule:** Update and share the CIP Major Project Schedule quarterly. Allows detailed tracking and reporting of CIP projects and strategic plan progress.

Measurable and Achievable:

- **Weekly Reports:** Confirm Weekly Reports have been submitted on time and uploaded to ADC website within 48 hours.
- **Board Packages:** Confirm that Board packages distributed 5 business days prior to each Board Meeting with 100% on-time delivery.
- **Major Project Schedule:** Confirm submission of quarterly CIP Major Project Schedule.

5. PERSONAL DEVELOPMENT

Specific Goals:

- **Leadership Development:** Incorporate leadership development into existing meetings with the Board and staff, utilizing feedback from the ED Evaluation Permitted Interaction Group.
- **Leadership Delegation:** Conduct bi-monthly check-ins with the Board Chair to assess progress in delegation and leadership distribution.
- **Professional Growth:** Complete at least two professional development courses in FY 2024/2025.
- **Public Image:** Issue at least three public relations statements or media engagements annually, measuring improved public perception through stakeholder feedback in FY 2024/2025. Enhance public relations efforts through collaboration with Mana Means and Strategies 360, as outlined in recent reports.
- **Salary Increase:** ED to prepare performance-based self-evaluation to justify yearly salary adjustment by Q4 FY 2024/2025.

Measurable and Achievable:

- **Leadership Development:** Incorporate ED Evaluation PIG feedback in leadership development.
- **Leadership Delegation:** Board Chair to provide feedback on delegation and leadership distribution prior to yearly ED Evaluation.

- **Professional Growth:** Confirm ED completion of at least two professional development courses prior to yearly ED Evaluation.
- **Public Image:** Confirm three public relations statements or media engagements by FY 2025, and collaboration with ADC's public relations companies.

HRS Chapter 163D establishes the framework for ADC's role in promoting and developing diversified agriculture in Hawaii. The SMART goals outlined above directly support several key sections:

- **§163D-2 (Purpose):** Goals like acquiring Dole Wells and enhancing water infrastructure align with ADC's mission to support agricultural development.
- **§163D-4 (Powers and Duties):** Management goals such as developing a records retention policy and addressing audit issues directly support ADC's administrative and operational responsibilities.
- **§163D-6 (Acquisition of Property):** The leadership goal of completing the Dole Wells acquisition and the management of land portfolios relate to ADC's authority to acquire and manage agricultural properties.
- **§163D-13 (Development and Management of Facilities):** Goals related to Capital Improvement Projects (CIP), such as the Waiahole Irrigation System and Kekaha Ditch Bridge, directly support the development and management of agricultural infrastructure.

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-1

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
February 20, 2025

Subject: Request to rescind prior board approval of a land license to University of Hawaii, College of Tropical Agriculture and Human Resources for weather recording purposes in Paalaa-uka, District of Waialua, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 6-4-003:016 (por.)

Applicant: Agribusiness Development Corporation (ADC)

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

Area: 0.19 gross acres, more or less

Field No(s): Parcel 16 (por.)

Tax Map Key: (1) 6-4-003:016 (Property)

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2017

Trust Land Status: Section ___ lands of the Hawaii Admission Act
Yes No
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes No

Zoning: SLUD: Agricultural
CZO: AG-1

Character of Use: Agricultural/Agronomic

Land Doc. Type: License

Term: 3 years (never executed)

Rental Rate: \$0 per acre per year
Annual Rent: \$0

BACKGROUND:

In late 2017, Costco Wholesale Corporation (Costco) reached out to ADC regarding available land for a farming project to supply local produce to Costco stores in Hawaii. Following discussions, ADC granted Costco a right-of-entry agreement in mid-2019 to the subject Property for due diligence purposes, including the installation of a weather station. However, the onset of the COVID pandemic in early 2020 caused Costco to terminate the project. In doing so, Costco gifted the weather station to the University of Hawaii, College of Tropical Agriculture and Human Resources (CTAHR).

In early 2022, the CTAHR dean contacted then chairperson of the ADC Board of Directors (Board) and requested a lease agreement for the weather station on the subject Property. The Board approved the request for a license agreement at their meeting on January 26, 2022¹. Staff transmitted a draft agreement to CTAHR, however, the agreement was never signed.

REQUEST:

Staff requests that the Board rescind its prior approval of a license agreement with the University of Hawaii, College of Tropical Agriculture and Human Resources, effective immediately, and require them to remove the equipment and the fencing and vacate the premises (Request).

OPERATIONAL PLAN:

N/A

CONSERVATION PLAN:

N/A

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the “(1) use of state land or county lands, or the use of state or county funds[.]” In this case, the requirement to conduct an environmental assessment is not met because this is not a new use of state land.

DISCUSSION:

CTAHR has since requested another weather station location on ADC’s Kekaha property on the island of Kauai and will be moving the weather station on the subject premises to a different location. The subject license agreement was for \$0/year; moreover, the agreement was never executed. As such, there is no fiscal impact to ADC should the Board rescind its prior approval.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board:

1. Approve the Request.

¹ <https://dbedt.hawaii.gov/adc/files/2022/03/ADC-Board-Minutes-01-26-2022.pdf>

Request to rescind prior board approval of a land license to University of Hawaii, College of Tropical Agriculture and Human Resources for weather recording purposes in Paalaa-uka, District of Waialua, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 6-4-003:016 (por.)
February 20, 2025

Respectfully Submitted,

LYLE ROE
Asset Manager

Approved for Submittal:

Wendy Gady
Executive Director

Attachment(s):
Exhibit A Map

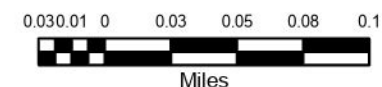


STATE OF HAWAII
AGRIBUSINESS
DEVELOPMENT CORPORATION

University of Hawaii, College of
Tropical Agriculture and Human
Resources

Weather Station Premises

TMK (1) 6-4-003:016



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STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-2

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
February 20, 2024

Subject: Request for approval to refer License Agreement No. LI-GA2013 issued to Glory Herb Hawaii, LLC, to the Department of the Attorney General for possible legal action due to rent and water delinquency, District of Wahiawa, City and County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-012:001 (por.)

Applicant: Agribusiness Development Corporation (ADC)

Authority: 163D-4(a)(5), Hawaii Revised Statutes,
Section 6.1, Land Management Policy & Procedure Manual

Area: 10.767 acres

Field No(s): Lot 2 (Premises)

Tax Map Key: (1) 7-1-001:002 (Property)

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

Zoning: SLUD: Agricultural
CZO: AG-1

Character of Use: Agricultural

Land Doc. Type: License

Term: 5 years (currently in year 3)

Current Rental Rate \$ 400.00 per acre per year + variable CAM
Annual Rent w/o CAM: \$ 4,270.40

Request for approval to refer License Agreement No. LI-GA2013 issued to Glory Herb Hawaii, LLC, to the Department of the Attorney General for possible legal action due to rent and water delinquency, District of Wahiawa, City and County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-012:001 (por.)
February 15, 2024

BACKGROUND:

License Agreement LI-GA2013 (License) was issued to Glory Herb Hawaii, LLC (Licensee) for Lot 2 (Premises) (Exhibit “A”) effective November 1, 2021. Rents began accruing immediately. Licensee began farming approximately 1.5 years after the License became effective after having cleared the lot of weedy overgrowth and having constructed an irrigation pond on the Premises.

Notice of past due amounts for rent and water were sent to Licensee on September 17th and December 8th, 2024. A notice of violation was sent on January 8, 2025 by certified mail (Exhibit “D”)¹. Additionally, staff have attempted to contact the Licensee on multiple occasions without much success.

As of this writing, the Premises are unkept and unused. The prior crop, complete with mulch paper and irrigation line, are still in the ground with weeds beginning to grow up around it (see Exhibit “B”)².

REQUEST:

Staff requests that the Board authorize the referral of the License to the Department of the Attorney General for possible legal action, including possible termination of the License, due to longstanding rent and water payment delinquency (Request).

OPERATIONAL PLAN:

Licensee grows and harvests basil on the Premises for local and export markets.

CONSERVATION PLAN:

Licensee has developed a conservation plan which was approved by the West Oahu Soil & Water Conservation District.

CHAPTER 343:

N/A

DISCUSSION:

Licensee is not a tenant in good standing. As of this writing, Licensee maintains a balance of \$9,069.33 for rent (including late fees and interest); a balance of \$14,384.18 for water delivery assessments (including late fees and interest); for a total open balance due of \$23,453.51. Licensee almost always notes, when contacted, that a payment has been recently, or will be shortly, sent. No payment has been received from Licensee since September 2022. Staff’s recommendation is to refer the matter to ADC’s legal counsel for possible action; as such, there is no fiscal impact to ADC.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board:

¹ Notice of Board Hearing which includes a summary of the past notice of violation was sent to Licensee on February 12, 2025 by certified mail.

² Photographs document the condition of the property as of January 28, 2025.

Request for approval to refer License Agreement No. LI-GA2013 issued to Glory Herb Hawaii, LLC, to the Department of the Attorney General for possible legal action due to rent and water delinquency, District of Wahiawa, City and County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-012:001 (por.)
February 15, 2024

1. Approve the Request subject to the following conditions:
 - a. Any subsequent request to terminate the License for breach or default shall be brought to the Board for final disposition.

Respectfully Submitted,

LYLE ROE
Asset Manager

Approved for Submittal:

Wendy Gady
Executive Director

Attachment(s):

- Exhibit A Map of Premises
- Exhibit B Photos of Premises
- Exhibit C Balance Detail
- Exhibit D Notice of Board Hearing

EXHIBIT A



STATE OF HAWAII
AGRIBUSINESS
DEVELOPMENT CORPORATION

Lot GA-02
Galbraith Small Farm Lots
TMK (1) 7-1-012:001 (por.)



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State of Hawaii - Agribusiness Development Corporation

