



Written Statement of
Wayne Inouye
Innovate Hawai'i Center Director
Hawai'i Technology Development Corporation
before the
Senate Committee On Economic Development and Tourism
Thursday, January 30, 2025
1:00 p.m.
Conference Room 229 & Videoconference
In consideration of
SB992
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair DeCoite, Vice Chair Wakai, and Members of the Committee.

The Hawai'i Technology Development Corporation (HTDC) supports **SB992** that appropriates funds for awards to assist businesses applying for the Accelerator and Small Business training Program, Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program and adds purchasing of renewable energy systems as an eligible expense and clarifies that training on both new and existing manufacturing equipment is an eligible expense for the Manufacturing Development Grant Program. HTDC supports initiatives aimed at promoting technology development and business growth leading to economic stability for Hawaii's small to medium size businesses.

HTDC has been providing Phase I matching grants to Small Business Innovation Research (SBIR) awarded companies since 1989 and started awarding Phase II and Phase III matching grants in FY16. A summary of the Phase II/III awards made by the matching grant program is listed below:

	FY16	FY17	FY18	FY19	FY20	FY21/22	FY23	FY24
Appropriation	\$2MM	\$2MM	\$1MM	\$1.5MM	\$1MM		\$1.5MM	\$2MM
# of Applications	11	9	9	12	16		26	33
# of Awards	7	8	5	6	14		20	28
\$\$ Awarded	\$2MM	\$1.9MM	\$900K	\$1.4MM	\$900K		\$1.4MM	\$1.9MM
Federal SBIR \$\$ Match	\$7.9MM	\$10.9MM	\$8.0MM	\$11MM	\$53MM		\$20MM	\$31MM
Estimated New Jobs	17	70	15	135	509		243	335

The data indicates a consistent upward trend in the Federal funding awarded to the industry annually. Federal SBIR funds are highly competitive, with a fixed budget allocated each year. Consequently, the industry is securing federal funds for Hawai'i that might otherwise be awarded to companies in other states. Each year, the number of qualified applicants exceeds the available funding. Since the Phase II/III program's inception in FY16, no applicant has received the full eligible amount. Over time, this program is expected to produce similar success metrics as the Phase I matching program.



This bill also increases the amount of funds provided to first time applicants from \$3,000 to \$6,000. The funding is provided as a reimbursement for grant writing assistance to increase a company's chance of success. HTDC aims to encourage and assist new applicants to compete for the available federal SBIR funds by increasing the cap for grant writing assistance which is no longer sufficient.

Manufacturing Development Program (aka Manufacturing Assistance Program – MAP)

HTDC has been providing MAP matching grants to manufacturers since FY16. A summary of the awards made by the matching grant program is listed below:

	FY16	FY17	FY18	FY19	FY20	FY21/22	FY23	FY24
Appropriation	\$2MM	\$1MM	\$1MM	\$1MM	\$500K		\$1MM	\$2MM
# of Applications	82	42	51	69	45		86	69
# of Awards	51	25	29	37	18		69	62
\$\$ Awarded	\$2MM	\$932K	\$931K	\$899K	\$486K		\$1MM	\$1.7MM
Company Investment	\$31MM	\$5.5MM	\$13.6MM	\$13.4MM	\$9.0MM		\$25MM	\$95MM
Estimated New Jobs		353	230	465	281		419	895

Every year, there have been more qualified applicants than available funds. The funding awarded to companies provides a partial reimbursement (20%) for equipment upgrades and other eligible expenses. Through our federally funded INNOVATE Hawai'i program, HTDC provides wrap-around support services for the matching grants to help Hawai'i manufacturers become more globally competitive.

Hawai'i manufacturers play an important role in our economy, for food-security, sustainability, resilience initiatives, and is an important driver for innovation. The bill aims to increase workforce productivity and wages by expanding the definition of skilled workforce training as an eligible expense for the MAP Grant program. HTDC is adding renewable energy systems as an eligible expense to help manufacturers offset high energy costs in Hawai'i.

Accelerator / Small Business Training Program

HTDC has been providing Accelerator and Small Business Training funds since 2018. Funds are to support local Accelerators and Small Business Training Program as a catalyst for economic development, to development new companies within industry sectors that aligned with HTDC Programs and Priorities.



Hawai'i Technology Development Corporation

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www.htdc.org

JOSH GREEN M.D

GOVERNOR

SYLVIALUKE

LT. GOVERNOR

	FY24	FY25
Appropriation	\$2MM	\$1MM
# of Applications	13	15
# First Time Applicants	3	7
# of Awards	9	tbd
\$\$ Awarded	\$1.9MM	tbd
# of Companies Supported	450+	201+
Estimated New Jobs	900+	tbd

Funding is used by Accelerators and Small Business Training Programs to support operating costs, not used to invest in cohort companies.

HTDC believes these core grant programs provide leverage and positive economic development value for the State. HTDC is requesting these changes to strengthen the programs. HTDC respectfully requests correction of the defective effective date.

Thank you for the opportunity to offer these comments





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Executive Officers

Maile Miyashiro, C&S Wholesale Grocer, *Chair*

Kit Okimoto, Okimoto Corp., *Vice Chair*

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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: January 30, 2025

TIME: 1pm

RE: SB992 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 state HTDC can be a facilitative catalyst for innovation in the State.

We support this measure to promote economic recovery and diversification by:

(1) Requiring HTDC to establish state goals and implement projects to promote economic diversification through innovation and technology;

(2) Appropriating funds to HTDC to implement projects to achieve these goals; and (3) Requiring the HTDC to submit annual reports to the legislature on the projects implemented pursuant to this act.

Thank you for the opportunity to testify.



Testimony to the Senate Committee on Economic Development and Tourism

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

Thursday, January 30, 2025, at 1:00PM
Conference Room 229 & Videoconference

LATE

RE: SB992 Relating to the Hawaii Technology Development Corporation

Aloha e Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 992 (SB992), which requires the Hawai'i Technology Development Corporation ("HTDC") to establish state goals and implement projects to promote economic diversification through innovation and technology.

SB992 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Small Business. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

This bill promotes economic recovery and diversification through innovation and technology. HTDC will help businesses expand into global markets by advancing broadband access, e-commerce, workforce development, and exports of local goods and services. It also supports climate change mitigation by funding businesses developing renewable energy solutions and sustainability efforts.

To achieve these goals, the bill allocates \$6 million over two years to targeted programs: \$2 million for Small Business Innovation Research grants to support new product development, \$2 million for the Manufacturing Assistance Program to enhance global competitiveness, and \$2 million for accelerator and small business training programs to foster innovation. These investments will boost business growth, job creation, and economic resilience. The Chamber supports this initiative as it strengthens Hawaii's industries, fosters innovation, and ensures long-term economic sustainability.

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 Senate Bill 992. Thank you for the opportunity to testify.



LATE

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Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

January 30, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

TESTIMONY ON SB 992
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Conference Room 229 & Videoconference
1:00 PM

Aloha Chair DeCoite, Vice-Chair Wakai, and Members of the Committees:

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 SB 992, which requires the Hawaii Technology Development Corporation to establish state goals and implement projects to promote economic diversification through innovation and technology and appropriates funds to the Small Business Innovation Research Program, Manufacturing Assistance Program, and Accelerator and Small Business Training Programs.

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. HTDC programs support this goal.

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

Statement of
Brandon Damitz
Co-founder & COO
Big Island Coffee Roasters
before the
Senate Committee on and Economic Development and Tourism

Thursday, January 30, 2025
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
SB992
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

Big Island Coffee Roasters **wholeheartedly supports SB992** 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.

Big Island Coffee Roasters has had the great privilege of being awarded funds from the MAP program. That financial assistance preserved precious cash flow, which facilitated both revenue and team growth. We're a stronger, better company as a result, more poised for continued success. PLEASE continue funding and supporting these programs. They are critical in supporting and facilitating entrepreneurial success during the most challenging phases.

Thank you for the opportunity to offer these comments.

Statement of
Ethan West
Founder & CEO
Piko Provisions
before the
Senate Committee on and Economic Development and Tourism

Thursday, January 30, 2025
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
SB992
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

Piko Provisions supports SB992 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.

Piko Provisions, a Hawai'i-based baby food company dedicated to increasing access to nutritious, locally grown foods for Hawai'i's families. We create high-quality, shelf-stable baby food using whole food ingredients sourced from local farms, ensuring that the next generation has access to healthy, culturally relevant nutrition from the start.

Piko Provisions has seen tremendous growth since our founding, recently being recognized as one of Hawai'i's fastest-growing companies and one of the Top 100 small businesses in the U.S. by the U.S. Chamber of Commerce. We are expanding our product offerings, hiring additional team members, and building capacity through a new production facility. Programs offered by HTDC (Hawai'i Technology Development Corporation) have been instrumental in supporting Hawai'i's growing food and manufacturing industries, providing critical infrastructure, funding, and technical assistance that allow small businesses like ours to scale efficiently and compete in larger markets.

This appropriation would provide vital support to local businesses like Piko Provisions as we work to expand into new markets, including Walmart and additional mainland retailers. By strengthening Hawai'i's food system infrastructure, we can create more jobs, keep more food dollars circulating within our state, and decrease reliance on imports—key priorities for a resilient and sustainable Hawai'i. Currently, our team

includes five dedicated members, with plans to grow further upon the official opening of our new facility. HTDC's resources would directly impact our ability to accelerate hiring, improve production capacity, and bring innovative, locally made food products to more families.

I respectfully urge your support of this bill to ensure that HTDC continues to empower Hawai'i's entrepreneurs, foster economic development, and strengthen our local food economy.

Mahalo for your time and consideration.

Ethan West

Founder & CEO, Piko Provisions



4009 Black Point Rd, Honolulu, HI 96816

Statement of
Rex Jakobovits, PhD
President,
Experiad LLC
before the
Senate Committee on Energy, Economic Development, and Tourism

Thursday, January 30, 2025
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
SB992
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

Experiad supports SB992 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.

Experiad was recently named as one of the **Top Startups to Watch** in Pacific Business News. We could not have achieved this success without HTDC and the State's SBIR matching grants funds. As you know, small businesses are the backbone of our local economy, providing jobs and driving innovation. By providing these businesses with access to additional funding, we are supporting their ability to grow and expand, leading to increased economic activity and job creation. Furthermore, SBIR grants provide valuable opportunities for small businesses to bring their innovative ideas to market, which can have a positive impact on the local economy by attracting new businesses and industries to our state.

Our story is direct proof that the HTDC SBIR program is critical to attracting high tech startups to Hawaii, and it has brought millions of additional federal dollars to our local economy. My software startup Experiad has received matching funds for our Phase I and Phase II SBIRs, funded by the National Institutes of Health (NIH) to develop software for behavioral therapists who **treat kids with autism**. The funds distributed by HTDC have been critical to our success, allowing us to



4009 Black Point Rd, Honolulu, HI 96816

conduct an extensive field test of our prototype product in the homes of kids with autism. The data we gathered allowed us to win a new fast-track NIH grant proposal last year. We could not have done it without the research funded by the Hawaii matching grant. Thus, **the Hawaii SBIR matching grant was directly responsible for us being awarded \$3.6M in additional federal dollars.** That money is feeding the local high tech economy, and acting as critical seed capital that will generate dozens of high tech jobs in Hawaii if we succeed.

Furthermore, HTDC has served as a critical conduit for bringing Hawaii tech entrepreneurs together, leading to collaboration and team-building that propelled our success. We met our VP of Clinical Product, Emaley McCulloch, when she was building a business within HTDC's manoa site, and without her, we would not be where we are today. HTDC is a vital hub for Hawaii's technology entrepreneurship, and we are an example of that.

In conclusion, I strongly urge the Senate Committee to consider appropriating state funds to match Small Business Innovative Research grants. This investment in our small businesses will pay dividends for our local economy, creating jobs and driving economic growth. HTDC is exactly the type of investment that our economy needs right now.

Mahalo for listening!

A handwritten signature in black ink, appearing to read "Rex Jakobovits", with a stylized flourish at the end.

Rex Jakobovits, PhD
President, Experiad LLC

Statement of
David Clements
Director of Vaccine Research
Hawaii Biotech, Inc.
before the
Senate Committee on Energy, Economic Development, and Tourism

Thursday, January 30, 2025
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
SB992
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

Hawaii Biotech, Inc. (HBI) **supports** SB992 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 HTDC 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.

SB-992

Submitted on: 1/28/2025 8:59:50 PM

Testimony for EDT on 1/30/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
cymbree kailiehu	Testifying for Cymz Sweet Kre8tionz LLC	Support	Written Testimony Only

Comments:

Aloha All,

My name is Cymbree Kailiehu a small business owner of a dessert shop in Hawaii, Maui. I am in support of this bill to aide in continuous funding of these programs. I have personally recieved funds from HTDC , about a few years ago in building my brick and mortar location. They have helped me tremendously in being able to purchase equipment such as : mixers, ovens, cold storage, etc. Which all helped in growing my business to where it is today. I AM extremely grateful to have been chosen , selected through a application process with so many others that too, apply for this CRUICAL grant funding, within their small business as well. Please help us to keep these programs going for the next and upcoming generation and also other local small business to continue to thrive with HTDC assistance.

Thank you for time and hearing my testimony.

Cymbree Kailiehu



AI.FISH

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

Statement of
Jimmy Freese
CEO
Ai.Fish
before the
Senate Committee on and Economic Development and Tourism

Thursday, January 30, 2025
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
SB989
RELATING TO ECONOMIC DEVELOPMENT

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

Ai.Fish **supports** SB992 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
Charlie Field
Senior Engineer
PacMar Technologies
before the
Senate Committee on Energy, Economic Development, and Tourism

Thursday, January 30, 2025
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
SB992
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

PacMar Technologies **supports** SB992 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.

SB-992

Submitted on: 1/29/2025 7:44:03 AM

Testimony for EDT on 1/30/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Paolo Vidali	Testifying for Hidden Gears	Support	Written Testimony Only

Comments:

Statement of

Paolo Vidali

CEO

Hidden Gears

before the

Senate Committee on and Economic Development and Tourism

Thursday, January 30, 2025

1:00 PM

State Capitol, Conference Room 229 & Videoconference

In consideration of

SB992

RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

Hidden Gears **supports** SB992 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 have had the good fortune of teaching 5 cohorts of HTDC grant recipients about cutting-edge digital technologies that they can leverage to make their businesses more competitive, and reach out-of-state customers. These training programs are critically important to provide small business owners access to tools which allow them to expand markets and compete despite high operating costs, and as a result I strongly encourage the continuation of funding for these programs.

Thank you for the opportunity to offer these comments.



**Statement of
Bahman Sadeghi
Meadow Gold Dairies Hawaii, Owner & CEO
before the
Senate Committee on Economic Development and Tourism**

Thursday, January 30, 2025
1:00 PM
State Capitol, Conference Room 229 & Videoconference

**In consideration of
SB992
RELATING TO ECONOMIC DEVELOPMENT**

Aloha Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism:

Meadow Gold Dairies Hawaii strongly **supports** SB992 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.

Meadow Gold, which locally manufactures thousands of gallons of dairy and juice products, has directly benefited from the SBIR and STTR Grant Programs. We can attest to the transformative impact these grants have on our ability to innovate and grow. In 2022 and 2023, Meadow Gold was fortunate to receive support through the MAP Grant, which played a pivotal role investing in our new local manufacturing facility in Kapolei. The grant enabled us to invest in equipment and

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www.lanimoo.com



infrastructure, allowing us to significantly increase the production of locally made food as well as additional employment opportunities within our community. This underscores the tangible benefits that arise from investing in local businesses through initiatives like the SBIR and STTR programs.

It's essential to recognize that these grants are not merely "free handouts," but strategic investments that yield substantial long-term returns for our state. By providing financial support to businesses through HTDC's programs such as the MAP Grant, the state demonstrates its commitment to fostering local manufacturing, strengthening the local food supply chain, and spurring economic growth. Moreover, it signifies that the state is genuinely willing to support and invest in Hawaii's innovation and entrepreneurship.

Thank you for the opportunity to offer these comments.

Mahalo,

Bahman Sadeghi
Meadow Gold Dairies Hawaii

Meadow Gold Dairies Hawaii

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Statement of
Gregory Wong
Co-Founder and New Product Introduction Engineer
WaiHome LLC
before the
Senate Committee on Economic Development and Tourism

Thursday, January 30, 2025
1:00 PM
State Capitol, Conference Room 229 & Videoconference

In consideration of
SB992
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

WaiHome LLC **supports** SB992 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.

Over the past couple years, HSBIR funding has been pivotal for WaiHome in advancing our next generation of wastewater treatment solutions, addressing Hawaii's critical cesspool replacement mandate. This support has fueled R&D efforts (team 4x larger) aimed at making cesspool replacement more affordable for homeowners in an eco-friendly way. As WaiHome moves towards local manufacturing, the continuation of such funding is essential for this crucial transition, promising significant impact on both environmental sustainability and local economic growth and diversity.

Thank you for the opportunity to offer these comments,



Gregory Wong
Co-founder and New Product Introduction Engineer
WaiHome LLC



Written Statement of
DR. PATRICK SULLIVAN
CEO, OCEANIT

Before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT and TOURISM

Thursday, January 30, 2025
1:00 p.m.
State Capitol, Conference Room 229 and Videoconference

Offers Comments to
**SB992 RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION**

To: Chair Senator Lynn DeCoite, Vice Chair Senator Glenn Wakai, and Members of the Committee

From: Dr. Patrick Sullivan, CEO

Re: Comments relating to SB992

Honorable Chair, Vice-Chair and Committee Members:

Testimony in Support for SB992

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
Meli James
Cofounder
Mana Up
 before the
Senate Committee on Economic Development and Tourism

Thursday, January 30, 2025
 1:00 PM
 State Capitol, Conference Room 229 & Videoconference

In consideration of
SB992
RELATING TO HAWAI'I TECHNOLOGY DEVELOPMENT CORPORATION

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

Mana Up **supports** SB992 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 five years, with seven cohorts and 74 graduates. 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.

In analyzing revenues of graduates before and after the program, Mana Up has helped add \$100 million in annual revenue in 2024 – and revenues continue to grow.

We believe that this bill is important to support the economic development work that is being undertaken by the accelerators and others. Accelerator grants in the past have made it possible for Mana Up to be in existence. We hope this momentum continues as we leverage these early successes and continue to strengthen the diversification of the economy.

SB992 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



Statement of
Isar Mostafanezhad, PhD
Founder & CEO
Nalu Scientific, LLC
before the
Senate Committee on Economic Development and Tourism

Thursday, January 30, 2025
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SB992
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism.

Nalu Scientific, LLC **supports** SB992 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 Hawai'i Senate Committee on Economic Development and Tourism to regard local technology businesses like Nalu Scientific when considering the funding of SB992.

Thank you for the opportunity to offer these comments.

Sincerely,

Isar Mostafanezhad, PhD
Founder & CEO
Nalu Scientific, LLC

SB-992

Submitted on: 1/29/2025 9:20:13 AM

Testimony for EDT on 1/30/2025 1:00:00 PM

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

Comments:

Hawaii Fish Company Inc. (HFC) strongly supports SB992 which requires HTDC to continue to plan and promote economic diversification through innovation and technology, and appropriates funds for the Hawaii SBIR, MAP, Accelerator, and Small Business Training Programs.

HTDC's 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 technical and financial support for innovative small businesses from the startup stage through growth and export.

Established in 1978, HFC is Hawai'i's oldest commercial land-based fish farm, and a federal SBIR awardee and Hawaii SBIR matching grant awardee since 1993. In 2000, HFC was awarded the U.S. Small Business Administration's Tibbitts Award as a national model of excellence for the SBIR program, and a place in the SBIR Hall of Fame. Our continuing SBIR success, with fourteen awards to date, has been made possible by the supplemental research support received from the HSBIR matching grant program.

As recent examples of the benefits of the HSBIR matching grant program, HFC was able to utilize two Phase I matching grant awards received in 2022 and 2023, totaling \$82K, to successfully compete for two Phase II awards with the U.S. Department of Energy and U.S. Department of Agriculture, respectively, totaling \$1.8M. Both R&D efforts are currently in progress.

Thank you for the opportunity to testify in strong support of SB992 and the requested funding for HTDC's core HSBIR, MEP, Accelerator, and Small Business Training programs.

LATE

SB-992

Submitted on: 1/29/2025 6:23:41 PM

Testimony for EDT on 1/30/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Garrett W. Marrero	Testifying for Maui Brewing Co.	Support	Written Testimony Only

Comments:

Mahalo for the opportunity to testify. HTDC needs to be fully funded. Hawaii cannot talk about diversifying its economy if it isnt willing to invest in doing so. As a manufacturing business in Hawaii we have benefited for the MAP program. It deserves to be expanded and fully funded so it can continue to promote industry in our State.

Dear Chair and Members of the Committee,

I am writing to express my strong support for **Senate Bill 992**, which appropriates funds to the **Hawai'i Technology Development Corporation (HTDC)** for the **Hawai'i Small Business Innovation Research (HSBIR) Program, Manufacturing Assistance Program (MAP), and Accelerator and Small Business Training Programs.**

For nearly a decade, **HTDC has been a pivotal partner to XLR8HI**, enabling us to support over **150 Hawai'i-based companies**. Collectively, these companies have **raised over \$50 million in funding, generated an additional \$100 million in revenue, and created more than 500 jobs** across the state. **100% of these companies are Hawai'i-based entrepreneurs, with 30-40% coming from neighbor islands of Oahu**, demonstrating the widespread impact of these programs.

A key indicator of success for many of these companies has been their ability to **secure non-dilutive SBIR capital**, bringing **federal research dollars into Hawai'i** and strengthening our state's innovation economy. By leveraging SBIR funding, these businesses have been able to **develop cutting-edge technology, commercialize research, and scale without sacrificing ownership**, ultimately creating high-quality jobs and increasing the economic resilience of our local business ecosystem.

Thanks in large part to **HTDC's partnership and its critical resources supporting SBIR and manufacturing**, **XLR8HI has been recognized as the most awarded accelerator program in the nation** by the **U.S. SBA Growth Accelerator Fund Competition**, having won this prestigious award **six times**. Further solidifying the success of our partnership, **Forbes recognized XLR8UH as one of the Top 30 Accelerator Programs in the Nation**—a testament to what is possible in Hawai'i when we invest in **R&D, technology, and, of course, our world-class entrepreneurial talent.**

The **programs funded by SB992 are essential** for sustaining and expanding this momentum. The **HSBIR Program** provides crucial early-stage funding for technology commercialization, the **MAP** strengthens the competitiveness of our manufacturing sector, and the **Accelerator and Small Business Training Programs** equip local entrepreneurs with the skills and resources necessary to succeed in today's economy.

Continued investment in these initiatives will drive economic diversification and resiliency and reinforce Hawai'i's position as a hub for innovation and entrepreneurship. I respectfully urge the committee to pass SB992 to ensure that **HTDC can maintain and enhance its support for our state's small businesses and startups.**

Thank you for considering my testimony.

Sincerely,



Tarik Sultan
Managing Director
XLR8HI

Dear Chair and Members of the Committee,

I am writing to express my strong support for **Senate Bill 992**, which appropriates funds to the **Hawai'i Technology Development Corporation (HTDC)** for the **Hawai'i Small Business Innovation Research (HSBIR) Program**, **Manufacturing Assistance Program (MAP)**, and **Accelerator and Small Business Training Programs**.

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Thank you for considering my testimony.

Sincerely,



Omar Sultan
Managing Partner
Sultan Ventures

SB-992

Submitted on: 1/28/2025 10:28:32 PM

Testimony for EDT on 1/30/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Seth Kamemoto	Individual	Support	Written Testimony Only

Comments:

I support HTDC's efforts to advance technology initiatives in the State.

**Statement of
Gabriel Yanagihara
Educator & AI Consultant
www.gabrielyanagihara.com**

**Before the
Senate Committee on Economic Development and Tourism**

**Thursday, January 30, 2025 1:00 PM
State Capitol, Conference Room 229 & Videoconference**

**In consideration of SB992
*RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION***

Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Economic Development and Tourism:

I, Gabriel Yanagihara, support SB992, which appropriates funds for HTDC's core programs, including the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator & Small Business Training programs.

As an educator and AI consultant, I have worked extensively with schools, businesses, and nonprofits across Hawaii to integrate AI and emerging technologies into classrooms and workplaces. My work has focused on expanding AI literacy, workforce training, and technology access, ensuring that our local industries and small businesses are prepared for the rapidly evolving technological landscape.

HTDC's programs may play a critical role in fostering innovation and entrepreneurship in Hawaii. By supporting local small businesses, technology startups, and educational initiatives, these programs help build the infrastructure, talent, and capital necessary to grow a sustainable technology ecosystem in the state. As someone who actively works on AI training and digital transformation efforts, I see opportunities to utilize HTDC's resources to empower local businesses and schools to remain competitive while staying rooted in our local economy. Working with HTDC would allow me to offer trainings and support to local businesses who would otherwise not be able to retain my services.

Investing in technology education and business acceleration will not only strengthen Hawaii's economic resilience but will also provide more opportunities for our workforce to thrive in the digital age. Continued funding for HTDC ensures that Hawaii-based businesses, educators, and students have the tools and training necessary to drive innovation and keep local talent engaged in our economy.