

STAND. COM. REP. NO.

159

Honolulu, Hawaii

FEB 11 2019

RE: S.B. No. 1002

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred S.B. No. 1002 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL
PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING
PROJECTS ON OAHU,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the
authorization to issue special purpose revenue bonds to assist
Honolulu Seawater Air Conditioning, LLC, under Act 113, Session
Laws of Hawaii 2009, as amended by Act 150, Session Laws of Hawaii
2014, until June 30, 2024.

Your Committee received testimony in support of this measure
from 350Hawaii; Honolulu Seawater Air Conditioning, LLC; and O'ahu
County Committee on Legislative Priorities of the Democratic Party
of Hawai'i.

Your Committee finds that under existing law, the
authorization to issue special purpose revenue bonds for Honolulu
Seawater Air Conditioning, LLC will expire on June 28, 2019. Due
to delays in permitting and regulatory reviews and closings of key
customer agreements, Honolulu Seawater Air conditioning, LLC,
postponed its earlier sale of special purpose revenue bonds. With
construction slated to begin in early 2020, Honolulu Seawater Air
conditioning, LLC, expects to use all of its authorized bonds
within the next two years. The extended authorization to issue

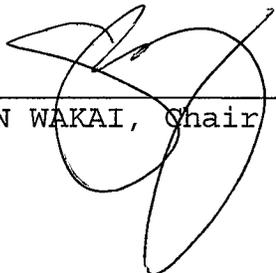


bonds, proposed by this measure, is an important element in securing economically feasible project financing.

Your Committee further finds that upon completion Honolulu Seawater Air conditioning, LLC's, downtown Honolulu project is anticipated to service approximately 14 million square feet of building space, create numerous construction-related jobs, establish the State as a leading authority on the development of seawater air conditioning systems, and have positive environmental benefits.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1002 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,



GLENN WAKAI, Chair