Customer Balance Detail Report

All Dates

DATE	TRANSACTION TYPE	NUM	LOCATION FULL NAME	DUE DATE	AMOUNT	OPEN BALANCE	BALANCE
Glory Herb Hawaii LLC							
11/15/2023	Invoice	W394		12/15/2023	\$502.95	\$502.95	\$502.95
12/15/2023	Invoice	W398		01/14/2024	\$2,433.73	\$2,433.73	\$2,936.68
01/16/2024	Invoice	2544		02/15/2024	\$609.18	\$609.18	\$3,545.86
02/15/2024	Invoice	2618	Water	03/16/2024	\$1,760.85	\$1,760.85	\$5,306.71
03/18/2024	Invoice	2689	Water	04/17/2024	\$968.28	\$968.28	\$6,274.99
04/15/2024	Invoice	2764	Water	05/15/2024	\$1,150.98	\$1,150.98	\$7,425.97
05/15/2024	Invoice	2840	Water	06/14/2024	\$1,346.98	\$1,346.98	\$8,772.95
06/15/2024	Invoice	2924	Water	07/15/2024	\$372.40	\$372.40	\$9,145.35
07/15/2024	Invoice	2996	Water	08/14/2024	\$1,233.75	\$1,233.75	\$10,379.10
08/15/2024	Invoice	3071	Water	09/14/2024	\$1,512.18	\$1,512.18	\$11,891.28
09/17/2024	Invoice	3143	Water	10/17/2024	\$553.00	\$553.00	\$12,444.28
10/15/2024	Invoice	3217	Water	11/14/2024	\$876.40	\$876.40	\$13,320.68
11/15/2024	Invoice	3294	Water	12/15/2024	\$333.03	\$333.03	\$13,653.71
12/15/2024	Invoice	3379	Water	01/14/2025	\$16.80	\$16.80	\$13,670.51
Total for Glory Herb Hawaii LLC					\$13,670.51	\$13,670.51	
GLORY HERB HAWAII, LLC							
09/01/2022	Invoice	1985		10/01/2022	\$211.49	\$211.49	\$211.49
10/03/2022	Invoice	2018		11/02/2022	\$211.49	\$211.49	\$422.98
11/01/2022	Invoice	2047		12/01/2022	\$211.49	\$211.49	\$634.47
12/04/2022	Invoice	2080		01/03/2023	\$211.49	\$211.49	\$845.96
01/01/2023	Invoice	2108		01/31/2023	\$211.49	\$211.49	\$1,057.45
02/01/2023	Invoice	2132		03/03/2023	\$211.49	\$211.49	\$1,268.94
03/01/2023	Invoice	2159		03/31/2023	\$211.49	\$211.49	\$1,480.43
04/01/2023	Invoice	2187		05/01/2023	\$211.49	\$211.49	\$1,691.92
05/01/2023	Invoice	2237		05/31/2023	\$211.49	\$211.49	\$1,903.41
06/01/2023	Invoice	2272		07/01/2023	\$211.49	\$211.49	\$2,114.90
07/18/2023	Invoice	2307		08/17/2023	\$211.49	\$211.49	\$2,326.39
08/01/2023	Invoice	2338		08/31/2023	\$211.49	\$211.49	\$2,537.88
09/08/2023	Invoice	2370		10/08/2023	\$211.49	\$211.49	\$2,749.37
10/02/2023	Invoice	2401		11/01/2023	\$211.49	\$211.49	\$2,960.86
11/01/2023	Invoice	2435		12/01/2023	\$211.49	\$211.49	\$3,172.35
12/01/2023	Invoice	2467		12/31/2023	\$211.49	\$211.49	\$3,383.84
01/02/2024	Invoice	2503		02/01/2024	\$211.49	\$211.49	\$3,595.33
02/01/2024	Invoice	2572		03/02/2024	\$211.49	\$211.49	\$3,806.82
03/01/2024	Invoice	2642		03/31/2024	\$211.49	\$211.49	\$4,018.31
04/01/2024	Invoice	2715	GTW	05/01/2024	\$211.49	\$211.49	\$4,229.80
05/01/2024	Invoice	2777	GTW	05/31/2024	\$211.49	\$211.49	\$4,441.29
06/01/2024	Invoice	2873	GTW	07/01/2024	\$211.49	\$211.49	\$4,652.78
07/01/2024	Invoice	2954	GTW	07/31/2024	\$211.49	\$211.49	\$4,864.27
08/12/2024	Invoice	3026	GTW	09/11/2024	\$348.91	\$348.91	\$5,213.18
09/16/2024	Invoice	3090	GTW	09/16/2024	\$280.20	\$280.20	\$5,493.38
10/01/2024	Invoice	3156	GTW	10/01/2024	\$280.20	\$280.20	\$5,773.58
11/01/2024	Invoice	3230	GTW	11/01/2024	\$459.65	\$459.65	\$6,233.23
12/01/2024	Invoice	3347	GTW	12/01/2024	\$459.65	\$459.65	\$6,692.88
01/01/2025	Invoice	3422	GTW	01/01/2025	\$459.65	\$459.65	\$7,152.53
02/01/2025	Invoice	3497	GTW	02/01/2025	\$459.65	\$459.65	\$7,612.18
Total for GLORY HERB HAWAII, LLC					\$7,612.18	\$7,612.18	
					\$21,282.69	\$21,282.69	

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OULU AINA MAHIAI
ASSET & PROPERTY SECTION

February 12, 2025

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mr. Ericsson Shen You Hwang
Ms. Jen E. Chen
Glory Herb Hawaii, LLC
Post Office Box 894138
Mililani, Hawaii 96789

RE: License Agreement No. LI-GA2013 effective November 1, 2021 (License) by and between the State of Hawaii, Agribusiness Development Corporation (Licensor) and Glory Herb Hawaii, LLC (Licensee) for Lot 2 located at Wahiawa, Oahu, TMK No. (1) 7-1-012:001 (por.) containing 10.767 acres (Premises)

NOTICE OF BOARD HEARING

Dear Mr. Hwang and Ms. Chen:

You are in receipt of "Urgent Notice of Violation for Past Due" dated January 8, 2025 and sent by certified mail, by which you were advised of the following violations:

Violation 1: Failure to Pay License Fee (Rents). Licensee currently owes \$9,069.33, including late fees and interest for past due rents. The License states that "The base license fee for the tillable acres of this License shall be as outlined in the following table, payable in monthly installments, on or before the first of each month.

<u>When</u>	<u>Rent</u>
Year 1-3	\$200/acre/year
Year 4-5	\$400/acre/year" (License, p. 2)

Violation 2: Failure to Pay for Water Use. Licensee Currently owes \$14,384.18, including late fees and interest for past due water usage. The Water User Agreement states that "USER agrees to pay ADC \$1.75 per 1,000 gallons of water as metered, plus applicable taxes. USER also agrees to pay the cost of acquisition and installation of water meters of an appropriate type, size, and capability as a condition of water delivery. [...] Payment shall be due on the 15th of of the month after the date of invoice. ADC reserves

Mr. Ericsson Shen You Hwang

Ms. Jen E. Chen

Page 2

the right to assess a monthly late fee of 5% on USER's past-due balance for each month of delinquency." (License, Exhibit F, p. 1)

In total, you owe \$23,453.51 and you were given 30 days to correct the violations; however, the violations were not addressed or cured within the specified period. Pursuant to Licensor's policies and procedures, you are hereby notified that these violations will be subject to a hearing at the next meeting of Licensor's Board of Directors (Board) to be held on February 20, 2025 at 9:00 a.m., at which time the Board may refer your violations to the Department of the Attorney General to initiate default and collections proceedings and terminate the License.

Please contact me at (808) 586-0187 if you have any questions and to discuss your specific plans and options to remedy the above. I urge your immediate attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lyle Roe', written in a cursive style.

LYLE ROE

Asset Manager

STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-3

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
February 20, 2025

Subject: Request to accept and approve the recommendation of the Administration Committee to update fair market rents for new agricultural rent rates for the island of Oahu, State of Hawaii

Applicant: Agribusiness Development Corporation (ADC)

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

BACKGROUND:

On November 2, 2022, the ADC Board of Directors approved the Land Management Policy & Procedure Manual (Manual).

Section 4.1 of the Manual states:

Rent Setting Policy

Rent shall be based on agricultural fair market appraised value, however, the ADC Board may modify the rent rates and schedules, if appropriate.

Section 4.4 of the Manual states:

License Re-opening

In general, it shall be the policy of ADC to issue Licenses with re-opening clauses for the purpose of adjusting the rental rate, every five years with an escalator at 2.5% of current rent. Exceptions may be made with appropriate justification and approval by the ADC Board.

In 2024, ADC staff commissioned a fair market rent appraisal of various lands located on the islands of Oahu and Kauai. Specifically, the properties to be appraised were ADC properties in Kalepa and Kekaha, on the island of Kauai, and Galbraith and Whitmore, on the island of Oahu. The Kauai and Oahu appraisals were received in August 2024.

The ADC Administration Committee was asked to review the appraisals and recommend new rental rates to be applied to new land license applicants. The Administration Committee met on October 11, 2024 and January 14, 2025. At the January 14, 2025 Administration Committee meeting, the Committee voted to recommend a new rental rate of \$1,800 per acre, per year for new land license agreements on Oahu. The Kauai rental rates will be discussed at the next Administration Committee meeting.

At the January 16, 2025 regular ADC Board meeting, the Administration Committee recommended that the Board establish the new Oahu rental rate at \$1,800 per acre, per year.

REQUEST:

Request to accept and approve the recommendation of the Administration Committee to update fair market rents for new agricultural rent rates for ADC properties on the island of Oahu, State of Hawaii, as follows:

<u>OAHU</u>				
DivAg	RENT	CAM	TOTAL	COMMENTS
Appraised	1,800	594	2,394	Appraisal Report dated August 2024 conducted by Medusky & Co., Inc. The report also indicates a water delivery charge of \$1.75/1,000 gal. (which is the current ADC rate for Bott Well system). Numbers indicated are \$/acre/year
Current	400	(var)	400	CAM for Galbraith farmers is variable based on toilet and security charges assessed to ADC on a montly basis.
Proposed	1,800	594	2,394	Based on appraisal report.

REMARKS & DISCUSSION:

The approximate amount of vacant land in Central Oahu that is not subject to current license agreements, and the potential amount of gross revenue to be generated are as follows:

<u>Central Oahu</u>	
Diversified Agriculture land	700 acres @ \$1,800/acre/year = \$1,260,000 annually
Common Area Maintenance	700 acres @ \$594/acre/year = \$415,800 annually

RECOMMENDATION:

Based on the foregoing, it is recommended that the Board:

1. Approve the Request to accept the Administrative Committees recommended rental rates for new land licenses for the island of Oahu.

Respectfully Submitted,

MARK H. TAKEMOTO
Senior Executive Assistant

Approved for Submittal:

Wendy Gady
Executive Director

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



E-4

WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OU LU AINA MAHIAI

MARCH 3, 2025

Subject: Request for approval to execute and enter a memorandum of understanding between the Agribusiness Development Corporation and the University of Hawai'i Community Design Center to develop a proof-of-concept study for a Feedlot on O'ahu.

Applicant: Agribusiness Development Corporation (ADC)

Authority: 163D-4(a)(5) and (15), Hawai'i Revised Statutes

BACKGROUND:

About the University of Hawai'i Community Design Center

The University of Hawai'i Community Design Center (UHCDC) is a collective of University of Hawai'i faculty, staff, and allied professionals across university departments and disciplines, assisted by student interns and recent graduates. UHCDC is a teaching practice and outreach initiative led by the School of Architecture that provides a new platform for students, staff, faculty, and partnered professionals to collaborate on interdisciplinary applied research, planning, and design projects that serve the public interest. Established in 2016, UHCDC offers a variety of services which include project alignment, engagement, communication, research, planning, and design services that provide stakeholders with data, analysis, prototypes, insights, resources, and visualizations that help to collectively guide and inform the next steps. They partner with state and county agencies, non-profit organizations, and community groups to provide proof of concept design, architectural design, community and neighborhood planning, community engagement, amongst other urban master planning and design work.

REQUEST:

Staff requests that the Board authorize the Executive Director to execute Memorandum of Understandings (MOUs) (Exhibit "A") between ADC and UHCDC to develop a proof-of concept study for a small animal feedlot on O'ahu. (Request).

OPERATIONAL PLAN:

UHCDC will assist ADC in developing a proof-of-concept study which includes but is not limited to pre-procurement research, planning, and design services, including site selection, stakeholder alignment, community engagement, applied research, conceptual planning, design investigations, prototyping, feasibility study, and preliminary costing to better define and fund the feedlot project ahead of contracting a professional planning and design team.

CONSERVATION PLAN:

N/A

Request for approval to execute and enter a memorandum of understanding between the Agribusiness Development Corporation and the University of Hawai'i Community Design Center to develop a proof-of-concept study for a Feedlot on O'ahu.

March 3, 2025

CHAPTER 343:

N/A

DISCUSSION:

Establishing a new small-animal feedlot facility on O'ahu will require a comprehensive strategic planning and design effort to research best practices and precedents; identify opportunities, market demands, and potential partnerships; and evaluate regulatory and operational compliance needs. This facility will address critical gaps in local meat processing capacity, enhance food security, and reduce reliance on imported meat. It will also support local ranchers and farmers, contribute to Hawaii's sustainable food system goals, and promote economic resilience for O'ahu's agricultural sector. An MOU will facilitate work between UHCDC and ADC to provide planning, engagement, feasibility study, and proof of concept services for a small-animal feedlot facility while also offering professional development opportunities for young professionals and students.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board approve the Request noted above.

Respectfully Submitted,

KEN NAKAMOTO
Project Manager

Approved for Submission:

Wendy Gady
Executive Director

MEMORANDUM OF AGREEMENT
BETWEEN
STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES
AND
THE UNIVERSITY OF HAWAII

PROJECT: ADC FEED FACILITY PROOF OF CONCEPT STUDY

This MEMORANDUM OF AGREEMENT (hereinafter referred to as “MOA”) is executed on the respective dates indicated below and effective _____, by and between the STATE OF HAWAII AGRIBUSINESS DEVELOPMENT CORPORATION (hereinafter referred to as “ADC”), whose business address is 235 S. Beretania Street, Suite 205, Honolulu, HI 96813, and the UNIVERSITY OF HAWAII (hereinafter referred to as “UH” or the “University”), whose business address is Bachman Hall, 2444 Dole Street, Honolulu, HI 96822, on behalf of the UNIVERSITY OF HAWAII COMMUNITY DESIGN CENTER (hereinafter referred to as “UHCDC”), whose business address is 2410 Campus Road, Room 101A, Honolulu, HI 96822. ADC and UH are each sometimes referred to herein individually as a “party” and collectively as the “parties.”

1. BACKGROUND

Hawaii’s livestock industry, inclusive of cattle, swine, poultry, goats and sheep, and aquaculture producers, is a significant contributor to Hawaii’s agricultural economy with livestock and livestock products accounting for nearly 25-30% of the state’s total agricultural sales.¹ However, Hawaii faces a significant shortage of locally produced livestock feed, creating a critical bottleneck for the state’s livestock and aquaculture industries. This issue stems from the decline of sugarcane and pineapple plantations in the late 20th century, which previously provided by-products for livestock feed. As these industries waned, Hawaii’s agricultural sector became increasingly dependent on imported feed, compounding costs and limiting local production capacity. The shortage continues to impact the competitiveness and sustainability of Hawaii’s livestock and aquaculture industries. The re-establishment of feed mill facilities in strategic areas across Hawaii could alleviate these challenges by producing affordable, locally sourced feed tailored to the specific needs of Hawaii’s diverse livestock and aquaculture sectors.

2. GOALS AND OBJECTIVES

UHCDC will provide a proof of concept study for a pilot feed mill facility on O’ahu to address the critical shortage of locally produced livestock feed in Hawaii. This study will include stakeholder engagement, applied research, site selection, and preliminary design and operational planning to explore the feasibility and potential impact of re-establishing local feed production. The facility will be tailored to the needs of Hawaii’s diverse livestock and aquaculture sectors, incorporating innovative feed production methodologies and sustainable practices.

3. AGRIBUSINESS DEVELOPMENT CORPORATION

Established in 1994, ADC’s role is to protect the future of agriculture in Hawaii by facilitating its transformation from a dual crop economy of sugar and pineapple to a multi-crop industry. Its mission is to acquire and manage, in partnership with farmers, ranchers and aquaculture groups, selected high-value lands, water systems and infrastructure for commercial agricultural use and to direct research into areas that will lead to the development of new crops, markets and lower production costs. Its responsibilities include transitioning former plantation lands and water systems to diversified long-term agricultural use, initiating and developing diversified agriculture facilities, and finding innovative solutions for issues facing the agricultural industry today.²

4. UNIVERSITY OF HAWAII COMMUNITY DESIGN CENTER

UHCDC is a service-learning program and teaching practice established and led by the UH School of Architecture, that provides a platform for applied research, planning, placemaking, and design involving UH faculty, staff,

¹ USDA National Agricultural Statistics Service, 2022 Census of Agriculture

² DBEDT website, July 1, 2024: <https://dbedt.hawaii.gov/adc/about-us/>

students, and partnered professionals across UH campuses, departments, and professional disciplines.

5. PROOF OF CONCEPT

Proof of Concept describes a scope of work that includes stakeholder involvement, applied research, conceptual planning, and design investigation that informs annual budget requests and procurement of design professionals. These services are preliminary and typically include but are not limited to a set of analyses, applied research, design schemes, criteria, and initial costs that assist with future project justification and project definition. Proof of Concept services are typically ahead of and not in lieu of design services provided by professional consultants. However; Proof of Concept services can be exercised concurrently with professional consultants to oversee the continuity of the Proof of Concept intents.

6. SCOPE OF WORK

UHCDC shall perform/oversee the following tasks:

Phase 1 Alignment and Research

- Meet with ADC to kick-off the project, introduce the project team, review expectations and work plan.
- Review all historical documentation and conduct research on Hawai'i's livestock feed production and dependency on imports.
- Review market analysis to understand feed demand by sector and any future demand projections.
- Identify existing local feed sources and supplement options (e.g., by-products from local agriculture and food processing).
- Examine feed production models locally, from other islands or regions for scalable best practices.
- Identify zoning, environmental, and permitting requirements for feed mill operations.
- Identify and map relevant state-owned and private assets suitable for the proposed project.
- Conduct relevant site visits, if feasible.
- Identify and plan stakeholder engagement sessions to understand needs, challenges, and opportunities.

Phase 2 Community Engagement and Field Analysis

- Develop presentation material and communication tools to keep the community and stakeholders engaged and informed.
- Host talk stories and focus groups to gather data on needs, gaps and other baseline numbers.
- Schedule visits to ranches, farms, and livestock operations to better understand producers' needs, challenges, and perspectives in their working environments.
- Compile an inventory of potential raw material sources and assess feasibility of integrating local agricultural by-products.
- Conduct outreach to relevant community partners, organizations, and stakeholders to identify challenges, concerns, and needs relative to the proposed facility.
- Engage with existing feed suppliers and agricultural processors to explore collaboration opportunities.

Phase 3 Synthesis and Conceptual Planning

- Synthesize client and stakeholder feedback towards a preferred site and preliminary design layouts.
- Identify key infrastructure needs (e.g., equipment, storage, wastewater systems).
- Conduct preliminary site analysis, including access to utilities, water systems, and transportation networks.
- Convene experts/consultants to advise on site selection and conceptual plans.
- Develop conceptual design options for the feed facility inclusive of site plan, floor plans, sections, diagrams, and renderings.

Phase 4 Design

- Present conceptual designs to client and key stakeholders to refine ideas and gather feedback.
- Finalize proof of concept plan and design.
- Develop cost estimates.
- Final Presentation/Report hand-off to ADC.

7. TENTATIVE SCHEDULE AND DELIVERABLES

A work plan will be submitted at the beginning of the project. Any revisions to the scope and schedule thereafter will

be revised and submitted for approval by UH CDC's and ADC's principal representatives. Upon written approval of any revised work plan, it shall be incorporated into and become a part of this MOA.

Month	Tasks	Deliverables
Phase 1		
Alignment and Research		
Month 1	Kick off with ADC	Work plan and Meeting minutes
Month 1	Research and literature/document review	
Month 2	Examine feed demand and production models	Mapping
Month 2	Best practice and data collection	
Month 2	Identify suitable assets for pilot site	
Phase 2		
Community Engagement and Field Analysis		
Month 3	Develop engagement materials	Communication tools
Month 3	Host outreach/listening (talk stories)	
Month 3	Inventory raw material sources	Site visits Preliminary Engagement Record
Months 3-4	Conduct site visits and field assessments	
Months 3-4	Engage feed suppliers and producers	
Months 3-4	Site research and identify needs/gaps	
Phase 3		
Synthesis and Conceptual Planning		
Months 5	Develop preliminary program plan	Preliminary design layouts
Month 6	Client and stakeholder synthesis	
Month 7	Convene experts for consultation	
Phase 4		
Design		
Month 8	Refine conceptual designs	Design study Final Report and cost estimate
Month 9	Final proof of concept plan and design	
Month 9	Final Report	

8. EXCLUSIONS (NOT IN PROJECT SCOPE)

As-builts/ on-site measurements of existing buildings other than interior tenant space
 Archeological Services
 Life Cycle Cost Assessment
 Engineering services (Civil, Surveyor, Structural, Electrical, Mechanical, Geotech/Soils, Acoustic, Traffic, Ocean, or other) other than what is indicated
 Cultural or Environmental Assessment, EIS, EA, CIS
 HAZMAT testing
 LEED or other certification program services
 Permitting services/Third Party Review
 Topographic Survey
 Testing (Toning, water flow, water quality, or other)
 Any other consultant or partner not listed above or in cost breakdown
 Any presentation, submittal, service, or report not listed above

9. BUDGET AND PAYMENT SCHEDULE

The total price for this MOA shall not exceed TWO HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$225,000.00). See the Budget and Payment Schedule, attached hereto and incorporated herein as Attachment 1. Total project expenses will include a 12.5% overhead to support UH CDC and School of Architecture fiscal and administrative support, space, outreach, and communications.

Upon satisfactory completion of the work described above in Section 6 (Scope of Work) and Section 7 (Tentative Schedule and Deliverables), payments will be made in accordance with the Budget and Payment Schedule (Attachment 1). All UH expenditures shall comply with all University policies and procedures.

The University will invoice ADC for deliverables according to the payment schedule indicated in Attachment 1. ADC shall remit payment by check, funds transfer, or other mechanisms arranged and agreed upon by both parties in writing to University of Hawai'i School of Architecture, 2410 Campus Road, Room 200, Honolulu, HI 96822. Each payment must reference the invoice number and project title for purposes of identification. Payments can be made

by check to "University of Hawaii" with UHDCDC account #MA 3400259 in the memo line. Payments can also be transferred directly into that account.

10. NO PARTNERSHIP

UHDCDC and ADC are independent contractors, and neither is an agent, joint venturer, or partner of the other. Each party shall maintain sole and exclusive control over its personnel and operations.

11. INTERGOVERNMENTAL COMMUNICATIONS

To provide for consistent and effective communication between UHDCDC and ADC, each party shall appoint a Principal Representative/Principal Investigator to serve as the central point of contact for communication on matters relating to services to be provided through this MOA. Principal Representatives may differ for different parts of the scope of work. A detailed work plan for each scope item will include the appropriate Principal Representative to serve as the central point of contact.

UHDCDC PRINCIPAL REPRESENTATIVE/PRINCIPAL INVESTIGATOR

Kara Kimi Makaiau
Principal Investigator
2410 Campus Road Room 101A
Honolulu, HI 96822
(808) 956-4704
kmakaiau@hawaii.edu

Cathi Ho Schar, FAIA LEED-AP
Associate Professor, Director
UHM School of Architecture
2410 Campus Road Room 101A
Honolulu, HI 96822
(808) 956-4704
cathi@hawaii.edu

ADC PRINCIPAL REPRESENTATIVES/POINTS OF CONTACT:

Wendy Gady
Executive Director
235 S. Beretania Street #205
Honolulu, HI 96813
(808) 586-0186
wendy.l.gady@hawaii.gov

Ken Nakamoto
Project Manager
235 S. Beretania Street #205
Honolulu, HI 96813
(808) 586-0087
Ken.T.Nakamoto@hawaii.gov

12. INTELLECTUAL PROPERTY

All privileges and rights with respect to the use or ownership of any patent, copyright, trademark or other form of intellectual property authored or invented by University faculty or staff in the performance of this MOA shall be governed by UH's policies and procedures on patents and copyrights, and where applicable, the relevant provisions of any collective bargaining agreement for UH faculty and employees.

The parties shall confer in good faith to resolve any difference regarding ownership or use of intellectual property. If

the differences are not resolved to their mutual satisfaction, any party may immediately terminate or rescind this MOA upon written notice to the other party.

The UHCDC, Principal Representatives/Principal Investigators, associated faculty, students, and partners involved in the project shall be credited for the appropriate scope of work provided in any public representation of the work or as agreed upon in the MOA.

The UHCDC, Principal Representatives/Principal Investigators, associated faculty, students, and partners involved in the project shall have the right to include and represent this work in their academic and professional portfolios, conference papers and presentations, speaking events, awards or recognition related submittals, unless otherwise agreed upon.

ADC, pursuant to procurement regulations and requirements, shall have sole ownership of all work and products generated and/or completed under this MOA, unless specified otherwise by written mutual agreement between ADC and UHCDC.

13. AMENDMENT, MODIFICATION AND TERMINATION

This MOA may be modified or amended only by written, mutual agreement of the parties. Either party may terminate this MOA by providing written notice to the other party. The termination shall be effective thirty (30) calendar days following written notice, unless a later date is set forth by mutual agreement. In the event of termination:

- UHCDC shall be responsible for the completion of deliverables specified in this MOA for work undertaken up to the point of receipt of a written notice to terminate this MOA, unless mutually agreed otherwise by the parties.
- UHCDC shall be responsible for transferring any on-going work to ADC as a result of the termination of the MOA.
- ADC shall be responsible for paying for any costs incurred and non-cancellable commitments for labor and completed deliverables made by UHCDC under this MOA up to the point of receipt of a written notice to terminate this agreement, unless mutually agreed otherwise by the parties.

14. EFFECTIVE DATE

This MOA shall be effective from the effective date as set forth above and shall remain valid until the project is completed and all payments have been made, or until either party terminates the MOA, whichever comes first.

15. EXECUTION

The MOA may be executed by the parties in counterparts, all of which taken together shall be deemed one and the same instrument. Signatures transmitted by facsimile or via email in a PDF format shall have the same force and effect as original signatures on this MOA.

(The remainder of this page is left intentionally blank. Signature page(s) to follow).

16. APPROVALS

In Witness Whereof, the parties have caused this Memorandum of Agreement to be executed by their duly authorized representatives by their signatures below.

<p>FOR THE UNIVERSITY OF HAWAI'I</p> <p>By: _____ Wendy Hensel President, University of Hawai'i Date:</p> <p>RECOMMEND APPROVAL</p> <p>By: _____ William Chapman Interim Dean, UHM School of Architecture Date:</p> <p>By: _____ Cathi Ho Schar Associate Professor, UHM School of Architecture Director, University of Hawai'i Community Design Center Date:</p> <p>By: _____ Kara Kimi Makaiau Principal Investigator University of Hawai'i Community Design Center Date:</p>	<p>FOR THE AGRIBUSINESS DEVELOPMENT CORPORATION</p> <p>By: _____ Wendy Gady Executive Director Date:</p>
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Attachment 1: Budget and Payment Schedule

2/27/2025

ADC Feed Facility Proof of Concept Study

BUDGET AND PAYMENT SCHEDULE

Subject to all UH policies and procedures

STUDENTS	weeks	hours/week	rate	#	subtotal	fringe .17%	subtotal	totals
Phase 1 - Alignment	9	15	\$21.25	2	\$5,737.50	\$9.75	\$5,747.25	
Phase 2 - Community engagement	9	15	\$21.25	2	\$5,737.50	\$9.75	\$5,747.25	
Phase 3 - Synthesis	9	15	\$21.25	2	\$5,737.50	\$9.75	\$5,747.25	
Phase 4 - Proof of concept	9	15	\$21.25	2	\$5,737.50	\$9.75	\$5,747.25	
Subtotal								\$22,989.00
STAFF	weeks	hours/week	rate	#	subtotal	fringe 63.47%		
Phase 1 Proj Designer APT Band B	9	25	\$30.29	2	\$13,630.50	\$8,651.28	\$22,281.78	
Phase 2 Proj Designer APT Band B	9	25	\$30.29	2	\$13,630.50	\$8,651.28	\$22,281.78	
Phase 3 Proj Designer APT Band B	9	20	\$30.29	2	\$10,904.40	\$6,921.02	\$17,825.42	
Phase 4 - Proj Designer APT Band B	9	20	\$30.29	2	\$10,904.40	\$6,921.02	\$17,825.42	
Phase 1 Project Manager APT B	9	20	\$45.92	1	\$8,265.60	\$5,246.18	\$13,511.78	
Phase 2 Project Manager APT B	9	20	\$45.92	1	\$8,265.60	\$5,246.18	\$13,511.78	
Phase 3 Project Manager APT B	9	20	\$45.92	1	\$8,265.60	\$5,246.18	\$13,511.78	
Phase 4 - Project Manager APT B	9	20	\$45.92	1	\$8,265.60	\$5,246.18	\$13,511.78	
Phase 1-4 Admin Officer	36	2	\$32.55	1	\$2,343.60	\$1,487.48	\$3,831.08	
Subtotal								\$138,092.60
SUBCONTRACTORS								
Cost Estimate (allowance)						\$6,500.00		
Graduate Research Assistant						\$22,000.00		
Subtotal								\$28,500.00
TRAVEL / STIPEND				#travelers	subtotal	#trips		
Site Visits - Neighbor island for precedent sites				5	\$600.00	2	\$6,000.00	
Mileage							\$250.00	
								\$6,250.00
MATERIALS AND SUPPLIES								
Phase 1-4 - Meeting materials and workshop food, supplies, participation tokens							\$2,162.18	
Subtotal								\$2,162.18
PUBLICATION/REPRODUCTION					subtotal	#cities		
Printing to cover all internal and external reproduction for fliers, meetings, workshops, or final documents							\$2,006.22	
Subtotal								\$2,006.22
SUBTOTAL DIRECT COSTS								\$200,000.00
UHDCDC OH (12.5%)								\$25,000.00
SUBTOTAL ALL COSTS								\$225,000.00
TOTAL								\$225,000.00
PAYMENT SCHEDULE				Invoice		Due upon submittal of deliverables below:		
Payment 1 - Phase 1	0.5		\$112,500.00			Due upon execution of contract and submission of work plan		
Payment 2 - Phase 2	0.2		\$45,000.00			Due upon submittal of Phase 2 deliverables including preliminary engagement record		
Payment 3 - Phase 3	0.2		\$45,000.00			Due upon completion of Phase 3 deliverables including preliminary design layouts		
Payment 4 - Phase 4	0.1		\$22,500.00			Due upon submittal and presentation of all project deliverables including Final Report and cost estimate		

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-5

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
February 20, 2024

Subject: Request for approval to terminate Revocable Permit No. RP19-01 issued to Helemano Farms LLC for Building WW-M in Whitmore Village, District of Wahiawa, City and County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-002:009 (por.)

Applicant: Agribusiness Development Corporation (ADC)

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

Area: 1,500 square feet

Field No(s): Building WW-M (Premises)

Tax Map Key: (1) 7-1-002:009 (Property)

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2013

Trust Land Status: Section ___ lands of the Hawaii Admission Act
Yes No
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes No

Zoning: SLUD: Agricultural
CZO: AG-1

Character of Use: Agricultural

Land Doc. Type: Revocable Permit

Term: 1 year (renews annually)

Rental Rate \$0.10 per square foot per month
Annual Rent: \$1,800/year

Request for approval to terminate Revocable Permit No. RP19-01 issued to Helemano Farms LLC for Building M in Whitmore Village, District of Wahiawa, City and County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-002:009 (por.)
February 20, 2025

BACKGROUND:

Permittee has been a tenant on the Property, in one form or another, since 2003. However, Revocable Permit No. RP19-01 (Permit) issued to Helemano Farms LLC (Permittee) for Building WW-M (Premises) was issued and effective on October 25, 2019.

ADC acquired the Property in 2013 from Castle & Cooke, Inc. which, at the time, included a number of current tenants. Those tenants were later converted to short term agreements to accommodate ADC's master plan for the Property in the form of the current Central Oahu Agriculture and Food Hub project (COAFH). Phase 1 of that project includes the Hawaii Department of Accounting and General Service (DAGS) construction project to build a central access road and install utilities for COAFH. DAGS construction was anticipated to have begun in February 2025, however the start of construction has been slightly delayed.

REQUEST:

Staff requests that the Board terminate Revocable Permit No. RP19-01 effective March 24, 2025, and require Permittee to vacate the Premises (Request).

OPERATIONAL PLAN:

Permittee currently uses the Premises to store farm equipment for his Christmas tree farm operation on other adjacent premises.

CONSERVATION PLAN:

N/A

CHAPTER 343:

Under section 343-5(a), Hawaii Revised Statutes, an environmental assessment shall be required for actions, that propose, among other things, the "(1) use of state land or county lands, or the use of state or county funds[.]" In this case, the action does not trigger the requirement to conduct an environmental assessment because it does not propose a new use of state lands.

DISCUSSION:

Permittee is currently a tenant in good standing with no outstanding violations or delinquencies. Approval of this request would represent a loss of \$1,500/year to ADC's revenue stream.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board:

1. Approve the Request.

Request for approval to terminate Revocable Permit No. RP19-01 issued to Helemano Farms LLC for Building M in Whitmore Village, District of Wahiawa, City and County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-002:009 (por.)
February 20, 2025

Respectfully Submitted,

LYLE ROE
Asset Manager

Approved for Submittal:

Wendy Gady
Executive Director

Attachment(s)
Exhibit A Map



STATE OF HAWAII
AGRIBUSINESS
DEVELOPMENT CORPORATION

EXHIBIT A
Whitmore
Village



Building WW-M
TMK (1) 7-1-002:009
Helemano Farms LLC



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community. This work is licensed under the Esri Master License Agreement. View Summary | View Terms of Use. Export: This layer is not intended to be used to export tiles for offline. Esri, USGS This map was developed by the Agribusiness Development Corporation, State of Hawaii.

STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
February 20, 2025

Subject: Request for approval to issue a right of entry agreement to Hawaiian Telcom to conduct reasonable site exploration and surveying for the purpose of constructing a telecommunication line; Wahiawa, City & County of Honolulu, State of Hawaii, TMK (1) 7-1-002:004.

Applicant: Hawaiian Telcom (Applicant)

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

Area: N/A

Field No(s): Whitmore, 257 acres

Tax Map Key: (1)7-1-002:004 (Property)

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2013

Trust Land Status: Section 5(b) lands of the Hawaii Admission Act
Yes No
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes No

Zoning: SLUD: Agricultural
CZO: AG-1

Chapter 343: In accordance with the Comprehensive Exemption List for the Agribusiness Development Corporation dated May 1, 2018, this request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 10.

Character of Use: Preliminary Engineering

Land Doc. Type: Right-of-Entry

Term: Until December 31, 2025

Rental Rate: \$0.00
Annual Rent: \$0.00/year

Request for approval to issue a right of entry agreement to Hawaiian Telcom to conduct reasonable site exploration and surveying for the purpose of constructing a telecommunication line; Wahiawa, City & County of Honolulu, State of Hawaii, TMK (1) 7-1-002:004.

February 20, 2025

BACKGROUND:

On January 8, 2025, ADC received a request from Hawaiian Telcom for a Right-of Entry to conduct exploratory work and preliminary engineering, which includes topographic surveying, painting and flagging points of interest, hand clearing of grass and brush, and locating existing ground conditions, structures, and infrastructure for a future interoffice cable from Hawaiian Telcom’s Central Office to the Naval Computer and Telecommunications Area (NCTAMS) in Wahiawa, Hawaii.

REQUEST:

Hawaiian Telcom requests a right-of-entry (ROE) through ADC Whitmore lands for Hawaiian Telcom and its contractors. (see proposed route shown in Exhibit “A”) (Request).

OPERATIONAL PLAN:

The Right-of Entry will provide Hawaiian Telcom legal access to enter the property and perform survey work to explore a potential alignment for two four-inch duct lines to be installed via horizontal directional drilling.

CONSERVATION PLAN:

N/A

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT COMPLIANCE:

Under Hawaii Revised Statutes (HRS) §343-5(a), an environmental assessment shall be required for actions, as summarized in part below, that propose:

(1) use of state land or county lands, or the use of state or county funds; (2) use within any land classified as a conservation district; (3) use within a shoreline area; (4) use within any historic site as designated in the National Register or Hawaii Register; (5) use within the Waikiki area of O‘ahu; (6) any amendments to existing county general plans where the amendment would result in designations other than agriculture, conservation, or preservation; (7) any reclassification of any land classified as a conservation district; (8) construction of new or the expansion or modification of existing helicopter facilities within the State, that may affect: (A) any land classified as a conservation district; (B) a shoreline area; or (C) any historic site as designated in the National Register or Hawaii Register; (9) any (A) wastewater treatment unit, except an individual wastewater system or a wastewater treatment unit serving fewer than fifty single-family dwellings or the equivalent; (B) Waste-to-energy facility; (C) Landfill; (D) Oil refinery; or (E) Power-generating facility.

The project triggers an environmental assessment because it proposes (1) the use of state or county lands or the use of state or county funds and (2) use within the conservation district.

In accordance with the Comprehensive Exemption List for the Agribusiness Development Corporation dated May 1, 2018, the subject Request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 10, item 9, which includes “Creation or termination of easements, covenants, or other rights in structures or land;” The Request is a de

Request for approval to issue a right of entry agreement to Hawaiian Telecom to conduct reasonable site exploration and surveying for the purpose of constructing a telecommunication line; Wahiawa, City & County of Honolulu, State of Hawaii, TMK (1) 7-1-002:004.

February 20, 2025

minimis action that will probably have minimal or no significant effect on the environmental and should be declared exempt from the preparation of an environmental assessment.

REMARKS & DISCUSSION:

Under this Right-of Entry, Hawaiian Telecom plans to conduct preliminary engineering and survey work for the future construction of telecommunication lines. Other than staff time, it is not expected that the Right-of-Entry will cause any significant fiscal impact.

RECOMMENDATION:

Based on the foregoing, it is recommended that the Board:

1. Approve the Request, subject to the following conditions:
 - a. ROE may include access through any portions of the property that are licensed to tenants; and
 - b. ROE shall terminate on December 31, 2025; and
 - c. Hawaiian Telecom shall coordinate all ingress and egress through the property with ADC and its tenant.
2. Declare that, pursuant to ADC's Comprehensive Exemption List dated May 1, 2018, the proposed disposition will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment, pursuant to Chapter 343, Hawaii Revised Statutes.

Respectfully Submitted,

Ken Nakamoto
Project Manager

Approved for Submittal:

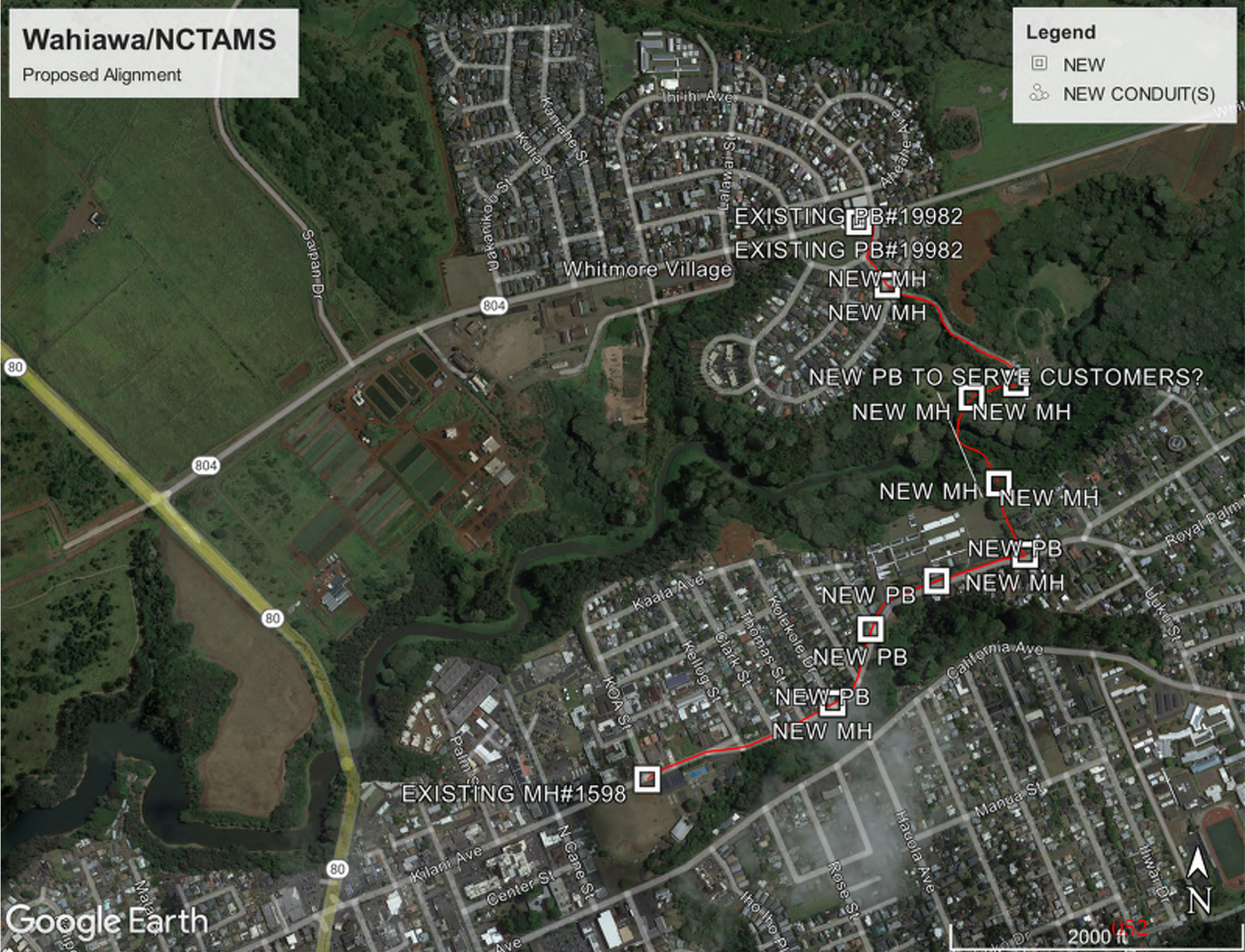
Wendy Gady
Executive Director

Wahiawa/NCTAMS

Proposed Alignment

Legend

- NEW
- NEW CONDUIT(S)



EXISTING PB#19982

EXISTING PB#19982

NEW MH

NEW MH

NEW PB TO SERVE CUSTOMERS?

NEW MH

NEW MH

NEW MH

NEW MH

NEW PB

NEW PB

NEW MH

NEW PB

NEW PB

NEW MH

EXISTING MH#1598



STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

F-1

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
February 20, 2025

Subject: Presentation by Hawaii Sustainable Agricultural Products, LLC on their land utilization plan for 234.031 gross acres of land located in Paalaa Uka, District of Waialua, City and County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 6-4-004:008; and :006

Applicant: Hawaii Sustainable Agricultural Products, LLC

Area: 234.031 gross acres (162.271 usable acres)

Field No(s): PU-12, PU-13

Tax Map Key: (1) 6-4-004:008; and :006 (Property) (Exhibit B)

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2017

Trust Land Status: Section ___ lands of the Hawaii Admission Act
Yes No
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution?
Yes No

Zoning: SLUD: Agricultural
CZO: AG-1

Character of Use: Diversified Agriculture

Land Doc. Type: N/A

Term: N/A

Rental Rate: N/A

Presentation by Hawaii Sustainable Agricultural Products, LLC on their land utilization plan for 234.031 gross acres of land located in Paalaa Uka, District of Waialua, City and County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 6-4-004:008; and :006;
February 20, 2025

BACKGROUND:

On March 4, 2021, the Agribusiness Development Corporation (ADC) issued a Request for Applications for nearly 1,500 acres of undeveloped agricultural land on the island of Oahu. ADC received over thirty applications for the five parcel locations, among them were applications for multiple properties from Hawaii Sustainable Agriculture Products, LLC (HSAP).

The following information about the subject property was listed in the Request for Applications dated March 4, 2021:

Whitmore Lands (North), Kamehameha Hwy., TMK(s) 6-4-004-006 & 008

- A. Size: 234 Gross Acres, approximately 162 acres is usable for diversified farming
- B. Location: Whitmore Village, Oahu, Kamehameha Hwy access to the property is currently blocked by concrete jersey barriers. Access road via Saipan Rd is in poor condition due to muddy and uneven road.
- C. Water Source: Dole's Tanada Reservoir (surface water) located 200 feet more or less from the property line. Licensee will need to procure an agreement from Dole to use water from Tanada Reservoir. The Licensee is also responsible for the development of the irrigation water infrastructure, which includes a pump, filter station, waterlines, and a reservoir/water storage, and other equipment needed to transport water from Dole's reservoir to the site.
- D. Condition of property: Property is fairly clear of debris and rubbish, however, it is overgrown with grass and trees. The land will require clearing before any agricultural activities can begin and will be issued "as is." The Licensee is responsible for developing the land in accordance with applicable laws and license provisions.

The following are the general license provisions for diversified agriculture:

- Starting at \$100-\$200/acre/year
- Up to 35-year term
- Must submit an approved conservation plan
- Licensee is responsible for the development of the water infrastructure
- Licensee is responsible for obtain approvals or permits for ingress/egress
- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

The following are the general license provisions for cattle ranching:

- Starting at \$11-\$15/acre/year
- 5 years with an option to renew
- Licensee is required to install cattle fencing at its own cost
- Licensee is responsible for the development of the water infrastructure
- Licensee is responsible for obtain approvals or permits for ingress/egress

Presentation by Hawaii Sustainable Agricultural Products, LLC on their land utilization plan for 234.031 gross acres of land located in Paalaa Uka, District of Waialua, City and County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 6-4-004:008; and :006;
February 20, 2025

- No subletting, except as approved by ADC
- No permanent structure or residential dwellings shall be allowed
- Rent credit for improvements to the land may apply, if approved by ADC

ADC's Board of Directors (Board) subsequently ranked all the applicants and approved six of the highest-scoring applicants to farm the five parcel locations. On September 29, 2021, the Board selected HSAP to farm the subject property (Exhibit A).

On October 8, 2021, ADC issued a Right-of-Entry (ROE) (see Exhibit B) to allow HSAP to access the property prior to the issuance of a land license to conduct field work consisting of securing the property, reasonable land preparation, soil conservation planning, and crop field tests. Under the ROE, HSAP completed their soil conservation plan and procured commercial liability insurance. Access to the property has been available to HSAP for over three years at no cost.

REQUEST:

N/A

OPERATIONAL PLAN:

N/A

CONSERVATION PLAN:

N/A

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT COMPLIANCE:

N/A

REMARKS & DISCUSSION:

In late 2022, HSAP contacted Dole Food Company, Inc. (Dole) to seek water service to the Property. Dole declined to issue a water facility use agreement to HSAP directly, preferring that ADC, as the landowner, be the entity responsible for payment.

In February 2023, ADC began exchanging proposed water use agreements with Dole. By July 2023, ADC and Dole had created a 10-page document entitled "WATER FACILITY AGREEMENT", which after a few more drafts, was approved for signature by ADC on August 3, 2023.

Dole submitted an amended version of the document to ADC on August 10, 2023. ADC objected to the changes and asked Dole to revert to the August 3, 2023, version. ADC did not hear from Dole until October 16, 2023, when Dole sent another amended version of the document to ADC. This version was likewise unacceptable to ADC. ADC asked Dole to revert to the August 3, 2023, version. On November 7, 2023, Dole sent another amended version of the document to ADC, which ADC also found unacceptable. ADC provided comments to Dole on suggested changes. It should be noted that each time Dole amended the proposed Water Facility Agreement, Dole requested additional concessions from ADC. On December 19, 2023, ADC contacted Dole

Presentation by Hawaii Sustainable Agricultural Products, LLC on their land utilization plan for 234.031 gross acres of land located in Paalaa Uka, District of Waialua, City and County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 6-4-004:008; and :006;
February 20, 2025

to ask if the proposed changes were acceptable. ADC contacted Dole again on January 22, 2024, to inquire on the status of the proposed Water Facility Agreement, at which time Dole professed to be working on getting the final draft approved. The Water Facility Agreement was executed on May 1, 2024 (See Exhibit C).

Given the time that had passed since the issuance of the ROE, ADC sent a letter to HSAP on January 23, 2025, to inquire about their interest in pursuing a land license. In a letter dated January 31, 2025, HSAP stated they were still interested in pursuing the license and requested to review the Water Facility Agreement as it would influence their final decision. On February 3, 2025, ADC staff followed up HSAP via email about whether they made a final decision. HSAP responded on February 4, 2025 stating the following concerns affecting their final decision, 1) the prices of water since the prices which we were quoted to us (2 years ago) were less than 50% of what Dole has offered ADC in this agreement, 2) the entire site is covered by 10 foot tall Guinea grass and very tall (up to 100 feet) invasive trees such as African Tulips, Albizia trees, etc., and 3) that the higher cost of water and clearing expenses could only be partially absorbed if it is offset by the rent moratorium in the first few years and reduced rent afterwards. ADC Staff informed HSAP to accommodate such a request, the matter must be brought before the ADC Board of Directors since this information was not included in their original proposal dated April 27, 2021. For these reasons, ADC requested that HSAP present its updated proposal to the ADC Board of Directors.

RECOMMENDATION(S):

N/A

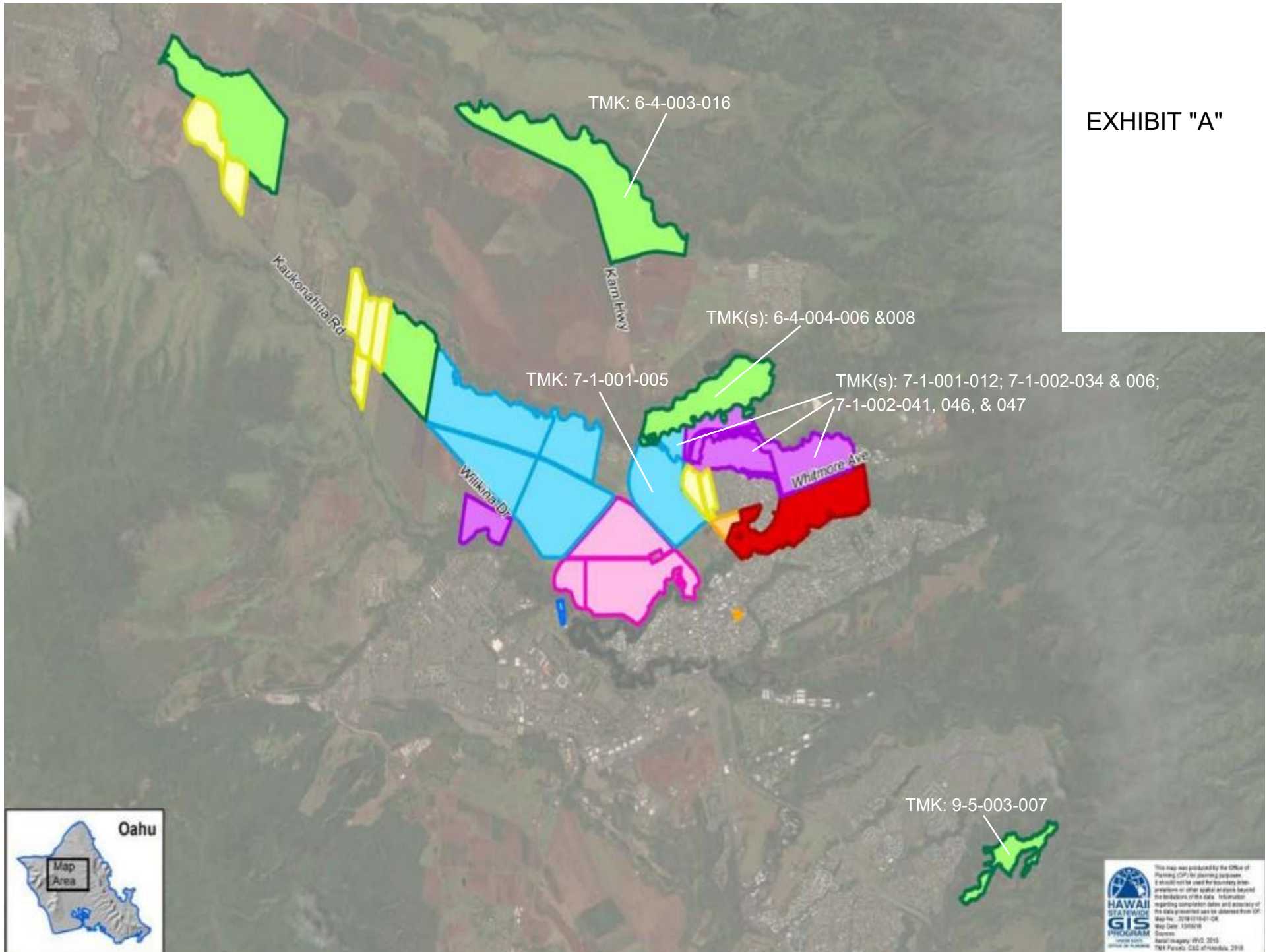
Respectfully Submitted,

KEN NAKAMOTO
Project Manager

Approved for Submittal:

Wendy Gady
Executive Director

EXHIBIT "A"



RIGHT-OF-ENTRY AGREEMENT

THIS RIGHT-OF-ENTRY AGREEMENT ("Agreement") is made and entered into by and between HAWAII SUSTAINABLE AGRICULTURAL PRODUCTS, LLC whose mailing address is 500 Ala Moana Blvd , Ste 7400, Honolulu, Hawaii 96813, hereinafter called "GRANTEE", and the AGRIBUSINESS DEVELOPMENT CORPORATION whose mailing address for the purpose of this agreement is 235 S Beretania St., Room 205, Honolulu, HI 96813, hereinafter called "ADC"

WITNESSETH

WHEREAS, GRANTEE requires a right-of-entry in and to that certain property located at Wahiawa, Oahu, identified as Tax Map Key number (1) 6-4-004-006 and (1) 6-4-004-008, which is more particularly outlined on the attached Exhibit "A" ("Project Area"), for fieldwork consisting of securing the property, reasonable land preparation, soil conservation planning, and crop field tests ("Fieldwork"), and,

WHEREAS, ADC is the present owner of the said parcels containing the Project Area, and;

WHEREAS, ADC agrees to allow GRANTEE, along with its agents, contractors and consultants (collectively "Grantee's Agents"), entry onto the Project Area for the purposes of conducting Fieldwork for the development of the Galbraith Agricultural Lands,

NOW, THEREFOR, in consideration of the premises and the covenants contained herein, and other good and valuable consideration given, the parties hereto mutually agree as follows:

1. ADC hereby grants to GRANTEE and Grantee's Agents a non-exclusive revocable right of entry to enter onto the Project Area for the purposes of conducting Fieldwork. Any infrastructure improvements must be approved in advance by ADC in writing. All costs and expenses incurred or to be incurred with respect to the Fieldwork in connection with this right of entry shall be borne by GRANTEE. GRANTEE agrees that it and Grantee's Agents do not and shall not claim at any time any real property interest in the Project Area, and this Agreement is not a lease or grant of an easement.

2. The term of this right of entry shall commence upon the date this Agreement is fully executed, as stated below, and shall expire upon completion of the Fieldwork, until a long-term agreement between Grantee and ADC is entered into, or until this Agreement is earlier terminated pursuant to paragraph 11.

3. The GRANTEE and Grantee's Agents shall maintain and exercise due care in the performance of its Fieldwork and shall practice preventive measures to minimize any disturbance to the Project Area and surrounding property.

4. The GRANTEE shall provide ADC with no less than two weeks written notice prior to the commencement of any Fieldwork activity and shall coordinate said activities with ADC. Written notice shall be given to the Executive Director at 235 S. Beretania St., Room 205, Honolulu, HI 96813, or via email at james.nakatani@hawaii.gov. Email notification is acceptable.

5. The GRANTEE and Grantee's Agents are responsible for coordinating access through locked gates with ADC as applicable.

6. GRANTEE and Grantee's Agents shall not cause or permit the escape, disposal or release of any hazardous materials except as permitted by law. GRANTEE and Grantee's Agents shall not allow the storage or use of such materials in any manner not sanctioned by law or by the usual and customary standards prevailing in the industry for the storage and use of such materials, nor allow to be brought onto the project area any such materials except to use in the ordinary course of GRANTEE's and Grantee's Agents' business, and then only after written notice is given to ADC of the identity of such materials and upon ADC's consent which consent may be withheld at ADC's sole and absolute discretion. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by GRANTEE or Grantee's Agents, then the Grantee shall be responsible for the reasonable costs thereof. In addition, GRANTEE or Grantee's Agents shall execute affidavits, representations and the like from time to time at ADC's request concerning GRANTEE's or Grantee's Agents' best knowledge and belief regarding the presence of hazardous materials on the Project Area placed or released by GRANTEE and Grantee's Agents. GRANTEE or Grantee's Agents shall have the opportunity to approve the exact form of the affidavit or representation in advance. Any such affidavit or representation made by GRANTEE or Grantee's Agents shall not be construed as nor intended as a warranty or guarantee of any kind.

7. GRANTEE and Grantee's Agents agree to indemnify and hold ADC harmless, from any damages and claims resulting from the release of hazardous materials on the project area occurring while GRANTEE and Grantee's Agents are in possession, or elsewhere to the extent caused by GRANTEE or Grantee's Agents. These covenants shall survive the expiration or earlier termination of this Agreement.

For purposes of this Agreement, "hazardous material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date hereof, previously enforced, or subsequently enacted.

8. GRANTEE and Grantee's Agents agree to indemnify, release and hold harmless ADC from and against any and all costs, claims, suits, fines, damages, or causes of action of any kind for injury of any kind to any person, or damage to any property

of any kind occasioned, in whole or in part, to the extent caused by any actions or omissions arising from or relating to the exercise of this agreement or the non-observance of the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments. Further, ADC does not make any representation as to the present or future condition of the Project Area and GRANTEE and Grantee's Agents agree that ADC shall not be liable should GRANTEE or Grantee's Agents suffer injury to its personnel or damage to its property as a result of work conducted upon the Project Area pursuant to this Agreement.

9. GRANTEE shall take every reasonable precaution to preserve and leave unaltered all places, if any, of historic and/or archaeological interest. In the event of any discovery of any unanticipated burial sites or remains, such as bone or charcoal deposits, human burials, rock or coral alignments, paving or walls, GRANTEE and Grantee's Agents shall stop work and contact the State Historic Preservation Division in Kapolei at (808) 692-8015 immediately.

10. Any failure or breach by GRANTEE or Grantee's Agents to abide by the terms and conditions set forth herein shall constitute a breach of this Agreement; upon written request, GRANTEE shall be afforded a reasonable period of time within which to cure said breach, such remedial cure to be determined by the ADC as acceptable to avoid breach. In the event additional costs are incurred by the ADC as a result of a breach of this agreement, the GRANTEE shall pay all costs, including reasonable attorney's fees and expenses incurred by or imposed on the ADC; furthermore, the GRANTEE shall pay all costs, including reasonable attorney's fees and expenses, which may be incurred by or paid by the ADC in enforcing the covenants and conditions of this agreement, or in the collection of delinquent rental, fees, taxes, and any and all other applicable charges attributed to the exercise of this Agreement.

11. Notwithstanding any other provision contained herein, this Agreement is revocable at the will of the ADC, and can be canceled or terminated at any time and for any reason, including any breach of default hereunder, upon thirty (30) days written notice, sent via US Postal Service, first class mailing, to GRANTEE at the address listed above.

12. In the event this Agreement is terminated as provided herein, GRANTEE shall immediately remove any and all of its property physically located in the Project Area; any property not timely removed shall be deemed abandoned by GRANTEE, and ADC shall have the right to dispose of the property in any commercially reasonable manner.

13. Paragraphs 6, 7, and 8 shall survive the termination of this right-of-entry and shall be binding on the parties, successors and assigns.

14. GRANTEE and Grantee's Agents shall carry and maintain at their sole cost and expense the following insurance policies and coverage below.

a. Comprehensive general liability insurance, including contingent liability, contractual liability and products and completed operations liability, covering all activities conducted on the Project Area. The limits of liability shall be not less than:

Bodily Injury and Property Damage Liability \$1,000,000 each occurrence / \$1,000,000 aggregate.

If the policy is written on a "claims made" form, it shall provide for an extended reporting period of not less than three (3) years.

b. Comprehensive automobile liability insurance covering all owned, hired or non-owned vehicles, including the loading or unloading thereof on the Project Area.

c. Worker's compensation insurance affording statutory limits, and employers' liability coverage with limits of no less than \$500,000 covering all persons admitted to the Project Area under the terms of this Agreement.

