

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

Notice of Regular Meeting of the Board of Directors

Held via Teleconference with In-Person Viewing Location

JULY 18, 2025
9:00 a.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/84319824809>

Telephone: (669) 900-6833, Webinar ID: 843 1982 4809

In-Person: Leiopapa A Kamehameha
State Office Tower Building
235 South Beretania St, Rm. 204
Honolulu, Hawaii 96813

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.

Board Meeting Agenda
July 18, 2025

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 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 204
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 A MINIMUM OF 48 HOURS (WEEKENDS AND STATE AND FEDERAL HOLIDAYS EXCLUDED) PRIOR TO THE MEETING.

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, June 26, 2025
 - 2. Executive Session Minutes, June 26, 2025
- C. Chairperson's Report
 - 1. None
- D. Committee & Permitted Interaction Group Reports
 - 1. None
- E. Action Items
 - 1. Election of the Chairperson and Vice-Chairperson of the Board of Directors of the Agribusiness Development Corporation for a one-year term, July 1, 2025 – June 30, 2026
 - 2. Request to accept the findings and recommendations of the Executive Director permitted interaction group. *The board may go into executive session to consider the evaluation of an officer or employee where consideration of matters affecting privacy will be involved, pursuant to section 92-5(a)(2), Hawaii Revised Statutes*
 - 3. Request for approval to issue a new license agreement to Hawaii Sustainable Agricultural Products LLC for fields PU-12 and PU-13 in Paalaa-uka, District of Waialua, City & County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 6-4-004:006, :008, deferred from June 26, 2025 board
 - 4. Request for approval of the Food Systems Memorandum of Understanding effective July 30, 2025 – July 30, 2026 made and entered into by the State of Hawaii Agribusiness Development Corporation (ADC) and Oahu Resource Conservation and Development Council (ORCD)
 - 5. Request for approval to issue a month to month Right of Entry permit to Kekaha Agriculture Association for property located at 7189-D Kaumualii Highway, 10 gross acres, more or less, of Field 309 for agricultural office and storage purposes in Kekaha, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.)

6. Request for approval of the Memorandum of Understanding between State of Hawaii Agribusiness Development Corporation and BZ Service LLC.
 7. Request for the Board to make a determination that it is necessary to conduct limited meetings for on-site inspection of ADC assets on Kauai for purposes related to the Board's business at which public attendance is not practicable; and for approval to submit a limited meeting schedule to the director of the Office of Information Practices for limited meeting concurrence
 8. Request for approval to issue a construction right-of-entry to Hawaii Department of Education to construct a Central Kitchen on Agribusiness Development Corporation property in Whitmore Village, City & County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:004 (por.), :009 (por.)
- F. Informational Items
1. Executive Director's Report
- G. Adjourn
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The Board may go into executive session on any agenda item pursuant to the exceptions provided under section §92-5, Hawaii Revised Statutes.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on June 26, 2025

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., 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 of Hawai‘i, Leiopapa A Kamehameha, State Office Tower Building, 235 S. Beretania St., Suite 204, Honolulu, HI 96813.

Members Present, virtually:

Lyle Tabata, Kauai County Member, Chair (Chair) (entered the meeting at 9:14 a.m.)
Jesse Cooke, City and County of Honolulu Member (Member Cooke)
Glenn Hong, Member-At-Large (Member Hong)
Sharon Hurd, Ex-Officio Member for HBOA (Member Hurd)
Ciara Kahahane, Designee for DLNR Ex-Officio Member Ms. 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 Trump)

Members absent:

Dane Wicker, Designee for DBEDT, Ex-Officio Member James Tokioka (Member Wicker) (attended only the executive session from 9:15 a.m. to 10:19 a.m.)
Jayson Watts, Maui County Member

Counsel Present, virtually:

Jennifer Waihee-Polk, Deputy Attorney General
Tina Tsuchiyama, Deputy Attorney General
David Matsumiya, Deputy Attorney General (exited the meeting at 10:19 a.m.)
Kevin Minoli, Special Counsel (exited the meeting at 9:50 a.m.)

Staff Present, virtually:

Wendy L. Gady, Executive Director (Ms. Gady)
Mark Takemoto, Sr. Executive Assistant (Mr. Takemoto)
Lyle Roe, Asset Manager (Mr. Roe)
Ken Nakamoto, Project Manager (Mr. Nakamoto)
Alison Neustein, Kauai Property Manager (Ms. Neustein)
Ingrid Hisatake, Executive Secretary
Deo Rhoden, Kauai Water Manager

Guests Present, virtually:

ADC Guest
Nick Azari (Dr. Azari), Hawaii Sustainable Agricultural Products, LLC
Ryan Kagimoto
Trisha Yamato
Mike Faye (Mr. Faye), Kekaha Agriculture Association (KAA)
Charles Miller
Scott Ishikawa, Becker Communications
AAkana
Brian Miyamoto, Hawaii Farm Bureau Federation
Colin Peros, Office of Senator Dela Cruz
Luke Sarvis (Mr. Sarvis), DLNR CO

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Wade
A Kwan
Mark Ladao
Gues
Becky Smith
Cynthia Rezendes
Makana, Office of Senator Awa
Adam
David Cho
Lisa Broulik

Guests Present, physical location:

None

A. Call to Order & Roll Call

Member Okuhama called the meeting to order at 9:07 a.m.

Member Okuhama conducted the roll call. Member Cooke, Member Hong, Member Hurd, Member Kahahane, Member Okimoto, Member Okuhama, Member Seddon, and Member Trump acknowledged their presence with no one over the age of 18 being present in the room with them. Chair entered the meeting at 9:14 a.m.

F. Informational Items (taken out of order)

- 1. Update by Agribusiness Development Corporation's legal counsel regarding revised draft National Pollutant Discharge Elimination System permit nos. HI-0021940 and HI-0021945.**
- 2. Update by Deputy Attorney General David Matsumiya regarding the Public First Law Center lawsuit.**

Agenda Items F-1 and F-2 were taken out of order to be heard in executive session pursuant to HRS sections 92-4 and 92-5(a)(4), to allow the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

Member Okuhama called for a motion to enter executive session.

Motion by Member Kahahane; second by Member Okimoto.

Member Okuhama asked if there was any public testimony on the agenda items or on the request to enter executive session. There was none.

Member Okuhama asked if there was any Board discussion. There was none.

Member Okuhama called for the vote. Hearing no objections or abstentions, the motion was unanimously approved: 8-0.

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Chair entered the meeting at 9:14 a.m.

Board exited the public meeting at 9:14 a.m.

Executive Session concluded at 10:19 a.m. with a recess until 10:30 a.m.

Return to Public meeting at 10:30 a.m.

Pursuant to HRS section 92-4(b) (2023), Chair reported that the Board discussed Agenda Items F-1 and F-2 with the Board's attorneys in executive session and no action was taken.

B. Approval of Minutes

1. Regular Session Minutes, April 17, 2025

Chair called for a motion to approve.

Motion by Member Okuhama; second by Member Kahahane.

Chair asked if there was any staff presentation. There was none.

Chair asked if there was any public 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: 9-0.

2. Executive Session Minutes, December 5, 2024

Chair called for a motion to approve.

Motion by Member Trump; second by Member Kahahane.

Chair asked if there was any staff presentation. There was none.

Chair asked if there was any public 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: 9-0.

C. Chairperson's Report

Chair reflected on accomplishments during his tenure that included: acquisition and revitalization of irrigation systems in Wahiawa; transitioning of the East Kaua'i Irrigation System to ADC; hiring of key personnel to support Kaua'i irrigation system management; strategic focus on

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agriculture infrastructure to enable food production and local food security; and emphasized the need for a long-term strategic plan despite current reactive project prioritization.

E. Action Items (taken out of order)

13. Election of the Chairperson and Vice-Chairperson of the Board of Directors of the Agribusiness Development Corporation for a one-year term, July 1, 2025 - June 30, 2026

Chair opened the floor for nominations of the chairperson.

Member Okuhama nominated Chair to continue in the position for another term.

Hearing no further nominations, Chair asked if anyone from the public wished to give testimony. There was none.

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

Chair called for the vote. Hearing no objections or abstentions, Chair was unanimously reelected chairperson: 9-0.

Chair opened the floor for nominations of the vice-chairperson.

Member Cooke nominated Member Okuhama to continue in the position of vice-chairperson.

Hearing no further nominations, Chair asked if anyone from the public wished to give testimony. There was none.

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

Chair called for the vote. Hearing no objections or abstentions, Member Okuhama was unanimously reelected vice-chairperson: 9-0.

D. Committee & Permitted Interaction Group Reports

1. Presentation of the report and findings of the Executive Director permitted interaction group.

Member Okuhama presented the report from the Executive Director Permitted Interaction Group (Group). The report included evaluations by the three Group members, staff evaluations, a self-evaluation by Ms. Gady, and goals and objectives for fiscal year 2025-2026. The Group recommended that Ms. Gady be retained for another year with conditions and no salary adjustment. Any future salary adjustment should be based on achieving the defined performance benchmarks. The Board accepted the report and acknowledged that discussion and action on the report will be deferred to the next meeting.

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

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

Chair reiterated that the vote to accept or reject the Group's report and recommendations would take place at the next Board meeting.

Having given their report to the Board, the Group was dissolved.

E. Action Items

- 1. Request for approval to renew Revocable Permit No. RP-PU-23-01, issued to Robert Rita Jr. dba Robert's Equipment Service, for 24 gross acres, more or less, of land in District of Waialua, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 6-5-001:056 (por.)**

Chair called for a motion to approve.

Motion by Member Trump; second by Member Cooke.

Staff presentation by Mr. Roe recommending a rate increase due to incomplete compliance with clearing requirements.

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

Chair asked if there was any Board discussion.

Member Okuhama recused himself as the applicant was one of his clients.

Chair called for the vote. Chair, Member Cooke, Member Hong, Member Hurd, Member Kahahane, Member Seddon and Member Trump voted to approve: 8-0. Member Okuhama abstained from voting.

- 2. Request for approval to issue a license agreement to the University of Hawaii for weather recording purposes in District of Waimea, County of Kauai, State of Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)**

Chair called for a motion to approve.

Motion by Member Kahahane; second by Member Cooke.

Staff presentation by Mr. Roe recommending approval.

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

Chair asked if there was any Board discussion.

The Board supported the recommendation.

Chair called for the vote. Hearing no objections or abstentions, the motion was unanimously approved: 9-0.

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3. **Request for approval to refer License Agreement No. LI-GA1714 issued to A & N Farm LLLP to the Department of the Attorney General for possible legal action due to rent and water delinquency, District of Wahiawa, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-012:001 (por.)**

Deferred until the July meeting.

4. **Request for approval to issue a new revocable permit to The Davey Tree Expert Company for 321.5 square feet of office space in Whitmore Village, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-002:004 (por.); and to terminate their current Revocable Permit No. RP-W257-23-01**

Chair called for a motion to approve.

Motion by Member Hurd; second by Member Kahahane.

Staff presentation by Mr. Roe recommending approval.

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: 9-0.

5. **Request for approval to issue a new revocable permit to Davey Tree Surgery Company for 115.5 square feet of office space in Whitmore Village, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-002:004 (por.); and to terminate their current Revocable Permit No. RP-W257-23-02**

Chair called for a motion to approve.

Motion by Member Okimoto; second by Member Okuhama.

Staff presentation by Mr. Roe recommending approval.

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: 9-0.

6. **Request for approval to issue a new license agreement to Hawaii Sustainable Agricultural Products LLC for fields PU-12 and PU-13 in Paalaa-uka, District of Waialua, City & County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 6-4-004:006, :008**

Chair called for a motion to approve.

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Motion by Member Kahahane; second by Member Okimoto.

Staff presentation by Mr. Nakamoto who asked the Board to:

- 1) Determine whether it is in the best interest of ADC to enter into a License agreement with Hawaii Sustainable Agricultural Products LLC.
- 2) If that question was answered in the affirmative:
 - a) Determine the license fee (\$100-\$200 per acre/per year or \$1,800 per acre/per year, or some other amount.
 - b) Determine the term of the License Agreement (35 years or less).
 - c) Determine the acreage and how the acreage is to be assessed (is the usable acreage 123 useable acres as proposed by Hawaii Sustainable Agricultural Products LLC, or 162 useable acres as proposed by ADC; should a surveyor be hired to determine the useable acreage; should the unusable acreage be assessed as untillable; should Hawaii Sustainable Agricultural Products LLC be offered less acreage that will lessen the amount of land needing to be cleared).
 - D) Determine how the water facility agreement should be implemented (should ADC be reimbursed for the entire Dole water facility use expenditures charged by Dole, and a processing fee to cover the cost of billing by ADC, or some lesser amount due to the increase caused by delay, knowing that such approval will set a precedent).
 - e) Determine whether rent recredit is warranted; if warranted for how long; and, for what purposes (water infrastructure, ground clearing, soil rehabilitation).

Mr. Nakamoto noted that Hawaii Sustainable Agricultural Products LLC has had a right-of-entry for almost five years, no rent has been paid, and the land has laid fallow.

The Board raised concerns about determining the rental rate. Should the right-of-entry period be considered the rent holiday or would a phased in rent escalation be appropriate. How would rent credits be applied. The tillable acreage should be determined before deciding on the rent. Has Hawaii Sustainable Agricultural Products LLC maintained insurance coverage. ADC has applications from farmers who are willing to pay higher rent. Does Hawaii Sustainable Agricultural Products LLC's business model allow for increased rent, otherwise ADC will be losing money. Board members asked for guidance on whether to issue the license under a new rate structure, what the implementation timeline should look like, and whether a phased-in rent escalation was appropriate.

Dr. Azari asked to be treated equally to other licensees and indicated openness to a rental structure that included phased escalation and supported further discussion if needed.

Given the number of outstanding questions, including verification of usable acreage, rent structure, rent holidays, and implementation milestones, Member Kahahane withdrew her motion, and Member Okimoto withdrew his second.

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Chair deferred the matter until the next meeting to allow Staff to clarify options and answer outstanding questions including irrigation access, rental structures, and license conditions.

- 7. Request to consent to the cancellation of Transfer Certificate of Title (TCT) No. 498504 and issuance of new Certificates of Title including for Lot 12019 as shown on Map 888 of Land Court Application 1069 in Honouliuli, City and County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 9-1-031:037; :026; :025; :001**

Chair called for a motion to approve.

Motion by Member Okimoto; second by Member Kahahane.

Staff presentation by Mr. Roe recommending approval.

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

Mr. Savis testified that DLNR wanted to deregister four parcels from Land Court. ADC's parcel would be unaffected. Individual TCTs will be issued.

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: 9-0.

- 8. Request for approval to issue a license agreement to Kauai Taro Company LLC for 88.02 gross acres, more or less, of Field 207 for agricultural use in Kekaha, District of Waimea, 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 Trump; second by Member Kahahane.

Staff presentation by Ms. Neustein recommending approval.

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

Mr. Faye testified that KAA supported issuing this license agreement.

Chair asked if there was any Board discussion.

The Board supported approving the license agreement.

Chair called for the vote. Hearing no objections or abstentions, the motion was unanimously approved: 9-0.

- 9. Request for approval to execute and enter a Memorandum of Agreement between the State of Hawaii Agribusiness Development Corporation and the Office of**

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Hawaiian Affairs for water line purposes in District of Wahiawa, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-012:009 (por.)

Chair called for a motion to approve.

Motion by Member Okimoto; second by Member Okuhama.

Staff presentation by Mr. Nakamoto recommending approval.

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: 9-0.

10. Request for approval to issue a right-of-entry agreement to the State of Hawaii, Department of Agriculture for access to property for biosecurity facility due diligence purposes in District of Wahiawa, City & County of Honolulu, State of Hawaii, Tax Map Key No. (1) 7-1-012:001 (por.)

Chair called for a motion to approve.

Motion by Member Cooke; second by Member Trump.

Staff presentation by Mr. Takemoto recommending approval.

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: 9-0.

11. Request for after-the-fact approval for a right-of-entry agreement to Hawaii Farm Bureau Federation for access to land in Whitmore Village, District of Wahiawa, City & County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-001:005 (por.), (1) 7-1-002:037, (1) 7-1-002:041 (por.), (1) 7-1-002:044

Chair called for a motion to approve.

Motion by Member Okimoto; second by Member Cooke.

Staff presentation by Mr. Nakamoto recommending approval.

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

Chair asked if there was any Board discussion.

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Member Okimoto asked how much property was involved.

Mr. Nakamoto replied the site was approximately 52 acres, of which 14 acres were being used for the farm fair.

Ms. Gady noted the dates of the farm fair were July 12th and July 13th, 2025.

Chair called for the vote. Hearing no objections or abstentions, the motion was unanimously approved: 9-0.

- 12. Request to authorize the executive director to execute that certain Disposition Agreement between the Agribusiness Development Corporation, Hawaii Department of Agriculture, and Sustainable Hawaii, LLC for the acquisition of certain properties related to Wahiawa Irrigation System in Wahiawa, City & County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-012-003; :004; :007; :014; (1) 7-1-001-013; :017**

Chair called for a motion to approve.

Motion by Member Okimoto; second by Member Okuhama.

Staff presentation by Ms. Gady recommending approval.

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: 9-0.

- 13. Election of the Chairperson and Vice-Chairperson of the Board of Directors of the Agribusiness Development Corporation for a one-year term, July 1, 2025 - June 30, 2026**

This agenda item was taken out of order and heard at the beginning of the meeting.

F. Informational Items

- 1. Update by Agribusiness Development Corporation's legal counsel regarding revised draft National Pollutant Discharge Elimination System permit nos. HI-0021940 and HI-0021945.**

This agenda item was taken out of order and heard at the beginning of the meeting in executive session.

- 2. Update by Deputy Attorney General David Matsumiya regarding the Public First Law Center lawsuit.**

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on June 26, 2025

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

This agenda item was taken out of order and heard at the beginning of the meeting in executive session.

3. Executive Director's Report regarding prior weekly reports

Chair called on Ms. Gady to give her report.

Ms. Gady noted that her weekly reports were available on the ADC website.

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.

G. Adjourn

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

Motion by Member Okimoto; second by Member Trump.

Chair called for the vote. Hearing no objections or abstentions, the motion was unanimously approved: 9-0.

The meeting was adjourned at 12:41 p.m.

Agribusiness Development Corporation (ADC)

Executive Director Annual Evaluation Report

Date: May 02, 2025

Submitted by: Evaluation Committee – Permitted Interaction Group

I. Introduction

Pursuant to the requirements for annual performance reviews, the Evaluation Committee (Permitted Interaction Group) conducted a performance evaluation of ADC Executive Director Wendy Gady covering the 2024–2025 fiscal year. This review reflects individual assessments from Board members Lyle Tabata, Jason Okuhama, and Dane Wicker using the adopted evaluation framework. This report summarizes the findings, identifies strengths and areas for improvement, and provides a final recommendation regarding retention and salary adjustment.

II. Summary of Evaluation Scores

Overall Performance Score Average: 2.97

Overall Success Assessment Average: 2.89

Performance ratings are based on a 5-point scale: 5 = Outstanding; 4 = Exceeds Expectations; 3 = Fully Capable; 2 = Needs Improvement; 1 = Unsatisfactory

III. Key Strengths

- External Engagement & Visibility: Demonstrated strong outreach and stakeholder presence.
- Progress on Inherited Projects: Completed Dole Wells acquisition and addressed key operational issues.
- Commitment to Mission: Continued advancement of ADC's mission despite structural limitations.

IV. Key Areas for Improvement

- Strategic Planning: A comprehensive strategic plan remains pending.
- Internal Systems: Need for staff development, cross-training, and structured evaluations.
- Delegation: Lack of formal delegation structure, particularly during legislative session periods.
- Communication with Board: Inconsistent timeliness and completeness of board packages.

- **Credibility and Accountability:** Need for accurate communications and ownership of agency decisions.

V. Evaluation Committee Recommendation

- **Retention:** Recommend retention, with clear performance improvement conditions.
The Executive Director has demonstrated capability in advancing ADC's visibility and addressing key inherited projects. However, significant improvements are needed in strategic planning, staff leadership, communication, and internal systems.
- **Salary Adjustment:** Do not recommend a salary increase at this time. Current performance reflects a "Fully Capable" to "Needs Improvement" range. A salary adjustment should be contingent upon meeting clearly defined performance benchmarks.

VI. Recommended Performance Benchmarks (FY 2025-2026)

1. **Strategic Plan Submission** – Deliver a comprehensive ADC strategic plan by Q1 FY25-26.
2. **Internal Systems** – Implement formal staff evaluation and cross-training systems.
3. **Staff Development** – Improve retention and define a clear organizational chart with delegated responsibilities.
4. **Board Communication** – Improve timeliness and completeness of board packages and major project updates.
5. **Credibility & Ownership** – Ensure communications are accurate, vetted, and coordinated internally before release.

These benchmarks will serve as measurable indicators for future evaluations.

**Agribusiness Development Corporation
Executive Director
Performance Goals and Objectives FY2026**

Annual Goals and Objectives:

1. LEADERSHIP & ADMINISTRATION

Specific Goals:

- **ADC Agribusiness Strategic Plan (ADC ASP):** Office of Planning and Sustainable Development (OPSD) and the University of Hawai'i Community Design Center (UHCDC) to provide the draft ADC ASP to the ADC Board by July 30, 2025. ADC ASP to be reviewed, refined, finalized, and rolled out by ADC Board by September 30, 2025. Staff continue to assist OPSD and UHCDC in completing the ADC ASP.
- **Property Acquisition:** Complete the acquisition of strategic agricultural lands and water systems including the East Kauai Irrigation System, Wahiawa Irrigation System by Q4 FY26.
- **Infrastructure Improvement Plan:** Develop and implement a five-year strategic infrastructure improvement development plan for ADC's assets, including irrigation systems, reservoirs, and post-harvest processing centers by Q2 FY26.
- **Food Security and AG Diversification:** Establish new initiatives to promote diversified agriculture and agribusiness innovation, including the Food and Product Innovation Network and the Regional Food Hubs by Q3 FY26.
- **Compliance and Risk Management:** Address and resolve 100% of outstanding audit findings by Q2 FY26.

Establish a comprehensive risk management framework, including liability assessments and mitigation strategies for agricultural operations by Q2 FY26.
- **External AG Training Programs:** Collaborate with educational institutions and workforce development organizations to create at least two new agricultural training programs focusing on irrigation management, agribusiness, food safety, and value-added production by Q4 FY26.

- **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.

Measurable and Achievable:

- **ADC Agribusiness Strategic Plan:** Final ADC Agribusiness Strategic Plan rolled out by ADC Board by September 30, 2025.
- **Property Acquisition:** Status of acquisition of strategic agricultural lands and water systems by Q4 FY26.
- **Infrastructure Improvement Plan:** Five-year strategic infrastructure improvement development plan completed and implemented by Q2 FY26.
- **Food Security and AG Diversification:** Initiatives established by Q3 FY26.
- **Compliance and Risk Management:** 100% of outstanding audit findings addressed, resolved and reported to Board by Q2 FY26.
Comprehensive risk management framework established and implemented by Q2 FY26.

External AG Training Programs: Two new agricultural training programs established and implemented by Q4 FY26.

- **PIG Facilitation:** 90% of PIG meetings were on schedule and timely progress reports are submitted to Board.

2. MANAGEMENT & FISCAL STEWARDSHIP

Specific Goals:

- **Legislative Support & Advocacy:** Track and provide input on legislative bills annually that impact agricultural development and ADC's mission.
Develop policy recommendations to the Legislature on improving agricultural land use, irrigation infrastructure, and food security by Q1 FY26.
- **Financial Plan and Budget:** Develop a multi-year financial plan that aligns operational budgets with strategic priorities, ensuring fiscal sustainability by Q1 FY26.
- **Grant Opportunities:** Secure and manage grants, such as the WaterSMART Drought Grant and other federal funding opportunities to support agricultural

development with a target of securing at least \$10M in new funding by Q4 FY26.

- **Land Stewardship:** Maximize utilization of ADC's agricultural lands through new license agreements and awards by Q4 FY26.

Establish performance metrics and conduct annual evaluations for all active licenses to ensure optimal land and resource use.

- **Yardi System Implementation:** Yardi System to be running at full operational capacity to include land management by Q1 FY26. YARDI System to include water use agreements if it is best practical system available to ADC.

Measurable and Achievable:

- **Legislative Support & Advocacy:** Provided Legislature with input supporting agriculture development and ADC's mission before and during 2026 legislative session.

Provided policy recommendations to the Legislature, by Q1 FY26.

- **Financial Plan and Budget:** Multi-year financial plan developed, by Q1 FY26.
- **Grant Opportunities:** Report to ADC Board on all Grant opportunities applied for and status on a quarterly basis.
- **Land Stewardship:** Report to ADC Board on the increase in ADC Ag land licenses between FYE 25 to FYE 26. Report provided to ADC Board on a quarterly basis.
- **Yardi System:** Yardi System fully operational and generating reports on land management, and if applicable, water use agreements. Ongoing quarterly reports provided to ADC Board starting Q1 FY26.

3. STAFF DEVELOPMENT

Specific Goals:

- **Staff Meetings:** Conduct bi-weekly staff meetings to ensure alignment with organizational goals and implement a quarterly performance review system by Q2 FY26.
- **Cross Training:** Introduce cross-training programs for 100% of staff to enhance operational flexibility and knowledge sharing by Q3 FY26.

- **Work Monitoring System:** Conduct staff quarterly performance reviews to adjust and balance staff workload.
- **Continuing Education:** Achieve at least 100% staff participation in one State DHRD or private training by Q4 FY26.
- **Staff Positions:** Hire key personnel including a grant writer, climate-resilient food network manager, and Kauai water management team to strengthen internal capacity by Q2 FY26.

Measurable and Achievable:

- **Staff Meetings:** Confirm 26 bi-weekly staff meetings held in FY26.
- **Work Monitoring System:** Quarterly report to ADC Board on workload distribution and balance, to not burn out staff.
- **Cross Training:** Confirmed 100% of staff completed at least one cross-training program by Q4 FY26.
- **Continuing Education:** Confirmed 100% staff participation by Q4 FY26.
- **Staff Positions:** All staff positions filled by Q2 FY26. ADC Board is kept informed on changes in open and filled staff positions.

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:** Monitor/confirm Weekly Reports submitted on time and uploaded to ADC website within 48 hours.
- **Board Packages:** Monitor/confirm receipt of Board packages 5 business days prior to each Board Meeting with 100% on-time delivery.
- **Major Project Schedule:** Monitor/confirm receipt of quarterly CIP Major Project Schedule.

5. COLLABORATION, COMMUNITY RELATIONS AND MEDIA

Specific Goals:

- Conduct at least three stakeholder engagement sessions annually to gather input and feedback on ADC projects and initiatives.
- Partner with industry associations, such as the Hawaii Farm Bureau and University of Hawaii, to enhance public outreach and education efforts on agricultural innovations.
- Ensure that ADC projects align with statewide agricultural plans and goals, including the State's mandate to double food production by 2030, with progress reports submitted bi-annually to the Legislature.
- Issue quarterly public updates or media releases highlighting ADC's accomplishments, including project milestones, funding achievements, and strategic partnerships. Improved public perception through stakeholder feedback throughout FY26.
- Establish a media relations strategy to promote ADC's role in supporting Hawaii's agricultural resilience, with a goal of increasing positive media coverage by 25% by Q4 FY26.

Measurable and Achievable:

- Confirm minimum three stakeholder engagement sessions by Q4 FY26.
- Confirm partnerships with external organizations and public outreach.
- Board oversight that ADC's efforts align with statewide AG plans and goals and bi-annual progress report submitted to Legislature.

- Monitor/confirm three public relations statements or media engagements by Q4 FY 2026. And collaboration with ADC's public relations companies.
- Monitor/confirm implementation of media relations strategy in FY26, with positive media coverage. ADC contracted media company to track increasing positive media coverage and provide metrics on improvement.

6. PERSONAL DEVELOPMENT

Specific Goals:

- **Mentorship:** Executive Director to work with Mentor, Board Member Glen Hong, to improve executive management of ADC including staff optimization, internal and external priorities, plan and schedule of department activities and execution.

Board shall create a FY 2026 Mentorship Permitted Interaction Group ("PIG") to discuss mentorship efforts and impact.
- **Leadership Delegation:** Conduct bi-monthly check-ins with the ADC Board Chair to assess progress in delegation and leadership distribution.
- **Professional Growth:** Complete at least two professional development courses by Q4 FY26.
- **Retention and Salary Increase:** ADC ED to prepare performance-based self-evaluation to justify yearly salary adjustment by May 15, 2026.

Measurable and Achievable:

- **Mentorship:** Mentor Glen Hong to report to Mentorship ED PIG on monthly basis for Q1 FY26. Ongoing Mentorship ED PIG meetings to be determined after Q1 FY26.
- **Leadership Delegation:** ADC Board Chair to provide status on delegation and leadership distribution prior to FY26 ED Evaluation.
- **Professional Growth:** Confirm ED completion of two professional development courses by Q4 FY26.
- **Retention and Salary Increase:** Receipt of ED Self-evaluation by May 15, 2026.

STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-3

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
July 18, 2025

Subject: Request for approval to issue a license agreement to Hawaii Sustainable Agricultural Products, LLC for 234.031 gross acres, more or less, 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: License

Term: 35 years

Rental Rate Starting at \$100-\$200/acre/year

Request for approval to issue a license agreement to Hawaii Sustainable Agricultural Products, LLC for 234.031 gross acres, more or less, 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.
July 18, 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:

3. 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 obtaining 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 obtaining approvals or permits for ingress/egress
- No subletting, except as approved by ADC

Request for approval to issue a license agreement to Hawaii Sustainable Agricultural Products, LLC for 234.031 gross acres, more or less, 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.
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- 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.

On October 8, 2021, ADC issued a Right-of-Entry (ROE) 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 since October 8, 2021 at no cost. The ROE advised HSAP that:

Any cost and expense incurred with respect to the Fieldwork shall be borne by HSAP;

The ROE was to expire at the completion of the Fieldwork, until a long-term agreement was reached;

HSAP shall provide ADC with no less than two weeks prior notice of commencement of any Fieldwork activity and to coordinate the activity with ADC;

HSAP shall be responsible for coordinating access through locked gates with ADC;

HSAP shall maintain comprehensive general liability insurance, comprehensive automobile liability insurance for all owned, hired, or non-owned vehicles, and workers' compensation insurance; and

HSAP shall comply with all federal, state, and county laws and authorities.

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

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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 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.

On September 3, 2024, ADC informed HSAP that ADC and Dole had finalized the water use agreement and the contractor was proceeding with installation of the gate on Kamehameha Hwy.

On January 23, 2025, ADC sent a letter to HSAP asking if HSAP was still interested in a land license for the Wahiawa (North) parcel as ADC had received inquiries about the availability of TMK(s) 6-4-004-006 & 008. By way of letter dated January 31, 2025, HSAP indicated it was still interested in pursuing the license.

In early February 2025, HSAP commented on some of the changes that occurred during the last five years. HSAP noted that Dole had increased the cost of water delivery, the property was entirely covered by vegetation including invasive trees that must be removed before irrigation systems would be installed, and the tillable farm area advertised as being 162 acres was actually closer to 123 acres. HSAP asked if rent credit was available to offset the cost of clearing the land, which was anticipated to take an additional eighteen to twenty-four months.

At the March 3rd, 2025 Board meeting, the ADC Board approved the new Oahu license fee rate of \$1,800 per acre per year. At the same meeting, HSAP presented its farm plan to the Board. HSAP asked for a thirty-five-year lease and five-year rent moratorium. HSAP noted the increased water rate, the reduced amount of tillable land, and the land having been fallow since 2008 has hampered any crop production. Based on soil analysis done in 2022, the land was acidic and required remediation. HSAP intends to clear the land at a rate of twenty percent a year, which would not bring the land into full production for five years.

On May 29, 2025, ADC sent a letter (See Exhibit A) containing a recitation of the facts that lead to the delay in issuing a land license.

REQUEST:

HSAP's request is for a thirty-five-year license agreement for 123 usable acres that includes a water use agreement between ADC and HSAP, with the license fee set at the original amount of \$100 to 200 per acre, per year, and a five-year rent moratorium.

OPERATIONAL PLAN:

HSAP wants to determine what crops to grow based on the demand and market changes rather than being required to identify crops to be grown in a farm plan. Having a five-year phase out approach will allow HSAP to be profitable and avoid upfront costs for clearing the land. The five-year rent moratorium will allow the land to be cleared and irrigation infrastructure to be installed.

Request for approval to issue a license agreement to Hawaii Sustainable Agricultural Products, LLC for 234.031 gross acres, more or less, 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.
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CONSERVATION PLAN:

HSAP is required to obtain a soil conservation plan.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT COMPLIANCE:

N/A

REMARKS & DISCUSSION:

According to HSAP's March 3rd, 2025 presentation and written proposal dated April 9, 2025, HSAP asserted that:

- 1) The delay in executing the License Agreement was caused by ADC.
- 2) HSAP believes the license fee should be the amount advertised in the solicitation for applicants on March 10, 2021, which was \$100-\$200 per acre, per year. The new Oahu license fee of \$1,800 per acre per year, which was approved at the March 3, 2025 Board meeting, should not apply.
- 3) HSAP wants to determine what crops to grow based on the demand and market changes rather than being required to identify crops to be grown in a farm plan.
- 4) Having a five-year phase-out approach by clearing and putting 20% of the tillable land into production each year will allow HSAP to be profitable and avoid upfront costs for clearing the land.
- 5) A five-year rent moratorium will allow the land to be cleared and irrigation infrastructure to be installed. A rent moratorium will reduce costs during the five-year phase out period and enable HSAP to have a sustainable and successful business venture.

ADC informed HSAP that the purpose of the right-of-entry was to allow the selected land applicant an opportunity to prepare the land for production. Once the land was ready for production, the license agreement would be issued and a licensee fee assessed. Any project proposal should be submitted to the Board for approval. The purpose of rent relief was to allow the Licensee to invest in the property for such things as water infrastructure or creation of a reservoir. The decision to approve rent credit lies solely with the Board.

It is worth noting that of the five ROEs issued pursuant to the March 2021 land solicitation, only two parcels have been licensed due to issues receiving water. The Law Brothers (230 acres) were able to proceed to crop production through use of a reservoir. Ohana Hui Ventures (416 acres) were able to proceed to crop production through use of water tanks and access to City and County of Honolulu, Board of Water Supply water lines. Cedar Grove (511 acres) and Malama Aina Collective (91 acres) asked to have their ROEs' rescinded due to the inadequate supply of water.

At the June 26, 2025 meeting, the ADC Board of Directors asked staff for information related to the terms of the two Licensees who have received land licenses. Both farmers applied for land at

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July 18, 2025

the same time as HSAP. The request for application which HSAP responded to was issued on March 4, 2021. The due date to submit application was April 27, 2021. In total, ADC received 36 applications for 5 parcels. The top scorer dropped out due to the COVID-19 pandemic. Two other high scoring applicants dropped out due to the lack of water availability. The following is information about the two existing land licenses:

Law Tieng's Farm LLC and TM Farm LLC were issued a land license on April 1, 2023. The following are their rental rates:

\$200 per acre per year (years 1-3)
\$400 per acre per year (years 4-10)
\$1 per acre per year (non-tillable)
+2.5% (start of year 11, 16, 21, 26, 31)

Unlike the other parcels, the area had existing infrastructure, which included waterlines and a 10MGD reservoir that receives water from the Bott Well Pump Station. The Law brothers have removed abandoned vehicles, trash and solid waste that were left on site. Rent credits may be allowed subject to Board approval. However, no rent credit has been applied to date.

Ohana Hui Ventures was issued a land license on May 9, 2023. The following are their rental rates:

Until July 31, 2023 - \$0/acre/year
August 1, 2023 – July 31, 2026 - \$14/acre/year
August 1, 2026 – July 31, 2032 - \$100/acre/year
Every 5 years thereafter - +2.5% increase
(Non-tillable) \$1/acre/year

The property had an existing BWS water meter, which the farmer is currently using. The applicant has removed dozens of abandoned vehicles, trash, and solid waste that was illegally dumped on the property. In addition to cleaning up the land, they have provided vocational training and classes to the community free of charge.

There are no re-openings that would increase the rental rate to market value (\$1,800/acre/year). At that time when the Board issued these License agreements, the policy was to increase the rate by 2.5% every five years.

RECOMMENDATION(S):

Based on the foregoing, staff recommends that the Board:

- 1) Determine whether it is in the best interest of ADC to enter into a License Agreement with HSAP.
- 2) If the Board recommends that ADC enter into a License Agreement with HSAP:

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- a. Determine the license fee (\$100-\$200 per acre/per year, or \$1,800 per acre/per year, or some other amount).
- b. Determine the term of the License Agreement (35 years or less).
- c. Determine the acreage and how the acreage is to be assessed (is the usable acreage 123 useable acres as proposed by HSAP, or 162 useable acreages as proposed by ADC; should a surveyor be hired to determine the acreage; should the unusable acreage be assessed as untillable; should HSAP be offered less acreage that will lessen the amount of land needing to be cleared).
- d. Determine how the water facility agreement should be implemented (should ADC be reimbursed for the entire Dole water facility use expenditures charged by Dole, and a processing fee to cover the cost of billing by ADC, or some lesser amount due to the increase caused by delay, knowing that such approval will set a precedent).
- e. Determine whether rent credit is warranted; if warranted for how long; and, for what purposes (water infrastructure, ground clearing, soil rehabilitation).

Respectfully Submitted,

Ken T. Nakamoto

KEN NAKAMOTO

Project Manager

Approved for Submittal:



Wendy Gady
Executive Director

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



WENDY L. GADY
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
235 S. Beretania Street, Suite 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

May 29, 2025

VIA EMAIL to nick.azari@arionenergy.com & U.S. mail
Dr. Nick Azari
Hawaii Sustainable Agricultural Products, LLC
500 Ala Moana Blvd., Suite 7400
Honolulu, HI 96813

Re: Proposed License Agreement between the State of Hawai'i Agribusiness Development Corporation (ADC) and Hawaii Sustainable Agricultural Products, LLC (HSAP) for Agricultural Land located at TMK (1) 6-4-004:006 and (1) 6-4-004:008 (Property)

Dear Dr. Azari,

Thank you for providing the presentation to the ADC Board of Directors (Board) at the March 3, 2025 meeting where you explained the delay in preparing the Property for cultivation and HSAP's plans for the future. The Board will be deciding on the proposed license agreement for the Property at its next meeting to be held on June 19, 2025.

