

JAN 17 2014

A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that technology
2 applications have greatly assisted farmers with various tasks.
3 These cyber tools monitor irrigation systems, mapping, grazing,
4 pest management, harvest, weather, and fertilizer applications,
5 all in real-time. These sophisticated technologies also have
6 additional benefits in material cost, labor, and fuel savings -
7 the farmer can refer to his electronic files rather than driving
8 out to a specific field. Reports show that the technology-savvy
9 farmer is able to speed up the decision making cycle and do the
10 job much more effectively.

11 The legislature further finds that farmers are adopting
12 more technology at a rapid pace. Today's farmers carry either a
13 tablet and smartphone, or both. Such tools digitize information
14 that used to be kept in notebooks; this information can now be
15 stored online in a cloud-based system, where it can be shared
16 instantly with fellow farmers. Moreover, as the federal
17 government moves forward with the FDA Food Safety Modernization
18 Act (P.L. 111-353), technological applications will be needed to



1 assist farmers in tracking which crops were planted in which
2 fields, soil types, and irrigation control.

3 The legislature also finds that as the State's food needs
4 climb, and more farmers set their sights on local food
5 production, the risk-taking experienced by farmers will be even
6 more critical to the State's goal of achieving food
7 sustainability. Agricultural communities such as Monterey Bay,
8 California, and St. Louis, Missouri, have focused on economic
9 clusters to aid businesses. The clusters used in these regions
10 were focused on agriculture – specifically, an agricultural
11 technology cluster. The purpose of the clusters was to create a
12 hub, sparking innovation and bringing together technology
13 entrepreneurs and farmers to keep the agricultural industry
14 thriving.

15 The legislature additionally finds that Hawaii imports
16 about ninety per cent of its food. Challenges such as drought,
17 selling produce at lower prices to compete with imported
18 products, cost of labor, supplies, and workforce housing have
19 squeezed profits – hampering business growth or even resulting
20 in farmers going out of business. As a result, more farmers are
21 looking to technology entrepreneurs to come up with ways to make
22 the industry more efficient.



1 The legislature further finds that many farmers looking for
2 an additional source of revenue for their farms have implemented
3 elements of agricultural tourism. Agricultural tourism, or
4 agritourism, is a commercial enterprise at a working farm,
5 ranch, agricultural plant, or park conducted for the enjoyment
6 or education of visitors, which generates supplemental income
7 for the owner. Agritourism can include farm stands or shops,
8 tours, on-farm classes, fairs, festivals, pumpkin patches,
9 Christmas tree farms, weddings, orchard dinners, youth camps,
10 and more. Many growers in the country offer agritourism
11 opportunities to the public as a way of improving a farm's
12 visibility and profitability. For example, in California,
13 agritourism serves as a vital strategy for diversifying and
14 boosting profit for a small but significant number of the
15 state's farms. Since 2008, more than 2,400,000 visitors
16 participated in agritourism at California farms and ranches,
17 with the state's agritourism operations and economic potential
18 expected to continue to grow.

19 The legislature also finds that in 2012, as a way to save
20 an industry, the State purchased and acquired 1,700 acres of
21 agricultural land from the Galbraith Trust. These lands do not
22 have any infrastructure, storage, or warehouse facilities on



1 them. However, former agricultural industrial lands nearby do
2 contain and support such activity. These nearby parcels,
3 recently acquired by the State, have infrastructure and
4 warehouses to support food safety, packaging, processing, and
5 storing produce farmed on the nearby lands. Processes and
6 technologies will need to be updated to keep up with federal
7 regulations.

8 The purpose of this Act is to establish an agricultural
9 technology park that can bridge the agricultural and technology
10 gap and be used to provide agritourism benefits.

11 SECTION 2. Chapter 206M, Hawaii Revised Statutes, is
12 amended by adding a new part to be appropriately designated and
13 to read as follows:

14 **"PART . AGRICULTURAL TECHNOLOGY PARK**

15 **§206M- Agricultural technology park; established.** There
16 is established an agricultural technology park that shall
17 include properties identified by the following tax map key
18 numbers: 71002099, 71002023, and 71002004. The park shall be
19 administered by the board.

20 **§206M- Objective of the agricultural technology park.**
21 The objective of the agricultural technology park shall be to
22 bridge the agricultural and technology gap. Putting forth a



1 strategy for development of the agricultural technology park
2 will secure investment for agricultural state facilities and
3 provide jobs for rural communities. The agricultural technology
4 park shall also be used to support agritourism. Supporting
5 development efforts of agritourism will provide numerous
6 benefits to agricultural producers within the agricultural
7 technology park, including additional sources of revenue and
8 increased public exposure to agricultural products.

9 **§206M- Guidelines.** (a) The board shall develop the
10 agricultural technology park in consultation with but not
11 limited to the following agencies: Hawaii housing finance and
12 development corporation, department of agriculture, department
13 of education, agribusiness development corporation, and
14 University of Hawaii college of tropical agriculture and human
15 resources.

16 (b) When designing and planning the park, the board and
17 the agencies in subsection (a) may enter into cooperative
18 agreements with coordinating entrepreneurs or public agencies
19 that have the powers, services, and capabilities deemed
20 necessary and appropriate for the development and implementation
21 of the business and agricultural development plans.



(c) Planning and design of the park shall comply with community and town master plans and urban design plans."

SECTION 3. Section 206M-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is established the high technology development corporation, which shall be a public body corporate and politic and an instrumentality and agency of the State. The development corporation shall be placed within the department of business, economic development, and tourism for administrative purposes, pursuant to section 26-35. The purpose of the development corporation shall be to facilitate the growth and development of the commercial high technology industry in Hawaii. Its duties shall include, but not be limited to:

(1) Developing and encouraging industrial parks as high technology innovation centers and developing or assisting with the development of projects within or outside of industrial parks, including participating with the private sector in such development;

(2) Providing financial and other support and services to Hawaii-based high technology companies;

(3) Collecting and analyzing information on the state of commercial high technology activity in Hawaii;



(4) Promoting and marketing Hawaii as a site for

commercial high technology activity; [~~and~~]

(5) Providing advice on policy and planning for

technology-based economic development[~~-~~]; and

(6) Developing an agricultural technology park."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

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S.B. NO. 2397

Report Title:

Economic Development; High Technology Development Corporation;
Agricultural Technology Park; Agritourism

Description:

Creates an agricultural technology park under the high
technology development corporation. Designates certain
properties to be included in the park.

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