

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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 HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO.1297, S.D. 1

April 1, 2022
1:30 P.M.
Room 308 and Videoconference

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUIGROWN COFFEE, INC.

The Department of Budget and Finance (the "Department") offers the following comments on Senate Bill No. 1297, S.D. 1, which extends the authorization to issue Special Purpose Revenue Bonds (SPRB) to assist MauiGrown Coffee, Inc., a Hawaii corporation, to expand operation of its coffee farm and mill pursuant to Act 116, Session Laws of Hawaii 2017.

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. Additionally, the Department would like to note that House Bill No. 1829, H.D. 2, S.D. 1 and Senate Bill No. 2812 S.D. 2, H.D. 1 specifies that no SPRBs requiring an allocation of annual state ceiling under Section 39B-2 Hawaii Revised Statutes, shall be authorized after June 30, 2022 and before December 31, 2028, unless requested by the Governor and approved by the Legislature. To permit the issuance of SPRBs authorized during this

session, may we suggest an effective date of June 29, 2022 for Senate Bill No. 1297, S.D. 1. 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.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE
BEFORE THE HOUSE COMMITTEE ON FINANCE**

**APRIL 1, 2022
1:30 P.M.
VIA VIDEOCONFERENCE**

**SENATE BILL NO. 1297 SD1
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUIGROWN COFFEE, INC.**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 1297 SD1. This bill extends the authorization to issue special purpose revenue bonds to assist MauiGrown Coffee, Inc., with the operation and expansion of its farm and mill. The Department supports this bill.

The department recognizes MauiGrown Inc. as a successful coffee operation, producing quality Maui-grown coffee for consumers. With the threat of the Coffee Berry Borer and recently Coffee Leaf Rust plaguing the coffee industry, this bill will also help MauiGrown to incorporate best management practices to help protect their valuable crop.

Thank you again for the opportunity to testify on this measure.





MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
FRIDAY, APRIL 1, 2022 AT 1:30 P.M.

To The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair
Members of the committee on Finance

**SUPPORT SB1297 SD1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE
BONDS TO ASSIST MAUIGROWN COFFEE, INC.**

The Maui Chamber of Commerce **supports SB1297 SD1** which extends the authorization to issue special purpose revenue bonds to assist MauiGrown Coffee, Inc., with the operation and expansion of its farm and mill.

Agriculture and the manufacturing of value-added products are assets to economic diversification and we work to assist them through our Made in Maui trade council and Made in Maui County Festival. We support this bill to help continue the building and growth of the coffee industry in Maui County.

For these reasons we **support SB1297 SD1**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



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April 1, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 1297, SD1
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUIGROWN COFFEE, INC.

Room 308 & Videoconference
1:30 PM

Aloha Chair Luke, Vice-Chair Yamashita, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports SB 1297, SD1, which extends the authorization to issue of SPRBs to assist MauiGrown Coffee, Inc. with the operation and expansion of its farm and mill.

Coffees grown by Maui Grown Coffee Inc. on former Pioneer Mill sugarcane lands have become established and varieties such as their Mokka have become well known for their quality. MauiGrown Coffee Inc. has demonstrated their capacity to grow and expand a business and have a model that is now ready to be transferred to the lands in Central Maui. This operation will provide a basis for other value-added products and is a good example of agriculture acting as an economic engine to grow Hawai'i's economy.

For these reasons, HFB respectfully requests your support for the extension of the authorization to issue SPRBs to assist Maui Grown Coffee Inc.

Thank you for the opportunity to provide testimony on this measure.



Hawaii Coffee Association
PO Box 168, Kealahou, HI 96750

COMMITTEE ON FINANCE

April 1, 2022

RE: Testimony in Support for SB1297 SD1

Aloha Chair Luke, Vice Chair Yamashita and members of the Committee,

I am Chris Manfredi, Executive Director of Hawaii Coffee Association (HCA) testifying in support of SB1297 SD1

SB1297 SD1 extends funding appropriated in the 2017 Legislature's ACT 116. This project was stalled due to complications from COVID.

Please lend your support to one of the most innovative and respected among Hawaii's coffee producers.

This investment in agriculture will pay dividends to the citizens of Maui in the years and decades to come.

Please pass this measure.

Thank you for the opportunity to testify and for your support for Hawaii's coffee.



Testimony for SB-1297 SD-1, House Finance Committee 1:30 pm 4/01/2021

Aloha Chair Luke, Vice-Chair Yamashita, and members of the House Finance Committee

My name is Kimo Falconer, President of MauiGrown Coffee, Inc. We are a 400-acre coffee farm located at Ka'anapali at West Maui. In 2017, we were successful in passing HB1230 as Act 116, in an effort to secure Special Purpose Revenue Bond (SPRB) funding for an expansion of our coffee operation. As Act 116 (2017) currently expires in June of 2022, SB-1297 SD-1 (2021) is intended to extend Act 116.

At the time, Act 116 was the only SPRB funding vehicle designated for Agriculture to make it through and signed by Governor Ige. To that end, Act 116 is the only Agricultural SPRB awaiting review through the Finance Administration Division (FAD) so that we may be appointed a Bond counsel and then move further to the banking institutions.

It is a rather slow process that includes securing numerous commitments and agreements, that eventually get summarized in a working business plan to move forward. By the time we were ready to approach FAD with the next step proposal, the State was turned on its' head with COVID. Now all of those commitments are in need of revision, as the RFP process for vendors has changed as those bidding entities reevaluate their own abilities to submit workable proposals. We remain in a holding pattern at least until our potential vendors become comfortable enough to give us solid commitments.

Therefore, I humbly ask for your support in allowing us the necessary extension to this SPRB bill by approving SB-1297 SD-1 and give us the extension to the year 2027.

Mahalo for the opportunity to testify.

SB-1297-SD-1

Submitted on: 3/31/2022 12:43:01 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
J Ashman	Individual	Support	Written Testimony Only

Comments:

I support this measure.