

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on July 18, 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:

Jesse Cooke (Member Cooke), City and County of Honolulu Member
David Hinazumi (Member Hinazumi), Kauai County Member
Glenn Hong (Member Hong), Member-At-Large
Earl Yamamoto, (Member Yamamoto) for Sharon Hurd (Ms. Hurd), Ex-Officio Member for HBOA
Ciara Kahahane, (Member Kahahane), Designee for DLNR Ex-Officio Member Dawn Chang; left the meeting at 12:00 p.m.
Dean Okimoto (Member Okimoto), Member-At-Large
Jason Okuhama (Member Okuhama), Vice-Chair, Member-At-Large
Karen Seddon (Member Seddon), Member-At-Large
Nathan Trump (Member Trump), Hawaii County Member
Dane Wicker (Member Wicker), Designee for DBEDT, Ex-Officio Member James Tokioka; left the meeting at 12:00 p.m.
Jayson Watts, (Member Watts) Maui County Member

Members absent: None

Counsel Present, virtually:

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

Staff Present, virtually:

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

Guests Present, virtually:

Nick Azari (Dr. Azari), Hawaii Sustainable Agricultural Products, LLC
Mike Faye (Mr. Faye), Kekaha Agriculture Association (KAA)
Scott Ishikawa, Becker Communications
Joshua Uyehara, KAA
Carol
K.Shower
Jadine Urasaki, Hawaii Department of Education (HDOE)
Kathy Sokugawa
iPhonelinda
Reggie Garcia, Committee Clerk for Senator Tim Richards
Ryan Kigimoto

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Guest Guest

Kristie

Renovatio

Theresa

Lyle Tabata

BobG

Amanda Shaw

Guests Present, physical location:

AAkana

A. Call to Order & Roll Call

Member Okuhama called the meeting to order at 9:03 a.m.

Member Okuhama conducted the roll call. Member Cooke, Member Hinazumi, Member Yamamoto, Member Kahahane, Member Okuhama, Member Seddon, Member Trump, Member Watts, and Member Wicker acknowledged their presence with no one over the age of 18 being present in the room with them. Member Okimoto and Member Hong acknowledged their presence in the ADC office with Ms. Gady.

Member Okuhama reminded the Board Members to have their cameras turned on and remain on screen during the meeting so the record will reflect who was present at the time any vote was taken.

B. Approval of Minutes

1. Regular Session Minutes, June 26, 2025

Member Okuhama called for a motion to approve.

Motion by Member Hong; Second by Member Wicker.

Member Okuhama asked if there was any staff presentation. There was none.

Member Okuhama asked if there was any public testimony. There was none.

Member Okuhama asked if there was any Board discussion.

Member Yamamoto stated he would abstain from voting because he was not present at the June 26, 2025 meeting.

Member Hinazumi stated he was not at the meeting but had reviewed the minutes and would vote to approve if needed.

Member Okuhama called for a roll call vote.

1. Member Cooke Yes

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2.	Member Hinazumi	Yes
3.	Member Hong	Yes
4.	Member Yamamoto	Abstained
5.	Member Kahahane	Yes
6.	Member Okimoto	Yes
7.	Member Okuhama	Yes
8.	Member Seddon	Yes
9.	Member Trump	Yes
10.	Member Watts	Yes
11.	Member Wicker	Yes

Motion approved. Vote: 10-0; 1 abstention.

2. Executive Session Minutes, June 26, 2025

Member Okuhama stated that during the June 26, 2025 executive session, the Board discussed agenda item F-1, an update by Special Counsel on the revised draft National Pollutant Discharge Elimination System permit, and agenda item F-2, an update by the Department of the Attorney General on the lawsuit filed by Public First Law Center. HRS sections 92-4 and 92-5(a)(4) allows a meeting to be closed to the public when necessary to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

Member Okuhama further stated that to maintain the confidentiality of matters discussed in executive session, the draft minutes were provided directly to Board Members for review. Please respect the confidentiality of the executive session when discussing approval of these minutes.

Member Okuhama called for a motion to approve.

Motion by Member Hong; Second by Member Okimoto.

Member Okuhama asked if there was any staff presentation. There was none.

Member Okuhama asked if there was any public testimony. There was none.

Member Okuhama asked if there was any Board discussion.

Member Yamamoto noted that he would again abstain from voting because he was not present at the June 26, 2025 executive session.

Member Okuhama called for a roll call vote.

1.	Member Cooke	Yes
2.	Member Hinazumi	Yes
3.	Member Hong	Yes
4.	Member Yamamoto	Abstained
5.	Member Kahahane	Yes
6.	Member Okimoto	Yes

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- | | | |
|-----|----------------|-----|
| 7. | Member Okuhama | Yes |
| 8. | Member Seddon | Yes |
| 9. | Member Trump | Yes |
| 10. | Member Watts | Yes |
| 11. | Member Wicker | Yes |

Motion approved. Vote: 10-0; 1 abstention.

C. Chairperson's Report

None.

D. Committee & Permitted Interaction Group Reports

None.

E. Action Items

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

Member Okuhama called on Mr. Takemoto for the staff presentation.

Mr. Takemoto stated that at the June 26, 2025 Board of Directors (Board) meeting the Board reelected Lyle Tabata (Former Chair Tabata) chair, and reelected Member Okuhama vice-chair for fiscal year (FY) 2025 to 2026. Due to circumstances beyond ADC's control, Former Chair Tabata's term on the Board expired on June 30, 2025 and Member Hinazumi was appointed to the Kauai seat. Mr. Takemoto thanked Former Chair Tabata for his leadership and noted it was a testament to that leadership that he was unanimously reelected to serve as Chair of the ADC Board for another year. Due to the expiration of Former Chair Tabata's term, the Board will need to elect a new Chair.

Member Okuhama explained that according to Article 3, Section 2 of the ADC By-Laws, the positions of chair and vice-chair shall be elected by the Board from among its members, provided that neither of them shall be an ex officio member. The officers shall take office on the first day of July following their election. The chair shall preside at all board meetings, submit any information and recommendations deemed proper concerning the policies and other ADC affairs. The vice-chair shall perform the chair's duties when chair is unavailable, and such other duties as assigned by the Board.

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

Member Okuhama asked if there was any Board discussion.

Member Hong nominated Member Okuhama for Board chair.

Member Wicker nominated Member Watts for Board chair.

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Member Okuhama asked if there were any further nominations for chair. Hearing none, the nominations for chair were closed.

Member Okuhama asked if there was any board discussion.

Member Wicker stated that ADC has made significant progress on Oahu and Kauai and there should be a push to get land on Maui and Hawaii Island. Nominating Member Watts to get representation from the neighbor islands will help ADC's understanding of what assets and economies are tied into the progress that ADC is working on.

Member Trump asked to hear from both nominees.

Member Okuhama stated that he's been on the Board for two years supporting Former Chair Tabata and Ms. Gady. He's been involved with many ADC issues, the complexities, the staffing issues, and participated in several Permitted Interaction Groups (PIG). The chair's position takes a lot of time and effort and involves a close working relationship with Ms. Gady. There are a lot of projects in Wahiawa with the central kitchen and other project that ADC's involved in. He would be in contact with Ms. Gady and ADC staff on an almost daily basis and understands there were a lot of internal challenges and there are all these projects that need to be accomplished. It's really important to support the staff moving forward. The whole Board has not been involved enough and needs more knowledge and exposure to what is going on with ADC.

Member Watts stated he was committed to devoting the time necessary to serve as chair. He had some concerns with ADC's internal procedures and bylaws. He would bring vision and structure to accomplish Ms. Gady's evaluation and setting of goals and letting her have more interaction with the Board. He'd help her create a structure and environment that can help the staff be successful. He has served on several PIGs. Transparency is critical and every member should be allowed to request things on the agenda and create an environment for discussion. Ms. Gady should be able to hear from the board members directly. He would provide direction and accountability. ADC's been given a lot of projects from external partners. ADC strategic plan hasn't been completed. He would prioritize the strategic plan so the Board knows where ADC was going.

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

Member Okuhama proposed the vote be taken by show of hands. Hearing no objection, Member Okuhama called for the vote:

Member Cooke, Member Hong, Member Okuhama, Member Seddon, and Member Trump voted in favor of Member Okuhama.

Member Hinazumi, Member Yamamoto, Member Kahahane, Member Okimoto, Member Watts, and Member Wicker voted in favor of Member Watts.

Ms. Prescott-Tate announced that Member Watts was elected Chair by a vote of six to five. Member Okuhama's election as vice-chair at the June 26, 2025 meeting remained unaffected. Member Watts was asked if he wanted to take over the meeting.

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Member Watts replied that Member Okuhama was doing a great job and asked that he complete the meeting.

Member Okuhama congratulated Member Watts and agreed to continue running the meeting on behalf of the newly elected chair.

2. Request to accept the findings and recommendations of the Executive Director permitted interaction group.

Member Okuhama asked for a motion to approve.

Motion by Member Okimoto; Second by Member Watts.

Member Okuhama called on Mr. Takemoto for the staff presentation.

Mr. Takemoto stated that at the March 25, 2025 Board meeting, a PIG was formed to conduct an evaluation of Ms. Gady for FY 2025. The PIG was to make a recommendation to retain, make a salary recommendation, and develop goals and objectives for FY 2026. The PIG reported its findings and recommendations at the June 26, 2025 Board meeting. The report was attached to the submittal at page 018-023. He asked that the Board discuss and consider the PIG's report and recommendations, or make your own findings and recommendations, and approve the salary, retention, and goals and objectives.

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

Member Okuhama asked if there was any Board discussion.

Member Yamamoto, on behalf of Ms. Hurd, supported the salary increase given that two of the three PIG members gave Ms. Gady a positive score.

Member Hong supported Ms. Hurd's recommendation. Ms. Gady has not had a salary increase. Normally when performance evaluations are conducted, the individual has an opportunity to comment on why certain things happen. The evaluation was missing feedback from Ms. Gady. The Board has not done a good job of giving Ms. Gady direction having come off a former Executive Director that provided almost no useful information to the Board. Ms. Gady was not given clear direction, adequate resources, and inadequate staff, which continues to this day.

Member Wicker stated that the previous Executive Director had four or five positions. When Ms. Gady came onboard, she walked in with ten vacancies not filled. Projects that were inherited are still being worked on. Other Agency Boards attached to the Department of Business, Economic Development, and Tourism (DBEDT) consider a salary increase as a yes or no. They should also consider the fiscal situation going on in [Washington] DC right now. Some of these managing director's salaries are fairly high. This would set a precedent for other programs attached to DBEDT. The Board could

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include a cost of living allowance (COLA) into the upcoming supplemental budget for the governor and the legislature to consider authorizing and approving.

Member Cooke stated that while Member Wicker may know the ins and outs of the legislature and budgeting, he wanted to discuss Ms. Gady's performance over the last year. Her performance warrants a COLA increase. The first area of scoring involved engagement, transparency, and goodwill with the media, stakeholders, and the general public. Before there was almost monthly negative publicity that led to projects meant to help farmers not receiving funding from previous legislative sessions. Since Ms. Gady became executive director the level of animosity toward ADC has decreased and the tone of articles regarding ADC has improved. The evaluation scores do not reflect the progress she made in building goodwill and improving public trust. When you have an increasing number of projects, it's difficult to make sure these projects get done while simultaneously doubling the number of staff. Things are going to slip through the cracks during periods of growth. The evaluation should take into account workload pressures and growing pains that come with scaling an agency to meet new demands. There was disappointment in ADC not hiring a federal grant writer, but ADC has applied for several federal grants, more than any time in the past. Ms. Gady's qualified for the position, and she's worked very hard this year.

Member Seddon stated the evaluation didn't reflect what the Executive Director has accomplished since she's taken the position with ADC. Ms. Gady's dedicated to helping the farmers. The things that ADC is supposed to be doing is a big list. Ms. Gady deserves COLA, at a minimum. Ms. Gady will do her best to make bigger and better things happen for ADC moving forward.

Member Wicker stated that ADC's one of ten attached agencies he's worked with, and they all have a strategic plan and know the direction to go with projects. DBEDT can leverage other attached agencies like how ADC tapped Hawaii Community Development Authority (HCDA) for help with the High Pressure Processing machine procurement. If ADC's going to look at worker housing, then DBEDT can tap into HCDA and HHFC [Hawaii Housing Finance and Development Corporation] to help. If the Board isn't clear on where ADC's headed, it's hard to figure out resources that DBEDT can provide. There needs to be a clear understanding of what the strategic plan is, what those deliverables are for the next fiscal year, and how that can be accomplished within the budget. It's unclear where ADC is putting its resources now.

Member Okimoto echoed Members Hong, Seddon, and Cooke's sentiments. Over the last year Ms. Gady has hit the ground running. He commended her for her perseverance and passion for getting farmers on the land and producing.

Ms. Gady stated that she'd like to provide feedback to the Board right now. She's done over one hundred weekly reports to tell the board what's going on. She invited feedback from the Board in response to the weekly reports. There's room for improvement in every evaluation. Having regular feedback from the Board helps ADC course correct if necessary. The Board has not provided any goals or objectives until this last evaluation. Drafting the strategic plan has been challenging. One of the first things I did was engage OPSD (Office of Planning and Sustainable Development) to prepare the strategic plan. OPSD did not have the capacity to complete the work, and UHCDC (University of

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Hawaii Community Design Center) was called on to finish the plan. The Executive Director Evaluation PIG wanted the draft strategic plan ready by October but that really is not possible. According to the ADC statute, the last strategic plan was due July 1, 2023, and every five years thereafter. The next plan is due in 2028, but it will be done before then. ADC's organizational chart does not have a grant writer position. Adding a grant writer requires the legislature to authorize it, but ADC staff has tried to take advantage of as many grant opportunities as possible. The Yardi system was supposed to be fully operational and generating reports on ADC land and water. But that goal was unrealistic. ADC just filled the Accountant 5 position, who started work on July 16, 2025, and there are many end-of-fiscal year reconciliations and year end closing to be done. ADC still has openings for a contract manager, Oahu Property Manager, and water worker. We are trying to re-describe other job descriptions to adequately reflect the work required. We just hired a Kauai Property Manager and a Kauai Water Manager but still need three Kauai water workers. Learning the public service hiring process has been challenging. But the impact ADC can have on the lives of the farmers, and the entire food system is enormous. Ms. Gady truly appreciated being able to serve as the ADC executive director.

Member Okuhama asked if the Board could make changes to the recommendations.

Ms. Prescott-Tate said the Board can add, delete, or change any of the PIG's recommendations by motion. It's totally the Board's decision.

Member Okuhama said that the timeline for the strategic plan needs to be adjusted based on the information provided by Ms. Gady. Deliverables by a third party were not considered. And questioned what amount of a pay raise would meet the COLA.

Member Hong suggested moving forward recognizing the Board's discussion and the feedback provided by Ms. Gady to the initial evaluation. The strategic plan will move forward, and the COLA will be constrained by the budget process, but the Board feels Ms. Gady should receive a salary adjustment based on her job performance. The performance evaluation provided by the PIG should be accepted as discussed.

Member Wicker said that the Board has the prerogative to determine the salary but the agency should check with DBEDT's ASO (Administrative Services Officer) to determine the salary authorized for the position by the legislature.

Mr. Takemoto stated that he checked with the ASO and the ADC executive director salary cap for FY 2025 was \$156,960, as found in Act 230 SLH [Session Laws Hawaii] 2024.

Member Hong replied that there was some flexibility in that number and suggested the Board recommend a 3% salary increase, subject to the budget process.

Ms. Gady noted that her salary is \$148,000.

Member Hong suggested that a new motion be made to accept the Executive Director Evaluation PIG's Report and Recommendations, with a 3% performance pay raise, which would be \$152,440.

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Member Okimoto withdrew his original motion.

Member Watts withdrew his second of the original motion.

Member Wicker stated he would be voting no on any salary increase.

Member Hong made a new motion to accept the findings and recommendations of the Executive Director Evaluation PIG, augmented with today's discussion by the full Board, and amending the recommendations to include a salary increase of 3% to \$152,440 based on Ms. Gady's performance, subject to the availability of funds in the budget.

Member Seddon seconded the motion.

Member Okuhama asked to change the timetable regarding the strategic plan.

Member Hong suggested that the Board address any changes to the strategic plan timetable at the next Board meeting and leave the motion as-is for now.

Member Wicker wanted to leave the strategic plan deadline as-is. The Board has not even seen a draft yet. DBEDT needs to use the strategic plan for policy and budget requests to pitch to the legislature. Having a deadline as soon as possible, even if there are only some things in place, will be of value to UH CDC in doing proof of concepts.

Member Hinazumi asked how long the evaluation PIG had been working on the findings and recommendations.

Member Okuhama replied approximately two months, maybe less.

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

Member Okuhama asked if there was any more Board discussion.

Member Trump stated he would be voting with reservations.

Mr. Takemoto asked for clarification of the effective date of the salary change.

Member Wicker said the increase would be retroactive to July 1, 2025.

Member Okuhama conducted a roll-call vote:

Member Cooke:	Yes.
Member Hinazumi:	No.
Member Hong:	Yes.
Member Yamamoto:	Yes.
Member Kahahane:	Yes.
Member Okimoto:	Yes.
Member Okuhama:	Yes.

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Member Seddon:	Yes.
Member Trump:	Yes, with reservations.
Member Watts:	Yes, with reservations.
Member Wicker:	No.

Motion approved. Vote: 9 in favor; 2 opposed.

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 meeting

Member Okuhama recused himself from this agenda item due to a conflict of interest and asked Member Watts to take over.

Member Watts called on staff for the presentation.

Mr. Nakamoto stated that this item was deferred from the June 26, 2025 Board meeting because the Board asked for information about two other licensees that were selected at the same time as Hawaii Sustainable Agricultural Products (HSAP). Information regarding the two licensees is on page 029 of the submittal. Staff also wanted the Board to answer questions for use in clarifying information necessary to proceed further with HSAP. These questions are:

(1) Is in our best interest of ADC to enter into a license agreement with HSAP.

If the answer is no, stop here; if the answer is yes, proceed to the next questions.

- (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.
- (d) Determine how the water facility agreement should be implemented.
- (e) Determine if rent credit is warranted; for how long, and for what purposes.

Mr. Nakamoto asked Ms. Prescott-Tate to explain how the vote would be conducted and noted that Dr. Azari from HSAP was available to answer any questions.

Ms. Prescott-Tate suggested going through the questions one at a time and conducting a voice vote after each question. These are the same questions that were before the Board at the June 26, 2025 Board meeting. The information will be coming directly from the submittal, which was very comprehensive. Once all the questions are discussed and answered the Board will be asked to vote on the motion to issue a license agreement to HSAP. Reading from the submittal, bottom of page 29, Question 1: Is it in the best

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interest of ADC to enter into a License Agreement with HSAP. Staff recommended voting Yes, on this question. All those in favor of voting “Yes” it is in the best interest of ADC to enter into a License Agreement with HSAP say “Aye”. Those opposed say “No.”

Vote: 10 ayes; 1 no.

The “ayes” have it, Question 1 was answered in the affirmative.

Member Watts asked if there was anyone from the public who wished to testify.

Dr. Azari stated that he would like to provide a brief background for the Board. HSAP provided a 200 page application, and went through a competitive selection process. We provided financials, and what we were going to plant. We were selected for one of five sites. We were given a right of entry; not a license. The right of entry simply allowed us to step on the land so we could create a conservation plan, do soil testing, and all that. It was not meant to clear hundreds of acres of land. Two other applicants who were given rights of entry ended up withdrawing their applications. The other two applicants were awarded licenses. But we were told to wait until the conversation between Dole and ADC on the water use was completed. We are asking for the rent to be the same as the other two that were selected. We also want the same rent credits that were given to the other two. Nothing special, we just want to be treated the same as the others.

Member Watts asked Dr. Azari if he would be open to a phased escalation of rent that acknowledges the delays but ensures some kind of rent progression.

Dr. Azari asked if the Board would raise the rent for the other two licensees as well, from \$200 to a higher amount. It is not fair for us to be treated differently.

Member Hong asked Dr. Azari if for the last five years there was just a right of entry for the property, and not the right of possession. And do you agree that the possession of the property was the result of lack of a water agreement with Dole?

Dr. Azari replied that’s correct. I was told the delay was not on us. There was a series of emails that were exchanged. Ms. Gady sent us a really comprehensive letter that laid out the timeline step by step. It clearly says how this came about. We only had a right of entry, and we were waiting for the discussion between Dole and ADC to be completed. That’s why we were just sitting around wasting time.

Ms. Prescott-Tate noted that the letter Dr. Azari referred to was located on pages 31 to 35 of the submittal.

Hearing no further discussion Ms. Prescott-Tate said that Question 1(a) is to determine the license fee. Staff recommended \$200 per tillable acre per year and zero per non-tillable acre per year. Five years ago when Dr. Azari applied for the land the rental rate was advertised as \$100 to \$200 per acre per year.

Member Okimoto stated that \$1,800 per acre per year is a very reasonable amount if you look at leases across the State. Private landowners are charging quadruple that. We’re

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putting new small farmers on the land and we're not getting feedback from them that amount is not doable.

Regarding question number 1(a), Ms. Prescott-Tate asked all those in favor of recommending a license fee for HSAP in the amount of \$200 per tillable acre/per year and zero per non-tillable acre/per year say "Aye". Those opposed say "No."

Vote: 7 ayes; 4 nos.

The "ayes" have it. Question 1(a) was answered in the affirmative.

Ms. Prescott-Tate stated that Question 1(b) was to determine the term of the license agreement. Staff recommended a term of two and a half years, with an option to extend. Should HSAP demonstrate its ability to clear the land and get crops in the ground within two and a half years as asserted at the June 26, 2025 Board meeting, the term could be extended. Any discussion?

Hearing no discussion Ms. Prescott-Tate asked all those in favor of recommending a term of two and a half years with an option to extend, say "Aye." Those opposed say "No."

Vote: 11 ayes; zero nos.

The "ayes" have it. Question 1(b) was answered in the affirmative.

Ms. Prescott-Tate stated that Question 1(c) was to determine the acreage to be assessed. Staff recommended that the acreage be assessed at 162 tillable acres and 72 non-tillable acres. Any discussion?

Member Watts asked staff if ADC was going to survey the property to determine tillable acres.

Mr. Nakamoto said the property was former pineapple land that was purchased from Dole. When ADC bought the property the field calculation was 162 useable acres.

Member Watts asked staff if they were comfortable with those numbers.

Mr. Nakamoto replied yes.

Dr. Azari claimed there was only 123 tillable acres. The rest of the land is sharp slopes and has two streams surrounding the land.

Mr. Nakamoto explained that the deeds and maps to the property obtained when the property was purchased lists 162 useable acres.

Dr. Azari said he would accept what the Board decides.

Hearing no further discussion, Ms. Prescott-Tate asked all those in favor of recommending the acreage for HSAP to be assessed at 162 tillable acres and 72 non-tillable acres, say "Aye." Those opposed say "No."

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Vote: 11 ayes; zero nos.

The “ayes” have it. Question 1(c) was answered in the affirmative.

Ms. Prescott-Tate stated that Question 1(d) was to determine how the water facility agreement should be implemented. Staff recommended that HSAP reimburse ADC for the entire amount of each Dole Water Facility Use Assessment. ADC will not impose a processing fee at this time. Any discussion?

Member Okimoto asked why ADC was not charging any handling fees. If the assessment was not paid ADC would be responsible. Why shouldn't we charge a fee?

Mr. Takemoto replied that ADC generally just passes through the water infrastructure costs. Typically, ADC does not own the infrastructure, which would be the water valve at the property. In this case, Dole preferred to deal with ADC as the client.

Member Okimoto asked if something happens to the line is ADC liable.

Mr. Takemoto responded no. Generally, the tenant is responsible from the point of hookup, which is usually the meter. The tenant is responsible for the meter installation. Everything from the meter to the field is the tenant's responsibility. And ADC does not own system, so we would not be liable for repair. It's just a pass through in this situation.

Hearing no further discussion, Ms. Prescott-Tate asked all those in favor of recommending that HSAP reimburse ADC for the entire amount of the Dole Water Facility Use Assessment with no processing fee to be charged at this time, say “Aye.” Those opposed say “No.”

Vote: 11 ayes; zero nos.

The “ayes” have it. Question 1(d) was answered in the affirmative.

Ms. Prescott-Tate said Question 1(e) is to determine if rent credit is warranted for the first term of the license agreement. Staff recommends that HSAP may ask the Board for rent credit for soil rehabilitation, water infrastructure like installing a reservoir, or other extraordinary expenses. The decision to grant rent credit is at the Board's sole discretion. Any discussion?

Member Wicker asked if the request would be handled on a case-by-case basis coming from the licensee.

Ms. Prescott-Tate responded correct. For the first two and a half years, Dr. Azari can ask for rent credits. The Board is the sole arbiter of whether to grant the credits or not.

Member Hong stated that ADC was already giving HSAP a deal at \$200 per useable acre instead of \$1,800 per acres. HSAP should not be given any more rent credit.

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Member Wicker added that most of these lands do not have infrastructure in place. It would benefit ADC if the tenants put that infrastructure in place. The infrastructure will live beyond the license. Looking at these improvements on a case-by-case basis may benefit some of ADC's land.

Member Watts asked if it was going to be case-by-case after the fact.

Ms. Prescott-Tate replied, yes, HSAP would ask for the credit, prove what costs were involved, and then the Board would decide, yes or no. Hearing no further discussion, Ms. Prescott-Tate asked all those in favor of recommending that HSAP may ask the Board for rent credit for soil rehabilitation, water infrastructure, like installing a reservoir and other extraordinary expenses, and noting that the decision to grant rent credit will be at the Board's sole discretion. All those in favor say "Aye." Those opposed say "No."

Vote: 11 ayes; zero nos.

The "ayes" have it, Question 1(e) was answered in the affirmative.

Dr. Azari asked what rent credits had been given to the other two licensees.

Mr. Nakamoto replied that no rent credit had been requested by the other two licensees. They were given a staggered rent schedule for the first two years to help with clearing the land. That information is on page 29 of the submittal. They were also given the same recommendation that was just approved by the Board, but so far ADC has not received any request for rent credit from the other two.

Dr. Azari asked if the staggered rent started below \$200.

Mr. Nakamoto replied yes. The Law Farm started at \$200 and it escalates up to \$400 on year four. Ohana Hui Ventures had no rent for the first three months, then it went up to \$14 per acre per year for the next two years after that. The rent goes to \$100 per acre in 2026. They had to remove a lot of trash and numerous abandoned vehicles. They worked with many homeless encampments that continue till today. They provide services to the community free of charge. They were allowed to ask for rent credits but they have never applied.

Dr. Azari shared that having zero rent for a few months would be rent credit. And he wanted the Board to know that some of the Albizia trees are over 100 feet tall and there are about a dozen abandoned vehicles on the property. Some have been dropped into deep streams that will require a crane to pull them up. These are the types of things he would ask for rent credit.

Member Cooke asked if Ohana Hui Ventures had signed their license agreements before we raised license fees.

Mr. Nakamoto replied, correct.

Member Hong stated that Ohana Hui Ventures rent holiday was from May 9, 2023 to July 31, 2023, then the rent goes up from there. Every five years there's a two and a half

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percent increase. The Law Farms is a better example. They started immediately in April 2023 at \$200 a year, and then it doubled in three years to \$400 a year. The Board already recommended \$200 per acre. That would be less than what Law Farms would be paying next year by half. Plus, there will be a two and a half percent kicker every five years thereafter. So the Board already voted on \$200 a year for two and a half years. To be comparable with Law Farms, it should go up after that.

Mr. Nakamoto added that was the policy at that time when the licenses were issued. Now the Board has approved a different rate. There's a new policy.

Member Watts asked if there was any further discussion before moving to the motion.

Member Okimoto reminded the Board that the rental rate for new farmers on Oahu is \$1,800. ADC is putting new farmers on land right now and they will be paying the going rate. He does not believe it is fair overall, especially when these new licensees are small farmers who are paying \$150 per month rent. That's my perturbation with \$200 per acre per year. We should be discussing a higher fee to start with and then what will happen in two and a half years. All of those things should be known up front.

Member Watts asked if the decision on the license agreement must be made today.

Ms. Prescott-Tate replied that is up to the Board.

Member Watts asked to defer the matter until the next Board meeting and asked if Dr. Azari was available to take up the discussion at the next Board meeting. Would HSAP be able to clear the whole 162 acres and get it into production in two and a half years?

Dr. Azari replied it will take time to think about this and let the Board know if we're willing to move forward on those terms or not.

Member Okimoto said ADC's mission is to put this land into production as soon as possible. We should not have to wait five years to get the whole 162 acres in production. Especially when there are all these other farmers who want land.

Member Wicker added that land on Oahu is tight, and ADC is trying to increase the Oahu portfolio in this area. We need to scale up and offer more land to current tenants to help with the commodity increase to align with the HDOE central kitchen.

Member Seddon reminded the Board that ADC has a Land Policies and Procedures Manual, and it is not being followed. The Board needs to put together conditions and costs at one point in time and present the offer. We need to follow our standard operating procedures. We are giving too much away.

Member Cooke asked if Dr. Azari would lay out what HSAP can do in the next year or two. Give us some milestones over the next 2.5 years. Would 60 acres be enough for HSAP or do they need the whole 162 acres. After the 2.5 years, is ADC going to raise the rent to \$1,800? Are we just delaying it 2.5 years.

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Member Watts deferred this agenda item until the next meeting and asked the staff to work with Dr. Azari to answer the questions raised by Member Okimoto and Member Cooke and asked Dr. Azari if he would come back next month.

Dr. Azari replied yes, but he wanted to mention that any investor likes certainty. We cannot be in a position two and a half years down the road after spending millions of dollars clearing everything and then be at the mercy of the Board to say now you cannot continue to license the land. Then what would the rate be? We will need to know all that to make the decision to move forward or not. Obviously, we want this land to be in production as soon as possible. The sooner that happens, the sooner we start making money. Until then it's just throwing money in this black hole with no revenue coming in. It's in everybody's best interest to bring this land into production. We don't mind having another delay until the next meeting.

Member Okimoto said he thinks it only fair for Dr. Azari to know what he's getting into, even at the end of two and a half years. If Staff could give us some kind of clue as to how the rents will be ramped up to at some point. I'm assuming that everybody's going to be paying \$1,800 per acre per year. How do we get there? And I'd like to know what type of crops he will be growing. We need to make sure it's a food crop, too.

Member Watts stated that some of the Board members have to jump off so let's table this discussion and move on. This matter is deferred until the next meeting.

Member Watts turned the meeting back to Member Okuhama.

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)

The agenda item was deferred indefinitely.

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.)

Member Okuhama called for a motion to approve.

Motion by Member Wicker; Second by Member Watts.

Member Okuhama asked Ms. Neustein for the staff presentation.

Ms. Neustein stated this is a request for approval to issue a month-to-month right of entry (ROE) to KAA for the former Beck's Building, now referred to as the Kekaha Agricultural Processing Building. KAA gets use of the building for free in lieu of paying the electric and utilities and basic maintenance over the building. ADC is currently

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working to procure engineering or architectural services to complete the processing work with \$2 million in legislative funding.

Member Okuhama asked if anyone from the public wished to give testimony.

Mr. Faye stated that KAA has occupied the space since HDOE took it over several years ago. KAA has been cleaning and maintaining the property. HDOE used to pay the electricity and water. KAA supplied the electricity. PMRF [Pacific Missile Range Facility] provided the non-potable water. He's not sure who's paying for the potable water. The proposed term is month-to-month. KAA asked that language be inserted to give KAA at least 90 days' notice of cancellation. The proposed ROE reserves about 25% of the space for ADC's use. Perhaps ADC could consider sharing the utility costs. KAA's reimbursement rate for electricity runs around \$3,000 a month. 25% would be about \$750. The proposed ROE says offices and storage. KAA does have offices at this location, a shade house, and a plant nursery. KAA holds meetings in the conference room; usually for tenant related businesses. Public hearings for the Hawaii Department of Health were held there. Kauai County sometimes has meetings here. And some community meetings that bear a relationship to agriculture, like the Farm Bureau, hold meetings. KAA also uses the property to hold staging materials for jobs. KAA would like the ROE to incorporate language recognizing the types of activities that occur here. It has been mentioned that post-harvest egg processing may be happening here and KAA would like to participate in that. KAA understands that this building is being converted to a processing facility, which may preclude our use as administration offices.

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

Member Okuhama asked if there was any Board discussion.

Member Kahahane stated that she had some concerns about the effect of a recent case that came out of the Hawaii Intermediate Court of Appeals, *Frankel v. Board of Land and Natural Resources*, which was denied review by the Hawaii Supreme Court. There needs to be some consideration of how the *Frankel* case might apply to the Board's decisions on ceded lands. The Board might need to make some findings of fact to the effect that the Board considered how not charging rent for the use of ceded land was reasonable; like KAA is adding value to the land through active stewardship, making improvements, and promoting farming. I believe that described use of the land probably does meet the test. In the future the Board will need to make sure that we specifically consider that when making decisions regarding ceded lands.

Ms. Neustein added that the building was appraised a few years back at \$6 million. ADC is offering a gratis lease that KAA has been using for their offices. At this point KAA uses at least $\frac{3}{4}$'s of the building. KAA should cover the electricity and the common area maintenance (CAM) fee. ADC charges rent of approximately \$600 a month for diversified agriculture, and KAA has access to a 10 acre parcel of land. KAA also has access to the Andros facility for storage purposes, which is also part of ADC's Kekaha lands.

Member Okuhama asked if the ROE was finalized or still to be developed?

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Ms. Neustein replied that the ROE has not been finalized but the terms are specified in the submittal as securing and maintaining the building; providing commercial liability insurance, electricity, water, air conditioning maintenance, interior building cleaning, outside mowing, and day-to-day upkeep. KAA's covering the CAM fee and has use of the nursery area. ADC has concerns about using the land as a staging area. ADC is in the process of trying to procure and get the building set up for a different use. Having all the pipes and piles of soil makes it difficult to move on this new construction project. It makes sense for KAA to move the staging materials to the Andros building while ADC is trying to turn the former Beck's Building into a processing facility.

Member Okuhama asked how the Board was going to take action on this when the ROE hasn't been finalized. Should we make it subject to certain conditions or postpone voting on this until we have an ROE acceptable to both parties.

Ms. Neustein believed the only major issue was ADC paying some of the utilities rather than KAA paying the entire amount. That would be up to the Board to decide.

Member Wicker said his understanding of KAA's partnership with ADC is helping the whole Kekaha area. The building is worth \$6 million and HDOE basically transferred it over to ADC. The legislature provided the money to turn this building into a processing facility and KAA is a good partner and a good member of the community and it's reasonable in the short term that they use the building and property until the processing facility moves forward. This is part of the strategic plan for Kauai. In the short term KAA has helped with operation and maintenance and been a friend in the building. This seems positive. The Board should consider what Mr. Faye is asking us.

Ms. Neustein responded that HDOE had been paying rent at this site, but KAA is not, and they haven't paid rent in the last two years.

Member Wicker said we should not look at this piecemeal but look at the overall impact. Is it helping the Ag industry in Kekaha. Also, ADC didn't pay for this building. It was gifted to ADC by HDOE.

Ms. Neustein said she appreciated KAA maintaining the building for the last two years but ADC now has a property manager on Kauai who can manage the building and site.

Member Wicker replied that ADC is looking for ways to help the private sector who in turn can help ADC. We don't have to bear the whole cost. We are looking for someone to help us operate and maintain the site so ADC doesn't have to pay 100% of the bill. Then we can stretch our dollars.

Member Hinazumi asked how long it will take until the processing facility is up and running.

Ms. Neustein responded that ADC is putting together a proposal to start accepting bids from either an architect or civil engineer; someone who could design the processing facility.

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Mr. Nakamoto added that the selection committee is ready to go but the design, planning, and site assessment will take about 8 to 12 months before construction can begin.

Member Hinazumi asked how long before KAA would physically need to move out of the building.

Mr. Nakamoto replied, a little bit before actual construction starts.

Member Hinazumi stated that he would be willing to make a motion to incorporate the things that Mr. Faye was asking for, like the 90-day notice, expanding the types of uses, and sharing the utility costs. ADC should be supportive of KAA just like KAA has been support of ADC.

Member Seddon said she would be voting no on this agenda item. Even though this is short term ROE we could do better in terms of income for ADC. I don't think it's in ADC's best interest so I'll be voting no.

Mr. Uyehara testified that he is the president of the KAA board and wanted to provide some context to how KAA came to manage the building. When Beck's left HDOE acquired the building and premises. HDOE did not occupy the building and ADC did not have staff on Kauai to manage the parcel. If the building is unoccupied for six months the grounds become overgrown and the air conditioning system needs to be run regularly or the system will degrade quickly. Damage to the structure was starting. KAA approached HDOE to use the building for offices and offered to manage the building and grounds in partnership with HDOE. KAA would occupy and manage the building and ten acres of land at no charge, and HDOE would pay the utilities. It was known at the time that the building was going to be used for agricultural post-harvest processing and the Ways and Means Committee asked KAA to help with the engineering and design work to transition the building for post-harvest processing. To that end KAA spent time flying engineers in from the mainland to look at the building and come up with design concepts. That was how the \$2 million CIP funding was obtained through action of the Kauai delegation. KAA's understanding was that the building would transition from HDOE to ADC and then KAA would facilitate the transition of the property to the post-harvest processing area. That is why KAA was occupying the building. If there's misgivings about KAA occupying the building as manager, KAA can make alternate arrangements. But that was not part of the discussion with HDOE and ADC at the time.

Member Okuhama asked if there was anything Mr. Uyehara wanted from the Board or was it just the things Mr. Faye had previously asked for.

Mr. Uyehara explained that the previous understandings and discussions goes back 5 to 7 years ago, and the Beck's building was not identified as the post-harvest facility. That came later when the building became available. The area needs this facility to increase local food production. KAA was asked to consider acting as the manager of an agricultural co-op of the tenants. KAA manages the common area infrastructure for irrigation, roads, electrical microgrid, and the drainage canals. Expanding the portfolio to include the agricultural cooperative operating the post-harvest facility was part of the discussion back then and that discussion continued with HDOE. That's how KAA's presence in the building started.

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Member Okuhama noted that the agenda item before the Board is a month-to-month ROE. Mr. Faye asked that the ROE also include the 90-day notice, expanding the types of uses, and sharing utility costs. Is there anything else?

Mr. Uyehara stated that KAA would like to continue on the path of a long term arrangement to facilitate the transition of the building to a post-harvest processing facility with KAA as the manager of the infrastructure.

Member Okuhama explained that the agenda item right now was only the ROE. A motion has been made, but it has been suggested that the motion be amended to include the items Mr. Faye requested. The original maker of the motion and the second will have to withdraw the motion and second.

Member Wicker withdrew his motion.

Member Watts withdrew his second.

Member Wicker amended the motion to request approval to issue a month-to-month ROE to KAA for agricultural office and storage purposes, nursery, and public meeting space, and other uses to include, incubator, gardening, equipment, parking, tool storage, and staging area for materials, including 90-days' notice to vacate the building, ADC to share 25% of the utilities.

Member Watts seconded the motion.

Hearing no further discussion, Member Okuhama conducted a roll call vote:

Member Cooke:	Yes.
Member Hinazumi:	Yes.
Member Hong:	Yes.
Member Yamamoto:	Yes.
Member Kahahane:	No.
Member Okimoto:	Yes.
Member Okuhama:	Yes.
Member Seddon:	No.
Member Trump:	Yes.
Member Watts:	Yes.
Member Wicker:	Yes.

Motion approved. Vote: 9 in favor; 2 opposed.

Member Kahahane and Member Wicker left the meeting.

6. Request for approval of the Memorandum of Understanding (MOU) between State of Hawaii Agribusiness Development Corporation and BZ Services LLC

Member Okuhama called for a motion to approve.

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Motion by Member Watts; Second by Member Cooke.

Member Okuhama called on Mr. Nakamoto for the staff presentation.

Mr. Nakamoto stated that BZ Services would like to hold the Keiki Construction event in the same area with the Farm Fair was recently held.

Member Yamamoto asked what the Keiki Construction event had to do with agriculture. The Board should determine if there is a sufficient connection to agriculture or Ag education. It must be a reasonable connection.

Member Trump stated that farms use heavy equipment for both agricultural production and processing. Developing an agricultural interest in advancing these skills especially among Keiki is helpful. It is vital to have those types of high skilled equipment operators as part of agricultural production. There is a minimum threshold to agriculture.

Mr. Nakamoto said staff agrees. It is good for the community and the children who are the future workforce. Agriculture will need all types of equipment operators with other skill sets.

Member Okuhama stated that they must follow good safety standards with children around heavy machinery. Farm Fairs on the mainland all have heavy equipment demonstrations. There is a connection with agriculture, but the safety part is critical. They must be properly insured.

Member Hong noted that this is a commercial venture and it looks like no rent is being charged. ADC at least needs to recover costs. This is advertisement for the equipment companies. He will only support the project if ADC recovers its costs.

Member Watts had the same concern. It is commercial activity, but large scale agriculture does use many of the same types of equipment that contractors use.

Mr. Nakamoto noted that the MOU will be for a one time use, not subject to automatic renewal. The draft MOU attached is incorrect.

Member Okimoto said the ADC needs to set policies of these types of commercial ventures. Things like a rental rate and making sure there is a connection to agriculture.

Member Okuhama said that was a good point. If this event is successful the Board should create a policy and make that policy available to the public if ADC is going to continue to allow these types of uses.

Member Watt acknowledged that ADC does not have any policies or procedures in place to classify which projects we approve, which project we don't approve and why. We need to set up some classifications and we need to do this sooner rather than later.

Hearing no further Board discussion, Member Okuhama asked if anyone from the public wanted to give testimony. There was none.

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Member Okuhama called for the vote.

Member Hong said he would be voting no.

Member Okuhama conducted a roll call vote:

Member Cooke:	Yes.
Member Hinazumi:	Yes.
Member Hong:	No.
Member Yamamoto:	Yes.
Member Okimoto:	Yes.
Member Okuhama:	Yes.
Member Seddon:	No.
Member Trump:	Yes.
Member Watts:	Yes.

Motion approved. Vote: 7 in favor; 2 opposed.

7. **Request for the Board to make a determination that it is necessary to conduct a limited meeting 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**

Member Okuhama called for a motion to approve.

Motion by Member Trump; Second Member Hinazumi.

Member Okuhama called on Mr. Takemoto for the presentation.

Mr. Takemoto stated that we don't have a finalized agenda for the site visits that will occur after the in-person meeting on Kauai. The purpose of the visit will be to look at the farms of ADC tenants so the Board members can become familiar with the property. The Board will also visit the Kawaiie pump station and some of the bridge projects. Also visit land ADC wants to purchase on Kauai and visit some of the Mauka lands in Kekaha that ADC is preparing to open up for farming. And look at fire mitigation measures on the Mana Plains. The purpose the visits being limited are that some of the locations are difficult to access; the footing is uneven or not firm at times. Some of the property is not owned by ADC. If the Board approves, we would be submitting this for OIP [Office of Information Practices] for concurrence.

