

STAND. COM. REP. NO.

289

Honolulu, Hawaii

February 18, 2015

RE: H.B. No. 240

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. 240 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 seawater air conditioning district cooling systems on Oahu. Specifically, this measure includes seawater air conditioning district cooling systems in the definition of "service business" under the State's Enterprise Zone Program to enable the Downtown Honolulu Seawater Air Conditioning Project to benefit from the Program.

Honolulu Seawater Air Conditioning, LLC and Ulupono Initiative testified in support of this measure. The Department of Taxation; Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii provided comments.

Honolulu Seawater Air Conditioning's Downtown Honolulu Seawater Air Conditioning Project is expected to service approximately 14,000,000 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.

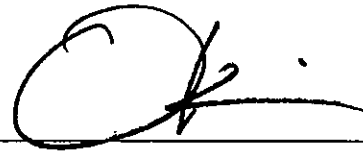
HB240 HSCR EDB HMS 2015-1798



Your Committee finds that the development of the Downtown Honolulu Seawater Air Conditioning Project supports the State's goal of transitioning from being dependent on fossil fuels to using more renewable resources.

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. 240 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



