

STAND. COM. REP. NO. 428

Honolulu, Hawaii

FEB 15 2013

RE: S.B. No. 718  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Economic Development, Government Operations and Housing, to which was referred S.B. No. 718 entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an infrastructure program within the Hawaii Housing Finance and Development Corporation to make grants and provide assistance to municipalities for infrastructure projects on public land.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which deletes the contents of the measure and inserts language to:

- (1) Make an appropriation to the Hawaii Strategic Development Corporation to implement a HI Growth Initiative to establish an innovation ecosystem that supports high-growth businesses and creates jobs; and
- (2) Authorize the Department of Business, Economic Development, and Tourism to develop, enter into, and implement inter-agency working agreements with its attached state entities without entering into a memorandum of understanding or memorandum of agreement.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; University of

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Hawaii; High Technology Development Corporation; Nalukai Foundation; Hawaii Food Industry Association; Hawaii Venture Capital Association; The Chamber of Commerce of Hawaii; the AKAMAI Foundation; AKAMAI Capital, LLC; Hawaii Innovation Alliance; StartupHui, LLC; People Bridge, Inc.; Phakeakai, LLC; TruTag Technologies, Inc.; Hawaii's Angels; Blue Startups; Sakai Ventures; Enterprise Honolulu, Oahu Economic Development Board; Creative Market Labs, Inc.; Hyperspective Studios, Inc; Academy for Creative Media; Kinetiq Labs; Startup Hawaii; Hawaii Fashion Incubator; HiBEAM; and fourteen individuals.

Your Committee finds that if Hawaii is to remain competitive in the global economy, it is necessary to reinvigorate state efforts to fuel an innovation economy. This measure will accomplish that goal by enabling the Hawaii Strategic Development Corporation to implement the HI Growth Initiative, an investment program that will enable entrepreneurs to build businesses and create jobs in Hawaii.

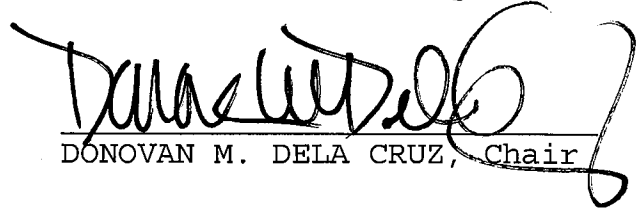
Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the proposed S.D. 1 by:

- (1) Deleting part II of the proposed S.D. 1, which would have permitted the Department of Business, Economic Development, and Tourism to enter into working agreements with its attached state entities without entering into a memorandum of understanding or memorandum of agreement; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 718, 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, Government  
Operations and Housing,



DONOVAN M. DELA CRUZ, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Economic Development, Government Operations and Housing**  
**EGH**

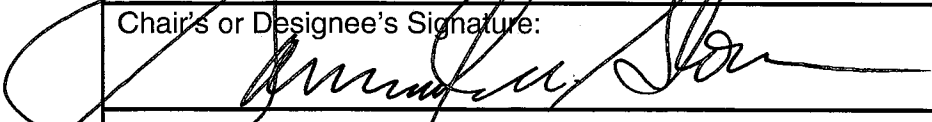
Bill / Resolution No.:* <b>SB 718</b>	Committee Referral: <b>EGH, WAM</b>	Date: <b>2/13/13</b>
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The committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:  
 Pass, unamended 2312    
 Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
SLOM, Sam (VC)	X			
BAKER, Rosalyn H.	X			
CHUN OAKLAND, Suzanne				X
ENGLISH, J. Kalani				X
THIELEN, Laura H.	X			
WAKAI, Glenn	X			
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2</b>

Recommendation:  Adopted      Not Adopted

Chair's or Designee's Signature:  


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\*Only one measure per Record of Votes