

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on January 16, 2025

Via Zoom Teleconference and In-Person at 235 S. Beretania Street, Suite 204, Honolulu, HI 96813

Pursuant to section 92-3.7, Hawaii Revised Statutes (HRS), this meeting was held remotely with Board members, Staff, Applicants, and the Public participating via Zoom meeting venue, and an In-Person meeting location available for public participation at the State Office Tower, 235 S. Beretania Street, Suite 204, Honolulu, HI 96813

Members in Attendance, virtually:

Lyle Tabata, Kauai County member (Chair)
Jesse Cooke, Honolulu City and County member (Member Cooke)
Sharon Hurd, HDOA ex officio member (Member Hurd)
Ciara Kahahane, designee for DLNR ex-officio member Dawn Chang (Member Kahahane)
Dean Okimoto, member-at-large (Member Okimoto)
Jason Okuhama, member-at-large (Member Okuhama)
Karen Seddon, member-at-large (Member Seddon)
Nathan Trump, Hawaii County member (Member Trump)
Jayson Watts, Maui County member (Member Watts)
Dane Wicker, designee for DBEDT ex officio member James Tokioka (Member Wicker)

Members Excused:

Glenn Hong, member-at-large

Counsel Present, virtually:

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

Staff Present, virtually:

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

Guests Present, virtually:

ADC Guest
Alex Sou
Grant Kunishima
Jenny
Josh Uyehara
Kimi Makaiiau, UH CDC
Mac Blanchard
Manawakolu
Mike Faye, KAA (Mr. Faye)
Roy

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Ryan Kagimoto
Tai-Li Medeiros
Thora-Jean Cuaresma (Ms. Cuaresma)
WAM Staff

Guests Present, In-Person

Albert Tiberi, HDOE (Mr. Tiberi)
Camille Masutomi, HDOE
Cherisse Shikada, HDOE
Jadine Urasaki, HDOE (Ms. Urasaki)
Ryan Roylo, Deputy Attorney General

A. Call to Order:

Chair called the meeting to order at 9:03 A.M.

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

Roll call: Chair, Member Cooke, Member Hurd, Member Kahahane, Member Okimoto, Member Okuhama, Member Seddon, Member Trump, Member Watts, and Member Wicker acknowledged their presence with no one in the room with them.

B. Approval of Minutes

1. Regular Session Minutes, October 24, 2024

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Okuhama.

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

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

2. Special Session Minutes, November 1, 2024

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Hurd.

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

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

3. Regular Session Minutes, November 21, 2024

Deferred to the next meeting.

4. Executive Session Minutes, November 21, 2024

Deferred to the next meeting.

5. Regular Session Minutes, December 5, 2024

Deferred to the next meeting.

6. Special Session Minutes, December 6, 2024

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Cooke.

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

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

7. Executive Session Minutes, December 6, 2024

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Okuhama.

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

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

C. Chairperson's Report

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Chair stated that he did not have a report except to note that he attended opening day of the legislature with the executive director.

D. Committee & Permitted Interaction Group Reports

1. Presentation of the Land Application permitted interaction group's findings and recommendations for developing a program for small, disadvantaged farmers on Kauai

This agenda item was WITHDRAWN. It was included by mistake.

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

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

2. Presentation of report and findings of the value-add permitted interaction group, deferred from December 5, 2024

Chair called on Member Watts to provide the permitted interaction group report and recommendations.

Member Watts was not prepared to make the presentation.

Chair deferred the matter until the next meeting.

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

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

3. Report and findings of the Administration Committee for the determination of the license fee for new applicants based on current appraisal rates

The Administration Committee met on Friday, October 11, 2024, and Tuesday, January 14, 2025, and were able to come up with recommendations for Oahu only. The Administration Committee recommends that the new Oahu land applicants pay a license fee of \$1,800 per acre per year.

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

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

Chair stated that the Administration Committee is a standing committee. They will continue to work on making a license fee recommendation for Kauai new land applicants. The discussion and vote on the new land application license fee for Oahu will be held at the next regular meeting.

E. Action Items

Chair stated that Action Item E-9 would be taken out of order.

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- 9. Request for approval to enter into a 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**

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Kahahane.

Chair asked for the staff presentation.

Mr. Takemoto said that Hartung Brothers Inc. (Hartung) had lost a significant contract and was asking the board approval to maintain some acreage in managed fallow. The State would benefit by having the land maintained; keeping the fuel loads down preventing wildfires; and easily reopened for farming. Hartung asked that they manage the program in conjunction with the ADC executive director.

Chair asked if anyone from the public wished to give testimony.

Mr. Uyehara testified that Hartung lost a contract that had accounted for use of a majority of their ADC acreage. This was followed by a significant reduction in force. Hartung is aggressively pursuing other business opportunities for food production as well as replacement contract in seed corn production. Hopefully this arrangement will give Hartung some flexibility to pursue a couple of other things in the pipeline and bring all the acreage back into production.

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair stated that Action Item E-3 would be taken out of order.

- 3. Request to consent to sublicense under License Agreement No. LI-K1001, issued to Sunrise Capital, Inc., to Hartung Brothers Hawaii, LLC for 181.67 acres, more or less, of fields 311, 312, 313 in Kekaha, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.)**

Chair called for a Motion to Approve.

Motion by Member Kahahane; Second by Member Wicker.

Chair asked for the staff presentation.

Mr. Roe stated that Sunrise had previously issued a sublicense to Hartung in 2019, which terminated on January 1, 2025. This request is to consent to a new sublicense for continued use of the same fields for two years. Sunrise had not developed the land. Hartung put the land into agricultural use. It's assumed that this land will soon pass from Sunrise to Aloun by way of license assignment.

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

Chair asked if there was any board discussion.

Member Kahahane inquired about rent reopening that did not occur in 2020.

Mr. Roe replied that in 2020 the rent reopening with Sunrise was never done. The reopening issue is being raised in agenda item E-4. Sunrise has agreed to take care of it. This is a sublicense issue. It was mentioned in the submittal so the board was aware.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair stated that they would return to Agenda Action Item E-1.

- 1. Request for approval to terminate Lease Agreement No. LE-K1201 assigned to Hawaii Department of Education; and delegate authority to the executive director to execute a Memorandum of Agreement with the Hawaii Department of Education regarding access to Agribusiness Development Corporation tenant operations in Kekaha, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.), deferred from December 5, 2024**

Chair called for a Motion to Approve.

Motion by Member Wicker; Second by Member Kahahane.

Chair asked for the staff presentation.

Mr. Roe stated that when Beck's Hybrid left Kekaha the Hawaii Department of Education (HDOE) purchased the building and assumed the lease for the ten acre parcel. ADC has been negotiating with HDOE to acquire the building for a processing facility. ADC and HDOE have reached an agreement and the Memorandum of Agreement (MOA) is attached to the submittal.

Chair noted that testimony was received from HDOE that states negotiations are still ongoing.

Ms. Gady said that there were some material changes to the MOA and asked that the matter be deferred to the next meeting.

Chair asked if anyone from the public wished to give testimony.

Ms. Urasaki from HDOE stated that staff was still collaborating with ADC and they have concerns about the documents attached to the submittal because they are not the same documents they have been working on with their attorney general. HDOE would like to continue to work on the documents to reach a definite agreement.

Chair asked if it was appropriate to proceed with approval of the agenda item knowing the submittal was inaccurate.

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Ms. Waihee-Polk replied that if the board wanted legal advice they should go into executive session.

Member Kahahane asked if HDOE could explain if there were any major differences. It seemed the differences in the documents were rather minor.

“ADC Guest” from HDOE explained that the differences were not substantive, but the document was not the same one they worked on.

Chair stated he would entertain the motion with the understanding that negotiations were still continuing and the documents in the submittal were not the proper documents.

Ms. Waihee-Polk said the board would be approving inaccurate documents and it would have to come before you again to approve the correct documents. The matter could be deferred until an agreement was reached and documents corrected.

Member Wicker asked if the changes were not substantive, could the HDOE members present in-person review the documents and announce the changes here on the record in front of us. Then we can vote knowing what the revisions are.

Ms. Urasaki replied that HDOE would have to sit down and do a side-by-side comparison of the two documents. It's just that the attached documents are not in the form we had agreed on.

Mr. Tiberi remarked that the documents were agreed upon some time ago and if you are asking us to explain the differences between the two versions we would need a break to go over the two documents. It's like the attached documents are prior drafts that do not contain the last edits. They are minor edits but it may take some time to proof as to form.

Member Watts asked if the board can just approve with amendments.

Ms. Waihee-Polk said you would need to know what the amendments were unless you're sure they're not substantial. The thing is you don't know. You guys would be voting without knowledge of what was on the document.

Member Okimoto asked if HDOE could go over the documents and bring the changes back to the board today.

Ms. Urasaki stated the HDOE members present could review the documents right now and identify the changes on the record.

Chair deferred Agenda Item E-1 until the end of today's agenda.

- 2. Request for approval to issue a new land license agreement to State of Hawaii, Department of Education for 4.8 acres, more or less, of land for the purpose of building a centralized kitchen facility in Whitmore Village, City and County of**

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Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:009 (por.); :004 (por.), deferred from December 5, 2024

This matter was deferred until the next regular meeting.

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

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

Chair stated Agenda Action Item E-3 was previously heard out of order. Moving on to E-4.

- 4. Request for Board determination of the amount of rent increase retroactive to rent reopening date under former Hawaii Department of Agriculture, Kekaha Agricultural Park Lease Nos. S-8001, S-8002, S-8005, S-8008, S-8012, S-8013, S-8017, and S-8020**

Chair reminded the board that these leases were issued to Sunrise Capital Inc. and have previously been before the board. Chair called for a motion to approve.

Motion by Member Wicker; second by Member Okimoto.

Chair asked for the staff presentation.

Mr. Roe explained that the rent reopening was missed in 2020. The rent was supposed to be reassessed by appraisal. In 2022 the board approved the Policies and Procedures Manual, recommending 2.5% increase every five years. Staff recommends the board approve a retroactive rent increase of 2.5% every five years. Sunrise has agreed to this increase.

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

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

- 5. Request to approve the report and findings of the goals and objectives for the executive director permitted interaction group, deferred from December 6, 2024**

This agenda item was WITHDRAWN. It was included by mistake. The subject matter of this agenda item will be addressed by Agenda Item E-11.

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

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

- 6. Request to approve the report and findings for the criteria of the land opportunities project on the island of Kauai permitted interaction group**

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Chair called for a Motion to Approve.

Motion by Member Cooke; Second by Member Wicker.

Chair called on staff for the presentation.

Ms. Gady stated that the Kauai land opportunities permitted interaction group recommended that the USDA guidelines be used to define who qualifies as a small and disadvantaged farmer and asked that the vote on this agenda item be delayed until after Agenda Item E-10.

Chair stated that this agenda item would be taken out of order after Agenda Item 10.

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

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

7. Request to consent to the transfer of the Mililani Technology Park (phase 2 portion) from the Hawaii Technology Development Corporation for lands in Mililani, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 9-5-002:057; :039; 9-5-046:010

Chair called for a motion to approve.

Motion by Member Kahahane; second by Member Wicker.

Chair called on staff for the presentation.

Ms. Gady stated this parcel has a long history. It was originally slated to be an emergency responder campus but that project didn't move forward. The parcel is about one hundred fifty acres. Technological improvements are key to staying in farming and farming for the next generation. Having this parcel and being able to put it into an ag technology park recognizes the desire of the farming community to include technology. But there are conditions that come along with this property that will need to be unwound.

