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# A BILL FOR AN ACT

RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR THE HONOKEA SURF  
VILLAGE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that HK Management, LLC, a  
2 Hawaii limited liability company, proposes to build a surf  
3 industry center on state lands to be leased from the Hawaii  
4 community development authority in Kalaeloa on the island of  
5 Oahu. The proposed surf center includes research, development,  
6 manufacturing, and testing facilities, together with a surf and  
7 aquatic film studio. HK Management, LLC, was selected to  
8 develop the surf industry center by the Hawaii community  
9 development authority through a public process that was  
10 completed in 2020.

11           The legislature further finds that development of the surf  
12 industry center will advance the State's interest by promoting  
13 Hawaii's surfing and film industries and supporting cultural  
14 education, smart tourism, and economic development. Other  
15 benefits the legislature expects the surf center to provide  
16 include:



- 1           (1) Supporting local surf-related businesses by allowing
- 2                   the State to remain a leader in surfboard design,
- 3                   manufacturing, and testing;
- 4           (2) Providing a world-class surf and aquatic film studio
- 5                   to support and attract local, national, and
- 6                   international film projects;
- 7           (3) Providing an artificial surf facility to serve as a
- 8                   training and meet venue and design testing facility;
- 9                   and
- 10          (4) Providing employment opportunities and opportunities
- 11                   to promote awareness of surf history and Hawaii surf
- 12                   culture.

13           Accordingly, the legislature finds and declares that the

14 issuance of special purpose revenue bonds under this Act is in

15 the public interest and for the public health, safety, and

16 general welfare.

17           SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised

18 Statutes, the department of budget and finance, with the

19 approval of the governor, is authorized to issue special purpose

20 revenue bonds in a total amount not to exceed \$95,000,000, in

21 one or more series, for the purpose of assisting HK Management,



1 LLC, a Hawaii limited liability company, in financing or  
 2 refinancing the costs of planning, designing, constructing,  
 3 reconstructing, renovating, acquiring, equipping, and improving  
 4 surf industry center facilities. The legislature hereby finds  
 5 and determines that planning, designing, constructing,  
 6 reconstructing, renovating, acquiring, equipping, and improving  
 7 these facilities constitutes a project as defined in part V,  
 8 chapter 39A, Hawaii Revised Statutes, and the financing or  
 9 refinancing thereof is assistance to an industrial enterprise.

10 SECTION 3. The special purpose revenue bonds and the  
 11 refunding special purpose revenue bonds issued under this Act  
 12 shall be issued pursuant to part V, chapter 39A, Hawaii Revised  
 13 Statutes, relating to the power to issue special purpose revenue  
 14 bonds to assist industrial enterprises.

15 SECTION 4. The department of budget and finance is  
 16 authorized, from time to time, including times subsequent to  
 17 June 30, 2026, to issue special purpose revenue bonds in  
 18 whatever principal amounts the department shall determine to be  
 19 necessary to refund the special purpose revenue bonds authorized  
 20 in section 2 and to refund special purpose revenue bonds  
 21 authorized in this section, regardless of whether the



1 outstanding special purpose revenue bonds or refunding special  
2 purpose revenue bonds have matured or are the subject of  
3 redemption or whether the refunding special purpose revenue  
4 bonds shall be bonds for the multi-project programs described in  
5 section 2. In making this determination, the department shall  
6 comply with federal law relating to the exemption from federal  
7 income taxation of the interest on bonds of the nature  
8 authorized by this section.

9 SECTION 5. The authorization to issue special purpose  
10 revenue bonds under this Act shall lapse on June 30, 2026.

11 SECTION 6. This Act shall take effect on July 1, 2021



**Report Title:**

Special Purpose Revenue Bonds; HK Management, LLC

**Description:**

Authorizes the issuance of special purpose revenue bonds to assist HK Management, LLC, in planning, designing, constructing, reconstructing, renovating, acquiring, equipping, and improving surf industry center facilities. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

