

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.**

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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.