

Honolulu, Hawaii

MAR 23 2007

RE: H.B. No. 1083
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred H.B. No. 1083, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the High Technology Development Corporation to negotiate a ten-year lease to construct the Asia Pacific International Research Center for High Technology in Kakaako; and
- (2) Appropriate an unspecified amount for this purpose.

Testimony in support of this measure was received from the High Technology Development Corporation; Hawaii Community Development Authority; University of Hawaii, John A. Burns School of Medicine; the Office of Technology Transfer and Economic Development; Hawaii Science and Technology Council; The Pacific Resource Partnership; Kamehameha Schools; KUD International and Phase 3 Properties; Cardax Pharmaceuticals, Inc.; and Honolulu Seawater Air Conditioning, LLC.

Your Committee is supportive of the development of incubator and specialized laboratory space, particularly near the medical school. Your Committee members are concerned, however, about



potential costs to the State related to the ten-year lease guaranty and a potentially large-scale financial commitment.

Your Committee previously heard and approved S.B. No. 896, S.D. 1, which is a substantially similar measure. Your Committee has amended this measure to incorporate provisions of S.B. No. 896, S.D. 1, by:

- (1) Substituting the language in sections 1 and 2 with the language in sections 1 and 2 of S.B. No 896, S.D. 1, which:
 - (A) Replaces all references to the named developers of the complex with the generic term "developers";
 - (B) Replaces all references to the "Asia Pacific International Research Center" with "life sciences research complex"; and
 - (C) Clarifies that the State's portion would be for a "high technology incubator and innovation center" in Kakaako; and
- (2) Deleting section 3, which details issues to be considered in the negotiations; and
- (3) Changing the lease agreement from ten years to five years throughout.

Your Committee has also inserted an effective date of July 1, 2050, for the purposes of furthering discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1083, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1083, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.




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


CAROL FUKUNAGA, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Economic Development and Taxation
EDT

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1083 HD2	EDT, WAM	3/22/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
ESPERO, Will (VC)	✓			
ENGLISH, J. Kalani	✓			
IGE, David Y.		✓		
SLOM, Sam		✓		
TOTAL	3	2		
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes