



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, TOURISM AND
TECHNOLOGY AND ON TRANSPORTATION AND ENERGY**

Monday, March 19, 2018
2:30 p.m.
State Capitol, Conference Room 414

in consideration of
HB 584, HD2
RELATING TO ECONOMIC DEVELOPMENT.

Chairs Wakai and Inouye; Vice Chairs Taniguchi and Espero and Members of the Senate Committees on Economic Development, Tourism and Technology and on Transportation and Energy.

The Department of Business, Economic Development, and Tourism (DBEDT) **supports the intent** of HB 584, HD1, which expands the types of business activity eligible for participation in Hawaii's Enterprise Zone Program to include production of electricity from a biomass energy facility.

DBEDT appreciates that self-sufficiency in energy production is an important state goal, which this bill may encourage. For the purposes of the Enterprise Zone Program, DBEDT does not currently know how many companies would join the program under this business activity or how many jobs would be created.

We support the intent as long as the administration's budget priorities are not impacted.

Thank you for the opportunity to provide this testimony.

HB-584-HD-2

Submitted on: 3/17/2018 3:52:03 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Ley	Testifying for County of Hawaii Dept of Research & Development	Support	No

Comments:

The County of Hawaii Department of Research and Development supports HB 584, HD 2, relating to economic development.

The County has long been a partner with the State in advocating for businesses to participate in the Enterprise Zone Program, as the program provides financial incentives for the expansion of employment, construction and overall business activity and growth.

The addition of biomass energy production as an eligible activity under the Enterprise Zone Program will align with the existing statute that allows for renewable energy produced by wind farms. Furthermore, **if biomass feedstocks are locally sourced** such a statute change would expand opportunities to further State and County goals to achieve energy self-sufficiency.

Thank you for this opportunity to provide supportive comments.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Expand enterprise zone eligibility

BILL NUMBER: HB 584, HD-2

INTRODUCED BY: House Committee on Finance

EXECUTIVE SUMMARY: Expands the types of business activity eligible for participation in Hawaii's enterprise zone program to include production of electricity from a biomass energy facility.

SYNOPSIS: Amends HRS section 209E-2 to amend the definition of “eligible business activity” in an enterprise zone to include production of electricity from a biomass energy facility.

EFFECTIVE DATE: July 1, 2030.

STAFF COMMENTS: The enterprise zone program was enacted as a cooperative program between the state and the counties to promote jobs in areas of high unemployment. Certain areas are designated as enterprise zones through joint action of the state and counties. In a zone, the state offers an income tax credit for the tax attributable to the eligible business conducted in the zone, which is normally applied on a sliding scale – 80% for the first year, 70% for the second, and so on until the credit is 20% for the seventh and last year in the program. It also offers an unemployment tax credit for the tax attributable to employees doing the eligible business in the zone, on the same sliding scale. Finally, the state offers a general excise tax exemption for the eligible business attributed to the zone. The counties also offer incentives, which vary by county. In return, the business commits to either maintain or increase the number of employees in the zone doing the eligible activity, depending on whether it was already in the zone upon designation or moved to the zone.

As business incentives go, the enterprise zone program is better than most. The incentive applies to a specific activity (here, creating and maintaining employment) targeted to the problem the program seeks to address. The incentive tapers off over time and then stops. It requires accountability, namely required reports to DBEDT for a business to retain its eligibility. The business itself may need a different kind of assistance, such as financing, but the state is here focusing on creating and maintaining jobs in areas that need them.

One criticism of the program is that the designated eligible activities do not seem to have a common thread running through them except that the various activities seem to have been the Flavor of the Month at one time or other. Eligible activities at present are:

- Agricultural production or processing
- Manufacturing
- Wholesaling/Distribution
- Aviation or maritime repair or maintenance

- Telecommunications switching and delivery systems
- Information technology design and production
- Medical research, clinical trials, and telemedicine
- For-profit training programs in international business management or environmental remediation
- Biotechnology research, development, production, or sales
- Repair or maintenance of assisted technology equipment
- Certain types of call centers
- Wind energy producers

The enterprise zone program has been around since 1986. Has there been a comprehensive evaluation of the program and do lawmakers know exactly how much bang they have gotten for their bucks? If the program works, great; if it doesn't work, scrap it. In either event, concurrent efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses.

Digested 3/15/2018



**Testimony to the Senate Committee on Economic Development, Tourism and Technology
and the Senate Committee on Transportation and Energy**

Monday, March 19, 2018, 2:30 p.m.
Conference Room 414, State Capitol
RE: House Bill 584 HD2

Chair Wakai, Vice Chair Taniguchi and Members of the Senate Committee on Economic Development and Technology

Chair Inouye, Vice Chair Espero and Members of the Senate Committee on Transportation and Energy

I would like to provide the following comments in support of HB 584 HD2.

That Hawaii state goal of achieving 100% renewable energy by 2045 will be very difficult to achieve unless a diverse portfolio of technologies is fostered in the state. In addition, we recommend that the state needs renewable firm power which biomass energy generation provides, and we support the addition of biomass technology into this bill.

Biomass generation facility adds to the resiliency and redundancy of power generation that will be crucial for citizens and ratepayers in the event of a natural or manmade disaster. Our approach is thoughtful and meaningful especially in the sustainability of feedstock. The feedstock is a renewable source that is grown, harvested and replanted to provide for sustainable supply of renewable fuel. We are also doing R&D to utilize invasives such as Albizia for feedstock which will help the community and the environment.

A biomass energy generation facility will also create positive economic impacts for our state. It is an endeavor that costs millions of dollars to develop. Much of this money will be invested in the area and will create a ripple effect in the community. Creating jobs is a challenge in economically depressed areas such as Pepeekeo. Once a thriving area, it has gone into decline with the demise of the sugar industry. A biomass facility is anticipated to create 200 jobs in the construction phase and 30 high paying jobs to run the facility for the next 30 years. These jobs will require a high level of education as well.

We have done extensive outreach in the community and have engaged many stakeholders who support this type of economic driver in the area.

We stand in strong support of HB 584 HD2.

Thank you for the opportunity to provide testimony.

Kevin Owen
General Manager

**Testimony to the Senate Committee on Economic Development and Technology
and the Senate Committee on Transportation and Energy**

Monday, March 19, 2018, 2:30 p.m.
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RE: House Bill 584 HD2

Chair Wakai, Vice Chair Taniguchi and Members of the Senate Committee on Economic Development and Technology

Chair Inouye, Vice Chair Espero and Members of the Senate Committee on Transportation and Energy

My name is Thomas Collet. I support HB 584 HD2.

I am a management consultant working in the area of developing forest products production operations with experience in North and South America and Asia. I have a BS in Forestry and an MBA in International Business.

The Honua Ola power project creates a unique opportunity for the community of Hawaii to break its dependence on imported fossil fuels by substituting clean, renewable, sustainable, local, purpose grown biomass fuel. In addition to cleaner air, local benefits will include keeping money spent on imported fuel on the island, creating new jobs in the agro-forestry sector, and utilizing fallow land by converting it for tree production.

The Union of Concerned Scientists have described bio-mass power generation as a method of “de-carbonizing” the energy industry and describes it as essentially “carbon neutral” (https://www.ucsusa.org/clean_energy/our-energy-choices/renewable-energy/how-biomass-energy-works.html#.WoTTk2aZPUo)

Thomas Collet
Thomas Collet Consulting LLC
Eugene, OR

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Chair Inouye, Vice Chair Espero and Members of the Senate Committee on
Transportation and Energy

Aloha.

I support HB 584 HD2.

I am pleased the Legislature is seeking to include the production of electricity from a
biomass energy facility as a business activity eligible to participate in Hawaii's enterprise
zone program.

During Hawaii's sugar days, biomass powered the islands' sugar plantations. After sugar
was extracted, bagasse which was the leftover leaves and crushed stalk was used to make
steam to turn a turbine and produce electricity. The excess power was sold to the local
utility. As sugar mills shut down, biomass power declined as did the economy affecting
many families in the Hamakua community.

However, today's demand for firm, low-cost, renewable power means facilities like the
up-and-coming Hu Honua (dba Honua Ola) biomass energy facility in Pepeekeo along
the Hamakua coast, is emerging as a key part of Hawaii's long-term energy source.
Inclusion of a biomass energy facility in Hamakua, a designated enterprise zone, will
help to increase employment opportunities for residents in the community. Honua Ola
anticipates about 200 construction workers will be needed to complete plant
reconstruction, and about 30 permanent operations and maintenance jobs once the facility
becomes operational. Honua Ola will help to revitalize the forest industry, including
harvesting, hauling, processing, and replanting of trees.

Jobs! Jobs! Jobs!

Thank you for the opportunity to provide testimony.

Wesly DeMotta
Pepeekeo, Hawaii

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Norman Kramer
Hilo, Hawaii

**Testimony to the Senate Committee on Economic Development, Tourism and
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RE: House Bill 584 HD2

Chair Wakai, Vice Chair Taniguchi and Members of the Senate Committee on Economic
Development and Technology

Chair Inouye, Vice Chair Espero and Members of the Senate Committee on Transportation and
Energy

I support HB 584 HD2 to allow a biomass energy facility to participate in the enterprise zone
program.

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extracted, bagasse which was the leftover leaves and crushed stalk was used to make steam to
turn a turbine and produce electricity. The excess power was sold to the local utility. As sugar
mills shut down, biomass power declined as did the economy affecting many families in the
Hamakua community.

The Honua Ola Bioenergy biomass energy facility in Pepeekeo along the Hamakua coast is
emerging as a key part of Hawaii's long-term energy source. Honua Ola anticipates about 200
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operations and maintenance jobs once the facility is operational. Additionally, Honua Ola will
revitalize the forestry industry, including harvesting, hauling, processing, replanting of trees,
production of wood products, as well as create other job opportunities in transportation, energy
and construction.

Please help to return valuable job opportunities to our Hamakua families. It is heartwarming to
see the strong commitment by Honua Ola to malama our aina, keiki, kanaka, and kupuna.

Thank you for the opportunity to provide testimony.

Levi Medeiros
Papaikou, Hawaii

**Testimony to the Senate Committee on Economic Development, Tourism and
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Thank you for the opportunity to provide testimony.

Lowen Moses
Pepeekeo, Hawaii

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I support HB 584 HD2.

Clean, low cost renewable energy, and jobs, jobs, jobs!

I am pleased the Legislature is proposing to include a biomass energy facility as a business eligible to participate in Hawaii's enterprise zone program. The Honua Ola Bioenergy biomass project will revive biomass power, once a source of renewable power during the sugar plantation days, and create job opportunities for families in communities most affected when sugar mills shut down.

It is heartwarming to see the strong commitment by Honua Ola to malama our aina, keiki, kanaka, and kupuna. Imua!

Thank you for the opportunity to provide testimony.

Raymond Grillot
Hawaiian Paradise Park, Hawaii

**Testimony to the Senate Committee on Economic Development, Tourism and Technology
and the Senate Committee on Transportation and Energy**

Monday, March 19, 2018, 2:30 p.m.

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RE: House Bill 584 HD2

Chair Wakai, Vice Chair Taniguchi and Members of the Senate Committee on Economic Development and Technology

Chair Inouye, Vice Chair Espero and Members of the Senate Committee on Transportation and Energy

I strongly support HB 584 HD2.

I am Warren Lee and a long-time resident of Hawaii Island. I have held various positions on the island, including President of Hawaii Electric Light Company, and Director of Public Works for the County of Hawaii.

I know firsthand the difficulty of creating a viable economic engine in economically depressed zones. The island of Hawaii has five Enterprise Zones, and in 2015 Governor Ige approved the 20-year redesignation of three new Hawaii County Enterprise Zones: Hamakua, Hilo-Puna, and Kau.

There are not many eligible business activities that qualify for the Enterprise Zone designation. There are no renewable energy electricity production technologies that are eligible for this qualification except wind energy production. Biomass energy is renewable, sustainable electric power generation that is worthy of being designated an eligible business activity because of jobs created where they are most needed. The decline of jobs along the Hamakua coastline has devastated the community and the surrounding areas, and a biomass facility can help to stimulate business activity in that area and revitalize a depressed zone. Currently, the employment rate for the Hamakua area is an astonishing 43%.

Besides economic advantages, the biomass facility will also be contributing to the state's goal of 100% renewable energy by providing renewable firm power to the electric grid.

Thank you for the opportunity to provide testimony.

Warren Lee

**Testimony to the Senate Committee on Economic Development, Tourism and
Technology and the Senate Committee on Transportation and Energy**

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It is heartwarming to see the strong commitment by Honua Ola to malama our aina, keiki, kanaka, and kupuna. Imua!

Thank you for the opportunity to provide testimony.

Rilan Ferreira
Hilo, Hawaii

**Testimony to the Senate Committee on Economic Development,
Tourism, and Technology
and
Senate Committee on Transportation and Energy**
Monday, March 19, 2018 2:30 p.m.
Conference Room 414, State Capitol
HB584 HD2

RE: A Bill for an Act Relating to Economic Development

TO: Sen. Glenn Wakai, Chair
Sen. Brian Taniguchi, Vice-Chair
Members of the Senate Committee on Economic Development, Tourism and Technology

TO: Sen. Lorraine Inouye, Chair
Sen. Will Espero, Vice-Chair
Member of the Senate Committee on Transportation and Energy

Aloha,

I am submitting testimony in support of HB 584 HD2.

We are pleased the Legislature is seeking to include the production of electricity from a biomass energy facility as a business activity eligible to participate in Hawaii's enterprise zone program.

During Hawaii's sugar days, biomass powered the islands' sugar plantations. After sugar was extracted, bagasse which was the leftover leaves and crushed stalk was used to make steam to turn a turbine and produce electricity. The excess power was sold to the local utility company. As the sugar mills closed down, biomass power declined as did the economy, affecting many families along the Hamakua Coast of Hawaii Island.

However, the demand for firm, low-cost, renewable power warrants facilities like Honua Ola biomass energy facility in Pepeekeo on the Hamakua coast of Hawaii Island, to fill a key role as one of Hawaii's long-term energy sources. The inclusion of a biomass energy facility in Hamakua, a designated enterprise zone, not only contributes to the state's goal of being 100% dependent on renewable energy by 2045, it will jumpstart employment opportunities for residents in the community. Honua Ola will help to revitalize the forest industry, including harvesting, hauling, processing, and replanting of trees. Honua Ola anticipates about 200 construction workers will be needed to complete plant reconstruction, and about 30 permanent operations and maintenance positions when the facility becomes operational.

Jobs! Jobs! Jobs!

Thank you for this opportunity to provide supportive testimony.

With warm aloha,
Desiree Pagan

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With warm aloha,
Junie Tehero
Ruth Yamamoto

Firmin Tehero
Desiree Pagan

Charlyn Yamamoto
Lorraine Godoy

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With warm aloha,
Mike Bilonta
Frances Gravela
Preston Mendoza

Adele Cacho
Ricky Johnson
Abel Salazar

Lucille Chung
Kathleen Mendoza
Sutera Soares

**Testimony to the Senate Committee on Economic Development,
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and**

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Aloha,

We are submitting testimony in strong support of HB584 HD2.

Clean, low cost renewable energy, and jobs, jobs, jobs!

We are very pleased that the Legislature is proposing to include a biomass energy facility as a business eligible to participate in Hawaii's enterprise zone program. The Honua Ola Bioenergy biomass project will revive biomass power, once a source of renewable power during the days of the sugar plantations, and create job opportunities for families in communities that were most affected when sugar mills closed.

It is heartwarming to see the strong commitment by Honua Ola to malama our aina, keiki, kanaka, and kupuna. Imua!

Mahalo for this opportunity to provide supportive testimony of HB584 HD2.

With warm aloha,
Kathleen and Louis Azevedo
Jason Cuba
Teodorico Mendoza Jr.
Debra Moses
Donna and Teofilo Ragocos
JaydiLynn Veriato-Souza

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Aloha,

We support HB 584 HD2 that allows a biomass energy facility to participate in the Enterprise Zone program.

During Hawaii's sugar days, biomass powered the islands' sugar plantations. After sugar was extracted, bagasse which was the leftover leaves and crushed stalk was used to make steam to turn a turbine and produce electricity. The excess power was sold to the local utility company. As sugar mills shut down, biomass power declined as did the economy, affecting many families along the Hamakua Coast on Hawaii Island.

The Honua Ola Bioenergy biomass energy facility in Pepeekeo along the Hamakua Coast is emerging as one of the key components of Hawaii's long-term energy sources. Honua Ola anticipates about 200 construction workers is needed to complete plant reconstruction, and about 30 permanent positions for operations and maintenance jobs once the facility is operational. Additionally, Honua Ola will revitalize the forestry industry that will include employment in the harvesting, hauling, processing, replanting of trees, production of wood products, as well as create other job opportunities in transportation, energy and construction.

We need these valuable job opportunities for our Hamakua families, our island and our state. It is heartwarming to see the strong commitment by Honua Ola to malama our aina, keiki, kanaka, and kupuna.

Thank you for the opportunity to provide supportive testimony.

With warm aloha,
Carlton and Toni Bello
Stanley and Tanya Sato
Carrie Ann and Santos Masulit
Helen and Jesus Realin
Edwin and Marilyn Tolentino

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With warm aloha,
Chad Grace
Marissa Mendoza
Lorraine Mendoza
Jean Funai

Philomina Rabago
Clara Carvalho
Pat Udo

HB-584-HD-2

Submitted on: 3/16/2018 3:08:38 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Frank White	Individual	Oppose	No

Comments:

Reading the testimony from the 2/23 hearing I saw no mention that Hu Honua required any tax breaks to operate as a growing concern. Plenty of verbiage on sustainability, job creation. But nothing about why they NEED a tax break to open or survive once they open. Obviously no mention of passing any tax break along to rate payers in reduced cost to HELCO. Have the courage to standup to special interests, just say no.

From: [Rebecca Moore](#)
To: [ETT Testimony](#)
Subject: HB 584 HD2
Date: Friday, March 16, 2018 4:31:24 PM

I oppose the legislation that Mark Nakashima has introduced (HB584), which would add Hu Honua (now Honua Ola) to the list of corporations who do NOT have to pay the GET tax.

