

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

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Statement of
CHRIS J. SADAYASU
Director

Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, April 4, 2023
10:30 AM

State Capitol, Conference Room #211 & Videoconference

In consideration of
HB999, HD1, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee. The Department of Business Economic Development and Tourism (DBEDT) **supports** HB999, HD1, SD1, an administration bill that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to the Hawaii Technology Development Corporation (HTDC) to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

DBEDT believes that the State should accelerate economic diversification efforts as part of the economic recovery. Through public private partnerships, HTDC programs provide leverage to the State. DBEDT looks forward to working with HTDC and all stakeholders in moving Hawai'i forward.

Thank you for the opportunity to testify.



Written Statement of
Len Higashi
Executive Director
Hawaii Technology Development Corporation
before the
Senate Committee on Ways and Means
Tuesday, April 4, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
HB999, HD1, SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

The Hawaii Technology Development Corporation (HTDC) **supports** HB999, HD1, SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification; appropriates funds to HTDC to implement specific projects that address those goals; requires HTDC to submit annual over three years to the Legislature; authorizes HTDC to temporarily re-establish the Hawai'i Office of Naval Research Grant Program to provide fifty per cent matching grants to Hawai'i awardees of alternative energy research grants from the Department of Defense Office of Naval Research; establishes the Alternative Energy Research and Development Revolving Fund; and appropriates moneys into and out of the revolving fund.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following our mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export. HTDC programs are coordinated with other Department of Business, Economic Development and Tourism (DBEDT) and University of Hawaii (UH) programs to maximize their effectiveness.

Through the COVID-19 pandemic, HTDC ramped up new programs such as the \$10 million Personal Protective Equipment (PPE) Supply Chain program, appropriated by the legislature and a \$600 thousand digital marketing and e-commerce training, funded by the federal Economic Development Administration. HTDC is currently administering the \$62 million Hawai'i Small Business Capital Program (HI-CAP), funded by the U.S. Treasury, with \$500 thousand support from the State, to provide access to capital to small businesses. These programs demonstrate HTDC's ability to administer new programs.

This HTDC omnibus bill provides a framework to accelerate economic diversification efforts through substantial, strategic, coordinated investments, building upon HTDC core programs. The bill aligns individual projects toward larger state objectives with input from the community and ensures transparency and accountability with predetermined reporting requirements and objectives. HTDC looks forward to working with all stakeholders in moving Hawai'i forward.



Hawaii Technology Development Corporation
521 Ala Moana Blvd, Ste 255 | 808-539-3806
Honolulu, Hawaii 96813 | www.htdc.org

HTDC supports the changes in SD1 to re-establish the Hawai'i Office of Naval Research matching grant program. HTDC respectfully requests correction of the defective effective date. Thank you for the opportunity to offer these comments.



Statement of
Todd J. Robertson
President/CEO
Hyperspective
before the
Senate Committee on Ways and Means

Tuesday, April 4, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
HB999 HD1 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Hyperspective **supports** HB999 HD1 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

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

Hyperspective is a digital creative agency, focused on creating cutting edge creative media and products for use in the arts, entertainment, and communications both within the State of Hawaii and for global export. We support many local tech and manufacturing businesses within this sector.

Thank you for the opportunity to offer these comments.



Statement of
Isar Mostafanezhad
Founder & CEO, Nalu Scientific, LLC
before the
Senate Committee on Ways and Means

Tuesday, April 4, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
HB999 HD1 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Nalu Scientific, LLC **supports** HB999 HD1 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

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

I founded Nalu Scientific in 2016. Nalu Scientific has participated in, and benefitted from, several SBIR funding opportunities that has allowed us to grow over the years and increase the variety of products and services we have been offering.

Our company employs many UH graduates and former Hawaii residents who were able to return home to the islands and apply their specialized skills as we design and build high-end sensors and systems. The HTDC matching grant program has been a key reason why we have been able to provide these opportunities and to support Hawaii's innovation community.

Thank you for the opportunity to offer these comments.



P.O. Box 700697, Kapolei, HI 96709 808-497-0144 fax: 866-462-3824 smurphy@gsellc.com

Statement of
Seibert Murphy, CEO
Guide Star Engineering, LLC
before the
Senate Committee on Ways and Means

Tuesday, April 4, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
HB999 HD1 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Guide Star Engineering LLC, Kapolei, **supports** HB999 HD1 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

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

As a Kapolei based technology company our objective is to perform research and provide services that benefit us locally and nationally. We have been successful at winning competitive awards from the US Navy Small Business Innovative Research (SBIR) program. HTDC's programs and efforts directly benefit awardees of the SBIR/STTR programs. It is important to understand that HTDC plays an integral role by supporting small businesses survive the so-called "valley of death" (that is the time between development of a prototype and getting the prototype to a production stage). With your help HTDC can continue to help us work with other small businesses and provide new challenging jobs.

Thank you for the opportunity to offer these comments.

Sincerely,
Seibert

HB-999-SD-1

Submitted on: 3/31/2023 4:09:38 PM

Testimony for WAM on 4/4/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
James K. Chan	Testifying for Hawaiian Chip Company, LLC	Support	Written Testimony Only

Comments:

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

My name is Jimmy Chan owner and manager of the Hawaiian Chip Company which makes chips from taro and locally grown sweet potatoes. Could you please consider support for HB 999 HD1 SD1 as HTDC has been instrumental in helping my company navigate recovery from the pandemic.

The organization continues to assist with my company's Food Safety compliance program with advice and training support. This helps maintain revenue with major stores like Costco and Sam's Club. HTDC also provides access to experts who advise on new equipment to grow operations which allow for expanded sales outside of Hawaii in export markets like Japan.

Thank you for giving this consideration.

Mahalo,

Jimmy

HB-999-SD-1

Submitted on: 3/31/2023 4:13:20 PM

Testimony for WAM on 4/4/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Chenoa Farnsworth	Testifying for Blue Startups, LLC	Support	Written Testimony Only

Comments:

Statement of

Chenoa Farnsworth

Managing Partner

Blue Startups

before the

Senate Committee on Ways and Means

Tuesday, April 4, 2023

10:30 AM

State Capitol, Conference Room 211 & Videoconference

In consideration of

HB999 HD1 SD1

RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Blue Startups supports HB999 HD1 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

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

Blue Startups is a Top 20 Accelerator in the U.S. ([Techcrunch](#)) focused on helping technology startups compete on a global scale. With deep domain expertise in technology and an extensive network in Asia, Blue Startups is a nexus of entrepreneurial activity in Hawai'i, and between Asia and North America. Blue Startups was founded by Henk Rogers, founder of the [Tetris Company](#), Maya Rogers, CEO of the Tetris Company and Chenoa Farnsworth of [Hawaii Angels](#) in 2012 and has been a full member of the [Global Accelerator Network](#) since 2013. Blue Startups is funded by the State of Hawaii, Hawaii Technology Development Corporation and private investors. www.bluestartups.com

Since inception, Blue Startups has invested in 110 companies, 61 of which are based in Hawaii, creating over 1100 jobs and raising over \$400 million in venture capital.

Thank you for the opportunity to offer these comments.



Testimony Presented to
Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert C. Keith-Agaran, Vice Chair
Tuesday April 4, 2023, 10:30a.m., Room 211 & Videoconference

SUBJECT: Strong support of HB 999 HD1 SD1- RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Hawaii Fish Company Inc. (HFC), established in 1978, is Hawaii's oldest commercial fish farm and a federal SBIR 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, Washington DC. Our SBIR successes to date have been made possible by the Hawaii SBIR matching grant program.

HFC strongly supports HB 999 HD1 SD1 which establishes a public policy framework that addresses state goals in the area of economic diversification and appropriates funds to the Hawaii Technology Development Corporation (HTDC) to implement specific projects that address those goals. Included among these beneficial projects is the Hawaii SBIR Matching Grant Program. This valuable program supports matching grants of up to 50% of the Federal SBIR Phase II/III awards, enabling awardees to cover important research, development, intellectual property (IP) protection, and commercialization expenses not covered by the federal awards, placing Hawaii companies in a favorable competitive position nationally.

