



GOV. MSG. NO. 1218

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 22, 2016

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 22, 2016, the following bill was signed into law:

HB2593 HD1 SD1

**AUTHORIZING THE ISSUANCE OF SPECIAL
PURPOSE REVENUE BONDS FOR HAWAII
RENEWABLE RESOURCES, LLC
ACT 117 (16)**

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR
HAWAII RENEWABLE RESOURCES, LLC.

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

1 SECTION 1. The legislature finds that the development of
2 local sustainable food production and the use and production of
3 renewable energy systems continues to be in the best public
4 interest. Hawaii Renewable Resources, LLC, is a Hawai'i company
5 offering sustainable solutions for the production of food and
6 renewable energy from the conversion of recovered food and green
7 agricultural crop resources.

8 Hawaii Renewable Resources, LLC, proposes to own, design,
9 build, and operate a project located on approximately ninety
10 acres of agricultural lands on central O'ahu that includes:

- 11 (1) A material reprocessing facility to recover organic
12 materials, food manufacturing waste, green crop waste,
13 and farm crop harvest waste;
- 14 (2) A closed-loop, fully renewable and sustainable
15 facility, with its own energy production, water
16 recovery, waste processing, telecommunications, and
17 environmental controls;



- 1 (3) A digester system to break down food and green waste
2 materials to usable products;
- 3 (4) Other processing equipment necessary to convert food
4 waste, green waste, and other materials to renewable
5 natural gas;
- 6 (5) Processing equipment for production of United States
7 Food and Drug Administration certified pig and fish
8 pellet feeds from processed and cooked food waste;
- 9 (6) Production of soil amendment compost from operations
10 for use in food crop farming;
- 11 (7) Recovery and use of carbon dioxide from renewable
12 natural gas production for use as a plant nutrient in
13 greenhouse food crop hydroponic vegetable farming;
- 14 (8) Recovery of water for purification and use for farm
15 crop irrigation; and
- 16 (9) Production of solar electricity used to operate the
17 facility and provide cooling for harvested vegetable
18 crops.

19 In support of the project of Hawaii Renewable Resources,
20 LLC, the use of special purpose revenue bonds issued pursuant to
21 this Act has been carefully considered and matches similar



1 investments for infrastructure projects of this type. The
2 issuance of special purpose revenue bonds will also provide
3 critical financial flexibility to support the project
4 initiatives and the deployment of internal capital. Through the
5 utilization of special purpose revenue bonds as a means of
6 funding, Hawaii Renewable Resources, LLC, will provide the
7 public with benefits derived from utilization of alternative
8 energy, without investment or operational risk to the State or
9 counties.

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

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 \$30,000,000 in one
18 or more series, for the purpose of assisting Hawaii Renewable
19 Resources, LLC, with the establishment and funding of food,
20 animal feed, and energy production; waste recovery; and related
21 facilities on the island of O'ahu.



1 SECTION 3. The special purpose revenue bonds and the
2 refunding special purpose revenue bonds issued under this Act
3 shall be issued pursuant to part V, chapter 39A, Hawaii Revised
4 Statutes, relating to the power to issue special purpose revenue
5 bonds to assist industrial enterprises.

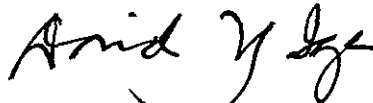
6 SECTION 4. The department of budget and finance is
7 authorized, from time to time, including times subsequent to
8 June 30, 2021, to issue special purpose revenue bonds in
9 whatever principal amounts the department shall determine to be
10 necessary to refund the special purpose revenue bonds authorized
11 in section 2 and to refund special purpose revenue bonds
12 authorized in this section, regardless of whether the
13 outstanding special purpose revenue bonds or refunding special
14 purpose revenue bonds have matured or are the subject of
15 redemption or whether the refunding special purpose revenue
16 bonds shall be bonds for the multi-project programs described in
17 section 2. In making this determination, the department shall
18 comply with federal law relating to the exemption from federal
19 income taxation of the interest on bonds of the nature
20 authorized by this section.



1 SECTION 5. The authorization to issue special purpose
2 revenue bonds under this Act shall lapse on June 30, 2021.

3 SECTION 6. This Act shall take effect on July 1, 2016.

APPROVED this 22 day of JUN, 2016



GOVERNOR OF THE STATE OF HAWAII