Member Wicker said this is an opportunity to commit to the 2019 Food Security Act. There is the potential to do greenhouse infrastructure facility. We're currently working with the University of Hawaii Community Design Center (UHCDC) including some area for warehouses. There's demand from students for ag programs and student learning technologies out of Leilehua High School, Waipahu High School, and Mililani. There is the opportunity for these high school students to go straight into the workforce. Part of the vision is resilient greenhouse infrastructure facilities and collaborating with the Hawaii Technology Development Corp. (HTDC), the State agency that is transferring this land to ADC for ag tech innovation. We can welcome those students who are doing robotics or software applications to be in the field. Vertical ag as well as an ag region to help us address biosecurity issues. This is a huge opportunity. Once we receive this land, UHCDC can move forward with a proof of concept plan.

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Member Cooke asked if they were still thinking of doing the greenhouses near the regional kitchen or were they planning on shifting to this tech park.

Member Wicker said the original plan was greenhouses next to the regional kitchen. We're looking to build resilient greenhouse infrastructure and indoor farming as disaster preparedness; in the event of a category five hurricane or wildfire.

Ms. Gady added that there has been a huge need expressed by the farming community for greenhouses, cold storage, and dry storage. The Mililani Tech Park is off the H-2 and it's a straight shot to the harbor and key distributors within the State.

Member Hurd noted that there would need to be a land use change, but if the Land Use Commission would allow it this would be a real boon to agriculture by adding technology, which can be very expensive and difficult to get. It could be a place for highly skilled positions like microbiologists and entomology work. We don't have that skill set in the State. This is much needed.

Member Wicker said having a tech park allows for a partnership with HTDC. In a past trip to New Zealand, we saw how robots were being developed for harvesting. We can provide research and development opportunities.

Member Okuhama raised some concern over the conditions imposed by the Land Use Commission and the City and County rezoning ordinances on the Mililani Tech Park Development. This will be a very costly and time consuming endeavor to undo all the conditions. Has ADC actually vetted the costs associated with this project?

Ms. Gady replied that ADC has requested money in its budget and we're hopeful we will get additional support.

Member Wicker said that a lot of land the State acquires have challenges. The State should provide financial support for a project that will decrease imports and bring food security.

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

Chair asked if there was any more board discussion.

Member Watts cautioned the board on its budget saying ADC has a lot of expenses and no guarantee funding will be provided.

Member Okuhama reiterated his concern about the conditions attached to the land and the associated costs of road work and bridge work. These are very costly.

Member Wicker stated that the legislature through HTDC purchased the land for the first responder campus. That fell through. This was former pineapple land and ADC's statute mandated utilizing former plantation lands. General funds from the legislature should be provided for that purpose.

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Ms. Gady shared that ADC will work with the Department of Transportation on applying for federal grants to make the necessary infrastructure improvements. There's opportunities for partnership within the DBEDT agencies.

Member Okimoto stated he could not imagine legislators not seeing the benefit of developing technology for agriculture.

Member Wicker said we're land banking here, sitting on one hundred fifty acres that could be repurposed twenty or thirty years from now.

Member Watts said he wasn't against the project, just uncomfortable voting on things that we admit we don't have the money for.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

8. Request to establish a permitted interaction group to develop policies and guidelines for the establishment and implementation of an Agribusiness Development Corporation subsidiary related to the Entrepreneur Product Innovation Network Center project pursuant to section 163D-6, Hawaii Revised Statutes

Chair called for a motion to approve.

Motion by Member Trump; second by Member Kahahane.

Chair asked staff for the presentation.

Ms. Gady stated that our statute allows ADC to form subsidiaries. That's a way to gather additional funds for establish an Entrepreneur Product Innovation Network (EPIC). We need information on how that process would work step by step so I ask the board to create a permitted interaction group to create a policy.

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

Chair asked if there was any board discussion.

Member Watts asked if EPIC was different from the food and product innovation network that the University of Hawaii already has. In Maui there's a Food Innovation Center. Would this be a duplicate of work and projects that are currently operating or is this something new.

Ms. Gady replied that the group was to create policies and guidelines for creating a subsidiary network in support of food innovation centers. Basically it's the next step up once the entrepreneur gets nurtured by the network like our High Pressure Processing facility. Providing cold refrigeration, buying a building, or providing an opportunity for private industry to invest in us.

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Member Watts asked if ADC would be operating it.

Ms. Gady said that's why we're asking for help to create policies, guidelines, best management practices; how to fulfill our statute.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair appointed Member Wicker, Member Cooke and Member Watts to the permitted interaction group and asked the group members to draft policy for creating a subsidiary utilizing the attachment to the submittal.

Chair Recalled Agenda Item E-1.

Chair recalled Agenda Item E-1, noting that the request was for approval to terminate Lease Agreement No. LE-K1201 assigned to HDOE; and request to delegate authority to the executive director to execute a MOA with HDOE regarding access to ADC tenant operations in Kekaha had been moved and seconded, and HDOE was ready to identify changes to the draft documents attached to the submittal to conform with HDOE's more recent versions.

Mr. Roe shared his screen with the board and members of the public, which highlighted the changes.

Chair asked that the changes be placed on the record.

Ms. Tsuchiyama stated that she was the deputy attorney general who assisted in drafting the documents. The first change was the effective date at the bottom of the page was changed from January 1, 2025 to January 31, 2025. However, it was agreed that the effective date will be blank and once it was signed it'll read January 31, 2025, which was the agreed upon termination date of the lease, as provided in the MOA. The second change was the addition of approved as to form signature blocks on the second page. HDOE requested that the deputy attorneys general assigned to this matter, me and Ryan Roylo for HDOE, also sign. There were no material changes or substantive differences from the document attached to the agenda, and the form agreed upon.

Chair asked if there was any further discussion.

Mr. Tiberi from HDOE added that in addition to what Ms. Tsuchiyama highlighted for you, there are a number of small changes, like commas, changing lowercase to uppercase, and correction of misspellings. Do you want to go through those corrections as well? Otherwise the form displayed on the screen is correct.

Chair stated that grammatical errors and typos are not substantive changes.

Ms. Waihee-Polk agreed.

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Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair stated Agenda Item E-9 was previously taken out of order. Moving on to E-10.

- 10. Request to establish a Land License permitted interaction group to rescore all the applications received using two criteria: Criteria of 300 points or above, and if designated a small, disadvantaged farmer based on the USDA definition, with a report to be provided at the February 20, 2025 ADC Board meeting and a decision vote on March 3, 2025 at the ADC Special Board meeting to modify/accept/deny the recommendation**

Chair called for a motion to approve.

Motion by Member Okimoto; second by Member Trump.

Chair asked staff for the presentation.

Ms. Gady clarified that the USDA definition of small, socially disadvantaged farmers is a socially disadvantaged group or farmer or rancher who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regard to their individual qualities. This term means a farmer or rancher who is a member of a socially disadvantaged group, specifically members who have been subjected to racial or ethnic prejudice without regard to their individual qualities. These groups include African Americans, American Indians, Alaskan natives, Hispanics, Asians, Pacific Islanders, and women.

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

Chair asked if there was any board discussion.

Member Okimoto asked what the term “disadvantaged” meant.

Ms. Gady said the statute was from the Food Ag Conservation and Trade Act. It’s a long statute, but it definitely includes the vast majority of our land applicants.

Member Watts asked if this re-scoring was for all the applications.

Ms. Gady explained that it was discovered that the applications were scored improperly, which resulted in applicants receiving lower scores. A perfect score was four hundred points and only those who scored three hundred or above were considered. Only six applicants scored over three hundred points. The scoring process was supposed to be conducted using a four person committee. Instead, a five person committee reviewed the applications, which diluted the scores. The top scorers probably will not be affected but in order to give everyone a level playing field the applications will be rescored.

Member Watts asked if this delay would cause a hardship on those applicants that were about to lose their land and needed to move their plants as soon as possible.

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Ms. Gady replied that they were trying to move the process forward and fast as possible, asking the group to meet tomorrow to rescore everybody; give the report at the February 20th board meeting, and schedule a special meeting for March 3rd to vote.

Member Okuhama asked if the socially disadvantaged farmers and ranchers automatically qualified or if scoring mattered.

Ms. Gady responded that all applications would be rescored. The applicants scoring three hundred and above will be offered land starting highest to lowest. If a lower scoring applicant meets the definition of socially disadvantaged farmer or rancher, their score would be used to rank them highest to lowest for land in the disadvantaged farmer program. The lowest score cut off will be up to the permitted interaction group.

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair appointed Member Cooke, Member Okimoto, Member Trump and himself to this permitted interaction group. The group was to:

1. Meet on January 17, 2025 and rescore all applications received; be available for any additional farm site visits.
 - a. Pick a chairperson
 - b. Use two criteria for list of recommended licensees:
 - i. Original Criteria of 300 points or above.
 - ii. Designated Small Disadvantaged Farmer based on the USDA definition which will be considered for the 511-acre parcel on Oahu & fit for Kekaha on Kauai.
 - c. Determine what if any farms need to be visited.
 - d. Set date for next meeting.
2. No later than February 9, 2025, determine license list for recommendations and draft the report for the board.
3. February 10, 2025, submit to ADC staff the written report to be included in the ADC board meeting agenda and submittal package.
4. February 14, 2025: Agenda and submittal package uploaded.
5. February 20, 2025: ADC board receives the Land Permitted Interaction Group report for review and discussion.
6. March 3, 2025: ADC board has a special board meeting to vote on the Land Permitted Interaction Group's recommendation.

Chair noted that the first meeting would be tomorrow at 9:30 a.m.

11. **Request to establish an 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**

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by February 10, 2025 to ADC Staff for bundling with agenda submittal package posted February 14, 2025, present the report at the February 20, 2025 ADC BOD meeting, and March 3, 2025 ADC BOD to hold a Special Board Meeting to vote on the recommendation SMART goals for FY25 & FY26

Chair called for a motion to approve.

Motion by Member Okimoto; second by Member Cooke.

Chair asked for the presentation by staff.

Ms. Gady stated that she thought it would be helpful moving forward to have SMART goals set and to acknowledge what she had accomplished during the first half of fiscal year 2025. It is key that the board set goals for her so she can set goals for the staff.

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

Chair asked if there was any more board discussion.

Member Watts asked why a special board meeting was necessary.

Chair replied that this action was way overdue and he'd like to get this done as soon as possible to provide direction for Ms. Gady.

Member Trump noted that holding a special meeting on March 3rd was necessary for the land application review permitted interaction group to finish up the selection process.

Member Hurd also noted that the evaluation, goals, and objectives was way overdue.

Member Watts remarked that he was appointed to the evaluation permitted interaction group but was never invited to the meetings.

Chair clarified that he meant to appoint "Jason" Okuhama who did participate in the meetings and he took full responsibility for the miscommunication. He was trying to fix the mistake now.

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

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Chair appointed Member Okuhama, Member Wicker, and himself to the permitted interaction group and identified the following tasks:

1. Tasks to be completed:

AGRIBUSINESS DEVELOPMENT CORPORATION

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Via Zoom Teleconference and In-Person at 235 S. Beretania Street, Suite 204, Honolulu, HI 96813

- a. Meet on January 17, 2025; pick a chairperson and set schedule for meetings.
- b. 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.
- c. Draft report for the board.
2. February 10, 2025: Submit to ADC staff the written report to be included in the ADC board meeting agenda and submittal package.
3. February 14, 2025: Agenda and submittal package uploaded.
4. 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.
5. 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.

Chair recalled Agenda Item E-6.

Chair recapped where they left off: the motion to request approval of the report and findings for the criteria of the land opportunities project on the island of Kauai permitted interaction group was moved and seconded; and, there was no one from the public that wished to testify. A new land license permitted interaction group was established by Agenda Item E-10 to review the land applications.

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

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

F. Informational Items

The following items are for discussion only so there will be no need for a motion or vote on these matters.

1. **Update regarding Notice of Violation issued to Ohana Hui Ventures, Inc. dated October 22, 2024 under License Agreement No. LI-W194-23-01**

Chair called on Mr. Roe for the update.

Mr. Roe reminded the board about the issue of Ohana Hui Ventures (OHV) holding a mud bogging event on land licensed from ADC, which resulted in staff issuing a notice of violation (NOV). The background was laid out in the submittal. Basically OHV responded to the NOV and promised not to do it again. The issue of sublicensing was raised but staff was unable to confirm there was any sublicensing going on. Staff continues to conduct unannounced inspections.

Member Okuhama asked what would happen if OHV continued to violate the license.

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Mr. Roe replied the procedure was set out in the policies and procedures manual. OHV will be given an opportunity to correct. There is a time line. If the violation continues the board can approve referral of the matter to the Attorney General's office and move to terminate the license.

Member Watts asked if there was evidence this type of event had happened before.

Mr. Roe responded not that he was aware of. The Keiki Construction event happened several years ago. They had the appropriate permits. In retrospect that event should have come before the board for approval.

Chair asked if anyone from the public wished to give testimony.

Ms. Cuaresma testified that since the mud bogging event multiple activities have occurred. She received a video dated January 10, 2025, showing motocross bikers on the land. They are all over social media. She claimed that OHV had verbally threatened her nephews. And she heard OHV was having CDL training classes on the land. She asked that OHV's license be terminated immediately.

Mr. Roe replied that ADC was not aware of any further violations. If Ms. Cuaresma has any evidence ADC will certainly look at it. The motocross issues are most likely trespassers. ADC did receive a video from Ms. Cuaresma that showed a member of the public trespassing on OHV's licensed property. A member of the public did call the City and County of Honolulu Department of Permitting and Planning (DPP) to report stockpiling of RAP material by OHV. The matter was investigated and found no violation. DPP reported that the RAP was being used to stabilize dirt roads that were muddy and difficult to access. Road maintenance is an activity allowed on agricultural zoned land. Staff continues to go out there and inspect.

Ms. Gady added that No Trespassing signs have been ordered and will be placed on the perimeter of ADC lands to give the public notice of unlawful trespassing.

Member Hurd mentioned that trespassing on ag land was a huge problem, which led to the death of a rancher who would be alive today if there was no trespassing. Department of Agriculture has ordered one thousand signs to help detour trespassing and posters that encourage people to report instances of trespass. The Department of Law Enforcement is making great efforts to assist farmers and ranchers in dealing with trespassers on agricultural land.

Member Watts asked Ms. Cuaresma if the police were notified about the alleged threats.

Ms. Cuaresma said the incident was reported to the Whitmore Community Center Park director.

Member Cooke recommended that ADC do random spot checks of the property instead of giving them advance notice.

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Manawakolu testified as a member of the Whitmore Village community. He claimed there was sublicensing going on and claimed that if the gate was open it was not trespassing.

Mr. Roe replied that these are state lands, not public lands. They're operating private businesses. Unless you have an invitation to be on the land it's trespassing.

Manawakolu claimed that OHV had told him numerous times "to come see my farm" and it's not trespassing if the gates are open, cars are parked, and events are going on. I think this land is not being managed properly and ADC only goes and checks when someone makes a complaint. Water lines are being built, trenches are being dug. It's all on social media. Don't turn a blind eye to this property.

Mr. Roe noted that digging water lines and trenches and irrigation ditches are critical components of agriculture.

Ms. Gady advised that board that spot checks are occurring and no unauthorized activity observed. ADC is not turning a blind eye to OHV. We have policies and procedures that we are following.

Chair asked if there was any more discussion. There was none. This was just an informational item.

2. Executive Director's Report

Chair called on Ms. Gady to give her report.

Ms. Gady briefly mentioned items discussed in her weekly reports.

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

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

G. Adjourn

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

Motion by Member Cooke; Second by Member Okuhama.

Chair asked if there was any public testimony or board discussion. There was none.

Chair called for the vote. Hearing no objections or abstentions the motion was unanimously approved: 10-0.

Meeting adjourned at 11:18 a.m.