



# Agribusiness

## Development Corporation



# MISSION

**To acquire and manage in partnerships with farmers, ranchers and aquaculture groups, selected high-value lands, water systems and infrastructure for commercial agricultural use, and to direct research into areas that will lead to the development of new crops, markets and lower production costs.**



# DOA: Leasing Process

- The qualification process to find an eligible farmer takes up to a year or more
- If the land needs to be subdivided, that process can add an additional year
- DOA would need to install infrastructure
- DOA would need to receive authorization to release funds
- Notable cases: Kunia ag-park has not seen action since the lands were transferred to DOA in 2000

- ADC determines conditions on license that requires the approval from the board
- A long term license can be issued
- Upon completion of an EA and or EIS the negotiation process would take 6 months to a year to complete
- Land manager is sub contracted out
- Notable cases: ADC joint venture with Kekaha Agricultural Association allows the association to manage the land which reduces the cost for ADC
- ADC periodically asses the association

- Being a state agency and allowed to be converted to a private non-profit organization
- Exemption from HRS Chapter 171 (public lands)
- Exemption from the Public Utilities Commission regulations
- Exemption from civil service
- Issue bonds
- Form subsidiaries
- Acquire real and personal properties

# THE PLAN

- **The Whitmore Village Agricultural Development Plan is an effort to help revitalize the economy and agricultural production in Central Oahu, once a region that led the industry with pineapple and other crops. The main objectives are to:**
  - **Demonstrate that farming is an attractive profession, agriculture is revenue generating, and a career in agriculture will allow a new generation of farmers the ability to live and work in Hawaii**
  - **Create synergy and scale resulting in reduced costs of farming and ensuring supporting systems and activities become efficient**
  - **Develop a comprehensive, economically sustainable plan for agriculture that includes farms, packing and processing facilities, distribution systems, infrastructure and water, agri-tourism opportunities, public-private partnerships and long-term investments**

# WAHIAWA FARMLANDS

## Wahiawa Farmlands (Former Galbraith Trust Lands)

### BACKGROUND

In September of 1992, the Hawaiian Trust Company, Ltd., a subsidiary of Bank of Hawai'i, submitted an application to rezone 900 out of 2,200 acres of the Galbraith Trust lands from agricultural to urban. The so-called Wahiawa Lands development plan included 3,100 residential units of single- and multi-family types. Business centers, commercial/light industrial complexes and an 18-hole golf course were also part of the plan.

The Wahiawa Community and Business Association (WCBA), along with other community organizations participated as advisory committee members for the Wahiawa Lands project. In March of 1993, the WCBA board of directors voted unanimously to oppose the Wahiawa Lands development project. WCBA members formed the Preserve Wahiawa Committee, which was later approved by the board of directors. Its purpose was to join with other community organizations and individuals in opposition of the development project.

### HIGHEST AND BEST USE

The Hawaiian Trust Company had a fiduciary duty to the beneficiaries of the Galbraith Trust, which required the "Highest and Best Use" of those lands to maximize the financial return. That meant up-zoning prime agricultural land, which is contrary to our State Constitution. Article XI, Section 3, state that "The State shall conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agricultural suitable lands."

### BY THE PEOPLE

In early 1993, community members mobilize. Our heritage is rooted in these lands and it has an intrinsic value that you can't put a price tag on.

Wahiawa Neighborhood Board members, Hawaiian Civic Club of Wahiawa, Friends of Kukaniloko, Del Monte Fresh Produce employees, Preserve Wahiawa Committee, as well as other groups and many individuals all showed up at the public hearings. Those hearings started with just a handful of people, but grew to standing room only with crowds pouring outside.

At the heart of these lands is sacred Kukaniloko, ancient birthing stone site of Ali'i. This site is under the care of the Hawaiian Civic Club of Wahiawa and the Friends of Kukaniloko. The

The State's Agribusiness Development Corporation (ADC) will own/manage 1,207 acres and OHA 516 acres. ADC and OHA are developing a memorandum of agreement to manage the land in concert, reduce cost, and increase efficiency.

State Constitution, Article XI, Section 3, states that "The State shall conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agricultural suitable lands."

This land exchange was never realized...

