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Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

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Testimony of the
DEPARTMENT OF AGRICULTURE

Before the
BOARD OF LAND AND NATURAL RESOURCES

Friday, April 8, 2022
9:00 A.M.
VIA VIDEOCONFERENCE

In consideration of
**Item D-4 Issuance of Right-of-Entry Permit to Eurus Energy America LLC
To Conduct Topographic, Easement, Geotechnical, Biological, and Cultural
Surveys on Land Set Aside to the Department of Agriculture under Executive
Order No. 4584 at Honouliuli, Ewa, Oahu, Tax Map Key: (1)9-1-031:001**

The Department of Agriculture (“DOA”) has the following comments and concerns regarding the issuance of a Right-of-Entry (ROE) permit to Eurus Energy America LLC (“Eurus”):

1. DOA acknowledges Board of Land and Natural Resources (“BLNR”)’s reservation of right to develop and issue leases for renewable energy projects on the land to the extent such actions will not unreasonably interfere with use of the land by DOA or its lessee, pursuant to the terms prescribed by Governor’s Executive Order No. 4584.
2. In order to properly assess and ensure that Eurus’ activities contemplated pursuant to the ROE does not unreasonably interfere with the present lessee’s use of the property, DOA is requesting that prior written notice be provided to DOA and the present lessee which includes detailed information regarding the various due diligence procedures to be conducted on the premises.
3. Under the BLNR submittal section REMARKS regarding the DLNR site visits of January and February 2022, staff observed various industrial equipment and materials on the premises. DOA had previously acknowledged the limited use of the premises for storage of certain items in an area known as the “bone yard,” which supports and serves as an integral part of the operations of the processing facility located on the adjacent property.



4. DOA maintains that any proposed activity on the site by DLNR, its staff, consultants, contractors, permittees, or agents must be subject to reasonable prior written notice and be conducted in a manner that will not unreasonably prevent or interfere with use of the premises by DOA or its lessee.

DOA respectfully requests that any ROE issued pursuant to this BLNR action be made subject to the concerns and conditions described above. Thank you for the opportunity to comment on this agenda item.

April 7, 2022

Item D-4

Suzanne Case, Chairperson,
And Members of the
Board of Land and Natural Resources
State of Hawaii
1151 Punchbowl Street
Honolulu, HI 96813

RE: Issuance of Right-of-Entry Permit to Eurus Energy America LLC to Conduct Topographic, Easement, Geotechnical, Biological, and Cultural Surveys on Land Set Aside to the Department of Agriculture under Executive Order No. 4584 at Honouliuli, Ewa, Oahu, Tax Map Key: (1) 9-1-031: 001.

Dear Chair Case and Board Members:

I am Scott Enright and I represent Hawaii Land & Livestock LLC (HL&L) and ask the Board to oppose this request from staff. I formally served as the Chairperson of the Hawaii Department of Agriculture (HDOA) in both the Abercrombie and Ige Administrations. In that capacity, I worked closely with the Department of Land and Natural Resource's Land Division when the lease was transferred from DLNR to HDOA. I am, therefore, aware of the "air rights" reservation contained in the Executive Order that formalized the land transfer. My client, HL&L, and Mr. Bobby Farias are also aware of this reservation and have been and are willing to entertain a constructive partnership. HL&L did conduct two conference calls with Eurus Energy America to explore options. In the course of the last call, Eurus explained that they would require 90 of the 110 acres of this lease and also require a direct lease from the State. To be clear, to accomplish this action HL&L would need to relinquish its lease, this was a non-starter for HL&L.

HL&L informed the Board of Agriculture (BOA) when they secured this lease that they were going to upgrade the adjoining slaughterhouse facilities first and then start on upgrades on the adjacent 110 acre feedlot lease. To date, \$5 million dollars of private capital has been expended on these renovations. Additionally, this group has secured the state owned slaughterhouse on the Big Island and has begun \$7 million dollars in upgrades there. The two upgraded slaughterhouses in conjunction with the feedlot will greatly increase the capacity of Hawaii's cattle industry to supply more local beef and grow the State's agricultural output.

After continuing to perform on these commitments to HDOA and BOA and given the amount of capital expended, HL&L is unwilling to relinquish its direct lease as was indicated necessary by the Eurus representative.

There are many inaccuracies in the staff's submittal for this board action that could have been avoided had there been better communication; and I mean "communication" in the full meaning of the word between the two land divisions involved. HL&L would have allowed DLNR Land Division a site inspection but was never asked. An example of this is the DLNR staff's description of the trucking company currently on site on the lease land in question. This group is integral to HL&L's operations by hauling cattle and waste & performing maintenance and repairs of slaughterhouse equipment. Additionally, this group will be clearing the 110 acre feedlot lease removing all the concrete and steel currently in place and installing all the needed fencing and internal roadways. I submit to this board that this is the same disregard for communications that has DLNR and HDOA trying to implement Act 90 decades after it became law. Hawaii Land & Livestock asks that the board deny this request.

Thank you for the opportunity to testify on this matter.

Mahalo,

A handwritten signature in black ink, appearing to read "Scott Enright", with a long horizontal flourish extending to the right.

Scott Enright

April 7, 2022

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Dear Chair Case and Board Members:

I, Bobby Farias, owner and operator of Hawaii Land & Livestock LLC and lease holder of DOA General Lease #3138 STRONGLY oppose the request for ROE for this particular developer Eurus Energy America who currently does not do business in Hawaii.

HL&L has had meetings with both Eurus Energy America and DLNR staff in the past. During our initial meeting, the developer explained about an opportunity for a renewable project and looked to find a good fit partnership with a "win win" for both the needs of HL&L and the project. In the second meeting with Eurus Energy America, the developer CLEARLY stated that they require HL&L to give up the General Lease #3138 in order to secure financing for said project.

The partnership with HL&L and Hawaii Meats has laid out the plans for clean up and build out of the feedlot that required the harvest facility upgrades be completed first. In October 2021, Hawaii Meats completed over 6,000 sq. ft remodel. This remodel has given the detailed volume opportunities that will dictate the feedlot design. The design of the feedlot uses are specific to the volume needs of the harvest facility. HL&L and Hawaii Meats are currently planning the fencing of the perimeter in order to secure the property to start the first phase of clearing and clean up. HL&L feels that this developer is not willing to work with the current lease holder and for this reason HL&L finds this request for ROE unacceptable.

Thank you for your consideration in this matter.

Mahalo,

Bobby Farias

Owner - Hawaii Land & Livestock, LLC