

STATE OF HAWAI'I
DEPARTMENT OF AGRICULTURE
AGRICULTURAL RESOURCE MANAGEMENT DIVISION
HONOLULU, HAWAI'I

March 25, 2025

Board of Agriculture
Honolulu, Hawai'i

Subject: REQUEST FOR APPROVAL TO SUBLEASE BETWEEN THE HĀMĀKUA AGRICULTURAL COOPERATIVE, LESSEE/SUBLESSOR; AND MARITEZ LIBED, SUBLESSEE; GENERAL LEASE NO. S-7013, TMK: 3RD DIV/4-3-005:020 (POR), LOT NO 1, HĀMĀKUA AGRICULTURAL PARK, PHASE II, PŌHAKUHAKU AND KEMAU 1ST, HĀMĀKUA DISTRICT, ISLAND OF HAWAI'I

Authority: Section 166-6, Hawaii Revised Statutes ("HRS"), and Section 4-153-33(a)(7), Hawaii Administrative Rules ("HAR")

Lessee/Sublessor: Hāmākua Agricultural Cooperative

Sublessee: Maritez Libed

Land Area: 10.000 acres

Tax Map Key: 3rdDiv/4-3-005:020 (por) (Exhibit "A")

Land Status: The Hāmākua Agricultural Park lands were acquired in fee by the Department of Agriculture under foreclosure and Bankruptcy Settlement Agreement with Hāmākua Sugar Company, Inc.

Lease Term: 35-years, June 30, 1998 through June 29, 2033

Sub-Lease Term: February 18, 2025 through June 29, 2033

Sublease Base Annual Rent: \$1,044.10

Character of Use: Diversified Agriculture or aquaculture purposes

BACKGROUND:

Maritez Libed is requesting to sub-lease Lot 1, under General Lease S-7013, consisting of approximately 10.000 acres, which is currently vacant and overgrown. Ms. Libed is currently sub-leasing Lot No 28 under General Lease S-5553, located in Pa'auilo, where she grows a wide variety of food crops, such as but not limited to, lettuce, eggplant, green beans, banana, okra, basil, beets, turnips, daikon, herbs and other seasonal vegetables. Due to the increasing demand for her products, Ms. Libed is requesting to sub-lease the subject property to increase her production.

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Maritez Libed is currently a sub-lessee in good standing and qualifies as a bona fide farmer with more than two years of full-time farming experience and meets the application and eligibility requirements in accordance with sections 4-153-1 and 13, HAR.

RECOMMENDATION:

That the Board of Agriculture approve the Sublease between the Hāmākua Agricultural Cooperative, Lessee/Sublessor, and Maritez Libed, Sublessee, for Lot No. 1, in the Hāmākua Agricultural Park, under General Lease S-7013, through the expiration date of June 29, 2033, and further subject to the review and approval as to form of the consent document by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU, P.E.
Administrator and Chief Engineer,
Agricultural Resource Management Division

