



experience the taste of paradise
Hawaiian Fresh Products, Inc.
270E.Kawili st.Hilo.HI 96720 (808)961-5580

April 9, 2024

Board of Land and Natural Resources
1151 Punchbowl Street
Honolulu, HI

Email: blnr.testimony@hawaii.gov

To: The members of the Board of Land and Natural Resources

Subject: April 12, 2024, DLNR Board Meeting Agenda, Land Division, Item #1
Consent to Assignment of General Lease No. S-3716, Hawaiian Fresh
Products, Inc., Assignor, to Hilo Products Inc., Assignee...

I am asking the Board's approval of the Lease assignment from my company (Hawaiian Fresh Products, Inc. (HFP)) to Hilo Products, Inc. (HPI).

Over the years I have run a successful papaya treatment business in Hilo. With past natural disasters and a downturn in papaya production on Hawaii Island, I have decided to leave the papaya industry. As such, I am selling the permanent assets of HFP to HPI.

Seeking a buyer for my building and improvements, HPI made a fair offer. What I know of HPI is that it is a long-time family business selling fresh produce island wide. In addition to selling fresh produce from Hawaii and other sources worldwide, HPI now prepares fresh vegetables and fruit for restaurants and others needing certain cuts and preparation to facilitate the buyer's needs for quality and streamlined preparation to the consumer. This business expansion now requires HPI to expand warehousing and production, and obtains suitable facilities. My facility has perfect potential for HPI. I have food safety expertise having worked with the USDA and State Department of Health processing papaya and looking into the possibilities of processing other fresh food products.

My sale of the building and fixed assets is subject to the assignment of the lease. This assignment will insure the property continues to be used for light industrial and commercial purposes, which is the concept of the KIAA industrial area where our property is located. The assignment of the lease provides HFP the opportunity to wipe clean its bank debts, pay what is owed to the county of Hawaii, provide some net income to me, and provide me with productive employment opportunities helping HPI as a Food Safety Coordinator.



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This is a simple business transaction meant to assist an expanding business, promote employment opportunities in Hilo, and provide continuity of income to the DLNR.

Thank you for this opportunity to submit testimony and I urge all members to vote in favor of the assignment of Lease No. S-3716.

I will be present at the April 12 Board Meeting if you have any questions for me.

Sincerely yours,

Toshihisa Aoki, President
Hawaiian Fresh Products, Inc.

Bernard A. Balsis, Jr, Consultant
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Email: balsisconsulting@gmail.com

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Assignor, to Hilo Products Inc., Assignee...

I have been working with Hawaiian Fresh Products (HFP) for quite a few years as a consultant from the Small Business Development Center in Hilo. Once I retired from the SBDC in 2022, I continued to assist Mr. Toshihisa Aoki, President of HFP, as he needed assistance.

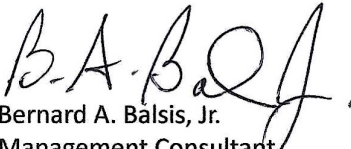
For many years HFP was in the forefront of papaya treatment and exporting to both Japan and the US Mainland. As Mr. Aoki has been in business for many years, he has decided to sell the permanent assets of the business (Building and fixed improvements), clear bank debt and leave the papaya industry. The opportunity to sell the permanent assets (building and improvements) arose in 2023. The buyer, Hilo Products Inc (HPI), is a long-time successful Hilo business which is expanding and needs a facility for more warehousing and fresh food processing. While I am not privy to the specific plans of HPI, I am aware they look forward to constructing a food preparation facility within the existing shell, adding to the permanent assets of the property. With this improvement, HPI will be applying for an extension of the existing lease.

This is a normal business transaction and I support the assignment of lease to HPI.

I will be present at the Board Meeting if anyone has questions for me.

Thank you for this opportunity to support this assignment of lease from HFP to HPI.

Sincerely,


Bernard A. Balsis, Jr.
Management Consultant

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Hilo, HI
808-935-1106



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As the fourth generation President of Hilo Products Inc., we pride ourselves in delivering fresh quality products to all on the Big Island. Part of our plan to strengthen our processing capabilities is to acquire the building and assets of Hawaiian Fresh Products while extending the lease of the land.

The Kanoelehua Industrial Area has provided a great resource for the many that were distressed by the tsunamis and new business opportunities for the future. Hilo Products Inc. was one company that was supported by the KIAA. Originally created in 1938, Hilo Products first store was damaged by the 1946 tsunami. After rebuilding once more the 1960 tsunami also struck the second facility. It was then the KIAA was able to help secure a plot of land that Hilo Products Inc. still operates out of to this day.

To keep up with demand for our processed items expanding to a new facility has been deemed necessary. Some of the products we offer are prepacked stir fry mix, fruit and veggie packs, nishime mix, and salad mixes. Along with other additional ready to eat or ready to cook products, we are providing healthy and affordable meals for the island. This expansion will help create future employment opportunities, establish better processing capabilities, and help facilitate better food safety practices.

I will be attending the future board meeting on April the 12th if anyone has questions or concerns that they would like to address. I would also like to thank you for the consideration of this leasing opportunity that we as a company have been presented.

Best regards,



Brandon Bartolome
President