

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



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

SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

**FEBRUARY 3, 2017
8:30 A.M.
CONFERENCE ROOMN 312**

**HOUSE BILL NO. 1230
RELATING TO ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST
MAUIGROWN COFFEE INC.**

Chairperson Creagan and Members of the Committee:

Thank for the opportunity to testify on House Bill No. 1230, relating to the issuance of special purpose revenue bond to assist MauiGrown Inc. The department supports this bill.

The department recognizes MauiGrown Inc. as a successful coffee operation, producing quality Maui-grown coffee for consumers. Having the opportunity to expand their operations will help with employment of displaced sugar workers and ensure that lands will continue to be utilized for agricultural production. With the threat of the Coffee Berry Borer and other invasive species plaguing the coffee industry, this bill will also help MauiGrown to incorporate best management practices to help protect their valuable crop.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
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)

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON AGRICULTURE
ON HOUSE BILL NO. 1230

February 3, 2017

8:30 A.M.

Room 312

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUIGROWN COFFEE, INC.

House Bill No. 1230 authorizes the issuance of Special Purpose Revenue Bonds (SPRB) up to \$13,000,000 to assist MauiGrown Coffee, Inc. with the operation and expansion of its farm and mill pursuant to Part X, 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 and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link:

<http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

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

**HB 1230
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUIGROWN COFFEE, INC.**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

FEBRUARY 3, 2017

Chair Creagan and Members of the House Committee on Agriculture:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on HB 1230, “RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUIGROWN COFFEE, INC.” We support this bill.

After more than 140 years in sugar cultivation, A&B is in the process of pursuing a diversified agricultural model for its 36,000 acres of agricultural land in Central Maui. Under the new diversified model, A&B envisions a comprehensive patchwork of compatible agricultural activities blanketing Central Maui—some farmed by HC&S, some by others. We see biofuel crops that could provide electricity or transportation fuel to support the state’s renewable energy goals; irrigated pastures for local ranchers so their cattle don’t have to be sent to the Mainland for finishing; food crops; evaluation of crops including, potentially, industrial hemp and bioenergy feedstocks; and an agricultural park open to community farmers.

A&B is presently in discussion with MauiGrown Coffee to lease a portion of our former sugar cane lands for the growing and cultivation of coffee. As a tax exempt means of financing qualified projects in the interest of the general public, we understand

that the special purpose revenue bonds authorized in this bill will provide important financial support to MauiGrown Coffee in their efforts to expand their present coffee farm. Established in 2003, MauiGrown Coffee is a credible and experienced Maui agricultural operation. The approval of this bill will provide valuable State assistance which will enable MauiGrown Coffee to expand their operations and to assist in keeping former Central Maui sugar cane lands in active agricultural production.

Based on the aforementioned, we respectfully request your favorable consideration on this bill. Thank you for the opportunity to testify.



PO Box 168, Kealahou, HI 96750

HOUSE OF REPRESENTATIVES
COMMITTEE ON AGRICULTURE

Friday, February 3, 2017
8:30 AM
Conference Room 312

RE: Testimony in support of HB1230: THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUIGROWN COFFEE, INC

Aloha Chair, Vice Chair and members of the Committee,

I am Chris Manfredi, President of Hawaii Coffee Association.

The Hawaii Coffee Association's (HCA) mission is to represent all sectors of the Hawaiian coffee industry including growers, millers, wholesalers, roasters and retailers located throughout the State of Hawaii. The HCA's primary objective is to increase awareness and consumption of Hawaiian coffees. A major component of HCA's work is the continuing education of members and consumers.

The HCA strongly supports HB1230.

Maui Grown Coffee is a proven, successful, vibrant, and innovative contributor to the agricultural community and the economy on Maui. As Maui transitions its land tenure and stewardship to a future that is somewhat less clear, support for the expansion of this known entity is appropriate.

Maui Grown Coffee products are successfully marketed around the globe, enhancing Maui's and The State of Hawaii's overall brand and serve to highlight Maui's rich agricultural heritage.

We respectfully ask you to pass HB1230.

Thank you.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 8:43 AM
To: AGRtestimony
Cc: warrenmcfb@gmail.com
Subject: *Submitted testimony for HB1230 on Feb 3, 2017 08:30AM*

HB1230

Submitted on: 2/2/2017

Testimony for AGR on Feb 3, 2017 08:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Warren Watanabe	Maui County Farm Bureau	Support	No

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

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 8:34 AM
To: AGRtestimony
Cc: jkimof@msn.com
Subject: Submitted testimony for HB1230 on Feb 3, 2017 08:30AM

HB1230

Submitted on: 2/2/2017

Testimony for AGR on Feb 3, 2017 08:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
james Kimo Falconer	MauiGrown Coffee, Inc	Support	Yes

Comments: Aloha members of the House Ag Committee, My name is Kimo Falconer, President and Owner of MauiGrown Coffee, Inc. I wish to thank you for considering this bill. I have been involved in Agriculture my entire life, spent 20 years in the sugar industry as a research agronomist and was active in the initial work to expand coffee production outside of the Kona region in 1987 and have been involved in coffee ever since. After Kaanapali Coffee closed in 2001, I successfully resurrected the 500 acre farm to full production and now, not only am I the only farmer on West Maui, but we are the largest individually operated coffee grower in the State. It is my belief that coffee is one of the few crops that can solve the large acreage farming potential on former cane land. Specialty coffee needs are growing annually and supply will be always be a problem for this growing market worldwide. I regularly turn away large orders and wish to change that. I will be present to answer any questions tomorrow. Mahalo again.

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

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 12:41 AM
To: AGRtestimony
Cc: mnakahata@gmail.com
Subject: *Submitted testimony for HB1230 on Feb 3, 2017 08:30AM*

HB1230

Submitted on: 2/2/2017

Testimony for AGR on Feb 3, 2017 08:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Mae Nakahata	Individual	Support	No

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