



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**LUIS P. SALAVERIA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Wednesday, March 1, 2017  
9:30 A.M.  
State Capitol, Room 211  
in consideration of  
**SB1306**  
**RELATING TO THE DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT, AND TOURISM.**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) supports SB1306, which makes an appropriation to establish an Office of Public Private Partnership (OPPP) within DBEDT. The OPPP would create a strategic plan, coordinate collaboration amongst state agencies, create and maintain a report for each public-private project, and oversee and implement each public-private project.

DBEDT supports this bill and offers 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, broadband 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 recommends that \$500,000 be appropriated to establish and operate the OPPP provided that this measure does not replace our priorities in the Executive Budget.

Thank you for the opportunity to provide testimony.

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**SB1306**

Submitted on: 2/27/2017

Testimony for WAM on Mar 1, 2017 09:30AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

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**SB1306**

Submitted on: 2/27/2017

Testimony for WAM on Mar 1, 2017 09:30AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Don Aweau	Individual	Support	No

Comments:

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