

JAN 23 2015

A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

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

1 PART I

2 SECTION 1. The legislature finds that the development of
3 an offshore high technology park is needed to promote research,
4 education, and technological innovation. The park is also
5 necessary to strengthen state critical infrastructure and to
6 develop a knowledge-based workforce capable of leading new
7 opportunities in several different sectors of the economy.

8 The legislature further finds that the implementation of a
9 trans-Pacific broadband cable provides the necessary broadband
10 connectivity to support an offshore high technology park. The
11 State may facilitate the research and development opportunity
12 for the deployment of a trans-Pacific cable through a
13 partnership with multiple sectors in private industry that have
14 a real interest in demonstrating the commercial applicability of
15 new sensor technology and edge-processing analytics.

16 The legislature further finds that the development of the
17 offshore high technology park and trans-Pacific broadband cable



1 will integrate state-of-the-art communication platforms,
2 unmanned aerial vehicles, and big data analytics revealing needs
3 for broadband internet capabilities. In addition, the cascade
4 of technology improvements to follow on other critical
5 infrastructure needs, such as energy, water, sewer, and
6 telecommunications, are essential to maintaining a vibrant and
7 sustainable economy and providing ongoing improvements of
8 residential quality of life. These various technologies may
9 also be used for real-time visualization, monitoring, and
10 analysis, and managers may monitor dozens of data feeds for
11 information concerning weather, traffic, transportation systems,
12 police, and medical services on a real-time basis. This system
13 will be especially vital for protecting lives in rural areas as
14 well. The offshore high technology park will use these sensing
15 and analytical technologies to support a prototype suite of
16 operational tools necessary to develop a joint emergency
17 management center, and provide a space for the education and
18 training to prepare the necessary workforce, including
19 operational cyber ranges.

20 The legislature further finds that the double pressures of
21 an increased population and commensurate residential development



1 strain the capabilities of an aging infrastructure, resulting in
2 heightened risk to the population and the State. Accordingly,
3 there needs to be new way of thinking about how the State
4 addresses its critical infrastructure needs.

5 Through the development of public-private partnerships
6 specifically focused on research and development, Hawaii can
7 address current vulnerabilities while building a technologically
8 advanced, knowledge-based future workforce. The technological
9 advancement applied to a critical infrastructure means an
10 improvement in state reliability and security.

11 The legislature further finds that the optimal vehicle by
12 which the State should address these risk concerns and goals of
13 future development is through the establishment of the board of
14 offshore high technology park review.

15 The purpose of this Act is to establish the offshore high
16 technology park review board in the high technology development
17 corporation and authorize the issuance of special purpose
18 revenue bonds for the development of an offshore high technology
19 park to provide broadband connectivity for research, education,
20 and technological innovations necessary to strengthen critical



1 infrastructure needs, develop a knowledge-based workforce, and
2 diversify the economy.

3 SECTION 2. Chapter 206M, Hawaii Revised Statutes, is
4 amended by adding a new part to be appropriately designated and
5 to read as follows:

6 "PART . OFFSHORE HIGH TECHNOLOGY PARK

7 §206M-A Definitions. As used in this part, unless the
8 context otherwise requires:

9 "Board" means the board of offshore high technology park
10 review, established pursuant to section 206M-B.

11 "Development corporation" means the high technology
12 development corporation established by section 206M-2.

13 §206M-B Board of offshore high technology park review;
14 established. (a) There is established the board of offshore
15 high technology park review, which shall be placed within the
16 development corporation for administrative purposes only. The
17 board shall consist of the following members to be appointed by
18 the governor:

- 19 (1) One representative of the department of business,
20 economic development, and tourism;
21 (2) One representative of Enterprise Honolulu; and



1 (3) One representative of the Pacific-Asia institute for
2 resilience and sustainability.

3 (b) All board members shall be appointed in accordance
4 with section 26-34. The terms of the members shall be four
5 years. The board shall select one of its members to serve as
6 chair and one of its members to serve as vice-chair. No member
7 of the board shall receive any compensation for board services
8 but shall be allowed necessary expenses for travel, board, and
9 lodging incurred in the performance of board duties.

10 §206M-C Board duties. The board shall work in cooperation
11 with the development corporation to:

12 (1) Develop standards for testing and establishing
13 investments to deliver a trans-Pacific broadband cable
14 to Hawaii;

15 (2) Establish relationships among public, private, and
16 civil sectors to assist in developing new
17 opportunities to diversify Hawaii's economy, and enter
18 into cooperative agreements with coordinating
19 entrepreneurs or public agencies that have the
20 necessary and appropriate capabilities to implement
21 research and development programs using big data



1 analytics, cognitive and high-performance computing,
2 and advanced network science principles for decision
3 engineering;

4 (3) Implement an offshore high technology park that shall
5 be used to:

6 (A) Establish a comprehensive strategy for securing
7 investments to deliver a trans-Pacific broadband
8 cable to Hawaii;

9 (B) Promote research and development opportunities to
10 support the enhancement of critical
11 infrastructure and emergency management needs;
12 and

13 (C) Support the development of the next generation of
14 knowledge-based workers in innovation and
15 technological research and development focused on
16 the strategic design of public service systems to
17 provide a supportive environment for delivering a
18 higher quality of life in Hawaii; and

19 (4) Establish relationships among public, private, and
20 civil sectors to assist in developing the offshore



1 high technology park with key agencies among civil,
2 government, or academic institutions including:
3 (A) The department of defense;
4 (B) The department of public safety;
5 (C) Enterprise Honolulu;
6 (D) The University of Hawaii; and
7 (E) The Pacific-Asia institute for resilience and
8 sustainability."

9 SECTION 3. Section 206M-2, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) There is established the high technology development
12 corporation, which shall be a public body corporate and politic
13 and an instrumentality and agency of the State. The development
14 corporation shall be placed within the department of business,
15 economic development, and tourism for administrative purposes,
16 pursuant to section 26-35. The purpose of the development
17 corporation shall be to facilitate the growth and development of
18 the commercial high technology industry in Hawaii. Its duties
19 shall include [7] but not be limited to:

20 (1) Developing and encouraging industrial parks as high
21 technology innovation centers and developing or



- 1 assisting with the development of projects within or
- 2 outside of industrial parks, including participating
- 3 with the private sector in such development;
- 4 (2) Providing financial and other support and services to
- 5 Hawaii-based high technology companies;
- 6 (3) Collecting and analyzing information on the state of
- 7 commercial high technology activity in Hawaii;
- 8 (4) Promoting and marketing Hawaii as a site for
- 9 commercial high technology activity; [~~and~~]
- 10 (5) Providing advice on policy and planning for
- 11 technology-based economic development [✓] ; and
- 12 (6) Developing an offshore high technology park pursuant
- 13 to section 206M-C."

PART II

15 SECTION 4. The legislature finds and declares that the
 16 issuance of special purpose revenue bonds under this Act is in
 17 the public interest and for the public health, safety, and
 18 general welfare.

19 SECTION 5. Pursuant to part V, chapter 39A, Hawaii Revised
 20 Statutes, the department of budget and finance, with the
 21 approval of the governor, is authorized to issue special purpose



1 revenue bonds in a total amount not to exceed \$130,000,000, in
2 one or more series, for the purpose of assisting the high
3 technology development corporation, a Hawaii corporation, for
4 the purpose of planning, permitting, designing, constructing,
5 equipping, and operating an offshore, high technology park and
6 the requisite cable landing sites throughout the State. The
7 legislature hereby finds and determines that the planning,
8 permitting, designing, constructing, equipping, and operating of
9 an offshore high technology park and the requisite cable landing
10 sites throughout the State constitute a project as defined in
11 part V, chapter 39A, Hawaii Revised Statutes, and the financing
12 thereof is assistance to an industrial enterprise.

13 SECTION 6. The special purpose revenue bonds and the
14 refunding special purpose revenue bonds issued under this Act
15 shall be issued pursuant to part V, chapter 39A, Hawaii Revised
16 Statutes, relating to the power to issue special purpose revenue
17 bonds to assist industrial enterprises.

18 SECTION 7. The department of budget and finance is
19 authorized, from time to time, including times subsequent to
20 June 30, 2020, to issue special purpose revenue bonds in
21 whatever principal amounts the department shall determine to be



1 necessary to refund the special purpose revenue bonds authorized
 2 in section 5 and to refund special purpose revenue bonds
 3 authorized in this section, regardless of whether the
 4 outstanding special purpose revenue bonds or refunding special
 5 purpose revenue bonds have matured or are the subject of
 6 redemption or whether the refunding special purpose revenue
 7 bonds shall be bonds for the multi-project programs described in
 8 section 5. In making this determination, the department shall
 9 comply with federal law relating to the exemption from federal
 10 income taxation of the interest on bonds of the nature
 11 authorized by this section.

12 SECTION 8. The authorization to issue special purpose
 13 revenue bonds under this Act shall lapse on June 30, 2020.

PART III

15 SECTION 9. Statutory material to be repealed is bracketed
 16 and stricken. New statutory material is underscored.

17 SECTION 10. This Act shall take effect on July 1, 2015.

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S.B. NO. 887

Report Title:

Special Purpose Revenue Bonds; Hawaii Sustainability and Resilience Initiative; Offshore High Technology Park; High Technology Development Corporation

Description:

Establishes the board for offshore high technology park review within the high technology development corporation. Authorizes the issuance of special purpose revenue bonds to develop and implement an offshore high technology park and cable landing sites throughout the State.

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