

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 HAWAIIAN AFFAIRS
ON
SENATE BILL NO. 1412

February 9, 2021
1:00 P.M. – 2:30 P.M.
Via Videoconference

RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR THE HONOKEA SURF
VILLAGE

The Department of Budget and Finance offers the following comments on Senate Bill No. 1412 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist HK Management, LLC, a Hawaii limited liability company, with the planning, designing, constructing, reconstructing, renovating, acquiring, equipping and improvement of the Honokea Surf Village pursuant to Part V, 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.

SB-1412

Submitted on: 2/8/2021 4:46:26 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
BRIAN KEAULANA	Testifying for HK MANAGEMENTLLC	Support	No

Comments:

TO:

The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and

Members of the Senate Committee on Ways and Means

DATE: TIME: Place:

Wednesday, February 10, 2021

3:00 P .m.

Conference Room 224, and via Videoconference

From:

Brian Keaulana President HK Management LLC

Re: Testimony in Support of S.B. No. 963 RELATING TO SPRBs

I am writing today as the President of the HK Management (Honokea), an organization I have led since 2012. Honokea is in STRONG support of SB 963 and is responsible for seeking its introduction. We believe that the bill is in the best interest of the State of Hawaii because it will not cause the state any financial risk or cost the state any capital but instead relies on private investment to finance this industry center which will generate the income for the State, significantly advance Hawaii's surf and film industries, and create over two hundred local jobs on State lands.

Honokea is dedicated to sharing the core values of Hawaii's culture and its surf history. We will create over 200 local green jobs, create new surf industry and film industry opportunities, pay Hawaii taxes, pay lease rents to the State, align with Hawaii smart tourism initiatives, increase the value of Kalaeloa, and protect and promote the unique cultural heritage of Hawaii's Surf History in a way that no other organization in Hawaii. We do this through a network of education, partnerships, programming, operations, sustainability and wellness initiatives, and events for all ages in a variety of skill based

Olympic sports. The center's surf and aquatic film studio, in combination with the state's natural ocean environment, will provide world-class filming opportunities to support local film projects and also help to attract national and international film projects.

We are a purpose-driven organization that was brought into being by our vision for a better Hawaii and the Hawaiian values we all share. Although we will provide Olympic level training for six sports, Surfing, the sport created through Hawaii's culture will be the featured sport. Currently surfing is undergoing a strong transformation where artificial technology is creating learning environments outside of the ocean all around the world. Prominent surf contests such as the Pipe Masters are now rivaled in artificial surf lagoons. Our current 2021 Olympic surfers John John Florence and Carissa Moore have to travel to Texas, California or abroad to surf in these game changing training facilities. Younger local Olympic hopefuls who don't have access to that type of money are falling behind those who can drive to or have the money and support for extensive travel to log the wave lagoon training time. That training time allows for more time on a surfboard in an hour than most surfers get in a week.

We utilize the popularity of surfing to create social impact encouraging healthy living, sustainable behavior, celebration of family and culture. This wave lagoon serves also as a platform to teach water and ocean safety and team building.. We create pipelines to career paths by utilizing the popularity of surfing and the partnerships with educational organizations at all levels to encourage education in engineering, surf industry fields, sustainable design, medicine, alternative energy, film industry, competitive athletics, sports science and medicine, Hawaiian cultural practices, and entrepreneurship. Currently, high school surfing, a varsity sport in our state, suffers poor attendance from athletes due to non ideal surfing conditions during events and would greatly benefit from a consistent and safe place to hold surf meets.

On behalf of our employees. I thank you for your consideration of this testimony and hope that you agree that supporting SB172 is in the best interest of our State!

Me ke aloha a me ka mahalo nui,
Brian Keaulana, President, HK Management LLC

"Our land does not divide us, it's our waters that connects us"

SB-1412

Submitted on: 2/5/2021 3:10:28 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dr Chloe Panizza	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

SB-1412

Submitted on: 2/5/2021 3:11:53 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Reyn Kaupiko	Individual	Support	No

Comments:

I fully support this bill. Creative ways to invest into our economy are needed now more than ever. This bill provides no risk to the state and no capital. We can continue to talk about how to diversify our economy or we can act and approve this bill through the process. The historical importance of having a facility such as this is imperative. A vote against this bill is a vote against Hawaii's culture and heritage.

