

**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 SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT**

**FEBRUARY 10, 2022  
1:30 P.M.  
VIA VIDEOCONFERENCE**

**SENATE BILL NO. 2357  
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST MAUIGROWN COFFEE, INC.**

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2357. 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.





**Testimony for SB-2357, Senate AEN Committee 1:30 pm 2/11/2022**

Aloha, Chair Gabbard and Vice-Chair Nishihara and members of the Senate Agriculture and Environment 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 HB-1230 as Act 116, in an effort to secure Special Purpose Revenue Bond (SPRB) funding an expansion of Maui coffee operations. This expansion includes building a milling facility to meet the needs of the Maui Coffee Growing industry. It will meet the public interest as a Hawaii Brand builder and further diversifying Maui's productivity. As Act 116 (2017) currently expires in June 30 of this year, SB-2357 (2022) 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 and all of its functioning departments were met with the new demands of COVID. Now all of those commitments need to be revised as each and every vendor providing bids is reevaluating their own business structure. 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-2357 and give us the extension to the year 2027.

Mahalo for the opportunity to testify.





Hawaii Coffee Association  
PO Box 168, Kealahou, HI 96750

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT  
February 11, 2022

**RE: Testimony in Support for SB2357**

Aloha Chair Gabbard, Vice Chair Nishihara and Senators,

I am Chris Manfredi, Executive Director of Hawaii Coffee Association (HCA) testifying in support of SB2357.

SB 2357 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.

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**  
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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 AGRICULTURE AND ENVIRONMENT  
ON  
SENATE BILL NO. 2357

**February 11, 2022**

**1:30 P.M.**

**Via 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. 2357 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 Senate Bill No. 2812 and House Bill No. 2019 specifies that the State's allocation of the bond ceiling cap and all returned bond ceiling cap from the counties, shall be entirely used for housing related projects. Should the legislation be approved, all SPRBs subject to the bond ceiling cap will be prohibited from issuance by the Department for the next five years. Furthermore, House Bill

No. 1829 specifies that the entire allocation of the state bond ceiling cap shall be used for housing related projects. Should the legislation be approved all SPRBs subject to the bond ceiling cap will be prohibited from issuance by the Department and counties for the next five years. 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.



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FEBRUARY 11, 2022

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**TESTIMONY ON SB 2357**  
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST MAUIGROWN COFFEE, INC.

Conference Room 224 & Videoconference  
1:30 PM

Aloha Chair Gabbard, Vice-Chair Nishihara, and Members of the Committee:

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

**The Hawaii Farm Bureau supports SB 2357**, 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 Hawaii'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.

**SB-2357**

Submitted on: 2/10/2022 3:34:56 PM

Testimony for AEN on 2/11/2022 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Hugh Starr	Testifying for Momona Farm	Support	No

Comments:

Momona Farm is in support of SB 2357 as presently drafted.

thank you, Hugh Starr