According to your March 3, 2025 presentation and written proposal dated April 9, 2025, HSAP asserted that:

- 1) The delay in executing the License Agreement was caused by ADC.
- 2) HSAP believes the license fee should be the amount advertised in the solicitation for applicants on March 10, 2021, which was \$100-\$200 per acre, per year. The new Oahu license fee of \$1,800 per acre per year, which was approved at the March 3, 2025 Board meeting, should not apply.
- 3) HSAP wants to determine what crops to grow based on the demand and market changes rather than being required to identify crops to be grown in a farm plan.

- 4) Having a five-year phase-out approach by clearing and putting 20% of the tillable land into production each year will allow HSAP to be profitable and avoid upfront costs for clearing the land.
- 5) A five-year rent moratorium will allow the land to be cleared and irrigation infrastructure to be installed. A rent moratorium will reduce costs during the five-year phase out period and enable HSAP to have a sustainable and successful business venture.

Please advise immediately if this recitation of HSAP's position is in error.

At the June 19, 2025 Board meeting, ADC is prepared to submit the following facts:

- 1) On September 29, 2021, HSAP was the applicant selected to license the Whitmore – North property with 234 gross acres/162 useable acres.
- 2) On October 8, 2021, ADC and HSAP executed a right-of-entry (ROE) for the Property to conduct “fieldwork”. Fieldwork consisted of securing the property, reasonable land preparation, soil conservation planning, and crop field tests.
- 3) Prior to execution of the ROE, HSAP was informed and aware that:
 - a. The selected applicant must submit an approved soil conservation plan to ADC.
 - b. The selected applicant was responsible for the development of water infrastructure, which included pump, filter station, waterlines, and a reservoir/water storage, and other equipment needed to transport water from Dole's reservoir to the site.
 - c. The selected applicant was responsible for obtaining all water use permits and/or water use agreements.
 - d. The water source for the Property was Dole's Tanada Reservoir.
 - e. The Property required clearing before any agricultural activities could begin.
 - f. The Property was to be licensed “as is”.
 - g. The selected applicant was responsible for coordinating with ADC to access the Property through locked gates.

- h. The selected applicant must maintain comprehensive general liability insurance, comprehensive automobile liability insurance for all owned, hired, or non-owned vehicles, and workers' compensation insurance.
 - i. The ROE would expire at the completion of the Fieldwork at which time a long-term License Agreement for up to thirty-five years would be negotiated.
- 4) ADC received a Certificate of Liability Insurance dated May 13, 2022 for commercial general liability. No further proof of insurance has been received.
- 5) On or about October 21, 2022, HSAP provided ADC with a copy of its approved Soil Conservation Plan.
- 6) In response to an inquiry by HSAP, on November 6, 2022, ADC reaffirmed that the only available water source for the Property was Dole's Tanada Reservoir. ADC encouraged HSAP to contact Dole and make water use arrangements.
- 7) On February 13, 2023, HSAP notified ADC that Dole wanted to enter into a water infrastructure use agreement with ADC rather than HSAP. This is something ADC does not normally do and would set a precedence going forward.
- 8) ADC contacted Dole and was informed that Dole would not enter into an agreement with HSAP. Dole would only supply water to the Property if ADC was responsible for the waterline charges incurred by HSAP. Again, this is something ADC does not normally do.
- 9) As a gesture of good will, in February 2023, ADC agreed to enter into a contractual agreement with Dole to enable HSAP to receive water from the Tanada Reservoir. To accomplish this, ADC was required to enter into a water facility use agreement with Dole.
- 10) Beginning on February 14, 2023, ADC and Dole began negotiating the terms of a water facility use agreement.
- 11) On February 24, 2023, HSAP and ADC agreed to postpone issuance of the License Agreement until after water service was available. HSAP would continue to access the property via ROE for continued Fieldwork and once water service was available HSAP was to request approval of the License Agreement.

- 12) On April 13, 2023, ADC informed HSAP that Dole had identified a water valve on the Property.
- 13) On May 25, 2023, ADC informed HSAP that the condition of the water valve on the Property was unknown and may require some rehabilitation. ADC further informed HSAP that Dole would not guarantee the availability of any amount of water.
- 14) It is unknown if HSAP located the water valve, or if located, took any action to rehabilitate the water valve in preparation for receiving water from Dole.
- 15) By late March 2024, after over a year of back and forth between ADC and Dole, ADC finally received an acceptable Water Facility Agreement from Dole, which was executed by ADC and Dole on April 4, 2024; effective May 1, 2024.
- 16) Through the Water Facility Agreement, ADC contracted with Dole for an initial user rate of \$0.60 per thousand gallons of ditch water; and \$0.80 per thousand gallons of pumped water, to be billed monthly. The price is subject to adjustment every January 1st.
- 17) On September 3, 2024, ADC reminded HSAP that the water use agreement was finalized.
- 18) On January 23, 2025, ADC asked HSAP if they were still interested in the Property.
- 19) On January 31, 2025, HSAP indicated to ADC that it was still interested in pursuing the License Agreement.
- 20) On February 4, 2025, HSAP informed ADC that the price Dole quoted in 2022 was 50% less than Dole was charging ADC, and the increase would make the economics of the project challenging.

At the Board meeting, the Board will be asked to determine:

- 1) Whether it is in the best interest of ADC to enter into a License Agreement with HSAP.
- 2) If the Board recommends that ADC enter into a License Agreement with HSAP:
 - a. Determine the license fee (\$100-\$200 per acre/per year, or \$1,800 per acre/per year, or some other amount).

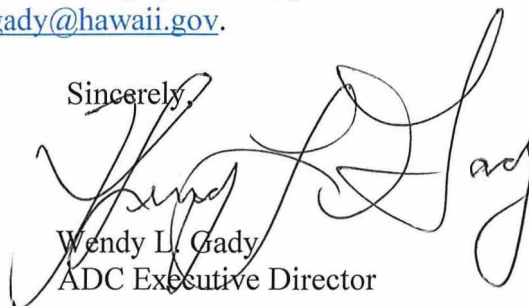
- b. Determine the term of the License Agreement (35 years or less).
- c. Determine the acreage and how the acreage is to be assessed (is the usable acreage 123 useable acres as proposed by HSAP, or 162 useable acreages as proposed by ADC; should a surveyor be hired to determine the acreage; should the unusable acreage be assessed as untillable; should HSAP be offered less acreage that will lessen the amount of land needing to be cleared).
- d. Determine how the water facility agreement should be implemented (should ADC be reimbursed for the entire Dole water facility use expenditures charged by Dole, and a processing fee to cover the cost of billing by ADC, or some lesser amount due to the increase caused by delay, knowing that such approval will set a precedent).
- e. Determine whether rent credit is warranted; if warranted for how long; and, for what purposes (water infrastructure, ground clearing, soil rehabilitation).

It is worth noting that of the five ROEs issued pursuant to the March 10, 2021 land solicitation, only two parcels have been licensed due to issues receiving water. The Law Brothers (230 acres) were able to proceed to crop production through use of a reservoir. Ohana Hui Ventures (416 acres) were able to proceed to crop production through use of water tanks and access to City and County of Honolulu, Board of Water Supply water lines. Cedar Grove (511 acres) and Malama Aina Collective (91 acres) asked to have their ROEs' rescinded due to the inadequate supply of water.

Additionally, a gate has been installed at the Kamehameha Highway entrance to the Property. Based on previous experience in Wahiawa, a gated entrance will not remain intact for long in the absence of daily agricultural activity occurring on the Property.

Please be available to address ADC's recitation of the facts set forth above at the Board meeting on Thursday, June 19, 2025, beginning at 9:00 A.M. The meeting agenda will be available on-line at <https://dbedt.hawaii.gov/adc/meetings/> by close of business on Friday, June 13, 2025. Should you have any questions, please do not hesitate to contact me at (808) 586-0186 or wendy.l.gady@hawaii.gov.

Sincerely,



Wendy L. Gady
ADC Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

E-5

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
July 17, 2025

Subject: Request for approval to issue a month to month Right of Entry permit to Kekaha Agriculture Association for property located at 7189-D Kaumualii Highway, 10 gross acres, more or less, of Field 309 for agricultural office and storage purposes in Kekaha, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.)

Applicant: Kekaha Agriculture Association (KAA)

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

Area: 10 gross acres, more or less

Field No(s): Portion of 309, located at 7189-D Kaumualii Highway, Kekaha, now to be referred to as the Kekaha Agriculture Processing Building (KAP). See "Exhibit A".

Tax Map Key: (4) 1-2-002:001(por.) (Property)

Land Status: Set aside to the Agribusiness Development Corporation (ADC) by Governor's Executive Order No. 4007 (as modified) for *Agricultural and Related Purposes*

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: Agriculture

Character of Use: Agricultural office and storage purposes

Land Doc. Type: Right-of-entry permit (ROE)

Term: Month-to-month

Rental Rate: Gratis

BACKGROUND:

On July 16, 2012 BASF PLANT SCIENCE L.P. (BASF), executed a lease with ADC to build facilities to support the agricultural research operation of BASF.

On September 30, 2016, BASF assigned its Lease to Beck's Superior Hybrids, Inc. (BECKS).

On March 10, 2023, BECKS assigned its Lease to the Hawaii Department of Education (DOE).

On January 31, 2025 the Lease with DOE was terminated.

For the building to not fall into disrepair, be subject to vandalism or become occupied with homeless, KAA agreed to temporarily occupy the space.

Request for approval to issue a month to month Right of Entry permit to Kekaha Agriculture Association for property located at 7189-D Kaumualii Highway, 10 gross acres, more or less, of Field 309 for agricultural office and storage purposes in Kekaha, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.)
July 17, 2025

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 project is exempt from the requirement to conduct an environmental assessment because the action is exempt from the requirement under Exemption Class 1, Item 4 of the Comprehensive Exemption List for the ADC dated May 1, 2018.

DISCUSSION:

As noted previously, since the KAP was vacant, in order for the building to not fall into disrepair, be subject to vandalism or become occupied with homeless, KAA agreed to temporarily occupy the space. In exchange, KAA will continue to secure and maintain the KAP. KAA’s responsibilities include but are not limited to paying for and providing commercial liability insurance, electricity, water, a/c maintenance, interior building cleaning, outside mowing and maintenance and basic day-to-day upkeep.

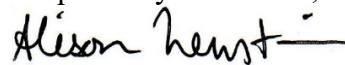
ADC will retain 1 office space and 1 non-regulated drying room and will have access and use of the conference rooms as shown of attached “Exhibit B” floorplan.

RECOMMENDATION:

Based on the foregoing, staff recommends that the Board:

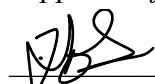
1. Approve the Request, subject to the following conditions:
 - a. Authorize the issuance of a right-of-entry permit to KAA, covering the subject area for agricultural office and storage purposes, under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time; and
 - b. KAA shall not sublet any portion of the Premises without the prior approval of ADC.
2. Declare that, pursuant to ADC’s Comprehensive Exemption List dated May 1, 2018, the proposed disposition is a de minimis action that 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,



ALISON NEUSTEIN
Kauai Property Manager

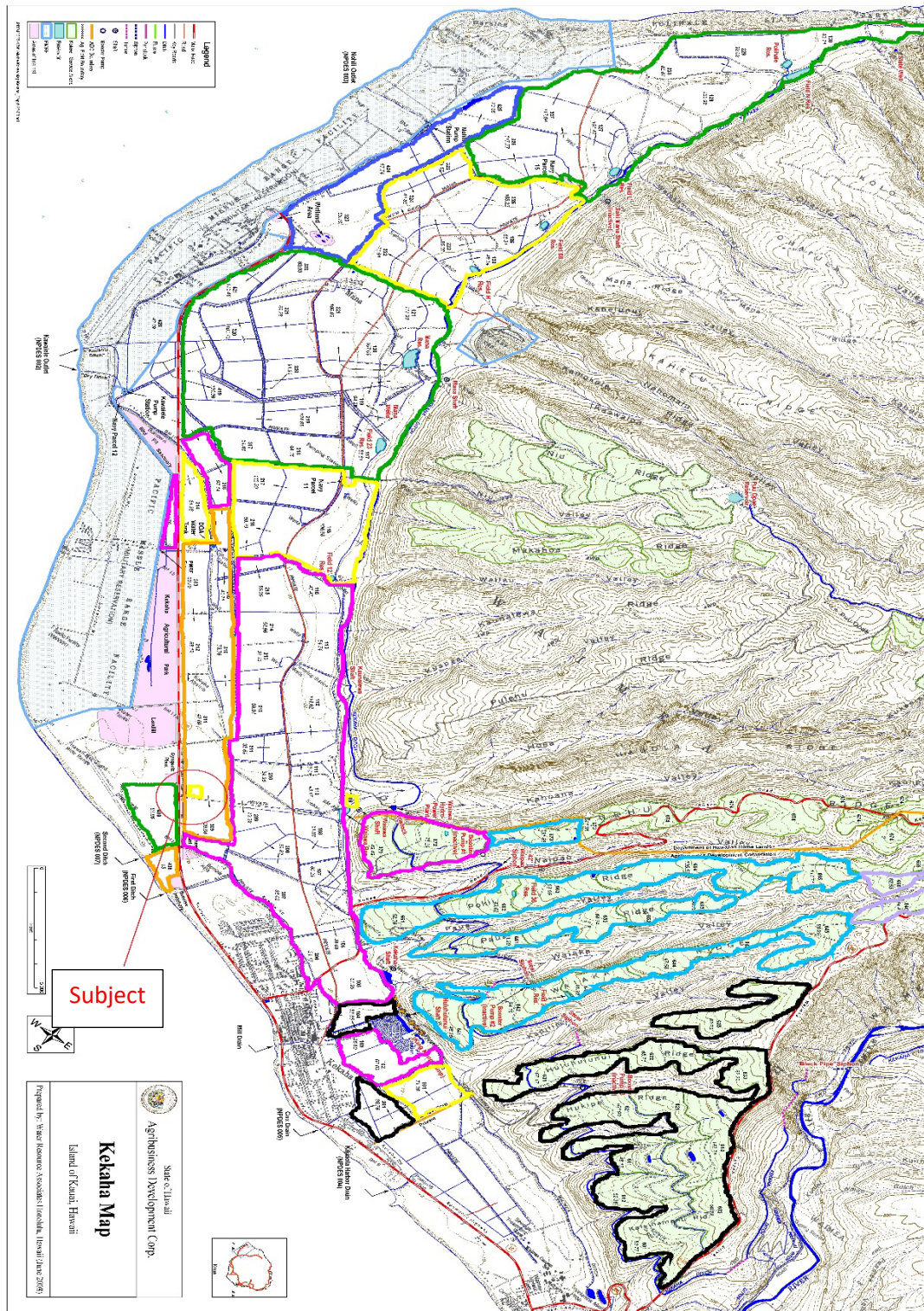
Approved for Submittal:



WENDY GADY
Executive Director

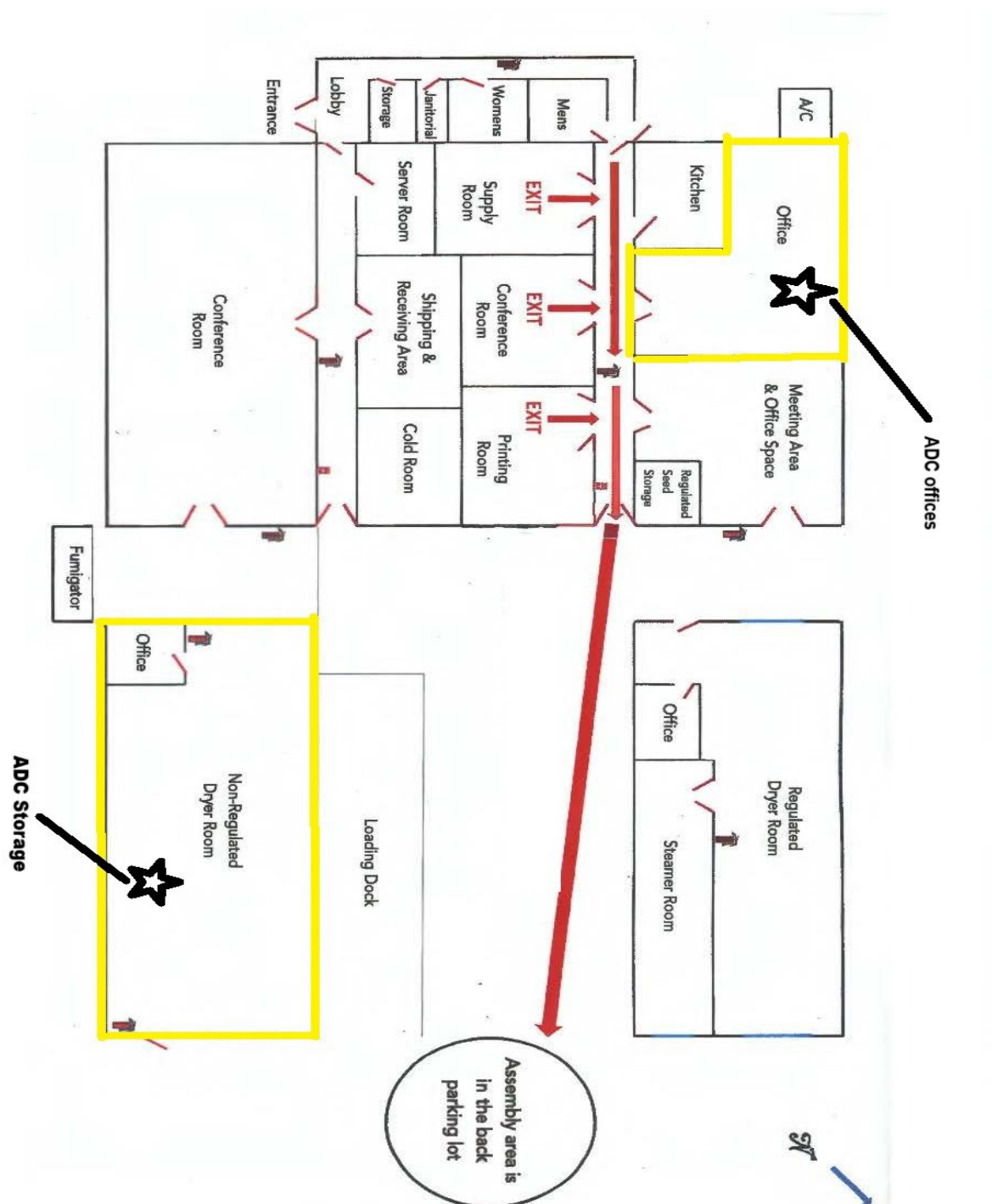
Request for approval to issue a month to month Right of Entry permit to Kekaha Agriculture Association for property located at 7189-D Kaumualii Highway, 10 gross acres, more or less, of Field 309 for agricultural office and storage purposes in Kekaha, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.)
July 17, 2025

EXHIBIT A



Request for approval to issue a month to month Right of Entry permit to Kekaha Agriculture Association for property located at 7189-D Kaumualii Highway, 10 gross acres, more or less, of Field 309 for agricultural office and storage purposes in Kekaha, District of Waimea, County of Kauai, State of Hawaii, Tax Map Key (4) 1-2-002:001 (por.)
July 17, 2025

EXHIBIT B



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



E-6

WENDY GADY
EXECUTIVE DIRECTOR

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

July 18, 2025

Subject: Request for approval to authorize the Executive Director execute and enter a memorandum of understanding between the State of Hawaii Agribusiness Development Corporation and BZ Services LLC to host the 2025 Keiki Construction event in Whitmore Village, County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:037 (por.), :041 (por.), :044 (por.)

Applicant: Agribusiness Development Corporation (ADC)

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

BACKGROUND:

BZ Services LLC is a contracting company who specialize in excavation, grubbing, demolition, hauling, and concrete services—delivering reliable, high-quality work across residential and commercial projects throughout Hawaii. The inaugural Keiki Construction event was held in 2023. They had over 20+ machines ranging from excavators, skid steer, tractors, backhoe, bulldozers, concrete pump trucks, boom trucks, semi, super dumps, flatbed, etc. Sponsors for the event include but are not limited to Hawaii Truck Parts, Pape, Bacon, CAT, paradise Lua, and Hawaiian Dredging. BZ Services LLC has requested an area 15 acres in Whitmore Village for the purpose of hosting the 2025 Keiki Construction event.

REQUEST:

Staff requests that the Board authorize the Executive Director to execute Memorandum of Understandings (MOUs) (Exhibit "A") between ADC and BZ Services LLC, which delineates the roles and responsibilities of the parties for the planning and organization of the Keiki Construction event in Whitmore, Oahu (Request).

OPERATIONAL PLAN:

The event is a one-day event and hosts approximately 3,000 attendees. The parking space and venue for the event will be located on ADC property. Activities include equipment demonstrations, food vendors, and entertainment.

CONSERVATION PLAN:

N/A

CHAPTER 343:

Under *Hawaii Revised Statutes* (HRS) §343-5(a), 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 project triggers an environmental assessment because it proposes the use of state or county lands.

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

DISCUSSION:


BZ Services LLC has conducted a rigorous search for fairgrounds and identified the Whitmore area as an ideal location to have the event. The property proposed has already been prepared to host outdoor events and agricultural activities, which include land clearing and preparation, and water meter installation. Apart from the work already-in-progress and ADC staff time, this activity will have a neutral effect on ADC income and budget.

RECOMMENDATION:

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

1. Approve the Request, subject to the following conditions:
 - a. BZ Services LLC shall obtain appropriate insurance to cover the event that shall indemnify ADC and the property, and
 - b. BZ Services LLC shall indemnify and hold harmless ADC from all claims, and
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 HRS Chapter 343.

Respectfully Submitted,


KEN NAKAMOTO
Project Manager

Approved for Submission:


Wendy Gady
Executive Director

**MEMORANDUM OF UNDERSTANDING
BETWEEN
STATE OF HAWAII AGRIBUSINESS DEVELOPMENT CORPORATION
AND
BZ SERVICE LLC**

This Memorandum of Understanding (MOU) is effective as of _____, 2025, by and between the State of Hawaii Agribusiness Development Corporation (ADC), whose business and mailing address is 235 S. Beretania St., Suite 205, Honolulu, HI 96813, and the BZ Services LLC (BZ), whose mailing address is Apoeopoe St., Pearl City, HI 96782 each a Party and collectively, the Parties.

RECITALS

WHEREAS, BZ is a Hawaii Domestic Limited-Liability Company who specializes in excavation, grubbing, demolition, hauling, and concrete services—delivering reliable, high-quality work across residential and commercial projects throughout Hawaii.

WHEREAS, in 2023, BZ hosted the inaugural Keiki Construction event; and

WHEREAS, at the last Keiki Construction event approximately 3,000 attendees participated in activities that included construction equipment demonstrations; and

WHEREAS, on June 3, 2025, BZ gave ADC notice that they were seeking event space in the Whitmore area for the upcoming event; and

WHEREAS, ADC has some vacant agricultural land available near Whitmore Village, Oahu, that may be suitable for purposes of providing a venue and parking for the Keiki Construction event; and

WHEREAS, BZ wishes to utilize the vacant agricultural land for the Keiki Construction event, and ADC desires to provide the vacant agricultural land to BZ for holding the Keiki Construction event;

NOW THEREFORE, the Parties agree as follows:

1. Purpose

The purpose of this MOU is to establish an agreement between ADC and BZ regarding the temporary use of ADC's agricultural property for the purpose of hosting a Keiki Construction event. The event aims to teach children the functions and how to operate heavy equipment used in the agricultural community and construction sites. The blue-collar field gives children an opportunity to gain experience and knowledge

2. Property Description

The property to be used for the event is located at tax map key numbers (1) 7-1-002:037; (1) 7-1-002:044; and (1) 7-1-002:041, which encompasses approximately 52 acres. Areas specifically designated for use will be agreed upon and marked prior to the event.

3. **Term; Event Date and Time**

Term: This MOU shall remain in effect for one year unless sooner terminated by either Party in accordance with paragraph 10 of this MOU. This MOU shall automatically renew for successive terms of one year unless either Party provides thirty days' written notice to the other of its intent not to renew or the agricultural land is no longer available.

The Keiki Construction event will take place on:

Date(s): November 30, 2025

Setup: November 29, 2025

Event Start and End Times: 9:00am – 3:00pm

Teardown/Removal of Materials: December 1, 2025

4. **BZ's Responsibilities**

BZ agrees to:

Event Planning: Coordinate all aspects of the Keiki Construction event, including logistics, vendors, programming, and scheduling.

Permits and Compliance: Obtain all necessary permits, licenses, and insurance policies required by state and local authorities.

Insurance: Provide proof of liability insurance covering the event, with ADC named as an additional insured party. Coverage should be no less than \$1,000,000.00 per occurrence.

Security and Safety: Ensure security and emergency measures are in place, including crowd control, medical assistance, and fire safety.

Setup and Teardown: Set up and remove all equipment, tents, and temporary structures within the agreed time frames and ensure that the property is restored to its original condition after the event.

Waste Management: Arrange for proper disposal of waste and recycling generated during the event and leave the site free from litter and debris.

Parking and Traffic Management: Designate and manage parking areas and traffic flow to prevent disruption to surrounding areas.

Respect Agricultural Land: Ensure attendees respect the boundaries of designated fair areas and do not damage crops, livestock, fencing, or other agricultural features.

5. ADC Responsibilities

ADC agrees to:

Property Access: Grant right-of-entry to BZ for setup, the event, and teardown during the agreed-upon dates and times.

Use of Facilities: Permit the use of designated areas of the property for activities including vendor stalls, food and beverage service, and public entertainment.

Site Information: Provide basic property information and orientation to BZ, including layout, utilities access, and emergency points, if available.

Utility Access: Provide access to utilities such as water and electricity if available, to be used as per prior arrangement and with a clear understanding of consumption limitations.

6. Financial Terms

Rental/Usage Fee: BZ agrees to pay ADC a rental fee of twelve hundred and 0/100 dollars (\$1,200) for the use of the property, due November 29, 2025. Any additional charges related to utility usage or damage repair will be billed within ten days post-event.

Deposit: A refundable deposit of twelve hundred and 0/100 dollars (\$1,200) is required to cover potential damages and will be returned within fourteen days after the property has been inspected post-event.

7. Liability and Indemnification

Liability Waiver: BZ assumes all responsibility for the actions of its staff, vendors, and participants during the Farm Fair and agrees to hold ADC harmless from any claims, damages, or losses that may arise due to the event.

Indemnification: BZ agrees to indemnify and hold harmless ADC from any claims, lawsuits, or damages related to injury, property damage, or other incidents occurring during the event.

8. Cancellation Policy

Notice of Cancellation: BZ agrees to provide written notice to ADC at least fourteen calendar days prior to the event in case of cancellation. If BZ cancels within less than fourteen calendar days of the event, ADC reserves the right to retain all the rental fee as compensation.

Force Majeure: Neither party shall be held liable for failure to perform its obligations under this MOU if such failure is caused by events beyond the reasonable control of the parties, including natural disasters, governmental orders, or other unforeseeable events.

9. Property Restoration

BZ agrees to restore the property to its original condition, removing all event-related equipment, debris, and any temporary structures. Any damage to the property or facilities will be assessed, and repair costs will be the BZ's responsibility.

10. Amendment and Termination

Amendment: This MOU may be amended only by written mutual agreement of both parties.

Termination: Either party may terminate this MOU with thirty days prior written notice to the other Party.

11. Miscellaneous

Governing Law; Severability: This MOU shall be governed by and construed in accordance with the laws of the State of Hawaii. If any provision of this MOU is held to be invalid or unenforceable, the validity of the other provisions shall remain unaffected.

Entire Agreement: This MOU constitutes the entire agreement between the Parties and supersedes all prior agreements or understandings, written or oral, relating to the subject matter.

Paragraph Headings: The paragraph headings are inserted only for convenience and reference and shall in no way define, describe, or limit the scope or intent of any provision of this MOU.

12. Counterparts: This MOU may be executed in one or more counterparts, each of which shall be deemed an original, and said counterparts will together constitute one and the same agreement and shall be binding on each of the Parties notwithstanding that all of the Parties are not signatory to the original or the same counterpart. The submission of a signature page by facsimile transmission, or similar electronic submission facility (e.g., email) shall be deemed to constitute an "original" signature page for all purposes, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

[The remainder of this page intentionally left blank; signature page follows.]

THE PARTIES HERETO HAVE REVIEWED, AGREED TO, AND EXECUTED THIS
MEMORANDUM OF UNDERSTANDING EFFECTIVE ON THE DATE FIRST NOTED
ABOVE.

BZ SERVICES LLC

By: _____
Kaimana Sasaki, Manager

Date: _____

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

By: _____
Wendy Gady, Executive Director

Date: _____

EXHIBIT "A"



STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-8

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
July 18, 2025

Subject: Request for approval to issue a construction right-of-entry to Hawaii Department of Education to construct a Central Kitchen on ADC property in Whitmore Village, City & County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:004 (por.), :009 (por.)

Applicant: Hawaii Department of Education

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

Area: 4.8 gross acres; Additional area may be necessary for the staging of construction equipment and materials.

Field No(s): Non-designated

Tax Map Key: (1) 7-1-002:004; :009 (Properties)

Land Status: Acquired in fee by the Agribusiness Development Corporation in 2013 and 2015, respectively.

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

Chapter 343: This request is subject to the requirement to prepare an environmental assessment, pursuant to chapter 343, Hawaii Revised Statutes. FONSI published July 16, 2020

Character of Use: Pre-construction, Construction

Land Doc. Type: Construction Right-of-Entry

Term: Until project completion

Rental Rate N/A

July 18, 2025

BACKGROUND:

State funding was appropriated to the Hawaii Department of Education (HDOE) to construct the North Central-Central Kitchen on portions of ADC lands. HDOE procured the design and construction services to a private contractor to build out the Project. The Applicant seeks a construction right-of-entry to the construction site for pre-construction and construction purposes.

REQUEST:

The Applicant requests a right-of-entry to the construction site to grant access to HDOE, Applicant, and Applicant's agents for pre-construction and construction purposes (Request).

OPERATIONAL PLAN:

The Applicant anticipates the pre-construction, and construction activities to commence by August 2025. Construction is anticipated to continue until August 2027. However, unforeseen delays may add 4-5 months to the timeline.

CONSERVATION PLAN:

N/A

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT COMPLIANCE:

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 project triggers an environmental assessment because it proposes the use of state lands and the use of state funds. The Project completed an environmental assessment and a Final Environmental Assessment with a Finding of No Significant Impact was published July 16, 2020.

REMARKS & DISCUSSION:

Staff notes that another construction project will be ongoing during the same general time frame as the Project. The Hawaii Department of Accounting and General Services (DAGS) will be installing a service road and utility infrastructure in the same general area. The Applicant, ADC, and DAGS will need to closely coordinate construction activities to maximize project efficiency.

The Board has been advised that the projects required the relocation of additional tenants, beyond the prior termination of land agreements with Helemano Farms. Staff has worked diligently with the Applicant and DAGS to minimize impacts to tenants and try to avoid relocation and disruption to their businesses, if possible. The tenant has been made aware that this is a master-planned area and has since relocated to another location.

Impacts to ADC include the likely transfer of land for the Central Kitchen footprint from ADC to HDOE, and the loss of revenue from the tenant who was required to relocate.

RECOMMENDATION:

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

Request for approval to issue a construction right-of-entry to Hawaii Department of Education to construct a Central Kitchen on ADC property in Whitmore Village, City & County of Honolulu, State of Hawaii, Tax Map Key Nos. (1) 7-1-002:004 (por.), :009 (por.)

July 18, 2025

1. Approve the Request, subject to the following condition(s):
 - a. Applicant shall procure and maintain a policy of commercial general liability insurance covering them and their agents in the amount of \$2,000,000.00 in aggregate; \$1,000,000 per incident, and shall list "State of Hawaii, Agribusiness Development Corporation" as additional insured; and
 - b. Applicant shall coordinate all construction activities with ADC and DAGS.

Respectfully Submitted,



KEN NAKAMOTO

Project Manager

Approved for Submittal:



Wendy Gady

Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

F-1

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
July 18, 2025

SUBJECT: July 18, 2025 Executive directors Report

ADC: 2023 Strategic Goals:

Increase Agricultural Productivity Land Acquisition & Development
Irrigation System Development & Maintenance
Improve Components of the Food System

July Highlights:

Strategic Milestones

- LOIs executed with Grove Farmland, Dole and G&R
- Met with European Startup FPIN Candidate
- Phase 2 Application submitted for \$11M HIEMA grant
- First budget draft to DBEDT for FY27
- Completed Goal Setting with 2 staff members for FY26
- Significant progress on site prep with HFBB for Farm Fair
- Central Oahu Agriculture Center update see (attached Draft)

Areas Requiring Focus

- Execute additional LOIs for Oahu Acquisitions
- Irrigation: Initiate budgeted projects & 5-year CIP plan
- Capacity Building:
 - Kauai Water Workers: setting up interviews on Kauai
 - Accountant V: Start date July 16, 2025
 - Paperwork for Governor's signature for Accountant IV, Contract Manager & Oahu Property Manager. Staff Temporarily Assigned for Accountant IV and Oahu Property Manager
 - Continuing Goal Setting with Staff for FY26
 - Drafted Scope of Work for Professional Services- office support
- Critically looking to reduce staff workloads: Setting goals for each quarter of FY26 with each staff member

Upcoming Conferences/Events:

- July 12 & 13: Hawaii Farm Bureau Farm Fair, Oahu
- July 12: Kauai Farm Bureau Federation Meeting, Kauai
- July 17: ADC Board Meeting (virtual) & HPP Summit, Oahu
- August 7: Food Systems Policy Summit, Oahu

Upcoming Conferences/Events (continued):

- August 14: E-Waste Recycling Day, Oahu
- August 17: ADC Board Meeting (potentially in person, Kauai)
- August 26: Hawaii Conference of Planning Officers, Oahu
- September 8: Dam Safety Training, Oahu
- September 10: Artificial Intelligence Conference, Oahu
- September 22-24: Hawaii Tourism Conference, Oahu

Approved for Submittal:

Wendy Gady
Executive Director

ADC Event Space Application & Rental Guide

Purpose

This document outlines the application process, fees, and policies for reserving event space managed by the Agribusiness Development Corporation (ADC). Its purpose is to support community and agricultural activities while safeguarding public assets and ensuring safe, orderly use.

Eligibility

Eligible applicants include individuals age 18 or older, registered nonprofit organizations, registered businesses, government agencies, and community groups willing to comply with ADC policies, meet insurance requirements, comply with local ordinances, safety regulations, obtain all necessary permits and comply with the terms outlined in the rental agreement.

Rental Categories & Rates

Category	Rate (Per Hour)	Description
Agriculture-Related Events	\$150	Workshops, demonstrations, markets, or meetings directly supporting agricultural activities.
Non-Agriculture Events	\$200	Corporate functions, private events, community festivals, or other non-agricultural gatherings.

Booking Procedure & Rental Timeline

1. Submit completed Application (Sections 1–4) at least 30 calendar days before the requested event date.
2. ADC reviews the submission within 5 business days and issues a Tentative Approval or requests additional details.
3. Within 5 business days of Tentative Approval, the applicant must remit the refundable security deposit and any non-refundable application fee.
4. Proof of insurance meeting ADC requirements (see “Insurance Requirements”) is due no later than 10 business days before the event.

5. All rental fees must be paid in full 10 business days before the event.
6. Final Confirmation is issued once fees and insurance are received; failure to meet deadlines may result in cancellation.

Security Deposit & Insurance

A refundable security deposit (amount determined after application review) is required to cover potential damages, extra cleaning, or overtime. The deposit is returned within 20 business days after the event, provided no violations or damages are assessed.

Insurance Requirements

- Commercial General Liability (CGL) coverage of at least \$1,000,000 per occurrence and \$2,000,000 aggregate.
- The certificate of insurance must list Agribusiness Development Corporation, 235 South Beretania Street, Suite 25, Honolulu, HI 96813 as an additional insured and be valid for the full duration of the rental period, including all setup and teardown days. Proof of insurance must be submitted no later than 10 business days before the event.
- Vendors and subcontractors must carry their own liability insurance and submit documentation upon request.

Cancellations & Refunds

- Cancellations ≥ 14 calendar days before the event: full refund of rental fees (application fee non-refundable).
- Cancellations < 14 calendar days before the event: 50% of rental fees forfeited.
- Security deposits are fully refunded for all cancellations.

Right to Deny Use

ADC reserves the right to deny, revoke, or terminate usage if the event poses safety risks, conflicts with ADC's mission, if required documentation is incomplete, or if the applicant violates policies or deadlines.

Section 1 – Applicant Information

Applicant Name _____

Organization (if applicable) _____

Mailing Address _____

Phone _____ Email _____

Section 2 – Event Details

Event Name _____

Event Description _____

Category: ☐ Agriculture-Related (\$150/hr) ☐ Non-Agriculture (\$200/hr)

Event Date(s) _____ Start Time _____ End Time _____

Estimated Attendance _____ people

Food Service: ☐ Yes ☐ No Alcohol Service: ☐ Yes (permits attached) ☐ No

Amplified Sound/Music: ☐ Yes ☐ No

Setup Date/Time _____ Takedown Date/Time _____

Section 3 – Site Needs

☐ Tables/Chairs ☐ Electricity ☐ Water ☐ Parking ☐ Security ☐ Waste Disposal

☐ Restrooms ☐ ADA Access ☐ Other: _____

Section 4 – Attachments Required

☐ Proof of Liability Insurance (listing ADC as additional insured)

☐ Site Map/Layout Plan

☐ Alcohol Permit (if applicable)

☐ Noise Permit (if applicable)

☐ Nonprofit verification (if requesting nonprofit consideration)

Section 5 – Terms and Conditions

- Space will be used only for the approved purpose and timeframe.
- Applicant is liable for cleanup costs, damages, and overtime.

- All permits and insurance must be provided by stated deadlines.
- ADC staff may enter the premises at any time for inspection.
- Failure to comply may result in immediate termination of the event and forfeiture of fees.

Section 6 – Authorization

I certify that the information provided is accurate and agree to abide by the terms and conditions outlined above.

Applicant Signature _____ Date _____

Office Use Only

Date Received _____ Reviewed By _____

Application Status: ☐ Approved ☐ Denied ☐ Tentative

Security Deposit \$ _____ Rental Fee \$ _____ Insurance Proof Received ☐

Notes: _____

Contact Information

Agribusiness Development Corporation (ADC)
 Event Space Reservations
 235 South Beretania Street, Suite 25
 Honolulu, HI 96813
 Phone: (808) xxx-xxxx | Email: events@adc.hawaii.gov

Signature: 

Email: Mark.H.Takemoto@hawaii.gov