

# **SB 591**

## **Testimony**

WRITTEN TESTIMONY

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON AGRICULTURE  
ON  
SENATE BILL NO. 591

February 7, 2013

RELATING TO AGRICULTURE.

Senate Bill No. 591 authorizes the director of finance to issue general obligation bonds to fund capital improvements for the former Galbraith estate property.

The Department has technical comments on this bill. Federal tax law requires, among other things, that tax-exempt general obligation bond proceeds be used to finance projects that serve public purposes. As it appears that private entities may derive the benefit from this legislation, tax-exempt general obligation bond proceeds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost in order to allow the agribusiness development corporation to provide financing assistance to private entities.

In addition, as public funding for these projects are not in the proposed Executive Budget, the annual debt service of approximately \$670,000 should also be proposed in the Legislature's budget.

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

NEIL ABERCROMBIE  
Governor



JAMES J. NAKATANI  
Executive Director

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**  
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TESTIMONY OF JAMES J. NAKATANI  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE  
COMMITTEE ON AGRICULTURE

Thursday, February 07, 2013  
3:05 p.m.  
Conference Room 229

SENATE BILL NO. 591  
RELATING TO AGRICULTURE

Chairperson Nishihara and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 591. This measure allows the director of finance to issue general obligation bonds in the sum of \$8,000,000 or so much thereof as may be necessary for capital improvements to the former Galbraith estate property. The Agribusiness Development Corporation (ADC) supports this bill.

The State, Office of Hawaiian Affairs, City and County of Honolulu, the Army and a private donor through the Trust for Public Lands recently purchased land from the Galbraith estate. We would like to amend the bill to state that the total acreage for Galbraith lands be 1,723 instead of 1,200. ADC's primary mission is to transition these unimproved plantation lands into diversified farms. This bill will provide the corporation with the required capital to make the necessary improvements and develop a surface irrigation system. At this present time, the Galbraith land does not have an irrigation system compatible with today's diversified agricultural farming operations.

ADC respectfully requests that the Committee pass this bill. Thank you for the opportunity to testify.



**Hawaii Farm Bureau**  
F E D E R A T I O N

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February 7, 2013

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE

TESTIMONY ON SB 591  
RELATING TO AGRICULTURE

Room 229  
3:05 PM

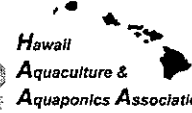
Chair Nishihara, Vice Chair Kouchi, and Members of the Committee:

I am Dean Okimoto, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,950 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF strongly supports SB 591 which authorizes general obligation bonds to fund capital improvements for the former Galbraith Estate lands.

This is one the largest prime agricultural lands left on the island of Oahu that is now owned in whole or in part by the State. We believe this is an opportunity to further support and expand our opportunity to provide prime agricultural lands for farmers. As the land has remained idle for many years, it will take additional funds to cultivate the land and build the necessary infrastructure to accommodate smaller agricultural parcels. The Agribusiness Development Corporation is the lead agency on this exciting project and we support every effort to bring this land back into agricultural production.

Thank you for allowing us to testify in strong support of this measure.



## Local Food Coalition

### SENATE COMMITTEE ON AGRICULTURE

Thursday, February 7, 2013, 3:05 pm, Room 229

#### **SB591 RELATING TO AGRICULTURE**

Authorizes the director of finance to issue general obligation bonds to fund capital improvements for the former Galbraith estate property.

Chair Nishihara, Vice Chair Kouchi and Members of the Committee:

My name is Dean Okimoto, and I represent the Local Food Coalition on this matter.

The Local Food Coalition (LFC) brings together farmers, ranchers, livestock producers, investors and other leading organizations, who collectively manage more than 1 million acres of land, and produce the majority of food in our state. Solving our challenge of increasing the local food supply — putting more local food on local plates — can best be accomplished by bringing people and organizations together who can work on the entire food value chain in a systematic way.

The Local Food Coalition strongly supports SB 591.

This is one the largest prime agricultural lands left on the island of Oahu that is now owned in whole or in part by the State. We believe this is an opportunity to further support and expand our opportunity to provide prime agricultural lands for farmers. As the land has remained idle for many years, it will take additional funds to cultivate the land and build the necessary infrastructure to accommodate smaller agricultural parcels. The Agribusiness Development Corporation is the lead agency on this exciting project and we support every effort to bring this land back into agricultural production.

Thank you for the opportunity to testify in strong support on this matter of great importance to Hawaii's farmers and ranchers.

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**Cc:** [gottlieb@hawaii.rr.com](mailto:gottlieb@hawaii.rr.com)  
**Subject:** \*Submitted testimony for SB591 on Feb 7, 2013 15:05PM\*  
**Date:** Tuesday, February 05, 2013 5:06:54 PM

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**SB591**

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alan Gottlieb	Hawaii Cattlemen's Council	Support	No

Comments:

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