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

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2331, S.D. 1

February 26, 2020
1:40 P.M.
Room 211

RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST KEAHOLE FBO I LLC.

The Department of Budget and Finance (the "Department") offers the following comments on Senate Bill No. 2331, S.D. 1, which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist the Keahole FBO I LLC, a Hawaii limited liability company, with planning, designing, constructing, equipping, and operating facilities for aviation and aviation-related services at Ellison Onizuka Kona International Airport at Keahole pursuant to Part V, Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform 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>.

The Department also recommends an amendment to Section 4 of the bill, as follows (deleted language striked through; new language underlined):

“SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to ~~June 30, 2024~~ June 30, 2025, to issue special purpose revenue bonds...”

The amendment to Section 4 will allow the special purpose revenue bonds to be refunded after the sunset date of the authorization.

Thank you for your consideration of our comments.

KEAHOLE FBO I LLC

THE HONORABLE DONOVAN DELA CRUZ, CHAIR
AND COMMITTEE MEMBERS
COMMITTEE ON WAYS AND MEANS
30TH HAWAII STATE LEGISLATURE
REGULAR SESSION 2020
STATE OF HAWAII

February 26, 2020

RE: SB 2331 SD1 Relating to Special Purpose Revenue Bonds to Assist Keahole FBO I LLC

Dear Chair Dela Cruz and Members of the Committee on Ways and Means,

Keahole FBO I LLC ("Keahole FBO"), strongly supports SB2331 SD1 Relating to Special Purpose Revenue Bonds to Assist Keahole FBO I LLC.

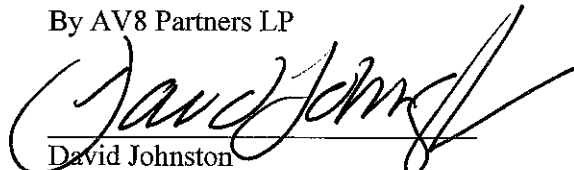
SB 2331 SD1 authorizes the issuance of special purpose revenue bonds in an amount not to exceed \$50,000,000, to assist Keahole FBO with planning, designing, constructing, equipping and operating facilities for aviation and aviation-related services at the Ellison Onizuka Kona International Airport at Keahole including constructing an adjacent road extension and installing utilities along a portion of the perimeter for the benefit of the areas beyond the Keahole FBO project.

Keahole FBO is an aviation company that has a lease with the Department of Transportation, State of Hawaii ("DOT") of approximately 15.94 acres at the Ellison Onizuka Kona International Airport. The company intends to develop a fixed-base hanger facility to support its general, commercial and public aviation operations including hangers, a fuel farm, and aviation infrastructure for aviation and aviation-related services mainly for private jets. Keahole FBO's work will also include the development of infrastructure for the DOT to provide utility services for other DOT sites.

In addition to taxes, fuel sales, and lease rents, our project is expected to generate substantial economic growth for the State, and the Kona region with increased revenue through the creation of more jobs and enhanced visitor experiences.

For the reasons stated above, Keahole FBO strongly supports SB2331 SD1. Thank you for this opportunity to testify.

KEAHOLE FBO I LLC
By AV8 Partners LP



David Johnston
Authorized Signatory

SB-2331-SD-1

Submitted on: 2/25/2020 10:31:35 AM

Testimony for WAM on 2/26/2020 1:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew	Individual	Support	No

Comments:

I fully support SB2331 for the project at Ellison Onizuka International Airport. This project will create substantial employment and training opportunities for local Hawaiian residents, and it stands to be the largest private GA project in the history of the State. It will complement the current upgrades and new facilities currently under construction on the Big Island, and serve as a world class aviation hub for visitors who continue to travel to Kona year over year.

Sincerely, Matthew Clayton

LATE

SB-2331-SD-1

Submitted on: 2/26/2020 5:59:27 AM

Testimony for WAM on 2/26/2020 1:40:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Adam Wickstead	Individual	Support	No

Comments:

Worthy pursuit to create opportunity for the state , and boost for the local economy. Job creation, foundation to attract International investment (new air carriers).

Progress and exceptional use of the land!