### OUTCOME

Fast forward to 2012. It's been a few years in the making but Lea Hong, Hawaiian Islands Program Director of the Trust of Public Land, has recently signed a purchase agreement with Bank of Hawaii for the remaining Galbraith Trust Lands. Lea is a former Wahiawa resident and a graduate of Leilehua High School.

### Galbraith funding sources

State of Hawaii	\$13 million (GO bond funded)
Honolulu Clean Water & Natural Lands Fund	\$4 million (approved by Council)
U.S. Army Garrison Hawaii ACUB	\$4 million (secured)
Office of Hawaiian Affairs (OHA)	\$3 million (secured)
Private	<u>\$1 million (pending)</u>
<b>Total:</b>	<b>\$25 million</b>

The State's Agribusiness Development Corporation (ADC) will own/manage 1,207 acres and OHA 516 acres (parcel surrounding Kukaniloko). ADC and OHA are developing a memorandum of agreement to manage the land in concert, reduce cost, and increase efficiency.

### RECOGNITION

The Wahiawa Community and Business Association would like to commend Lea Hong for her perseverance and skill in executing the purchase agreement. This was a tremendous undertaking on behalf of the Wahiawa community, and the State as a whole. We applaud her for this great accomplishment.

We would also like to acknowledge former State Representative and Senate President, Robert Bunda for stewarding H.B. 2689 through the 1994 legislature. And for coordinating all the entities involved with the land exchange including the State Administration, Hawaiian Trust Company and the West O'ahu College.

Representative Marcus Oshiro, House Finance Chair, deserves a lot of the credit. He facilitated the lion's share of the funding, which we believe provided the impetus for other funding sources to commit.

We also commend former Honolulu City Council Chair and now Senator Donovan Dela Cruz, as well as current City Council Chair Ernie Martin in helping to secure the Honolulu Clean Water & Natural Lands Fund.

# ACTION ITEM #1: Galbraith Estate

- 50-100 acre parcels  
(12-25 different farms)

- Food security requires good agricultural land, the additional Kunia land would expand ADC's land inventory to put more crops in production

- Access to one well on the entire property

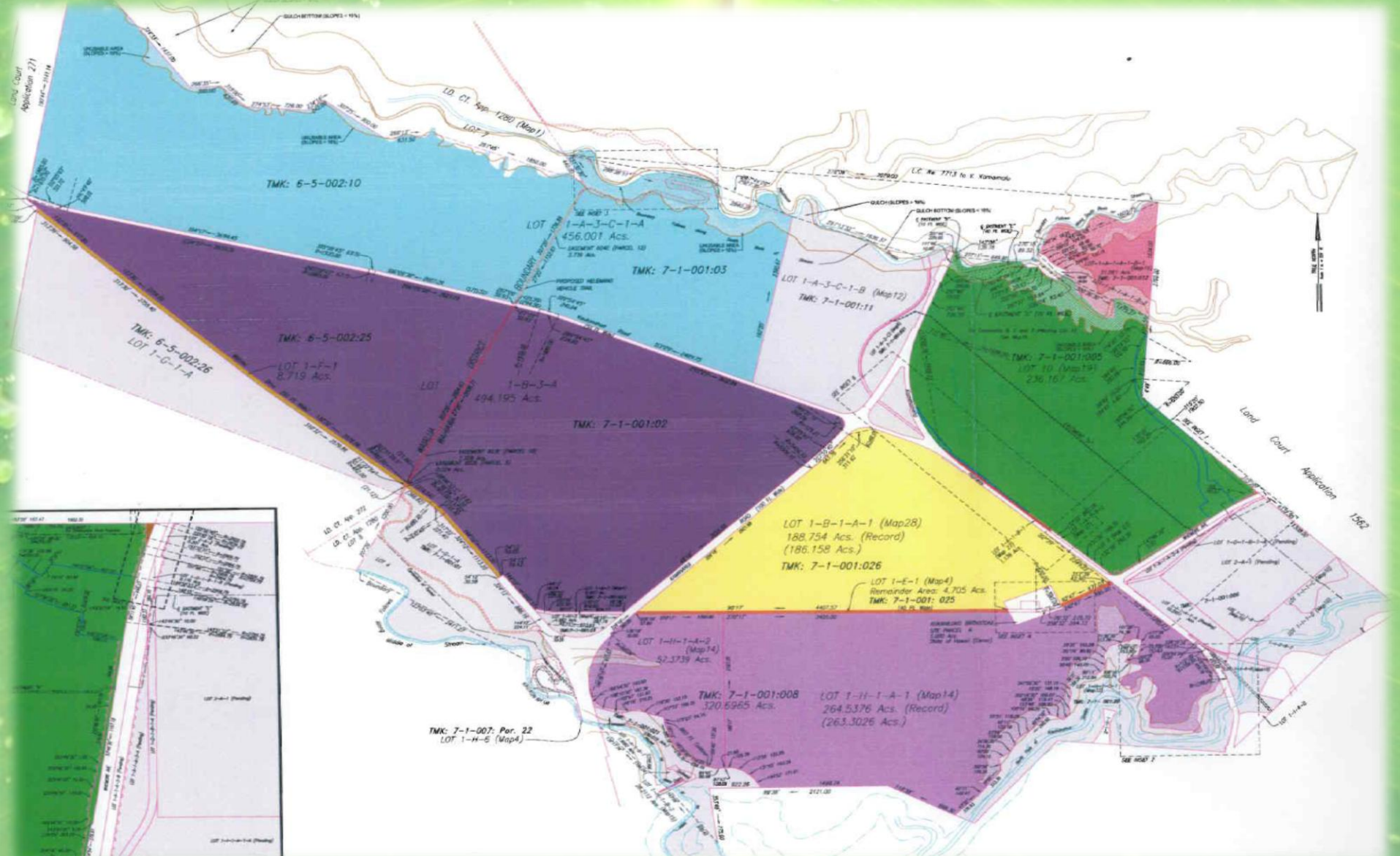
- No existing buildings on the property for packing and processing



