

HB 2593, HD1

RE: AUTHORIZING THE ISSUANCE  
OF SPECIAL PURPOSE REVENUE  
BONDS FOR HAWAII RENEWABLE  
RESOURCES, LLC.

TESTIMONY

DAVID Y. IGE  
GOVERNOR



WRITTEN ONLY

WESLEY K. MACHIDA  
DIRECTOR

RODERICK K. BECKER  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEES ON TRANSPORTATION AND ENERGY AND  
WATER, LAND, AND AGRICULTURE  
ON  
HOUSE BILL NO. 2593, H.D. 1

MARCH 22, 2016  
2:50 P.M.

AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR  
HAWAII RENEWABLE RESOURCES, LLC

House Bill No. 2593, H.D. 1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to provide financing to assist Hawaii Renewable Resources, LLC, with the development of facilities for food crop, animal feed, and renewable non-fossil fuel production on Oahu pursuant to Part V, Chapter 39A, Hawaii Revised Statutes.

The Department is providing comments only to advise the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance will require further discussion and satisfactory credit underwriting review of the financing components with respect to any proposed financing.

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

DAVID Y. IGE  
Governor

SHAN S. TSUTSUI  
Lt. Governor



SCOTT E. ENRIGHT  
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER  
Deputy to the Chairperson

State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SCOTT E. ENRIGHT  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON TRANSPORTATION AND ENERGY  
AND WATER, LAND, AND AGRICULTURE

March 22, 2016  
2:50 P.M.  
CONFERENCE ROOM 229

HOUSE BILL NO. 2593 HD1  
AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR  
HAWAII RENEWABLE RESOURCES, LLC

Chairpersons Inouye and Gabbard and Members of the Committees:

Thank for the opportunity to testify on House Bill No. 2593 HD1 authorizing the issuance of special purpose revenue bonds for Hawaii Renewable Resources, LLC. The bill will provide bond funding for a material reprocessing facility, a closed-loop renewable and sustainable facility, a digester system, processing equipment for food and waste conversion to natural gas, processing equipment for feed development for pig and fish from food waste, production of soil amendment compost, recovery and use of carbon dioxide from renewable natural gas production for use as a plant nutrient, recovery of water for purification and use for farm crop irrigation, and production of solar electricity for facility use and cooling system. The Department supports this bill provided that it does not impact the priorities established in the Department's executive budget.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE  
Governor

SHAN S. TSUTSUI  
Lt. Governor



JAMES J. NAKATANI  
Executive Director

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

235 S. Beretania Street, Room 205  
Honolulu, HI 96813  
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON TRANSPORTATION AND ENERGY  
AND  
COMMITTEE ON WATER, LAND, AND AGRICULTURE

Tuesday, March 22, 2016  
2:50 p.m.

HOUSE BILL NO. 2593 H.D. 1  
AUTHORIZE THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS  
FOR HAWAII RENEWABLE RESOURCES, LLC.

Chairpersons Inouye and Gabbard and Members of the joint Committees:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation ("ADC"). The ADC supports House Bill No. 2593 H.D. 1 which authorizes the issuance of special purpose revenue bonds for Hawaii Renewable Resources, LLC.

The ADC is an attached agency to the Hawaii Department of Agriculture ("HDOA") tasked with transitioning fallow plantation land into cropland to provide business opportunities for local diversified agriculture operations, and addressing roadblocks that affect today's and tomorrow's agriculture industry through research and development partnerships.

One of the challenges the Hawaii agriculture industry is facing today is the skyrocketing cost of imported feed. The proposed project of Hawaii Renewable

Resources seeks to help the State address this bottleneck by developing a specialized facility on Oahu that converts food waste and green agriculture crop into animal feeds and renewable energy.

In diversified agriculture operations alone, roughly 30 percent of crops grown do not reach the marketplace which means the farmer receives zero revenue for 30 percent of his or her harvest. “Zero waste” and “closed-loop” facilities such as the one in Hawaii Renewable Resources’ proposal uses forward-thinking technology that can repurpose, reuse, or recycle these agriculture culls and waste that otherwise would be thrown away.

The ability to reuse agricultural waste and source feed locally will revolutionize the agriculture industry. In addition to the impact it will have on agriculture, the benefits and cost savings will present economic opportunities to an array of agriculture-related operations and businesses.

Thank you for the opportunity to testify.

**Kaala Coleman**

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 21, 2016 8:33 AM  
**To:** TRE Testimony  
**Cc:** brian@hfbf.org  
**Subject:** \*Submitted testimony for HB2593 on Mar 22, 2016 14:50PM\*

**HB2593**

Submitted on: 3/21/2016

Testimony for TRE/WLA on Mar 22, 2016 14:50PM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Randy Cabral	Hawaii Farm Bureau	Support	Yes

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



1110 University Avenue, Suite 402  
Honolulu, Hawaii 96826  
Tel: (808) 371-1475  
[www.REACHHawaii.org](http://www.REACHHawaii.org)

**Testimony of ERIK KVAM**  
**Director of Renewable Energy Action Coalition of Hawaii**  
**e-mail: [Erik.Kvam@REACHHawaii.org](mailto:Erik.Kvam@REACHHawaii.org)**

**In SUPPORT of HB 2593 AUTHORIZING THE ISSUANCE OF SPECIAL  
PURPOSE REVENUE BONDS FOR HAWAII RENEWABLE RESOURCES, LLC**

**Before the  
SENATE COMMITTEE ON TRANSPORTATION AND ENERGY  
and  
SENATE COMMITTEE ON WATER, LAND AND AGRICULTURE**

**Tuesday, March 22, 2016 2:50 p.m.**

Aloha, Chair Inouye, Chair and Vice-Chair Gabbard, Vice-Chair Nishihara and members of the Committees.

My name is Erik Kvam. I am a Director of Renewable Energy Action Coalition of Hawaii (REACH). REACH is a trade association whose vision is a Hawaiian energy economy based 100% on renewable sources indigenous to Hawaii.

**REACH SUPPORTS HB 2593.**

Through the use of special purpose revenue bonds, Hawaii Renewable Resources, LLC will provide the public with energy security benefits and environmental preservation benefits of renewable energy and food crop and animal feed production from sources indigenous to Oahu, without investment or risk to the State or counties.

Thank you for allowing me to testify.

March 21, 2016

TESTIMONY IN SUPPORT OF  
HB 2593 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS  
FOR  
HAWAII RENEWABLE RESOURCES, LLC

My name is Paul Tower, President of Hawaii Renewable Resources, LLC. We are in strong support of HB 2593 which will assist in restoration of local farming, animal food production, food production and renewable natural gas.

The revenue bond will help to construct a facility to process food wastes into animal feeds for pigs, fish and chickens. The pre and post consumer food wastes will also produce hydroponic crops, renewable natural gas and electricity. Recovered water and soil compost will be provided to farmers on Oahu as part of the produced items.

Standard accepted technologies will be used to produce these products.

We ask for your support and favorable passage of HB 2593. Thank you.