

STAND. COM. REP. NO.

294

Honolulu, Hawaii

February 18, 2015

RE: H.B. No. 242

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. 242 entitled:

"A BILL FOR AN ACT RELATING TO SEAWATER AIR CONDITIONING,"

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, \$20,000,000 of which was authorized in 2012 with an expiration

HB242 HSCR EDB HMS 2015-1799



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. 242 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



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 294

**Record of Votes of the Committee on Economic Development & Business**

Bill/Resolution No.: <b>HB 242</b>	Committee Referral: <b>EDB, FIN</b>	Date: <b>10 FEB 15</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. KAWAKAMI, Derek S.K. (C)	✓			
2. KONG, Sam Satoru (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.	✓			
6. ITO, Ken				✓
7. OHNO, Takashi	✓			
8. ONISHI, Richard H.K.	✓			
9. TOKIOKA, James Kunane	✓			
10. TSUJI, Clift	✓			
11. WOODSON, Justin H.	✓			
12. MATSUMOTO, Lauren Kealohilani	✓			
13. WARD, Gene	✓			
<b>TOTAL (13)</b>	<b>12</b>			<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Samuel S. King</i></u>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				