15. The GRANTEE shall not assign or transfer any right under this Agreement without the written consent of the ADC

16. The GRANTEE, in the exercise of the rights granted herein, shall comply with all of the requirements of federal, state, and county authorities and shall observe all county ordinances and state and federal laws, rules and regulations, now in force or which may hereinafter be in force

17. This Agreement shall be governed by the laws of the State of Hawaii in effect on the date noted below without reference to the principles governing conflict of laws or choice of laws applicable in any other jurisdiction

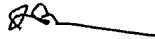
18. This Agreement may not be amended or modified in any respect except by an instrument in writing executed by the parties.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Right-of-Entry Agreement this 8 day of October, 2021

AGRIBUSINESS DEVELOPMENT CORPORATION

HAWAII SUSTAINABLE AGRICULTURAL PRODUCTS, LLC, a limited liability company

By: 
James J. Nakatani
Its: Executive Director

By: *Nick Azari*
Nasser Azari
Its: President

Approved as to form:

Delanie Prescott-Tate
Deputy Attorney General

EXHIBIT A

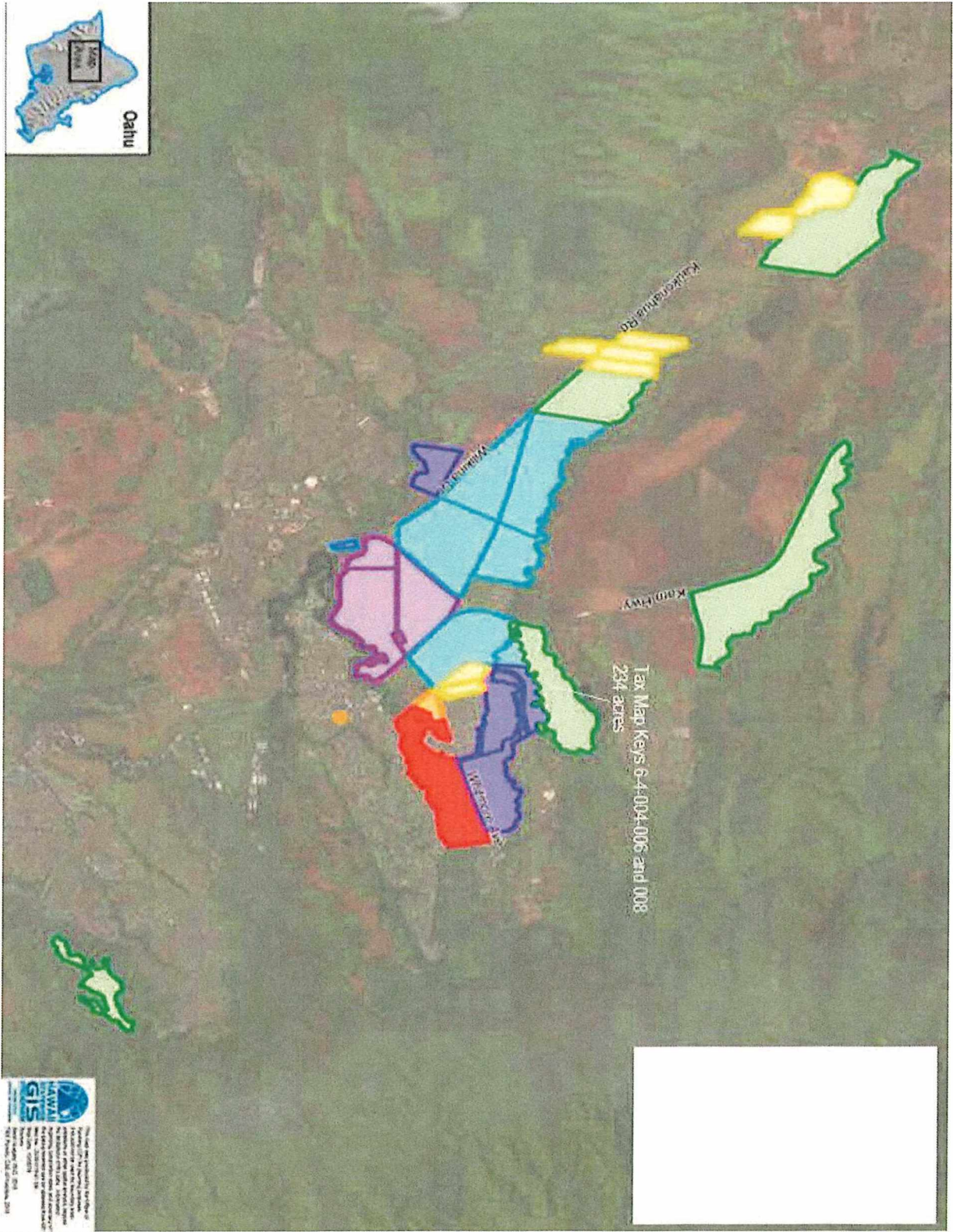


EXHIBIT "C"



Dole Food Company Hawaii
1116 Whitmore Avenue
Wahiawa, Hawaii 96786

Agribusiness Development Corporation
235 S. Beretania Street, Room 205
Honolulu, HI 96813

Re: WATER FACILITY AGREEMENT for TMK

This Water Facility Agreement (the "Agreement"), dated as of May 01, 2024, (the "Effective Date") is with reference to your request to use certain facilities of Dole Food Company Hawaii, a division of Dole Food Company, Inc. ("Dole"), to withdraw water for use on property described on Exhibit A attached hereto (the "Property"). The **AGRIBUSINESS DEVELOPMENT CORPORATION**, will herein be referred to as "User". We have set forth below the terms and conditions under which Dole is willing to permit the User to use such facilities.

1. Dole is willing to allow User to draw water excess to Dole's requirements for the purpose set forth in this Agreement at the present time, but does not intend to become obligated to provide water to User in a minimum or unlimited quantity, and does not intend to dedicate its facilities to public use or to become a public utility.

2. Provided such facilities are in operation, the User shall have a non-exclusive right, only on an "as-available" basis, to use the facilities of Dole, including all water transmission ditches and pipelines, that serve the Property, such facilities of Dole hereinafter referred to as the "Waterline Facilities".

3. DOLE MAKES NO WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE WATERLINE FACILITIES, THE USE THEREOF BEING EXTENDED TO THE USER ON AN "AS IS" BASIS. USER IS AWARE THAT DOLE HAS OFFERED TO GIFT CERTAIN LANDS TO THE STATE OF HAWAII, INCLUDING WATER TRANSMISSION DITCHES, PIPELINES AND OTHER ELEMENTS OF THE WATERLINE FACILITIES AND THE WATER SYSTEM COMPRISING THE WAHIAWA RESERVOIR AND WATER SOURCED THEREFROM. DOLE MAKES NO WARRANTY OR GUARANTY AS TO WHETHER THE STATE OF HAWAII OR OTHER GOVERNMENT ENTITY MAY ACCEPT SUCH LANDS OR IF SO, WHETHER THE STATE OR SUCH ENTITY MAY MAKE WATER AVAILABLE TO USER OR ANY OTHER PARTY.

4. NO GUARANTY, WARRANTY OR REPRESENTATION IS MADE BY DOLE TO THE USER AS TO THE AVAILABILITY, QUANTITY, POTABILITY OR SUITABILITY FOR THE INTENDED USE OF ANY WATER DRAWN OR DELIVERED. USER ASSUMES ALL RISKS CONCERNING THE AVAILABILITY, QUANTITY, POTABILITY AND SUITABILITY OF THE WATER. USER UNDERSTANDS THAT WATER FROM THE WAHIAWA RESERVOIR AND DITCH SYSTEM, IF ANY, CONTAINS SEWER EFFLUENT. USER EXPRESSLY

UNDERSTANDS THAT BECAUSE OF DECISIONS THE COMMISSION ON WATER RESOURCE MANAGEMENT OR OTHER FEDERAL, STATE OR LOCAL AGENCY MAY MAKE FROM TIME TO TIME AND BECAUSE OF APPLICABLE LAWS, RULES AND REGULATIONS, THE AMOUNT OF WATER AVAILABLE FOR THE USER'S USE MAY AT ANY TIME AND FROM TIME TO TIME BE SUBSTANTIALLY REDUCED OR ELIMINATED. IN SUCH EVENT, AND UPON THE OCCURRENCE OF OTHER EVENTS SUCH AS (BUT NOT LIMITED TO) DROUGHT OR IMPENDING DROUGHT CONDITIONS, REDUCTION OF WATER FROM LAKE WILSON, OR MECHANICAL OR OTHER FAILURE OF A COMPONENT OF THE WATERLINE FACILITIES, USER AGREES THAT DOLE MAY, IN ITS SOLE DISCRETION, MAKE ALLOCATIONS OF WATER FROM ANY OF THE WATERLINE FACILITIES TO USERS THEREOF. USER ACKNOWLEDGES THAT DOLE IS NOT SELLING WATER; DOLE IS ONLY MAKING ITS WATERLINE FACILITIES AVAILABLE; SUBJECT TO THE LIMITATIONS SET FORTH IN THIS AGREEMENT.

5. User is aware that the Waterline Facilities are old and with a limited life. Dole shall have no obligation whatsoever to maintain or repair the Waterline Facilities, and all general maintenance of the Waterline Facilities to the Property, and any maintenance or repairs of the Waterline Facilities which may be necessary or appropriate for the continued use thereof by the User, shall be made by and at the sole cost of the User. Any damages to Dole's Waterline Facilities as a result of misuse or negligence by the User or any third party acting on behalf of the User shall be the User's responsibility. In the event of a disagreement between the parties hereto as to whether work with respect to the Waterline Facilities constitutes maintenance and repair or other changes, alterations or additions, the determination of Dole of the character of the work shall be final and conclusive. The User shall give Dole not less than five days prior written notice of any proposed maintenance and repair work, which work shall be described in such notice. Dole reserves the right to have User execute an appropriate agreement to enter upon Dole's or another party's property, and to provide appropriate insurance, before User makes any repairs or maintenance to the Waterline Facilities. User shall make no changes, alterations or additions to the Waterline Facilities (including maintenance and repairs), without the prior written consent of Dole.

6. Dole shall not be responsible or be obligated to arrange or to provide for any substitute water source for the User and shall not be liable for loss or injury suffered by the User due to insufficient or lack of water or any contamination or foreign matter in any water or the failure of the Waterline Facilities. USER RELEASES AND SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS DOLE, ITS AFFILIATES, SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS AND AGENTS ("INDEMNITEES") FROM ALL LOSSES, CLAIMS AND LIABILITY ARISING AT ANY TIME OUT OF USER'S USE OF OR INABILITY TO USE THE WATERLINE FACILITIES OR ANY WATER, WHETHER OR NOT THE NEGLIGENCE OF AN INDEMNITEE IS THE CAUSE OF THE LOSS, CLAIM OR LIABILITY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, USER SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS DOLE AND OTHER INDEMNITEES FROM ALL CLAIMS ASSERTED BY USER'S EMPLOYEES OR ANY THIRD PARTIES FOR ANY INJURIES ALLEGEDLY SUSTAINED BECAUSE OF EXPOSURE TO THE WATER ACTUALLY DRAWN FROM THE WATERLINE FACILITIES BY USER OR OTHERWISE PURSUANT TO THIS AGREEMENT. This paragraph shall survive termination of this Agreement.

7. In conjunction with the use of the Waterline Facilities, the User shall withdraw water only for the benefit of User's tenants at the Property ("User's Tenants"). Such water withdrawn by User may be used only for the purpose of growing, harvesting and production of diversified agricultural crops on the Property, and no other use is allowed. The use of ditch water for irrigation of the Property is at User's sole risk and at all times subject to User's compliance with and only if permitted by applicable laws including government regulations and guidelines ("Laws"). User shall comply with all Laws and obtain all required permits and approvals.

8. In addition to the limitations on water use elsewhere in this Agreement, Dole shall have the right and may, in times of need as determined by Dole in its sole discretion, limit the amount, rate, and periods of withdrawal of water by User. Without limiting the generality of the foregoing, in no event shall User withdraw more than the water required for the production of diversified agricultural crops on the Property. Dole makes no representations or warranties concerning the availability of pumped water or any other water by User.

9. Beginning at the commencement of the Agreement, the User shall pay Dole a facility fee which is computed by the gallonage withdrawn by User at the initial rate of **\$0.60** per thousand gallons of DITCH water (i.e., \$600.00 per million gallons (mg)) and **\$0.80** per thousand gallons of PUMPED water (i.e., \$800.00 per mg) (based on the 2023 standard rates). The monthly statement of gallonage used will be submitted to User and paid by User within 5 days after receipt of invoice. Water flowing through the meter on days not ordered (in accordance with the "Irrigation Water Request Form") will not be charged to User. User will submit water meter reading to Dole or Dole's contractor will read the meter at the beginning of each month for each preceding month during the term of this Agreement. The User acknowledges they may be billed the facility fee for use predating this Agreement.

Beginning on January 1 of each calendar year (each such January 1, an "Adjustment Date") the standard rates charged for the facility fee for such calendar year shall be increased by one-hundred percent (100%) of the percentage of increase, if any, shown by the Producer Price Index, All Commodities (base year 1982=100) (the "Index"), published by the United States Department of Labor, Bureau of Labor Statistics, for the month immediately preceding such Adjustment Date as compared with the Index for the month immediately preceding the prior Adjustment Date. In no event shall the facility fee rate for any given year be less than that of the immediately preceding year.