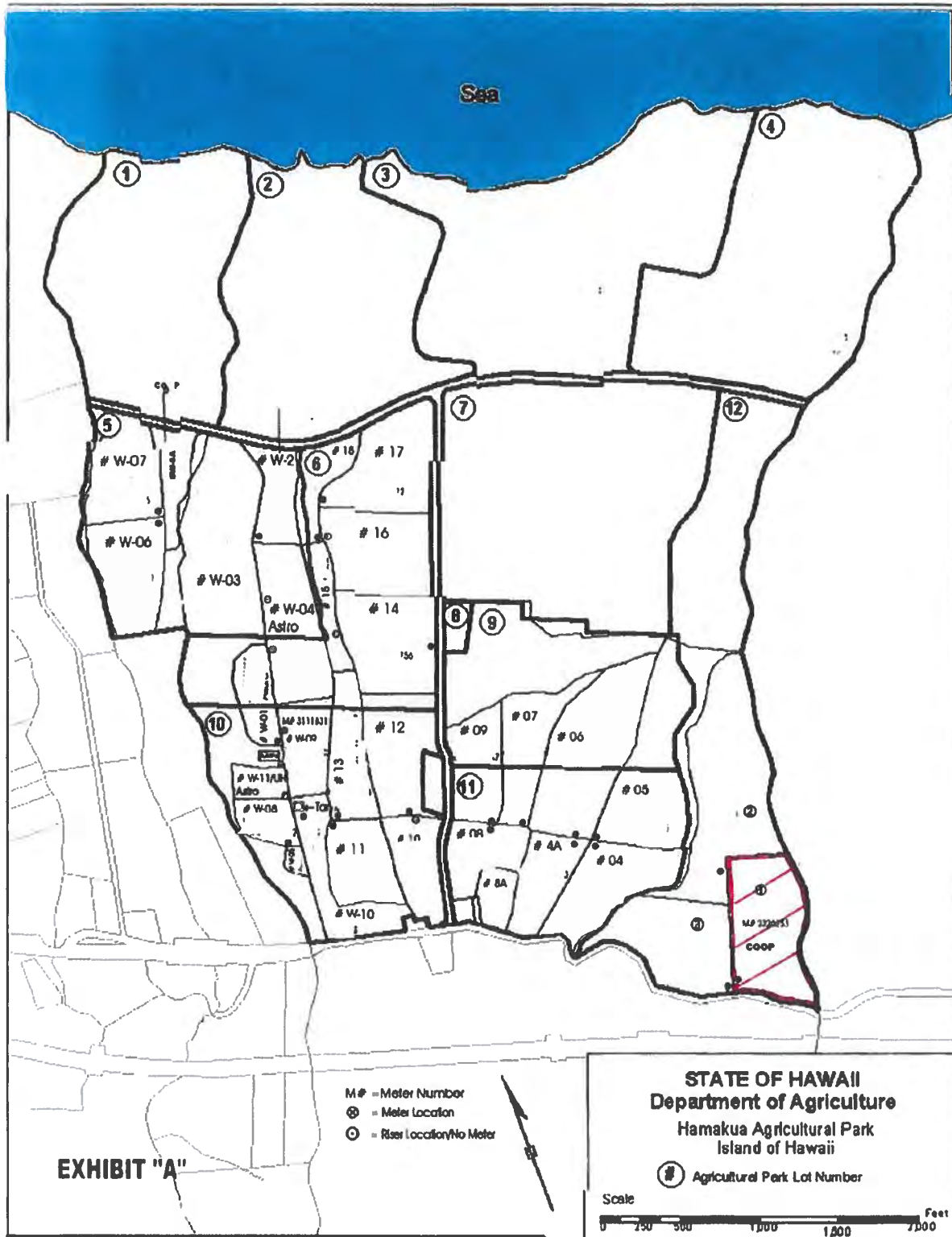
Attachment - Exhibit "A"

APPROVED FOR SUBMISSION:



SHARON HURD
Chairperson, Board of Agriculture

EXHIBIT "A"



STATE OF HAWAI'I
DEPARTMENT OF AGRICULTURE
AGRICULTURAL RESOURCE MANAGEMENT DIVISION
HONOLULU, HAWAI'I

March 25, 2025

Board of Agriculture
Honolulu, Hawai'i

Subject: REQUEST FOR APPROVAL TO SUBLEASE BETWEEN THE HĀMĀKUA AGRICULTURAL COOPERATIVE, LESSEE/SUBLESSOR; AND JIANGUO WANG, SUBLESSEE; GENERAL LEASE NO. S-7013, TMK: 3RD DIV/4-3-005:020 (POR), LOT NO. 3, HĀMĀKUA AGRICULTURAL PARK, PHASE II, PŌHAKUHAKU AND KEMAU 1ST, HĀMĀKUA DISTRICT, ISLAND OF HAWAI'I

Authority: Section 166-6, Hawaii Revised Statutes ("HRS"), and Section 4-153-33(a)(7), Hawaii Administrative Rules ("HAR")

Lessee/Sublessor: Hāmākua Agricultural Cooperative

Sublessee: Jianguo Wang

Land Area: 9.730 acres

Tax Map Key: 3rdDiv/4-3-005:020 (por) (Exhibit "A")

Land Status: The Hāmākua Agricultural Park lands were acquired in fee by the Department of Agriculture under foreclosure and Bankruptcy Settlement Agreement with Hāmākua Sugar Company, Inc.

Lease Term: 35-years, June 30, 1998 through June 29, 2033

Sub-Lease Term: February 18, 2025 through June 29, 2033

Sublease Base Annual Rent: \$1,015.91

Character of Use: Diversified Agriculture or aquaculture purposes

BACKGROUND:

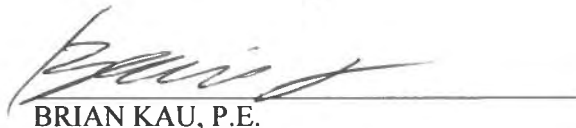
Jianguo Wang is requesting to sublease Lot 3, under General Lease S-7013, consisting of approximately 9.730 acres. Mr. Wang is currently a sub-lessee of Lot Nos. 2, 4, 16, 17 and 29A under General Lease S-5553, located in Pa'auilo, where he grows green onions, bok choy, kale and cilantro. Mr. Wang would like to utilize Lot 3 to expand on his farming operation to cultivate Brazilian apple bananas, a sweet and firm banana variety that is highly desirable in the local market.

Jianguo Wang is currently a sub-lessee in good standing and qualifies as a bona fide farmer with more than two years of full-time farming experience and meets the application and eligibility requirements in accordance with sections 4-153-1 and 13, HAR.

RECOMMENDATION:

That the Board of Agriculture approve the Sublease between the Hāmākua Agricultural Cooperative, Lessee/Sublessor, and Jianguo Wang, Sublessee, for Lot No. 3, in the Hāmākua Agricultural Park, under General Lease S-7013, through the expiration date of June 29, 2033, and further subject to the review and approval as to form of the consent document by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU, P.E.
Administrator and Chief Engineer,
Agricultural Resource Management Division

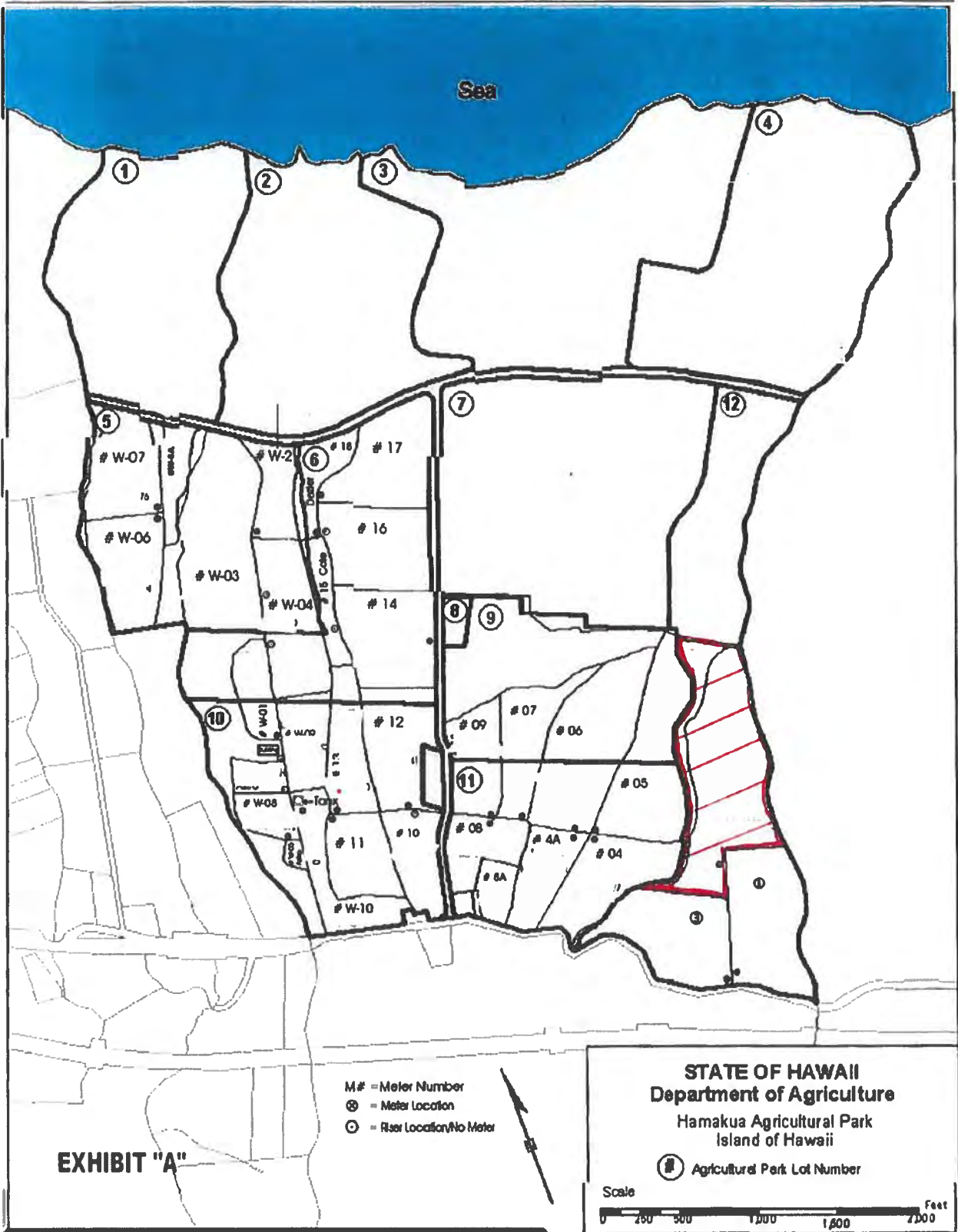
Attachment - Exhibit "A"

APPROVED FOR SUBMISSION:



SHARON HURD
Chairperson, Board of Agriculture

EXHIBIT "A"



STATE OF HAWAII
DEPARTMENT OF AGRICULTURE
AGRICULTURAL RESOURCE MANAGEMENT DIVISION
HONOLULU, HAWAII

March 25, 2025

Board of Agriculture
Honolulu, Hawaii

Subject: REQUEST FOR CONSENT TO ASSIGN GENERAL LEASE NO. S-5707; ALL TREE SERVICES, INC., LESSEE/ASSIGNOR; MAUKA RAIN FARM, L.L.C., ASSIGNEE; TMK: 1ST DIV/4-1-010:048, LOT 15, WAIMĀNALO AGRICULTURAL SUBDIVISION, WAIMĀNALO, KO‘OLAUPOKO, ISLAND OF O‘AHU, HAWAII

Authority: Section 166E-6 Hawaii Revised Statutes (“HRS”), and Section 4-158-19(a)(4)(A) and (B) Hawaii Administrative Rules (“HAR”)

Lessee/Assignor: All Tree Services, Inc.

Assignee: Mauka Rain Farm, L.L.C.

Land Area: 5.256 acres

Tax Map Key: 1st Div/4-1-010:048 (Exhibit “A”)

Lease Term: 30-years, September 1, 2004 through August 31, 2034

Land Status: Encumbered by Governor's Executive Order No. 4239, dated September 17, 2009, to the Department of Agriculture for Agricultural Purposes

Annual Base Rent: \$11,093.00 per year

Character of Use: Intensive Agriculture

Consideration: \$400,000.00

BACKGROUND:

The Board of Land and Natural Resources (“BLNR”) awarded General Lease S-5707 to All Tree Services, Inc., effective September 1, 2024. General Lease S-5707 was transferred to the Department of Agriculture via Executive Order 4239, dated September 17, 2008, for agricultural purposes.

All Tree Services, Inc. has utilized the subject property to cultivate kiawe and other wood trees. However, due to physical disabilities and limited financial resources, All Tree Services, Inc. is no longer able to maintain a successful farming operation. In accordance with Section 4-158-19(a)(4)(A) and (B), HAR, and the lease, All Tree Services, Inc. is requesting to assign General Lease S-5707 to Mauka Rain

Farm, L.L.C. The assignment will include farm structures, shipping containers, and some plant materials/inventory, such as palms, fruit trees, and native trees.

