

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

ROBERT YU  
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 CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 579, S.D. 1

**February 26, 2021**  
**9:30 A.M.**  
**Via Videoconference**

RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST HOUSE OF  
ALOHA ENTERPRISES LLC.

The Department of Budget and Finance offers the following comments on Senate Bill No. 579, S.D. 1, which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist the House of Aloha Enterprises LLC, a Hawaii limited liability company, with the planning, designing, constructing, and equipping facilities for the purpose of creating business in Hawaii for the manufacturing, processing, and distribution of products such as, but not limited to, the production of value-added agricultural, advanced materials, sustainable, and fine art products pursuant to Part IV, Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform 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.

# MASON INDUSTRIES, LLC

**THE HONORABLE DONOVAN M. DELA CRUZ, CHAIR  
THE HONORABLE GILBERT S.C. KEITH-AGARAN, VICE CHAIR  
AND COMMITTEE MEMBERS  
SENATE COMMITTEE ON WAYS AND MEANS**

**31st Hawaii State Legislature  
Regular Session of 2021  
State of Hawai`i**

February 24, 2021

**LATE**

**RE: S.B. 579 SD1; RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE  
BONDS TO ASSIST HOUSE OF ALOHA ENTERPRISES LLC**

Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran, and members of the Senate Committee on Ways and Means, on behalf of MASON INDUSTRIES LLC, I submit the following testimony in **support** of S.B. 579 SD1 regarding HOUSE OF ALOHA ENTERPRISES LLC.

Senate Bill 579 SD1 authorizes the issuance of special purpose revenue bonds to assist HOUSE OF ALOHA ENTERPRISES LLC with planning, designing, constructing, and equipping facilities for the manufacturing and processing of products. Specifically, we are planning to build facility and expand existing facilities in State of Hawaii and intend to process value-added agricultural products from Hawaii to play a role in providing niche and high value products for not just our State, but overseas in North America, Asia, and Europe, which in turn will bring in revenue for the State of Hawaii. The facilities will provide automated packaging and bottling, and coordinate shipping and logistics. Clients of the facilities will be farmers, value-added agriculture producers, and entrepreneurs for more middle class jobs and help Hawaii's overall economy to be more self-sustainable.

HOUSE OF ALOHA ENTERPRISES will generate revenue, taxes, fees, lease and rents in the State of Hawaii by opening a Retail outlet at the Haleiwa Town Center. The project will generate jobs in areas such as but not limited to, construction, law, finance, food and beverage, accounting, engineering, landscaping, maintenance, and energy. Further, the development and operations will generate multi millions of dollars in revenue for the State of Hawaii through taxes, fees, and a leased office at the Hawaii Foreign-Trade Zone No.9.

In addition House Of Aloha Enterprises will generate substantial economic growth for the State with increased revenue through the creation of more jobs and this development and operations will generate multi-millions of dollars in revenue for the State of Hawaii. This special purpose revenue bond will definitely help with economic development, specifically for other businesses in the area as well.

For the reasons stated above, MASON INDUSTRIES, LLC supports Senate Bill 579 SD1. Thank you for the opportunity to testify on this matter.

Respectfully Submitted,



Melvin G. Mason Jr. CEO / President

**SB-579-SD-1**

Submitted on: 2/24/2021 5:17:19 PM

Testimony for WAM on 2/26/2021 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
mike biechler	Individual	Oppose	No

Comments:

Please defer SB 579. It is a waste of financial resources at a time of intense need and even worse, it is shrouded in secrecy!

I strongly oppose this measure as it has no information, no transparency, and no involvement of the community in which it proposes to build a \$100 Million dollar retail center in -- my small community of Haleiwa/Waialua/North Shore. As all levels of Hawaii government should know by know, involving the stakeholders and community memebtrs that will be affected by a proposal is essential to getting anything done. This was not done here. No information was presented to the North Shore Board, the legislartors introducing the bills never mentioned it in their news letters or community announcements. Its just been a secret. A secret that will completely change our community. Investment is good but it needs to be done right, with community involvment! Not by secretly guaranteeing money to a developer on the credit of the State.

Please defer SB 579!

Aloha,

Mike Biechler