

HB 1230, HD1

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 SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

**MARCH 15, 2017
1:15 P.M.
CONFERENCE ROOM 224**

**HOUSE BILL NO. 1230 HD1
RELATING TO ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST
MAUIGROWN COFFEE INC.**

Chairperson Gabbard and Members of the Committee:

Thank for the opportunity to testify on House Bill No. 1230 HD1 relating to the issuance of special purpose revenue bond to assist MauiGrown Inc. The department supports this bill.

The department recognizes MauiGrown Inc. as a successful coffee operation, producing quality Maui-grown coffee for consumers. Having the opportunity to expand their operations will help with employment of displaced sugar workers and ensure that lands will continue to be utilized for agricultural production. With the threat of the Coffee Berry Borer and other invasive species plaguing the coffee industry, this bill will also help MauiGrown to incorporate best management practices to help protect their valuable crop.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
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)

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
ON
HOUSE BILL NO. 1230, H.D. 1

March 15, 2017

1:15 P.M.

Room 224

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

House Bill No. 1230, H.D.1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) up to \$13,000,000 to assist MauiGrown Coffee, Inc. with the operation and expansion of its farm and mill pursuant to Part X, 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 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.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 14, 2017 12:41 PM
To: AEN Testimony
Cc: teena.rasmussen@mauicounty.gov
Subject: Submitted testimony for HB1230 on Mar 15, 2017 13:15PM

HB1230

Submitted on: 3/14/2017

Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Teena Rasmussen	County of Maui	Support	No

Comments: The County of Maui Office of Economic Development wholeheartedly supports this bill to authorize MauiGrown Coffee INC. the ability to be issued special purpose revenue bonds for the expansion of its farm and mill. This company is a major driving force in the coffee industry on Maui, and employs many people. We want to see them be able to expand.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

The Twenty-Ninth Legislature
Regular Session of 2017

THE SENATE

Committee on Agriculture and Environment

Senator Mike Gabbard, Chair

Senator Gil Reviere, Vice Chair

State Capitol, Conference Room 224

Wednesday, March 15, 2017; 1:15 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1230 HD 1
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE
REVENUE BONDS TO ASSIST MAUIGROWN COFFEE, INC.**

The ILWU Local 142 strongly supports H.B. 1230 HD 1, which authorizes the issuance of special purpose revenue bonds to assist MauiGrown Coffee, Inc. with the operation and expansion of its farm and mill.

H.B. 1230 HD 1 allows the State to support a successful coffee business to expand on Maui and further the State's goals of greater sustainability and keeping land in agriculture. In addition, the expansion of MauiGrown Coffee would create additional good paying agricultural jobs and possibly provide a new life line to sugar workers who were displaced with the recent closure of HC&S.

The recent closure of the last plantation in Hawaii was a sad event from many different perspectives. The impact of the sugar workers losing their jobs and losing their means of providing for their families, was a fundamental concern that raised many uncertainties for the workers and their loved ones. The opportunity for the creation of new agricultural jobs, possibly one that they could secure, would help to boost their spirits, and keep hope alive.

The ILWU urges passage of H.B. 1230 HD 1. Thank you for the opportunity to share our views on this matter.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 13, 2017 2:13 PM
To: AEN Testimony
Cc: malikoestate@hawaii.rr.com
Subject: Submitted testimony for HB1230 on Mar 15, 2017 13:15PM

HB1230

Submitted on: 3/13/2017

Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
sydney smith	Maui Coffee Association	Comments Only	No

Comments: We at the Maui Coffee Association support the expansion of MauiGrown Coffee. This will help keep our land in agriculture. We support this measure!

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



PO Box 168, Kealahou, HI 96750

HAWAII STATE SENATE
COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Wednesday, March 15, 2017

1:15 p.m.

Conference Room 224

RE: Testimony in support of HB1230: THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUIGROWN COFFEE, INC

Aloha Chair Gabbard, Vice Chair Riviere and members of the Committee,

I am Chris Manfredi, President of Hawaii Coffee Association.

The Hawaii Coffee Association's (HCA) mission is to represent all sectors of the Hawaiian coffee industry including growers, millers, wholesalers, roasters and retailers located throughout the State of Hawaii. The HCA's primary objective is to increase awareness and consumption of Hawaiian coffees. A major component of HCA's work is the continuing education of members and consumers.

The HCA strongly supports HB1230.

Maui Grown Coffee is a successful, vibrant, and innovative contributor to the agricultural community and the economy on Maui. As Maui transitions its land tenure and stewardship to a future that is somewhat unclear, support for the expansion of this proven entity is appropriate.

Maui Grown Coffee products are successfully marketed around the globe, enhancing Maui's and The State of Hawaii's overall brand and serve to highlight Maui's rich agricultural heritage.

We respectfully ask you to approve HB1230.

Thank you.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 15, 2017

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON HB 1230, HD1
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST
MAUIGROWN COFFEE, INC.

Room 224
1:15 PM

Aloha Chair Gabbard, Vice Chair Riviere, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

HFB strongly supports HB 1230, HD1, authorizing the issuance of SPRBs 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. Maui Grown Coffee Inc. has demonstrated their capacity to grow and expand a business and have 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 Hawaii's economy.

For these reasons, HFB respectfully requests your **strong support of authorizing SPRBs to assist Maui Grown Coffee Inc.** Thank you for the opportunity to provide testimony on this measure.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 14, 2017 11:48 AM
To: AEN Testimony
Cc: warrenmcfb@gmail.com
Subject: *Submitted testimony for HB1230 on Mar 15, 2017 13:15PM*

HB1230

Submitted on: 3/14/2017

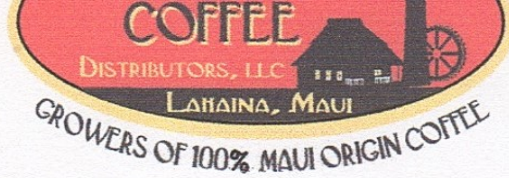
Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Warren Watanabe	Maui County Farm Bureau	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



Re: Request for Support of HB 1230 HD1

Aloha Chair Gabbard and members of the Senate AEN committee:

My name is Kimo Falconer, President and Owner of MauiGrown Coffee, Inc. I humbly ask that you give positive consideration to this bill that will assist my company in getting a foothold to expand the coffee growing potential from West Maui over to some of the fallow HC&S lands in Central Maui.

I currently farm approximately 400 acres in Ka'anapali. We produce and export over 500,000 lbs of green bean annually and are the second largest coffee farm in the State. The Specialty Coffee Market enjoys vibrant growth year after year with a very positive future. Supply will always be a global issue for this commodity. I sell out every year and turn away large orders all the time.

As you are aware, Maui is at a serious crossroads with HC&S' closure of sugar operations and the fallowing of 36,000 acres. While some might argue that the focus should be the planting of food crops and this is not disputed, but to sensibly grow enough produce to feed our population, even if the supermarkets were to stop selling produce altogether, you would need less than 5,000 acres.

This was not any old sugar plantation shutting down. This was the largest in the history of Hawaii. It will take a lot of support to get new replacement crops going. There will be a need for larger Ag components to do this. Coffee can easily be one of those solutions. It is clean with plant longevity, non-perishable for export, low in chemical use and a good job source. It will have a positive reach into the community, and it will be profitable (and pretty to look at).

It is expensive to establish larger acreage however. This SPRB measure puts the burden on us, and not the State's Budget to succeed. Along with the production aspect, we also intend to provide the infrastructure (mill) and share the market credibility to other potential coffee farmers who otherwise have no hope to grow coffee beyond their own back yards. This could increase the growth in acreage exponentially.

The future of Hawaii's agriculture has become the subject of much discussion and calamity. But we don't have the time for that anymore. This is just a farmer asking for the opportunity to help find one of the solutions. I thank you for your time in considering this bill.

**HB 1230 HD1
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUIGROWN COFFEE, INC.**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

MARCH 15, 2017

Chair Gabbard and Members of the Senate Committee on Agriculture &
Environment:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on HB 1230 HD1, “RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUIGROWN COFFEE, INC.” We support this bill.

After more than 140 years in sugar cultivation, A&B is in the process of pursuing a diversified agricultural model for its 36,000 acres of agricultural land in Central Maui. Under the new diversified model, A&B envisions a comprehensive patchwork of compatible agricultural activities blanketing Central Maui—some farmed by HC&S, some by others. We see biofuel crops that could provide electricity or transportation fuel to support the state’s renewable energy goals; irrigated pastures for local ranchers so their cattle don’t have to be sent to the Mainland for finishing; food crops; evaluation of crops including, potentially, industrial hemp and bioenergy feedstocks; and an agricultural park open to community farmers.

A&B is presently in discussion with MauiGrown Coffee to lease a portion of our former sugar cane lands for the growing and cultivation of coffee. As a tax exempt

means of financing qualified projects in the interest of the general public, we understand that the special purpose revenue bonds authorized in this bill will provide important financial support to MauiGrown Coffee in their efforts to expand their present coffee farm. Established in 2003, MauiGrown Coffee is a credible and experienced Maui agricultural operation. The approval of this bill will provide valuable State assistance which will enable MauiGrown Coffee to expand their operations and to assist in keeping former Central Maui sugar cane lands in active agricultural production.

Based on the aforementioned, we respectfully request your favorable consideration on this bill. Thank you for the opportunity to testify.

HAWAII COFFEE COMPANY™

1555 Kalani Street
Honolulu, Hawaii 96817
Ph: 808-847-3600
Fax: 808-847-7900
www.hicoffeeco.com



Written Testimony of
Daniel Dinell
President, Hawaii Coffee Company
before the
Senate Committee on Agriculture & Environment
March 15, 2017; 1:15 p.m.
State Capitol, Conference Room 224

RE: HB1230 HD 1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUIGROWN COFFEE, INC.

Chair Gabbard, Vice Chair Riviere, and members of the Committee:

Hawaii Coffee Company (HCC) **supports** this bill, which authorizes the issuance of special purpose revenue bonds to assist MauiGrown Coffee, Inc. with the operation and expansion of its farm and mill.

HCC has been in the coffee roasting business since 2000. Our 100 plus employees at our plant in Kalihi and other locations around the state, earn a livelihood milling, roasting, packing, distributing, and retailing coffee. We have a major retail presence throughout Hawaii, are a leading provider of coffee to Hawaii hotels and restaurants as well as an exporter of products around the globe.

HCC does not own or operate any coffee farms, but we support coffee farmers by buying millions of dollars of Hawaiian coffee annually – in Kona pulping and milling coffee cherry, in other districts, such as with Maui coffee, buying it as green coffee and then roasting/distributing the product. We are excited to see the highly successful MauiGrown Coffee desire to expand its operations. We see this as an excellent way to promote Hawaii agriculture and add to the state's economic vitality. We understand the planned use of the SPRB funds is for expansion by MauiGrown on former A&B sugar lands in Maui so there is an additional benefit in keeping a portion of that land in agricultural production.

Mahalo for the opportunity to provide this testimony.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 14, 2017 12:26 PM
To: AEN Testimony
Cc: tominmaui@icloud.com
Subject: Submitted testimony for HB1230 on Mar 15, 2017 13:15PM

HB1230

Submitted on: 3/14/2017

Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Tom Blackburn-Rodriguez	Go Maui, Inc.	Support	No

Comments: Go Maui Inc is a non-profit organization in Maui County advocating for jobs, affordable housing and a healthy economy. This legislation is critical to the development of sustainable agriculture on the former HC&S sugar cane lands.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 11, 2017 1:57 PM
To: AEN Testimony
Cc: mnakahata@gmail.com
Subject: *Submitted testimony for HB1230 on Mar 15, 2017 13:15PM*

HB1230

Submitted on: 3/11/2017

Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Mae Nakahata	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 13, 2017 3:31 PM
To: AEN Testimony
Cc: drgmaui@hawaii.rr.com
Subject: Submitted testimony for HB1230 on Mar 15, 2017 13:15PM

HB1230

Submitted on: 3/13/2017

Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Don Gerbig	Individual	Support	No

Comments: I FULLY SUPPORT THIS LEGISLATION AND STRONGLY URGE THE COMMITTEE TO SUPPORT IT TOO. WE NEED ALL THE SUPPORT THAT WE CAN GET TO INSURE THAT OUR AGRICUOTURAL INDUSTRY WILL REMAIN VIABLE INTO THE FUTURE.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 13, 2017 2:58 PM
To: AEN Testimony
Cc: jlenhart@hicoffeeco.com
Subject: *Submitted testimony for HB1230 on Mar 15, 2017 13:15PM*

HB1230

Submitted on: 3/13/2017

Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
James Lenhart	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 14, 2017 8:34 AM
To: AEN Testimony
Cc: john.a.h.tomoso@gmail.com
Subject: Submitted testimony for HB1230 on Mar 15, 2017 13:15PM

HB1230

Submitted on: 3/14/2017

Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
John A. H. Tomoso	Individual	Support	No

Comments: RE: HB 1230 HD1 03-14-17 Aloha kakou, I support this bill, the issuance of special revenue bonds, to assist this local coffee company, Maui Grown Coffee, Inc. Growing up and still living in the central plain of our island, I have become accustomed to and appreciative of being surrounded by agricultural fields. Now that sugar is pau, I know that I/ we need to support diversified agriculture, with marketable products that address "the marketplace", to take sugar's place. I know that Maui Grown Coffee, Inc., needs to expand all phases of its farm operations. IT being a "farm" is an important reality to contemplate and support, in that I know there are other farms and farmers who want to keep our agricultural fields, at least in the Central Maui Plain, green, productive and nurturing of the gift of our rich, fertile 'aina we call home. Mahalo, AEN, for your considering passage of this Bill. John A. H. Tomoso, MSW, ACSW, LSW 51 Kuula Street Kahului, HI 96732-2906 808-280-1749 john.a.h.tomoso@gmail.com

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 13, 2017 7:31 PM
To: AEN Testimony
Cc: mdobbins@agrichem.com.au
Subject: Submitted testimony for HB1230 on Mar 15, 2017 13:15PM

HB1230

Submitted on: 3/13/2017

Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Dobbins	Individual	Comments Only	No

Comments: I support this as I am a land owner in Maui

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 14, 2017 12:23 PM
To: AEN Testimony
Cc: cbrosius@yahoo.com
Subject: *Submitted testimony for HB1230 on Mar 15, 2017 13:15PM*

HB1230

Submitted on: 3/14/2017

Testimony for AEN on Mar 15, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Brosius	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov