

JAN 27 2021

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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 in early 2020, HK  
2 Management, LLC, was approved to develop the Honokea Surf  
3 Village on state lands to be leased from the Hawaii community  
4 development authority in Kalaeloa, Oahu. The Honokea Surf  
5 Village is intended to be a surf industry center, consisting of  
6 research, development, manufacturing, and testing facilities; a  
7 surf and aquatic film studio; and an artificial surf park that  
8 also can be used as a design testing facility, a filming  
9 location, a training venue, and a place for surf meets of all  
10 levels, including high school surf meets.

11           The legislature further finds that the development of the  
12 Honokea Surf Village will advance the interests of the State by:

13           (1) Allowing Hawaii to maintain a leadership role in  
14               surfboard design, innovation, manufacturing, and  
15               testing;



- 1           (2) Encouraging local retail, manufacturing, and other
- 2                 surf-related businesses; and
- 3           (3) Providing, in combination with the State's natural
- 4                 ocean environment, world-class filming opportunities
- 5                 that support local film projects and attract national
- 6                 and international film projects.

7           Moreover, the activities within the project facilities also

8 will provide opportunities for cultural education, awareness of

9 the history of surfing, and Hawaii surf culture, as well as

10 employment opportunities both at the Honokea Surf Village and in

11 related local businesses.

12           The legislature finds and declares that the issuance of

13 special purpose revenue bonds under this Act is in the public

14 interest and for the public health, safety, and general welfare.

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

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

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

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

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

20 LLC, a Hawaii limited liability company, for the planning,

21 designing, constructing, reconstructing, renovating, acquiring,



1 equipping and improvement of the Honokea Surf Village. The  
2 legislature hereby finds and determines that the planning,  
3 designing, constructing, reconstructing, renovating, acquiring,  
4 equipping, and improvement of the Honokea Surf Village  
5 constitute a project as defined in part V, chapter 39A, Hawaii  
6 Revised Statutes, and the financing thereof is assistance to an  
7 industrial enterprise.

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

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



# S.B. NO. 1412


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

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

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

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INTRODUCED BY:



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# S.B. NO. 1412

**Report Title:**

Special Purpose Revenue Bonds; Honokea Surf Village; Hawaii  
Community Development Authority

**Description:**

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.

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

