



Written Statement of  
**DR. PATRICK K. SULLIVAN**  
**PRESIDENT/CEO OCEANIT**

Before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

February 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In Support of  
**SB2500 RELATING TO THE HAWAII TECHNOLOGY  
DEVELOPMENT CORPORATION**

To: Chair Senator Donovan Dela Cruz, Vice Chair Senator Gilbert Keith-Agaran, and  
Members of the Committee

From: Dr. Patrick K. Sullivan, President/CEO

Re: Testimony in Support of SB2500

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **in support of SB2500**

The technology industry in Hawaii has grown over the past 12 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, Manufacturing Grant and the excelerator program are crucial to move the technology towards prototyping, customer interface, and commercialization,

The objectives of the grants are:

- To support economic growth and the diversification of our 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.

We strongly urge you to support of SB2500 and we appreciate your continued support of the technology industry.



Statement of  
**Hermann Kugeler**  
**Business Development Manager**  
**Makai Ocean Engineering, Inc.**  
before the  
**Senate Committee on Ways and Means**  
Friday, February 28, 2020  
11:05am  
State Capitol, Conference Room 211  
In consideration of  
**SB2500**

**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee.

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS SB2500** that makes an appropriation to HTDC to continue providing grants to businesses through the small business innovation research program, manufacturing assistance program, and excelerator program.

Makai Ocean Engineering, Inc. is a locally-owned and operated technology company based in Hawaii for over 45 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.

According to HTDC, for every dollar invested through this program, Hawaii companies have attracted 20 federal dollars in return to the state, plus commercialization funding. 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 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 \$30 million in commercial revenues and high tech jobs for Hawaii over the last 18 years. This is a direct multiplier of more than 1,500X 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 has recently completed a Phase 2 SBIR program focused on autonomous underwater vehicles, which could easily surpass the \$30 million cable laying software in terms of revenue to the state. Our federal customer noted that the work we had performed on the underwater vehicle under



the HTDC Hawaii State matching grant program was a key reason we were selected for an additional \$2.1 million award that is currently underway.

In addition, Makai and Referentia were two local companies honored with a national award, the SBIR Tibbetts Award at the Whitehouse in January, 2017. This award recognizes the very best SBIR companies in the country whose technologies have made a strong economic impact in terms of high paying jobs, and displaying success in **actually commercializing federal R&D**. We need this HTDC administered program to make possible more national success stories by local companies. See the Governor's press release about awards here: <http://governor.hawaii.gov/newsroom/latest-news/dbedt-news-release-htdc-small-business-grantees-honored-with-national-tibbetts-award-at-the-white-house/>

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. As an example, Makai was recently awarded a contract to design a new heat exchanger for the U.S. Air Force's next generation aircraft, and we hope to be manufacturing units over the coming years.

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.

This is why we **STRONGLY SUPPORT SB2500**, 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.

Statement of  
**S Morris Wise**  
**Owner**  
**Ko Bakery**  
before the  
**Senate Committee on Ways and Means**

Friday, February 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB2500**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Ko Bakery **supports** SB2500 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelsior (Accelerator) Program.

Ko Bakery has benefitted twice from grants provided by the state through HTDC. They have allowed us to purchase bakery equipment which has allowed us to expand our operations, taking on more accounts and customers which in turn has enabled us to hire and keep more employees. The most recent grants helped us with equipment needs when we built-out and moved into our new facility in the Puhi Industrial Park. We grew about 35% last year and look forward to more growth this coming year. Our business is strong thanks in part to support from HTDC and the State of Hawaii.

Thank you for the opportunity to offer these comments.

**SB-2500**

Submitted on: 2/26/2020 11:47:08 AM

Testimony for WAM on 2/28/2020 11:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gerard Elmore	Testifying for NMG Network	Support	No

Comments:

# Aloha Edibles, Inc dba Paniolo Gourmet

Statement of  
**Carri Loui**  
**Manager**  
**Aloha Edibles Inc**  
before the  
**Senate Committee on Energy, Economic Development, and Tourism**

Friday, February 7, 2020  
2:50 p.m.  
State Capitol, Conference Room 414

In consideration of  
**SB3005**  
**RELATING TO THE SUPPLEMENTAL BUDGET**

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

Aloha Edibles Inc **supports** SB3005 that appropriates funds to the Department of Business, Economic Development, and Tourism for supporting funding for Hawaii Technology Development Corporation programs: Small Business Innovation Research program, Manufacturing Assistance Program, Accelerator program, and HTDC.

The MAP grant has helped us tremendously. We've been able to expand our line of products leading to the hiring of 3 additional employees this past year.

Thank you for the opportunity to offer these comments.

# TeleVoice 2000

Statement of

**Tom Leonard**

**Owner**

**TeleVoice 2000**

before the

**Senate Committee on Ways and Means**

Friday, February 28, 2020

11:05 a.m.

State Capitol, Conference Room 211

In consideration of

**SB2500**

**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

TeleVoice 2000 **supports** SB2500 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelerator (Accelerator) Program.

Our company has supplied telecommunications and information technology consulting services to Hawaii companies since 1997. For the past 3 years, we have actively participated in HTDC's programs to promote economic growth in the State through support for development of an active and robust technology sector.

The programs administered by HTDC are some of the major resources available to entrepreneurs in Hawaii to support them to safely navigate the early stages of bringing their businesses to full commercial reality. In our experience, many entrepreneurs have a keen understanding of the products and services they wish to supply, but lack the practical business experience needed to bring their ideas to fruition. HTDC, through its programs of workshops, grants, community building efforts, legislation and sponsorships successfully addresses this need. Most importantly, through HTDC's mentorship program, clients throughout the State have access to a group of seasoned business professionals with real-world business management experience to support them through their early stages of development and beyond.

Thank you for the opportunity to offer these comments.

# TeleVoice 2000





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

#### Executive Officers

**Joe Carter**, Coca-Cola Bottling of Hawaii, *Chair*  
**Charlie Gustafson**, Tamura Super Market, *Vice Chair*  
**Eddie Asato**, The Pint Size Corp., *Secretary/Treas.*  
**Lauren Zirbel**, HFIA, *Executive Director*  
**John Schlif**, Rainbow Sales and Marketing, *Advisor*  
**Stan Brown**, Acosta Sales & Marketing, *Advisor*  
**Paul Kosasa**, ABC Stores, *Advisor*  
**Derek Kurisu**, KTA Superstores, *Advisor*  
**Beau Oshiro**, C&S Wholesale Grocers, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*

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TO:

Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 28, 2020  
TIME: 11:05am  
PLACE: Conference Room 211

RE: SB2500 Relating to Hawaii Technology Development Corporation

Position: Support

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

The Hawaii Technology Development Corporation (HTDC) is a vital business accelerator that helps diversify and strengthen Hawaii's economy. Manufacturing is an essential industry here in Hawaii, it provides jobs and creates local products. We believe our manufacturing sector is an area with great potential for growth, and we ask the legislature to continue to feed that growth by supporting these HTDC programs.

The three programs funded by this measure, the Small Business Innovation Research Program, the Manufacturing Assistance Program, and the Excelerator Program, all provide opportunities for different types of Hawaii manufacturers. Grants from these programs are helping businesses create the next generation of Hawaii manufacturing. We urge you to vote yes on this measure and we thank you for the opportunity to testify.



4009 Black Point Rd, Honolulu, HI 96816

Statement of  
**Rex Jakobovits, PhD**  
**President, Experiad Solutions**  
before the  
**Senate Committee on Ways and Means**

Friday, February 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB2500**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Experiad **supports** SB2500 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelsior (Accelerator) Program. Our startup in Honolulu has raised \$5M in federal SBIR grants from the National Institutes of Health. We are developing software that will change how autism treatment is performed. I am a Kalani grad who went on to earn a PhD in computer science. Thanks in part to HTDC's matching SBIR program, I am happy to be back home now, winning millions of federal dollars to build a company that will ultimately create many local high-tech jobs.

During critical stages of our development effort, we received matching HISBIR funds from HTDC. **The HISBIR matching funds were critical to helping us expand our team and meet the goals of our research. The HISBIR program was directly responsible for us bringing in our 2nd \$1.8M Phase II award.** To date, the majority of our expended funds have been spent on employees in Hawaii. This is direct, compelling evidence that dollars invested in HISBIR matching funds attract large amounts of federal dollars in return to the state, which is seeding a sustainable business that will ultimately lead to an expansion of our local workforce for years to come.

Mahalo for the opportunity to offer these comments,

A handwritten signature in black ink, appearing to read 'Rex Jakobovits'.

Rex Jakobovits, PhD

Written Statement of  
**Brittany Heyd**  
**Partner**  
**Mana Up**  
before the  
**Senate Committee on Ways and Means**  
Friday, Feb. 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB 2500**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair Deal Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

Mana Up **supports SB 3005**, which provides an appropriation for Hawai'i to continue promoting the economic health and diversification of workforce opportunities in the State via HTDC and its small business innovation research program, manufacturing assistance program (MAP) and grants, and excelerator program.

As the Legislature is aware, it is becoming more and more important for Hawaii to diversify its economy, as our over-reliance on tourism engenders a vulnerability for our citizens' livelihoods. While tourism is seemingly booming and the unemployment rate is low in Hawaii, a recent report by Hawaii Community Foundation said that 69% of Hawaii adults are struggling financially. Locals are working multiple jobs, living in extended households, borrowing from friends and family, or living off of savings or credit. If this is the status of our people during good economic times, what does that mean when a global or national recession takes place?

Along with other accelerators in the state, Mana Up tackles this problem with entrepreneurship and mentorship, which allows us to build long-term valuable companies based in Hawaii, creating uncapped wealth potential for locals and well-paying jobs. The growth of every company who participates in these accelerators engenders additional employees and revenues directly to the local economy. In the last 2 years, 41 companies who participated in the Mana Up Accelerator contributed an estimated \$35 million in annual revenue and 300 jobs to the State of Hawaii. The 41 companies also show diversified leadership, including 18 Native Hawaiian founders, and 22 female founders.

The HTDC funding we and some of our companies have received over the past year have allowed us to support these operations while we solidify revenue structures that support our programs long term, as well as relieved the financial burden on some of our companies as they scale - many with blooming manufacturing/e-commerce business models. As such, HTDC should continue to receive emphatic support.

Thank you for the opportunity to offer these comments.



**Written Statement of Elemental Excelsior  
before the Senate Committee on Ways and Means  
February 28, 2020**

**In consideration of [SB 2500](#)  
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

**Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:**

Elemental Excelsior **submits support** for SB 2500, which appropriates funds to the Hawai'i technology development corporation for the small business innovation research program, manufacturing assistance program, and excelsior program.

Elemental Excelsior is a Honolulu-based non-profit accelerator that supports climate positive startup companies that are helping solve Hawai'i's most urgent environmental problems. Each year, we select 15-20 companies annually that best fit our mission and fund each company up to \$1 million. To date, we have awarded \$36 million to 99 companies resulting in thirty-six demonstration projects in Hawai'i & the Asia Pacific.

Elemental Excelsior has received catalytic support from Hawaii Technology Development Corporation for increased focus on our Hawai'i based portfolio companies and neighbor island pipeline efforts. Hawai'i-based accelerators not only nurture and grow the talent we have within the state to build startups to scale, but also attract talent and solutions to the state, thereby strengthening the entrepreneurial network and business relationships between Hawai'i and the rest of the world. Each year, we evaluate over 500 companies and look for Hawai'i grown startups companies who are helping solve the most urgent environmental problems.

SB 2500 is the first step toward creating catalytic economic development activity: To date, Elemental Excelsior has awarded \$36 million to 99 companies. Most of this funding comes from federal and other off-island resources. These companies have raised more than \$790 million in follow-on funding and generate millions of dollars in revenue. Other states with vibrant innovation economies, such as Massachusetts and California, provide state government funding for a variety of accelerator, demonstration, and educational program support. State support for the innovation economy enables local companies to attract outside investment from entities like the federal government, private, and philanthropic sponsors and solidifies the state's commitment to the long-term development of our entrepreneurial ecosystem and clean energy goals.

Mahalo for the opportunity to provide testimony on this legislation.

Sincerely,

*Tiffany Huynh*

Tiffany Huynh  
Director of External Affairs



Statement of  
**Kelsey Amos**  
**Co-Founder**  
**Purple Mai'a Foundation**  
before the  
**Senate Committee on Ways and Means**

Friday, February 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB2500**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Purple Mai'a Foundation **supports** SB2500 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelerator (Accelerator) Program.

The Purple Mai'a Foundation's mission is to educate and empower the next generation of culturally-grounded, community-serving tech makers and problem solvers. Our program, the Purple Prize is an accelerator program that empowers the people of Hawai'i to create impactful technology startups that are truly rooted in Hawaiian values. To date we have helped over 40 teams ideate innovative products and aided in the creation and/or growth of over a dozen companies. The funds appropriated by this bill supports accelerator programs like ours to continue to catalyze innovation and to advance and increase the number of innovative companies in the state of Hawai'i.

Thank you for the opportunity to offer these comments.

Sincerely,

Kelsey Amos  
Co-Founder,  
Purple Mai'a Foundation

**SB-2500**

Submitted on: 2/26/2020 6:02:01 PM

Testimony for WAM on 2/28/2020 11:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Forest Frizzell	Testifying for Shifted Energy	Support	No

Comments:

Statement of  
Forest Frizzell  
CEO  
Shifted Energy  
before the Senate Committee on Ways and Means

Friday, February 28, 2020  
11:05 a.m. State Capitol, Conference Room 211

In consideration of  
SB2500 RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

Shifted Energy supports SB2500 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelerator (Accelerator) Program.

Shifted Energy is founded and incubated in Hawaii. We have benefited tremendously from our time with Elemental Excelerator and now as a tenant of the Entrepreneurs Sandbox. We

Mahalo for supporting innovation in Hawaii.

Forest Frizzell  
CEO  
Shifted Energy

# **HAWAII FISH COMPANY INC.**

**Established 1978**

P. O. Box 740  
Waialua, HI 96791, USA  
Cellular: 808-429-3147, 429-3187  
E-mail: [hawaiiifish@gmail.com](mailto:hawaiiifish@gmail.com)

City Bank TIGR Award 2000- Aquaculture  
U.S. Small Business Administration's  
Tibbitts Award, SBIR Hall of Fame 2000  
Certificate of Congressional Recognition

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February 26, 2020

## COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Re: SB 2500 RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members,

Hawaii Fish Company (HFC), a family corporation currently celebrating its 42nd business anniversary, strongly supports SB2500 which appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research program, Manufacturing Assistance Program, and Excelsior Program.

HFC has been awarded ten U.S. Department of Agriculture Small Business Innovation Research grants since 1993, bringing in a total of \$1,882,295 in Federal funds to our small business and the State and to retain and hire three full time employees. HTDC's staff support, workshops, and Hawaii SBIR matching grant program have been key to our success in obtaining these Federal grant funds and in helping us to commercialize our aquaculture technologies and to further our current research and development efforts in seafood marketing, aquaculture aeration, and aquaponics.

As our aquaculture and aquaponics food production capacity grows, we anticipate vertically integrating our business to include value added processing with the assistance of HTDC's Manufacturing Assistance Program. This in turn will allow us to provide additional rural jobs on the North Shore of Oahu, to continue to grow our company, and to increase our contributions to the State's economy.

Thank you for the opportunity to testify in strong support of SB2500 for the continuation of HTDC's very important programs.

Sincerely,  
Ron and Estrallta Weidenbach  
Co-Owners/Managers  
Hawaii Fish Company Inc.





Statement of  
**George Fein, Ph.D.**  
**President and Senior Scientist**  
**Neurobehavioral Research, Inc.**  
before the  
**Senate Committee on Ways and Means**

Friday, February 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB2500**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

**Neurobehavioral Research, Inc. (NRI) supports** SB2500 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelsior (Accelerator) Program.

NRI was formed in California in 1999. In 2005, it relocated to Hawaii. NRI is a neuroscience research company devoted to the study of the effects of aging, drugs and disease on brain function and the development of technology to support such studies. Since moving to Hawaii in 2005, NRI has received over 16.5 million dollars in NIH basic and clinical neuroscience research funding and in SBIR technology development funding. Currently, NRI is involved in developing novel, cutting-edge treatments for addiction. We have current NIAAA SBIR funding to develop a neurofeedback intervention for alcoholism designed to change the tone of brain networks involved in reward processing. The Hawaii Technology Development Corporation Small Business Innovative Research Program has awarded us a matching grant that is essential in putting us in the best position to achieve a 1.6 million dollar Phase II NIH grant for a clinical trial of our technology. If this endeavor is successful, it will generate 2.5 Ph.D. level engineering positions for the Phase II grant and may eventually result in a manufacturing facility in Hawaii.

Thank you for the opportunity to offer these comments.

**NEUROBEHAVIORAL RESEARCH, INC.**

Statement of  
Natasa Petrovic  
Chief Financial Officer  
Adnoviv, Inc.  
before the  
**Senate Committee on Ways and Means**

Friday, February 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB2500**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and  
Members of the Committee on Ways and Means.

Adnoviv, Inc. supports SB2500 that appropriates funds to the Hawaii Technology Development Corporation (HTDC) for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelerator (Accelerator) program.

I am the chief financial officer for Adnoviv, Inc., a Honolulu startup founded in 2013. Our company would not be here today if not for the help and support provided by the Department of Business, Economic Development, and Tourism (DBEDT) and Hawaii Technology Development Corporation (HTDC). Through the HSBIR's Phase I and Phase II Matching Grants and the Manufacturing Assistance Program, we were able to bring our company from a mere idea to our current position as the startup with five employees and a fully developed product. With HSBIR funding, we expanded our workforce and supported our business operations while going through the product research and development phase. Through HTDC's Manufacturing Assistance Program, we were introduced to the vendor that now manufactures our product, TruePODS™ (True Presence Occupancy Detection Sensors).

At Adnoviv, we strongly believe that our success leads to the state of Hawaii's prosperous future as well. Our intelligent occupancy sensors have the potential to accelerate Hawaii's energy efficiency efforts and to be a crucial part of our state achieving its net zero energy goal by 2045. By financially supporting and promoting innovative companies like Adnoviv through programs such as HSBIR Matching Grants and Manufacturing Assistance Program, state of Hawaii is investing in its own future, while helping local companies train, employ and keep high quality workers. I can personally vouch that the support provided by the DBEDT and HTDC to the local businesses directly benefits Hawaii residents and the state's economy – my own job



Adnoviv, Inc.  
2800 Woodlawn Dr. Suite 297  
Honolulu, HI 96822  
info@adnoviv.com  
www.adnoviv.com

position was created only after HSBIR Phase II Matching Grant allowed for its funding. Through this form of support in the future, Adnoviv and many other local companies will benefit tremendously on their path to success.

On behalf of Adnoviv, Inc., I respectfully request that the committee approves SB2500.

Thank you for the opportunity to offer these comments.

Sincerely,

Natasa Petrovic, CFO  
Adnoviv, Inc.



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211  
FRIDAY, FEBRUARY 28, 2020 AT 11:05 A.M.**

To The Honorable Donovan M. Dela Cruz, Chair;  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and  
Members of the Committee on Ways and Means;

**TESTIMONY IN SUPPORT OF SB2500 RELATING TO  
THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, with approximately 650 members. I am writing to share our support of SB2500.

The Hawaii Technology Development Corporation is extremely important to develop and sustain the state's small business innovation research program and manufacturing industry as manufacturing increases the workforce and resources for our community. We believe supporting our local manufacturers is vital to our state's economy and support this bill as it provides funding for HTDC and funding to continue the manufacturing development grant program and small business innovation research program.

Mahalo for your consideration of our testimony and we hope you will support this bill.

Sincerely,

*Pamela Tumpap*

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.



**Testimony to the Senate Committee on Ways and Means  
Friday, February 28, 2020 at 11:05 A.M.  
Conference Room 211, State Capitol**

**RE: SB 2500, RELATING TO HAWAII TECHNOLOGY DEVELOPMENT  
CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2500, would provide funding for the High Technology Development Corporation (HTDC) and its programs such as the Small Business Innovation Research Program (SBIR) and the Manufacturing Assistance Program (MAP).

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.

HTDC has assisted SBIR awarded companies since 1988; as a result, Hawaii companies have attracted 20 federal dollars in return to the state plus commercialization funding for every state dollar invested through this program. The federal SBIR grant program has continued its efforts to move companies through grant awards to commercial product sales, and this bill would allow HTDC to continue to provide the necessary support of a commercialization assistance program to all phases in the program for local businesses here in Hawaii.

Continuing to support MAP is also vital to HTDC's mission. This program has become a positive resource to aid companies with their investments for manufacturing equipment, training of their employees on newly purchased equipment, energy efficiency, and feasibility studies. We believe that the continuation of this program will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export, and continued funding will help companies in Hawaii to start or grow their operations.

HTDC and its programs actively support and advocate for the specific needs of Hawaii's technology and manufacturing businesses. We have seen a rising demand from local companies wanting to manufacture here in Hawaii in order to maintain quality control, as well as an increasing desire for 'Made in Hawaii' products from consumers globally. HTDC and its programs are integral to the growth and success of these companies who seek information and guidance on what it takes to succeed in Hawaii.

