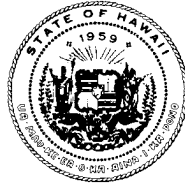


NEIL ABERCROMBIE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON WAYS AND MEANS**

February 19, 2014 at 9:25 a.m.  
State Capitol, Room 211  
In consideration of

**S.B. 3054, S.D. 1  
RELATING TO ECONOMIC DEVELOPMENT.**

The HHFDC *offers the following comments* on S.B. 3054, S.D.1. HHFDC defers to the High Technology Development Corporation on the overall merits of S.B. 3054, which requires them to create a public safety technology park. However, HHFDC is willing to provide consultation assistance to the High Technology Development Corporation should it be adopted.

Thank you for the opportunity to provide written comments on this bill.

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 3054, S.D. 1

February 19, 2014

RELATING TO ECONOMIC DEVELOPMENT

Senate Bill No. 3054, S.D. 1, requires the board of directors of the High Technology Development Corporation (HTDC) to create a public safety technology park and designates certain properties to be included in the park. The HTDC is charged under the bill with identifying incentives for the development of the public safety technology park. The bill states that the incentives “may include” both special purpose revenue bonds and special facility revenue bonds.

The Department would like to note that the issuance of special purpose revenue bonds or special facility revenue bonds require, among other things, the project or special facility to generate sufficient revenues to pay debt service on the bonds.

Thank you for the opportunity to provide our testimony on this bill.

Written Statement of  
**ROBBIE MELTON**  
**Executive Director & CEO**  
High Technology Development Corporation  
before the  
**SENATE COMMITTEE ON**  
**WAYS AND MEANS**

Wednesday, February 19, 2014  
9:25 a.m.  
State Capitol, Conference Room 211  
In consideration of

**SB 3054 SD1 RELATING TO ECONOMIC DEVELOPMENT.**

Chair Ige, Vice Chair Kidani, and Members of the Committee on Ways and Means.

The High Technology Development Corporation (HTDC) would like to offer **comments** on SB 3054 SD1 relating to Economic Development.

HTDC supports innovation and technology development in any industry, including public safety. HTDC has a core competency in technology and manufacturing and already has statute to develop technology parks, but does not have resources to explore private sector partnerships in this area.

Though we support the intent of this measure, HTDC will need \$500,000 to research and build expertise in this focus area, dedicate resources to explore partnership opportunities, and solicit proposals to ensure the best use of State resources. This would be a project specific appropriation and should not replace or adversely impact the Administration's budget request. Without appropriation HTDC suggests that our agency would be best suited in a support role for this initiative, as part of a planning committee providing expertise in establishing technology parks and in entrepreneurship, rather than revising the HRS 206M.

Furthermore, HTDC will lose its current source of revenue for programs in April 2015 which will further diminish our ability to provide support for new projects. In the Administration's budget, HTDC has requested CIP funds to build a new innovation hub which will: restore our source of operational funding, provide a resource for the primary sector we are mandated to support, and house a base innovation and entrepreneurial program that we can leverage into other industries.

HTDC does not offer comment on the location selected as identified by the TMK (the properties in the block adjacent to Leilehua Golf Course).

<http://gis.hicentral.com/FastMaps/ParcelZoning/>



Thank you for the opportunity to offer these comments.