



DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the

**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM
AND**

SENATE COMMITTEE ON TECHNOLOGY

Friday, February 1, 2019

2:45 PM

State Capitol, Conference Room 414

In consideration of

SB 125

**RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.**

Chairs Wakai and Keohokalole, Vice Chairs Taniguchi and English and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) thanks Chair Wakai for introducing SB125, which appropriates funds for capital improvement projects under DBEDT. We have the following comments:

1. Funding for the Hawaii Broadband Initiative, DBEDT prefers the Governor's request for \$10,000,000.
2. Funding for the HTDC facility of \$40,000,000, we would like to see the completion of the Entrepreneur's Sandbox first. Therefore, would like to defer requesting CIP for this project at this time.
3. We support the funding for the Entrepreneur's Sandbox for \$500,000 so that we may complete this project.
4. Funding for the Creative Lab Space and equipment, DBEDT prefers the Governor's request for \$500,000.

We appreciate the overall concept of this bill as it includes initiatives supportive of our goals and objectives, but we are concerned that some items that differ from the Administration's budget request may adversely impact priorities indicated in our Executive Budget. Thank you for the opportunity to testify.



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
Senate Committee on Economic Development and Tourism
And the
Senate Committee on Technology
Friday, February 1, 2019
2:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB125
RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM.

Chairs Wakai and Keohokalole, Vice Chairs Taniguchi and English, and Members of the Committees.

The Hawaii Technology Development Corporation (HTDC) **supports** SB125 that appropriates funds for capital improvement projects of the Department of Business, Economic Development, and Tourism as it relates to BED143.

The bill appropriates \$500,000 to HTDC for the Entrepreneurs Sandbox in Kakaako. The construction is on schedule and nearing completion. The project was built through State, Federal, and private sector funds. The project was built without budget for construction contingency and furnishings and equipment. The funding will support getting the Entrepreneurs Sandbox equipped, operational, and ramped up to profitability.

The bill appropriates \$40,000,000 to HTDC for a new incubator. In June 30, 2018, HTDC's lease expired at the Manoa Innovation Center. The incubator had been the primary source of revenue for HTDC. HTDC has a schematic design for a new incubator adjacent to the Entrepreneurs Sandbox. With funding, HTDC would explore federal grant and public private partnership opportunities to provide leverage to state funds.

The bill appropriates \$500,000 to the DBEDT Creative Industries Division (CID) for equipment for the FTZ and the Sandbox. The CID is our partner that will equip and operate the programs for the Digital Media Studio and Creative Lab in the Entrepreneurs Sandbox.

We support this request provided it does not supplant the Governor's priorities in the Administrative budget. Thank you for the opportunity to offer these comments.