Thank you for the opportunity to testify in support of SB 2500.



Written Statement of  
**Len Higashi**  
Acting Executive Director  
Hawaii Technology Development Corporation  
before the  
**Senate Committee on Ways and Means**  
Friday, February 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB2500**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee.

The Hawaii Technology Development Corporation (HTDC) **supports** SB2500 that appropriates funds to the Hawaii Technology Development Corporation for the small business innovation research program, manufacturing assistance program, and excelerator program.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at promoting technology and innovation jobs. The Administrative budget includes \$1,000,000 for HTDC's Hawaii SBIR program, \$500,000 for the Manufacturing Assistance Program, \$300,000 for the Accelerator (excelerator) program, and \$36,000 for operations. Last session, these core HTDC programs were appropriated the same amounts but only for FY20. HTDC has administered these programs since 2016.

HTDC believes, at the very minimum, continuation of our existing programs is essential for growing the innovation economy. The programs have a proven track record and every year there are more qualified applicants than available funds.

For the Hawaii SBIR phase 2/3 program, in FY19, six out of the 12 applications were funded. \$4.5 million was requested and \$1.425 million was awarded. The applicants brought \$11.0 million of Federal SBIR awards into the state. The reported economic impact of the HSBIR program for 2018 was \$150 million with 589 jobs in Hawaii. For the MAP program, in FY19, 37 out of 69 applicants were funded. \$1.3 million was requested and \$898 thousand was awarded. The companies invested \$13.5 million. The reported impact of the MAP program for 2018 was \$748 million with 2,387 jobs in Hawaii. With the \$500k available in FY20, fewer companies will be awarded and the amounts will be lower. For the accelerator programs, 5 accelerators were funded in FY19. The accelerators were required to provide a minimum of a 1:1 match. All applicants exceeded the minimum requirement. HTDC comments that FY20 awards for all the programs will be made soon. HTDC believes increased funding for all 3 programs would be appropriate.

Thank you for the opportunity to offer these comments.





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Statement of  
Jimmy Chan  
General Manager/Owner  
Hawaiian Chip Company  
before the  
**Senate Committee on Ways and Means**

Friday, February 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB2500**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

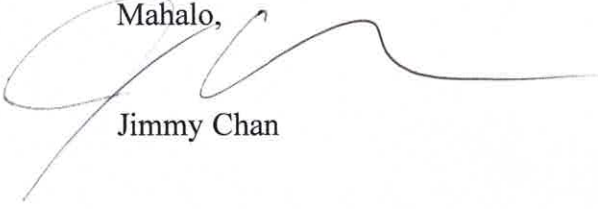
Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee  
on Ways and Means.

Hawaiian Chip Company **supports** SB2500 that appropriates funds to the  
Hawaii Technology Development Corporation for the Small Business Innovation  
Research Program, Manufacturing Assistance Program, and Excelerator  
(Accelerator) Program.

HTDC was instrumental in providing the Hawaiian Chip Company with  
training resources necessary to passing its 3<sup>rd</sup> party food safety audits. These  
audits are required by accounts such as Costco, Sam's Club, Sysco, major  
distributors, and large stores with national affiliation. Such accounts generate  
over 2 million in wholesale revenue for the company and directly support  
employment for ten full time positions. My company has also benefitted from  
HTDC helping to coordinate training on operation of the forklift and most recently  
first aid/CPR.

Thank you for the opportunity to offer these comments.

Mahalo,

  
Jimmy Chan





Statement of  
**Summer Shiigi**  
Owner  
**TEN TOMORROW**  
before the  
**Senate Committee on Ways and Means**

Friday, February 28, 2020  
11:05 a.m.  
State Capitol, Conference Room 211

In consideration of  
**SB2500**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

TEN TOMORROW LLC **supports** SB2500 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelerator (Accelerator) Program.

We are a locally owned and operated women's clothing brand. We currently manufacture 100% of our products in Honolulu, HI. We have a small retail shop in the heart of Kaimuki with our design/workspace attached. This grant is important to us specifically because as we grow, we are constantly looking for new ways to increase efficiency/productivity. To do this, we purchase better equipment and invest in training. We are dedicated to keeping our product that is sold mostly locally, made here. Our industry is growing and most fashion labels here are small businesses. To stay competitive in the market, grants like these are essential.

We have grown our revenue in the last year by 45% and we hope to continue this growth path, we've hired 1 new person to assist in our production, and this year we are focused on exporting to Japan.

Thank you for the opportunity to offer these comments.



# Chamber of Commerce HAWAII

*The Voice of Business*



## Testimony to the Senate Committee on Ways and Means

Friday, February 28, 2020 at 11:05 A.M.

Conference Room 211, State Capitol

### **RE: SB 2500, RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2500, would provide funding for the Hawaii Technology Development Corporation (HTDC) and its programs such as the Small Business Innovation Research Program (SBIR) and the Manufacturing Assistance Program (MAP).

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.

HTDC has assisted SBIR awarded companies since 1988; as a result, Hawaii companies have attracted 20 federal dollars in return to the state plus commercialization funding for every state dollar invested through this program. The federal SBIR grant program has continued its efforts to move companies through grant awards to commercial product sales, and this bill would allow HTDC to continue to provide the necessary support of a commercialization assistance program to all phases in the program for local businesses here in Hawaii.

Continuing to support MAP is also vital to HTDC's mission. This program has become a positive resource to aid companies with their investments for manufacturing equipment, training of their employees on newly purchased equipment, energy efficiency, and feasibility studies. We believe that the continuation of this program will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export, and continued funding will help companies in Hawaii to start or grow their operations.

HTDC and its programs actively support and advocate for the specific needs of Hawaii's technology and manufacturing businesses. We have seen a rising demand from local companies wanting to manufacture here in Hawaii in order to maintain quality control, as well as an increasing desire for 'Made in Hawaii' products from consumers globally. HTDC and its programs are integral to the growth and success of these companies who seek information and guidance on what it takes to succeed in Hawaii.

Thank you for the opportunity to testify in support of SB 2500.



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February 26, 2020

Aloha e Senator Donovan M. Dela Cruz, Chair; Senator Gilbert S.C. Keith-Agaran, Vice Chair; and members of the Senate Committee on Ways and Means:

I am writing to express my **support** for SB2500 as it relates to the HTDC.

Specifically, I urge your committee to support the HTDC's important and valuable work in supporting small businesses through the SBIR program, supporting local manufacturers through the Manufacturing Assistance Program, and the fostering of new and innovative businesses through accelerator programs.

These programs have allowed Hawaii companies to grow both revenues and the local workforce in important industries that ultimately diversify the Hawaii economy beyond tourism and the military. Whether for economic security, sustainability, or local jobs and professional opportunities, this investment is both an important and valuable one in terms of the gains returned to the Aloha State.

Thank you for your consideration.

**SB-2500**

Submitted on: 2/26/2020 11:22:18 AM

Testimony for WAM on 2/28/2020 11:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Russell Seeney	Individual	Support	No

Comments:

I believe the HTDC provides a valuable service to develop new small businesses creating new and innovative ideas and should be funded.

Russ

**SB-2500**

Submitted on: 2/26/2020 11:49:22 AM

Testimony for WAM on 2/28/2020 11:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shawn Savela	Individual	Support	No

Comments:

My business used the HTDC small business innovation research program in 2016 and 2017. This program was essential when I was trying to establish a small business on Maui. This is a very valuable service, especially when trying to help establish businesses outside of tourism on the island.

**SB-2500**

Submitted on: 2/26/2020 11:56:53 AM

Testimony for WAM on 2/28/2020 11:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Peter Kam	Individual	Support	No

Comments:

I support SB2500 as it has proven in the past to help and encourage small business in Hawaii to grow and hire more employees. Peter Kamn

**SB-2500**

Submitted on: 2/26/2020 8:22:32 PM

Testimony for WAM on 2/28/2020 11:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Todd Robertson	Individual	Support	No

Comments:

Hyperspective supports SB2500 that appropriates funds to the Hawaii Technology Development Corporation for the Small Business Innovation Research Program, Manufacturing Assistance Program, and Excelerator (Accelerator) Program.

Hyperspective is an innovative media company in Hawaii. This program is essential to diversifying our economy and providing opportunities to entrepreneurs and businesses like Hyperspective to grow and thrive in Hawaii.

Thank you for the opportunity to offer these comments.

**SB-2500**

Submitted on: 2/27/2020 10:13:04 AM

Testimony for WAM on 2/28/2020 11:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rae Yoshida	Individual	Support	No

Comments:

I strongly support SB2500 and the HTDC.