



STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

WRITTEN ONLY

TESTIMONY BY LAUREL A. JOHNSTON
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
ON
HOUSE BILL NO. 1971, H.D. 2

March 12, 2018
1:15 P.M.
Room 224

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
KUNOA CATTLE COMPANY, LLC.

House Bill No. 1971, H.D. 2, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Kunoa Cattle Company, LLC, to fund the construction of a multi-species livestock farm, expansion of the slaughter and processing infrastructure, development of distribution assets and agritourism services, and expansion of renewable energy assets 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.

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
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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 12, 2018
1:15 P.M.
CONFERENCE ROOM 224**

**HOUSE BILL NO. 1971 HD2
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
KUNOA CATTLE COMPANY, LLC**

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 1971 HD2, relating to the issuance of special purpose revenue bonds to Kunoa Cattle Company, LLC, to fund the construction of a multi-species livestock farm, expansion of slaughter and processing infrastructure development, development of distribution assets and agritourism services, and expanding renewable energy assets. The Department strongly supports this bill.

Kunoa Cattle Company is committed to land stewardship, holistic management and renewable energy to provide a sustainable future. They have purchased the slaughterhouse on Oahu and intend to expand the current slaughter and processing operations which will open new options for Hawaii ranchers and farmers to raise more livestock for local consumption and encourage food sustainability.

Thank you for the opportunity to testify on this measure.





Hawaii Cattlemen's Council, Inc.

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair

Senator Gil Riviere, Vice Chair

DATE: Monday, March 12, 2018

TIME: 1:15 p.m.

PLACE: Conference Room 224

**HB 1971, HD2 – RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS
TO KUNOA CATTLE COMPANY, LLC.**

Authorizes the issuance of special purpose revenue bonds to assist Kunoa Cattle Company, LLC, to fund the construction of a multi-species livestock farm, expansion of the slaughter and processing infrastructure, development of distribution assets and agritourism services, and expanding renewable energy assets. (HB1971 HD2)

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

My name is Dale Sandlin, and I am Managing Director of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the four county level Cattlemen's Associations. Our 150+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council supports HB 1971, HD2 as this measure will provide funding to improve the processing infrastructure for livestock in Hawaii.

As the cattle industry in Hawaii is undergoing a renaissance with more cattle being produced for local consumption, the weakest link in our chain is processing capacity. This SPRB would provide funding to improve the processing capacity for livestock in our state, as well as other potential plans for agro-tourism and energy production.

With the mandate to doubling food production, the cattle industry is poised to meet this challenge. High demand, consumer interest and expanding markets are promising signs for our industry's success. Anything we can do to provide an increase in processing capacity is a step in the right direction.

We respectfully ask this committee to pass this measure and we appreciate the opportunity to testify on this important matter.





Email: communications@ulupono.com

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT
Monday, March 12, 2018 — 1:15 p.m. — Room 224

Ulupono Initiative Strongly Supports HB 1971 HD 2, Relating to the Issuance of Special Purpose Revenue Bonds to Kunoa Cattle Company, LLC.

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

My name is Kyle Datta and I am General Partner of Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and better management of waste and fresh water. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono strongly supports HB 1971 HD 2, which authorizes the issuance of special purpose revenue bonds to assist Kunoa Cattle Company, LLC, because it aligns with our goal of creating more locally produced food.

In Hawai'i, there is a shortage of slaughter and processing facility infrastructure, which hinders local protein production. The slaughterhouses on Hawai'i Island are running at full capacity. Similarly, the additional new cattle initiative in Maui will require a further capacity expansion. Against this backdrop, the 5,000 head capacity of Kunoa Cattle Company should not only allow O'ahu to rebuild its cattle industry, but also support the neighbor islands by alleviating capacity constraints.

Our pasture-raised beef joint venture with Parker Ranch, Paniolo Cattle Company, intends to both expand production and ship cattle to Kunoa on O'ahu to alleviate Hawai'i Island's capacity constraints.

As Hawai'i's local food production issues become more complex and challenging, organizations need additional resources and support to address and overcome them. We appreciate this committee's efforts to look at policies that support local food production.

We believe that by collaborating, we can help produce more local food and support an economically robust homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Investing in a Sustainable Hawai'i

Respectfully,

Kyle Datta
General Partner



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March 12, 2018

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON HB 1971, HD 2
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
KUNOA CATTLE COMPANY, LLC

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.

The Hawaii Farm Bureau strongly supports HB 1971, HD 2, which authorizes the issuance of special purpose revenue bonds to assist Kunoa Cattle Company, LLC, to fund the construction of a multi-species livestock farm, expansion of the slaughter and processing infrastructure, development of distribution assets and agritourism services, and expanding renewable energy assets.

Hawaii's livestock industry faces numerous challenges. These challenges have been a contributing factor to the decline of the state's livestock industry. Sustainability, self-sufficiency and growing agriculture are popular concepts seen in many of the measures before the legislature this year.

Kunoa Cattle has shown a commitment to Hawaii agriculture and has demonstrated their capacity to grow and expand their business. This operation will provide a basis for other livestock products and is a good example of agriculture acting as an economic engine to grow Hawaii's economy. This request is designed to provide not only needed capacity but also allow new technologies to enhance energy and waste management, food safety and animal welfare.

Thank you for this opportunity to provide our opinion on this important matter.

HB-1971-HD-2

Submitted on: 3/11/2018 1:14:37 AM

Testimony for AEN on 3/12/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES
DEMOCRATIC PARTY OF HAWAII
TO THE COMMITTEE OF AGRICULTURE AND ENVIRONMENT
THE SENATE
TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018
Monday, March 12, 2018
1:15 p.m.
Hawaii State Capitol, Conference Room 224

RE: Testimony in Support of **HB1971 HD2** : RELATING TO THE ISSUANCE OF
SPECIAL PURPOSE REVENUE BONDS TO KUNOA CATTLE
COMPANY, LLC

To the Honorable Mike Gabbard, Chair; the Honorable Gil Riviere, Vice-Chair and
Members of the Committee on Agriculture and Environment:

Good afternoon. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB1971 HD2** relating to the Kunoa Cattle Company; Capital Improvement Programs; Special Purpose Revenue Bonds; and an appropriation.

The OCC Legislative Priorities Committee is in favor of **HB1971 HD2** and supports its passage.

HB1971 HD2 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it authorizes the issuance of special purpose revenue bonds to assist Kunoa Cattle Company, LLC, to fund the construction of a multi-species livestock farm, expansion of the slaughter and processing infrastructure, development of distribution assets and agritourism services, and expanding renewable energy assets.

The Platform of the Democratic Party of Hawai'i, 2016, provides that "[a]griculture in our state must be preserved and its future strengthened. Sufficient prime agricultural lands must be maintained for the health, economic well-being and sustenance of the

people. We believe in an integrated approach to agricultural innovation and sustainability.

This approach includes, but is not limited to, the adoption of the native Hawaiian concept of ahupua'a, an integrated approach to land management. This could also include development of economic, land and ocean use policies that foster sustainable crops both for local consumption and for export, policies to foster agriculture-related infrastructure at shipping points, and increased inspection to protect against invasive species and to encourage reduced holding times.

We will promote ethical and safe production of livestock, dairy products, poultry and eggs. (Platform of DPH, P. 2, Lines 76-78, 82-88 (2016)).

Given that **HB1971 HD2** authorizes the issuance of special purpose revenue bonds to assist Kunoa Cattle Company, LLC, to fund the construction of a multi-species livestock farm, expansion of the slaughter and processing infrastructure, development of distribution assets and agritourism services, and expanding renewable energy assets, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

HB-1971-HD-2

Submitted on: 3/12/2018 12:22:04 AM

Testimony for AEN on 3/12/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Natalie Parra	Testifying for Keiko Conservation	Oppose	No

Comments:

HB-1971-HD-2

Submitted on: 3/12/2018 8:37:38 AM

Testimony for AEN on 3/12/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cathy Goeggel	Testifying for Animal Rights Hawai'i	Oppose	Yes

Comments:

Please consider the environment when considering this bill. The proposed land is in a tsunami evacuation zone. It would take away more of our shrinking beach access - and please consider climate change in placing more structures near our precious ocean.

This project will automatically trigger an EIS or at least an EA. We place our trust in our lawmakers to protect the aina and not allow a potential huge pollution possibility to pass in the interest of a buzzword-"sustainability."

HB-1971-HD-2

Submitted on: 3/8/2018 7:03:07 PM

Testimony for AEN on 3/12/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Gillian Boss	Individual	Oppose	No

Comments:

HB-1971-HD-2

Submitted on: 3/9/2018 10:00:09 PM

Testimony for AEN on 3/12/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jaunette Itsuno	Individual	Oppose	No

Comments:

I don't think that Hawaii taxpayers should be forced to support an unsustainable industry which works against protecting our lands and oceans. Just last year over 15,000 scientists issued a warning that humans must drastically decrease meat consumption among other actions that destroy the environment. Meat production is one of the largest factors to global warming, water pollution and coral bleaching. Please at least postpone the start date and allow for a thoroughly detailed environmental assessment to be conducted.

HB-1971-HD-2

Submitted on: 3/10/2018 3:37:19 PM

Testimony for AEN on 3/12/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
M. Markl	Individual	Oppose	No

Comments:

Hello Committee Members And Chair(s):

I oppose totally this bill. Why should we as taxpayers have to support that industry when we are against it totally, never one that harms innocent creatures. If we have to support something, rather it should be life enhancing not one that is harmful to life. Please stop this bill now, a NO 100%.

Thank you.