

SB 2367

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

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 COMMITTEES ON WATER, LAND, AND AGRICULTURE &
TRANSPORTATION AND ENERGY

Tuesday, February 9, 2016
2:45 p.m.

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

Chair Gabbard, Chair Inouye, and Members of the joint Committees,

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.

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON WATER, LAND, AND AGRICULTURE AND
TRANSPORTATION AND ENERGY
ON
SENATE BILL NO. 2367

February 9, 2016
2:45 P.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 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.



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
SENATE COMMITTEE ON TRANSPORTATION AND ENERGY**

Tuesday, February 9, 2016 2:45 p.m.

Aloha, Chair Inouye, Vice-Chair Gabbard 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

February 8, 2016

TESTIMONY IN SUPPORT OF

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

Good morning Chair Inouye and members of the TRANSPORTATION AND ENERGY (TRE), 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, food production and renewable energy.

The revenue bond will help to construct a facility to reprocess food and green materials into animal feeds, electricity and renewable natural gas. Recovered water and soil compost will be provided to farmers on Oahu as part of the produced items.

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