It is beyond horrible that this Bio-mass facility was approved at all, since burning trees are a known means of creating pollution (no matter what 'articles' Bio-Mass companies release saying the opposite), and especially since Hawaii has agreed to follow the Paris Agreement guidelines for reducing Greenhouse Gases.

Horrible for the smoke, noise, smell, tearing up of roads, reducing the value of our homes - all in a residential and farming community, not an industrial area.

If it is going forward, it's only fair that this corporation pay taxes like we all do.

To get a free break, reeks of corruption, as does the approval of this facility go begin with.

Please honor the Hawaiian aina, as well as it's people, and stop this corruption from happening.

Many people are struggling. If this fiasco goes forward, at least this corporation should contribute to our society by paying taxes.

Thank you for listening and considering.

Barbara Hershey

HB-584-HD-2

Submitted on: 3/17/2018 3:22:44 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tanya Grebe	Individual	Oppose	No

Comments:

I am strongly opposed to this bill. This bill is being amended in order to provide preferential treatment to a project that has obviously gone over budget, has not completed work within the specified deadlines, and has been in under construction since 2010. This has not been a well run operation and should not be rewarded with tax breaks. This is not a local operation and has the hand of wealthy mainland investors all over it. Yet it continues to get preferential treatment despite the issues and endless delays that it has experienced.

The intention is that the project will be able to qualify for the Federal Investment Tax (ITC) at the end of 2018, in the amount of 100 million dollars. But this is not enough greed for them. They hope to receive additional tax credits from our State, paid for by Hawaiian residents. If this is such a good idea then this biomass plant should pay its own way and not be a burden on an already suffering community. Please don't make this another example of government showing favoritism towards big business at the expense of the average tax payer. The amount of problems this plant has and will create has yet to be played out and will not doubt cost additional money to the tax payer. I am in strong opposition to HB584 HD1. Thank you.

HB-584-HD-2

Submitted on: 3/17/2018 7:12:18 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Edward Johnston	Individual	Oppose	No

Comments:

Please just let this Bill die. Big companies (who are also bad neighbors too!) like Hu Honua should have to pay thier share of the GET. I am an old, farmer and I pay my GET. All HB 584 is came from the mind of Hu Honua folk and Mark Nakashima. I have no idea how they got such a tight grip on him to always do their bidding.

HB-584-HD-2

Submitted on: 3/17/2018 9:08:08 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Hershey	Individual	Oppose	No

Comments:

I oppose the legislation that Mark Nakashima has introduced (HB584), which would add Hu Honua (now Honua Ola) to the list of corporations who do NOT have to pay the GET tax.

It is beyond horrible that this Bio-mass facility was approved at all, since burning trees are a known means of creating pollution (no matter what 'articles' Bio-Mass companies release saying the opposite), and especially since Hawaii has agreed to follow the Paris Agreement guidelines for reducing Greenhouse Gases.

Horrible for the smoke, noise, smell, tearing up of roads, reducing the value of our homes - all in a residential and farming community, not an industrial area.

If it is going forward, it's only fair that this corporation pay taxes like we all do.

To get a free break, reeks of corruption, as does the approval of this facility go begin with.

Please honor the Hawaiian aina, as well as it's people, and stop this corruption from happening.

Many people are struggling. If this fiasco goes forward, at least this corporation should contribute to our society by paying taxes.

Thank you for listening and considering.

Barbara Hershey

HB-584-HD-2

Submitted on: 3/17/2018 4:39:17 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Louise Simrell	Individual	Oppose	No

Comments:

I firmly believe excise tax should be paid and collected, that Hu Honua receive no exemptions.

HB-584-HD-2

Submitted on: 3/17/2018 5:33:48 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
MILES OKUMURA	Individual	Oppose	No

Comments:

HB-584-HD-2

Submitted on: 3/17/2018 10:46:30 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Koohan Paik	Individual	Oppose	No

Comments:

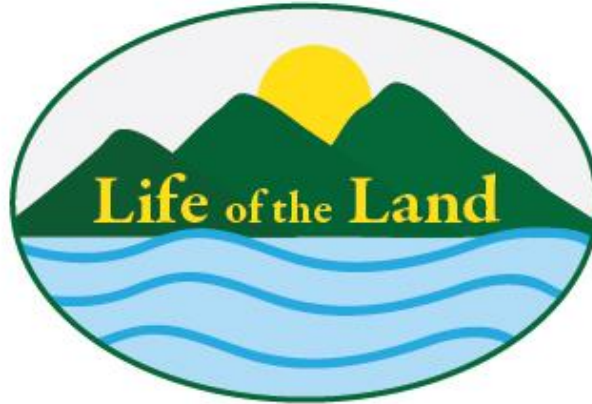
HB-584-HD-2

Submitted on: 3/17/2018 10:52:50 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Janet Ashkenazy	Individual	Oppose	No

Comments:



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY

Senator Glenn Wakai, Chair
Senator Brian T. Taniguchi, Vice Chair

COMMITTEE ON TRANSPORTATION AND ENERGY

Senator Lorraine R. Inouye, Chair
Senator Will Espero, Vice Chair

Monday, March 19, 2018
2:30 p.m.
Conference Room 414

HB 584, HD2 Biofuel Mania

STRONG CONCERNS

Aloha Chairs Wakai and Taniguchi, and Committee Members

Imagine two proposals: one that says the Hawai`i should endorse all activities of every national leader in the world, and a second proposal that Hawai`i should endorse good policies of selected leaders.

Regarding climate change, biofuels can range from highly beneficial to totally destructive.

Imagine not distinguishing between them, and giving a tax break to all of them, in the same year that you pass a bunch of climate change bills and resolutions.

Mahalo,
Henry Curtis, Executive Director

HB-584-HD-2

Submitted on: 3/18/2018 8:44:03 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Rosemary Gonzalez	Individual	Oppose	No

Comments:

Dear ETT and TRE Chairs, Vice Chairs and Committee Members,

As a Pepeekeo resident, I am strongly opposed to this bill. This bill is being amended in order to provide preferential treatment for a specific project that has gone over budget, missed deadlines, and has been in varying stages of construction since 2010.

This biomass scheme is funded by well financed mainland investors and continues to be fast tracked because they intend to qualify for the Federal Investment Tax (ITC) at the end of 2018, in the amount of 100 million dollars. And now they are looking at the opportunity of "harvesting" additional tax credits from our State, subsidized by the same people they claim to be helping.

Let this biomass energy facility revitalize economically depressed Pepeekeo by paying their fair share of taxes instead of putting the additional liability on the rest of the population to make up the difference. Please consider the needs of Hawaii County and that our County is cash-strapped. Residents will ultimately have to pay higher taxes here to fix the additional problems that this biomass facility will create, to include the repair of roadways and bridges. A Hawaii County benefit of this bill could also result in property tax adjustments for 3-years for this facility, further reducing tax payments to our County.

Hu Honua will NOT be passing any rate savings on to the electricity rate payers since they have already negotiated a Power Purchase Agreement with HELCO.

I stand in strong opposition to HB584 HD1.

Thank you for this opportunity to testify and your consideration.

Rosemary Gonzalez

HB-584-HD-2

Submitted on: 3/18/2018 8:47:00 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Harriet Burkholder	Individual	Oppose	No

Comments:

HB-584-HD-2

Submitted on: 3/18/2018 8:56:56 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Beveridge	Individual	Oppose	No

Comments:

HB-584-HD-2

Submitted on: 3/18/2018 9:03:46 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Carlos Gonzalez	Individual	Oppose	No

Comments:

Dear ETT and TRE Chairs, Vice Chairs and Committee Members,

I stand in strong opposition to HB584 HD1.

As a Pepeekeo homeowner and resident, I am strongly opposed to this bill. This bill is being introduced so that the Honua Ola power generating facility (aka Hu Honua Bioenergy) will qualify for the 100% GET exemption as well as an 80% non-refundable State income tax exemption, and a 3-year exemption from any increase in property tax in Hawaii County.

The objective of this bill would be misapplied in that this company has already stated for the last 10 years that they would hire 30 employees. This bill does nothing to encourage the creation of additional jobs with this incentive. In fact, HELCO states that this biomass facility will accelerate the retirement of fossil fuel plants in the Hilo area, including Hill 5 and 6 and Puna Steam. Present jobs will be terminated and replaced by these 30 Hu Honua jobs.

Additionally, Hu Honua is running employment ads in the StarAdvertiser on Oahu for 5 of the 30 positions. Oahu is a long way from economically depressed Pepeekeo. Obviously there is no guarantee that jobs are being given to the local community.

Take a look at the biennial Hawaii state reports for the Hawaii Enterprise Zone Program. The studies indicate that wind energy has not reported very many jobs. You should expect the same from biomass, especially since it is not a very popular means of creating energy and is still a very controversial issue in regards to greenhouse gas emissions.

Also, take into consideration the fact that unemployment for Hawaii County is at 2% and remains near a 10-year low.

For these reasons please vote against this bill.

Thank you for this opportunity to testify and your consideration.

Carlos Gonzalez

HB-584-HD-2

Submitted on: 3/18/2018 9:07:52 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Faye Beveridge	Individual	Oppose	No

Comments:

HB-584-HD-2

Submitted on: 3/18/2018 9:14:55 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
joan ellis	Individual	Oppose	No

Comments:

It is clear that this bill was created specifically for Hu Honua as there are no other biomass plants on the Big Island...shame. With over \$1 million dollars in tax breaks already on the table for ontime completion and online operations of the Hu Honua plant why would it be a consideration to deepen the tax credits even further.

While the county raises taxes on citizens through property tax increases, fuel tax increases and now a solid push for GET increases we get a clear message that revenue generation is a priority to Mayor Kim. Why on God's green earth would you consider tax CUTS to a single entity that doesn't need them to operate.

if incentives are your motivation, that doesn't play out either. They are here, they are pushing forward at a fever pace to complete construction and they DO NOT need further incentives.

All of you should be ashamed of yourselves for even considering this bill. The citizens keep paying and paying while business keeps taking and taking...shame.

Joan Ellis

HB-584-HD-2

Submitted on: 3/18/2018 9:18:59 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Angelea Hollander	Individual	Oppose	No

Comments:

Thank you!

HB-584-HD-2

Submitted on: 3/18/2018 9:22:06 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Annette Barr	Individual	Oppose	No

Comments:

It is unconscionable that a business that will be damaging the environment, decreasing the quality of life for local residents as well as visitors, has lied about their goals and impacts, and are partly responsible for increasing the electricity rates should even be considered to get any kind of tax break.

HB-584-HD-2

Submitted on: 3/18/2018 9:26:49 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
matthias kusch	Individual	Oppose	No

Comments:

Aloha Mark Nakashima,

I am surprised that you would request exemptions to state (and county, as I understand) taxes by this large mainland entity that will already be harvesting massive tax credits under the guise of 'renewable energy'. That in itself we all know to be a falsehood. This company will utilize much more than it's fair share of government paid for roads and infrastructure. Since the beginning they have understated thier impact both enviornmentally and physically to roads and infrastructure, now we are to give them a free ride? I strongly oppose this measure. It is just further icing to thier cake so Oahu can meet it's "statewide" renewable energy goals at the expense of Hawaii Island people. Quit dumping on the people of Hawaii Island, stand up for us!

Thank you,

Matthias Kusch

Past contributor to your campaigns and supporter of your values. I hope to continue supporting you and the values we hold together.

HB-584-HD-2

Submitted on: 3/18/2018 9:42:26 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sunita Przewlocki	Individual	Oppose	No

Comments:

Aloha Mr. Nakashima,

I was truly shocked to learn that you have sponsored this bill exempting Hu Honua from their most basic responsibility to our community in the form of GE Tax contributions.

Why should Hu Honua in its hauling of tons upon tons of biomass in large trucks along our already deteriorating roadways and bridges, not have to contribute to costs of maintaining and repairing this infrastructure?

This is not what I would have expected from you Mr. Nakashima. I stongly oppose this bill.

Sincerely,

Sunita Przewlocki

HB-584-HD-2

Submitted on: 3/18/2018 10:11:39 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Rosaline Sylvester	Individual	Oppose	No

Comments:

I am a retired Big Island resident on fixed income. This bill is being amended in order to provide preferential treatment for a specific project called Hu Honua. From previous testimony, most of those in favor of this are Hu Honua employees and their relatives and cronies. Things are expensive enough on the Big Island and Hu Honua should pay their fair share of taxes. Our Hawaii Island is suffering enough from recent fuel and tax increases and our County Council and Mayor continue to struggle over another attempt to raise our GET by .5%. It just doesn't make sense to give this mainland company a tax break when they should and can be contributing like every one of us.

Pepeekeo is a small rural town with at least 250 low income and Section 8 apartments. And more are being built. So it is easy to say that Pepeekeo is an economically depressed area. The only way Hu Honua can actually help the area is to pay their own taxes just like all the other small businesses and the poverty stricken residents of Pepeekeo and Hamakua have to. Thank you.

HB-584-HD-2

Submitted on: 3/18/2018 10:29:32 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Boland	Individual	Oppose	No

Comments:

HB-584-HD-2

Submitted on: 3/18/2018 10:36:22 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Culbertson	Testifying for Hawaii Forest Stewards	Oppose	No

Comments:

Hu Honua should not be getting special treatment and considerations at the expense of Hawaii residents And the environment. In truth, this project is an ecological tragedy!

HB-584-HD-2

Submitted on: 3/18/2018 11:34:18 AM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Pearring	Individual	Oppose	No

Comments:

March 18, 2018

To the COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY and COMMITTEE ON TRANSPORTATION AND ENERGY:

RE: HB 584

Please accept my strong opposition to this bill. 1) Economic development should be supported with more efficient and effective governance, not tax breaks for individual companies. How can you rationalize this in light of the audit results and tax hikes of recent months? 2) Honua Ola, previously known as Hu Honua, has been spending money for several years with little progress. Now that crunch time is here for their operation in order to hit a tax break deadline, they are also asking for another tax break. Will they use the proceeds to pay off their debts to the many businesses who did not get paid during their earlier attempt at construction? 3) They are asking the State Community to support their business. During all of these years, they have yet to offer to meet with the community most affected by their operations - the people who live near the plant and those who will have to share the roadway to the plant with all of the haul trucks. Support is a two-way street.

Thank you for your consideration

Mike Pearring

HB-584-HD-2

Submitted on: 3/18/2018 1:02:10 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Saturnino Doctor	Individual	Oppose	No

Comments:

I oppose this bill HB584. This is a special interest bill that I feel is not fair to the ordinary Hawaii citizens. This bill will primarily benefit out of state investors where they should be paying their fair share of taxes instead. Please oppose this bill.

HB-584-HD-2

Submitted on: 3/18/2018 2:09:47 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Catherine Marquette	Individual	Oppose	No

Comments:

I oppose Bill HB584. This Bill will exempt the Hu Honua project from paying the GET tax.

Hu Honua is a private for profit company and should not be exempted from GET tax. This company will have significant impact of the roads of Hawaii County. They should have to pay their fair share of taxes. These taxes go to maintain the infrastructure in which Hu Honua will be using.

Please vote no on HB584.

HB-584-HD-2

Submitted on: 3/18/2018 2:12:53 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Greene	Individual	Oppose	No

Comments:

As a small business owner and homeowner in the Pepekeo neighborhood where the eyesore of a derilect huge mill site has been sitting at the tip of scenic Pepekeo Point I, all neighbors that I know of, am totally opposed to the continuation of the Honua Biomass power plant. It is unconscionable that they would deserve a tax break!

A farmer selling an avacado does not get a tax break, but a multimillion dollar corporation that will give us Noise! and air pollution (on our beautiful Hamakua coast). It will, and has hurt home values, further destroy the dangerous Sugar Mill Road, increasing the possibilities of more accidents (and pollution) with more big trucks on our narrow, steep road, and up and down Hiway 11, to get the limited supply of logs.

They should be paying More in taxes for the damage they have done and will continue to do!

Solar is cheaper and will not require all the trucks on the roads, Biomass has not been profitable unless the operation is at the site of the resource-where the trees are!

It only makes sense, big bucks spent mostly for write-offs does not make sense. How much electricity will it add to the island? I have read less than 5%, it is not worth it.

HB-584-HD-2

Submitted on: 3/18/2018 2:32:45 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Roy Skogstrom	Individual	Oppose	No

Comments:

I oppose HB584 HD2 for the following reasons:

1) Hu Honua is a FOR-PROFIT business, not a charitable organization. All the rest of us with FOR-PROFIT businesses pay the GET. Why should the shareholders of Hu Honua get special treatment from the government in order for Hu Honua to make MORE PROFIT?

2) I presume the rationale for this SPECIAL TREATMENT BY THE GOVERNMENT FOR A FOR-PROFIT BUSINESS is that Hu Honua is contributing to the "renewable energy" goal of the state. It is questionable at best that using imported high-energy diesel fuel to truck low-energy biomass 30-50 miles each way to be burned is "renewable energy." Who's renewing the diesel?

3) Hu Honua will be using state and county infrastructure (roads, solid waste disposal facilities, administrative), etc. Why shouldn't it pay it's fair share through the GET like everyone else?

HB-584-HD-2

Submitted on: 3/18/2018 3:32:57 PM

Testimony for ETT on 3/19/2018 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Linda Lincoln	Individual	Oppose	Yes

Comments:

I am against this project due to the noise and congestion it will cause in a residential area. This area probably did not have a lot of residential homes built when it first applied for permits. It does now. I was told by the realtors that this project was NEVER going thru. I wouldn't have built my retirement home here in Pepe'ekeo if I knew the Biomass plant was going in. I hear that the chipper will be going at odd hours. The noise will resonate thru our entire neighborhood. I guarantee if this was being considered for your own neighborhood it would never see the light of day. I worry about the congestion on our two lane road and the wear and tear damage the trucks cause. I worry about what they will burn when they run out trees.

But mostly, I worry about the noise. Please put yourselves in our position. This is not the location for this project.

Thank you for your consideration and time.

Aloha,

Linda Lincoln