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DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 21, 2025
12:00 P.M.
State Capitol, Room 308

**H.B. 1156, H.D. 1
RELATING TO SPECIAL FACILITY REVENUE BONDS**

House Committee on Finance

The Department of Transportation (DOT) **supports** this measure that increases the ceiling for special facility revenue bonds that may be issued by the Department of Transportation for harbor improvements.

Special facility revenue bonds expedite certain projects at commercial harbor facilities and increase project efficiencies. The department seeks to increase the maximum amount of special facility revenue bonds it may issue as it has experienced escalating project costs due to inflation and rising costs of materials and labor. Future projects that would use special facility revenue bonds are large in scope and scale and will require funding above the existing limit, which was last increased to \$100,000,000 in 1993. These projects may include new port infrastructure to support renewable energy projects. The increased ceiling will facilitate improved project delivery given these higher costs.

Thank you for the opportunity to provide testimony.



AUKAHI
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**TESTIMONY OF AUKAHI ENERGY
BEFORE THE HOUSE COMMITTEE ON FINANCE**

February 21, 2025

12:00 P.M.

State Capitol, Conference Room 308

**IN SUPPORT OF H.B. 1156 H.D. 1
RELATING TO SPECIAL FACILITY REVENUE BONDS**

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

Aukahi Energy strongly supports H.B. 1156 H.D. 1, which seeks to increase the ceiling for special facility revenue bonds issued by the Department of Transportation for harbor improvements.

As a company committed to advancing Hawaii's clean energy transition, Aukahi Energy recognizes the critical role that modernized port infrastructure plays in enabling the efficient import, storage, and distribution of renewable energy resources and technology. The proposed increase in special facility revenue bonds will help facilitate essential upgrades to commercial harbor facilities, ensuring that Hawaii has the capacity to support emerging clean energy initiatives, including offshore wind, battery storage deployment, and hydrogen fuel infrastructure.

Hawaii's transition to a more sustainable energy future depends on the ability to efficiently transport and deploy renewable energy resources. However, escalating material and labor costs have significantly increased the financial burden associated with these large-scale infrastructure projects. By adjusting the bond ceiling to better reflect current economic conditions, H.B. 1156 H.D. 1 will allow the state to maintain momentum in developing the critical infrastructure necessary to meet its clean energy goals.

This measure is also a step forward in addressing the realities of sea level rise and preparing for environmental degradation.

Mahalo for the opportunity to testify.

Sincerely,
Lydia LOSTAN
CEO, Aukahi Energy LLC





Testimony for HB1156 HD1, Relating to Special Facility Revenue Bonds

House Committee on Finance
February 21, 2025

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the committee,

The Hawaii Harbors Users Group is in strong **support** of HB1156 HD1, Relating to Special Facility Revenue Bonds.

The Hawaii Harbors Users Group supports this measure because it increases the total principal amount of special facility revenue bonds that the Department of Transportation can issue for harbor improvements. This bill enables necessary infrastructure upgrades that support maritime operations, ensuring efficient and modern facilities that accommodate growing commercial and passenger traffic.

By expanding funding capabilities through special facility revenue bonds, HB1156 HD1 allows the state to improve and maintain critical harbor infrastructure without relying on general taxpayer funds. This approach benefits businesses, residents, and the broader community which depend on reliable harbor operations while promoting economic development and job creation in Hawaii's maritime sector.

Additionally, this bill enhances the state's ability to partner with private entities for the development and maintenance of specialized harbor facilities. Such public-private collaborations lead to faster, more efficient project completion, ultimately strengthening Hawaii's transportation network and maritime commerce.

Mahalo for the opportunity to testify in strong support of this bill.