

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 Location

SEPTEMBER 18, 2025
10:00 a.m.

Pursuant to section 92-3.7, *Hawaii Revised Statutes (HRS)*, 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 St., Ste. 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/87609032917>

Telephone: (669) 900-6833, Webinar ID: 876 0903 2917

In-Person: Hawai'i Department of Agriculture and Biosecurity
Plant Quarantine Branch
1849 Auiki St.
Honolulu, Hawai'i 96819

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
September 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:

Hawai‘i Department of Agriculture and Biosecurity
Plant Quarantine Branch
1849 Auiki St.
Honolulu, Hawai‘i 96819

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 THREE FULL BUSINESS DAYS (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, Hawai‘i 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. Annual Meeting, Regular Session Minutes, June 26, 2025
 - 2. Annual Meeting, Executive Session Minutes, June 26, 2025
 - 3. Regular Meeting, Regular Session Minutes, July 18, 2025
 - 4. Regular Meeting, Regular Session Minutes, August 25, 2025
 - 5. Limited Meeting, Regular Session Minutes, August 25, 2025
- C. Chairperson's Report
 - 1. None
- D. Committee & Permitted Interaction Group Reports
 - 1. None
- E. Action Items
 - 1. Request for the board of directors to make a determination that it is necessary to conduct a limited meeting (to be held following the October board meeting) for on-site inspections of certain properties and facilities on the island of Maui for purposes related to the board's business at which public attendance is not practicable; and authorize the executive director to seek concurrence for the limited meeting from the director of the Office of Information Practices.
 - 2. 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 Hawai'i, Tax Map Key Nos. (1) 6-4-004:008; and :006.
 - 3. Reassignment of member(s) to the standing committees of the Board of Directors pursuant to Article 4, Section 2, Bylaws of the Agribusiness Development Corporation.
 - 4. Referral of budget review for fiscal year 2027 to the standing Administration Committee for consideration, and to make recommendations to the board of

directors pursuant to Article 4, Section 1(1)(a), Bylaws of the Agribusiness Development Corporation.

F. Informational Items

1. Presentation by Paulette “Anela” Akana with the Agribusiness Development Corporation regarding the Food and Product Innovation Network.
2. Presentation by Dexter Kishida with the Hawai‘i Department of Transportation regarding food distribution, logistics, and the role of O‘ahu transportation infrastructure in supporting agricultural markets.
3. Presentation by Daniel Nellis of Dole Food Company, Inc. regarding the Wahiawā Irrigation System.
4. Presentation by Mike Lambert, Director of the Hawai‘i Department of Law Enforcement regarding potential operations in Whitmore Village.
5. Presentation by Brian Miyamoto with the Hawai‘i Farm Bureau Federation regarding strengthening Hawai‘i’s base of local farmers and the Agribusiness Development Corporation’s role in expanding land and infrastructure holdings, and investing in projects such as the Wahiawā centralized kitchen project and the Food and Product Innovation Network.
6. Presentation by Meli James with Mana Up regarding scaling local food and product entrepreneurs and how value-add facilities can support growth and new market opportunities.
7. Presentation by Denise Yamaguchi with the Hawai‘i Agricultural Foundation regarding connecting the Wahiawā centralized kitchen with farm-to-school and institutional food programs, and the need to develop farmer capacity to supply those markets.
8. Presentation by Lauren Zirbel with the Hawaii Food Industry Association regarding industry trends and retail perspectives, highlighting the importance of Wahiawā, Food and Product Innovation Network, and the high-pressure processing as part of a statewide network of innovation centers.
9. Presentation by En Young of Kamehameha Schools on the Agribusiness Development Corporation’s role in advancing the Food and Product Innovation Network and high-pressure processing expansion, and how these efforts support Kamehameha School’s entrepreneurs and statewide food security.
10. Presentation by Leslie Milnes, President of Kalepa Coalition, regarding the Coalition’s current operations and challenges (*written submission only -- see item*

F-15 in submittal package).

11. Executive Director's Report including an update on the Hawai'i Department of Education's centralized kitchen project and an update on current agency projects. Please also see weekly reports available at <https://dbedt.hawaii.gov/adc/reports/> .

G. Adjourn

The Board may go into executive session on any agenda item pursuant to the exceptions provided under section 92-5, Hawai'i 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.**

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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.

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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 HHFCDC [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 UH CDC (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:

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|------------------|------|
| 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.

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

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.

STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-1

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
September 18, 2025

Subject: Request for the board of directors to make a determination that it is necessary to conduct a limited meeting (to be held following the October board meeting) for on-site inspections of certain properties and facilities on the island of Maui for purposes related to the board's business at which public attendance is not practicable; and authorize the executive director to seek concurrence for the limited meeting from the director of the Office of Information Practices.

Applicant: Agribusiness Development Corporation (Staff)

Authority: Section 92-3.1, Hawaii Revised Statutes

Request for the board of directors to make a determination that a limited meeting to be held following the October board meeting is necessary for on-site inspections certain properties and facilities for purposes related to board business at which public attendance is not practicable; and authorize the executive director to seek concurrence from the director of the Office of Information Practices for the limited meeting
September 18, 2025

REQUEST:

Request for the Agribusiness Development Corporation Board of Directors (Board) to make a determination that it is necessary to conduct limited meetings for on-site inspection of locations related to the Board's business at which public attendance is not practicable; and for approval to submit a limited meeting schedule following the October Board meeting to the director of the Office of Information Practices for limited meeting concurrence (Request).

REMARKS & DISCUSSION:

The on-site inspections will include access through private property and into areas with active commercial production and operations which may be unsafe for the general public. Vehicle and foot accessibility is limited and therefore not suitable for the general public to attend.

RECOMMENDATION:

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

1. Approve the Request.

Respectfully Submitted,

Mark Takemoto

MARK TAKEMOTO

Senior Executive Assistant

Approved for Submittal:



Wendy Gady

Executive Director

STATE OF HAWAII
**AGRIBUSINESS DEVELOPMENT
CORPORATION**

E-2

STAFF SUBMITTAL TO THE BOARD OF DIRECTORS
September 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 Hawai'i, 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: 2.5 years

Rental Rate \$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.
September 18, 2025

BACKGROUND:

For information regarding the background prior to May 29, 2025, please see the submittal attached to the June 26, 2025 agenda, pages numbered 103 to 114 in the bottom right hand corner. <https://dbedt.hawaii.gov/adc/files/2025/06/2025-06-26-ADC-Board-Meeting-Agenda-final-062325-1.pdf>

On May 29, 2025, the Agribusiness Development Corporation (ADC) sent a letter (See Exhibit A) to potential licensee Hawaii Sustainable Agriculture Products, LLC (HSAP), containing a recitation of the facts that led to the delay in issuing HSAP a land license.

At its meeting on July 18, 2025, the ADC Board made the following decisions regarding the proposed license agreement:

1. **License Term:** 2.5 years, with an option to extend contingent upon clearing and placing the land into production within the 2.5 year time period.
2. **Acreage:** 162 tillable acres.
3. **Rental Rate:** \$200 per acre per year, applicable for the 2.5-year term.
4. **Water Access:** At cost as assessed by Dole, with no ADC processing fee during the 2.5-year term.
5. **Rent Credit:** May be requested separately, subject to full Board approval.
6. **Additional Conditions:** License issuance is contingent upon submission of a land utilization plan, documentation of required insurance coverage, and compliance with ADC's general licensing requirements.

On August 8, 2025, ADC Board Chair Jayson Watts sent a letter to HSAP memorializing the terms offered for the potential license agreement. (See Exhibit B.) Any additional license terms will comply with the Land Management Policy and Procedure Manual.

REQUEST:

The Applicant requests land license agreement for 234.031 gross acres, more or less, that includes a water use agreement between ADC and HSAP, to be used for the purpose of diversified agriculture.

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 phase-out approach will allow HSAP to be profitable and avoid upfront costs for clearing the land.

CONSERVATION PLAN:

HSAP is required to obtain a soil conservation plan and provide a copy of the plan to ADC.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT COMPLIANCE:

N/A

REMARKS & DISCUSSION:

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.
September 18, 2025

The Board selected the Applicant for the parcel pursuant to the application process in early and mid-2021, and subject to the Board's own due diligence and discretion.

Approval of this request represents an initial annual rental income of \$32,400 (in years 1-2.5).

RECOMMENDATION(S):

Based on the foregoing, staff recommends that the Board:

1. The term of the license shall be 2.5 years with an option to extend; and
2. The rental rate shall be \$200 per acre per year;
3. Applicant's conservation plan shall be developed and approved within one year of the effective date of the license (ADC acknowledges that plan was previously created; please provide ADC with a copy); and
4. No subletting shall be allowed without Board approval; and
5. No residential structures shall be allowed; and
6. Rent credits for improvements may be allowed, subject to Board approval.

Respectfully Submitted,

Ken Nakamoto

KEN NAKAMOTO
Project Manager

Approved for Submittal:



Wendy Gady
Executive Director

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



EXHIBIT "A"

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).

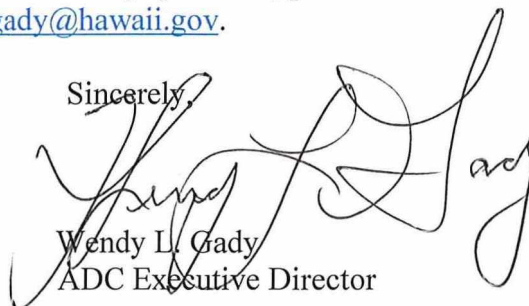
- b. Determine the term of the License Agreement (35 years or less).
- c. Determine the acreage and how the acreage is to be assessed (is the usable acreage 123 useable acres as proposed by HSAP, or 162 useable acreages as proposed by ADC; should a surveyor be hired to determine the acreage; should the 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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



EXHIBIT "B"

WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OULU AINA MAHIAI

August 8, 2025

Dr. Nick Azari

Hawaii Sustainable Agricultural Products, LLC
VIA Email: nick.azari@arionenergy.com

Subject: Status of License Agreement for Waialua Property

Dear Dr. Azari:

I hope this letter finds you well.

Following recent discussions and a review of the Board's deliberations, I am writing to confirm the status and next steps regarding your proposed license agreement with the Agribusiness Development Corporation (ADC) for the Waialua property.

As Chair, I intend to place this matter on the agenda for formal action at September **18, 2025**, ADC Board meeting, which is expected to be held on Oahu. This schedule ensures sufficient notice, proper legal review, and public posting in accordance with state requirements. It also avoids the need for your in-person attendance at the August 21 meeting on Kauai, where internet access is unavailable and virtual participation is not feasible.

At its meeting on July 18, 2025, the ADC Board made the following decisions regarding the proposed license agreement:

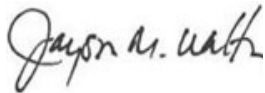
1. **License Term:** 2.5 years, with an option to extend contingent upon clearing and planting the land within that period
2. **Acreage:** 162 tillable acres
3. **Rental Rate:** \$200 per acre per year, applicable for the 2.5-year term
4. **Water Access:** At cost as assessed by Dole, with no ADC processing fee during the 2.5-year term
5. **Rent Credit:** May be requested separately, subject to full Board approval
6. **Additional Conditions:** License issuance is contingent upon submission of a land utilization plan, documentation of required insurance coverage, and compliance with ADC's general licensing requirements

These terms reflect both the Board's recognition of your long-standing engagement with this project and the importance of applying consistent, transparent land use policies across all applicants. We are committed to ensuring a fair opportunity for Hawaii Sustainable Agricultural Products, LLC while maintaining accountability and performance expectations.

If you wish to submit any materials for Board consideration, they must be received no later than **Monday, September 8, 2025**, to allow for timely legal review and public posting consistent with HRS 92-7 requirements.

Should you have any questions or need clarification, please reach out directly to ADC Executive Director Wendy Gady at **wendy.l.gady@hawaii.gov**.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jayson M. Watts". The signature is fluid and cursive, with the first name "Jayson" being more prominent.

JAYSON M. WATTS

Chair, Agribusiness Development Corporation

Cc: Wendy Gady, Executive Director, Agribusiness Development Corporation

O'ahu Food Security Goals

Department of Transportation

September 16, 2025

Dexter Kishida, Food Security & Biosecurity Manager

Hawai'i Department of Transportation

Introduction

- Hawai'i imports 85–90% of its food — high vulnerability
- O'ahu is the hub for inter-island shipping, air cargo, and distribution
- Transportation is the critical link between production, markets, and consumers
- HDOT's One Transportation System: Air, Sea, and Land — seamlessly integrated

Vision & Framework

- Build a resilient, efficient, and secure agricultural transportation network
- Support O'ahu farmers while enabling statewide aggregation and distribution
- Reduce dependency on imports and enhance biosecurity
- Ensure statewide market access through O'ahu as the logistics center



Needs Specific to O'ahu

- Reliance on Honolulu Harbor and Daniel K. Inouye International Airport (HNL)
- Bottlenecks: congestion at ports and air cargo facilities
- Biosecurity challenges: CRB, coqui frogs, invasive pests
- Limited agricultural consolidation, cold chain, and processing facilities
- High land costs pressuring agriculture
- Disaster/disruption risks: single points of failure at Honolulu Harbor and HNL



Short-Term Goals (0–2 Years)

- Expand scheduling and coordination with maritime and air carriers
- Establish temporary treatment, aggregation and cold chain facilities near Honolulu Harbor and HNL
- Strengthen Island Agriculture Discount Program for O‘ahu producers
- Pilot shared logistics hubs to consolidate produce and local meats for outbound shipping



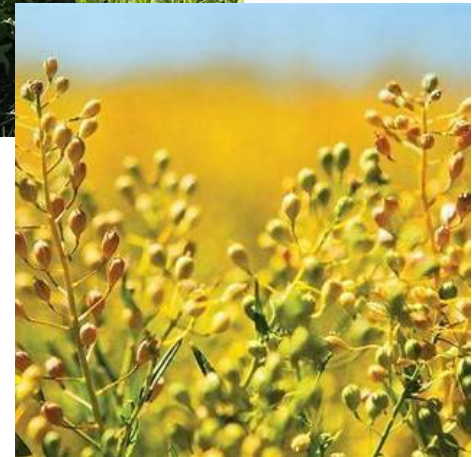
Mid-Term Goals (3–5 Years)

- Develop a permanent O‘ahu Agricultural Cargo Hub with cold chain facilities
- Digitally integrate scheduling between harbor, airport, and trucking
- Expand inter-island shipping and air cargo frequencies for agriculture
- Support O‘ahu-based processing to reduce dependency on imports



Long-Term Goals (5+ Years)

- Full One Transportation System implementation for agriculture logistics
- Disaster-resilient transportation corridors and ports with redundancies
- Sustainable shipping: electrified trucks, green port infrastructure, lower-emission vessels



How This Supports Food Security

- Improves time-to-market for O'ahu and neighbor island producers
- Lowers shipping and handling costs for small/medium farms
- Increases resilience against shipping disruptions
- Keeps food dollars circulating in Hawai'i's economy
- Strengthens statewide availability of local food year-round



Call to Action

- Collect data on O'ahu logistics, agricultural volumes, and cost barriers
- Prioritize funding and implementation for cargo/food hub and cold chain facilities
- Develop public-private partnerships for agricultural processing and logistics innovation
- Foster interagency collaboration and community engagement

DC Kalepa Lands – Kalepa Koalition Tenants 2022 RP Records

| | | | | |
|------------------------------|------------------------|-----------|-------------------|----------|
| 390020010001 | BRAY,KENNETH | Lessee | Land | 259.0000 |
| Area (acres) | | | | |
| 390020010002 | KAPAA BANANA CO INC | Lessee | Land Area (acres) | 637.0000 |
| 390020010003 | GE FARMS INC | Lessee | Land Area (acres) | 398.0000 |
| 390020010004 | SAIVA SIDDHANTA CHURCH | Lessee | Land Area (acres) | 312.0000 |
| 390020010005 | MILNES,LESLIE P | Lessee | Land Area (acres) | 587.0000 |
| 390020010006 | GREEN ENERGY TEAM LLC | Lessee | Land Area (acres) | 472.0000 |
| 390020010007 | GREEN ENERGY TEAM LLC | Lessee | Land Area (acres) | 105.0000 |
| 390020010008 | GREEN ENERGY TEAM LLC | Lessee | Land Area (acres) | 324.0000 |
| 390020010009 | GREEN ENERGY TEAM LLC | Lessee | Land Area (acres) | 168.3800 |
| 390020010010 | BUNAO,ARNOLD | Lessee | Land Area (acres) | 179.0000 |
| 390020010011 | KAPAA BANANA CO INC | Lessee | Land Area (acres) | 2.0000 |
| 390020010012 | REIS,ANTONE J JR | Lessee | Land Area (acres) | 380.0000 |
| 390020010013 | ST OF HI (ADC-HDOA) | Fee Owner | Land Area (acres) | 19.0000 |
| 390020010014 | SANCHEZ,WILLIAM J | Lessee | Land Area (acres) | 419.0000 |
| 390020010015 | CALIPJO,ELESTHER | Lessee | Land Area (acres) | 305.4300 |
| 390020010016 | GU,TAIWAN | Lessee | Land Area (acres) | 68.0000 |
| 390020010017 | RAPOZO,DERECK | Lessee | Land Area (acres) | 518.0000 |
| 390020010018 | SANCHEZ,WILLIAM J | Lessee | Land Area (acres) | 235.0000 |
| 390020010019 | HO,LAURIE | Lessee | Land Area (acres) | 19.0000 |
| 390020010020 | KIUC | Lessee | Land Area (acres) | 24.6200 |
| 390020010021 | LIN,TIANSHENG | Lessee | Land Area (acres) | 2.0000 |
| 390020010022 | HAWAII GOLDEN FARM INC | Lessee | Land Area (acres) | 182.0000 |
| 390020010023 | MEEPHOL,SAKDA | Lessee | Land Area (acres) | 61.4000 |

Presentation to the ADC Board RE:

AGRIBUSINESS DEVELOPMENT CORPORATION

Regular Meeting of the Board of Directors

AUGUST 25, 2025

Held via Teleconference with In-Person Viewing Location
Kekaha Agricultural Processing Building
7189-D Kaumualii Highway
Kekaha, Hawaii 96752

Reference: Agenda Item F. 5. Informational Items

5. Presentation by Les Milnes, President of Kalepa Koalition regarding the Koalition's current operations and challenges

Aloha Board Members,

My name is Leslie P, Milnes, Kalepa Koalition President. My apologies for not being able to deliver my presentation in person regarding the referenced Agenda Item F. 5. due to prior travel commitments, dates August 24-26, 2025.

OPERATIONS, PAST & CURRENT

Kalepa Koalition is a registered AG Cooperative in the State of Hawaii. Kalepa Koalition has been managing the Common Element Road repair and maintenance, along with security of such, since being issued annual Revocable Permits to 12 Unit Members by DLNR, Land Division in 2001. Such management continues to date under an MOU with ADC since 2014 at which time Kalepa Koalition members secured 35 Year Licenses issued by ADC.

General maintenance of the Common Element Road (CER) involves herbicide control of road shoulders and culvert/ditch locations (3-4 times annually), pothole filling and repairs, along with minor north fork ford river crossing repair and periodic debris removal from the south and north Wailua River crossings post flooding episodes.

Security is currently limited to securing/locking control gates 24/7 on weekends and 7 PM to 6 AM weekdays. All in all, security has been going well as lock access is controlled by non-duplicable keyed locks.

KK CHALLENGES AND CONCERNS

The Common Element Road is a designated emergence bypass for the Kuhio Highway - Wailua River bridge in case of closures. This emergency use is limited to emergency responder agencies only. Public use is not permitted and a concern should any public use be afforded.

A challenge Kalepa Koalition continually faces is Mahipapa's (previously Green Energy) inability to live up to agreed road repairs post bio-mass tree harvest. The harvesting activities have involved tracking heavy equipment and large tractor/trailer rigs up and down the CER. The last Kalepa harvest ended late 2024 and to date no repairs have been performed. Should the ADC Board need a more in-depth explanation, please LMK.

Presentation to the ADC Board

Agenda Item F. 5. Informational Items

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Additional concerns:

1. KK is concerned about two of the CER culverts, one along Units E and G, the other between Unit H and GE-g near the northward turn toward the North Fork Wailua River. These culverts may fail and close use of the emergence access and tenant use.
2. Overhanging trees along the CER road in several locations poses a tree fall hazard and prohibits the road to dry post rainfall.
3. Kalepa Koalition believes its in-house maintenance of the CER is cost effective. The CER tree removal is expensive though necessary. Should the ADC Board see an overall benefit to provide maintenance funding for CER tree removal it would be most appreciated.

It is noteworthy that the KK Membership is very happy that the Phase Two repairs to Christian Crossing bridge over the South Fork Wailua River will start Sept. 3, 2025 and slated to be completed October 31, 2025. This bridge closure for the repairs will require tenants north of the crossing to access their units via the North Fork ford crossing (subject to river height flow level) via Wailua Homesteads Kuamoo Road.

Thank you for your interest in Kalepa Koalition and our continued oversight of the Common Element Road.

Sincerely,

Leslie P. Milnes
Kalepa Koalition President