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ADMINISTRATIVE AND RESEARCH OFFICE
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OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1413, H.D. 1

February 20, 2019
2:00 P.M.
Room 308

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST E OLA MAU NA LEO O KEKAHA.

House Bill No. 1413, H.D. 1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist E Ola Mau Na Leo O Kekaha, a Hawaii domestic 501(c)(3) entity, with the acquisition, remediation, and development of the old Kekaha Sugar Mill in Kekaha, Kauai, 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 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.

HB-1413-HD-1

Submitted on: 2/19/2019 6:24:08 AM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mayrose Munar	Kekaha Strong LLC	Support	Yes

Comments:

Representative Sylvia Luke, Chair Representative, Ty J.K. Cullen, Vice Chair
Committee on Finance

From: Kekaha Strong LLC

Date: Tuesday, February 19, 2019

Subject: Support for H.B. No. 1413, Relating to the issuance of special purpose
revenue

bonds with the acquisition, remediation, and development of the old Kekaha Sugar Mill
in Kekaha, Kauai, Hawaii.

Kekaha Strong LLC was formed by leaders of Kekaha, Kauai, Hawaii, to meet the
immediacy of this request, while proper steps are taken to create a non-profit 501(c)3.
The current structure allows the committee to engage in activities related to the
acquisition, remediation, and development of the old Kekaha Sugar Mill and the center
of the community.

The initiative to acquire, remediate, and develop the Mill brings social, economic and
cultural progress to an area suffering from over two decades of instability since the final
closure of the mill. With no transition plan to help unemployed workers, families were
displaced and forced to find opportunities elsewhere. As a result, the area has no
economic base. The youth and children have fallen far behind the State's average in
language arts, science, reading and math with approximately half considered low
income and receiving assistance. The economic and social environment is clearly
depressed while the culture continues to weaken.

Kekaha Strong LLC requests a \$10,000,000 bond as indicated to the committee on
Water, Land and Hawaiian Affairs (dated February 15, 2019). These funds will assist an
industrial enterprise under part V of Chapter 39A, Hawaii Revised Statutes.

An abundance of natural resources surrounds the Kekaha Mill, including rich agricultural
soil, a basaltic aquifer filled with deep fresh spring water and a productive marine life
along the coast. Centrally located within the small town, the Mill is within walking
distance from four schools, with Niihau of Kekaha Charter School located just across
the street. Long-standing residents live in homes along the Mill perimeter. Based on
recent environmental reports which classify the Mill as Brownfield land, all residents are

currently at risk from pesticides, petroleum, and asbestos and lead paint contaminants left behind by historical sugar mill activity. Environmental pollution permeates both soil and water.

With the support of this bond, we can transform the mill and make Kekaha a place for diverse economic opportunity, local culture, and wise living - where residents live, work and play, within a thriving ecosystem.

HB-1413-HD-1

Submitted on: 2/19/2019 11:40:07 AM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments: