

What is The Whitmore Village Agricultural Development Plan?

The Whitmore Village Agricultural Development Plan is an effort to help revitalize the economy and agriculture in the Central Oahu region, once a force 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; and
- 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.

This plan includes the Agribusiness Development Corporation (ADC), Office of Hawaiian Affairs (OHA), private sector partners and small, medium and large local farms.

Why Agribusiness Development Corporation?

The ADC's sole mission is to acquire, and manage in partnership 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.

The ADC is also better equipped to secure partnerships on its land included in The Whitmore Village Agricultural Development Plan. The following are the differences between the Department of Agriculture (DOA) leasing process and the ADC licensing agreement process:

- DOA
 1. The qualification process to find an eligible farmer takes a year or more
 2. If the land needs to be subdivided, that process can add an additional year or more
 3. Funding for infrastructure would need to be secured and its release authorized
 4. Construction of infrastructure would be needed
 5. The Department is limited in the extension of long-term leases

The above issues have continued to plague the Kunia-Ag Park, which has had no activity since lands were transferred to DOA in 2000.

- ADC
 1. Licenses only require board approval
 2. Long-term licenses can be issued
 3. Upon completion of an EA/EIS, the negotiation process is less than one year
 4. Public-private partnerships are allowed and are a viable option for farmers

5. The Corporation is exempt from HRS Chapter 171 and civil service
6. The Corporation can issue bonds
7. The Corporation can form subsidiaries
8. The Corporation can acquire real and personal property

An example of ADC's ability to move quickly is the joint-venture with the Kekaha Agricultural Association (KAA). The KAA manages the land which eliminates and reduces certain costs. KAA and ADC share revenues from KAA assessments. KAA also assumes a great amount of operation and maintenance responsibilities for the irrigation and infrastructure.

With its powers and flexibility, ADC is capable of placing farmers on the land much sooner than any other agency. Increasing ADC's land inventory will give the State greater opportunities to create public-private partnerships and attract more private investment.

Simply put, DOA has a primary focus of regulation and ADC has a focus of developing an agricultural industry.

What actions are needed?

Although we have not concluded the final purchase of the 1,723 acres of Galbraith Estate, there were a number of measures introduced to ensure a comprehensive approach to this regional concept called the Whitmore Village Agricultural Development Plan. Unfortunately, due to the DOA's objections, several measures did not pass. However, several key measures did pass and we are still able to complete this vision, despite DOA's reluctance to participate, with the following actions:

Action Item 1: Finalize Galbraith Estate acquisition and execute MOA between OHA and ADC

You probably share my anxiousness to conclude the agreement between The Trust for Public Lands and Bank of Hawaii for the 1,723 acres of Galbraith Estate. There are two parcels as part of the purchase with 500 acres to OHA and 1,223 being transferred to ADC. The total cost of the two parcels is \$25 million which the state contributed \$13 million via Act 180, SLH 2010. The City and County of Honolulu, the federal government and other sources are providing the remaining \$12 million. To prevent state funding from lapsing, Representative Marcus Oshiro inserted a proviso this past session that would extend the expiration date beyond its June, 2012 deadline. It our hope the state will obtain title of the 1,723 acres within a few months.

Since OHA currently has no plans for the 500 acres that is to be transferred to them, it is important for the 500-acre parcel to be in ADC's inventory. The City and County of Honolulu and the Army each will obtain an easement of the property. Further, a condition will be placed on the land that it must be kept in agriculture for perpetuity. Although the 5-acre Kukaniloko Birthstones exists in the middle of the 500 acres that is

to be transferred to OHA, that cultural site will remain under the jurisdiction of the Department of Land and Natural Resources (DLNR). ADC and OHA will need to enter into a contract in order for ADC to take over the management of OHA's 500-acre parcel or to negotiate access. A contract or memorandum of agreement (MOA) is critical to ensure that all potential agricultural lands are properly incorporated into the Whitmore Village Agricultural Development Plan.

