

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION (ADC)
MEMORANDUM

Date: January 5, 2026

To: ADC Board of Directors

From: Wendy Gady, Executive Director, Agribusiness Development Corporation

Subject: Weekly Report (December 29-26, 2025)

“To begin with the end in mind means to start with a clear understanding of your destination. It means to know where you’re going so that you better understand where you are now and so that the steps you take are always in the right direction.”—Steven Covey

My goal for 2026 is to be a better communicator with the board and staff. To communicate clearly top priorities, and status by:

- Providing an overview of current ADC projects
 - Summarizing projects
 - Identifying immediate next steps and Board decision points
 - Highlighting strategic concerns requiring guidance or action
- Operational updates
- Upcoming Events/Conferences

1. Overview of current ADC Projects

1.1. Kauai Projects

1.1.1. Grove Farmland Acquisition (\$39M- NOT encumbered)

- 1.1.1.1. *Overview:* Purchase of 1,000 acres of former sugar farmland near Lihue
- 1.1.1.2. *Completed:* Ka Pa’akai
- 1.1.1.3. *Next Steps:* ADC/Grove-Execute LOI/PSA, ADC-Release of due diligence funding, MOU with DCR, Grove- Survey & subdivision
- 1.1.1.4. *Board Decision Points:* Deciding to authorize the ED to negotiate an LOI and PSA for the purchase; when due diligence is completed
- 1.1.1.5. *Strategic Concerns:* not at this time

1.1.2. Kekaha Ag Processing CIP (\$2M NOT encumbered)

- 1.1.2.1. *Overview:* Assessment with recommendation of current building for Planning & designing into an aggregation facility
- 1.1.2.2. *Completed:* Consultant hired for baseline of building
- 1.1.2.3. *Next Steps:* Receive proposal from consultant, Draft contract to submit to ASO for review and approval, board approval of contract, release of funds
- 1.1.2.4. *Board Decision Points:* Decision to approve contract with consultant after ASO approval is given, request release of funds
- 1.1.2.5. *Strategic Concerns:* Funds will lapse June 30, 2026

1.1.3. Kekaha Bridge Improvements CIP (\$2.5M- NOT encumbered)

- 1.1.3.1. *Overview:* Repair the largest bridge in ADC Lands in Kekaha, Kauai
- 1.1.3.2. *Completed:* Procurement Process, Contract Project Scope
- 1.1.3.3. *Next Steps:* Contract signoff from DBEDT
- 1.1.3.4. *Board Decision Points:* Decision to award the contract
- 1.1.3.5. *Strategic Concerns:* Funds will lapse June 30, 2026
- 1.1.4. Kekaha Ditch Irrigation System Modification (\$3.5M-funds encumbered)
 - 1.1.4.1. *Overview:* Modify the existing hydro power plant to install to meet In Stream Flow standards and really water flows to CWRM instantaneously
 - 1.1.4.2. *Completed:* Funding encumbered
 - 1.1.4.3. *Next Steps:* Waiting for DHHL, landowner, to sign off on permit request
 - 1.1.4.4. *Board Decision Points:* n/a
 - 1.1.4.5. *Strategic Concerns:* Gaining landowner approval
- 1.1.5. East Kauai Irrigation System Acquisition
 - 1.1.5.1. *Overview:* Complete due diligence for potential Executive Order transfer of system from DLNR to ADC
 - 1.1.5.2. *Completed:* Funding for equipment and water personnel approved by legislature, encumbered and expended, Water System Manager and 2 water system workers hired
 - 1.1.5.3. *Next Steps:* Due Diligence, Community Stakeholder meetings for input from DOFAW, DLNR, DHHL, pending ADC Board Approval, return to BLNR for transfer approval, hiring an additional water system worker
 - 1.1.5.4. *Board Decision:* Presentation of due diligence for board determination of transfer of system
 - 1.1.5.5. *Strategic Concerns:* Identifying the scope of the system, developing MOU with DOFAW to allow ongoing hunting
- 1.1.6. Purchase of Gay & Robinson Land (\$1.3M)
 - 1.1.6.1. *Overview:* Acquire strategic ag lands in Waimea, Kauai that contain portions of the Kekaha Irrigation System and are at risk of being sold and would prevent water flow to ADC tenants
 - 1.1.6.2. *Completed:* Legislative approval/budget, Request for release of due diligence funds
 - 1.1.6.3. *Next Steps:* Upon due diligence funding being released, conducting appraisal and due diligence
 - 1.1.6.4. *Board Decision:* Approval of ED negotiating LOI and PSA, Review/approval of PSA, upon completion of Due Diligence/presentation by staff and decision to acquire
- 1.1.7. NPDES Permit Compliance Contract (\$1-1.1M legal, \$1M compliance, ?/fines)
 - 1.1.7.1. *Overview:* Adhering to an approved NPDES Permit monitoring plan, testing, monitoring and reporting to DOH & EPA, permit is required for operating & maintaining PMRF Pumps, and for discharging from the ADC outfalls in west Kauai

- 1.1.7.2. *Completed:* Procurement process, 12/17 was a hearing requesting stay of permit terms and conditions, stricter compliance monitoring started 1/1/26
- 1.1.7.3. *Next Steps:* Processing of contract through DBEDT ASO, awaiting DOH ruling on contested case, preparing for trial in April, stricter monitoring started 1/1/26
- 1.1.7.4. *Board Decision Points:* Approval for an extension of the Special Deputy Attorney General contract for the fees for the contested case, second hearing, and upcoming trial, and determination of entering into a contract with Navy Contract for Pump O&M
- 1.1.7.5. *Strategic Concerns:* Potential for precedent for future NPDES Permits, and testing and monitoring of all state-owned/operated water systems, cost of complying with permit terms and conditions as written, and future legal challenges/civil suits, potential liability for fines for noncompliance

1.2. Oahu Projects

- 1.2.1. *High Pressure Packaging Facility* (\$300k/2024; \$5.5M/2020; \$9.014M/2024; \$22.076M/2025; \$6.3M/2026)
 - 1.2.1.1. *Overview:* Design of a facility, purchase of equipment to operate a postharvest facility to turn off grades into value-added products, shelf-stable products, & products for institutional purchasers. Project will have three contracts: 1) design/build; 2) operate, and 3) Construction management.
 - 1.2.1.2. *Completed:* Design/build contract was procured and awarded
 - 1.2.1.3. *Next Steps:* Negotiate operator contractor, Design scope and procure construction management contract
 - 1.2.1.4. *Board Decision Points:* Award contract for operator and contract management firm.
 - 1.2.1.5. *Strategic Concerns:* None
- 1.2.2. *Food Processing Plant, Oahu- Egg-Cracking Facility* (\$5.7M)
 - 1.2.2.1. *Overview:* Food processing facility in Wahiawa, Oahu that will include an egg cracking facility with primary markets of the centralized kitchen institutional purchasers, restaurants and hotels
 - 1.2.2.2. *Completed:* Funding
 - 1.2.2.3. *Next Steps:* Request funding for due diligence, MOU with UH CDC for concept development
 - 1.2.2.4. *Strategic Concerns:* Sellers timeline due to interest by other buyers
- 1.2.3. Central Oahu Ag Food Hub Infrastructure & Warehouse
 - 1.2.3.1. *Overview:* Develop infrastructure to support the Centralized kitchen, HPP, Central Oahu Ag and Food Hub, warehouses, office space and possibly housing
 - 1.2.3.2. *Completed:* Contract awarded to DAGS for plan, design, construction, and equipment for warehouses, Groundbreaking was 11/14/2025

- 1.2.3.3. *Next Steps:* Procure funding for Master development/MOU with HCDA
- 1.2.3.4. *Board Decision Points:* Strategy for the area
- 1.2.3.5. *Strategic Concerns:* Upgrading infrastructure to be turned over to the city and county for ongoing maintenance
- 1.2.4. Centralized Kitchen (NO funding for ADC)
 - 1.2.4.1. *Overview:* Centralized kitchen that will prepare meals for 3 school districts in central Oahu
 - 1.2.4.2. *Completed:* ROE with DOE
 - 1.2.4.3. *Next Steps:* Determine if CPR, Lease, CAM
 - 1.2.4.4. *Board Decision Points:* Determination of CPR/Subdivision if needed
 - 1.2.4.5. *Strategic Concerns:* Funding for site remediation of \$500k
- 1.2.5. Farm Field Days (NO funding for ADC)
 - 1.2.5.1. *Overview:* Addition of a water line for irrigation, and further field preparation for the annual Hawaii Farm Bureau Federation's State Fair
 - 1.2.5.2. *Completed:* Initial site preparation, trees removed, grass cut, grading, alternative road put in by DOT
 - 1.2.5.3. *Next Steps:* Approval of water line by BOW, funding for additional site preparation
 - 1.2.5.4. *Board Decision Points:* Budgeting for future
 - 1.2.5.5. *Strategic Concern:* No funding for additional site preparation and procurement of water- which is determined by site plan of 55 acres
- 1.2.6. Entrepreneurial Product Manufacturing Facility (\$500k-concept/Complete; \$4.5M/design fees – est FY27, \$45-50MM construction- tbd)
 - 1.2.6.1. *Overview:* Construct a manufacturing facility that can remove cost of scaling value-added products in Hawaii
 - 1.2.6.2. *Completed:* Concept design
 - 1.2.6.3. *Next Steps:* Procure funding for design
 - 1.2.6.4. *Board Decision Points:* Budgeting for design and construction
 - 1.2.6.5. *Strategic Concerns:* Funding
- 1.2.7. Wahiawā Irrigation System Acquisition (\$770M/environmental due diligence, \$5M for Land)
 - 1.2.7.1. *Overview:* Act 218 legislates the inter-agency acquisition of the Wahiawa Irrigation System, Wahiawa Dam & Spillway & Appurtenant Works by ADC and Lake Wilson Reservoir by DLNR, and DABs procurement of funding for design and improvements to the dam and spillway to bring up to DLNR Dam Safety Requirements
 - 1.2.7.2. *Completed:* Legislation passed, LOI/PSA with Sustainable Hawaii
 - 1.2.7.3. *Next Steps:* PSA with Dole negotiated and submittal to the board, Sustainable Hawaii due diligence
 - 1.2.7.4. *Board Decision Points:* Execution of PSA with Dole, Due Diligence Report of Sustainable Hawaii Acquisition and decision to acquire, Due diligence

- Report of Dole System and decision to acquire
- 1.2.7.5. *Strategic Concerns:* Repeal of Act 218 on June 30, 2026
 - 1.2.8. Aquaculture Feed Mill (\$4M)
 - 1.2.8.1. *Overview:* Develop a feed mill pilot for aquaculture in Kalaeloa, Oahu
 - 1.2.8.2. *Completed:* Encumbered funds, contract awarded for pilot
 - 1.2.8.3. *Next Steps:* Monitoring contract, prototype tested, scale/test
 - 1.2.8.4. *Board Decision Points:* Next steps after pilot are concluded
 - 1.2.8.5. *Strategic Concerns:* Lack of input to scale up production
 - 1.2.9. Small Animal Slaughterhouse (\$4M for land; \$17M for plan/design/construction)
 - 1.2.9.1. *Overview:* Purchase land, design and build a small animal slaughterhouse on Oahu to increase local meat production, help meet state food mandates and institutional purchasing goals
 - 1.2.9.2. *Completed:* Funded in FY26 Budget
 - 1.2.9.3. *Next Steps:* Release of funds for due diligence for land purchase, release of funds for land purchase
 - 1.2.9.4. *Board Decision Points:* Approve ED negotiation of LOI/PSA for land purchase; Review/approval of PSA for land purchase; Review due diligence/decision to acquire land;
 - 1.2.10. Waiahole Irrigation Project (\$2.5)
 - 1.2.10.1. *Overview:* Plans, design and construction for system improvements
 - 1.2.10.2. *Completed:* Funded
 - 1.2.10.3. *Next Steps:* Request funding from Governor, Design scope of work for procurement
 - 1.2.10.4. *Board Decision Points:* Awarding of contract
 - 1.2.10.5. *Strategic Concerns:* Ongoing system maintenance that has been delayed
 - 1.2.11. Mililani Technology Park Transfer
 - 1.2.11.1. *Overview:* Transfer of 150 acres of land in the Mililani Tech Park from HTDC to ADC
 - 1.2.11.2. *Completed:* Board decision to accept the transfer
 - 1.2.11.3. *Next Steps:* Legal review/process
 - 1.2.11.4. *Board Decision Points:* Use of the parcel, and funds for infrastructure
 - 1.2.12. Wahiawa Reclaimed Wastewater System, R-1 reuse project (\$4M)
 - 1.2.12.1. *Overview:* Design a pipe/pumping system to route R-1 water from Wahiawa Wastewater Treatment Plant away from Lake Wilson
 - 1.2.12.2. *Completed:* Design Phase 1 and Phase 2, Request for release of funds, Working relationship with County of Honolulu
 - 1.2.12.3. *Next Steps:* Procurement and contracting of Phase 3, drafting of MOU with County of Honolulu for the R-1 water
 - 1.2.12.4. *Board Decision Points:* Awarding of design contract, strategy regarding R-1 water, future budgeting funding requests
 - 1.2.12.5. *Strategic Concerns:* Funding for project upon completion of design- could

