

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
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 CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON TRANSPORTATION
ON
SENATE BILL NO. 2331

January 29, 2020
1:00 P.M.
Room 225

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

The Department offers the following comments on Senate Bill No. 2331 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist the Keahole FBO I LLC, a Hawaii corporation, 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>.

Thank you for your consideration of our comments.

KEAHOLE FBO I LLC

THE HONORABLE LORRAINE INOUE, CHAIR
AND COMMITTEE MEMBERS
COMMITTEE ON TRANSPORTATION
30TH HAWAI'I STATE LEGISLATURE
REGULAR SESSION 2020
STATE OF HAWAI'I

January 29, 2020

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

Dear Chair Inouye and Members of the Committee on Transportation,

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

SB 2331 authorizes the issuance of special purpose revenue bonds 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. Thank you for this opportunity to testify.

KEAHOLE FBO I LLC



David Johnston
Authorized Signatory

LATE

SB-2331

Submitted on: 1/29/2020 8:50:35 AM

Testimony for TRS on 1/29/2020 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Leslie Isemoto	Testifying for Isemoto Contracting Co., Ltd.	Support	No

Comments: