

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 526  
H.D. 1  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Economic Development and Technology, to which was referred H.B. No. 526, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Business, Economic Development, and Tourism to consult with the High Technology Development Corporation and the City and County of Honolulu to plan for the establishment of a high technology park on the island of Oahu, and work with the Department of Land and Natural Resources and the City and County of Honolulu to identify public or private lands that may be acquired for the park; and
- (2) Appropriate funds for infrastructure to build the park.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Strategic Development Corporation; The Chamber of Commerce of Hawaii; Puko'a Scientific; Webfish Pacific; and Williams Aerospace, Inc.. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.



Your Committee finds that the establishment of a high technology park is critical for the continued development of Hawaii's technology industries, particularly as the move from fledgling companies to mature businesses with commercialization prospects. In addition, the Department of Business, Economic Development, and Tourism has identified technology centers as in alignment with the four major focuses of the Department: energy (Hawaii Clean Energy Initiative), the creative economy, technology and innovation (with a major focus on a Hawaii Broadband Initiative), and small business and entrepreneurship.

However, with the State's economic recovery hampered by Japan's natural disasters, development of the long-sought Oahu technology park may not be as immediate as planned. Therefore, your Committee finds that it makes sense to consider smaller-scale technology incubator facilities as complementary to the establishment of an Oahu technology park. To the extent that the Foreign Trade Zone is expanding its facilities on lands controlled by the Department of Business, Economic Development, and Tourism, and can provide the High Technology Development Corporation with additional new incubation facilities at lower costs, your Committee believes that the High Technology Development Corporation and the Foreign Trade Zone should be encouraged in their evaluation of the cost/benefits of joint facilities development.

This does not mean that your Committee agrees that the University of Hawaii should regain oversight and complete control of Manoa Innovation Center facilities on University of Hawaii lands in 2015, when the current lease between the High Technology Development Corporation and the University of Hawaii expires. Both the High Technology Development Corporation and University of Hawaii are key drivers in the development of a highly-skilled, creative workforce, and it will be critical to forge a stronger working relationship between them.

Your Committee has amended this measure by:

- (1) Requiring the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation to plan for the establishment of a high technology park or technology incubator facility on the island of Oahu;



- (2) Deleting all references to participation by the Department of Land and Natural Resources and the City and County of Honolulu; and
- (3) Deleting land acquisition from the uses of the General Fund appropriation.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 526, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 526, H.D. 1, 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 Technology,



CAROL FUKUNAGA, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Economic Development and Technology**  
**EDT**

Bill / Resolution No.:* <b>HB 526, HD1</b>	Committee Referral: <b>EDT, WAM</b>	Date: <b>3/23/11</b>		
<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)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes