

Written Statement of Sandi Kanemori Interim Executive Director Hawai`i Technology Development Corporation before the House Committee On Finance Tuesday, February 25, 2025 2:00 p.m. Conference Room 415 & Videoconference In consideration of HB449 HD1 RELATING TO ECONOMIC DEVELOPMENT

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee.

The Hawai'i Technology Development Corporation (HTDC) strongly supports HB449 HD1, which provides funds to INNNOVATE HAWAII to provide advanced manufacturing technology to local Hawaii manufacturers creating "Made in Hawaii" products.

INNOVATE HAWAII, part of the National Institute of Standards and Technology's Manufacturing Extension Partnership (NIST-MEP) program, supports small to medium-sized manufacturers by enhancing their productivity, growth, and technical performance, through coaching, training, and direct consulting.

HTDC believes that HB449 HD1 will significantly enhance the state's manufacturing industry by providing crucial funds for the implementation of advanced manufacturing technology. This support will enable small to medium-sized manufacturers, especially those in the tourism sector, to adopt digital tools and cutting-edge manufacturing technologies. By improving productivity, reducing costs, and expanding market reach, these manufacturers will become more competitive in the global market, ultimately leading to long-term economic sustainability for Hawaii's manufacturing sector.

Thank you for your consideration of supporting this bill.





Testimony to the House Committee on Finance Representative Kyle T. Yamashita, Chair Representative Jenna Takenouchi, Vice Chair

Tuesday, February 25, 2025, at 2:00PM Conference Room 308 & Videoconference

RE: HB449 HD1 Relating to Economic Development

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 449 House Draft 1 (HB449 HD1), which appropriates funds to assist in the development and promotion of Hawai'i-manufactured products through the INNOVATE Hawai'i program.

HB449 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Travel & Tourism. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Supporting local manufacturing is key to strengthening Hawaii's economy, creating jobs, and expanding the reach of "Made in Hawaii" products. The federally funded INNOVATE Hawaii program, under the Hawaii Technology Development Corporation (HTDC), has supported local manufacturers for over 20 years. As part of a national network of 52 Manufacturing Extension Partnership centers, it provides funding, technology, and resources to help businesses develop, manufacture, and market their products. By introducing advanced technologies, the program enhances efficiency, improves operations, and supports reshoring U.S. manufacturing. Expanding its funding will further strengthen local businesses and boost Hawaii-made products' competitiveness.

This bill funds HTDC to grow and promote Hawaii's manufacturing sector through INNOVATE Hawaii. The investment will help small businesses access technology, improve production, and expand market opportunities, driving economic resilience. By supporting local manufacturing, this initiative fosters job creation, diversifies the economy, and enhances Hawaii's competitiveness. The Chamber supports this effort as it empowers manufacturers, strengthens supply chains, and creates lasting economic opportunities for businesses and workers statewide.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 449 House Draft 1. Thank you for the opportunity to testify.

HB-449-HD-1

Submitted on: 2/24/2025 11:56:30 AM Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Monty Pereira	Watanabe Floral, Inc	Support	Written Testimony Only

Comments:

Testimony to the House Committee on Finance

Representative Kyle T. Yamashita, Chair

Representative Jenna Takenouchi, Vice Chair

Tuesday, February 25, 2025, at 2:00PM

Conference Room 308 & Videoconference

RE: HB449 HD1 Relating to Economic Development

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

My name is Monty Pereira, GM and Sales & Marketing Director at Watanabe Floral, Inc.. I am in support of House Bill 449 House Draft 1 (HB449 HD1), which appropriates funds to assist in the development and promotion of Hawai'i-manufactured products through the INNOVATE Hawai'i program.

This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Supporting local manufacturing is key to strengthening Hawaii's economy, creating jobs, and expanding the reach of "Made in Hawaii" products. The federally funded INNOVATE Hawaii program, under the Hawaii Technology Development Corporation (HTDC), has supported local manufacturers for over 20 years. As part of a national network of 52 Manufacturing Extension Partnership centers, it provides funding, technology, and resources to help businesses develop, manufacture, and market their products. By introducing advanced technologies, the program enhances efficiency, improves operations, and supports reshoring U.S. manufacturing. Expanding its funding will further strengthen local businesses and boost Hawaii-made products' competitiveness.

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I respectfully ask to pass House Bill 449 House Draft 1. Thank you for the opportunity to testify.



Statement of Meli James Cofounder Mana Up before the House Committee on Finance

Tuesday, February 25, 2025 2:00 PM State Capitol, Conference Room 308 & Videoconference

In consideration of HB449 HD1 RELATING TO ECONOMIC DEVELOPMENT

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee on Finance,

Mana Up **supports** HB449 that establishes a program for supporting small businesses with advanced technology development and integration related to small to medium size manufacturing businesses supporting Hawaii's tourism industry. It also appropriates funds to assist in the development and promotion of Hawaii-manufactured products through the INNOVATE Hawai'i (IH) program.

Mana Up's mission is to create a thriving local product ecosystem in Hawaii that will help solve challenges our island economy faces, including lack of affordability for many residents and an outmigration trend of Hawaii-born residents. By creating this ecosystem, we hope to (1) create meaningful job opportunities for the next generation as Hawaii is one of the only states to have a declining local population, with more Native Hawaiians leaving than ever before, (2) foster sustainable tourism by integrating local people and companies, (3) diversify the economy through exports based on our unique niche in the international market, bringing in new dollars to the state and expanding our economic growth, (4) through value added agricultural products, generate use of agricultural land. Programs like INNOVATE Hawaii play a crucial role in this ecosystem by equipping small businesses with the tools needed to enhance production efficiency, compete in global markets, and contribute to economic diversification.

Mana Up has operated an accelerator for the past seven years, with 95 Hawaii-based graduates to date. 100% of companies are headquartered in Hawaii. As of 2024, this portfolio accounted for over \$100 million in annual revenue (with 43% of revenue coming from markets outside Hawaii, bringing new dollars into the State), 1,100+ jobs, and a 33% median growth rate.



Programs like those proposed in HB449 HD1 directly align with our mission by providing the technological infrastructure necessary for local businesses to innovate, scale, and sustain long-term success. Investing in these initiatives will enhance economic resilience, promote Hawaii-made products, and ensure that small businesses remain competitive in an evolving marketplace.

IH is a federal program funded by the National Institute of Standards and Technology – Manufacturing Extension Program (NIST-MEP) with a mission of supporting the reshoring of Manufacturing USA federal initiatives, while providing funding and technology to local MEP Centers in each State. IH has been a federal program of HTDC for more than 20+ years with the goal of helping small businesses overcome the challenges of doing technology R&D and manufacturing of Hawaii made products.

This bill directly makes it possible for Mana Up to exist, and we know bill HB449 HD1 will be crucial in supporting the development of Hawaii-manufactured products but also strengthen our state's position as a leader in sustainable and locally driven economic growth. HB449 HD1 will ensure small businesses have the resources needed to innovate, scale, and contribute to a more prosperous Hawaii.

In 2024, here are ways in which Mana Up supported the local entrepreneur ecosystem:

- Helped 10 companies across 4 islands graduate from Mana Up's six-month accelerator program in its ninth cohort; including a cohort launch event with Hawai'i Governor Josh Green and First Lady Jaime Kanani Green.
- Hosted several events including a community event panel with Bank of Hawai'i featuring financial executives and alumni to offer business resources and expert advice for growing small businesses
- Provided a two-day "retreat" for 51 Mana Up graduate businesses as part of our robust alumni program to support growth beyond the six-month accelerator program and further expansion
- Expanded retail channels supporting the businesses that participated in Mana Up's program including a shop at South Shore Market.
- Created unique opportunities and sales channels on the US Mainland with two "Aloha Market" retail pop-ups in New York City (April 2024) and Los Angeles (September 2024) helping 50+ Hawaii-based companies scale to new markets
- Generated national media with exposure on Good Morning America highlighting Maui businesses and Mana Up alumni (Napili FLO Farm and Maui Chili Chili Oil), boosting interest and sales.



• Provided a platform (Mana Up annual Showcase event) in which Mana Up alumni entrepreneurs generated a total \$143,000 in sales. Additionally, this event helped generate 6 million impressions with a broadcast and livestreamed special.

Companies in the Mana Up portfolio are having national successes, including:

- Maui-based company, Wrappily launched eco-friendly wrapping paper products in 650 Target stores nationwide
- Meli Wraps, the Kauai-based company making eco-friendly beeswax food wrap products launched in 90% of Whole Foods locations nationwide
- Hawaii Island company Ha Tonics was named a finalist in the global Pow Wow Pitch competition and received \$15,000 as part of another competition designed for local companies using local agriculture
- Several companies opened brick-and-mortar stores including Kakou Collective and YIREH. Some opened pop-up retail locations including NOHO Home and Nick Kuchar. Banan also opened its first location on the US Mainland in San Francisco.
- Hawaiian Pie Co launched a partnership with GoldBelly to ship its baked goods nationwide
- Ashley Johnson, founder of Mohala Eyewear was selected to be part of the Obama Foundation USA Leaders Program and was featured during a big AAPI campaign

HB449 HD1 accelerates economic diversification, and many Mana Up companies manufacture their products here, and would take advantage of programs like IH, which could help to enhance their manufacturing capacity. The companies report that each piece of manufacturing machinery helps to grow their revenue and add employees.

Thank you for the opportunity to testify.

Sincerely,

Meli James Cofounder, Mana Up





Executive Officers

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TO: Committee on Finance FROM: HAWAII FOOD INDUSTRY ASSOCIATION Lauren Zirbel, Executive Director DATE: February 27, 2025 TIME: 2pm

RE: HB449 HD1 Relating to Economic Development Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure. As the measure notes the Hawaii technology development corporation's expertise spans a wide range of industries, enabling the effective implementation of cutting-edge technologies tailored to Hawaii's unique challenges and opportunities. Its commitment to leveraging state funding for impactful technology projects underscores its role as a critical catalyst for innovation and competitiveness in Hawaii's economy.

