

WRITTEN TESTIMONY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON AGRICULTURE
ON
HOUSE BILL NO. 1388

February 7, 2013

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST
A PROCESSING ENTERPRISE.

House Bill No. 1388 authorizes the issuance of special purpose revenue bonds (SPRB) of up to \$1,300,000, to assist Sunrise Capital, Inc. in protecting its shrimp hatchery facility and its salt water well and relocating them further inland to avoid seaside erosion pursuant to Part IV, Chapter 39A, Hawaii Revised Statutes.

The Department has no position on the issuance of SPRBs as contemplated in this bill. The Department would like to remind the Legislature and prospective issuers that should the legislation be approved, approval of SPRB issuance will still require further discussion and satisfactory review of the financing components involved in the transaction.

Thank you for the opportunity to provide testimony on this measure.

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

SCOTT E. ENRIGHT
Deputy to the Chairperson

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**TESTIMONY OF RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE
THURSDAY, FEBRUARY 7, 2013
9:15 A.M.
Room 312**

**HOUSE BILL NO. 1388
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST A PROCESSING ENTERPRISE**

Chairperson Wooley and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 1388 that authorizes the State to issue special purpose bonds to assist Sunrise Capital, Inc. in protecting its shrimp hatchery facility and its saltwater well and relocating them further inland to avoid seaside erosion. The Department of Agriculture supports the efforts of Sunrise Capital to improve and relocate facilities that are threatened by erosion. However, we defer to the Department of Budget and Finance on this measure. Because the Department of Budget and Finance evaluates each applicant for a special purpose revenue bond, they are the lead agency in terms of final approval.

Thank you, again, for the opportunity to testify on this measure.



**House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
House Committee on Agriculture**

February 6, 2013

**H.B. 1388 - RELATING TO
THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST A PROCESSING ENTERPRISE**

Chair Jessica Wooley, Vice Chair Richard Onishi and members of the House Committee on Agriculture:

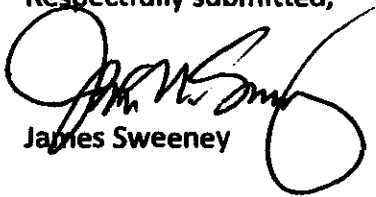
Aloha Chair Wooley, Vice Chair Onishi and members of the House Committee on Agriculture. Thank you for the opportunity to provide testimony in strong support for H.B. 1388, for the issuance of special purpose revenue bonds to assist Sunrise Capital, Inc. in protecting its shrimp hatchery facility and its salt water well by relocating them further inland to avoid seaside erosion.

My Name is James Sweeney and I am the President of Sunrise Capital Inc. Our company operates a state of the art marine shrimp breeding operation on the west side of Kauai and has been in operation since 1997. Over 80% of our revenue comes from the direct sale of selectively bred shrimp to hatcheries all through-out Asia. The continued success of our business is highly dependent on the ability to breed, culture, pack and ship live marine shrimp broodstock from our hatchery facility. Our company currently employs 22 full-time people and 10 part-time people, all of which are long-time residents of Kauai.

Over the last year, the entire west side shoreline of Kekaha, Kauai has experienced heavy erosion due to unusually high waves. The increased wave erosion has created a potential public safety hazard next to the Kaumualii Highway which has required emergency action by the Kauai County to shore up the highway to keep the highway from collapsing. The heavy wave erosion, which is threatening the Kaumualii Highway embankment, is occurring approximately 100 feet further inland than the ocean side boundary of our hatchery property. The erosion we are experiencing has completely undermined over 150 feet of chain link security fencing and has completely taken down five, 50' tall iron wood trees. These trees have been there longer than the 16 years our company has been in existence. The erosion is slow but relentless and is currently less than 20' from the edge of our packing facility and salt water well.

We humbly request the Committees support of H.B. 1388 so we may immediately protect our facility and in the long-term, plan for the relocation of the vital infrastructure which will keep our company solvent.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'James Sweeney', written over a printed name. The signature is stylized and cursive, with a large loop at the end.

James Sweeney