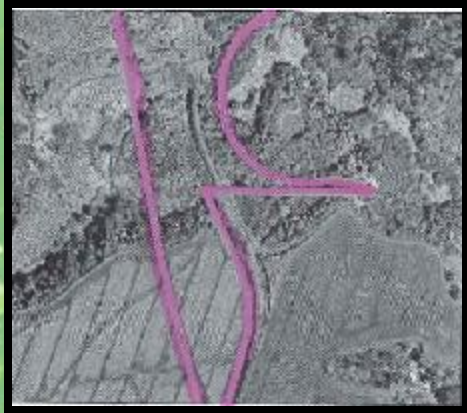
ADC will take title to 1,207 acres of the 1,723. OHA will take approximately 516 acres.



# AGRICULTURE HUB: Galbraith Estate – Diversified Ag



# ACTION ITEM #2: Kunia



TMK: 94012001  
Acres: 14



TMK: 94012002  
Acres: 487



TMK: 94012003  
Acres: 77



# ACTION ITEM #3: DOLE – Processing & Packaging

**ADC plans to enter into a public-private partnership with a suitable company who will operate and maintain the state facilities.**



**\$3.6 million to acquire the 24 acre parcel from Castle & Cooke.**

# CO-OP FACILITIES: Packaging and Processing

## Whitmore Village

- Acquisition of TMK 7-1-02-04 and TMK 7-1-02-09
- Retrofits existing Dole buildings on TMK 7-1-02-09 to house a **Packaging and Processing Facilities** to accommodate the farmers on the Galbraith land as oppose to each farmer constructing their own facilities
- Proximity to ADC's Galbraith lands and central location near H-2 freeway reduces the transportation cost