We support the purpose of this measure to appropriate funds for assisting in the development and promotion of Hawaii-manufactured products through the INNOVATE Hawaii program. For 30 years HFIA has proudly produced the Made in Hawaii Festival and HTDC is our official manufacturing partner. We know first hand the tremendous power and future potential of our local manufactures. Many of our Made in Hawaii Festival vendors, HFIA members, and other local manufacturers have successfully utilized HTDC programs including the INNOVATE Hawaii program.

INNOVATE Hawaii can be a vital resource to help individual companies grow, expand, and thrive. When we support and increase Hawaii manufacturing we all benefit; our economy is strengthened and diversified, jobs are created, and we all have access to more great Made in Hawaii products. We encourage the committee to pass this measure and thank you for the opportunity to testify.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.



HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308 Tuesday, February 25, 2025 AT 2:00 P.M.

To The Honorable Representative Kyle T. Yamashita, Chair The Honorable Representative Jenna Takenouchi, Vice Chair Members of the Committee on Finance

SUPPORT HB449 HD1 RELATING TO ECONOMIC DEVELOPMENT

The Maui Chamber of Commerce wholeheartedly **SUPPORTS HB449 HD1** which establishes a program that provides technology enablement for small businesses related to tourism in the State. Appropriates funds for assisting in the development and promotion of Hawai'i-manufactured products through the INNOVATE Hawai'i program.

The Chamber agrees that the tourism sector, a cornerstone of the state's economy, is highly seasonal and vulnerable to global economic shifts, natural disasters, and pandemics. These factors leave small businesses with inconsistent revenue streams and heightened risks. These compounded pressures have forced many small enterprises to operate with razor-thin margins, making resilience and adaptability essential for survival.

Furthermore, we agree that technology adoption is crucial for small businesses in Hawai'i, particularly those in the tourism sector, to overcome these challenges and remain competitive in an increasingly digital marketplace. Leveraging digital tools such as booking systems, online marketing platforms, and data analytics can help reduce costs, expand market reach, and enhance customer attraction and retention while improving the overall visitor experience. Technology also mitigates the risks of geographic isolation by enabling remote work, virtual services, and e-commerce opportunities.

Supporting small businesses in adopting technology ensures their ability to innovate and adapt, strengthening their resilience and contributing to the long-term economic sustainability of Hawai'i's communities.

For these reasons, we SUPPORT HB449 HD1.

Sincerely, Pamela Jumpap

Pamela Tumpap President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



Executive Officer Carla Kuo

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Hawai'i Island Chamber of Commerce

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE HB 449 HD1 - Relating to Economic Development – IN SUPPORT Tuesday, February 25, 2025 2:00 PM

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

On behalf of the Hawai'i Island Chamber of Commerce, which represents over 300 businesses and individual members primarily on the East side of Hawai'i Island, I submit this testimony in strong support of House Bill 449 House Draft 1 (HB449 HD1). This bill appropriates funds to support the development and promotion of Hawai'i-manufactured products through the INNOVATE Hawai'i program.

Investing in local manufacturing is essential for strengthening Hawai'i's economy, creating jobs, and expanding the reach of "Made in Hawai'i" products. The INNOVATE Hawai'i program, operated by the Hawai'i Technology Development Corporation (HTDC), has provided critical support to local manufacturers for over 20 years. As part of a national network of 52 Manufacturing Extension Partnership centers, it offers funding, technology, and resources to help businesses innovate, manufacture, and market their products. By integrating advanced technologies, the program enhances efficiency, improves operations, and supports reshoring U.S. manufacturing. Expanding its funding will further strengthen local businesses and improve the competitiveness of Hawai'i-made products.

HB449 HD1 provides essential funding to HTDC, enabling INNOVATE Hawai'i to expand its impact on the local manufacturing sector. This investment will help small businesses adopt new technologies, improve production processes, and access broader market opportunities, driving long-term economic resilience. By supporting local manufacturing, this initiative fosters job creation, diversifies the economy, and enhances Hawai'i's overall competitiveness.

The Chamber strongly supports this bill, recognizing its role in empowering manufacturers, strengthening supply chains, and creating lasting economic opportunities for businesses and workers statewide. I respectfully urge the passage of HB449 HD1. Thank you for the opportunity to testify.

Sincerely,

Carla Kuo Executive Officer Hawai'i Island Chamber of Commerce

<u>HB-449-HD-1</u>

Submitted on: 2/24/2025 7:18:42 AM Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT TO BOOST THE LOCAL ECONOMY AND INCREASE JOBS THAT CAN HELP RESIDENTS STAY IN HAWAII.

MAHALO!

<u>HB-449-HD-1</u>

Submitted on: 2/25/2025 9:54:04 AM Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alireza Ali	Individual	Support	Written Testimony Only

Comments:

As an entrepreneur, I believe investing in industries beyond tourism is essential for our state's long-term economic stability. Diversification reduces reliance on seasonal revenue, creates sustainable jobs, and strengthens resilience against downturns. Sectors like technology can drive growth, attract investment, and ensure a more balanced economy. Supporting policies that encourage this shift will yield lasting benefits, making our state more competitive and financially secure.