



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
March 27, 2018 at 2:00 p.m.

By
Kalbert K. Young
Vice President for Budget and Finance/CFO
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HCR 166/HR 143 – URGING THE UNIVERSITY OF HAWAII TO TAKE ALL NECESSARY ACTION TO TRANSFER THE OPERATION AND LANDS OF WAIALEE LIVESTOCK EXPERIMENT STATION TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

Chair McKelvey, Vice Chair Hashem, and members of the committee:

Thank you for the opportunity to submit testimony on HCR 166/HR 143. The University of Hawai'i (UH) supports the intent of these resolutions which urge the University to take all necessary action to transfer the operation and lands of Waiale'e Livestock Experiment Station to the Agribusiness Development Corporation (ADC).

UH acquired ownership of the Waiale'e Property in 1958 by Governor's Executive Order (EO) No. 1848 and after the EO was issued, College of Tropical Agriculture and Human Resources (CTAHR) began to operate an experimental farming and agricultural operations with the Waiale'e Property. More recently, due in part to budget constraints, CTAHR has scaled back its agricultural and livestock raising operations.

For the past several years, CTAHR and UH have been in discussions with ADC regarding the conveyance of the Waiale'e Property, including preparing and forwarding to ADC a draft quitclaim deed that contains the terms and conditions of the proposed conveyance of the Waiale'e Property to ADC. ADC desires the Waiale'e Property in order to help implement its statutory mandate to advance diversified agriculture in the State.

The University is already aware of the Legislature's intent and support for this transfer. The appropriation budget bill passed during the 2017 Legislature included a proviso to a UH capital improvement appropriation that requires the University to transfer this Waiale'e property to ADC and a property on Kaua'i to the Department of Transportation. The University has already been working on both transactions. These are real property transactions that involve complex issues of land tenure, entitlements, and legal liabilities. Many of these issues are so complex and entail processes that they cannot be so quickly accommodated or overlooked.

This prospective transfer has been discussed at multiple Regent meetings over the past couple of months, and at the last Board of Regents Meeting, which was held on Thursday, March 22, 2018, the Board authorized the UH President to negotiate, finalize, and execute the transfer in fee simple the Waiale'e Research Station Property to the Agribusiness

Development Corporation. The UH administration will continue to work with ADC to effectuate this transfer, and therefore, the University feels that these resolutions are unnecessary and recommend that they be deferred.

Thank you for the opportunity to testify on HCR 166/HR 143.

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



JAMES J. NAKATANI
Executive Director

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TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION
BEFORE THE COMMITTEE ON HIGHER EDUCATION

Tuesday, March 27, 2018
2:00 p.m.

HOUSE CONCURRENT RESOLUTION 166
URGING THE UNIVERSITY OF HAWAII TO TAKE ALL NECESSARY ACTION TO
TRANSFER THE OPERATION AND LANDS OF WAIALEE LIVESTOCK EXPERIMENT
STATION TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

Chairpersons McKelvey and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation ("ADC"). The ADC supports House Concurrent Resolution 166 that urges the University of Hawaii to take all necessary action to transfer the operation and lands of the Waialeale Livestock Experiment Station ("Waialeale") to the ADC.

After a transition from academic uses, Waialeale has tremendous potential for commercial food production - supporting the Governor Ige's goal to double food production. It has access to both fresh and salt water, is easily accessible from a major thoroughfare and has a climate suited for agricultural production, including aquaculture. The natural segregation of the parcels would facilitate diversified operations, including a possible food service component supported by the surrounding community.

Thank you for the opportunity to testify.

HCR-166

Submitted on: 3/26/2018 2:00:22 PM

Testimony for HED on 3/27/2018 2:00:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--|---------------------------|---------------------------|
| Melodie Aduja | Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i | Support | No |

Comments: