

Honolulu, Hawaii

MAR 02 2018

RE: S.B. No. 48

S.D. 3

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 48, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY,"

begs leave to report as follows:

The purpose and intent of this measure is to transfer title, control, custody, and management authority of a certain parcel of land owned by the University of Hawaii to the Hawaii Technology Development Corporation.

More specifically, this measure:

- (1) Transfers the title, control, custody, and management authority for the parcel of land under the Manoa Innovation Center and any buildings, structures, and appurtenances situated on the land, from the University of Hawaii to the Hawaii Technology Development Corporation;
- (2) Requires that the title, control, custody, and management authority of this parcel of land and any buildings, structures, and appurtenances situated on the land, transfer back to the University of Hawaii on June 30, 2029; and



- (3) Provides that the University of Hawaii shall not execute the conveyance until July 1, 2019, and prohibits the University of Hawaii from making any decisions affecting the land during this period.

Your Committee received written comments in support of this measure from the Hawaii Technology Development Corporation; Bright Light Digital; Nalu Scientific, LLC; Hyperspective Studios, Inc.; HI EvoDevo; TeleVoice 2000; Mana Up Labs, LLC; Dev League Inc; Kuehnle AgroSystems Inc.; 3D Innovations; OCC Legislative Priorities Committee, Democratic Party of Hawaii; Honolulu Options Traders, LLC; and Dispute Resolution Collaborative.

Your Committee received written comments in opposition to this measure from the University of Hawaii System.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism; and Chamber of Commerce Hawaii.

Your Committee finds that the Hawaii Technology Development Corporation (Corporation) relies heavily on the revenues received from renting space in the Manoa Innovation Center to local businesses as part of its incubation services. However, your Committee also finds that the lease between the Corporation and University of Hawaii that allows for these revenues will terminate on June 30, 2018. Your Committee believes that it is important to enable the Corporation to continue providing these incubation services to local technology businesses.

Your Committee has amended this measure by deleting its contents and replacing them with provisions that:

- (1) Make an appropriation to the Hawaii Technology Development Corporation to continue providing services to businesses in the State;
- (2) Request that the Department of Accounting and General Services locate a site for the Corporation to continue providing incubation services; and
- (3) Insert an effective date of July 1, 2050, to facilitate further discussion on the measure.



Your Committee notes that the Hawaii Technology Development Corporation will require an appropriation of \$970,000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 48, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 48, S.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