SB-1412

Submitted on: 2/5/2021 3:32:37 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
James VanDerKamp	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

SB-1412

Submitted on: 2/5/2021 4:38:20 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Lozano	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

SB-1412

Submitted on: 2/5/2021 8:11:34 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John A Kojima	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

I am the CFO for HK Management and have been part of the development team for the past 10 years. I have witnessed the artificial surf park industry go from concept to actual facilities opening and operating. There are Wavegarden Cove facilities in operation in Snowdonia, Wales; Bristol, England; Melbourne, Australia; and the latest facility just opened in Seoul, South Korea, with projects in development in Switzerland and Brazil. Hawaii is the birthplace of surfing and I believe this "surf village" would be a popular destination for locals and tourists alike to enjoy and learn the Hawaiian culture of surfing. I would appreciate your support of this initiative.

SB-1412

Submitted on: 2/6/2021 7:16:47 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Duke hashimoto	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

As a resident of West Oahu I strongly support this project as it would bring jobs, cultural/educational opportunities, and state/city revenues to an area that is being under utilized.

SB-1412

Submitted on: 2/6/2021 11:51:44 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Ballou	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

SB-1412

Submitted on: 2/6/2021 7:46:34 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Blair Suzuki	Individual	Support	No

Comments:

I Strongly Support this Bill. We need economic revenue generators on this island, and especially on the West Side.

SB-1412

Submitted on: 2/7/2021 8:57:45 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Kakinami	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

To: Committee on Hawaiian Affairs
Sen. Maile Shiamburkuro, Chair
Sen Jarrett Keohokalolo, Vice Chair

From: Teresa Bill

Re: SB 1412, Special Purpose Revenue Bonds, Honokea Management

Date: Tues, Feb 9, 2021 1:00 pm – 2:30 pm

Position: SUPPPORT

Aloha Chair and Members of the Committee on Hawaiian Affairs –

I strongly support passage of SB1412, requesting the State issue Special Purpose Revenue Bonds for the Honokea Surf Village. This is an opportunity for the State to support the local development of a new recreational and cultural attraction which requires NO state capital and no risk by the State. It allows Honokea to raise money thorough private investment. This offers a way to stimulate the local economy creating revenue for the State, and jobs in the film and surf industries. Honokea Surf Village brings new kinds of tourism as we look to “right size” tourism post-COVID.

It is nice to see a plan to bring something to Kalaeloa after so many years and missed opportunities.

Thank you for this opportunity to testify.

Teresa Bill
Honolulu, HI. 96816

SB-1412

Submitted on: 2/8/2021 8:48:14 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrew Sutton	Individual	Support	No

Comments:

Aloha,

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

The Honokea team are dedicated to creating a sustainable development that respects and gives back to the local community. I truly believe the development would bring a world-class project to our backyard, a community resource and gathering place that honors and celebrates Hawaii's unique culture, its place in surfing history, wellness, arts, and the future of sports.

Sincerely,

Andrew Sutton

SB-1412

Submitted on: 2/8/2021 9:05:36 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ben Creps	Individual	Support	No

Comments:

I am in strong support of this bill. The benefits are largely obvious, I hope, but the one that stands out most to me is that this project is a vehicle for building and strengthening our community. It's a gathering place. A place to share experiences and knowledge, and spread passion and aloha. This is what Hawaii is about.

It takes vision to imagine a project of this scale, but it takes community to get it done. I've known the folks behind the Honokea Surf Village and Resort for many years. They are proven community builders. We know this to be critical -- engagement with the community -- for a development to succeed here.

It's time for Hawaii to toss out stale ideas and engage with the future. Paddle for the horizon!

SB-1412

Submitted on: 2/8/2021 9:25:17 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kenan Knieriem	Individual	Support	No

Comments:

I am in STRONG support of SB 1412. We believe that the bill is in the best interest of the State of Hawaii because it will not cause the state any financial risk or cost the state any capital but instead relies on private investment to finance this industry center which will generate income for the State, significantly advance Hawaii's surf and film industries, and create over two hundred local jobs on State lands.

Honokea is dedicated to sharing the core values of Hawaii's culture and its surf history. We will create over 200 local green jobs, create new surf industry and film industry opportunities, pay Hawaii taxes, pay lease rents to the State, align with Hawaii smart tourism initiatives, increase the value of Kalaeloa, and protect and promote the unique cultural heritage of Hawaii's Surf History in a way that no other organization in Hawaii. We do this through a network of education, partnerships, programming, operations, sustainability and wellness initiatives, and events for all ages in a variety of skill-based Olympic sports. The center's surf and aquatic film studio, in combination with the state's natural ocean environment, will provide world-class filming opportunities to support local film projects and also help to attract national and international film projects.

We are a purpose-driven organization that was brought into being by our vision for a better Hawaii and the Hawaiian values we all share. Although we will provide Olympic level training for six sports, Surfing, the sport created through Hawaii's culture will be the featured sport. Currently, surfing is undergoing a strong transformation where artificial technology is creating learning environments outside of the ocean all around the world. Prominent surf contests such as the Pipe Masters are now rivaled in artificial surf lagoons. Our current 2021 Olympic surfers John John Florence and Carissa Moore have to travel to Texas, California, or abroad to surf in these game-changing training facilities. Younger local Olympic hopefuls who don't have access to that type of money are falling behind those who can drive to or have the money and support for extensive travel to log the wave lagoon training time. That training time allows for more time on a surfboard in an hour than most surfers get in a week.

We utilize the popularity of surfing to create a social impact encouraging healthy living, sustainable behavior, a celebration of family and culture. This wave lagoon serves also as a platform to teach water and ocean safety and team building. We create pipelines to career paths by utilizing the popularity of surfing and the partnerships with educational organizations at all levels to encourage education in engineering, surf industry fields,

sustainable design, medicine, alternative energy, film industry, competitive athletics, sports science and medicine, Hawaiian cultural practices, and entrepreneurship. Currently, high school surfing, a varsity sport in our state, suffers poor attendance from athletes due to non-ideal surfing conditions during events and would greatly benefit from a consistent and safe place to hold surf meets.

On behalf of our employees. I thank you for your consideration of this testimony and hope that you agree that supporting SB1412 is in the best interest of our State!

SB-1412

Submitted on: 2/8/2021 10:06:07 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Hunter Smith	Individual	Support	No

Comments:

I am in support of this bill. I believe that this will be a way to make more jobs available for the locals, and will also boost the economy. With this pandemic, it is important to be more self reliant and not depend solely on tourism. This project would create more than just revenue for the state, more jobs, and support local retailers, but educate people from around the world about the history of surfing that originated in Hawaii.

SB-1412

Submitted on: 2/8/2021 10:17:35 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
James McArthur	Individual	Support	No

Comments:

I believe this year our Hawaii Legislature should be laser focused on helping our economy recover from the effects of Covid-19. We need real solutions to creating jobs and increasing productivity. Here is an easy win-win. Private money with no cost to the State. I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy.

SB-1412

Submitted on: 2/8/2021 10:43:18 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike McMahon	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

SB-1412

Submitted on: 2/8/2021 11:10:55 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Sutton	Individual	Support	No

Comments:

I support the proposed funding of the proposed Honokea Surf Village as the Honokea team has a record of assisting with the development of a surf park near Austin, Texas and has a dedicated team of Hawaii surfers who have a passion for the sport. My son, Andrew Sutton, with a background in finance, was part of that team.

Keno Knieriem has researched surf-park technology around the world and is a knowledgeable, capable leader.

The benefits of approving this funding are numerous. It will benefit the State of Hawaii by creating jobs, provide a healthy and safe (no sharks)recreational facility. It will stimulate development that is not tourist dependent as Hawaii has many surfers. Surfing competition would not be seasonal. As surfing is now scheduled as an Olympic sport, the facility can be used as a training base. As the sea level rises, more beaches will become inaccessible and this park would be an alternative.

Respectfully submitted,

Richard Sutton

SB-1412

Submitted on: 2/8/2021 11:58:19 AM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Laupola	Individual	Support	No

Comments:

Senator Maile S.L. Shimabukuro, Chair

Senator Jarrett Keohokalole, Vice Chair

Committee on Hawaiian Affairs

Tuesday, February 09, 2021

Jeffrey Laupola

Support for S.B. No. 1412, Relating to Special Purpose Revenue Bonds for The Honokea Surf Village

I am submitting testimony in support of The Honokea Surf Village.

The COVID-19 pandemic has been challenging for so many of our Ohanas in Hawaii. The coming budget revenue shortfalls will impact government services and any means to bring in additional revenue for our local jobs, businesses, and government should be supported by all. Special Purpose Revenue Bonds is such a vehicle to help our local Hawaii economy without straining government resources.

Furthermore, this project belongs in Hawaii because Hawaii is the birthplace of surfing. While we all prefer the ocean for surfing and watersports, this project provides a safe environment for visitors and locals to surf when waves are dangerously too big.

Thank you for the opportunity to submit testimony and thank you for your service to the people of Hawaii as our elected leaders.

SB-1412

Submitted on: 2/8/2021 12:05:16 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph S. Huck	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

Keno and Brian are great people who care deeply about Hawaiian culture and community wellness, as shown by their continued commitment to organize social events, community cleanups, and small business craft markets. Helping them accomplish their goals will pay dividends the community, and this is why I support this legislation.

SB-1412

Submitted on: 2/8/2021 12:27:23 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Alex Cross	Individual	Support	No

Comments:

I am in support of this bill because it is a great way to stimulate the local economy, create revenue for the State, support the lfilm, surf, and hospitatlity industries, support local retailers, and help our community stay healthy. Additionally, Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history, develop future generations of surfers, and maintain a global influence in a sport that has now been included in the Olympic Games.

February 09, 2021

Senate Committee on Hawaiian Affairs

Senator Maile S.L. Shimabukuro, Chair

Senator Jarrett Keohokolole, Vice Chair

Re: SB 1412 Relating to Special Purpose Revenue Bonds for the Honokea Surf Village.
Directs the department of budget and finance to issue special purpose revenue bonds for the planning, designing, constructing, reconstructing, renovating, acquiring equipping, and improvement of the Honokea Surf Village.

Aloha Chair Shimabukuro, Vice Chair Keohokolole and members of the Committee,

My name is Homelani Schaedel, a beneficiary residing in Malu'ohai homestead, a homestead leader in Kapolei, and an advocate for the Hawaiian Homes Commission Act (HHCA).

I grew up on the Waianae Coast in the 50's and 60's when surfing was not considered a sport; it was part of our Hawaiian culture, a way of life for many. Over time, surfing like much of our culture shared with the world has become more about business rather than culture.

I appreciate the Honokea Surf Village project includes Hawaii cultural education, awareness of the history of surfing and Hawaii surf culture and may be inclined to support such a project.

However, the impact of COVID-19 has changed every aspect of our lives. Our State is facing a budget deficit of almost four billion dollars. Families have and continue to make tough decisions on what they need vs. what they want, and if they want it, can they afford it.

We have had a housing crisis for the past twenty years, and in that time the Department of Hawaiian Home Lands' (DHHL) residential Waitlist have doubled to 23,252 applicants.

As you discuss and deliberate your decision on this bill, please ask yourself this question:

Do we need this, or do we want it? If we want it, can we afford it?

I hope you will consider deferment of this bill until such time our States' economy is healthy and our housing demands has been resolved.

Mahalo for your consideration and the opportunity to share my mana'o.

SB-1412

Submitted on: 2/8/2021 12:54:14 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Maggie Engebretson	Individual	Support	No

Comments:

I am in very strong support of this bill. This project is a perfect example of something that is not tourism-reliant to diversify and strengthen the Islands' economy.

Additionally, this project doesn't require any state capital while creating revenue, jobs, and supporting a network of local retailers and community members who would directly benefit from the development.

Great way to support the surfing industry in the birthplace of the sport, and help propel this part of Native Hawaiian culture/history into the future.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96817
Telephone: (808) 594-0300 Fax: (808) 587-0299
Web site: <http://dbedt.hawaii.gov/hcda/>

DAVID Y. IGE
GOVERNOR

JOHN WHALEN
CHAIR

DEEPAK NEUPANE, P.E., AIA
EXECUTIVE DIRECTOR

Statement of
DEEPAK NEUPANE, P.E., AIA
Executive Director
Hawaii Community Development Authority
before the

SENATE COMMITTEE ON HAWAIIAN AFFAIRS

Tuesday, February 9, 2021
1:00 PM
Via Videoconference

In consideration of
SB 1412
**RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR THE HONOKEA SURF
VILLAGE.**

Chair Shimabukuro, Vice Chair Keohokalole and members of the Committee. The Hawaii Community Development Authority (HCDA) has not yet taken a position on this measure. In my capacity as the executive director, I respectfully offer **comments on SB 1412** that authorizes the state to issue a special purpose revenue bond not to exceed \$95,000,000 for the planning, design, construction, etc. of the Honokea Surf Village.

To clarify, HCDA did not give HK Management approval to develop the Honokea Surf Village on state lands as stated in SB 1412. During the January 8, 2020 HCDA Kalaeloa Authority Meeting, authority members authorized the executive director to enter into an Exclusive Negotiations Agreement (ENA) and Right of Entry Agreement (ROE) with HK Management for a period of 18-months to provide site control to conduct due diligence and further explore the possibility of the proposed Honokea Surf Village project at the site. The ENA and ROE do not obligate HCDA or HK Management to move forward with the proposal. Such a development would still require further review and public hearings as required by HCDA's development permit process.

Thank you for the opportunity to testify.

LATE

SB-1412

Submitted on: 2/8/2021 1:01:53 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Emilee Turner	Individual	Support	No

Comments:

Dear Senators,

I am writing in strong support of SB1412. I believe the bill will support economic growth, create jobs, create educational opportunities for keiki, adults, and visitors, and bring great value and pride to the community. I look forward to seeing this project come to fruition and to be able to learn about water safety and the history of Hawaiian surfing. I think this project will continue to educate the community and visitors about Hawaii as the birth place and center of surf culture. I also believe the sustainable mission of this project will provide opportunities for partnership between the university, the local community, and scientist and historians. This project will also support local businesses and retailers by reaching a wider audience. It additionally support athletes from Hawaii and will allow them to train in the best facilities and then compete on a world level at the olympics in surf. I believe th benefits of this bill are numerous and I fully support SB1412.

Thank you and best wishes.

LATE

SB-1412

Submitted on: 2/8/2021 2:06:17 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Gooding	Individual	Support	No

Comments:

Dear Senator Shimabukoro:

I strongly support SB 1412, relating to special purpose revenue bonds for Honokea Surf Village. The village will provide revenue for the State in terms of land rent and taxes and it will provide a venue for the Hawaiian culture and sports.

The surf village will also support other local surfing-related businesses such as shapers and clothing manufacturers. The COVID pandemic has shown that we need to diversify beyond tourism, and because surfing originated in Hawaii, surf related products and business are a natural fit for diversifying our economy.

Thank you,

Kevin Gooding

41-038 A Manana Street

Waimanalo, Hawaii 96795

LATE

SB-1412

Submitted on: 2/8/2021 2:09:52 PM

Testimony for HWN on 2/9/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Connor Burris	Individual	Support	No

Comments:

I am in strong support of this bill because it is a great way to stimulate the local economy without requiring the State's capital. This will create revenue for the State, create jobs, stimulate the film and surf industries, support local retailers, and help our community stay healthy. Hawaii is the birthplace of surfing, and this project helps us to maintain our place in surfing history. COVID-19 has highlighted the need to be less reliant on tourism and this project helps achieve that goal.

Hawaii needs to stay relevant in tourism and surfing.