Mauka Rain Farm, L.L.C., is a newly formed company that is owned in equal shares by Stephen Nimz, Olive Vanselow, Ilana Nimz and David Golden. Each member of Mauka Rain Farm brings forth years of agricultural experience, particularly in the cultivation of landscaping plants and materials.

Stephen Nimz has a degree in agriculture and has been the owner and operator of Tree Solutions & Environmental Consulting Services, Inc. since 2018. His employees are Ilana Nimz and David Golden. Tree Solutions & Environmental Services provides tree assessments, tree and landscape planning, tree care, disease and insect diagnosis and management, and soil consulting services.

Olive Vanselow has been working in the agricultural realm since 1977. She held a position with the Department of Education as a Plant Propagation Instructor. She also worked for Agriculture International where she established and oversaw agricultural endeavors in American Samoa and Tahiti, which included livestock farming and farming of tropical plants.

Mauka Rain Farm would like to utilize the subject property to grow landscaping plants, edible plants, and to produce high quality compost, compost tea and biochar.

Mauka Rain Farm, L.L.C., qualifies as an agricultural company with more than 75 percent of its officers qualifying as a Bona fide farmer with more than two (2) years of full-time farming experience and satisfies the eligibility requirements pursuant to Sections 4-158-1 and 27, HAR.

As of the date of this request, All Tree Services, Inc. has an outstanding balance of annual lease rents in the amount of \$28,264.88. A preliminary title search of the subject property has also revealed a lien against the subject parcel for unpaid federal and state taxes upwards of \$209,000.00.

There is a consideration of \$400,000.00 for General Lease S-5707. The consideration paid by Mauka Rain Farm, L.L.C. will be administered through the escrow process. All outstanding debts including unpaid annual lease rents due to the HDOA as well as any unpaid federal and state taxes will be cleared through the escrow process. In accordance with Paragraph 13. Assignments, etc., any net proceeds are subject to a premium percentage charge benefiting the Lessor. In this case, calculations in accordance with this provision net \$140,000.00 to the Lessor (see attached Exhibit "B").

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RECOMMENDATION:

That the Board of Agriculture approve the assignment of General Lease S-5707 from All Tree Services, Inc., Lessee/Assignor, to Mauka Rain Farm, L.L.C., Assignee, and the consideration of \$400,000.00. All related documents are subject to the review and approval as to form by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU, P.E.
Administrator and Chief Engineer,
Agricultural Resource Management Division

