

JAN 27 2021

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST HK MANAGEMENT, LLC.

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 develop
8 the surf industry center by the Hawaii community development
9 authority through a public process that was completed in 2020.

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



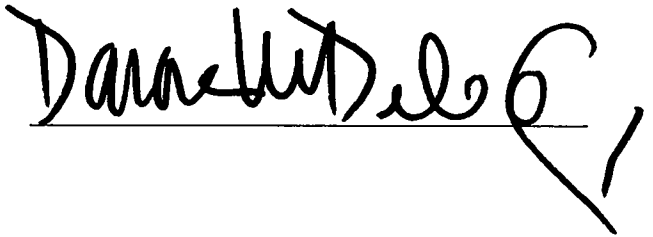
1 outstanding special purpose revenue bonds or refunding special
2 purpose revenue bonds have matured or are the subject of
3 redemption or whether the refunding special purpose revenue
4 bonds shall be bonds for the multi-project programs described in
5 section 2. In making this determination, the department 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.

12

INTRODUCED BY:





S.B. NO. 963

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.

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

