

kaunalewa

Senate Committee on Ways and Means
Senate Committee on Water and Land
Date: March 24, 2021

RE: HB 119, HD1, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST KAUNALEWA.

Aloha Chair Inouye, Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Committee.

We, the people of Kaunalewa and Kekaha, stand together to **SUPPORT HB 119, HD1**, to obtain, remediate, and develop the old Kekaha Sugar Mill from Kekaha MS, LLC Kekaha, Kauai, Hawaii.

When Kekaha Sugar Mill was in operation, residents earned wages and benefits to sustain a simple lifestyle. In the early '80's global volatility in sugar pricing and increased competition weakened federal policies that protected Kekaha's sugar economy. After Hurricanes Iwa and Iniki upended the sugar industry, widespread displacement and a shortage of opportunity hit an all-time high for our little town. The Mill shut its doors in 2000, and Kekaha became destitute. Then tourism declined, and Kekaha slipped into a deeper slump. Those were the difficult years. Without the social support provided by the close-knit community of the plantation camps and surrounding neighborhoods, families fended for themselves and succumbed to poverty.

The people left behind yearned for the promise of a better life but were required to change their way of life. Drug and alcohol addiction, domestic violence, suicide, starvation, youth pregnancy, and homelessness moved in as long-time residents moved away or became ill. Health issues such as diabetes, cancer, dementia became prevalent, with lives cut short. Age-old dreams of opportunity quickly dissipated while hopelessness and anger grew. The good old days of the camp remained buried beneath that pain and suffering.

For the children of Kekaha, descendants of the Native Hawaiian people and immigrants, the Mill is a reminder of the inequalities left behind for them to contend with. Behind torn-up fencing are overgrown weeds, broken-down buildings, and a long list of environmental hazards that cast a long shadow on everyday existence.

The abandoned Mill represents our children's mindset, who suffer significantly from the adverse effects of negative childhood experiences and toxic stress. In these children's eyes, the Mill and their hometown is a wasteland, neglected and run-down. They live with past and present disparities that run wide and deep and with the uncertainty of their future. Our decisions today will decide the pathways for Kekaha's children. They fall behind and become destitute and homeless or grow to be astute young men and women.

Kaunalewa with the County of Kauai-Office of Economic Development, and community partners: Hawaii Department of Health, Kekaha Credit Union, Kanaka School, Hui O Laka, E Ola Mau Na Leo O Kekaha, and EAH Housing applied for the US EPA Brownfield Community-Wide Assessment Grant (October 2020) to assist with the assessment, cleanup, and identification of other actions necessary to return the Mill to productive use for the Kekaha community. The Mill, which stands in the center of Kekaha town, is considered a Brownfield and listed as a Superfund site by the Environmental Protection Agency ("EPA").

In its current state and continued deterioration, the Mill and its environmental liabilities complicates redevelopment. The Mill's clean-up costs for remediation, abatement, and development exceeds its current market value and is a community disinvestment. **HB 119, HD1** and the EPA grant will help the community understand and assess both the documented and undocumented environmental liabilities of the Mill and help generate value.

Kaunalewa's continued actions will help facilitate a vision and action plan that aligns with the West Kauai Community Plan (WKCP), passed and signed into law by Mayor Derek Kawakami in December 2020. Key priorities of the WKCP, decided by Kekaha residents, include developing the Mill site and transforming the area as a hub for small businesses and cultural activities. These initiatives and **HB 119, HD1** will help Kekaha evolve into an economically vibrant town that serves its residents and the greater Kauai community.

This testimony raises hope and support for our children, our elderly, our young adults, and the families of Kekaha. **HB 119, HD1** presents an opportunity for Kekaha's economic revival and quality of life for our residents. Kaunalewa's mission is to uplift Kekaha through economic progress, environmental restoration, and community revitalization. Our efforts will serve as a landmark of hope and public benefit as well as a catalyst for Kekaha's prosperity. Together, we will honor the cultures and identities tied to West Kauai and acknowledge the Native Hawaiian people whose land we are on. The work ahead for everyone involved is "Makana Mau," a gift that continues in perpetuity for Kekaha.

For these reasons, we kindly request you **PASS HB 119, HD1**. Mahalo for the opportunity to testify.

Mayrose Munar, President Kaunalewa

Wayne "Buddy" Ayudan

Christine Faye

Jodie Dela Cruz

Adela Ochinang & Anthony Vea

John and Chelsie Ruiz

Richard Wallis

Filamor Doronio

Kaulana Mossman

Richard Keao Smith

Cherie Balisacan

Matias Jr & Jailanee Munar

Erika & Joshua Burton

Rhealene Palicte

Jacqueline Matsumura

Angie Castro

Carlina Tumbaga Vea

Anthony Kauahi

Lola Cruz

Tia Koerte

Fred and Julie Patricio

Timotea Munar

Kanani Schnider

Catherine Nyberg

Anna Badouin

Ursuline Munar

Edwin Vea

Ben Owen

Owen and Myrna Tango

Dion Dekkar

Kamuela Chandler

SHantel Santiago

Noel Patricio
Allan Smith
Dominic Acain
Rick Yamada-Lapides
Lynda Marty
Eunice Racpan
Bailey Pratt
Brayden Iwami
Anna Baudoin
Susan Carlson
Julie Kauakahi
LaVerne Soto
Heidi Alvarez
Richard Jarke
Sonya Cabacungan
Amanda Newall
Darlene and Alfred Sarmiento
Makai Mycynek
Kurt Neswald
Phoenix Zeide Opal
Gerry & Dee Feller
Betsi Salerno

Keala Yorkman
Jennifer Guy
Ryan Fanene
"Blondy" O'Laughlin
Steven Franco
Kendall Koetje
Ki Wilson
Pamela Garcia Neveu
Juan Garcia Neveu
Glenn Mossman
Shamelle Renti Cruz
Alanna Bauman
Chad Machado
Lisa Davalos
Ricardo Davalos
Chrissy Schechter
John Wilson
Mike, Jacob, Marlene Matutino
Mike and Debra Carr
Julius and Carmen Nordmeier

KEKAHA HAWAIIAN HOMESTEAD ASSOCIATION

Kekaha Hawaiian Homestead Association is a non-profit 501(c) 3 corporation formed under laws of the State of Hawai'i.
PO Box 1292 Kekaha, HI 96752 www.KekahaHomelands.org POFIP Chairperson (808) 635-3558



March 23, 2021

Dear Chair and members of the committee,

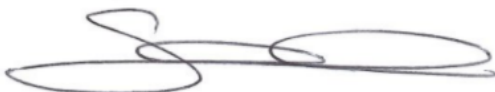
I am writing to express my support for **HB 119, HD 1**, Relating to Special Purpose Revenue Bonds To Assist Kaunalewa and the greater Kekaha Community.

The Pu'u Opae Farm and Irrigation Project (POFIP) lands is located in two ahupua'a' - Opelue and Kaawaloa - in the moku of Mana. It consists of 231 acres of agriculture fields owned by the State of Hawaii, managed by the Department of Hawaiian Home Lands and run by the Kekaha Hawaiian Homestead Association. Food production is a key element of this project, aimed at helping the island achieve food security and food self-sufficiency using traditional Hawaiian agriculture methods and the skill base of the Hawaiian people. (2014 KHHA Master POFIP).

The Pu'u Opae Farm and Irrigation Project creates a cultural pu'u honua (a place of refuge) where Hawaiian youth reconnect with the land and water, and plant, manage, harvest, and distribute fresh healthy produce. Reinforcing the Hawaiian way of life and cultural relevance to grow, cook and distribute healthy foods.

The Kekaha Hawaiian Homestead Association has begun this calendar year with renewed energy on the West side with a partnership with Kaunalewa. To support community and cultural programs and the restoration of Kekaha. **HB 119 HD 1** provides a mechanism to accelerate this process. I urge you to move forward with this bill in order to add to the momentum.

Mahalo,



Sean Andrade
KHHA POFIP Committee Chair
Puu Opae Farm Irrigation Plan
sean.andrade@ferguson.com
(808) 635-3558

COUNTY COUNCIL

Arryl Kaneshiro, Chair
Mason K. Chock, Vice Chair
Bernard P. Carvalho, Jr.
Felicia Cowden
Bill DeCosta
Luke A. Evslin
KipuKai Kualii



OFFICE OF THE COUNTY CLERK

Jade K. Fountain-Tanigawa, County Clerk
Scott K. Sato, Deputy County Clerk

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Council Services Division
4396 Rice Street, Suite 209
Lihue, Kauai, Hawaii 96766

March 18, 2021

To Whom It May Concern:

**RE: LETTER OF SUPPORT FOR EFFORTS OF THE KEKAHA
COMMUNITY AND KAUNALEWA IN RESTORING AND
REVITALIZING THE KEKAHA SUGAR MILL PROPERTY**

I am writing in my capacity as an individual member of the Kauai County Council to express my support for the subject-referenced community and nonprofit project.

Kaunalewa's vision for remediation and restoration of the Old Kekaha Sugar Mill is a much-needed and culturally-sensitive approach that the residents of West Kauai deserve. As a Native Hawaiian elected official, it is particularly moving to me that the number of Native Hawaiians/Pacific Islanders (NHPI) who call Kekaha home is more than three times the state average. Never ones to ask for anything or expect a handout, the humble people of the Kekaha community have long hosted the abandoned structures that conjure memories of a once-sustaining career. Today, thanks to the formation and diligent efforts of Kaunalewa, a tangible opportunity exists for the losses of the past to be transformed into a vibrant center for economic revitalization and gathering place for community pride and culture.

Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

KIPUKAI KUALII
Councilmember, Kauai County Council

JA:dmc

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 WATER AND LAND
ON
HOUSE BILL NO. 119, H.D. 1

March 24, 2021
1:00 P.M.
Via Videoconference

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST KAUNALEWA

The Department of Budget and Finance offers the following comments on House Bill No. 119, H.D. 1, which amends Act 43, SLH 2019, to replace "E Ola Mau Na Leo O Kekaha" with "Kaunalewa", a Hawaii domestic 501(c)(3) entity, as the entity authorized to receive assistance from the issuance of Special Purpose Revenue Bonds to finance the acquisition, remediation, and development of the old Kekaha Sugar Mill in Kekaha, Kauai, Hawaii 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.

COUNTY COUNCIL

Arryl Kaneshiro, Chair
Mason K. Chock, Vice Chair
Bernard P. Carvalho, Jr.
Felicia Cowden
Bill DeCosta
Luke A. Evslin
KipuKai Kualii



OFFICE OF THE COUNTY CLERK

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Lihu'e, Kaua'i, Hawai'i 96766

March 23, 2021

**TESTIMONY OF KIPUKAI KUALII,
COUNCILMEMBER, KAUA'I COUNTY COUNCIL
ON
HB 119, HD 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST KAUNALEWA
Senate Committee on Water and Land
Wednesday, March 24, 2021
1:00 p.m.
Conference Room 229**

Dear Chair Inouye and Members of the Committee:

Thank you for this opportunity to provide support in favor of HB 119, HD 1, Relating to Special Purpose Revenue Bonds To Assist Kaunalewa. My testimony is submitted in my individual capacity as a Member of the Kaua'i County Council.

Kaunalewa's vision for remediation and restoration of the Old Kekaha Sugar Mill is a much-needed and culturally-sensitive approach that the residents of West Kaua'i deserve. It is crucial to keep in mind that the number of Native Hawaiians/Pacific Islanders (NHPI) who call Kekaha home is more than three times the state average. Never ones to ask for anything or expect a handout, the humble people of the Kekaha community have long hosted the abandoned structures that conjure memories of a once-sustaining career. Today, thanks to the formation and diligent efforts of Kaunalewa, a tangible opportunity exists for the losses of the past to be transformed into a vibrant center for economic revitalization and gathering place for community pride and culture.

Thank you again for this opportunity to provide testimony. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via E-mail to cokcouncil@kauai.gov.

Sincerely,

KIPUKAI KUALII
Councilmember, Kaua'i County Council

JA:ks

COUNTY COUNCIL

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March 23, 2021

TESTIMONY OF LUKE A. EVSLIN,
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
HB 119, HD 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST KAUNALEWA
Senate Committee on Water and Land
Wednesday, March 24, 2021
1:00 p.m.
Conference Room 229

Dear Chair Inouye and Members of the Committee:

Thank you for this opportunity to provide support in favor of HB 119, HD 1, Relating to Special Purpose Revenue Bonds To Assist Kaunalewa. My testimony is submitted in my individual capacity as a Member of the Kaua'i County Council.

During my years serving on the Kaua'i County Council, some of the community and development projects that have most excited me have been those that breathe new life into areas of dormant potential. I can think of few greater examples of such a project than the property of the former Kekaha Sugar Mill. With the recent passage of the West Kaua'i Community Plan, the residents of Kekaha have directly expressed their desire for the mill to be not only decontaminated but also retained as the landmark it is and rehabilitated into a productive new use to be determined through a collaborative master plan process. These wheels are already in motion—which has been demonstrated by efforts to obtain funding for the environmental cleanup and revitalization of the site.

The fact that the nonprofit Kaunalewa promises the people of Kekaha that the organization was “created to revitalize our beloved town” inspires me that the group's many dedicated team members are truly focused on the community's best interests. I look forward to seeing what can be achieved should they be given the opportunity to bring the Kekaha Mill revitalization vision to reality.

Thank you again for this opportunity to provide testimony. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via E-mail to cokcouncil@kauai.gov.

Sincerely,

LUKE A. EVSLIN
Councilmember, Kaua'i County Council

JA:jy

COUNTY COUNCIL

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March 23, 2021

**TESTIMONY OF MASON K. CHOCK,
COUNCIL VICE CHAIR, KAUAI COUNTY COUNCIL
ON**

**HB 119, HD 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST KAUNALEWA**

Senate Committee on Water and Land
Wednesday, March 24, 2021
1:00 p.m.
Conference Room 229

Dear Chair Inouye and Members of the Committee:

Thank you for this opportunity to provide support in favor of HB 119, HD 1, Relating to Special Purpose Revenue Bonds To Assist Kaunalewa. My testimony is submitted in my individual capacity as a Member of the Kaua'i County Council.

The community of West Kaua'i has spent many years carefully considering how best to proceed regarding the old Kehaha Mill. The recently-approved West Kaua'i Community Plan asserts the community desire to "revitalize the mill site to provide economic activity and be a node of community activity." Specific examples of the community vision include: "support community-based master planning for the Kekaha Mill properties" and "preserve the smokestack as an iconic structure and where feasible rehabilitate mill structures in order to preserve the character of the Mill." The community also hopes to "consider use of Kekaha Mill for the production and sales of locally grown produce and value-added products." The Community Plan further speaks of the Kekaha Mill Site, saying "once improved, it is envisioned to revitalize the town core."

I look forward to the innovation being pursued by Kaunalewa. I thank you for consideration of your assistance in bringing much-deserved, long-awaited, and attainable hope for productive, revitalized use of their town core for the close-knit Kekaha community.

Thank you again for this opportunity to provide testimony. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via E-mail to cokcouncil@kauai.gov.

Sincerely,

MASON K. CHOCK
Council Vice Chair, Kaua'i County Council

JA:mn

COUNTY COUNCIL

Arryl Kaneshiro, Chair
Mason K. Chock, Vice Chair
Bernard P. Carvalho, Jr.
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March 23, 2021

**TESTIMONY OF BERNARD P. CARVALHO, JR.,
COUNCILMEMBER, KAUA'I COUNTY COUNCIL**

ON

**HB 119, HD 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST KAUNALEWA**

Senate Committee on Water and Land

Wednesday, March 24, 2021

1:00 p.m.

Conference Room 229

Dear Chair Inouye and Members of the Committee:

Thank you for this opportunity to provide support in favor of HB 119, HD 1, Relating to Special Purpose Revenue Bonds To Assist Kaunalewa. My testimony is submitted in my individual capacity as a Member of the Kaua'i County Council.

As a lifelong resident and former Mayor for the County of Kaua'i, the vision for Kekaha Mill that has been set forth by Kaunalewa is a source of great joy for me. Many times, our West Kaua'i community is overlooked as being the location for innovation and revitalization. The humble, hardworking people of Kekaha and its neighboring towns are always the ones to put the interests of others first. Now is the time for special attention to be directed toward the people of Kekaha. The goals that Kaunalewa seeks to achieve pursuant to their acquisition of the former Kekaha Mill site—with focus on uplifting Kekaha toward a new future while remaining rooted in Hawaiian culture—are precise values that the people of Kekaha deserve.

It is my sincere hope that the leadership provided by Kaunalewa will transform the Kekaha Mill site from its current state of serving as a potential source of pollution, urban blight, and unsupervised opportunity for criminal activity, to a renewed community destination sensitive to its unique history and sense of place.

Thank you again for this opportunity to provide testimony. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via E-mail to cokcouncil@kauai.gov.

Sincerely,

BERNARD P. CARVALHO, JR.
Councilmember, Kaua'i County Council

JA:lc

DEPARTMENT OF PLANNING

KA'ĀINA HULL, DIRECTOR

JODI A. HIGUCHI SAYEGUSA, DEPUTY DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
MICHAEL A. DAHLIG, MANAGING DIRECTOR

Testimony of County of Kaua'i, Department of Planning Ka'āina Hull, Director of Planning

LATE

Before the
Senate Committee on Water and Land

March 24, 2021 at 1:00 PM
Conference Room 229

In consideration of
HOUSE BILL 119

Relating to the issuance of special purpose revenue bonds to assist Kaunalewa

To the Honorable Chair Lorraine R. Inouye, Vice Chair Gilbert S.C. Keith-Agaran, and members of the Committee:

The County of Kaua'i Planning Department **SUPPORTS** HB 119. Our County of Kaua'i recently updated the West Kaua'i Community Plan. In the Plan, the Kekaha Mill site is recognized as an integral component of Kekaha's built environment, and its revitalization is identified as a community priority. In particular, the Plan supports transformative change in the area and treats the Mill as a significant opportunity for reuse. The West Kaua'i Community Plan also supports community-based master planning for this site and its associated properties.

Kaunalewa's mission to remediate, pursue community-based approaches, and restore and activate the Kekaha Mill is in direct alignment with the West Kauai Community plan and its policies for the site. Providing Special Purpose Revenue Bonds to assist in Kaunalewa's efforts will provide much needed resources to a community-based organization in its efforts to remediate this invaluable resource and revitalize this historic region of Kaua'i.

The County of Kaua'i greatly appreciates your consideration of this Bill.

OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHILIG, MANAGING DIRECTOR



LATE

Testimony of

Michael A. Dahilig

Managing Director, County of Kaua'i

Before the

Senate Committee on Water and Land

Wednesday, March 24, 2021 at 1:00 p.m.

Via Videoconference

In consideration of

House Bill 119 HD1

Relating to the Issuance of Special Purpose Revenue Bonds to Assist Kaunalewa

Honorable Chair Inouye, Vice Chair Keith-Agaran, and Members of the Committee:

The County of Kaua'i **SUPPORTS** HB119 HD1 which replaces E Ola Mau Na Leo O Kekaha with Kaunalewa as the entity authorized to receive special purpose revenue bonds issued to assist with the acquisition, remediation, and development of the old Kekaha Sugar Mill in Kekaha, Kaua'i.

The recently updated West Kaua'i Community Plan recognizes the revitalization of the Mill as a priority. Brownfield remediation for environmental restoration is the first step in the process of rejuvenating the economic prosperity and community vitality. The establishment of a supply chain facilities marketplace, workforce development, a visitor and cultural center, and a hub for product creation and incubation will help drive the economic diversity in this region which has significantly faltered since the end of the sugar industry.

Transferring the special purpose revenue bonds to Kaunalewa, a Hawai'i domestic 501 (c)(3) entity, will allow the continuation of this project in revitalizing and developing the Kekaha Sugar Mill.

Thank you for the opportunity to testify in support on this measure.