

SB 887

Measure Title: RELATING TO HIGH TECHNOLOGY.

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.

Companion:

Package: None

Current Referral: EDT, WAM

Introducer(s): ENGLISH, BAKER, CHUN OAKLAND, GALUTERIA, INOUE, NISHIHARA, Ruderman

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY
ON
SENATE BILL NO. 887

February 9, 2015
3:00 P.M.

RELATING TO HIGH TECHNOLOGY

Senate Bill No. 887 authorizes, among other things, the issuance of special purpose revenue bonds (SPRB) to develop and implement an offshore high technology park and cable landing sites throughout the State.

The Department has comments on this bill. The High Technology Development Corporation (HTDC), a public body corporate and politic and an instrumentality and agency of the State, currently has the authority to issue revenue bonds. As Section 3 of the bill amends HTDC duties to include "... (6) Developing an offshore high technology park pursuant to Section 206M-C", it would be more appropriate for HTDC to issue revenue bonds for this project (as well as for other HTDC projects). While the HTDC has the general statutory authority to issue revenue bonds for their projects, they will require specific issuance and appropriation authority, such as the \$130,000,000 contemplated, for any such issuance. In addition, please note that the issuance of revenue bonds (and SPRBs) require, among other things, the project to generate sufficient revenues to pay debt service on the bonds.

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

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON SENATE BILL 887
A BILL RELATING TO HIGH TECHNOLOGY

PRESENTATION TO
THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

BY
BRIGADIER GENERAL ARTHUR J. LOGAN
ADJUTANT GENERAL
AND DIRECTOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY
February 9, 2015

Chair Wakai, Vice Chair Slom and Members of the Senate Committee on Economic Development and Technology:

I am Brigadier General Arthur J. Logan, State Adjutant General and the Director of the Hawaii Emergency Management Agency. I am testifying in **SUPPORT** of Senate Bill 887.

This measure will strengthen the critical infrastructure, resilience and safety of the State of Hawaii. The offshore high technology park and the trans-Pacific broadband cable will foster an increase in the broadband internet capabilities. These increased capabilities will foster technology improvements necessary to strengthen state critical infrastructure. These capabilities will add operational tools available to the future joint emergency management center.

The issuance of special purpose revenue bonds and the establishment of the review board are significant to the resilience of the State of Hawaii.

Thank you for allowing me to testify in **SUPPORT** of Senate Bill 887.

Written Statement of
ROBBIE MELTON
Executive Director & CEO
High Technology Development Corporation
before the
SENATE COMMITTEE ON
ECONOMIC DEVELOPMENT & TECHNOLOGY

Monday, February 9, 2015
3:00 p.m.
State Capitol, Conference Room 016
In consideration of
SB887 RELATING TO HIGH TECHNOLOGY.

Chair Wakai, Vice Chair Slom, and Members of the Committee on Economic Development & Technology.

The High Technology Development Corporation (HTDC) **supports the intent** of SB887 relating to establishing a board for offshore high technology park review within HTDC and issuance of special purpose revenue bonds to develop and implement an offshore high technology park and broadband cable landing sites throughout the state.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at improving Hawaii's reputation as a place for innovation and a place to do business and improving Hawaii's high speed broadband infrastructure. An offshore high technology park integrates the opportunity to expand Hawaii's broadband capacity with the research interests of the private sector, Department of Defense, and research institutions. HTDC comments that the project requires a collaborative effort between all stakeholders and offers the potential to position Hawaii as world leaders in innovation in an area where Hawaii has obvious competitive assets.

HTDC comments that the section 3 amendment to add language to HRS206M-2 reading "(6) Developing an offshore high technology park pursuant to section 206M-C" is already allowed for in HTDC's statute. The added language is redundant and unnecessary.

Thank you for the opportunity to offer these comments.

SENT VIA EMAIL

February 6, 2015

Senator Glenn Wakai
Chair, Committee on Economic Development and Technology
Senator Sam Slom
Vice Chair, Committee on Economic Development and Technology
Hearing on Senate Bill 887
Relating to High Technology
State Capitol, Conference Room 016

Aloha Chair Wakai and Vice Chair Slom!

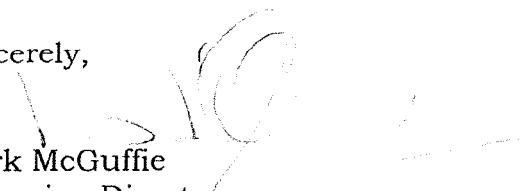
Enterprise Honolulu stands in strong support of Senate Bill 887 that addresses the strengthening of Hawaii's critical infrastructure.

This opportunity allows the State of Hawaii to develop broadband infrastructure, support technical innovation and further the human capital needed to transform our communities, commerce and connectivity.

We welcome the establishment of a board, forging new relationships amongst both the public and private sectors to assist with the implementation and oversight of an offshore high technology park.

Please feel free to contact me directly should you have any questions.

Sincerely,



Mark McGuffie
Managing Director
Enterprise Honolulu, Oahu Economic Development Board



From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 5:59 AM
To: EDT Testimony
Cc: rich@richarddberry.com
Subject: Submitted testimony for SB887 on Feb 9, 2015 15:00PM

SB887

Submitted on: 2/6/2015

Testimony for EDT on Feb 9, 2015 15:00PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Berry	Individual	Support	Yes

Comments: An offshore high tech park will benefit Hawaii by creating a fiscally sound environment for designing public private partnerships with academia and industry partners who have the resources, technical expertise and willingness to address the State's critical infrastructure needs at fractions of the cost to the taxpayer. This offshore high tech park will focus on integrating state of the art communication platforms, big data analytics, cognitive computing, remote sensing and unmanned aerial vehicles to provide for a transpacific cable at a fraction of the cost and provide for the necessary technological upgrades needed for the rest of Hawaii's critical infrastructure. This includes smart grid, water and sewer as well as a state of the art tsunami early warning system between the Aleutian islands and Hawaii. The objectives of the offshore high tech park should be to: -Support and enhance technology-led economic development -Provide state of the art infrastructure to address fragmented regional telecommunications -Promote a globally competitive community that is attractive to industry and a catalyst for providing high paying jobs -Increase speed, reliability, redundancy and competition to reduce costs of services for customers (business and residential)

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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