be \$150M

- 1.2.13. Dole Wells Project, Water for Immigrant Farmers Initiative (\$9.2M)
 - 1.2.13.1. *Overview:* After the acquisition of the Dole deep wells (\$4.7M/2018), and plans, design (\$4M/2022), complete design/construction for improvements
 - 1.2.13.2. *Completed:* Funding appropriate, procurement of engineering services for plan and design
 - 1.2.13.3. *Next Steps:* Contracting approval from DBEDT to amend existing contract for engineering services, contracting approval for construction improvements
 - 1.2.13.4. *Board Decision Points:* Award of contract after approvals
 - 1.2.13.5. *Strategic Concerns:* Potential lapse of funding from 2022, timeframe for contract improvements may require rent credits to tenants if prolonged
 - 1.2.13.6. *Overview:* Acquisition of 45 acres surrounded by state owned property
 - 1.2.13.7. *Completed:* Authorize ED to negotiate LOI and PSA, Draft of LOI
 - 1.2.13.8. *Next Steps:* Execution of LOI and PSA, Request release of funds for Due diligence
 - 1.2.13.9. *Board Decision Points:* Review of draft PSA for discussion/decision; upon completion of due diligence, review of due diligence and decision to acquire
 - 1.2.13.10. *Strategic Concerns:* Appraisal price difference from asking price
- 1.2.14. Whitmore Food Mart Acquisition (\$500k for land acquisition due diligence)
 - 1.2.14.1. *Overview:* Due diligence for the acquisition of commercial land in Whitmore, Oahu
 - 1.2.14.2. *Completed:* Funding authorized for due diligence
 - 1.2.14.3. *Next Steps:* Procurement of due diligence services
 - 1.2.14.4. *Board Decision:* Review due diligence when complete
 - 1.2.14.5. *Strategic Concerns:* Findings from due diligence
- 1.2.15. Tanada Reservoir Acquisition (\$2M)
 - 1.2.15.1. *Overview:* Acquisition of an irrigation system in central Oahu
 - 1.2.15.2. *Completed:* Initial discussions with seller
 - 1.2.15.3. *Next Steps:* Determine legislative intent of the funding
 - 1.2.15.4. *Board Decision Points:* Authorize ED to execute LOI/PSA, review PSA for execution, review due diligence to determine to proceed on acquisition
 - 1.2.15.5. *Strategic Concerns:* n/a

Operational Updates:

- 1. Board of Directors Support:
 - a. Strategic Plan PIG Members are actively working on updating the ADC Strategic Plan
 - b. Preparation for 1/15/26 Meeting on Oahu at Plant Quarantine
 - c. Supporting ADC Administration Standing Committee and active PIGS: Strategic Plan Update, Solar, Maui Irrigation System, HDOE Support and ED Evaluation

2. Legislative Update:
 - a. Legislative Reports were submitted: Annual Report, Act 239 -Food Systems Working Group, HCR77 Ag Corridor Resolution and Act 237-Food and Product Innovation Network
 - b. Preparation for WAM Briefing is scheduled for 01/12/26 10-1 & FIN Briefing for 01/16/26 9-12
 - c.
3. Administrative:
 - a. Onboarding training completed with Hele Imua for potentially 2 interns
 - b. Onboarding training in progress for new Contracts Manager
 - c. Staff Meetings are held every Wednesday and Staff will be wearing new ADC Shirts on Wednesdays
 - d. Interviewing continues for Accountant IV, Oahu Property Manager & Kauai Water Worker

Upcoming Event/Conferences:

1. 1/15: ADC BOD Meeting – Oahu, Plant Quarantine; ADC Climate Resilient Food & Product Innovation Network Manager on Maui
2. 1/21: Opening Day at the Legislature
3. 1/23: Last day to introduce all non-administration bills
4. 1/26: State-of-the-State Address
5. 1/28: Last Day to Introduce Bills
6. 2/11: Triple Referral Filing Deadline
7. 2/19: First Lateral Filing
8. 2/20: First Lateral Bills
9. 2/26-3/4: Mandatory 5-day recess
10. February: AG Day at the Capital; Water Conference on Oahu, 2/17 ADC BOD Meeting