

# HB 1996

## Testimony

**Measure Title:** RELATING TO THE MAUI FOOD INNOVATION CENTER.

**Report Title:** Maui Food Innovation Center; University of Hawaii Maui College; General Obligation Bonds (\$)

**Description:** Authorizes the issuance of general obligation bonds for the completion of the Maui Food Innovation Center at the University of Hawaii Maui College. Effective July 1, 2525. (HB1996 HD1)

**Companion:** [SB2077](#)

**Package:** None

**Current Referral:** HRE, WAM

**Introducer(s):** MCKELVEY, CARROLL, ING, SOUKI, WOODSON, YAMASHITA



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Higher Education  
March 11, 2014 at 2:45 p.m.

by  
John Morton  
Vice President for Community Colleges, University of Hawai'i

### HB 1996 HD1 – RELATING TO THE MAUI FOOD INNOVATION CENTER

Chair Taniguchi, Vice Chair Kahele and Members of the Committee:

The University of Hawai'i Community Colleges (UHCC) and University of Hawai'i Maui College (UHMC) support House Bill 1996 HD1, to fund up to \$2,700,000 for the construction and equipping of a food innovation center at the Kahului campus of UHMC.

The issues of food security, food safety, and Hawai'i's fragile agricultural community are well known. Hawai'i now imports 85-90% of its food, according to Hawai'i's Office of Planning.

UHMC believes that it is possible to reverse that statistic through a solution that has successfully addressed similar issues in other states: a food innovation center. This facility assists farmers and food entrepreneurs in developing, testing, and manufacturing food products that use culls and seconds that would otherwise go to waste, bolstering profitability for farmers, and meeting the needs of local residents for more local food options.

Food innovation centers also have the potential to connect local agriculture with schools, prisons, hospitals, and senior meal programs—providing the missing “link” of cost efficiency and food safety requirements that are such a barrier today. Local economies will expand with secondary businesses as well, including hospitality and tourism; transportation, shipping, and storage; and waste management/energy production.

To date UHMC has:

- Collaborated with Maui Farm Bureau and other local and regional organizations, state agencies, and national associations with resources and expertise in agriculture and food manufacture
- Engaged national food innovation expert Lou Cooperhouse to develop a USDA-funded feasibility study with community input:

- Cooperhouse, President and CEO of Food Spectrum, is a leading national authority on food-related business and product development. He developed and served as Director of the Rutgers Food Innovation Center, which was awarded “Incubator of the Year” by the National Business Incubation Association (NBIA).
- Engaged architectural firm Design Partners, Inc., of Honolulu, to prepare a conceptual design
- Acquired federal funding (\$800,000 from a US DOL TAACCCT grant and \$50K from USDA Rural Development) to develop associated programs and services
- Currently exploring partnerships and collaborations with High Technology Development Corporation (HTDC), Hawai'i Strategic Development Corporation (HSDC), Pacific Business Center, The Kohala Center, Office of Hawaiian Affairs (OHA) and other public/non-profit organizations and private companies with an interest in food production in Hawai'i

This is not a community kitchen project. The Maui Food Innovation Center will meet the highest level of sanitation and certifications (FDA/USDA and GFSI, Global Food Safety Initiative, including Organic, Kosher, Gluten-free, etc.), allowing high-value and specialty products to be produced and sold to retail establishments, even exported internationally. This level of sanitation requires:

- Special plumbing, drains, and ventilation systems
- Insulated refrigerated rooms
- Waterproof floors, walls, and ceilings
- Special wash-down systems and equipment sanitizers

The food innovation center also includes specialized, high-speed processing equipment that would typically be found only in state-of-the-art food manufacturing plants, and would provide regional clients with the capacity to develop, test, and produce:

- Pasteurized and bottled soups, beverages, jams/jellies, sauces, stews
- Refrigerated/frozen and packaged salad dressings, spreads, salsas, and purees
- Cooked (steamed, fried, roasted grilled and chilled) meats, fruits, vegetables, and nuts
- Raw, chilled, and flash-frozen raw meats, and fresh-cut fruits, and vegetables
- Baked and/dehydrated breads, pastries, fruits and vegetables (including Gluten-free and Organic)
- Brined and fermented fruits and vegetables
- Candies, glazed/coated fruits and vegetables, and other novelty items

This center will serve not only small businesses and start-ups, but also medium and large-sized businesses that wish to experiment with new products or processes and target new markets.

*Nothing like this exists on any island in the state of Hawai'i, and it will meet needs that are not currently met by any facility, program, or organization.*

The cost of such a facility is high because of the demanding construction specifications and unique equipment. UHMC will work with the architects, vendors, and other organizations to develop this project as cost efficiently as possible, leveraging additional funds where possible.

Operations will be funded through self-generated income, grant funding, and partnerships—imitating successful models developed at campuses in New Jersey, Ohio, and Oregon, and in accordance with recommendations from the National Business Incubation Association. HTDC has already committed to provide business support services to clients of the center through its Innovate Hawai'i program. Additional grants are being sought for further planning and program implementation. UHMC has been conducting client research and outreach for two years; indeed, if the Maui Food Innovation Center opened its doors today, it would have businesses ready to start.

Finally, the Maui Food Innovation Center is not an isolated effort that benefits Maui alone. It will provide the University of Hawai'i system with a working model that can be further adapted to other campuses. Similar planning efforts are underway on Kaua'i and Big Island, and especially on O'ahu. By working together, the UHCC campuses can achieve cost and resource efficiencies that no single island effort—especially the neighbor islands—could support individually. Our long-term vision is to develop a statewide system of innovation centers that respond to Hawai'i's unique geographical challenges and strengths.

The University supports the intent of this bill with a preference that the original appropriation amount and effective date be restored, provided further that it does not replace or adversely impact priorities as indicated in our Board of Regents Approved Budget.



Written Statement of

**KARL FOOKS**  
**President**

Hawaii Strategic Development Corporation

Before the  
**COMMITTEE ON HIGHER EDUCATION**

**March 11, 2014**  
**2:45 PM**

**State Capitol, Conference Room 414**

In consideration of  
**HB 1996 HD 1 RELATING TO THE MAUI FOOD INNOVATION CENTER**

Chair Taniguchi, Vice Chair Kahele, and Members of the Committee on Higher Education:

The Hawaii Strategic Development Corporation (HSDC) respectfully submits testimony in **strong support** of HB 1996 HD 1, legislation appropriating funds for the University of Hawaii Maui College's Maui Food Innovation Center, as it aligns with the HI Growth Initiative.

HSDC strongly supports the Maui Food Innovation Center's mission to provide local farmers and food manufacturers with mentorship and access to shared resources to help them build viable global businesses here in Hawaii. Through the HI Growth Initiative, HSDC is working on creating investment funds that would complement the Maui Food Innovation Center's activities by providing investment capital to help their business clients to scale their operations.

Thank you for the opportunity to provide testimony.

Written Statement of  
**ROBBIE MELTON**  
**Executive Director & CEO**  
High Technology Development Corporation  
before the  
**COMMITTEE ON HIGHER EDUCATION**

Tuesday, March 11, 2014  
2:45 p.m.  
State Capitol, Room 414  
In consideration of

**HB 1996 HD1 RELATING TO THE MAUI FOOD INNOVATION CENTER.**

Chair Taniguchi, Vice Chair Kahele, and Members of the Committee on Higher Education.

The High Technology Development Corporation (HTDC) offers **strong support** for HB1996 HD1 relating to the Maui Food Innovation Center. HTDC supports the Maui Food Innovation Center's goal of improving the food production industry and growing Hawaii businesses in this arena through training, workforce development, mentorship and resources. The Maui College has a strong team and presents a clear vision of the business opportunities this resource will provide the community, as well as the State.

HTDC's INNOVATE Hawaii program, which supports Hawaii manufacturers, has been integrally involved in the planning of the center with Maui College and we are committed to serve as a partner and eagerly anticipate the center's completion.

HTDC respectfully requests correcting the defective effective date and include the funding that was in the original HB1996.

Thank you for the opportunity to offer these comments.



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March 11, 2014

HEARING BEFORE THE  
SENATE COMMITTEE ON HIGHER EDUCATION

TESTIMONY ON HB 1996HD1  
RELATING TO THE MAUI FOOD INNOVATION CENTER  
Room 414  
2:45 PM

Aloha Chair Taniguchi, Chair Kahele, and Members of the Committees:

I am Christopher Manfredi, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,832 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.

Hawaii Farm Bureau **strongly supports HB1996 with restoration of effective date**, authorizing the issuance of general obligation bonds for the completion of the Maui Food Innovation Center.

As expenses rise, increases in farm revenues are critical to the continued viability of farms and ranches. One way is to turn waste to value added products. Currently off-grade and excess production due to market conditions is wasted, usually plowed under due to lack of markets. Converting them into value-added products will not only increase farm revenue but also provide new business opportunities, increase employment opportunities and address Hawaii's goals of increased self sufficiency and sustainability.

These facilities can assist in the replacement of imported fresh produce as well as canned and frozen food products. The funding of facilities on Galbraith lands is currently under consideration by the Legislature. Similar facilities are needed on neighbor islands reducing the need for transportation of fresh bulk produce coupled with requisite shipping costs and the burning of fossil fuels. These facilities represent the manifestation of local food security for our island state, and will keep dollars and jobs in our local economy.

**Please support HB 1996, HD1**