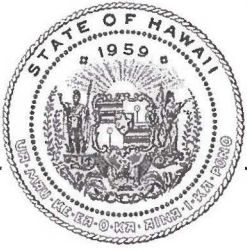


SB 3101

Measure Title: RELATING TO PUBLIC-PRIVATE PARTNERSHIPS.

Report Title: Department of Business, Economic Development, and Tourism;
Feasibility Study; Appropriation (\$)

Description: Requires DBEDT to conduct a study on the feasibility of establishing a public-private partnership resource agency that all state departments, divisions, and agencies may utilize. Makes an appropriation.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
ECONOMIC DEVELOPMENT, ENVIRONMENT, AND TECHNOLOGY

Wednesday February 10, 2016
1:30 P.M.
State Capitol, Room 414

in consideration of
SB3101
RELATING TO PUBLIC-PRIVATE PARTNERSHIPS

Chair Wakai, Vice Chair Slom, and Members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) supports the intent and offers comments on SB3101, which would require DBEDT to conduct a study on the feasibility of establishing a public-private partnership resource agency within DBEDT for all state departments, divisions, and agencies to utilize. DBEDT supports the overall intent of this bill, but would like to provide the following comments:

- Public-private partnerships are an effective strategy for economic development.
- Hawaii has been implementing public-private partnerships for several industries including tourism, film, agriculture, energy, and innovation.
- New economic development theory indicates that long term economic growth is heavily dependent on the organization of production.
- Harvard Business School has defined cluster development as an effective strategy for economic development. A cluster is a geographic concentrations of industries related by knowledge, skills, inputs, demand, and/or other linkages (Delgado, Porter 2014).
- Public-private partnerships could be the core or leading organization for cluster development.
- DBEDT would need to hire a research firm to collect data using both qualitative and quantitative research methods. We estimate this cost to be \$150,000.

Thank you for the opportunity to provide the above comments.