Dole shall calculate the amount of the increase adjustment in the facility fee rate after the United States Department of Labor publishes the statistics on which the amount of the increase will be based. The parties recognize and acknowledge that the publication of the Index that permits Dole to calculate the standard rates for each calendar year effective as of January 1 occurs some time after January 1, and therefore User acknowledges and agrees that, in the event that such adjustment for the current calendar year has not yet been determined at the time that this Agreement is executed, User will be charged on a retroactive basis for any such increase adjustment upon such determination.

Dole shall give written notice of the amount of the increase, multiplied by the number of gallons of water used since the Adjustment Date. User shall pay this amount, together with the monthly

facility fee next becoming due under this Agreement at the increased rate, and shall thereafter pay the monthly facility fee due under this Agreement at the increased rate. Dole's failure to make the required calculations promptly shall not be considered a waiver of Dole's rights to adjust the charge due, nor shall it affect User's obligations to pay the increased facility fee rate.

If the Index is changed so that the base year differs from that in effect on the date of this Agreement, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Agreement, the government index or computation with which it is replaced shall be used to obtain substantially the same results as if the Index had not been discontinued or revised.

10. In addition to the facility fee, if Dole reserves the use of water from Upper Helemano Reservoir for User's use, the User shall pay an additional fee based on the actual, additional costs incurred by Dole to provide water for itself and others from alternative sources, including without limitation, costs to operate the facilities related to "Pump 27" located on other real property of Dole.

11. In addition to the facility fee, if (i) the State of Hawaii or other government entity or any third party with an interest in the water and/or the Waterline Facilities commences to charge Dole for the use of water or the extraction or delivery of water, or (ii) Dole determines it is necessary or desirable, or if Dole is required by any government agency, by law or by judicial or administrative proceeding or by any contract or arrangement with a third party, to make any improvements, repairs, maintenance or other work to the Waterline Facilities, or to any water transmission ditches, pipelines, equipment, tunnels, valves, wells, pumps, or any other items relating to the Waterline Facilities or in any way necessary in order to source the water; then in each case Dole may charge User its pro-rata share of all such charges and/or costs, based on User's percentage use of water from, or related to, the items upon which the State or other entity or party has imposed charges, or the items which have been improved, repaired or maintained. User will pay Dole such pro-rata share within thirty (30) days of receipt of Dole's invoice therefore.

12. In addition to the facility fee, taxes and all other charges of every description payable hereunder with respect to which Dole is subject to tax under the Hawaii General Excise or other law, or constructively received by Dole under or in connection with this Agreement, including, without limiting the generality of the foregoing, the fees payable hereunder and any amount directly or constructively received by Dole (to the extent so taxed) by reason of payment by User to Dole or others of property taxes, insurance premiums, common area maintenance charges, or any charges or costs hereunder, User shall pay to Dole, at the time User pays such fees, taxes or other charges, an amount which shall result in a net yield to Dole equal to that which Dole would have realized if no such general excise tax had been imposed. It is the intent of this paragraph and of the other provisions of this Agreement to insure that the fees and other sums to be paid to Dole by User will be received by Dole without diminution by any tax, assessment, charge or levy of any nature whatever, except United States and State of Hawaii net income taxes, and the terms and conditions of this license shall be liberally construed to effect such purpose.

13. User shall install pressure regulators and relief valves, filters and meters sufficient to use and measure the quantity of water used by User. User shall not install pipeline connections, meter fittings, and other improvements without first submitting drawings to Dole and obtaining Dole's consent thereto prior to installation. Dole and any Dole designee may from time to time inspect and audit all User records relating to such measurements and water use, during normal business hours, upon not less than seventy-two (72) hours advance notice, and such inspection shall be made by Dole at its own expense, except as provided below. All such examinations and audits shall be at User's place of business, and User shall maintain such records at that location. If the audit reveals that User underpaid facility fees with respect to any period, then without prejudice to any other amounts due to Dole or to any of its rights hereunder, all costs and expenses incurred by Dole in connection with such inspection and audit shall be borne by User. In addition, User shall pay Dole all delinquent facility fees within ten (10) days of Dole's demand therefore.

14. The rights and privileges granted by this Agreement shall not be assigned or transferred, except to a subsequent owner of the Property, or encumbered or otherwise made available in any way by User to a third party, except to User's Tenants. Any such purported assignment or transfer, other than to a subsequent owner of the Property, shall be void and of no effect and shall automatically terminate all rights granted to User herein.

15. In the event of any breach by the User of the terms and conditions provided herein, and if such breach is not cured by the User within thirty (30) days next following notice from Dole, Dole may without further notice terminate this Agreement.

16. The term of this Agreement shall be five (5) years from the Effective Date, subject at all times to availability of water and other provisions herein. Notwithstanding the foregoing, either Dole or User may terminate this Agreement at any time in their discretion upon at least NINETY (90) days prior written notice to the other party; provided, however, that in the event at any time during this Agreement there is either a substantial reduction or stoppage of the flow of water through the Waterline Facilities (other than seasonal variations) for a period of THIRTY (30) days or more, or a substantial increase in either party's cost of water (e.g., a doubling of the cost in a 6-month period), either Dole or User may terminate this Agreement upon THIRTY (30) days prior written notice to the other party. In addition, Dole may terminate this Agreement upon written notice to User if Dole loses easement or other rights necessary to obtain and/or transfer the water from any of its sources to the Waterline Facilities and/or to the Property.

17. Notwithstanding any provisions of this Agreement to the contrary. Dole is NOT selling water to User. Dole is simply allowing User to use Dole's Waterline Facilities on the terms set forth herein. Dole makes no representation or warranties to User concerning title to or ownership of any water.

18. It is expressly understood and agreed that Dole does not intend to dedicate its water facilities to public use or to become a public utility within the meaning of Hawaii law. Dole shall have no obligation whatsoever to supply water to User, and this Agreement otherwise shall be void and have no effect if Dole is deemed to be a public utility by virtue of this Agreement or otherwise. Dole shall have no obligation to return any payments made by User with respect to water withdrawn by User.

19. User shall require User's Tenants to maintain the following insurance described below, underwritten by at least a Best's A-, VI rated insurance company, and all such insurance shall name Dole and its affiliates, subsidiaries and other designees as Additional Insureds with respect to the use of the waterline facility or any water therefrom and the insurance shall include a provision for a THIRTY (30) day notice of cancellation to be given to Dole. Insurance certificates that evidence all the requirements shall be furnished to Dole with respect to all of User's Tenants following the execution of this Agreement and shall contain the following:

a. Commercial General Liability insurance with a minimum combined single limit of TWO MILLION DOLLARS (\$2,000,000) each occurrence. The policy shall include coverage for bodily injury, property damage, pollutants, premises/operations, severability/cross claims, products/completed operations, contractual, independent contractors, broad form property damages, and personal injury.

b. Commercial Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of not less than TWO million dollars (\$2,000,000) each occurrence with respect to all vehicles owned, non-owned, hired or assigned to User.

c. Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over User, employees, and Employers' Liability insurance with a minimum limit of ONE million dollars (\$1,000,000).

d. The insurance required by this Agreement and obtained by User's Tenants shall alone be primary and that User's Tenants and their insurers shall have no rights to share in or otherwise obtain contribution from other insurance maintained by Dole, its affiliates or designees.

20. If the property (or any part thereof or interest therein) containing the Waterline Facilities or the source of the water is taken by exercise of the power of eminent domain, this Agreement shall terminate on such taking.

21. User acknowledges that its access and use of the Waterline Facilities may be impaired or prevented by factors beyond Dole's reasonable control, including, without limitation, fire, explosion, accident, riot, flood, drought, storm, climatic conditions, earthquake, lightning, civil commotion, sabotage, vandalism, smoke, embargo, inability to obtain supplies or raw materials, acts of God or of a public enemy, other casualty, strike or lockout, or any other event of a similar nature (collectively, an event of "Force Majeure"). If Dole experiences a Force Majeure, it shall give prompt written notice thereof to User.

22. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given (i) the second (2nd) business day after deposit in the United States mail, registered or certified mail, postage prepaid, return receipt requested, and addressed to the recipient party at its address below; (ii) on the date of scheduled delivery when deposited with a nationally recognized overnight courier service (e.g., Federal Express, UPS or Airborne) for next day delivery, and addressed to the recipient party at its address below; or (iii) upon successful delivery by facsimile. Either party may, from time to time, by notice as herein provided,

designate a different address to which notice to it shall be sent. The parties' initial addresses for such notices are as follows:

To User: AGRIBUSINESS DEVELOPMENT CORPORATION
235 S. Beretania Street, Room 205
Honolulu, Hawaii 96813
ATTN: Executive Director
FAX: 808-586-0189

To Dole: Dole Food Company, Inc.
c/o Dole Food Company Hawaii
1116 Whitmore Avenue
Wahiawa, Hawaii 96786
ATTN: Daniel X Nellis, DFCH General Manager
FAX: 808-621-7410

With a copy to: Dole Food Company, Inc.
One Dole Drive
Westlake Village, CA 91362
ATTN: Associate General Counsel
FAX: 818-879-6613

23. Miscellaneous.

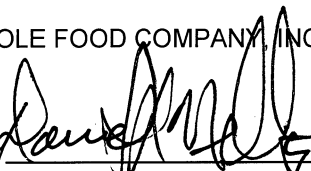
- (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Hawaii.
- (b) This Agreement contains the entire understanding and agreement by and between the parties with respect to the subject matter hereof and all prior or contemporaneous oral or written agreements or instruments are merged herein and no amendment or other modification to this Agreement shall be effective unless the same is in writing and signed by Dole and User.
- (c) This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile signature and any such signature shall be effective as if it were the original signature. The waiver by either party of a breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach whether of the same or another provision of this Agreement.
- (d) Should any part, term or provision of this Agreement or any document required herein to be executed or delivered be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain

in full force and effect and shall in no way be invalidated, impaired or affected thereby.

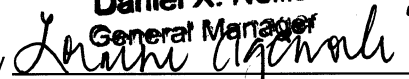
If the terms and conditions set forth above are acceptable to you, kindly indicate such acceptance by signing and returning the attached copy of this letter to Dole, at 1116 Whitmore Avenue, Wahiawa, Hawaii 96786.

Sincerely,

DOLE FOOD COMPANY, INC.

By 

Daniel X. Nellis
General Manager

By 

Loraine Agcaoili
Asst. Secretary

Accepted this 4 day of
April, 2024

Agribusiness Development Corporation

By 

Wendy L. Gady
Executive Director

Approved as to form:

By 

Delanie Prescott-Tate
Deputy Attorney General

EXHIBIT A

Area more or less shown outlined on map below

TMK: 6-4-4-8



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

F-2

INFORMATIONAL UPDATE TO THE BOARD OF DIRECTORS
February 20, 2025

Subject: Update for the one-time program to preserve the agricultural value of lands held under License Agreement Nos. LI-08202 and LI-K0801 issued to Hartung Brothers, Inc. for land in Kekaha, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.) and for the Executive Director to manage this program, approved by the Board on January 16, 2025.

Applicant: Agribusiness Development Corporation (ADC)

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

BACKGROUND:

Hartung Brothers Inc. (HBI) recently lost a key contract that drove ~85% of ADC licensed land usage in Kekaha. As an alternative to requesting the early release of licensed acres, HBI requested that the Board authorize the Executive Director to administer a bridge program to eventually have all the HBI land back into active production. The Board granted HBI's request on January 16, 2025.

In exchange for the interim bridge for aggressively pursuing new contracts, HBI will keep the land clear, in a managed fallow condition, which is a significant benefit to ADC.

On Tuesday February 4, 2025, HBI submitted their list of lands to be placed into the "Managed Fallow" program.

Below is a summary of the changes:

Managed Fallow Program

Tillable Acres Licensed	Acres Continued as Farmed	Acres Placed into Managed Fallow	New Annual ADC Rent Beginning January 1, 2025	ADC Annual Rent Reduction Projected for 2025
1,804.29	144.22	1,660.07	\$ 21,633.00	\$ 249,010.50

Respectfully Submitted,

Mark Takemoto
Senior Executive Assistant

Approved for Submittal:

Wendy Gady
Executive Director