Once ADC takes possession of the Galbraith Estate, it will be able to offer long-term license agreements and public-private partnership contracts to a number of local farmers for the use of 50 to 200 acres each within the 1,723-acre plan.

Action Item 2: Release funds for 24-acre parcel in Whitmore Village – Act 106 (2012), Item 01 AGR161 State Packing and Processing Facility, Oahu, TMK 7-1-02-09, and develop an agricultural commercial development park with public-private partnership investment

Due to the guidance and assistance from Senator Michelle Kidani, the State Legislature included \$3.6 million in Act 106 (2012), the capital improvements bill, for the purpose of purchasing a 24-acre parcel in Whitmore Village currently owned by Castle and Cooke. The property was a hub for Dole Pineapple for more than 70 years, containing packing and processing functions, administrative operations, and research and development activities. Existing infrastructure and land entitlements on the property allow for the same ventures to be re-established.

This 24-acre parcel, situated only minutes away from the Galbraith 1,723 acres, will be the center of packing, processing, storing, and administrative functions for the Whitmore Village Agricultural Development Plan. As part of the long-term license agreements and public-private partnership contracts offered by ADC to local farmers for the use of 50 to 200 acres each within the 1,723-acre plan, each farmer will also be offered an assigned area to develop or redevelop a building for operations.

In essence, an agricultural commercial development park would be created. It would be a "hui" of public-private partnerships organized by ADC. Again, this piece of the system offers participating farmers a place to house packing, processing, storing, and administrative functions. This provides the chance to better leverage pricing for materials and operational costs (i.e. security, distribution of products, purchasing of packing materials, etc). The 24-acre agricultural development park is in walking distance of hundreds of homes and thousands of residents in Whitmore Village. This is a major opportunity to finally reconcile where people live and where they work. This is the kind of economic development we need in our rural communities.

Action Item 3: Transfer DOA Kunia parcels to ADC

Tax Map Keys 9-4-012:001, 9-4-012:002, 9-4-012:003 totals nearly 500 acres of land once used for cultivating pineapple. The fallow and flat land is in proximity to the

proposed Whitmore Village Agricultural Development Plan. These prime agricultural parcels would increase ADC's land inventory and strengthen its leveraging capabilities. The administration recently transferred the parcels through executive order from DLNR to DOA. However, as previously outlined, ADC is better suited to manage the lands because of the statutory powers that provide flexibility and timeliness.

With the recent announcements of Hoopili and Koa Ridge Land Use Commission decisions, the ADC is better equipped to assist farmers in quickly relocating to continue business and farming operations. Under ADC, relocated farmers to the Kunia lands can assist the state in prepping the Galbraith Estate lands so ADC can quickly jumpstart the Whitmore Village Agricultural Development Plan.

The Chair of DOA has been reluctant to support such a move and has actively prevented similar measures introduced from moving forward. Although commitments were made to support an effort to -transfer with conditions, the DOA Chair has continued to actively block the consideration of ADC receiving the nearly 500 acres in Kunia.

Action Item 4: Acquire neighboring 257-acre parcel (TMK 7-1-02-04) that has access to Lake Wilson

The Koolau side of the 24-acre agricultural commercial development park abuts a 257-acre parcel owned by Dole Foods Company. This parcel is on a list of 16,000 acres of agricultural land on Oahu that Dole Foods Company currently has listed for sale. This property is also uniquely situated in Whitmore Village and contains commercial and industrial buildings, existing infrastructure and access to water in Lake Wilson. There also are two farmers currently on a month-to-month lease on part of the property and acres of fallow agricultural land. ADC would be able to offer those farmers long-term agreements.

Acquiring this property will allow ADC to increase the scope of the Whitmore Village Agricultural Development Plan. This will add to the Whitmore Village 24-acre agricultural commercial development park so ADC can accommodate more commercial farming operations and activities. Access to water at Lake Wilson will be secured with the purchase of this property since the 24-acre parcel has none and does not include any land next to Lake Wilson.

