



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education and the Arts
and
Senate Committee on Economic Development and Technology
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by
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SB 627 – RELATING TO HIGH TECHNOLOGY

Chairs Taniguchi and Wakai, Vice Chairs Inouye and Slom, and members of the committees:

The University of Hawai'i strongly opposes SB 627 which requires the University of Hawai'i to extend the current land lease with the High Technology Development Corporation for no less than 10 years from the date of expiration of the existing lease.

In 1990, the University of Hawai'i entered into an agreement under which the Mānoa Innovation Center (MIC), constructed on University land, was to be leased to the High Technology Development Corporation (HTDC) for a 25-year term, after which the facility was to revert to UH. All parties agreed, in writing, to this arrangement.

Since taking office last year, UH President David Lassner has set forth his Strategic Directions 2015-21, which comprises of four key initiatives for the University of Hawai'i. One of them is the Hawai'i Innovation Initiative, a bold and proactive partnership with the local private sector and government to build a thriving innovation, research, education and training enterprise that will develop a third major economic sector for the state -- fueled by UH's plans to aggressively commercialize its research and to employ and develop top researchers in several focus areas over the next decade.

In order to accomplish this, new and remodeled facilities are essential and an expanded MIC will play an important role in achieving that goal. The University is still in the formative stages of defining exactly what form and structure will best support this needed innovation agenda. However, it is expected that these activities will be based at the Mānoa Innovation Center, which is already a significant site for the University's research enterprise. In fact, UH and its related programs are already the single largest set of tenants in the facility and pays the largest portion of the rent, which goes to support HTDC operations. The University could occupy all the existing space at MIC, with its programs that are renting facilities elsewhere, immediately.

The University does support the development of a technology park on O'ahu, the only island without such a capability. However, MIC is not large enough to house the

activities normally found within a technology park, so another venue should be found to provide full support for emerging technology businesses. HTDC would be the natural organization to lead such an initiative and UH would support them.

The University of Hawai`i believes this is an opportune time for the State to invest in the development of high technology to diversify and strengthen the local economy. However, this should not be done at the expense of research growth and the new innovation agenda developed by UH.

The University of Hawai`i urges the joint committee to preserve the original agreement made with UH at the time MIC was constructed by not passing this measure.