

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

March 17, 2016
8:30 A.M.
CONFERENCE ROOM 312

SENATE BILL NO. 2367
AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR
HAWAII RENEWABLE RESOURCES, LLC

Chairperson Tsuji and Members of the Committee:

Thank for the opportunity to testify on Senate Bill No. 2367 authorizing the issuance of special purpose revenue bonds for Hawaii Renewable Resources, LLC. The bill will provide bond funding for a material reprocessing facility, a closed-loop renewable and sustainable facility, a digester system, processing equipment for food and waste conversion to natural gas, processing equipment for feed development for pig and fish from food waste, production of soil amendment compost, recovery and use of carbon dioxide from renewable natural gas production for use as a plant nutrient, recovery of water for purification and use for farm crop irrigation, and production of solar electricity for facility use and cooling system. The Department supports this bill provided that it does not impact the priorities established in the Department's executive budget.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR



WRITTEN ONLY

WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
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)

**TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON AGRICULTURE
ON
SENATE BILL NO. 2367**

March 17, 2016
8:30 A.M.

**AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR
HAWAII RENEWABLE RESOURCES, LLC**

Senate Bill No. 2367 authorizes the issuance of Special Purpose Revenue Bonds (SPRB) up to \$30,000,000 to assist Hawaii Renewable Resources, LLC with the development of facilities for food crop, animal feed, and renewable non-fossil fuel production on Oahu pursuant to Part V, Chapter 39A, Hawaii Revised Statutes.

The Department is providing comments only to advise the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance will require further discussion and satisfactory credit underwriting review of the financing components with respect to any proposed financing.

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

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON AGRICULTURE

Thursday, March 17, 2016
8:30 a.m.

SENATE BILL NO. 2367
AUTHORIZE THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS
FOR HAWAII RENEWABLE RESOURCES, LLC.

Chair Tsuji and Members of the Committee,

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation ("ADC"). The ADC supports Senate Bill No. 2367 which authorizes the issuance of special purpose revenue bonds for Hawaii Renewable Resources, LLC.

The ADC is an attached agency to the Hawaii Department of Agriculture ("HDOA") tasked with transitioning fallow plantation land into cropland to provide business opportunities for local diversified agriculture operations, and addressing roadblocks that affect today's and tomorrow's agriculture industry through research and development partnerships.

One of the challenges the Hawaii agriculture industry is facing today is the skyrocketing cost of imported feed. The proposed project of Hawaii Renewable Resources seeks to help the State address this bottleneck by developing a

specialized facility on Oahu that converts food waste and green agriculture crop into animal feeds and renewable energy.

In diversified agriculture operations alone, roughly 30 percent of crops grown do not reach the marketplace which means the farmer receives zero revenue for 30 percent of his or her harvest. “Zero waste” and “closed-loop” facilities such as the one in Hawaii Renewable Resources’ proposal uses forward-thinking technology that can repurpose, reuse, or recycle these agriculture culls and waste that otherwise would be thrown away.

The ability to reuse agricultural waste and source feed locally will revolutionize the agriculture industry. In addition to the impact it will have on agriculture, the benefits and cost savings will present economic opportunities to an array of agriculture-related operations and businesses.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2016 8:14 AM
To: AGRtestimony
Cc: brian@hfbf.org
Subject: *Submitted testimony for SB2367 on Mar 17, 2016 08:30AM*

SB2367

Submitted on: 3/16/2016

Testimony for AGR on Mar 17, 2016 08:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------------|--------------------|--------------------|
| Randy Cabral | Hawaii Farm Bureau | Support | Yes |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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1110 University Avenue, Suite 402

Honolulu, Hawaii 96826

Tel: (808) 371-1475

www.REACHHawaii.org

Testimony of ERIK KVAM

Director of Renewable Energy Action Coalition of Hawaii

e-mail: Erik.Kvam@REACHHawaii.org

**In SUPPORT of SB 2367 AUTHORIZING THE ISSUANCE OF SPECIAL
PURPOSE REVENUE BONDS FOR HAWAII RENEWABLE RESOURCES, LLC**

**Before the
HOUSE COMMITTEE ON AGRICULTURE**

Thursday, March 17, 2016 8:30 a.m.

Aloha, Chair Tsuji, Vice-Chair Onishi and members of the Committee.

My name is Erik Kvam. I am a Director of Renewable Energy Action Coalition of Hawaii (REACH). REACH is a trade association whose vision is a Hawaiian energy economy based 100% on renewable sources indigenous to Hawaii.

REACH SUPPORTS SB 2367.

Through the use of special purpose revenue bonds, Hawaii Renewable Resources, LLC will provide the public with energy security benefits and environmental preservation benefits of renewable energy and food crop and animal feed production from sources indigenous to Oahu, without investment or risk to the State or counties.

Thank you for allowing me to testify.

HAWAII RENEWABLE RESOURCES, LLC

March 16, 2016

TESTIMONY IN SUPPORT OF
SB 2367 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS
FOR
HAWAII RENEWABLE RESOURCES, LLC

My name is Paul Tower, President of Hawaii Renewable Resources, LLC. We are in strong support of SB 2367 which will assist in restoration of local farming, animal food production, food production and renewable natural gas.

The revenue bond will help to construct a facility to process food wastes into animal feeds for pigs, fish and chickens. The pre and post consumer food wastes will also produce hydroponic crops, renewable natural gas and electricity. Recovered water and soil compost will be provided to farmers on Oahu as part of the produced items.

Standard accepted technologies will be used to produce these products.

We ask for your support and favorable passage of SB 2367. Thank you.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 16, 2016 2:57 PM
To: AGRtestimony
Cc: dylanarm@hawaii.edu
Subject: *Submitted testimony for SB2367 on Mar 17, 2016 08:30AM*

SB2367

Submitted on: 3/16/2016

Testimony for AGR on Mar 17, 2016 08:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Dylan Armstrong | Individual | Support | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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