

Honolulu, Hawaii

FEB 19 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,



GLENN WAKAI, Chair



BRIAN T. TANIGUCHI, Chair



