

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the House Committees on
ECONOMIC REVITALIZATION & BUSINESS
and
WATER LAND & OCEAN RESOURCES**

**Tuesday, February 15, 2011
11:00 A.M.
State Capitol, Conference Room 312**

**In consideration of
HOUSE BILL 526
RELATING HIGH TECHNOLOGY**

WILLIAM J. AILA, JR.
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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FIRST DEPUTY

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AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
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COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAIKOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

LATE TESTIMONY

House Bill 526 requires, among other things, the Department of Land and Natural Resources (Department) to work with the Department of Business, Economic Development, and Tourism (DBEDT) on identifying, securing and acquiring appropriate public or private lands for another technology park¹ on Oahu for the High Technology Development Corporation. Although the Department understands the need and supports the high technology industry in Hawaii, the Department must respectfully oppose this measure as it relates to placing obligations and responsibilities upon the Department.

This impact of this bill would divert the Department's limited resources (i.e., manpower and financial) away from its priorities and mission to assist the semiautonomous High Technology Development Corporation in acquiring and developing land on land for an technology park on Oahu. The Department is responsible for managing approximately 1.3 million acres of public lands and the State's natural and cultural resources. The Department continues to face severe budget cutbacks. The Department's general fund appropriations and special fund revenues have dropped significantly over the last several years, and the Department lost more than 10% of its positions over the past two years. The bill imposes duties that would require a substantial amount of specialized staff time and funding. The Department simply does not have the resources or staffing necessary to undertake the additional duties that would be required under this bill.

¹ The High Technology Development Corporation operates a technology incubator park in Manoa on lands under lease with the University of Hawaii.

Meanwhile, we do note that Chapter 206M² that created and governs the semiautonomous agency known as the High Technology Development Corporation (HTDC) already authorizes and empowers HTDC to not only acquire and hold in its own name real and personal property, but also the ability to contract out real estate acquisition services and environmental due services. The HTDC also has a special fund where tenant revenues are deposited that can be used to support its programs. Therefore, existing law already empowers HTDC to contract out the specialized services that would be necessary to identify and acquire lands for a high technology park on Oahu.

Based upon all of the foregoing points and authorities, the Department respectfully requests it be removed from the bill.³

² HTDC is also administratively attached to the Department of Business, Economic Development and Tourism (DBEDT), which explains the HTDC/DBEDT connection in this bill.

³ The Department is available to consult with HTDC about possible available public lands on Oahu that may be suitable to HTDC and/or DBEDT; and no bill or law would be required to effectuate such consultation.



**Testimony to the House Committees on Economic Revitalization and Business
and Water, Land and Ocean Resources**

Tuesday, February 15, 2011 at 11:00 a.m.

Conference Room 312, State Capitol

LATE TESTIMONY

RE: HOUSE BILL NO. 526 RELATING TO HIGH TECHNOLOGY

Chairs McKelvey and Chang, Vice Chairs Choy and Har, and Members of the Committees:

The Chamber of Commerce of Hawaii ("Chamber") supports HB 526 relating to High Technology and respectfully requests that the committees pass this measure for further discussion.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

The measure requires the Department of Business, Economic Development, and Tourism to work with the department of land and natural resources to identify appropriate lands for a high technology park on Oahu and to consult with the high technology development corporation to plan for the establishment of the high technology park.

A high tech park is one of the required components of an "innovation ecosystem" that will attract qualified scientists, engineers, entrepreneurs, and research capital necessary to develop and grow a high tech industry in Hawaii. Such a park will tie in with efforts by the University of Hawaii to transform its academic and research culture to produce a generation of highly educated and spirited entrepreneurs in research and development. A recent study by UH proposes to establish a Hawaii Innovation Technology Exchange Institute to accelerate commercialization of university innovations. It is intended that the institute will stimulate, facilitate and foster the exchange of ideas between industry and university innovators and provide the much needed funding.

A high tech park is where mentors and entrepreneurs will seek to innovate and begin the process of commercialization. This would be a public-private partnership aimed at establishing a strong foundation for research and development.

The Chamber is aware of an initiative of the City and County of Honolulu to develop a tech park. It is our understanding that the City recently released an RFP to solicit design proposals for a tech park. It may be appropriate for DBEDT to check with the Economic Development office of the City to discuss the status and details of their project.

The Chamber strongly supports this measure as it will contribute towards growing Hawaii's research and development industry and establishing a strong foundation for innovation and entrepreneurship. This is should lead to establishing a viable third pillar to Hawaii's economy, joining tourism and defense.

Thank you for the opportunity to testify.

The Honorable Angus McKelvey, Chair ERB
The Honorable Jerry Chang, Chair WLO
State Capitol, Room 323
Honolulu, Hawaii 96813



LATE TESTIMONY

Chair McKelvey, Chair Chang and Committee members,

I am submitting this testimony in support of HB526. Enterprise Honolulu along with the City & County of Honolulu and the US Department of Commerce Economic Development Administration are the team which are supporting and funding the Oahu Technology Commercialization Center Master Plan. In the past two years of vetting the Technology community of the needs and opportunities we have a clear conclusion that the economic and societal values of a healthy Technology Sector, lifts all boats.

It is an important initiative for all stakeholders to be involved in the process of building a healthy Hawaii.

We encourage the Legislature to consider appropriating funds for infrastructure to build the park, and to respond to the RFP for the Master Plan of the Oahu Technology Commercialization Center currently posted on the State Procurement website. Thank you for this opportunity to submit this testimony.

I ask for your support of HB526.

Please feel free to contact me directly should you have any questions.

Sincerely,

Pono Shim
President & CEO
Enterprise Honolulu, Oahu Economic Development Board



ENTERPRISE
HONOLULU

THE BUSINESS CLIMATE OF PARADISE