My office has researched the possibility of applying for Legacy Lands funds from DLNR, Clean Water and Natural Lands Funds from the City and County, Federal grants, and Foundation grants. We have also had some discussion with the Hawaii Agricultural Foundation and Ulupono Initiative but will need the state's involvement so we can create a hui to acquire the land, which can be added to ADC's inventory. Therefore, your administration's assistance is important to securing the 257-acre parcel.

Action Item 5: Release funds for irrigation pump plan and design, Lake Wilson, \$750,000 – Act 106 (2012), Item 12-02 AGR 161 State Packing and Processing Facility, Oahu

Lake Wilson holds several million gallons of surface water suitable for irrigation. Although the Kaukonahua Stream, which feeds into Lake Wilson, receives discharges from the Wahiawa Wastewater Treatment Plant that occasionally cause the water to exceed R-1 levels, construction is slated to begin in 2012 on improvements to the treatment plant. This will improve treatment levels and reliability so that there will be an ample supply of water that can be used for irrigation of all types of crops in the future. To tap this underutilized resource, the State legislature allocated \$750,000 to plan and design a water pumping system to irrigate the Galbraith Land via the Dole Foods Co. parcel.

The pump, situated within the 257-acre parcel, would take water from the north fork of Kaukonahua Stream before it reaches the reservoir. There is a water source on the Galbraith land but it is inadequate to irrigate the entire Galbraith parcel. An alternative water source would significantly increase production and maximize the full potential of the property. This will become more integral as additional lands are obtained.

Action Item 6: Create a high-tech agricultural environment to encourage supporting technology

The Whitmore Village commercial development park could also become a center for agricultural technology. The state can attract software and manufacturing companies that develop technology and equipment for farmers in the area. Not only will the

companies provide support services for the farmers, they will also bring better paying jobs to an economically challenged community. Technology is necessary to develop food safety, resource and inventory management, business and accounting systems and farming operations. This idea can also be expanded to Wahiawa.

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. These two corporations share similar statutory power flexibility as ADC. Using their powers and expertise, the State could recruit companies that can provide our farmers with the most advanced tools in the world.

Another Opportunity: The Value-Added Formula Is A Key To Rural Economic Development

Niche crops are often the most sought after and revenue generating crops. Hawaii has the distinct advantage of having a variety of micro-climates that exist year round. Many of Hawaii's small towns with main streets have the climates and temperatures to grow niche crops and develop value-added products. Using the Hawaii banner, the value-added product can also be branded with the town names. Products like Kona Coffee and Kula Lavender attract visitors to the region and are exported all around the world. The Whitmore Village Agricultural Development Plan creates an opportunity to

identify and grow niche crops that thrive in Central Oahu. The College of Tropical Agriculture and Human Resources has already identified blueberries as an emerging crop that can flourish in the Central Oahu climate. Waialua Chocolate, Wahiawa Blue Berries, Waianae Cheese, and Kaala Tea are potential products within the realm of possibility. If every rural town had at least one niche crop that could produce multiple value-added products, the State would have an inventory of products to export and attract investment for the redevelopment of our small towns.

A Model We Can Template

The long term goal for the Whitmore Village Agricultural Development Plan is to demonstrate that agriculture can be profitable, therefore, truly sustainable. We are creating a system that includes all the required components of land, infrastructure and water, packing and processing, marketing and distribution, long-term licenses/leases, public-private partnerships, research and technology, synergy and scale, and most of all vision and leadership.

The revenue that ADC generates from this plan can be reinvested in acquiring more land in Central Oahu for the sole purpose of agriculture. The Whitmore Village Agricultural Development Plan can be a model of transitioning from mono-crop plantations to true diversified agriculture. This is a model to showcase how we reinvent our small towns, create investment opportunities and jobs, and prove agriculture can be economically sustainable.