



Hawai'i Island Chamber of Commerce

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TESTIMONY BEFORE THE HOUSE

COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

HB454 - Relating to the Hawaii Technology Development Corporation

– IN SUPPORT

Friday, February 7, 2025 10:15 AM

Aloha Chair Ilagan, Vice Chair Hussey, and Members of the Committee,

On behalf of the Hawai'i Island Chamber of Commerce which represents over 300 businesses and individual members primarily located on the East side of Hawai'i Island, we **strongly support HB454**, which provides critical funding to the Hawai'i Technology Development Corporation (HTDC). This investment in innovation and technology is essential for driving economic diversification, recovery, and long-term growth in our state.

HB454 sets clear goals to strengthen Hawai'i's digital economy, trade activities, and climate change mitigation efforts through strategic funding for key programs, including:

Small Business Innovation Research Program – Supporting local entrepreneurs in developing and commercializing new technologies.

Manufacturing Assistance Program – Expanding Hawai'i's manufacturing sector to create jobs and reduce reliance on imports.

Accelerator Programs – Fostering innovation and attracting investment in high-growth industries.

By investing in these initiatives, Hawai'i will stimulate business growth, create high-quality jobs, and position itself as a leader in the technology and innovation sectors. These programs provide vital support for small businesses, enhance our state's global competitiveness, and lay the foundation for a more resilient and sustainable economy.

We strongly urge the legislature to pass HB454 to ensure continued investment in Hawai'i's economic future. Mahalo for the opportunity to testify and for your commitment to advancing Hawai'i's business and innovation sectors.

Sincerely,

Carla Kuo

Executive Officer

Hawai'i Island Chamber of Commerce

Statement of
Charlie Field
Senior Engineer
PacMar Technologies
before the
Senate Committee on Energy, Economic Development, and Tourism

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

PacMar Technologies **supports** HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

PacMar Technologies was founded in 1979 with its home office and headquarters in Honolulu, Hawaii. PacMar Technologies' research team has world-class expertise in advanced ship hull hydrodynamic research, naval architecture, alternative energy, autonomy and artificial intelligence, and other maritime technologies. PacMar Technologies produces innovation through research—inventing, innovating, developing, building, and testing advanced technologies. A significant amount of research and development funding comes through SBIR Phase II and Phase III awards, which enable transition from design and concept, to modeling and simulation, to prototypes in the hands of end users, which is extremely unique for a company this size. Matching grants are a vital opportunity for us to bridge the gap between different phases of projects, on the path towards commercialized products.

Thank you for the opportunity to offer these comments.



February 5, 2025

To: The House Committee on Economic Development and Technology

Subject: Support for HB45 Relating to the Hawai'i Technology Development Corporation

Aloha mai,

It is my pleasure to write today on behalf of my community nonprofit organization, Purple Mai'a Foundation, in **support** of HB454, which would appropriate funds to the Hawai'i Technology Development Corporation (HTDC) to implement programs to address state goals related to economic diversification.

Purple Mai'a concurs with the bill's assertion that the HTDC should serve as a "facilitative catalyst for innovation." We also especially agree with the goals set forth in the bill to pursue economic diversification through participation in the digital economy and increase in activity to reduce and mitigate climate change. Humbly, we would suggest the addition of the word adaptation to the bill language, as follows:

(3) Economic diversification through an increase in activity to reduce, ~~and~~ mitigate and adapt to climate change: programs shall address economic diversification by focusing on activities at the intersection of technology development and climate change mitigation and adaptation, including:

(A) Making renewable energy more affordable;

(B) Retaining and strengthening businesses that are increasing revenues through solutions to reduce, mitigate or adapt to climate change;



(C) Increasing the export of knowledge-based professional services related to climate change mitigation and adaptation; and

(D) Increasing the number of businesses, revenue, and employees in renewable energy sectors.

I will add that as a past and current recipient of HTDC accelerator programs funding, Purple Mai'a supports this bill's efforts to fund HTDC's catalytic work. HTDC's accelerator programs have supported our Purple Prize program, which generates ideas and produces prototypes of innovations that are accountable to Hawai'i's communities. HTDC accelerator programs have also supported Hawai'i FoundHer, our accelerator that addresses the specific needs and barriers faced by NHAAPI (Native Hawaiian, Asian American, and Pacific Islander), woman-led local businesses.

As we face uncertainty in federal funding for these kinds of initiatives, state funding becomes all the more important.

Thank you for this opportunity to testify,

Kelsey Amos
Co-Chief Executive Officer, Purple Mai'a Foundation



Statement of
David Holt
Program Manager
Blue Startups
before the
House Committee on Economic Development & Technology

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

Blue Startups **supports** HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

Blue Startups was founded with the goal of diversifying Hawaii's economy by leveraging its unique strengths. Historically dependent on the tourism industry, we envision a Hawaii with a thriving technology sector, creating high paying and interesting jobs for our keiki. Blue Startups provides capital, mentorship, and resources to technology startups.

We track certain Hawaii specific metrics with regards to contributions to the local economy. For the current 31 active Hawaii-based companies in our portfolio:

- Annual revenues in Hawaii \$13.2 million
- Estimated total annual spending in Hawaii \$9.4 million
- Hawaii-based employees 102

Blue Startups is an economic development engine critical to the future diversification of our State's economy and we rely on HTDC's Accelerator and Small Business Training programs support to continue making Hawaii the place for technology innovation and investment.

Mahalo for the opportunity to offer these comments.

**Testimony to the House Committee on Economic Development & Technology (ECD)
Representative Greggor Ilagan, Chair
Representative Ikaika Hussey, Vice Chair**

**Friday, February 7, 2025, at 10:15AM
Conference Room 325 & Videoconference**

RE: HB454 Relating to the Hawaii Technology Development Corporation

Aloha e Chair Ilagan, Vice Chair Hussey, 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 454 (HB454), which establishes a public policy framework that addresses state goals related to economic diversification and appropriates funds to the Hawaii Technology and Development Corporation to implement specific programs that address these goals.

HB454 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Business Services. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii's economic future depends on innovation, diversification, and alignment with the global digital and clean energy economy. However, the state needs stronger support for emerging industries to reduce reliance on tourism and drive sustainable growth. This bill funds the Hawaii Technology Development Corporation (HTDC) to promote economic diversification through technology, manufacturing, and renewable energy initiatives. It establishes state goals for innovation-driven growth, appropriates \$6 million over two years for small business innovation, manufacturing assistance, and accelerator programs, and requires HTDC to submit annual progress reports to ensure accountability.

By investing in technology and clean energy, the bill strengthens Hawaii's participation in the digital economy, expands trade, and advances climate change mitigation efforts. Supporting small businesses and entrepreneurs will drive job creation, increase exports, and enhance economic resilience. The Chamber supports this bill as a proactive step toward reducing economic dependency on tourism, fostering innovation, and securing long-term economic prosperity for Hawaii.

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 454. Thank you for the opportunity to testify.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 7, 2025

HEARING BEFORE THE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

TESTIMONY ON HB 454
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Conference Room 423 & Videoconference
10:15 AM

Aloha Chair Ilagan, Vice-Chair Hussey, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 454, which establishes a public policy framework that addresses state goals related to economic diversification and appropriates funds to the Hawai'i Technology and Development Corporation to implement specific programs that address these goals.

As expenses rise, increasing revenues and profits are critical to the continued viability of farms and ranches. Farmers can do this by "adding value" to raw agricultural crops. Currently, off-grade and excess production is sometimes wasted due to market conditions. Converting them into value-added products will increase farm revenue and provide new business opportunities, increase employment opportunities, and address Hawai'i's goals of increased self-sufficiency and sustainability.

High production costs are a major driver of narrow profit margins for Hawai'i's farmers and value-added food producers. Labor, taxes, lease rents, transportation, utilities, and supplies are all business costs that often result in value-added food producers just breaking even.

Hawai'i is potentially losing millions of dollars because of the cost of processing agricultural crops into value-added products. HFB supports any program that promotes the production of value-added products so that farmers can increase their income while allowing locally produced value-added goods to compete with imported products, strengthening our local economy.

The strength of Hawai'i's economy depends upon a diversity in commerce that is resilient to economic downturns and aggressive in creating new growth opportunities. Hawai'i Technology and Development Corporation's programs, such as its Manufacturing Assistance Program and Small Business Innovation Research Program, support this goal.

Thank you for this opportunity to testify in support of this measure.



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

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Sunshine Topping

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President & Executive Director

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HolomuaCollaborative.org

Committee: House Committee on Economic Development and Technology
Bill Number: HB 454, Relating to the Hawai'i Technology Development Corporation
Hearing Date and Time: February 7, 2025 at 10:15am (Room 423)
Re: Testimony of Holomua Collaborative in support

Aloha Chair Ilagan, Vice Chair Hussey, and Committee Members:

We write in support of House Bill 454, Relating to the Hawai'i Technology Development Corporation (HTDC). The purposes of HB 454 are to establish state goals related to economic diversification fueled by innovation and technology and to appropriate funds to HTDC to implement specific programs that address these goals.

Holomua supports initiatives that help keep all local working families in Hawai'i by addressing issues of affordability. We are especially interested in fostering cross-sector collaboration and supporting policies that are evidence-based.

In order for Hawai'i to be affordable for local working families, we need to ensure that our local business community (including entrepreneurs looking to start new businesses) is provided with the opportunities necessary to expand and succeed in an uncertain economy. Only 21% of respondents in a recent survey of 1500 local residents agree that "Hawai'i is a good place to do business." This statement also shows a high percentage of disagreement, with 43 percent *disagreeing* that Hawai'i is a good place to do business.¹ Clearly, we need to do better, and this bill is an important part of that.

Economic diversification is crucial for Hawai'i due to its reliance on a few industries, particularly tourism, which makes the state vulnerable to economic shocks. As of 2022, tourism accounts for approximately 17.7% of Hawaii's gross domestic product.² This overdependence on a single sector exposes Hawai'i to risks such as global economic downturns, natural disasters, and pandemics, as seen during the COVID-19 crisis when tourism plummeted, causing economic contraction. Diversifying the economy across various sectors can help stabilize the state's revenue streams and create a more resilient economic framework.

This bill aims to establish a framework—and to finance that framework—to accelerate economic diversification by building upon HTDC core programs that have already proven successful in helping local businesses thrive.

¹ 2024 Affordability Survey, Holomua Collective.

² Tourism and Hawaii Economy, DBEDT Research Division, July 2024.



Diversifying Hawaii's economy to include participation in the digital economy, strengthened trade activities, and an increase in activity to reduce and mitigate climate change could create new opportunities in both the domestic and international markets. By fostering growth in sectors like technology, agriculture, and clean energy, Hawaii can develop a more resilient and balanced economy that is less dependent on tourism.

We urge you to support HB 454.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Josh Wisch', is written over a light blue horizontal line.

Josh Wisch
President & Executive Director

Statement of

Claire E. Doi

Senior Business Advisor on Behalf of

Small Business Clients on the Outer Islands

Hawai'i Small Business Development Center (HISBDC)

Before the

House Committee on Economic Development & Technology

Friday, February 7, 2025

10:15 AM

State Capitol, Conference Room 423 & Videoconference

In consideration of

HB454

RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology,

Claire E. Doi and The Hawai'i Small Business Development Center (HISBDC) – Outer Island Clients strongly supports **HB454**, which appropriates funds for the Hawai'i Technology Development Corporation (HTDC)'s core programs: the **Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs**. These initiatives are critical to fostering innovation, job creation, and economic diversification across our state.

About Our Work & Why HTDC's Programs Are Essential

At HISBDC, we provide technical assistance to small businesses across Hawai'i, including those on the outer islands, many of whom operate with limited access to funding and support resources. HTDC's programs—especially the **MAP Grants**—have been instrumental in supporting small manufacturers by offering **financial flexibility, business growth opportunities, and infrastructure development**.

Several **outer island businesses have directly benefited from MAP Grants**, including **Kaua'i Kookie Company, Kaua'i Juice Company, and Maui Brewing**. These grants have provided essential funding for business expansion, allowing manufacturers to invest in equipment, improve production efficiency, and scale operations. However, many small business manufacturers **were previously unaware** of the grant's availability or were too busy to apply. As awareness grows, **we anticipate an increase in applications this year**,

including businesses still preparing to meet the MAP Grant requirements such as obtaining **a DUNS number** and fulfilling other eligibility criteria.

Economic Impact of the MAP Grants

The MAP Grants have directly contributed to **up to 20% revenue growth** for recipients. The **flexibility of grant usage** has allowed businesses to invest strategically, creating **new job opportunities and providing equity for expansion loans**. This has been particularly significant for outer island businesses, where access to capital is often more challenging.

The Need for Continued Funding & Future Benefits

The timing of this funding is **critical**, as the **federal government is actively encouraging more products to be manufactured in America**. With the recent **Executive Order offering tax incentives for American-made products**, HTDC's MAP Grants will provide small businesses across Hawai'i—including those on the outer islands—the necessary support to **compete in national and global markets**. Expanding this program will strengthen Hawai'i's position in the manufacturing sector, diversify our economy, and create sustainable job opportunities across the state.

Conclusion

We strongly urge the passage of HB454 to continue funding HTDC's core programs, particularly the MAP Grants, which **have demonstrated a proven track record of success** in fostering business growth and economic sustainability. Supporting this bill will **ensure that more small businesses in Hawai'i can access the resources they need** to grow, innovate, and thrive in an evolving economic landscape.

Mahalo for the opportunity to submit this testimony in strong support of **HB454**.



T E N
T O M O R R O W

Statement of
Summer Shiigi
Owner
Ten Tomorrow
before the
House Committee on Economic Development & Technology

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

Ten Tomorrow **supports** HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

We are a modern women's clothing brand here in Honolulu. Our business has been a graduate of the Innovate Hawaii incubator program, a recipient of the MAP grant, and we've attended several of the programs HTDC provides to small businesses. This is our 10th year in business and as we reflect on our progress, we wouldn't still be here today without the assistance that HTDC has given us. The culmination of their support has allowed us to grow our team, invest in technology otherwise unattainable, and increase revenue each year since we've launched our first collection.

Thank you for the opportunity to offer these comments.

Sincerely,

HB-454

Submitted on: 2/5/2025 11:46:42 AM

Testimony for ECD on 2/7/2025 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Ronald Weidenbach	Hawaii Fish Company Inc.	Support	Written Testimony Only

Comments:

Hawaii Fish Company Inc. (HFC) strongly supports HB454 which will fund HTDC's core programs (HSBIR, MAP, Accelerator) to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

HFC has been benefitting from HTDC's training workshops and HSBIR program since 1993 which has been foundational to our receiving 14 federal SBIR awards to date, with two Phase II awards currently in progress. The support of HTDC and its dedicated staff has been critical to our success.

We respectfully request your continued support of HB454 and the funding of HTDC's valuable programs.

HB-454

Submitted on: 2/5/2025 2:05:35 PM

Testimony for ECD on 2/7/2025 10:15:00 AM

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

Comments:

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February 4, 2025

Passing HB454 is crucial for young professionals as it invests in innovation, technology, and sustainability, creating new job opportunities and strengthening businesses. It helps diversify Hawaii’s economy by expanding participation in the digital economy, renewable energy, and trade, preparing the workforce for future growth.

Now, lawmakers need to hear directly from young professionals like you—people who will live with the long-term effects of these decisions. The most powerful testimonies are personal. If this bill affects you, your family, or your workplace, we encourage you to share your perspective.

This is your chance to make a difference—let’s ensure our generation’s voice is heard!

Warmest regards,

Monty Pereira

General Manager and Sales & Marketing Director

Watanabe Floral, Inc

Statement of
Dr. Michael Reiley
President, HNU Photonics
before the
COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY
Friday, February 7, 2025
10:15 a.m.
State Capitol, Conference Room 423

In consideration of
HB454

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

HNU Photonics **STRONGLY SUPPORTS** HB454 that makes an appropriation to HTDC to continue providing grants to businesses with a federal small business innovation research (SBIR) award.

Recognizing that small businesses are the engine of economic growth in the United States, many Federal agencies fund early-stage research endeavors under the Small Business Innovative Research (SBIR) program. SBIR awards are extremely competitive with an overall win probability of about 15%.

These awards are firm fixed price at predetermined funding levels, regardless of the geographic location of the Company. This puts Hawaii companies at a distinct disadvantage to companies from many other states because our cost of doing business is so much higher. From salaries to facilities to taxes to travel expenses, it is much more difficult for Hawaii companies to deliver results to win awards for additional phases of SBIR research under a fixed budget.

The Hawaii SBIR matching grant program is crucial for leveling the playing field to enable Hawaii companies, who have been successful in winning an SBIR award, to deliver results of a caliber to secure funding for subsequent SBIR phases.

My company has been the grateful recipient of several of these matching awards and it has made an enormous contribution to accelerating much-needed technologies NASA, the Defense Logistics Agency, DARPA and the U.S. Army. This program truly has a real impact on economic development and diversification.

For my company, SBIR projects and matching Phase I and Phase II grants have directly resulted in our ability to hire additional qualified staff. Living wage jobs for Kama'aina graduates are a tangible outcome of this program. Mahalo!

Statement of
Morgan Bonnet
COO
HI-Spectral, LLC
before the
House Committee on Economic Development & Technology

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

HI-Spectral, LLC **supports** HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

HI-Spectral, LLC is a startup that was created based on a patent developed at the University of Hawaii, Institute for Astronomy. The core technology was developed in collaboration with the semi-conductor R&D division of CANON Japan. The optical systems that we developed at the University of Hawaii are currently implemented on the \$400M Daniel K. Inouye Solar Telescope, the largest solar telescope in the world. Since the creation of the Startup, HTDC has been extremely helpful and helped us connect with the right people (potential customers, investors, etc.) and identify sources of non-dilutive funding. It also allowed us to be part of an accelerator program, QUEST, which was eye opening and helped us understand the DoD landscape (admin, funding, etc.) as well as teaching us to market the company in different scenarios. It should come at no surprise that Hawaii is a challenging place to develop a startup, unlike California or even Texas. And without HTDC's different programs, it would be nearly impossible. I believe you understand how important it is for Hawaii to diversify its economy. HTDC's programs are a key component in achieving this goal. With the support of HTDC and the State of Hawaii, we are hoping to create high salary tech jobs in the near future. We also intent to keep the manufacturing of mechanical components in Hawaii as much as possible.

Thank you for the opportunity to offer these comments.

Statement of
David Clements
Director of Vaccine Research
Hawaii Biotech, Inc.
before the
House Committee on Economic Development & Technology

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

Hawaii Biotech, Inc. (HBI) **supports** HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

HBI has been a cornerstone of biotechnology in Hawaii for 40 years. The company is focused on the research and development of vaccines and therapeutics for established and emerging infectious diseases. The company has developed proprietary expertise in the production of recombinant proteins and have established a platform technology applicable to the development of safe and effective vaccines. HBI's drug development activities are focused on small molecule drugs that block intracellular and extracellular bacterial toxins.

Over the years HBI has been awarded over \$130 million in federal research and development grants and contracts. HBI currently has 15 employees and has projected annual revenues of \$4.5 mil. HBI strives to create as many high paying technology positions and it is our mission to expand further and open new positions. HBI has been awarded matching funds from HDTDC through the Hawaii Small Business Innovation Research (HSBIR) Program which have been instrumental to the company to further our research, support our current staff, fill gaps, and bolster our ability to secure additional federal funding.

HBI has also demonstrated a regulatory pathway for its vaccines through successful interactions with the FDA. Through our active West Nile virus vaccine program, HBI has established manufacturing capabilities at our Iwilei facilities. The West Nile vaccine project serves both to demonstrate these capabilities as well as advance the vaccine to human testing. It is important to note that with this work being done here in Honolulu, jobs and funds are kept in Hawaii rather than engaging a contract manufacturer on the mainland.

Thank you for the opportunity to offer these comments.



AI.FISH

Ai.Fish
Kailua, HI
<http://www.ai.fish>

Statement of
Jimmy Freese
CEO
Ai.Fish
before the
House Committee on Economic Development & Technology

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

Ai.Fish supports HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

The programs run by HTDC have been extremely valuable for us to be a worldwide competitive local startup based in Hawaii. In the current AI space, things are extremely competitive and for us to stay a thriving company based in Hawaii the support from HTDC is instrumental.

Mahalo,

Jimmy Freese

Co-Founder and CEO
Ai.Fish



Statement of
Hermann Kugeler
Vice President of Business Development
Makai Ocean Engineering, Inc.
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY
Friday, February 7, 2025
10:15 am
In consideration of
HB454
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Ilagan, Vice Chair Hussey, and Members of the Committee

Makai Ocean Engineering, Inc. (Makai) **SUPPORTS HB454** that makes an appropriation to HTDC to continue providing grants to businesses through the small business innovation research program, manufacturing assistance program, and accelerator programs.

About Makai Ocean Engineering

Makai Ocean Engineering, Inc. is a locally-owned and operated technology company based in Hawaii for over 50 years and an active participant in the Small Business Innovation Research (SBIR) grant program. The SBIR program consists of three phases that encourages early stage investment and innovation in technology. Phase 1 provides a very small amount of money that is barely enough for proof of concept research. However, it is the Phase 2 and 3 funding stages that really provide a means of development for companies to transition the idea and research conducted in Phase I, to prototyping to commercialization.

Makai Ocean Engineering, Inc. has historically been an engineering services provider, but now, with the help of the State's current manufacturing assistance program, Makai is diversifying into low-volume manufacturing. Makai has been involved in marine-related engineering in Hawaii for over 44 years, and recently began a heat exchanger R&D program. Now, we are ramping up production from a small manufacturing plant for heat exchangers on the Big Island of Hawaii, which is sustaining approximately 8 highly-skilled, high-paying STEM / engineering jobs in rural Kona. We have a strategic advantage for developing and manufacturing low-volumes of these components in Hawaii for two reasons: the U.S. Navy and Air Force's presence in Hawaii, and Makai already owns and operates a marine heat exchanger test facility and marine corrosion lab on the Big Island.

Why HB1176 Matters

The Hawaii SBIR program supports projects with vetted technology backed with federal funds. The state matching funds are critical in advancing development, which helps win later phase awards and assists in getting the technology out into the market. The SBIR matching grants assist companies that have a commercially-promising project that has a difficult development plan. Carefully selected matching grants represent more of a "sure bet" in terms of a successful

Page | 1 of 2



and highly leveraged investment in economic development for the State, and growing our tech sector.

For example, Makai's subsea cable laying software began as a Phase 1 SBIR (matched by State for \$20k in the year 2000) and then went on to Phase 2 and 3 and became the world's #1 commercial cable laying software, with over \$40 million in commercial revenues and high tech jobs for Hawaii over the last 20+ years. This is a direct multiplier of more than 2000X for the State's investment, not counting the indirect benefits of retaining some of the world's best engineers in Hawaii and the additional technologies they have generated during this time.

Makai is currently working on a Phase III SBIR program focused on development of a temperature sensing tow cable. In 2018 HTDC awarded Makai an HSBIR Phase I grant for this program, that we believe was a key reason we were selected for the Phase II and III awards. This program alone, has already resulted in a direct multiplier of more than 120X the State's investment, in federal funds. This is expected to grow as the technology transitions to the Navy fleet and commercial markets in the coming years.

The impact of SBIR funding extends beyond individual companies. In 2017, Makai received the prestigious SBIR Tibbetts Award at the White House, recognizing our contributions to job creation and commercialization of federal R&D. Hawai'i needs this HTDC-administered program to continue supporting local companies that have the potential to become national success stories.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. Because they are matching funds, a manufacturer is eligible only if they are already making an investment in the local community and providing jobs. The program amplifies these efforts, and shows the State's support for local manufacturers willing to make the investment and commitment to adding jobs, and growing their businesses and the industry in Hawaii.

Conclusion

This is why we **SUPPORT HB2356**, which would provide the state matching funds for federal SBIR programs and manufacturing assistance to enable companies to commercialize new technologies more effectively. Not only would this expansion of funding enable our tech industry to compete and win more Federal monies for technology development and manufacturing, it would provide highly-skilled professional jobs for our keiki here at home.

Thank you for the opportunity to offer these comments.

Kent Untermann

President/Founder

The Art Source Inc. DBA Pictures Plus, California Closets, CocoNene and Plus Interiors

before the

House Committee on Economic Development & Technology

Friday, February 7, 2025

10:15 AM

State Capitol, Conference Room 423 & Videoconference

In consideration of

HB454

RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

The Art Source Inc. support HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

There is a reason Hawaii ranks near the bottom for doing business and we are DEAD LAST in Manufacturing. We are a durable goods manufacturer and our GDP is only .6% vs. 7.2% for our mainland counterparts.

The Art Source Inc. has benefited from the MAP grant and we also participate to help other small businesses from experience. Here are some numbers to share “what is possible” if we leverage technology and make more things on our island:

- Average hourly wage is how we base our performance which was \$34.25 an hour in Q4-24'. Our goal is to raise wages 5% a year on average.
- GET from all businesses was over \$1M in 2024.
- Total wages paid was over \$10M in 2024 and over 40% of our revenue.
 - By Making things on the island MORE of the revenue stays in HI.
- More specifically we are “Leveraging” our tourism trade by creating jobs for artists, manufacturing and selling and KEEPING over 50% of what a tourist spends in the hands of our local people.
- HDTC is one of the only resources desperately needed to train, coach, lead and help small businesses in Hawaii. From experience they do a lot with VERY LITTLE funding. It is frankly embarrassing how little we do for the local small business community as a state.

Mahalo for your consideration.



Written Statement of
Sandi Kanemori
Interim Executive Director
Hawai'i Technology Development Corporation
Before the
House Committee on Economic Development & Technology
Friday, February 7, 2025
10:15 a.m.
Conference Room 423 & Videoconference
In consideration of
HB 454
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Ilagan, Vice Chair Hussey, and Members of the Committee.

The Hawai'i Technology Development Corporation (HTDC) supports **HB454** that appropriates funds to the Hawai'i Technology Development Corporation to implement projects to promote economic diversification through innovation and technology.

HTDC programs assisted over 400+ companies providing technical wrap around services and financial support to establish and grow Hawaii's pipeline of innovation companies.

Manufacturing Assistance Program

HTDC supports initiatives aimed at growing tech and innovation jobs. The Manufacturing Assistance Program (MAP) provides matching grants and wrap-around support services to local manufacturers who are increasing their capacity to manufacture within the State. The companies provide diverse job opportunities in the State, strengthen our resilience, decrease our dependence on imports, and increase our export capacity. The goals of the program are to increase the number of Hawai'i manufacturers, increase their revenues, and increase the number of jobs in the State.

FY24 Manufacturing Assistance Program - \$2,000,000	
# of SBT Applications Received	69
Number of First-Time applicants	45
# of MAP Awards Funded	62
Total Amount of Company investment	\$95MM+
Total Amount of Grant Request	\$2.9MM
IMPACTS	
# of New Jobs Created	466
# of New Part Time Jobs Created	429





# of Jobs Saved	978
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** FY25 MEP Award priorities are tech implantation, automation/robotics

Small Business Innovation Research Program

HTDC supports initiatives aimed at growing tech and innovation jobs. The federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) program is known as America’s seed fund awarding over \$4 billion a year to domestic small businesses to engage in Federal Research/Research and Development (R/R&D) with the potential for commercialization. The Hawai’i Small Business Innovation Research Program (HSBIR) provides matching grants and wrap-around support services to small businesses in Hawai’i who are able to secure these funds and conduct their activities within the State. The companies provide high-wage engineering and science jobs in the State. The goals of the program are to increase the number of participating companies, increase the federal funds awarded, and increase the number of jobs in the State.

FY24 HSBIR - \$2,000,000	
# of Applications Received	20
Number of First-Time applicants	1
# of SBT Awards Funded	17
Total Amount of Federal Funds Awarded	\$24MM+
Total Amount of Matching Grant Requested	\$7.8MM+
IMPACTS	
# New Jobs Created	208
# of Retained Jobs	319
New Jobs Earning >\$80K	175

** FY25 awards review currently still in-progress. FY25 priorities include Biosecurity, AgTech, Renewable energy, Dual-use Defense, Hawaii problem areas

Accelerator Small Business Technology (SBT) Programs

HTDC fosters the growth of Hawai’i’s technology sector through its Accelerator and Small Business Training programs. These program supports provides the early growth of early-stage companies that align with on HTDC priorities and programs and help develop companies





that are solving large scale problems in our community using innovation, advanced manufacturing, and technology-based solutions.

FY24 Accelerator - \$2,000,000	
# of SBT Applications Received	13
Number of First-Time applicants	3
# of SBT Awards Funded	9
IMPACTS	
# of Retained and New Jobs Created	900+
Est Total Revenue Reported from Companies Assisted	\$70MM+

FY25 Accelerator & SBT- \$1,000,000	
# of SBT Applications Received	15
Number of First-Time applicants	7
# of SBT Awards Funded	TBD
Total Funding Amount Requested	\$2.6MM
IMPACTS	
# of Retained and New Jobs Created	TBD
Est Total Revenue Reported from Companies Assisted	TBD
# of Potential Small Business Trained	201

*** FY25 Application review process in still on-going*

*** FY25 Priority given to applications supporting AgTech, Dual-Use, CPG, HTDC Programs, Addition Funding, Neighbor Islands, new programs, new applicants*

Thank you for the opportunity to provide comments on this measure.





Written Statement of
DR. PATRICK SULLIVAN
CEO, OCEANIT

Before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT and TECHNOLOGY

Friday, February 7, 2025
10:15 a.m.
State Capitol, Conference Room 423 and Videoconference

In Support of
**HB454 RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION**

To: Chair Representative Greggor Ilagan, Vice Chair Representative Ikaika Hussey
and Members of the Committee

From: Dr. Patrick Sullivan, CEO

Re: Testimony in Support of HB454

Honorable Chair, Vice-Chair and Committee Members:

Testimony in Support for HB454

The technology industry in Hawaii has grown over the past 25 years and has made significant strides towards achieving the goal of diversifying and stimulating Hawaii's economy. The continuation of the Small Business Innovation Research ("SBIR") grants is crucial to simulate innovation, foster technology and increase commercialization in the State.

The objectives of the SBIR grants are:

- To support economic growth and the diversification of Hawai'i's economy;
- To launch new ventures based on technology innovations; and
- To support the growth of the tech industry and the creation of intellectual property and innovation in the State.

When the SBIR matching program started a few decades ago, Hawai'i was ranked close to the bottom in the US. After this program, Hawaii's success ranking improved to 29th out of 50 States. Accordingly, there is a direct correlation between the State's SBIR Matching Grant Program and improving Hawai'i's position in receiving federal SBIR funds. Adding more funds is expected to further improve Hawaii's position and contribute significant research capital into the State of Hawaii, providing a positive ROI, plus supporting the diversification of Hawaii's economy.



Statement of
Ramon and Kim German
Owners
MXCAL LLC dba Raiz Tortillas
before the
House Committee on Economic Development & Technology

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

Raiz Tortillas supports HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

Raiz Tortillas is our small, family-owned tortilleria bakery based in Honolulu, specializing in making 100% nixtamal heirloom corn tortillas and chips made without preservatives or additives. Our mission is to bring authentic, high-quality tortillas to Hawaii while supporting local food systems and sustainable agriculture. Since launching in 2023, we have grown significantly, with 80% of our revenue coming from wholesale distribution and partnerships with local retailers across 5 islands, and 20% from direct consumers throughout our community. In 2024, our business generated \$110,000 in revenue, and we are on track for further expansion and distribution to service our consumers directly across all islands.

HTDC's Manufacturing Assistance Program (MAP) has played a critical role in our ability to scale. The support provided through MAP last year in 2024 has allowed us to invest in essential manufacturing equipment, optimize production efficiency, and expand our capacity to meet increasing demand. Without this funding, small businesses like ours would struggle to afford the capital investments necessary for growth. Additional appropriations to HTDC's core programs, as proposed in HB454, would ensure that more local businesses can access the resources needed to expand operations, create jobs, and contribute to Hawaii's economy.

Thank you for the opportunity to offer these comments.

**TESTIMONY ON HOUSE BILL NO 454 / SENATE BILL NO. 3045, RELATING TO
THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Position: **Support**

To the Honorable Rep. Greggor Ilagan, Chair; Rep. Ikaika Hussey, Vice Chair; and Members of the Committee:

Please accept this testimony in **support** of this bill, to establish a public policy framework that addresses state goals related to economic diversification and appropriates funds to the Hawaii Technology and Development Corporation to implement specific programs that address these goals, in particular the Small Business Innovation Research matching funding program and HTDC Manufacturing Assistance Program.

Simonpietri Enterprises LLC is an O'ahu-based small business developing new ways to recycle waste generated in Hawai'i into renewable natural gas, sustainable aviation fuel, green hydrogen, organic fertilizer, green cement, and other beneficial recycled-material products for use in Hawai'i. We strongly support the HTDC's matching funding programs, as a powerful way to multiply the State's funding to accelerate innovation and facilitate local manufacturing investment. The requirement to match funding to federal funds awards in the HSBIR program is a prudent way to leverage federal agency technical expertise and reward innovation while maintaining a level playing field.

In the 4.5 years since launching our Aloha Carbon technology and project development effort with our first-ever SBIR award from the USDA, we have grown our team from one to ten skilled science and engineering positions, matured our innovations from concept to pilot scale, and secured a site in Campbell Industrial Park to be the future home for Aloha Carbon. We used the HSBIR funds for key pieces that the federal funds cannot cover: to hire five University of Hawaii undergraduate interns, three of whom are now full-time employees on our team; and apply for our first-ever patent and now four international patents.

We are now designing a small manufacturing facility, the Aloha Sustainable Materials Recycling and Fertilizer Facility (Aloha SMRFF) in Campbell Industrial Park in Kapolei, to divert over 200 tons per day of construction and demolition waste from the state's only C&D landfill, and remanufacture that waste to displace over 10,000 tons per year of imported fossil fuels, fertilizers, and building materials. Thanks in part to the assistance from HTDC and HSBIR, we were able to compete at the national level and win a \$4 million manufacturing grant from the USDA, to build the Aloha Fertilizer manufacturing line of our Aloha SMRFF project. State matching funds like the MAP are critical to allow us to actually bring in these federal funds and build this facility to employ 2 dozen skilled workers. This facility is the first step to demonstrating our Aloha Carbon manufacturing process to manufacture pipeline-quality renewable fuel from solid waste generated in Honolulu.

To develop the SMRFF and Aloha Carbon projects, we embarked on three years of community engagement and input from the West O'ahu community and Kapolei and 'Ewa Plain kumu to inform the project's siting, scale, scope, and products. We received hundreds of survey responses, conducted several dozen stakeholder interviews, and provided six Neighborhood Board briefings for two-way information flow to inform the community and have the community inform the projects. We made the Aloha SMRFF's Environmental Assessment available for public input for a full year, in order to ensure full transparency to, and solicit input from, the community, concluding with a

unanimous vote of support from the Makakilo-Kapolei Neighborhood Board at their September 2024 meeting. SBIR and HSBIR funding made it possible for us to afford this unusually deep level of community engagement.

We appreciate the opportunity to testify on this measure, and urge your support for this bill.

Sincerely,



Marie-Joelle Simonpietri
President

About Simonpietri Enterprises LLC

Simonpietri Enterprises is a Kailua, Hawaii-based woman- and veteran-owned small business with ten employees, focused on technical innovation and first-of-kind project development of emerging clean and renewable technologies. Since founding in 2006, we have helped dozens of small and large industrial companies in Hawaii, the continental U.S., Australia, and Canada improve the environmental and economic sustainability of their operations through technical and business advice in renewable energy conversion, waste reduction and re-use, and greenhouse gas lifecycle impact reduction. Simonpietri Enterprises' founder and employees have participated in the strategy, planning, design, financing, development, construction, and energy efficiency/greenhouse gas reduction/sustainability renovation for over \$400 million in new renewable and first-of-kind sustainable fuel projects over the past 15 years. Since launching the Aloha Carbon waste-to-fuel technical development process in August 2020, Simonpietri Enterprises is now developing renewable fuel production facilities in its own right, starting with the Aloha Sustainable Materials Recycling and Fertilizer Facility (SMRFF) in Kapolei, Hawaii to divert wastes generated in Honolulu from landfilling and transform it to renewable fuel, organic fertilizer, and recycled-material building products.

HB-454

Submitted on: 2/6/2025 12:16:55 PM

Testimony for ECD on 2/7/2025 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Trung Lam	Ba-le Inc.	Support	In Person

Comments:

Aloha e Chair Ilagan, Vice Chair Hussey, and the members of the Economic Development & Technology Committee.

I am writing to support Bill HB454, which funds HTDC to do the vital work of growing Hawaii's technology and manufacturing sector. Technology impacts all industries, and ground-breaking innovations will only accelerate as more industries adopt AI. More funding needs to be spent in this area to drive the economy and help local businesses modernize to compete and grow.



IMUA ONIPA'A

Statement of
Gary Albitz
Managing Director
Imua Onipa'a
before the
House Committee on Economic Development & Technology

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

Imua Onipa'a **supports** HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

Imua Onipa'a is focused on bringing high paying careers to the residents of Hawai'i and is located in Maui Nui. Simple economics show that in order to afford to live in the State of Hawai'i, that the average career professional annual salary has to at least double. For at least the residents of Maui Nui, access to these high paying careers is out of reach due to the lack of relevant education and certifications. The other side of this coin is that the F2000 companies, that have severe challenges in fulfilling all their employment needs for themselves, their partners and their customers, find that hiring in Hawai'i not economically feasible. HTDC has the charter to develop a relevant and current workforce to bring the surviving communities in Hawai'i into the thriving status that other US communities are now engaged. This Bill is addressing a starting point

that HTDC can begin to lay the groundwork to enable residents in Hawaii to be able to participate in these new careers.

In terms of statistics, of the 167,000 residents of Maui, 68,000 are employed at a documented average salary of around \$60,000 (gross or \$48,000/yr or \$4,000/mo Net). The average home price in Maui requires between \$5,000 and \$7,000 for PITI, which has been documented as a requirement of 2.7 wage earners per home. On the other hand, there are documented by the US Department of Commerce states that there are more than 100,000 career openings in just Cyber and Security. Other sources quote as many careers opening in the new and expanding AI field. After successfully graduating over 200 UHMC BS graduates, only a handful have been able to find work with the current high paying careers. In addition, the results of interviewing hundreds of company executives and hiring managers of company's providing products and services here in Hawai'i, has shown that it is more economically feasible to import/relocate workers than to try to hire locally. This bill will empower HTDC to start to attack this situation.

Most workforce development activities here in Hawai'i are not focused on attracting Employers (who have funded job requisition openings) but trying to help people try to work job boards. This bill will enable HTDC to both ramp up Hawaii residents who want to pursue these careers and to attract and partner with employers to get Hawaii residents hired. How can this statement be validated? Cross reference workforce documentation with major high tech company's job names. The chasm between the two is massive and most job positions are not familiar to those here in Hawaii.

Thank you for the opportunity to offer these comments.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT & TECHNOLOGY
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 423
Friday, February 7, 2025 AT 10:15 A.M.

To The Honorable Greggor Ilagan, Chair
The Honorable Ikaika Hussey, Vice Chair
Members of the Committee on Economic Development and Technology

SUPPORT HB454 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

The Maui Chamber of Commerce **SUPPORTS HB454** which Establishes a public policy framework that addresses state goals related to economic diversification; and appropriates funds to the Hawai'i Technology and Development Corporation to implement specific programs that address these goals.

The Chamber notes that this measure sets clear goals to strengthen Hawaii's digital economy, trade activities, and climate change mitigation efforts, with funding for key programs like the Small Business Innovation Research Program, Manufacturing Assistance Program, and Accelerator Programs.

This investment will drive business growth, create jobs, and position Hawaii for long-term economic prosperity.

For these reasons, we **SUPPORT HB454**.

Sincerely,

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.



1050 Bishop St. PMB 235 |
Honolulu, HI 96813
P: 808-533-1292 | e:
info@hawaiiifood.com

Executive Officers

Maile Miyashiro, C&S Wholesale Grocer, *Chair*
Kit Okimoto, Okimoto Corp., *Vice Chair*
Jayson Watts, Mahi Pono, *Secretary/Treasurer*
Lauren Zirbel, HFIA, *Executive Director*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Advisor*
Eddie Asato, Pint Size Hawaii, *Advisor*
Gary Okimoto, Safeway, *Immediate Past Chair*

TO: Committee on Economic Development and Tourism

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 7, 2025

TIME: 10:15am

RE: HB454 Relating to the Hawaii Technology Development Corporation

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.

Many of our member businesses have utilized HTDC programs to do things like increase manufacturing capacity, upgrade equipment, increase efficiency, and become technologically enabled. As this measure states HTDC can be a facilitative catalyst for innovation in the State.

We support this measure to promote economic recovery and diversification. We encourage the committee to pass this measure and we thank you for the opportunity to testify.

HB-454

Submitted on: 2/6/2025 9:00:39 PM

Testimony for ECD on 2/7/2025 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Josh Leong	Normal Corporation	Support	Written Testimony Only

Comments:

My name is Josh Leong, and I am the founder and CEO of Normal Robotics.

At Normal Robotics, we apply advancements in robotics and machine learning to develop new thermodynamic infrastructure for multi-family and commercial buildings. Our flagship product, the Airform, is one of the most advanced hydronic heat pumps on the market. It simplifies the construction and reconstruction of residential and industrial infrastructure here and abroad, reduces energy costs—which we suffer three times the costs than the mainland—and advances climate-resilient technology that is urgently needed worldwide.

We primarily sell to high-end architects and developers in California and Japan for hotels, multi-family buildings, and commercial projects. Recently, we have begun expanding into the Hawaii market. To my knowledge, we are one of the few, if not the only, high-tech final assembled product exporters from the island competing on the international stage.

Last year, we received \$8,280 from the MAP grant— just 0.276% of our annual R&D expenditure. This amount did not even cover the shipping costs of our high-tech equipment. Our operations are almost entirely sustained by business success and external investors as we navigate the significant challenges of energy costs, shipping expenses, labor shortages, and high commercial rent and housing costs for our engineers.

One of our most straightforward requests was for assistance in upgrading our solar array and high-voltage battery bank to power our advanced fab facility— an investment that would promote clean re-industrialization on the island and benefit both the local community and surrounding businesses. Yet, there is currently no clear avenue to even begin that conversation. Meanwhile, the state is considering spending billions on natural gas, a move that makes little sense to us as a company desiring reliable cost effective energy to actively export advanced technology from the island.

We founded Normal Robotics in Hawaii and have a deep commitment to investing as much as rationally possible. We are retaining young technical talent on the island, bringing advanced manufacturing expertise back from Asia— something that California and the mainland are desperate to incentivize— and developing increasingly sophisticated machine learning systems that are requisite to compete on the world stage.

We are small now and like all young endeavors, still face many challenges to success. However societies grow when they have more engineers and shrink when they have more lawyers. The power to build original ideas in the physical world today is the future infrastructure of abundance and agency for any community, this is something that a deep physical technology investment can do that uniquely compounds in ways that enrich and re-invigorate our economy and repairs our relationship with nature by turning down the temperature a bit.

HB-454

Submitted on: 2/5/2025 11:23:00 AM

Testimony for ECD on 2/7/2025 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Lauren Pierce	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Lauren and I strongly **support** this bill to allocate funds to HTDC and promote Hawai'i's economic diversification and our technology industry.

HB-454

Submitted on: 2/6/2025 3:15:43 AM

Testimony for ECD on 2/7/2025 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
fung yang	Individual	Support	Written Testimony Only

Comments:

Statement of Fung Yang, President, Small Kine Farm

before the House Committee on Economic Development & Technology

Friday, February 7, 2025 10:15 AM

State Capitol, Conference Room 423 & Videoconference

In consideration of HB454

RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

Small Kine Farm supports HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

My company is the only USDA certified organic mushroom farm in the State. This grant helped me in the purchase of necessary heavy machinery and upgraded production equipment to

increase the scale of production. Ultimately, it also allows my farm to be more competitive in both prices and quality of our mushrooms. I am currently employing 5 full time and 2 part time workers at the farm. Last year revenue was \$370,000

Thank you for the opportunity to offer these comments.

HB-454

Submitted on: 2/6/2025 9:05:08 AM

Testimony for ECD on 2/7/2025 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Ann Chung	Individual	Support	In Person

Comments:

I strongly support this bill. The SBIR program has and will continue to be critical for local tech companies and leverages millions in federal funding. Please pass this bill.

Mahalo!

HB-454

Submitted on: 2/7/2025 8:33:26 AM

Testimony for ECD on 2/7/2025 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Tarik Sultan	XLR8HI	Support	Remotely Via Zoom

Comments:

Strongly support

HB-454

Submitted on: 2/7/2025 8:35:10 AM

Testimony for ECD on 2/7/2025 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Omar Sultan	Sultan Ventures	Support	Remotely Via Zoom

Comments:

Strongly support.



Statement of
Meli James
Cofounder
Mana Up
before the
House Committee on Economic Development & Technology

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

Mana Up **supports** HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

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.

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.



This bill directly makes it possible for Mana Up to exist as these accelerator grants help to provide funds for operations, including the tools and resources we need. We know bill HB454 will be crucial in supporting the economic development work that is being undertaken by the accelerators and others. We hope this momentum continues as we leverage these early successes and continue to strengthen the diversification of the economy.

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

HB454 accelerates economic diversification by building upon HTDC core programs: Accelerator, Hawai'i Small Business Innovation Research (HSBIR) and Manufacturing Assistance Program (MAP). Many Mana Up companies have participated in the MAP grant. These grants help companies 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 offer these comments.

Sincerely,

Meli James
Cofounder, Mana Up

TO: HAWAII STATE HOUSE OF REPRESENTATIVES,
COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

FR: LESLIE WILKINS, MAUI ECONOMIC DEVELOPMENT BOARD (MEDB)

DT: FEBRUARY 6, 2025

RE: HB454 – SUPPORT

Dear Chair Ilagan, Vice Chair Ikaika Hussey, and Committee Members,

I am honored to serve as the President and CEO of the Maui Economic Development Board (MEDB), which received a grant in March 2024 from HTDC's Business Acceleration and Training Program. This grant was instrumental in launching our Business S.P.A.C.E. (Support Program for Aerospace and Commercial Entrepreneurs).

MEDB's founding mission is to diversify the state's economy, and we believe the most successful way to do so is to invest in our home-grown companies. We have witnessed millions of dollars of federal contracts go to continent-based large DoD companies, who once the contract ends, are gone with little investment in Hawaii. With the unprecedented opportunities presented by the significant increase in federal funding offered by the US Space Force and other military branches, the timing is critical to invest in Hawaii's small businesses to build their capacity to do business with the government customer. The government is looking for agile businesses that can efficiently produce innovation, as they unbundle large contracts and declassify real world problem sets (industry pull). This is the purpose of MEDB's HTDC grant ... to coach, counsel and prepare companies both with technical evaluation of their innovation product and building fiscal infrastructure for compliance.

We have completed our first cohort with outstanding success. One company received a direct to SBIR Phase 2 grant with Space Force; two companies received subscriptions from Space Force's SDA Tap Lab; another enhanced their contract with NASA; two companies collaborated on an SBIR grant; and another had the ability to leave his job to work in his own company full time.

We have recently convened our second cohort with seven Hawaii-based companies doing software and hardware and we are equally optimistic for their successes. We are also conducting pre-cohort trainings to build the pipeline of companies and will maintain support for the alumni companies with other funding.

Perhaps the most important outcome this HTDC funding produced is MEDB's opportunity to onboard an SBA grant to open an advanced manufacturing co-working space at the MRTC in the Maui Research & Tech Park. Using this leveraged funding, it is scheduled to open in March 2025, with FEMA's exist from the space. We ask for your favorable consideration to include the acceleration funding in the FY26 Budget.

Sincerely,
Leslie Wilkins, leslie@medg.org phone: 808-280-0376



Statement of
Isar Mostafanezhad, PhD
CEO
Nalu Scientific, LLC
before the
House Committee on Economic Development & Technology

Friday, February 7, 2025
10:15 AM
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB454
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee on Economic Development and Technology.

Nalu Scientific, LLC **supports** HB454 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide programmatic business, technical, and financial support for innovative small businesses from the startup stage through growth and export.

I started Nalu Scientific, LLC in 2016. Since then, Nalu Scientific has grown from 2 employees to 18 and has received over 25 Federal Small Business Innovation Research (SBIR) awards to design sensors and microchips for the DOE, DOD, NOAA, NIH, and NASA. Our technology is now used in national labs active in areas such as basic energy research and plasma and matter interactions with the purpose of sensing invisible particles in order to understand their behavior which impacts areas such as material science, medicine and environmental monitoring.

Since my business's beginning, we have captured continuous growth fueled by our Research and Development (R&D) and product development efforts within a deep-tech industry that is notoriously difficult to conquer for small startup businesses. The Hawaii Technology Development Corporation (HTDC) has been instrumental in assisting Nalu Scientific's growth by awarding us Hawaii Small Business Innovation Research (HSBIR) match grants, which match funding for up to 50% of one each of our



phase I and phase II federal SBIR awards annually. Because of HTDC's generous HSBIR funding, Nalu Scientific has been able to expand on R&D efforts, target new commercial markets, and help us maintain and produce more high-earning jobs for our local employees; most of whom we are proud to say are born-and-raised in Hawai'i and have received higher education from local universities.

I implore the House Committee on Economic Development & Technology to regard local technology businesses like Nalu Scientific when considering the funding of HB454.

Thank you for the opportunity to offer these comments.

Sincerely,

Isar Mostafanezhad, PhD
Founder & CEO
Nalu Scientific, LLC