

Honolulu, Hawaii

**March 23**, 2016

RE: S.B. No. 2301  
S.D. 1  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred S.B. No. 2301, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST KEAHOLE MANAGEMENT GROUP LLC,"

begs leave to report as follows:

The purpose of this measure is to continue the diversification of Hawaii's economy through development of the manufacturing and processing industry by authorizing the issuance of \$10,000,000 in special purpose revenue bonds (SPRBs) for Keahole Management Group LLC.

Keahole Management Group LLC, Aeronigma Solutions Inc., and Koa Kane Limited Liability Company testified in support of this measure. The Department of Budget and Finance provided comments.

The development of the manufacturing and processing industry in Hawaii is one way to diversify Hawaii's economy. Your Committee finds that the issuance of SPRBs for the purpose of planning, designing, constructing, and equipping facilities for the manufacturing and processing of products, including value-added agricultural products, will help Hawaii achieve its goal of economic diversification.




Your Committee has amended this measure by changing:

- (1) The amount of SPRBs authorized to be issued from an amount not exceeding \$10,000,000 to an unspecified amount; and
- (2) Its effective date to February 19, 2022, to facilitate further discussion.

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 S.B. No. 2301, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2301, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,

  
DEREK S.K. KAWAKAMI, Chair



