STAND. COM. REP. NO. 325

Honolulu, Hawaii

FEB 1 9 2015

RE: S.B. No. 627

Honorable Donna Mercado Kim President of the Senate Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Madam:

Your Committees on Higher Education and the Arts and Economic Development and Technology, to which was referred S.B. No. 627 entitled:

"A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY,"

beg leave to report as follows:

The purpose and intent of this measure is to require the University of Hawaii to extend the current land lease agreement with the High Technology Development Corporation for no less than ten years upon expiration of the current agreement and to maintain identical terms.

Your Committees received testimony in support of this measure from the High Technology Development Corporation; Hawaii TechWorks; Hawaii Tech Exchange; The Cut Collective; 3D Innovations; Ikayzo, Inc.; Hyperspective; Tow Choice; Hawaii Open Data; and two individuals. Your Committees received testimony in opposition to this measure from the University of Hawaii System.

Your Committees find that the High Technology Development Corporation is home to twenty-six tenant companies and sixteen companies that are part of the virtual office system. The incubator program provides special leasing rates for startup companies to help offset the high costs of company creation. The program also provides flexible month-to-month leases with minimal security deposits which significantly reduce the typical risks associated with starting a business.

Your Committees further find that the High Technology Development Corporation mentors companies through major growth hurdles and helps them to become resilient and sustainable businesses that contribute to the State's tax base. Rent revenues generated by the incubator provide the funding for the program. Without the revenues and incubator programs, the High Technology Development Corporation could no longer function and would have to shut down.

As affirmed by the records of votes of the members of your Committees on Higher Education and the Arts and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 627 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Higher Education and the Arts and Economic Development and Technology,

BRIAN T. TANIGUCHI, Chai

GLENN WARAT, Chair

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Higher Education and the Arts HEA

Bill / Resolution No.:*	Committee Referral: Date:								
SB 627	HEA/EDT, WAM 2-17-2015								
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
TANIGUCHI, Brian T. (C)		\							
INOUYE, Lorraine R. (VC)					(0				
GABBARD, Mike		V /			Wan				
KAHELE, Gilbert		· • /							
KIDANI, Michelle N.		V							
WAKAI, Glenn		V							
SLOM, Sam		7							
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TOTAL		7			$ \mathcal{D} $				
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature: However A. Anouge									
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy									

*Only one measure per Record of Votes

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Economic Development and Technology EDT

Bill / Resolution No.:*	Committee Referral:			Date:					
CB 627	HEA/EDT, WAY		1	2	17	15			
The Committee is reconsidering its previous decision on this measure.									
If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WF	R) N	ay _	Excused			
WAKAI, Glenn (C)		7	_						
SLOM, Sam (VC)		' X							
BAKER, Rosalyn H.						X			
CHUN OAKLAND, Suzanne		X							
DELA CRUZ, Donovan M.		χ							
ESPERO, Will		X							
HARIMOTO, Breene		X .							
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TOTAL		6	0	()	l			
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature.									
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