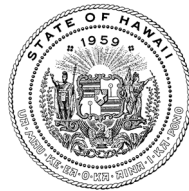


JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
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
Ka 'Oihana Mālama Mo'ohelu a Kāla
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

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
ON
SENATE BILL NO. 1457

**February 6, 2023
1:00 P.M.
Room 224 and Videoconference**

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC.

The Department of Budget and Finance offers the following comments on Senate Bill No. 1457 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Kohala Mountain Fish Company, LLC, a Hawaii domestic limited liability company, for the establishment of The Village project, a diversified agricultural park and processing facility on Hawaii island to produce, package, cook, and freeze products year round for both local consumption and value added export pursuant to Part X, 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. Additionally, the Department would like to note that Act 182, SLH 2022 states "unless requested by the governor and approved by the legislature, no special purpose revenue bonds 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". A Governor's Message will be required to permit the authorization during this session for the issuance of SPRBs that require an allocation of annual state ceiling under section 39B-2, Hawaii Revised Statutes. 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.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:

S.B. NO. 1457, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC.

BEFORE THE:

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

DATE: Monday, February 6, 2023 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Room 224

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Randall S. Nishiyama, Deputy Attorney General

Chair Gabbard and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill authorizes the issuance of \$100,000,000 in special purpose revenue bonds (SPRBs) pursuant to part X, Assisting Agriculture Enterprises, chapter 39A, Hawaii Revised Statutes, to assist the Kohala Mountain Fish Company, LLC, for the establishment of a diversified agricultural park and processing facility on Hawaii island .

Under the Internal Revenue Code of 1986, the proposed SPRBs require an allocation of the State's annual ceiling for tax-exempt private activity bonds.

We note that section 4 of Act 182, Session Laws of Hawaii 2022, provides that, "[u]nless requested by the governor and approved by the legislature, no special purpose revenue bonds requiring an allocation of the annual state ceiling [of private activity bonds] under section 39B-2, Hawaii Revised Statutes, shall be authorized after June 30, 2022 and before December 31, 2028."

Consequently, a Governor's Message will be required to permit the authorization of this bill by the Legislature.

We respectfully ask the Committee to consider our comments.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
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**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON
AGRICULTURE AND ENVIRONMENT**

**MONDAY, FEBRUARY 6, 2023
1:00PM
CONFERENCE ROOM 224 &
VIDEOCONFERENCE**

**SENATE BILL NO. 1457
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC**

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 1457. This bill authorizes the issuance of special purpose revenue bonds to Kohala Mountain Fish Company, LLC, for the establishment of The Village Project, a diversified agricultural park and processing facility on Hawaii Island to produce, package, cook and freeze products year-round for both local consumption and value-added export. The Hawaii Department of Agriculture (HDOA) supports the intent of this measure provided it does not impact the priorities set in the Governor's executive biennium budget.

The department supports bona fide attempts to grow agriculture in the state. The authorization of special purpose revenue bonds will allow the development of new infrastructure with minimal impact to the State's finances. The company proposes new and exciting products that would positively help the State move toward better food security.

Thank you for the opportunity to testify on this measure.





Email: communications@ulupono.com

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT
Monday, February 6, 2023 — 1:00 p.m.

Ulupono Initiative supports SB 1457, Relating to the Issuance of Special Purpose Revenue Bonds to Assist Kohala Mountain Fish Company, LLC, for the Establishment of The Village Project.

Dear Chair Gabbard and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports SB 652, which Authorizes the issuance of special purpose revenue bonds to assist Kohala Mountain Fish Company, LLC, for the establishment of The Village project.

Ulupono supports the State's goal to increase local food production, which includes expanding opportunities for local producers to become economically viable. The Village project will seek to provide local farmers with resources for hands-on education and training, processing and packaging, distribution, and workforce housing. By providing this support, the Village will directly address some of the most pressing issues facing Hawai'i agriculturalists.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i

Committee on Agriculture and Environment
Senator Mike Gabbard, Chair
Senator Herbert M. “Tim” Richards, III, Vice Chair

SB 1457

Relating to the Issuance of the Special Purpose Revenue Bonds to Assist Kohala Mountain Fish Company, LLC

Monday, February 6, 2023, 1:00 PM
Conference Room 224

Aloha Chair Gabbard, Vice Chair Richards, and Members of the Committee,

My name is Scott Enright and I stand in strong support of this measure, SB 1457. I have worked with Bob Endreson and his Kohala Mountain Fish Company with the development of the agricultural initiatives that form “The Village” project. Mr. Endreson and Kohala Mountain Fish Company have a proven record of success with the State’s largest tilapia aquaculture operation and with the Department of Defense contracts to purchase their output. “The Village” concept will build on this success and with the incorporation of the latest proven technology’s in precision agriculture will develop the type of enterprises that will move Hawaii’s agricultural sector into the future and thus contribute to the State’s agricultural security initiatives.

Again, I strongly support SB 1457 and encourage the Committee to move this measure forward.

Sincerely,



Scott Enright

SB-1457

Submitted on: 2/5/2023 11:04:48 AM

Testimony for AEN on 2/6/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
josephine tanimoto	Individual	Oppose	In Person

Comments:

Aloha

I live in Kawaihae on Hawaiian Homelands. One of the issues not mentioned is potable water which we have sought since 1980's from Kohala. How will this Company and this Bill benefit our community.

The bus schedule does not accommodate workers from homelands to Kohala, no job position for those recently retired because of COVID, no public outreach provided to our community.

Please consider opposing this Bill until the residents in the communities along the way to Kohala who are interested but are excluded because of no transparency.