

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
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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 SENATE COMMITTEE ON WAYS & MEANS

**FEBRUARY 24, 2017
1:30 P.M.
CONFERENCE ROOM 211**

**SENATE BILL NO. 1288 SD1
RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HPC FOODS, LTD.**

Chairperson Tokuda and Members of the Committee:

Thank for the opportunity to testify on Senate Bill No. 1288 SD1, relating to the issuance of special purpose revenue bond to assist HPC Foods, Ltd. The department supports this bill.

HPC Foods, Ltd. is one of Hawaii's largest produce processors and distributors, manufacturing fresh cut vegetables and fruits, and is well known for their mung bean, clover, soy, and radish sprouts. They earned Global Food Safety Initiative certification, which is a business-driven initiative for the continuous improvement of food safety management systems and considered the highest tier of food safety audits.

The department believes that bond financing will help HPC Foods Ltd. with their plans for a multi-project capital improvement program and the construction of new facilities.

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 SENATE COMMITTEE ON WAYS AND MEANS
ON SENATE BILL NO. 1288, S.D.1

February 24, 2017

1:30 P.M.

Room 211

RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HPC FOODS, LTD.

Senate Bill No. 1288, S.D. 1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist the HPC Foods, LLC, to fund multi-project capital improvement programs and the construction of facilities 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 your consideration of our comments.



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2017**

ON THE FOLLOWING MEASURE:

S.B. NO. 1288, S.D. 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HPC FOODS, LTD.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Friday, February 24, 2017

TIME: 1:30 p.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**

(For more information, contact Randall S. Nishiyama,
Deputy Attorney General, at 586-1267)

Chair Tokuda and Members of the Committee:

This bill authorizes the issuance of an unspecified amount of special purpose revenue bonds ("SPRBs") to assist HPC Foods, Ltd., pursuant to part X, chapter 39A, Hawaii Revised Statutes. The purpose of this is to fund multi-project capital improvement programs and the construction of new facilities.

We have the following comments regarding this bill:

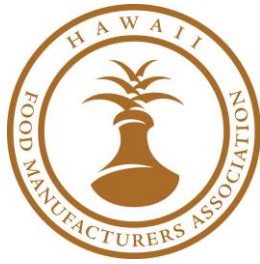
While the bill states that the SPRBs will be used to fund multi-project capital improvement programs and the construction of new facilities, we believe that additional detail is needed regarding the nature of these facilities. In particular, it would be helpful to specify the facilities being financed.

This bill states that the SPRBs will be issued pursuant to part X, assisting agricultural enterprises. It is not clear how HPC Foods qualifies as an agricultural enterprise. We note that depending on the nature of the proposed project, the issuance authority for the SPRBs may also be with the "manufacturing, processing or industrial enterprises" provisions of article VII, section 12, of the Hawaii State Constitution, and would be implemented by part III (assisting manufacturing enterprises), part IV (assisting processing enterprises) or part V (assisting industrial enterprises) of chapter

39A. Further information is needed to address which part of chapter 39A the SPRBs should be issued.

We will be happy to work with the Committee regarding our concerns.

Thank you for the opportunity to testify on this matter.



**Testimony to the Senate Committee on Ways and Means
Friday, February 24, 2017 at 1:30 P.M.
Conference Room 211, State Capitol**

**RE: SENATE BILL 1288 SD1 RELATING TO SPECIAL PURPOSE
REVENUE BONDS FOR HPC FOODS, LTD.**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

The Hawaii Food Manufacturers Association ("HFMA") **supports** SB 1288 SD1, which authorizes the issuance of special purpose revenue bonds to assist HPC Foods, Ltd., to fund multi-project capital improvement programs and the construction of facilities.

HFMA is a non-profit organization that serves as a conduit for resources, tools and expertise to benefit existing and start-up companies in the state's \$900 million food manufacturing industry. Established in 1977, HFMA is the only statewide food manufacturing association in the United States, representing approximately 130 companies and industry stakeholders. HFMA advocates on behalf of the local manufacturing community and works to increase public awareness of Hawaii's unique, locally made food and beverage products.

HPC Foods, Ltd. Is one of Hawaii's largest produce processors and distributors, and the world's largest manufacturer of poi products, under their signature Taro Brand name. HPC seeks to implement multi-project capital improvement programs and to engage in construction of facilities for business expansion purposes.

The funds authorized would provide much-needed financial support for these projects and help HPC Foods take the next leap forward in expanding their business.

Thank you for the opportunity to testify.

2016-2018 Board of Directors

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Maui Pineapple Company

Steve Mulgrew, Vice President
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Jason Wong
HFM FoodService

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2017 1:37 AM
To: WAM Testimony
Cc: brian@hfbf.org
Subject: *Submitted testimony for SB1288 on Feb 24, 2017 13:30PM*

SB1288

Submitted on: 2/23/2017

Testimony for WAM on Feb 24, 2017 13:30PM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| 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



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Friday, February 24, 2017 at 1:30 P.M.
Conference Room 211, State Capitol**

**RE: SENATE BILL 1288 SD1 RELATING TO
SPECIAL PURPOSE REVENUE BONDS FOR HPC FOODS, LTD.**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 1288 SD1, which authorizes the issuance of special purpose revenue bonds to assist HPC Foods, Ltd., to fund multi-project capital improvement programs and the construction of facilities.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

HPC Foods, Ltd. is one of Hawaii's largest produce processors and distributors, and the world's largest manufacturer of poi products, under their signature Taro Brand name. HPC seeks to implement multi-project capital improvement programs and to engage in construction of facilities for business expansion purposes.

The funds authorized would provide much-needed financial support for these projects and help HPC Foods take the next leap forward in expanding their business.

Thank you for the opportunity to testify.