

STAND. COM. REP. NO.

292

Honolulu, Hawaii

February 18, 2015

RE: H.B. No. 241

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 241 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON OAHU,"

begs leave to report as follows:

The purpose of this measure is to support the development of a renewable and efficient energy system in the state by extending, from June 30, 2015, to June 30, 2020, the authorization to issue special purpose revenue bonds to assist Honolulu Seawater Air Conditioning, LLC, in financing the design and construction of a seawater air conditioning district cooling system on Oahu.

Honolulu Seawater Air Conditioning, LLC and Ulupono Initiative testified in support of this measure

Honolulu Seawater Air Conditioning's downtown Honolulu seawater air conditioning project is expected to service approximately fourteen million square feet of building space in the downtown area. In addition to the environmental and renewable energy benefits associated with this project, it is anticipated that the project will result in millions of dollars of economic opportunity for Hawaii and the creation of numerous construction and high-tech, high value employment opportunities.

Over the years, the Legislature has authorized the issuance of a total of \$145,000,000 in special purpose revenue bonds for the downtown Honolulu seawater air conditioning project,

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\$20,000,000 of which was authorized in 2012 with an expiration date of 2015. However, disruptions in the financial markets and longer than expected permitting and regulatory reviews have delayed the sale of these special purpose revenue bonds. Your Committee finds that extending the authorization to issue special purpose revenue bonds for this project is in the best interest of the State and is an important element in providing economically feasible project financing for Honolulu Seawater Air Conditioning.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 241 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



DEREK S.K. KAWAKAMI, Chair