Member Okuhama asked if the date of the meeting was August 21st.

Mr. Takemoto responded correct.

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

Member Okuhama asked if there was any Board discussion.

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Member Watts asked if ADC needed a final agenda before submitting the letter to OIP.

Mr. Takemoto responded yes.

Member Watts asked how long it will take to finalize the agenda.

Mr. Takemoto said ADC was still waiting for answers from some of the farmers but the concurrence from OIP must be received at least seven days before the visit so the agenda can be posted.

Hearing no further discussion Member Okuhama called for the vote. Hearing no objections or abstention the motion was unanimously approved. Vote: 9-0.

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 No. (1) 7-1-002:004 (por.), and :009 (por.)

Member Okuhama called for a motion to approve.

Motion by Member Watts; Second by Member Trump.

Member Okuhama asked Mr. Nakamoto for the staff presentation.

Mr. Nakamoto said this was a request from HDOE to keep their central kitchen project moving along. The ROE will allow trailer set-up, building fencing and start demolition. HDOE is available to answer any questions.

Member Okuhama asked if there was any public testimony. There was none.

Member Okuhama asked if there was any Board discussion. Hearing none, Member Okuhama called for the vote. Hearing no objections or abstentions the motion was unanimously approved. Vote: 9-0.

F. Informational Items

1. Executive Director's Report

Member Okuhama reminded the Board that the Executive Director's report was for informational purposes only and copies of the Executive Director's reports were available on the ADC website.

Ms. Gady shared a PowerPoint presentation about what was happening with the strategic plan. The Office of Planning and Sustainable Development does not have the capacity to complete the strategic plan so ADC entered into a Memorandum of Agreement (MOA) with UH CDC. By statute the last agribusiness plan was due July 2023 and is available on the ADC website. The next plan is due July 1, 2028. ADC will refine our budget request for fiscal year 2027 to include funds for development of the plan by fiscal year 2027.

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New Chair will be asked to appoint a permitted interaction group to expedite review of the strategic plan by October 16th. The UHCDC Draft Report is due October 31st, 2025. The position descriptions of the property managers require a report on the productivity of all of our tenants. If tenants aren't using the land for food production, we need to know that. ADC needs to know how we can support our farmers. Ag leadership is pushing ADC to provide AG worker housing. It's also having housing in the right place to improve the components of the food system to improve productivity. ADC was invited to give a presentation at the Ways and Means legislative committee's visit to Kauai on August 12th and that is one of the components the committee requested be part of the presentation.

Member Yamamoto asked if UHCDC was continuing the plan started by OPSD or is ADC just starting the plan with UHCDC.

Ms. Gady replied that OPSD did not have the capacity to finish the plan and had worked with UHCDC over the years and asked UHCDC to take over solicitation of input from the industry doing stakeholder development. UHCDC has taken over the lead in helping ADC frame our updated strategic plan.

Member Yamamoto questioned whether UHCDC had the qualifications to create an agricultural plan. Aren't they housed in the architecture department and do research.

Ms. Gady stated UHCDC has been involved in a number of the design concepts and stakeholder meetings for the FPIN [Food Product Innovation Network] facilities. They are finishing up the financial projections for that project and now will work on the strategic plan to avoid having the funds lapse.

Member Watts expressed concern with UHCDC's involvement because OPSD are planners by profession, while UHCDC are architectural designers who are involved with conceptual plans for public space designs. Policy development and statutory compliance is something OPSD is way more qualified to handle.

Ms. Gady responded that ADC has meetings with UHCDC that include OPSD and when the strategic planning permitted interaction group is created they will also be included in the meetings. ADC has a lot of talented individuals on the Board that we could provide input to have a full blown plan in place by the end of October.

Member Okuhama supported UHCDC saying they have been involved in development of the HPP (High Pressure Processing) Facility in Wahiawa and the statewide FPIN design concept.

Member Watts stated that's not something that UHCDC would be the preferred lead on. When it comes to what the Big Island looks like, what Kauai looks like, what Maui looks like, they're not the planning organization for that.

Member Okuhama responded that the \$90,000 for developing the plan that was allocated almost two years ago was in no way adequate to hire a consultant with any level of expertise to take on such a project. ADC needs to take the steps to finish the plan before the funds lapse, or look for more money.

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Member Watts suggested talking to Ways and Means to get money for a proper plan. ADC has been working on this for two years and never had enough money so we're limited to this. We need someone to execute our vision. Ms. Gady needs to voice our concern to the legislators that we need more money to do this properly.

Ms. Gady replied that development of the strategic plan was started by the previous executive director who unexpectedly passed away. It was a big project that was not adequately funded. Things have changed a lot since August 23, 2023. My third year has just started. It was a triumph for the staff to deliver the strategic goal strategic plan by July 1, 2023 after losing the ED suddenly. UH CDC has been very clear that they are the next generation of creating strategic plans but the Board can help make the decisions necessary and we are close to finalizing the plan. The past ED made a lot of decisions without Board's input. My strategy is just the opposite. Just look at the weekly reports. Everyone that's on this Board are incredibly talented, has a full time job, and is volunteering their time. There are some policies we don't have. It would be nice to have some guard rails in place. For example, purchasing land. Do I need to follow the legislature because they put money in our budget or do I still need to get the Board's approval to issue a LOI [letter of intent] and PSA [purchase and sale agreement]. Does the Board need to vote on the purchase? ADC needs policies in place to lighten the load on staff. Having that kind of strategic plan would be very helpful. Staff needs to understand what the Board would like to weigh in on. I'd like clear guidelines on what staff should be responsible for from the Board's perspective. What things have to come to the Board. Like is the Board going to move forward with commercial buildings? That's not really in our Land Policy and Procedures Manual. Are we going to move forward with the event spaces? That's the kind of strategic discussion that definitely needs to happen. I'm looking forward to working with Member Hong on streamlining the weekly reports to be a lot more strategic in terms of milestones of the week. ADC is balancing over 54 projects. And they are not small projects. They take time and do not move fast. We have lost access to an Attorney General that specialized in real estate acquisitions because she took a position over at DLNR. If anybody has questions, comments, suggestions, please let me know.

Member Okuhama asked if there was anyone from the public who wished to give testimony. There was none.

G. Adjourn

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

Motion by Member Cooke; Second by Member Hong.

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

The meeting was adjourned at 12:51 p.m.