



Written Statement of  
**Robbie Melton**  
Executive Director & CEO  
Hawaii Technology Development Corporation  
before the  
**House Committee on Finance**  
Friday, February 16, 2018  
3:00 p.m.  
State Capitol, Conference Room 308

In consideration of  
**HB2084, HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance.

The Hawaii Technology Development Corporation (HTDC) **supports** HB2084, HD1 that requires reporting and appropriates funds for HTDC to continue providing outreach and mentorship support to innovative small businesses on the Neighbor Islands and authorizes and provides funding for HTDC to participate in and contribute funding for the development of a Hawaii cyber ecosystem and related aspects of cybersecurity.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC launched the Neighbor Island Innovation Initiative (NI3) program in 2016 to provide business assistance to small and early-stage companies engaged in technology, manufacturing, or innovation based products/services on the neighbor islands.

The NI3 program uniquely fills a gap in the available resources of support because the program provides mentorship with experience specific to technology and manufacturing businesses. The program removes time, distance, and money as barriers for entrepreneurs in need of assistance by meeting on their schedule, including nights and weekends, at their place of business, at no cost. The program provides an on-island representative with direct access to HTDC resources including experienced staff, workshops, federal and state grant programs, and relationships with partner agencies.

One example of a success story for the NI3 program is local entrepreneur Bobby Farias, founder of Kunoa Cattle Company on Kauai. Kunoa has been working to provide sustainable, local, quality beef in Hawaii. Our NI3 mentor, Warren Doi, has provided him with ongoing support through multiple evolutions of the business and helped introduce the company founders to financiers, outside investors, and the HTDC matching grant programs. The company has grown in the past year including the acquisition of Hawaii's largest USDA inspected butchery for beef and pork on Oahu and a retail partnership with Times Supermarkets on Oahu and Maui.

Due to budget constraints, HTDC started this program with one mentor on Kauai and one mentor on Hawaii Island. On Hawaii Island, the program met with 35 prospects providing ongoing

mentorship to 9 companies and 2 entrepreneurs. On Kauai, the program met with 55 prospects providing ongoing mentorship to 16 companies and 4 entrepreneurs. Together the companies in the program have reported an economic impact of over \$6,000,000. HTDC has conducted showcase days on each island for economic development stakeholders to meet with select companies. In addition, the program has been an integral partner to other economic development efforts including starting the Business Plan Competition on Hawaii Island and Kilauea Ag Park development on Kauai.

HTDC has been funding the program with reserves from the HTDC special fund. HTDC does not have funding to continue the program beyond this year and will be forced to end the program. With proper funding, the program can contract additional mentors to provide support in Maui and a dedicated mentor for East Hawaii Island.

HTDC **supports the intent of Part II** and recognizes the need for improved cybersecurity training and resources in the State. HTDC is currently facilitating the development of the First Responders and Cyber Security Campus at the Millani Tech Park. HTDC notes that there are currently components to build a cyber ecosystem with the ongoing efforts of the Cyber Hawaii group, Shakacon conference, Loco Moco Sec: Hawaii security conference, Referentia E-resilliance division, DevLeague, Cyber Patriot, NSA and PACOM to name just a few that we have met with. HTDC recognizes that the effort described in the measure will require significant coordination and participation from multiple stakeholders. HTDC looks forward to working together with other stakeholders.

We support this initiative as long as it does not replace our priorities requested in the Executive Budget. HTDC respectfully requests correction of the defective effective date. Thank you for the opportunity to offer these comments.



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Finance  
Friday, February 16, 2018 at 3:00 P.M.  
Conference Room 308, State Capitol**

**RE: HOUSE BILL 2084 HD1 RELATING TO THE HAWAII TECHNOLOGY  
DEVELOPMENT CORPORATION**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2084 HD1, which requires reporting and appropriates funds for the Hawaii Technology Development Corporation (HTDC) to continue providing outreach and mentorship support to innovative small businesses on the neighbor islands.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Since 2016, Neighbor Island Innovative Initiative (NI3) program has provided neighbor island small and early-stage companies engaged in technology, manufacturing, or innovation based products and services with business assistance through experience-specific mentorship and access to HTDC's resources. As such, this program has eliminated many of the barriers that are difficult for entrepreneurs to overcome in developing a sustainable and successful business. Our community needs more initiatives like the NI3 program to support innovation and entrepreneurship across the State.

