
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.

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

14 (1) Supporting local surf-related businesses by allowing
15 the State to remain a leader in surfboard design,
16 manufacturing, and testing;



1 (2) Providing a world-class surf and aquatic film studio
2 to support and attract local, national, and
3 international film projects;

4 (3) Providing an artificial surf facility to serve as a
5 training and meet venue and design testing facility;
6 and

7 (4) Providing employment opportunities and opportunities
8 to promote awareness of surf history and Hawaii surf
9 culture.

10 Accordingly, the legislature finds and declares that the
11 issuance of special purpose revenue bonds under this Act is in
12 the public interest and for the public health, safety, and
13 general welfare.

14 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
15 Statutes, the department of budget and finance, with the
16 approval of the governor, is authorized to issue special purpose
17 revenue bonds in a total amount not to exceed \$95,000,000, in
18 one or more series, for the purpose of assisting HK Management
19 LLC, a Hawaii limited liability company, in financing or
20 refinancing the costs of planning, designing, constructing,
21 reconstructing, renovating, acquiring, equipping, and improving



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

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

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



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

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

8 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. (CD1)

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