

A Bill for an Act Relating to the High Technology Development Corporation.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 206M-2, Hawaii Revised Statutes, is amended to read as follows:

“§206M-2 [High technology development corporation; established.]
Establishment of the high technology development corporation; purpose. (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: developing industrial parks as high technology innovation centers and the developing of projects within or outside of industrial parks; providing support and services to Hawaii-based high technology companies; collecting and analyzing information on the state of commercial high technology activity in Hawaii; promoting and marketing Hawaii as a site for commercial high technology activity; and providing advice on policy and planning for technology-based economic development.

(b) The governing body of the development corporation shall consist of a board of directors having nine voting members. Seven of the members shall be appointed by the governor for staggered terms pursuant to section 26-34. Six of the appointed members shall be from the general public and selected on the basis of their knowledge, interest, and proven expertise in, but not limited to, one or more of the following fields: finance, commerce and trade, corporate management, marketing, economics, engineering, and telecommunications, and other high technology fields[; provided that no public member of the board shall be an officer or employee of the State or its political subdivisions]. The other appointed member shall be selected from the faculty [of the college of engineering] of the University of Hawaii. All appointed members of the board shall continue in office until their respective successors have been appointed. The director of business, economic development, and tourism and the director of finance, or their designated representatives, shall serve as ex officio voting members of the board. The director of business, economic development, and tourism shall serve as the chairperson until such time as a chairperson is elected by the board from the membership. The board shall elect such other officers as it deems necessary.

(c) The members of the board appointed under subsection (b) shall serve without compensation, but may be reimbursed for expenses, including travel expenses, incurred in the performance of their duties.

(d) The board shall appoint a chief executive officer, who shall serve at the pleasure of the board and shall be exempt from chapters 76 and 77. The board shall set the salary and duties of the executive officer.

(e) The board shall appoint a management advisory committee for each industrial park and project governed by the board. Each committee shall have five members, who shall serve without compensation but may be reimbursed for expenses incurred in the performance of their duties. The members shall be drawn from fields of activity related to each project or park.”

SECTION 2. Section 206M-3, Hawaii Revised Statutes, is amended to read as follows:

“**§206M-3 Powers, generally.** The development corporation shall have all the powers necessary to carry out its purposes, including the following powers:

- (1) To sue and be sued;
- (2) To have a seal and alter the same at its pleasure;
- (3) To make and execute, enter into, amend, supplement, and carry out contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter including, subject to approval of the governor, a project agreement with a qualified person, and any other agreement whereby the obligations of a qualified person under a project agreement shall be unconditionally guaranteed or insured by, or the performance thereof assigned to, or guaranteed or insured by, a person or persons other than the qualified person; and to grant options or renew any project agreement entered into by it in connection with any project or industrial park, on terms and conditions as it deems advisable;
- (4) To make and alter bylaws for its organization and internal management;
- (5) To adopt rules under chapter 91 necessary to effectuate this chapter in connection with industrial parks, projects, and the operations, properties, and facilities of the development corporation;
- (6) Through its chief executive officer, to appoint officers, agents, and employees, prescribe their duties and qualifications, and fix their salaries, without regard to chapters 76 and 77;
- (7) To prepare or cause to be prepared development plans for industrial parks;
- (8) To acquire, own, lease, hold, clear, improve, and rehabilitate real, personal, or mixed property and to assign, exchange, transfer, convey, lease, sublease, or encumber any project including by way of easements;
- (9) To construct, reconstruct, rehabilitate, improve, alter, or repair, or provide for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project and to designate a qualified person as its agent for such purpose, and to own, hold, assign, transfer, convey, exchange, lease, sublease, or encumber any project;
- (10) To arrange or initiate appropriate action for the planning, replanning, opening, grading, or closing of streets, roads, roadways, alleys, easements, or other places, the furnishing of improvements, the acquisition of property or property rights, or the furnishing of property or services in connection with an industrial park;
- (11) To prepare or cause to be prepared plans, specifications, designs, and estimates of cost for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project or industrial park, and from time to time to modify such plans, specifications, designs, or estimates;
- (12) To engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice;
- (13) To procure insurance against any loss in connection with its property and other assets and operations in such amounts and from such insurers as it deems desirable;

- (14) To accept and expend gifts or grants in any form from any public agency or from any other source;
- (15) To issue bonds pursuant to this chapter in such principal amounts as may be authorized from time to time by law to finance the cost of a project or an industrial park as authorized by law and to provide for the security thereof as permitted by this chapter;
- (16) To lend or otherwise apply the proceeds of the bonds issued for a project or an industrial park either directly or through a trustee or a qualified person for use and application in the acquisition, construction, installation, or modification of a project or industrial park, or agree with the qualified person whereby any of these activities shall be undertaken or supervised by that qualified person or by a person designated by the qualified person;
- (17) With or without terminating a project agreement, to exercise any and all rights provided by law for entry and re-entry upon or to take possession of a project at any time or from time to time upon breach or default by a qualified person under a project agreement, including any action at law or in equity for the purpose of effecting its rights of entry or re-entry or obtaining possession of the project or for the payments of rentals, user taxes, or charges, or any other sum due and payable by the qualified person to the development corporation pursuant to the project agreement;
- (18) To enter into arrangements with qualified county development entities whereby the board would provide financial support to qualified projects proposed; [and]
- (19) To create an environment in which to support high technology economic development, including but not limited to: supporting all aspects of technology-based economic development; developing instructive programs, identifying issues and impediments to the growth of high technology industry in Hawaii; and providing policy analysis and information important to the development of high technology industries in Hawaii;
- (20) To develop programs that support start-up and existing high technology companies in Hawaii and to attract new companies to relocate to or establish operations in Hawaii by assessing the needs of these companies and providing the physical and technical infrastructure to support their operations;
- (21) To coordinate its efforts with other public and private agencies involved in stimulating technology-based economic development in Hawaii, including but not limited to: the department of business, economic development, and tourism; the pacific international center for high technology research; and the office of technology transfer and economic development of the University of Hawaii;
- (22) To promote and market Hawaii as a site for commercial high technology activity;
- (23) To provide advice on policy and planning for technology-based economic development; and
- [(19)] (24) To do all things necessary or proper to carry out the purposes of this chapter.”

SECTION 3. Section 206M-10, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Notwithstanding any law to the contrary, the state director of finance is authorized, with the approval of the governor, to make loans up to the aggregate sum of [\$500,000,] \$1,000,000, or so much thereof as may be necessary, to the development corporation. The loans shall be made from the state general fund moneys which are in excess of the amounts necessary for immediate state requirements, and shall be used for the purpose of paying administrative and other [predevelopment] costs associated with the development of industrial parks[.] and other projects and activities that encourage the growth of the high technology industry in Hawaii.”

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

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

(Approved June 19, 1991.)