Thank you for the opportunity to testify.

Written Testimony Only  
House Committee on Finance  
Hawaii State Legislature  
Friday February 16, 2018  
3:00 PM, Room 308

**HB 2084 HD1 Relating to the Hawaii Technology  
Development Corporation**

Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance. Thank you for this opportunity to submit testimony in **strong support** of HB 2084 HD1.

My name is Dennis Gibson, and I am the Chair of CyberHawaii, a Hawaii non-profit committed to creating a whole of community approach which mitigates cyber risk, develops educational and workforce pathways for students, and invests in innovation and economic development for a cyber secure and resilient State. Through this three prong approach, CyberHawaii will integrate and celebrate strides forward as one community.

CyberHawaii strongly supports HB 2084 HD1's intent to develop a Hawaii cyber ecosystem to protect Hawaii from cyber threats as well as develop other related aspects of cybersecurity.

Thank you again for this opportunity to submit written testimony in strong support of HB 2084 HD1.

**HB-2084-HD-1**

Submitted on: 2/15/2018 3:43:52 AM

Testimony for FIN on 2/16/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
De MONT R. D. CONNER	Ho'omanapono Political Action Committee (HPAC)	Support	Yes

Comments:

We STRONGLY SUPPORT this bill, and would like to emphasize that programs such as these that are neighbor island specific are in dire need to Hawaiian Homestead areas like Moloka'i & Lana'i. Mahalo.

**HB-2084-HD-1**

Submitted on: 2/14/2018 2:11:18 PM

Testimony for FIN on 2/16/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lynnette Santiago	Individual	Support	No

Comments:

Written Statement of  
Warren Doi  
before the  
**House Committee on Finance**  
Friday, February 16, 2018  
3:00 p.m.  
State Capitol, Conference Room 308

In consideration of  
**HB2084, HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance.

**Warren Doi supports Part I** of HB2084, HD1 that requires reporting and appropriates funds for HTDC to continue providing outreach and mentorship support to innovative small businesses on the Neighbor Islands.

Please know that I have dedicated my professional life to help build an innovation-based future here at home because it can be an important part of economic prosperity for the State of Hawaii.

Being a local entrepreneur in addition to having years of experience starting companies in the Silicon Valley, I now help others find success through the neighbor island innovation initiative (NI3). My entire family history can be classified as a "kama'aina come home" story. After graduating from Cal Poly in the early 1990's, I was fortunate to have had the opportunity to participate in the global technology boom. I was a management consultant for Ernst & Young in London before I ventured into the startup world in the San Francisco Bay Area. The NI3 program allows me to bring this knowledge and experience home. In my opinion, the people of Hawaii have not shared enough in the prosperity of the global innovation economy. Everyday, we strive to bring more prosperity to Hawaii. HTDC is diversifying our economy by developing a flourishing technology industry that provides quality, high-paying jobs for Hawaii residents. HB2084 will directly help entrepreneurs and small business owners; in 2016, the program reported an economic impact of over \$6,000,000. Please continue to support this worthwhile program for the future of Hawaii. Its value might be summarized best by those directly impacted (refer to the testimony from entrepreneurs on video): <https://vimeo.com/228912346>

The Neighbor Island Initiative (NI3) program uniquely fills a gap in the available resources of support because the program provides mentorship with experience specific to technology and manufacturing businesses. The program also provides an on-island representative with direct access to many State resources.

We respectfully request correction of the defective effective date. Thank you for the opportunity to offer these comments.



Testimony of Hermina M. Morita  
before the  
House Committee on Finance  
Friday, February 16, 2018, 3:00 p.m.  
In Support of House Bill 2084, House Draft 1,  
Relating to the Hawaii Technological Development Corporation

Aloha Chair Luke, Vice-Chair Cullen and Members of the Finance Committee:

My daughter, Misha Laney, is the owner of Aloha Aina Juice Café, which is located in Puhi, across the street from Kauai Community College.

In 2013, Misha purchased and operated an existing little juice bar kiosk within a grocery store. By June 2015 she had grown the juice bar business more than ten-fold. Unfortunately, her lease was terminated and the business concept was then taken over by the grocery store owner. Warren Doi, the HTDC neighbor island business mentor, had been a customer and encouraged her to think bigger.

When Misha obtained the lease for her current location, she needed a loan for \$25,000.00 to renovate and install a commercial kitchen and buy new equipment. With her excellent credit history and past business success with her juice bar she thought getting a business loan would be a slam/dunk with one of the big banks. She learned that her loan application, which was reviewed in Honolulu, was turned down because they didn't approve of the location. She was told that she could appeal the Honolulu decision with the local branch, but the Kauai branch would only loan her half the amount.

Together we reviewed and rewrote her business plan and decided to run it by Warren to get his input. Not only did Warren review the business plan, unknown to her he also went out and advocated for her. He showed someone from a smaller bank the business plan and today she is now developing a strong banking and working relationship with that bank which loaned her the full amount plus a line of credit. She has grown from a small kiosk to store front location with six employees, with the growth of the business restricted only by the size of her current retail and storage space. Warren has also helped her closely examine her manufacturing processes and equipment usage to help gain some time/labor saving efficiencies. Currently, with another approved loan from her bank, she is seeking a larger retail space and new equipment to increase productivity thanks to the support of the NI3 program.

Personally, I feel there is a Honolulu/mainland way of doing things and a neighbor island/local way of doing things. Misha is just a local girl trying to provide the best for her family by trying to run a successful business that reflects her values in supporting healthy foods and local agriculture. She is street smart and creative but uncomfortable maneuvering in certain aspects of the business world. The neighbor island business mentorship support program helps her to bridge both worlds. Misha and I both feel that Warren Doi, in his position of a HTDC neighbor island business mentor, has been such an important resource for people like her, to evaluate

and connect her to new opportunities to help her meet her business objectives with financial and technological expertise and support.

For many of Kauai's young adults who are starting their own small businesses and who are keen on promoting sustainability utilizing local resources and new technologies, the Neighbor Island Initiative (NI3) program is a very important resource. Please continue funding of this much needed neighbor island economic development support.

Hermina Morita  
P.O. Box 791  
Hanalei, Kauai, HI 96714  
e-mail: [herminamorita@gmail.com](mailto:herminamorita@gmail.com)

**HB-2084-HD-1**

Submitted on: 2/15/2018 2:56:53 PM

Testimony for FIN on 2/16/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Individual	Support	No

Comments:

**KAI LAW, LIMITED LIABILITY LAW COMPANY**

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**LATE**

February 15, 18

House Committee on Economic Development & Business  
Wednesday, January 31, 2018 @ 10:00 a.m.  
State Capitol, Conference Room 309

RE: HB2084: RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Dear Chair Evans, Vice Chair Keohokalole, and Members of the Committee on Finance,

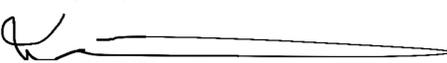
KAI LAW, LLLC supports HB2084 requiring reporting and appropriating funds for HTDC, so that HTDC can continue providing outreach and mentorship support to innovative small businesses on the Neighbor Islands.

My name is Kai Lawrence, and I am the founder and lead attorney for Kai Law LLLC. I have been mentored by Warren Doi of the NI3 program for the past two years. Warren's time, attention, and dedication has been invaluable to me and my business. Through the program, I have made excellent contacts, received guidance and advice to improve my marketing and efficiency, and have been exposed to many of the grants and programs offered by HTDC. One of the primary areas NI3 helped me with was in transitioning my practice from primarily litigation, to an estate-planning/business-transactional practice focusing on assisting families and small businesses focusing on technology/manufacturing. Contacts I made through NI3 were instrumental in providing guidance and advice through this transition. Today, the majority of my practice is estate-planning/transactional, which has been excellent for me and for my business.

The Neighbor Island Initiative (NI3) program uniquely fills a gap in the available resources of support because the program provides mentorship with experience specific to technology and manufacturing businesses. The program also provides an on-island representative with direct access to many State resources.

Thank you for the opportunity to offer these comments.

Sincerely,

DocuSigned by:  
  
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Kai Lawrence  
Attorney