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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. 579

February 5, 2021  
1:00 P.M.  
Via Videoconference

RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST HOUSE OF  
ALOHA ENTERPRISES LLC.

The Department of Budget and Finance offers the following comments on Senate Bill No. 579 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist the House of Aloha Enterprises LLC, a Hawaii limited liability company, with the planning, designing, constructing, and equipping facilities for the manufacturing, processing, and distribution of products such as, but not limited to, the production of value-added agricultural, advanced materials, sustainable, and fine art products pursuant to Part IV, 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.

# MASON INDUSTREIS, LLC

**THE HONORABLE MIKE GABBARD, CHAIR  
THE HONORABLE CLARENCE K. NISHIHARA, VICE CHAIR  
AND COMMITTEE MEMBERS  
SENATE COMMITTEE ON AGRICULTURE and ENVIRONMENT**

**31st Hawaii State Legislature  
Regular Session of 2021  
State of Hawai`i**

February 05, 2021

**RE: S.B. 579; RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS  
TO ASSIST HOUSE OF ALOHA ENTERPRISES LLC**

Chair Mike Gabbard, Vice Chair Clarence K. Nishihara, and members of the Senate Committee on Ways and Means, on behalf of MASON INDUSTRIES LLC, I submit the following testimony in **support** of Senate Bill 256 regarding HOUSE OF ALOHA ENTERPRISES LLC.

Senate Bill 579 authorizes the issuance of special purpose revenue bonds to assist HOUSE OF ALOHA ENTERPRISES LLC with planning, designing, constructing, and equipping facilities for the manufacturing and processing of products. Specifically, we are planning to build facility and expand existing facilities in State of Hawaii and intend to process value-added agricultural products from Hawaii to play a role in providing niche and high value products for not just our State, but overseas in North America, Asia, and Europe, which in turn will bring in revenue for the State of Hawaii. The facilities will provide automated packaging and bottling, and coordinate shipping and logistics. Clients of the facilities will be farmers, value-added agriculture producers, and entrepreneurs for more middle class jobs and help Hawaii's overall economy to be more self-sustainable.

HOUSE OF ALOHA ENTERPRISES will generate revenue, taxes, fees, lease and rents in the State of Hawaii by opening a Retail outlet at the Haleiwa Town Center. The project will generate jobs in areas such as but not limited to, construction, law, finance, food and beverage, accounting, engineering, landscaping, maintenance, and energy. Further, the development and operations will generate multi millions of dollars in revenue for the State of Hawaii through taxes, fees, and the lease at the Free Trade Zone.

In addition House Of Aloha Enterprises will generate substantial economic growth for the State with increased revenue through the creation of more jobs and this development and operations will generate multi-millions of dollars in revenue for the State of Hawaii. This special purpose revenue bond will definitely help with economic development, specifically for other businesses in the area as well.

For the reasons stated above, MASON INDUSTRIES, LLC **supports** House Bill 689. Thank you for the opportunity to testify on this matter.

Respectfully Submitted,

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Authorized Signatory

# HOUSE OF ALOHA ENTERPRISES, LLC

**THE HONORABLE MIKE GABBARD, CHAIR  
THE HONORABLE CLARENCE K. NISHIHARA, VICE CHAIR  
AND COMMITTEE MEMBERS  
SENATE COMMITTEE ON AGRICULTURE and ENVIRONMENT**

**31st Hawaii State Legislature  
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February 5, 2021

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For the reasons stated above, HOUSE OF ALOHA ENTERPRISES LLC **supports** House Bill 689. Thank you for the opportunity to testify on this matter.

Respectfully Submitted,

  
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Melvin G. Mason Jr. Member

Both Hawaii Master Food Preservers and Hawaii Tropical Fruit Growers are in support of SB579. This bond will be assist growers and value-added product producers to manufacture and prepare safe products from locally grown produce and bring them to market.