



HAWAII
STRATEGIC
DEVELOPMENT
CORPORATION

Written Statement of

KARL FOOKS
President

Hawaii Strategic Development Corporation

Before the
COMMITTEE ON FINANCE

February 21, 2013

1:30 PM

State Capitol, Conference Room 308

In consideration of
HB 70 HD1 RELATING TO ECONOMIC DEVELOPMENT

Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson and Members of the Committee on Finance:

The Hawaii Strategic Development Corporation (HSDC) respectfully submits testimony in **support** of HB 70 HD1, legislation deleting the repeal of the High Technology Innovation Corporation (HTIC).

HTIC was created by the Hawaii State Legislature in 2005 as a 501(c)(3) public not-for-profit corporate body to facilitate the growth and development of the commercial high technology industry in Hawaii. The not-for profit structure was envisioned to facilitate public private partnerships, federal and state funding of high technology programs, and identifying other funding resources - offering great financial leverage to HTDC and the State of Hawaii government.

The not-for-profit structure is a model that has been successfully utilized by other states to support technology based economic development. The National Governors Association recently recommended a greater reliance on public private partnerships in the implementation of economic development policies.

Thank you for the opportunity to submit testimony on this bill.

Statement of
YUKA NAGASHIMA
Executive Director & CEO
High Technology Development Corporation &
High Technology Innovation Corporation
before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 21, 2013
1:30 p.m.
State Capitol, Conference Room 308
In consideration of

HB 70 HD1 RELATING TO ECONOMIC DEVELOPMENT.

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance.

The High Technology Development Corporation (HTDC) and High Technology Innovation Corporation (HTIC) would like to submit testimony in **support** of deleting the repeal of the High Technology Innovation Corporation.

In 2005, The High Technology Innovation Corporation (HTIC) was created by the Hawaii State Legislature as a 501(c) (3) public not-for-profit corporate body, to facilitate the growth and development of the commercial high technology industry in Hawaii.

The not-for-profit structure was envisioned to facilitate public private partnerships, federal and state funding of high technology programs, and identifying other funding resources. The structure offers great financial leverage to HTDC and the State of Hawaii government. In particular, the State government saw it as a vehicle to receive donations from the private sector to leverage the tax deductible status.

The not-for-profit structure is a model that has been successfully utilized by other states to support technology based economic development. The HTIC currently has a voluntary moratorium on all activities amidst well documented legislative concerns about its effective use.

While HTDC does not have any immediate plans to utilize the HTIC, it does not cost the state any money to maintain and it provides a potential public private funding opportunity for the State to fund high technology economic development programs. Creating a replacement for HTIC takes a fair amount of time and requires a lot of education and political support.

Thank you for the opportunity to submit testimony on this bill.