
A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that the State has a
3 public interest in diversifying its economy and promoting the
4 development of high-growth, entrepreneurial businesses. Job
5 creation is at the top of every state's policy agenda. Recent
6 reports from the National Governors Association have highlighted
7 the importance of fostering an entrepreneurial business
8 environment and supporting high-growth businesses as a proven
9 approach to creating high-wage jobs.

10 Successful economic development outcomes in other states
11 have demonstrated the effectiveness of a comprehensive state-
12 level program establishing an entrepreneurial ecosystem that
13 fosters entrepreneurialism, commercialization, and business
14 formation capabilities needed by high-growth businesses. This
15 comprehensive program must have input and support from the key
16 stakeholders in the entrepreneurial ecosystem: private
17 industries, investors, universities, and government. Finally,
18 this comprehensive program must have sufficient resources to



1 provide the pace and scale of investment needed to make it
2 effective.

3 The purpose of this part is to enable the Hawaii strategic
4 development corporation to continue with the HI growth
5 initiative, an investment program that is establishing an
6 innovation ecosystem by supporting entrepreneurial high-growth
7 businesses and creating high-wage jobs through research
8 commercialization, entrepreneur mentoring, and the mobilization
9 of startup investment capital.

10 SECTION 2. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so much
12 thereof as may be necessary for fiscal year 2013-2014 and the
13 same sum or so much thereof as may be necessary for fiscal year
14 2014-2015 to be deposited into the Hawaii strategic development
15 corporation revolving fund.

16 SECTION 3. There is appropriated out of the Hawaii
17 strategic development corporation revolving fund the sum of
18 \$ or so much thereof as may be necessary for fiscal year
19 2013-2014 and the same amount or so much thereof as may be
20 necessary for fiscal year 2014-2015 to implement the HI growth
21 initiative; provided that \$ or so much thereof as may be
22 necessary in each fiscal year shall be expended for program



1 development, program management, and oversight of program
2 awardees.

3 The sums appropriated shall be expended by the Hawaii
4 strategic development corporation for the purposes of this part.

5 SECTION 4. The Hawaii strategic development corporation
6 shall submit an annual report on the activities and expenditures
7 of the HI growth initiative to the legislature no later than
8 twenty days prior to the convening of each regular session,
9 beginning with the regular session of 2014.

10 PART II

11 SECTION 5. One of the missions of the department of
12 business, economic development, and tourism is to promote
13 industrial development and economic diversification by
14 supporting existing and emerging industries, increasing exports
15 of Hawaii products, and expanding Hawaii's participation in
16 global trade and commerce. The department has prepared a
17 statewide comprehensive economic development strategy. The
18 strategy's report for the island of Hawaii found that, because
19 of the island's strong orientation toward diversified
20 agriculture, development of a central marketing facility for
21 collection, consolidation, packing, and shipping of products
22 continues to be a priority. As a means of achieving this



1 priority, agricultural exporters have expressed interest in
2 utilizing the relatively unused foreign trade zone no. 9 located
3 in Hilo.

4 The legislature also recognizes that agriculture is and has
5 been a major economic driver of the county of Hawaii. To
6 preserve this economic driver and increase its value, the
7 department of business, economic development, and tourism, in
8 collaboration with the department of agriculture, should perform
9 planning, and economic impact and feasibility studies, for one
10 or more facilities on the island of Hawaii for quarantine
11 inspection, quarantine treatment, deconsolidation, and
12 consolidation of agricultural commodities for both import and
13 export.

14 The purpose of this part is to authorize the department of
15 business, economic development, and tourism, in collaboration
16 with the department of agriculture to:

- 17 (1) Perform planning and feasibility studies for one or
18 more quarantine inspection, quarantine treatment,
19 deconsolidation, and consolidation facilities on the
20 island of Hawaii; and
21 (2) Perform a marketing and economic impact analysis for
22 one or more of the facilities.



1 SECTION 6. (a) The department of business, economic
2 development, and tourism, in collaboration with the department
3 of agriculture, is authorized to:

4 (1) Perform planning and feasibility studies for one or
5 more quarantine inspection, quarantine treatment,
6 deconsolidation, and consolidation facilities on the
7 island of Hawaii; and

8 (2) Perform a marketing and economic impact analysis for
9 one or more of the facilities.

10 (b) The studies and analysis shall include, in addition to
11 foreign trade zone no. 9 in Hilo, the following alternative
12 locations:

13 (1) The land parcel managed by the department of business,
14 economic development, and tourism currently housing
15 the foreign trade zone neighboring the Hilo
16 International Airport; and

17 (2) On the west side of the island, the Kawaihae Harbor
18 area that is proposed for biosecurity facilities by
19 the department of transportation, harbors division.

20 SECTION 7. The department of business, economic
21 development, and tourism shall submit a report to the
22 legislature no later than twenty days prior to the convening of



1 the regular session of 2015 on the status of the planning and
2 feasibility study, and marketing and economic analysis, for one
3 or more facilities on the island of Hawaii to be used for
4 quarantine inspection, quarantine treatment, deconsolidation,
5 and consolidation of incoming and outgoing agricultural
6 commodities. The report shall also contain recommendations and
7 propose necessary legislation, if any, to achieve the purpose of
8 this part.

9 SECTION 8. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so much
11 thereof as may be necessary for fiscal year 2014-2015 for
12 planning, marketing, and economic analysis for one or more
13 facilities on the island of Hawaii to be used for quarantine
14 inspection, quarantine treatment, deconsolidation, and
15 consolidation of incoming and outgoing agricultural commodities.

16 The sum appropriated shall be expended by the department of
17 business, economic development, and tourism for the purposes of
18 this part.

19 PART III

20 SECTION 9. This Act shall take effect on July 1, 2050.



Report Title:

Hawaii Strategic Development Corporation; HI Growth Initiative;
Quarantine; Appropriation

Description:

Appropriates funds to the Hawaii Strategic Development Corporation to continue the HI Growth Initiative, an investment program to support high-growth entrepreneurial companies in the State. Requires annual report to Legislature. Authorizes DBEDT, in collaboration with DOA, to perform studies and analysis relating to establishing facilities on the Island of Hawaii for quarantine inspection and treatment and handling incoming and outgoing commodities and appropriates funds for this purpose. Effective July 1, 2050. (SB718 HD1)

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