
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, filming location,
9 training venue, and site for surf meets of all levels, including
10 high school.

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 Additionally, the activities within the project facilities
8 will provide opportunities for cultural education, awareness of
9 the history of surfing and Hawaii surf culture and employment
10 opportunities at the Honokea Surf Village and in related local
11 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



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.



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. (SD1)

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