STAND. COM. REP. NO. 207

Honolulu, Hawaii

Fely 8, 2007

RE: H.B. No. 1781 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns, to which was referred H.B. No. 1781 entitled:

"A BILL FOR AN ACT RELATING TO THE TECHNOLOGY AND INNOVATION CENTER,"

begs leave to report as follows:

The purpose of this bill is to allow existing high technology business in Hawaii to grow and diversify by appropriating \$6,000,000 to be matched by federal grants and private donors, for the planning, design, and construction of a Technology and Innovation Center (Center) on Oahu for the dual use technology industry.

The Mayor of the City and County of Honolulu, Enterprise Honolulu, Economic Development Alliance of Hawaii, Maui Economic Development Board, Kauai Economic Development Board, Hawaii Island Economic Development Board, MELE Health Information Systems, Harbor Wing Technologies, Hawaii Venture Capital Association, Bump Networks Inc., Referentia Systems Incorporated, Williams Aerospace, Inc., SEE/RESECUE Corporation, Ambient Micro, and isisHawaii supported this bill. The Department of Business, Economic Development, and Tourism (DBEDT) and High Technology Development Corporation supported the intent of this measure.

Your Committee finds that the Center envisioned by this bill will serve existing businesses in Hawaii that are positioned to take advantage of federal Department of Defense funding for the

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dual use technology industry. This industry develops technology that may be used by both the defense and commercial sectors. An example of a dual use company is SEE/RESCUE Corporation, which develops survival technology for the military and civilian markets and recently received a grant for its Portable Personal Motion Detector technology.

The Center would provide an affordable office and manufacturing facility for Hawaii companies and an environment where these companies can easily team with, and obtain grants through their relationships with other high technology partners, including more established, mainland mentor companies.

In addition, your Committee heard testimony that centers like the one proposed in this bill already serve as a resource for schools, by allowing students to be introduced to careers and opportunities in advanced technology through guest speakers, sponsorships, event development, and site visits.

Your Committee has amended this bill by:

- (1) Removing references to the Hawaii Technology Development Venture as a development partner, and specifying that DBEDT's, High Technology Development Corporation (HTDC) will spearhead the project along with Enterprise Honolulu;
- (2) Requesting the Department of Land and Natural Resources to work with HTDC to identify state lands appropriate to be leased for the Center; and
- (3) Changing its effective date to July 1, 2034, to allow further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1781, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic



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Development & Business Concerns,

KYLE T. YAMASHITA, Chair



State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: HB 1781	Date:	Date: February 2007			
Committee Referral: EDB		☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	Pass, with amendments				
☐ Hold	 Pass, with amendments, for recommittal for further consideration 				
EDB Members	Ayes	Ayes (WR)	Nays	Excused	
1. YAMASHITA, Kyle T. (C)			i s		
2. WAKAI, Glenn (VC)					
3. BERG, Lyla B., Ph.D.					
4. BROWER, Tom				2.2.2.2.1.1.1.1.2.2.2.2.2.1.1.1.1.1.2	
5. CHANG, Jerry L.		.11.4			
6. HANOHANO, Faye P.	V.			and the second s	
7. HERKES, Robert N.		\			
8. MANAHAN, Joey	1	7		V	
9. TSUJI, Clift			97 5. -		
10. YAMANE, Ryan I.	V				
11. CHING, Corinne W.L.					
12. MARUMOTO, Barbara C.					
TOTAL	9		ø	2	
The recommendation is: Adopted	•				
☐ Not Adopted					
If joint referral,	mmittee acronym	did not suppo	ort recommendation	1.	
Col		(8)			
Vice Chair's or designee's signature:	\overrightarrow{X}				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office					