

**DAVID Y. IGE**  
Governor

**SHAN S. TSUTSUI**  
Lt. Governor



**SCOTT E. ENRIGHT**  
Chairperson, Board of Agriculture

**PHYLLIS SHIMABUKURO-GEISER**  
Deputy to the Chairperson

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

**TESTIMONY OF SCOTT E. ENRIGHT  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE**

February 5, 2015  
8:30 A.M.  
CONFERENCE ROOM 312

**HOUSE BILL NO. 608  
AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
WAIMEA NUI COMMUNITY DEVELOPMENT CORPORATION**

Chairperson Tsuji and Members of the Committee:

Thank you for the opportunity to testify on House Bill 608. This bill authorizes the issuance of special purpose revenue bonds up to \$45,000,000 to the Waimea Nui Community Development Corporation for the planning, acquisition, and construction of agriculture, renewable energy, and educational facilities. The Department strongly supports this measure.

The Department is working closely with the Waimea Nui Community Development Corporation on the agricultural component of their plan to revitalize the Waimea community. They have already found success in the creation of a Farmers for the Working Class program that has helped numerous community members, under the tutelage of an experienced farmer, transition into becoming farmers themselves. To further support this initiative, the legislature appropriated \$3.5 million for the design and construction of a Waimea Agricultural Park that will provide plots for farmers and community members to transition into agricultural production. The Department looks forward to continuing to work collaboratively with the Waimea Nui Community Development Corporation.

Thank you for the opportunity to present testimony.



TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON AGRICULTURE

HOUSE BILL NO. 608

February 5, 2015

AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
WAIMEA NUI COMMUNITY DEVELOPMENT CORPORATION

House Bill No. 608 authorizes the issuance of Special Purpose Revenue Bonds (SPRB) up to \$45,000,000 to assist Waimea Nui Community Development Corporation, a private not-for-profit corporation, for the planning, acquisition, and construction of agriculture, renewable energy, and educational facilities.

The Department would like 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.

From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 03, 2015 10:49 PM  
To: AGRtestimony  
Cc: mwille@co.hawaii.hi.us  
Subject: Submitted testimony for HB608 on Feb 5, 2015 08:30AM

**HB608**

Submitted on: 2/3/2015

Testimony for AGR on Feb 5, 2015 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Margaret Wille	Hawaii County Council Dist 9	Support	Yes

Comments: As the Councilmember for Hawaii County District 9 and the Chair of the Council's Agriculture, Water, Energy Sustainability Committee, I strongly support this legislation to support the Waimea Nui Development Corporations initiatives. I have followed the planning of the Waimea Nui projects and remain very impressed by the vision and strategies being undertaken by this Hawaiian Community. Their efforts will improve the wellbeing of this Hawaiian community as well as imprve the wellbeing of the greater Waimea community not just economically but also culturally.

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](mailto:webmaster@capitol.hawaii.gov)

From: mailinglist@capitol.hawaii.gov  
Sent: Wednesday, February 04, 2015 8:32 AM  
To: AGRtestimony  
Cc: kamakane73@gmail.com  
Subject: Submitted testimony for HB608 on Feb 5, 2015 08:30AM

**HB608**

Submitted on: 2/4/2015

Testimony for AGR on Feb 5, 2015 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kama Hopkins	Individual	Support	No

Comments: Aloha Chair Tsuji, Vice Chair Onishi and members of the House Committee on Agriculture. My name is Kama Hopkins and I write in SUPPORT of HB 608. This Bill will assist in bringing the Waimea Nui project to life and will create agricultural and economically sustainable opportunities for the community members of Waimea, Hi. and many who call Hawaii Island their home. Mahalo for the opportunity to testify.

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](mailto:webmaster@capitol.hawaii.gov)

From: mailinglist@capitol.hawaii.gov  
Sent: Wednesday, February 04, 2015 8:27 AM  
To: AGRtestimony  
Cc: robertl@oha.org  
Subject: Submitted testimony for HB608 on Feb 5, 2015 08:30AM

**HB608**

Submitted on: 2/4/2015

Testimony for AGR on Feb 5, 2015 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robert K. Lindsey, Jr.	Individual	Support	No

Comments: TESTIMONY OF TRUSTEE ROBERT K. LINDSEY, JR. IN SUPPORT OF HB 608 AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO WAIMEA NUI COMMUNITY DEVELOPMENT CORPORATION Aloha Chair Tsuji, Vice Chair Onishi, and members of the House Committee on Agriculture: My name is Bob Lindsey, Office of Hawaiian Affairs (OHA) Trustee for Hawaii Island. Today, I wish to share my testimony in SUPPORT of HB 608 as an individual member of the OHA Board of Trustees. In my time of service to OHA's beneficiaries for the past 7 ½ years, I have always enjoyed and supported our beneficiaries who have "carried the ball" in their own communities and have strived to better the conditions of those whom they serve. In this particular case, the Waimea Nui Development Corporation has been reviving ideas left dormant from decades before. These ideas and very practical dreams of the Waimea community are slowly coming to life due to their efforts and the effort of those beneficiaries of that community and beyond. The realization of Waimea Nui, its ongoing projects and future projects are a result of public and private partnerships. These projects are successful and the future of Waimea Nui is bright. The issuance of Special Purpose Revenue Bonds for this project will assist that community to create more agricultural and economically sustainable initiatives for itself and to move forward. This Waimea community is traditionally a paniolo and mahi`ai town, a town of cowboys and farmers. They are looking for a hand up not a hand out. I urge you to pass HB 608. If you have any questions or concerns, please feel free to contact me via my Honolulu office at 808-594-1882. Mahalo nui for the opportunity to testify.

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](mailto:webmaster@capitol.hawaii.gov)

Testimony Presented Before the  
House Committee on Agriculture  
February 5, 2015 at 8:30am

by

Bruce Mathews  
284 Olu Street  
Hilo, HI 96720-5629  
(808) 959-2139  
bmathews@hawaii.edu

HB 608      AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS  
TO WAIMEA NUI COMMUNITY DEVELOPMENT CORPORATION

Chair Tsuji, Vice Chair Onishi, and Members of the Agriculture Committee:

My name is Bruce Mathews, and I am presenting this testimony on HB 608 in my capacity as a citizen of the County of Hawaii.

Funds from this bill will contribute to the ability of Waimea Nui Community Development Corporation, a non-profit and partnering organization, to expand farmer training to anyone in the Waimea region using the models developed by Mike and Tricia Hodson in the Hawaiian Homestead. Furthermore, it will facilitate direct ties between state agencies and the new farmers to provide educational and technical support. The direct benefits will be rebuilding the farming capacity of this region of proven high agricultural production potential and rural economic revitalization through the increased volume and variety of marketable produce grown.

**Via E-Mail**  
**House Committee on Agriculture**

**Representative Clift Tsuji, Chair**

**Representative Richard H. K. Onishi, Vice Chair**

**HB 608: Waimea Nui Community Development Corporation  
Special Purpose Revenue Bond Request Overview**

**Testimony In Support**

**Hearing Thursday, February 5, 2015; 8:30am, Conf. Room 312**

**Chair Tsuji, Vice Chair Onishi and Committee Members:**

The Waimea Nui Community Development Corporation (WNCDC) is a Native Hawaiian 501(c)3 operating in the South Kohala district of Hawai'i Island. WNCDC has developed a comprehensive agriculture and renewable energy enterprise, open to the entire Kohala region, that directly contributes to the State's economy and security through local food and energy production. The enterprise is designed to be self-sufficient and to create small business opportunity for regional partners.

The Waimea Nui Community Development Corporation Agriculture and Energy Enterprise is designed to revitalize the South and North Kohala's long history of agriculture by developing a comprehensive complex encompassing all of the facilities needed to support a robust agriculture economy. The enterprise builds on a 3 year mentoring program which has, to date, established 34 new small farms to build agriculture related economic engines. Further WNCDC, in partnership with HDOA, will begin construction of a \$3.5M/30 acre Community Agriculture Park later this year.

The primary complex facilities are to be sited on Hawaiian Homelands as these lands are centrally located in the region, but are being constructed by the Homestead on behalf of all of the residents of the regions communities. The facilities will support existing farmers, ranchers and businesses as well as incentivizing new entrepreneurs to start businesses.

The enterprise will include the following facilities and components;

1. Renewable Energy Generation facilities to include an Anaerobic Digester
  - a. Creates low cost power for all of the facilities
  - b. Provides environmentally sound conversion of organic waste to energy and fertilizers.
2. Micro-grid
3. Renewable Energy Systems to create local fuel production
4. Additional greenhouses to support small farms at the Waimea Nui Community Agriculture Park
5. Post-Harvest Facility and Commercial Kitchen
6. Equestrian Center/County Livestock Fairgrounds
7. Health Center to support improving wellness and nutrition in the community
8. Agriculture and Energy UH-Hilo supported Education Center/Business Center
  - a. Inclusive of Distance Learning, Community Sustainability Science and Social Model, and Agriculture Field program facilities
9. Chill/Cut/Wrap Facility with Mobile Slaughter Support Dock
10. Water purification facility to support new Food Safety Certification requirements

11. Crushing/Feed Mill for fish, cattle, swine and poultry feeds
12. Agriculture/Aquaculture facilities coordinated with Kohala Institute
13. Irrigation and Water Infrastructure
14. Supporting Road and Parking Infrastructure

The enterprise has been designed through a 4 year process that began with a series of beneficiary consultations on the Waimea Homestead, and has built on this foundation through strong partnerships with USDA, HDOA, DHHL, OHA, UH and DLIR along with many private organizations and individuals from across the region.

The Waimea region has the land and resources to significantly impact the State's food and energy security through agriculture, aquaculture, ranching and energy production. In addition, the full complex will support at least 500 direct, 600 indirect living wage jobs, and over 250 new small businesses and farms by 2020.

By 2020, the WNCDC Enterprise will create products to include

- 1) Aquaculture facility producing up to 6,400,000 lbs per year
- 2) Produce production of over by 1,000,000 lbs per year
- 3) 500,000 lbs per year of value added products
- 4) Process 1,000,000 lbs of specialty meats
- 5) Produce 175,000 kg/year of hydrogen
- 6) Rental/membership fees from all facilities
- 7) Revenue from a crushing mill that supports up to
  - a. 8,000,000 lbs per year of Feed production
  - b. 40,000 tons of energy biomass pellets for use in fuel and electricity generation
  - c. 100,000 gallons of sunflower cooking oil
  - d. 250,000 gallons of sunflower energy oil
- 8) Excess electricity sales of 4,500,000 kwh

Total Revenue Potential:           \$31.5M per year by 2020 with expected margins of 18% and net revenues of no less than \$5.7M per year.

Debt Service:                            Bond issuance at 6.5% for 30 years would require annual repayment of \$3.5M. The conservative net revenues and can cover the debt service.

DBEDT and DOA have developed the *“Increase Food Security and Food Self-sufficiency Strategy”*, which the enterprise directly supports the strategies pillars of;

1. “Support multi-functional food hub facilities to handle aggregation, processing, treatment and distribution.”
2. “To increase production of locally grown foods, improve agricultural infrastructure including agricultural parks, irrigation systems and distribution systems/facilities.”
3. “Build partnerships with the increasing number of organizations involved in food self-sufficiency/food security.”



HB 608  
Capital Cost Breakdown

1. Planning, Design, Engineering, Construction Management - \$3.6M
2. Renewable Energy Generation facilities to include an Anaerobic Digester - \$4.8M
3. Micro-grid - \$1.7M
4. Renewable Energy Systems to create local fuel production - \$1.0M
5. Additional greenhouses to support small farms at the Community Agriculture Park - \$0.8M
6. Post-Harvest Facility and Commercial Kitchen - \$2.5M
7. Equestrian Center/County Livestock Fairgrounds - \$6.0M
8. Health Center to support improving wellness and nutrition in the community - \$4.5M
9. Agriculture and Energy UH-Hilo supported Education Center/Business Center - \$7.5M
10. Chill/Cut/Wrap Facility with Mobile Slaughter Support Dock - \$1.0M
11. Water purification facility to support new Food Safety Certification requirements - \$1.6M
12. Crushing/Feed Mill for fish, cattle, swine and poultry feeds - \$1.3M
13. Agriculture/Aquaculture facilities coordinated with Kohala Institute - \$5.0M
14. Irrigation and Water Infrastructure - \$1.6M
15. Supporting Road and Parking Infrastructure - \$2.1M

Testimony Presented Before the  
House Committee on Agriculture  
February 5, 2015 at 8:30am

by

Donald O. Straney, Ph.D  
995 Ainalako Rd.  
Hilo, Hawaii 96720  
(808) 333-1972  
dstraney@hawaii.edu

HB 608      AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS  
TO WAIMEA NUI COMMUNITY DEVELOPMENT CORPORATION

Chair Tsuji, Vice Chair Onishi, and Members of the Agriculture Committee:

My name is Donald Straney, and I am presenting this testimony on HB 608 in my capacity as a citizen of the County of Hawaii.

This bill would authorize issuance of \$45 million in special revenue bonds to assist the Waimea Nui Community Development Corporation in planning and financing of agricultural, energy, and educational facilities in Waimea on Hawaii Island. These facilities would permit the Waimea Nui Community Development Corporation, a non-profit corporation, to extend significant educational and programmatic activities to help communities on the Island of Hawaii to establish sustainable practices.

The facilities these funds would help establish are located in one of the most productive agricultural areas in the state, and a region where several sustainable energy practices can be perfected. There are a significant number of other organizations partnering with Waimea Nui, which should help ensure that its efforts have a long-lasting impact in the county and in the state.

I add my voice to those offering strong support for this bill.

onishi3 - Timothy

---

From: mailinglist@capitol.hawaii.gov  
Sent: Wednesday, February 04, 2015 4:11 PM  
To: AGRtestimony  
Cc: chris@hfbf.org  
Subject: \*Submitted testimony for HB608 on Feb 5, 2015 08:30AM\*

**HB608**

Submitted on: 2/4/2015

Testimony for AGR on Feb 5, 2015 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Chris Manfredi	Hawaii 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](mailto:webmaster@capitol.hawaii.gov)