# UC Davis: Food Processing Complex

- 34,000 Sq. Ft

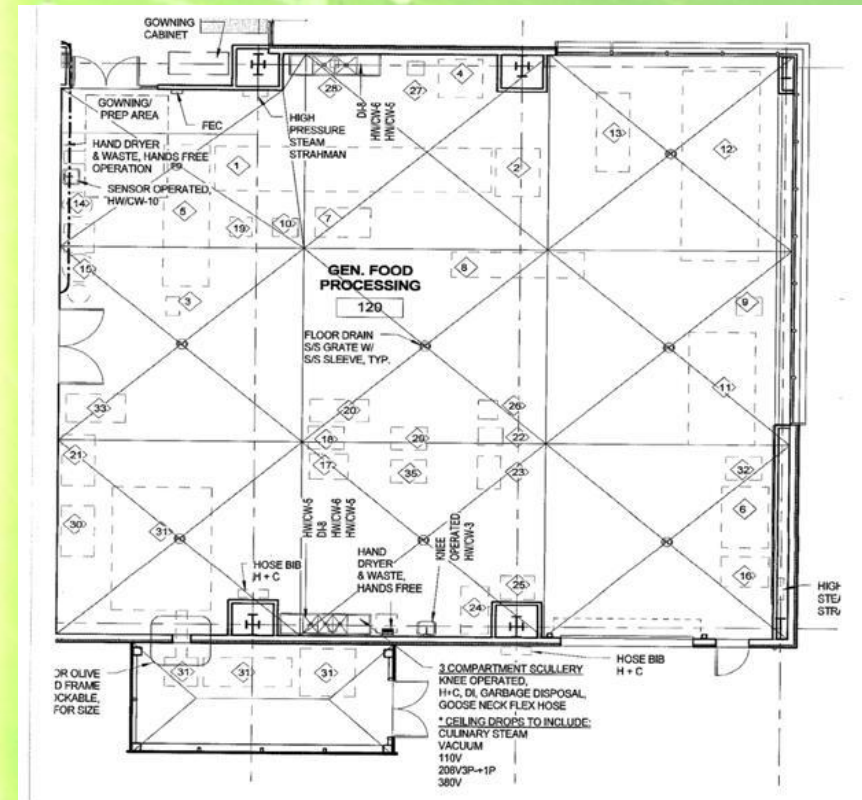
- On-Site Solar Power

- Rainwater Capture System used for landscaping and toilets

- Over two dozen pieces of equipment

- First to earn LEED Platinum certification (the highest environmental rating of the U.S. Green Building Council)

Source: <http://www.foodsci.ucdavis.edu/hot/test-folder/the-food-processing-pilot-plant>



# UC Davis: Food Processing Complex



# OHIO: Food Processing Jobs Data

## By the Numbers:

- Increased demand for processed ag products = increased workforce demand
- Attracted outside investors (local and foreign)
- Ag and food processing industry contributes to \$93 billion to Ohio's economy
- 1,918 Ohio State University Extension jobs
- 1,150 direct jobs
- 768 related jobs
- Generated annual workforce total income estimated at \$64 million



# ACTION ITEM #4: DOLE – Offices

- 257 acre parcel owned by Dole Foods Company
- Dole Food Company is currently liquidating 16,000 acres of ag land on Oahu many of which have been sold
- Fearing the eminent development of these lands, a CIP request for \$5.6 million was made to acquire the 257 acre parcel
- The land once served as a distribution center for Dole
- Currently there are 2 farmers on the land, an office, a bank, and the dilapidated remains of the Dole truck garages



**2012 Estimates:**  
\$870/LF for NEW roadway  
infrastructure  
1.5 miles approx. \$6.9M

*\*Estimates based on City & County standards*

# ACTION ITEM #5: Irrigation

photo:kaleo



**The Kaukonahua Stream flows through the entire 257 acre parcel that Dole Foods Co. currently owns in Whitmore Village. Anticipating funds were going to be allocated to purchase the land, Senator Dela Cruz put in another CIP request for a water pumping system to irrigate the Galbraith Land via the Dole Foods Co. parcel.**



# WAHIAWA RESERVOIR: Lake Wilson

## Wahiawa Reservoir/Lake Wilson Champion: Dan Nakasone, O'ahu RC&D

**Location:** Wahiawa, Oahu

**Background:** Lake Wilson is the largest freshwater sport fishery in the State. Designated as the Wahiawa Public Fishing Area, DLNR has managed Lake Wilson since 1957 through a cooperative agreement with Castle & Cooke, Inc. The Wahiawa Reservoir was constructed in 1905 – 06 by damming the convergence of the north and south forks of the Kaukonahua Stream for sugarcane irrigation purposes. It is the largest freshwater impoundment in the State with a capacity of over 3 billion gallons, a shoreline roughly 20 miles in length, and a surface area of about 350 acres at maximum pool. Largemouth bass were stocked in the lake in the early 1900s. Channel catfish were introduced in the late 1940s and peacock bass in the mid-1960s. The grounds have restrooms, parking, 0.3 mile jogging /biking path, and a caretaker's residence. Of the 65.9 acres in the Recreational area, only 5 acres are developed for public use. The city's Wahiawa Wastewater Treatment plant discharges approximately 2 million gallons of treated effluent into the reservoir each day. This discharge is nutrient rich and vegetation blooms can lead to fish kills. Currently the fishery at Lake Wilson is dying a slow death. The Lake could provide a higher quality recreational destination for both locals and visitors.



### Goals:

- I. Improve Game Fish Habitat
  - A. Better manage water heights to control undesirable fish species, and allow for middle school and DLNR stocking efforts to succeed.
  - B. Improve water quality
    1. Control excess nutrients
    2. Limit likelihood of spills from treatment plant
    3. Better control storm water runoff
    4. Allow community efforts to minimize illegal dumping
- II. Improve Agricultural Water Supplies
  - A. Divert treated waste water from being discharged into Lake Wilson.
  - B. This diversion will allow for the reservoir's water to be applied on higher value crops.
- III. Utilize Treated Waste Water on Grass and Tree crops

- A. Recycling of treated waste water can be provided to farmers by the city and county.
- B. It can also be a more reliable source of water during drought periods.



- IV. Improve Recreational Use of the Lake
  - A. Improving game fish habitat and fishing recreation areas.
  - B. Lake and recreation areas
    1. Park facilities and trails can be improved.
    2. Links to other community amenities can be designed.
- V. Reduce Downstream Flood Damages
  - A. Eliminate treated waste water discharge into the lake allowing for better management of lake levels to reduce downstream flooding threats. DOH currently restricts releasing lake water due to water quality concerns.
  - B. This is one critical component of an overall flood control watershed plan.

**Benefits:** The lake can provide cheap irrigation water for farms if the effluent could by-pass the lake. Dole (Castle and Cooke, Inc.) has suggested that treated water go directly through Dole's irrigation system to the Pomoaho reservoir and dispersed onto 500 acres of agricultural land for dairy cattle forage production.

If the lake was free of human effluent, it could:

- 1) Provide effluent free irrigation ditch water vs. pumped water (.30 cents per 1,000 gal vs. .40 cents per 1,000 gal).
- 2) Reduce the flood liability by increasing free board before and during the wet season.
- 3) Water levels could also be better managed for the ecology of the fishery.
- 4) Enhance the recreational opportunities of the lake.

**Cost:** Cost estimates for various goals and alternatives have not been made. DLNR has estimated the cost of this project to be \$282,000. Many aspects of this project could be completed with minimal cost except for staff time.

**Currently:** State of Hawaii spent hundreds of thousands of dollars to control a weed, *Salvinia molesta* that covered the 300-acre surface of the Central O'ahu reservoir, in some places a foot thick. It took three giant excavators working daily to clear it. The picture to the left is a 31-ton amphibious Caterpillar backhoe attempting to clear Lake Wilson. The weeds thrive on nutrient rich water and are sprayed monthly to maintain control.

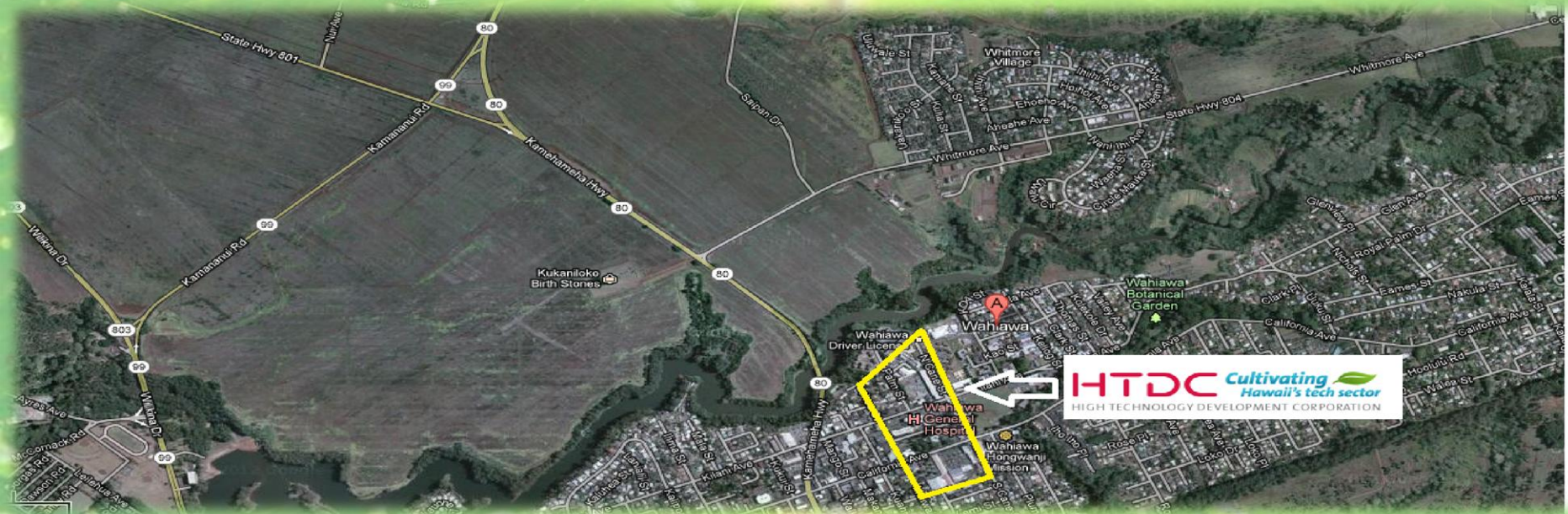
# ACTION ITEM #6: Ag-Tech



Oregon Agri-Tech  
infoUSA

**The land in Whitmore Village would also become an agricultural tech park. This park would house software and manufacturing companies that develop technology and equipment for farmers. Not only will the companies provide support services for the farmers, they will also bring better paying jobs to an economically challenged community.**

# AG-TECH: HTDC



**The High Technology Development Corporation (HTDC) and the Hawaii Strategic Development Corporation (HSDC) are two state agencies that specialize in financing and developing these types of ventures. The two corporations share similar statutory powers flexibility as ADC. Using the corporation's powers and expertise, the State could recruit companies that can provide our farmers with the most advance tools in the world.**

*\*Status: Mapped out a plan to create a tech park using the HTDC and HSDC. Discussed plans with members of the corporations to determine the feasibility of building the park.*

# NICHE CROPS: Value-Added Products

Niche crops are the most sought after and revenue generating crops. Within every town in Hawaii there is a microclimate that certain niche crops thrive in. Products like Kona Coffee and Kula Lavender attract visitors to the region which in turn helps other small businesses.



Hawaii has always been known for growing first class produce. The College of Tropical Agriculture and Human Resources has been developing crops for over 100 years and has the expertise to help the State identify the best crops for each microclimate in the State. Many of their research extension stations are already identifying the crops that grow in the region. One crop could produce multiple value-added products. If every rural town had one crop, the State would have an inventory of destinations and value-added product that would bring people to the islands.



# LEGISLATION

- **SB2378:**
  - Requires applications for land conservation funds to include the project's public benefit and the results of the consultations with specified state departments and agencies regarding the maximization of public benefits of the project, if practical. The purpose is to ensure that future projects funded through the program are revenue generating for the State and accessible to the public.
- **SB3011:**
  - Requires the Department of Agriculture to transfer TMKs (1) 9-4-012:001, (1) 9-4-012:002, and (1) 9-4-012:003 located in Kunia, Oahu to the Agribusiness Development Corporation.
- **SCR171/SR101:**
  - Requesting the Agribusiness Development Corporation to Acquire Land for Improvements to its Infrastructure Necessary to Achieve its Mission.



# LEGISLATION: Ag Easement

- The Legacy Land Conservation Program provides taxpayer money through the Land Conservation Fund to State agencies, counties, and non-profit land conservation organizations seeking funding to acquire property that has value as a resource to Hawaii
- To date 6,530 acres have been acquired using Legacy Land funds –about 125 acres are ag land



# COORDINATION

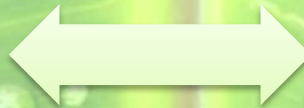
## ADC

- Commercial
- Entrepreneur
- Distribute
- Market



## DOA

- Regulatory
- Audit
- Maintenance
- Enforcement

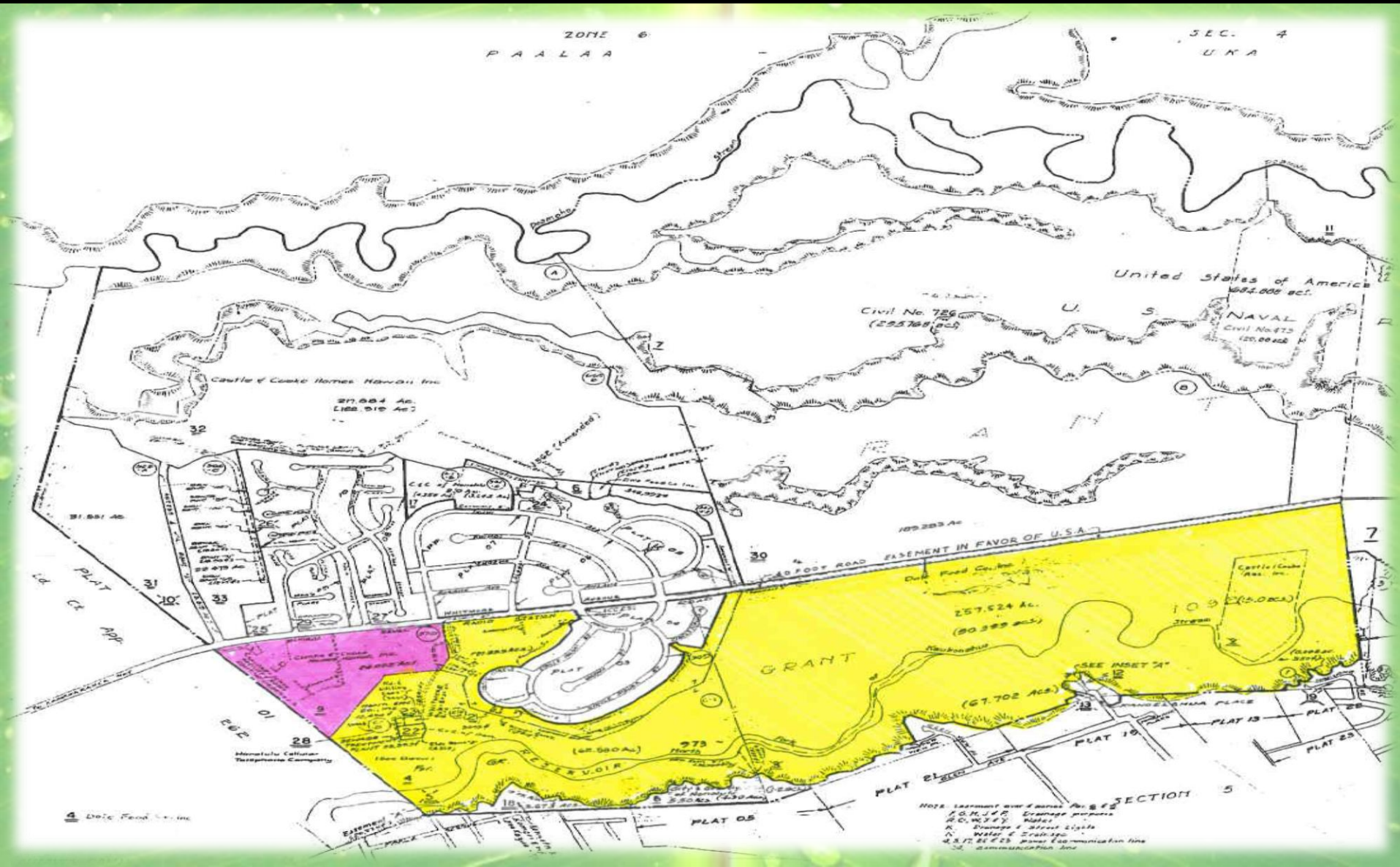


## CTAHR

- Research
- Troubleshoot
- Patent



# Integration & Distribution



# Central Oahu Ag Plan