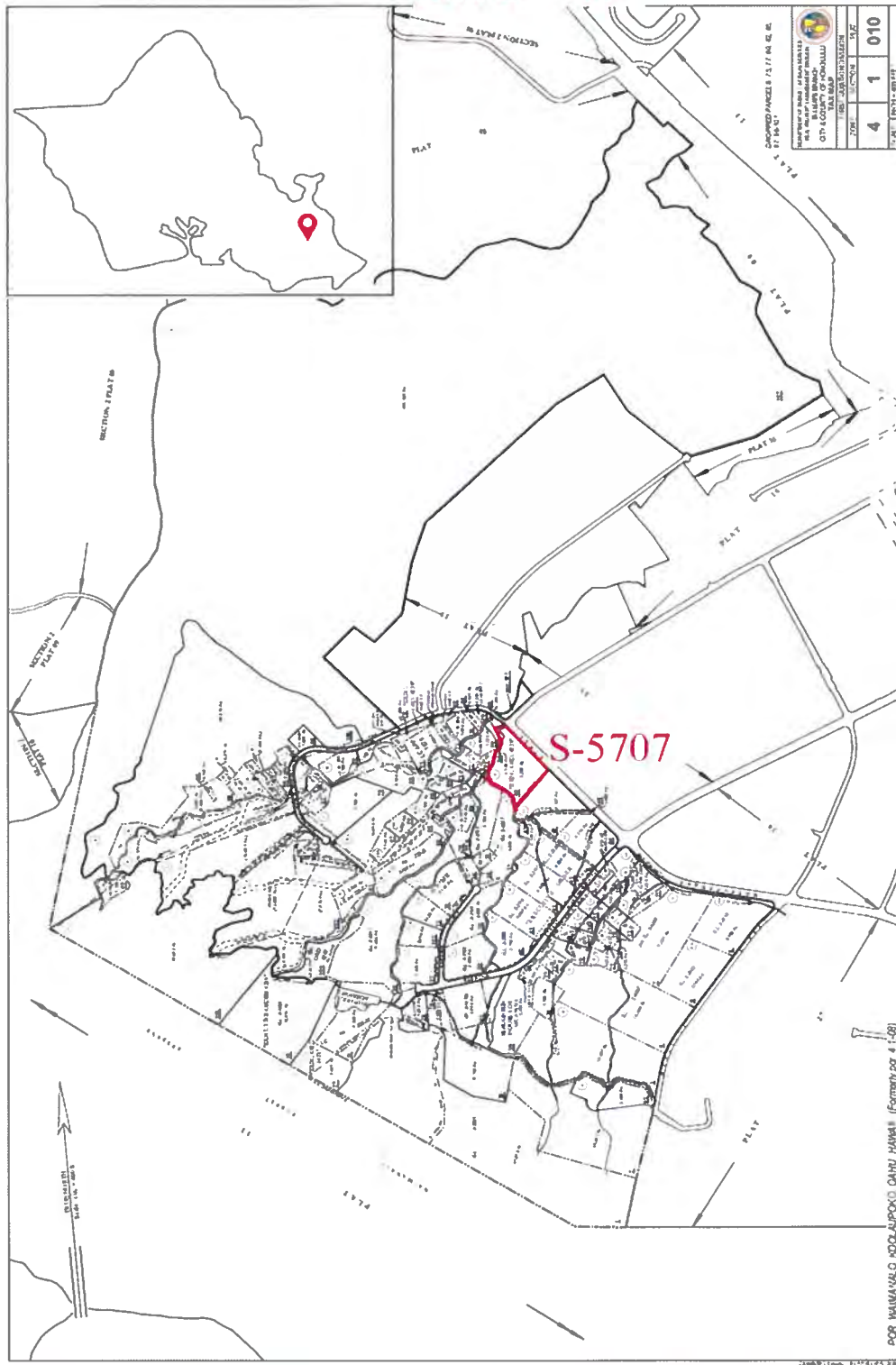
Attachments - Exhibits "A" and "B"

APPROVED FOR SUBMISSION:



SHARON HURD
Chairperson, Board of Agriculture

Exhibit "A"



CHARTERED PARCELS 7/1/77, 1/1/82, 1/1/87, 1/1/92, 1/1/97



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POR WAIKAWALO MOLOKAUPOKO OAHU HAWAII (Formerly par 4 1-28)

1:25,000 Scale 11/22/14-15

Photos
General Lease S-5707





EXHIBIT "B"
 ASSIGNMENT OF LEASE CALCULATIONS FOR
 GENERAL LEASE NO. S-5707

Adjusted Depreciation Cost of Improvements or Renovations

Actual Cost:	\$0.00
CCI (most recent):	n/a
CCI (base):	n/a
Expired Term:	247
Whole Term:	360

1. Adjusted Cost of Improvements or Renovations:

Actual Cost x CCI (most recent)/CCI (Base)			
CCI (recent)	n/a		
CCI (base)	<u>n/a</u>		
CCIR/CCIB			
 Actual Cost x CCI(R)/CCI(B) =			
	\$0.00	0.00	\$0.00

2. Depreciation:

Adjust. Cost Impr./Whole Term x Expired				
Term =	\$0.00	360	247	\$0.00

3. Adjusted Depreciated Cost of Improvements:

Adjust cost - Depreciated cost =			
\$	-	\$	-

1. TOTAL NET CONSIDERATION		\$ 400,000.00
2. Adj Cost of Imp/Renov	\$ -	\$ -
3. Adj. cost of Trade Fixtures	\$ -	\$ -
4. Excess		\$ 400,000.00
5. Premium	Percentage: 35%	\$ 140,000.00

Total Consideration:	\$ 400,000.00
Less: Inventory	\$ -
Net Consideration:	<u>\$ 400,000.00</u>