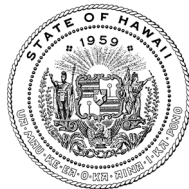


JOSH GREEN, M.D.
GOVERNOR



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 Kālā
P.O. BOX 150
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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 WAYS AND MEANS
ON
SENATE BILL NO. 1223

February 28, 2023
10:00 A.M.
Room 211 and Videoconference

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

The Department of Budget and Finance offers the following comments on Senate Bill No. 1223 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist MauiGrown Coffee, Inc., a Hawaii corporation, to expand the operation of its coffee farm and mill in Puukolii, Maui 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. 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.

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
1428 South King Street
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**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

**TUESDAY, FEBRUARY 28, 2023
10:00 AM
CONFERENCE ROOM 211 &
VIDEOCONFERENCE**

**SENATE BILL NO. 1223
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUIGROWN COFFEE, INC.**

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 1223. This bill reauthorizes and renews the issuance of special purpose revenue bonds to MauiGrown Coffee, Inc., to expand the operation of its coffee farm and mill in Puukolii, Maui. The Hawaii Department of Agriculture (HDOA) supports measure.

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 to expand its operation which would positively help the State move toward better food security.

Thank you for the opportunity to testify on this measure.





Testimony in support of SB-1223, Senate WAM committee 2/28/2023

Aloha, Chair Dela Cruz, Vice-Chair Keith-Agaran and members of the Senate Ways and Means Committee

My name is Kimo Falconer, President of MauiGrown Coffee, Inc. We are a 400-acre coffee farm located in 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 for an expansion of our coffee operation. This new authorization will include building a milling facility to meet the cooperative processing needs of the growing Maui coffee industry, in other words, it will be designed meet the processing needs of All Maui Coffee growers large and small. It will meet the public interest as a Hawaii brand builder and further diversify Maui County's agricultural productivity.

SB-1223 is a request to re-authorize Act 116 for another 5 years. The effort to find bond funding during the original bond period that expired in 2022, was sidelined from the effects of Covid-19. It can take years to set everything up to achieve a successful bond offering.

This endeavor is not an appropriation by the State. It is an authority issued by the Hawaii's Legislature to facilitate loans to improve our community diversity without spending taxpayer money. This project will produce tax revenue back to the State and create multiple levels of job opportunities.

Therefore, I humbly ask for your support by passing SB-1223.

Mahalo for the opportunity to testify.



Hawaii Coffee Association
PO Box 168, Kealahou, HI 96750

SENATE COMMITTEE ON WAYS AND MEANS
February 28, 2023

RE: Testimony in Support for SB1223

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Senators,

I am Chris Manfredi, Executive Director of Hawaii Coffee Association (HCA) testifying in support of SB 1223.

SB 1223 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.



P.O. Box 253, Kunia, Hawai'i 96759
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e-mail info@hfbf.org; www.hfbf.org

February 28, 2023

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 1223
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUIGROWN COFFEE, INC

Conference Room 211 & Videoconference
10:00 AM

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, 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 1223, which authorizes a new issuance of special purpose revenue bonds in the amount of \$30 million, 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 its capacity to grow and expand a business and has 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 a new issuance of the authorization to issue SPRBs to assist Maui Grown Coffee Inc.

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

SB-1223

Submitted on: 2/24/2023 1:57:57 PM

Testimony for WAM on 2/28/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jo Anne J Winer	Individual	Support	Written Testimony Only

Comments:

Dear Chair and Committee Members -

As a resident of West Maui and strong supporter of agriculture, I am hoping that coffee will survive in our community to help the diversification of our workforce. I realize that Maui Grown Coffee will not be able to continue unless the processing and storage facilities are available. If it also helps other coffee ventures here on Maui it will be even more important. Since there is no direct funding coming from the State it will be up to Maui Grown Coffee to do the hard work involved to access funds in order to move forward. Please allow them the opportunity to see if this financing vehicle will help them achieve their goal.