
A BILL FOR AN ACT

RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST TRADEWINDS
FOREST PRODUCTS, LLC.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds and declares that the
2 issuance of special purpose revenue bonds under this Act is in
3 the public interest and for the public health, safety, and
4 general welfare.

5 The legislature finds that it is in the public interest to
6 support economic development and job growth, expansion of the
7 State's promising forest products industry, and non-petroleum-
8 based generation of electric power. The legislature therefore
9 finds that support for a new eucalyptus wood veneer
10 manufacturing facility is in the public interest as it will
11 provide over one hundred family-wage jobs, further the
12 development of a state-based world class forest products
13 industry, and generate three to five megawatts of renewable
14 electric energy for general consumption.

15 The legislature further finds that Tradewinds Forest
16 Products, LLC, proposes to build a \$30,000,000 facility on the
17 Hamakua coast that will process domestic eucalyptus logs, some



1 harvested from state-owned plantations, into high strength, thin
2 veneer sheets for exportation. The same facility would generate
3 surplus electricity from the burning of wood by-products.

4 The legislature finds that the issuance of special purpose
5 revenue bonds under this Act will assist Tradewinds Forest
6 Products, LLC, in constructing its veneer mill and cogeneration
7 facility and make the combined facility more economically
8 feasible and will provide numerous other benefits, including:

9 (1) Providing family-wage jobs to facility employees, as
10 well as to loggers and truckers supplying and
11 transporting timber to the mill, and personnel
12 replanting and maintaining the forest plantations;

13 (2) Providing skilled industrial jobs in a location where
14 economic activity is behind the norm and unemployment
15 is above state averages;

16 (3) Developing a new export product for the state by using
17 a renewable resource unique to Hawaii's location in
18 the United States, which may later result in local
19 production of selected building products;

20 (4) Possibly becoming a precursor to a major forest
21 products industry in our state by taking advantage of
22 our exceptional climate to grow superior timber;



1 (5) Producing electric power for public consumption
2 efficiently from local renewable resources that will
3 help the State and the federal government meet goals
4 and mandates for energy efficiency and renewable
5 energy use;

6 (6) Creating the potential to efficiently and economically
7 dispose of green waste in the region; and

8 (7) Generating millions of dollars of construction project
9 spending and building the skill base of local workers.

10 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
11 Statutes, the department of budget and finance, with the
12 approval of the governor, is authorized to issue special purpose
13 revenue bonds in a total amount not to exceed \$25,000,000, in
14 one or more series, for the purpose of assisting Tradewinds
15 Forest Products, LLC, with one or more of the following:

16 (1) The establishment of a veneer mill and an associated
17 cogeneration plant for the combined production of
18 eighty million to one hundred million square feet of
19 eucalyptus veneer that is one-eighth of an inch thick
20 and up to five megawatts of electricity from renewable
21 resources; and



1 (2) The financing of the costs related to the planning,
2 design, and construction of the facility, including
3 the costs of constructing, equipping, and purchasing
4 tangible assets, including land, for a facility site.

5 The legislature hereby finds and determines that the
6 activity and facilities of Tradewinds Forest Products, LLC,
7 constitute a project as defined in part V, chapter 39A, Hawaii
8 Revised Statutes, and the financing thereof is assistance to an
9 industrial enterprise.

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

15 SECTION 4. The department of budget and finance is
16 authorized, from time to time, including times subsequent to
17 June 30, 2011, to issue special purpose revenue bonds in
18 whatever principal amounts the department shall determine to be
19 necessary to refund the special purpose revenue bonds authorized
20 in section 2 and to refund special purpose revenue bonds
21 authorized in this section, regardless of whether the
22 outstanding special purpose revenue bonds or refunding special



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

8 SECTION 5. The authorization to issue special purpose
9 revenue bonds under this Act shall lapse on June 30, 2011.

10 SECTION 6. This Act shall take effect on July 1, 2050.

HB2878, SD1

Report Title:

Special Purpose Revenue Bonds; Tradewinds Forest Products, LLC

Description:

Authorizes the issuance of special purpose revenue bonds to assist Tradewinds Forest Products, LLC with planning, design, constructing, and equipping a veneer mill and cogeneration facility. (SD1)

