

STAND. COM. REP. NO. 207

Honolulu, Hawaii
Feb 8, 2007

RE: H.B. No. 1781
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred H.B. No. 1781 entitled:

"A BILL FOR AN ACT RELATING TO THE TECHNOLOGY AND INNOVATION
CENTER,"

begs leave to report as follows:

The purpose of this bill is to allow existing high technology
business in Hawaii to grow and diversify by appropriating
\$6,000,000 to be matched by federal grants and private donors, for
the planning, design, and construction of a Technology and
Innovation Center (Center) on Oahu for the dual use technology
industry.

The Mayor of the City and County of Honolulu, Enterprise
Honolulu, Economic Development Alliance of Hawaii, Maui Economic
Development Board, Kauai Economic Development Board, Hawaii Island
Economic Development Board, MELE Health Information Systems,
Harbor Wing Technologies, Hawaii Venture Capital Association, Bump
Networks Inc., Referentia Systems Incorporated, Williams
Aerospace, Inc., SEE/RESECUE Corporation, Ambient Micro, and
isisHawaii supported this bill. The Department of Business,
Economic Development, and Tourism (DBEDT) and High Technology
Development Corporation supported the intent of this measure.

Your Committee finds that the Center envisioned by this bill
will serve existing businesses in Hawaii that are positioned to
take advantage of federal Department of Defense funding for the

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dual use technology industry. This industry develops technology that may be used by both the defense and commercial sectors. An example of a dual use company is SEE/RESCUE Corporation, which develops survival technology for the military and civilian markets and recently received a grant for its Portable Personal Motion Detector technology.

The Center would provide an affordable office and manufacturing facility for Hawaii companies and an environment where these companies can easily team with, and obtain grants through their relationships with other high technology partners, including more established, mainland mentor companies.

In addition, your Committee heard testimony that centers like the one proposed in this bill already serve as a resource for schools, by allowing students to be introduced to careers and opportunities in advanced technology through guest speakers, sponsorships, event development, and site visits.

Your Committee has amended this bill by:

- (1) Removing references to the Hawaii Technology Development Venture as a development partner, and specifying that DBEDT's, High Technology Development Corporation (HTDC) will spearhead the project along with Enterprise Honolulu;
- (2) Requesting the Department of Land and Natural Resources to work with HTDC to identify state lands appropriate to be leased for the Center; and
- (3) Changing its effective date to July 1, 2034, to allow further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1781, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic



Development & Business
Concerns,



KYLE T. YAMASHITA, Chair



