

STATE OF HAWAI‘I  
AGRIBUSINESS DEVELOPMENT CORPORATION (ADC)  
MEMORANDUM

Date: March 30, 2026

To: ADC Board of Directors

From: Wendy Gady, Executive Director, Agribusiness Development Corporation

Subject: Weekly Report (March 23-27, 2026)

## 1. Overview of current ADC Projects

### 1.1. Statewide Projects

#### 1.1.1. Statewide Food & Product Innovation Network (FPIN) Concept

1.1.1.1. *Overview:* Contract with UHCDC to design FPIN concepts

1.1.1.2. *Completed:* ADC Board approved MOU with UHCDC

1.1.1.3. *Next Steps:* UHCDC conducting stakeholder meetings

1.1.1.4. *Board Decision Points:* Review of Final Concept Report and Findings and determine priorities & budget priorities

### 1.2. Kauai Projects

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

1.2.1.1. *Overview:* Purchase of 1,000 acres of former sugar farmland near Lihue

1.2.1.2. *Completed:* Ka Pa’akai, funding released for due diligence, due diligence funding released, ESA Phase 1 awarded, AG hired SDAG, Grove hired Surveyor

1.2.1.3. *Next Steps:* ADC/Grove-Draft PSA, ADC-AG to draft hire SDAG, MOU with DCR, Grove- Subdivision, Execute contract for ESA

1.2.1.4. *Board Decision Points:* Discuss & Decide PSA for the purchase; when due diligence is completed, review for decision to acquire

1.2.1.5. *Strategic Concerns:* None

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

1.2.2.1. *Overview:* Assessment with recommendation of current building for Planning & designing into an aggregation facility

1.2.2.2. *Completed:* Consultant hired for baseline of building

1.2.2.3. *Next Steps:* Receive proposal from consultant, Draft contract to submit to ASO for review and approval, board approval of contract, release of funds

1.2.2.4. *Board Decision Points:* Execute contract with consultant, request release of funds

1.2.2.5. *Strategic Concerns:* Funds will lapse June 30, 2026

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

1.2.3.1. *Overview:* Repair the largest bridge on ADC Lands in Kekaha, Kauai- this is a professional services contract for plan and design

1.2.3.2. *Completed:* Budgeted

- 1.2.3.3. *Next Steps:* Need to redraft project scope and reprocur
- 1.2.3.4. *Board Decision Points:* Decision to award the contract
- 1.2.3.5. *Strategic Concerns:* Funds will lapse June 30, 2026
- 1.2.4. Kekaha Ditch Irrigation System Modification (\$3.5M-funds encumbered)
  - 1.2.4.1. *Overview:* Modify the existing hydro power plant to install to meet In Stream Flow Standards and relay water flows to CWRM instantaneously
  - 1.2.4.2. *Completed:* Funding encumbered
  - 1.2.4.3. *Next Steps:* Requesting from DHHL/landowner, to sign off on permit request
  - 1.2.4.4. *Board Decision Points:* n/a
  - 1.2.4.5. *Strategic Concerns:* Gaining landowner approval
- 1.2.5. East Kauai Irrigation System Acquisition
  - 1.2.5.1. *Overview:* Complete due diligence for potential Executive Order transfer of system from DLNR to ADC
  - 1.2.5.2. *Completed:* Funding for equipment and water personnel approved by legislature, encumbered and expended, Water System Manager and 2 water system workers hired
  - 1.2.5.3. *Next Steps:* Due Diligence, Community Stakeholder meetings for input from DOFAW, DLNR, DHHL in April, Eta May staff will have a presentation ready to share with the ADC Board review of due diligence and decision, if board approves - June return to BLNR for transfer approval, hiring an additional water system worker
  - 1.2.5.4. *Board Decision:* Presentation of due diligence for board determination of transfer of system
  - 1.2.5.5. *Strategic Concerns:* Identifying the scope of the system, developing MOU with DOFAW to allow ongoing hunting, addressing any community concerns
- 1.2.6. Purchase of Gay & Robinson Land (\$1.3M)
  - 1.2.6.1. *Overview:* Acquire strategic ag lands in Waimea, Kauai that contain portions of the Kekaha Irrigation System which is at risk of being sold and would prevent water flow to ADC tenants
  - 1.2.6.2. *Completed:* Legislative approval/budget, Request for release of due diligence funds
  - 1.2.6.3. *Next Steps:* Upon due diligence funding being released, conducting appraisal and due diligence
  - 1.2.6.4. *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 presented to BOD
- 1.2.7. NPDES Permit Compliance Contract (\$1-1.1M legal, \$1M compliance, ?/fines)
  - 1.2.7.1. *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

- 1.2.7.2. *Completed:* Procurement process, 12/17 was a hearing requesting stay of permit terms and conditions, stricter compliance monitoring started 1/1/26 Contested case determination issued testing continues under permit conditions while DOH remedies permit process
- 1.2.7.3. *Next Steps:* Procure additional funding for ongoing compliance, Execute contracts, AGs office to draft supplemental contract for SDAG
- 1.2.7.4. *Board Decision Points:* Determination of entering a contract with Navy Contract for Pump O&M
- 1.2.7.5. *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

### **1.3. Oahu Projects**

- 1.3.1. High Pressure Packaging Facility (\$300k/2024; \$5.5M/2020; \$9.014M/2024; \$22.076M/2025; \$6.3M/2026)
  - 1.3.1.1. *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.
  - 1.3.1.2. *Completed:* Design/build contract was procured and awarded, MOU with UHDCDC for master development support
  - 1.3.1.3. *Next Steps:* Negotiate operator contractor, Design scope and procure construction management contract, ongoing PM with design/build and potential operator contractor
  - 1.3.1.4. *Board Decision Points:* Award contract for operator and contract management firm.
  - 1.3.1.5. *Strategic Concerns:* None
- 1.3.2. Food Processing Plant, Oahu- Egg-Cracking Facility (\$5.7M)
  - 1.3.2.1. *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
  - 1.3.2.2. *Completed:* Funding, LOI, scope for professional services
  - 1.3.2.3. *Next Steps:* Request funding for due diligence, MOU with UHDCDC for concept development, PSA
  - 1.3.2.4. *Board Decision Points:* Approve execution of PSA, review due diligence and Discuss/authorize to acquire
  - 1.3.2.5. *Strategic Concerns:* Sellers timeline due to interest by other buyers
- 1.3.3. Central Oahu Ag Food Hub Infrastructure & Warehouse
  - 1.3.3.1. *Overview:* Develop infrastructure to support the Centralized kitchen, HPP, Central Oahu Ag and Food Hub, warehouses, office space and possibly

- housing
- 1.3.3.2. *Completed:* Contract awarded to DAGS for plan, design, construction, and equipment for warehouses, Groundbreaking was 11/14/2025
- 1.3.3.3. *Next Steps:* Operational meetings for Project Manager with DAGS, DOE & HCDA ongoing
- 1.3.3.4. *Board Decision Points:* Strategy for the area
- 1.3.3.5. *Strategic Concerns:* Upgrading infrastructure to be turned over to the city and county for ongoing maintenance & associated costs, any remediation required and costs
- 1.3.4. Centralized Kitchen (NO funding for ADC)
  - 1.3.4.1. *Overview:* Centralized kitchen that will prepare meals for 3 school districts in central Oahu
  - 1.3.4.2. *Completed:* ROE with DOE
  - 1.3.4.3. *Next Steps:* Determine if CPR, Lease, CAM
  - 1.3.4.4. *Board Decision Points:* Determination of CPR/Subdivision if needed
  - 1.3.4.5. *Strategic Concerns:* Funding for site remediation of \$500k
- 1.3.5. Farm Field Days (NO funding for ADC)
  - 1.3.5.1. *Overview:* Addition of a water line for irrigation, and further field preparation for the annual Hawaii Farm Bureau Federation's State Fair
  - 1.3.5.2. *Completed:* Initial site preparation, trees removed, grass cut, grading, alternative road put in by DOT
  - 1.3.5.3. *Next Steps:* Approval of water line by BOW, funding for additional site preparation
  - 1.3.5.4. *Board Decision Points:* Budgeting for future
  - 1.3.5.5. *Strategic Concern:* No funding for additional site preparation and procurement of water- which is determined by site plan of 55 acres
- 1.3.6. Entrepreneurial Product Manufacturing Facility (\$500k-concept/Complete; \$4.5M/design fees – est FY27, \$45-50MM construction- tbd)
  - 1.3.6.1. *Overview:* Construct a manufacturing facility that can remove cost of scaling value-added products in Hawaii
  - 1.3.6.2. *Completed:* Concept design
  - 1.3.6.3. *Next Steps:* Procure funding for design FY27
  - 1.3.6.4. *Board Decision Points:* Budgeting for design and construction
  - 1.3.6.5. *Strategic Concerns:* Funding
- 1.3.7. Wahiawā Irrigation System Acquisition (\$770M/environmental due diligence, \$5M For Land)
  - 1.3.7.1. *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

- 1.3.7.2. *Completed:* Legislation passed, LOI/PSA with Sustainable Hawaii, Request for itemized Due Diligence documents
- 1.3.7.3. *Next Steps:* PSA with Dole negotiated and submittal to the board, Sustainable Hawaii due diligence
- 1.3.7.4. *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
- 1.3.7.5. *Strategic Concerns:* Repeal of Act 218 on June 30, 2026
- 1.3.8. Aquaculture Feed Mill (\$4M)
  - 1.3.8.1. *Overview:* Develop a feed mill pilot for aquaculture in Kalaeloa, Oahu
  - 1.3.8.2. *Completed:* Encumbered funds, contract awarded for pilot
  - 1.3.8.3. *Next Steps:* Monitoring contract, prototype tested, scale/test
  - 1.3.8.4. *Board Decision Points:* Next steps after pilot are concluded
  - 1.3.8.5. *Strategic Concerns:* Lack of input to scale up production
- 1.3.9. Small Animal Slaughterhouse (\$4M for land; \$17M for plan/design/construction)
  - 1.3.9.1. *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
  - 1.3.9.2. *Completed:* Due diligence funding released, professional services for appraisal drafted/posted
  - 1.3.9.3. *Next Steps:* Award of Appraisal, Contract approved by DBEDT ASO, release of funds for land purchase
  - 1.3.9.4. *Board Decision Points:* Review/approval of PSA for land purchase; Review due diligence/decision to acquire land
- 1.3.10. Waiahole Irrigation Project (\$2.5)
  - 1.3.10.1. *Overview :* Plans, design and construction for system improvements
  - 1.3.10.2. *Completed:* Funded
  - 1.3.10.3. *Next Steps:* Request funding from Governor, Design scope of work for procurement
  - 1.3.10.4. *Board Decision Points:* Awarding of contract
  - 1.3.10.5. *Strategic Concerns:* Ongoing system maintenance that has been delayed
- 1.3.11. Mililani Technology Park Transfer
  - 1.3.11.1. *Overview:* Transfer of 150 acres of land in the Mililani Tech Park from HTDC to ADC
  - 1.3.11.2. *Completed:* Board decision to accept the transfer
  - 1.3.11.3. *Next Steps:* Legal review/process
  - 1.3.11.4. *Board Decision Points:* Use of the parcel, and funds for infrastructure
- 1.3.12. Wahiawa Reclaimed Wastewater System, R-1 reuse project (\$4M)
  - 1.3.12.1. *Overview:* Design a pipe/pumping system to route R-1 water from Wahiawa Wastewater Treatment Plant away from Lake Wilson
  - 1.3.12.2. *Completed:* Design Phase 1 and Phase 2, Request for release of funds,

- Working relationship with County of Honolulu
- 1.3.12.3. *Next Steps:* Procurement and contracting of Phase 3, drafting of MOU with County of Honolulu for the R-1 water
  - 1.3.12.4. *Board Decision Points:* Awarding of design contract, strategy regarding R-1 water, future budgeting funding requests
  - 1.3.12.5. *Strategic Concerns:* Funding for project upon completion of design- could be \$150M
- 1.3.13. Dole Wells Project, Water for Immigrant Farmers Initiative (\$9.2M)
- 1.3.13.1. *Overview:* After the acquisition of the Dole deep wells (\$4.7M/2018), and plans, design (\$4M/2022), complete design/construction for improvements
  - 1.3.13.2. *Completed:* Funding appropriate, procurement of engineering services for plan and design
  - 1.3.13.3. *Next Steps:* Contracting approval from DBEDT to amend existing contract for engineering services, contracting approval for construction improvements
  - 1.3.13.4. *Board Decision Points:* Award of contract after approvals
  - 1.3.13.5. *Strategic Concerns:* Potential lapse of funding from 2022, timeframe for contract improvements may require rent credits to tenants if prolonged
  - 1.3.13.6. *Overview:* Acquisition of 45 acres surrounded by state owned property
  - 1.3.13.7. *Completed:* Authorize ED to negotiate LOI and PSA, Draft of LOI
  - 1.3.13.8. *Next Steps:* Execution of LOI and PSA, Request release of funds for Due diligence
  - 1.3.13.9. *Board Decision Points:* Review of draft PSA for discussion/decision; upon completion of due diligence, review of due diligence and decision to acquire
  - 1.3.13.10. *Strategic Concerns:* Appraisal price difference from asking price
- 1.3.14. Whitmore Food Mart Acquisition (\$500k for land acquisition due diligence)
- 1.3.14.1. *Overview:* Due diligence for the acquisition of commercial land in Whitmore, Oahu
  - 1.3.14.2. *Completed:* Funding authorized for due diligence
  - 1.3.14.3. *Next Steps:* Procurement of due diligence services
  - 1.3.14.4. *Board Decision:* Review due diligence when complete
  - 1.3.14.5. *Strategic Concerns:* Findings from due diligence
- 1.3.15. Wilikina Parcel/Kauahale Concept
- 1.3.15.1. *Overview:* Utilize the 5-acre parcel in Central Oahu for a Kauahale and Ag worker housing to reach state goals
  - 1.3.15.2. *Completed:* Informational Briefing to ADC Board, BLNR decision to revoke the EO language on the parcel, and acknowledge the land use designation
  - 1.3.15.3. *Next Steps:* Request for ROE
  - 1.3.15.4. *Board Decision:* Decision to decide to subdivide the parcel to allow for both Kauahale and potential ag worker housing
  - 1.3.15.5. *Strategic Concerns:* Development of an ADC Board policy for Ag worker

housing policy

1.3.16. Tanada Reservoir Acquisition (\$2M)

- 1.3.16.1. *Overview:* Acquisition of an irrigation system in central Oahu
- 1.3.16.2. *Completed:* Initial discussions with seller
- 1.3.16.3. *Next Steps:* Determine legislative intent of the funding
- 1.3.16.4. *Board Decision Points:* Authorize ED to execute LOI/PSA, review PSA for execution, review due diligence to determine to proceed on acquisition
- 1.3.16.5. *Strategic Concerns:* n/a

1.3.17. Oahu Commodity Mapping (ADC Commodity Coordinator & CTAHR)

- 1.3.17.1. *Overview:* Working with the DOE on commodities required to meet 2026-2027 school year meal plans to develop what commodities can be grown where on Oahu
- 1.3.17.2. *Completed:* Concept development, commodities purchased
- 1.3.17.3. *Next Steps:* ADC Commodity Coordinator to refine volumes
- 1.3.17.4. *Board Decision Points:* Future Informational Briefing by ADC Commodity Coordinator on progress and timetables
- 1.3.17.5. *Strategic Concerns:* Price points for which commodities can be grown, and Procurement Process for farmers

1.3.18. Feed Mill Concept Study (\$250k)

- 1.3.18.1. *Overview:* Contract with UH CDC to do proof of concept for a feed mill on Oahu to support state food mandates
- 1.3.18.2. *Completed:* Stakeholder meetings, site visits, baseline analysis,
- 1.3.18.3. *Next Steps:* UH CDC to prepare presentation for ADC BOD
- 1.3.18.4. *Board Decision Steps:* Informational presentation by UH CDC estimated April 2026 ADC BOD meeting and decision on next steps

**Operational Updates:**

1. Board of Directors Support:

- a. Strategic Plan PIG Members have completed report, which will be shared at the next ADC BOD meeting- NO discussion until the following ADC BOD meeting
- b. Maui Irrigation PIG Members have completed report, which will be shared at the next ADC BOD meeting- NO discussion until the following ADC BOD meeting
- c. Preparation for upcoming Meeting on Oahu at Plant Quarantine
- d. Supporting ADC Administration Standing Committee and active PIGS: Solar, HDOE Support, ED Evaluation & Audit
- e. MOUs In Process: CTAHR for funding transfer and reporting for items in ADC Budget; Nourishing Hawaii's Future, Department of Corrections & Rehabilitation for Kauai lands
- f. ADC Land Policies & Procedures being reviewed/updated with potential changes from staff eta May BOD meeting

## Legislative Update

### High Priority Measures:

- HB1800 HD1 – State Budget
- SB2800 SD1 HD1 – Irrigation Systems
- SB2405 SD1 HD1 – Ag Workforce Housing Working Group (includes ADC)
- SB2320 SD1 HD1 – Kuleana AgTech Pathways Program
- SB2595 SD1 – ADC Revenue and Leasing Requirements

### Agricultural Workforce Housing (Monitoring):

- HB1604 HD2
- HB1737 HD3
- HB2006 SD2
- SB3233 SD1

### Economic Development / Agriculture / Infrastructure:

- HB2459 HD2 – Food and Product Innovation Network
- HB2585 HD3 – Agricultural Tourism
- SB2360 SD1 – State Enterprise Zones
- SB2805 SD2 – Income Tax Credits
- SB3063 SD1 – DOE Procurement of Local Produce and Foods

### Other Measures of Interest:

- HB1615 HD2 – HTDC Office of Marine Affairs
- SB2161 / HB1703 HD1 – Ag Land Use Support Activities (e.g., rodeos)
- SB2169 SD1 – ADC Condemnation Authority
- SB2907 SD1 / HD1 – Marine Affairs
- SB3332 SD1 – State-Funded Travel

### Resolutions (Monitoring)

- HCR24 / HR23 / SCR49 – DBEDT Food Manufacturing Study
- HCR108 / HR100 / SCR113 – DOE Farm-to-School & Local Procurement Report
- HCR144 / HR136 / SCR41 – Statewide Food Security Strategy

- HCR188 / HR178 – Ag Tourism Working Group (HTA)
  - SCR126 / SR118 – ADC Land Acquisition (Hal a'ula, Hawai'i Island)
2. Administrative:
- a. Working on Oahu and Kauai to visit sites with HIEMA to assess damage
  - b. Staff Meetings are held every Wednesday
  - c. Interviewing continues for Accountant IV (preliminary reference checks), Oahu Property Manager & Kauai Water Worker, rewriting PD for Waiahole Supervisor
  - d. Mid-year employee reviews wrapping up
  - e. Awarded contract for professional services for transcription support
  - f. Execute PR Contract
  - g. RFP For PR Services posted

**Upcoming Event/Conferences:**

1. 3/30: Second Lateral Bills
2. 3/31: First lateral for concurrent resolutions
3. 4/3: ADC Offices will be closed
4. 4/9: First crossover for concurrent resolutions
5. 4/10: Second decking bills
6. 4/16: ADC BOD Meeting, second crossover bills & Last day for the Originating body to disagree with bill amendments
7. 4/24: Deadline for final form of bills proposing constitutional amendments
8. 4/27: Second crossover for concurrent resolutions
9. 4/29: Final Decking of non-fiscal bills
10. 5/1: Final decking of fiscal bills
11. 5/8: Adjournment Sine Die – in Latin “sine die” means “without a day” specified for next meeting; CTAHR Banquet
12. 5/21: ADC BOD Meeting
13. June 2026: FPIN Conference
14. 11/9-10/2026: Ag Leadership Conference