This very successful program was the first of its kind in the nation and has since been widely copied and expanded upon by other States seeking to attract innovative technology companies and economic development to their respective States. The return on investment to the State of Hawaii in terms of small business start-ups, expansion, diversification, job creation, and economic impact has been impressive. This program is critical to the continued efforts to diversity Hawaii's economy.

Thank you for the opportunity to testify in strong support of HB 999 HD1 SD1.

Respectfully,

Ronald P. Weidenbach
Co-Owner/President
Hawaii Fish Company Inc.

Sustainability. Innovation. Quality.

Statement of

Rachel Campbell
Chief Executive Officer/Chief Financial Officer and Owner
VisSidus Technologies, Inc.

before the
Senate Committee on Ways and Means

Tuesday, April 4, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
HB999 HD1 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

VisSidus Technologies, Inc. **supports** HB999 HD1 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

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

VisSidus focuses on the Research and Development (R&D) of technologies that enable small and inexpensive satellites to collaborate and accomplish tasks that are impossible to achieve with much larger and costlier satellites. Our objective is to launch a mission consisting of 12 satellites, each satellite the size of a college dorm room refrigerator and separated from its neighbor by the length of a football field. Together they form a mile-long radar at 200 miles altitude to generate weekly global maps of soil moisture and plant growth. Such maps are of commercial interest to the agriculture community and scientific interest to earth scientists.

To achieve VisSidus' ambitious vision, we have embarked on a long, lonely, and expensive journey due to the low technology readiness levels and the high business risks of the mission. However, through SBIR and STTR programs we have been able to secure R&D funding from the U.S. Army Space and Missile Defense Command (SBIR Phase I contract W9113M-16-C-0003) as well as NASA (STTR Phase I contract 80NSSC18P2136). In 2020 our proposal to NASA for a Phase II STTR (80NSSC20C0022), for the coordination and control of satellite swarms, was selected and funded with a period of performance that ended in June 2022. Moreover, several technologies developed for the NASA project have been used to successfully demonstrate the feasibility of a highly autonomous spacecraft for on-orbit service, manufacture, and assembly for a Space Force STTR Phase I project (contract# FA945322CA070). With these contracts and internal funding, we have steadily advanced the state of the art and retired some of the technical risks. Our commercialization efforts proved fruitful through our participation as a subcontractor to a non-SBIR DARPA 2020-2021 seedling program on distributed radar (Master Agreement No.: HR0011-20-9-0110).

In late 2019 we moved from Florida to Hawaii attracted in part by matching incentives such as the HTDC SBIR Program. As we are all aware, the State of Hawaii started to feel the impact of the CoV-SARS 19 pandemic in March 2020. In late 2020, as our community adjusted to the pandemic, we engaged with the Aloha Connects Innovation program that introduced us to our full-time Avionics R&D Engineer and part-time Software Engineer Intern. During the summer of 2021 the STEMWorks program brought us two high school summer interns who turned into part time Software Developer Interns.

As founders who are organically growing our business while supporting the community, we are proud to employ local talent and provide growth opportunities to the Hawaii high technology workforce. The salaries of our employees come from internal funding that at the time of this writing is stretching very thin. A matching grant from the Hawaii SBIR Program would allow VisSidus to significantly increase efforts to commercialize the technologies developed through SBIR and internally funded R&D projects, offer college tuition support to current employees, and hire new employees.

To conclude, we strongly believe that funding from the HTDC projects will further support and accelerate our undiluted growth, thus creating a solid foundation towards commercialization of our technologies.

Thank you for the opportunity to offer these comments.

Rachel A. Campbell
CEO, CFO
VisSidus Technologies, Inc.
O: 386-868-2227
M: 206-617-2445
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961 Akepo Lane
Honolulu, HI 96817

Email: ar@alohatofu.com
Website: www.alohatofu.com

3 April 2023

To Whom It May Concern:

Re: HB999 HD1 SD1

My name is Paul Uyehara, president of Aloha Tofu Factory, Inc., a third-generation, kama`aina company that has served and been supported by the people of Hawai`i since 1950.

I am writing in strong support of HB999 – Relating to the Hawaii Technology Development Corporation. Government support of the programs promoted by the HTDC is crucial in ensuring the development and continuation of businesses that provide jobs to our community.

Aloha Tofu Factory has been a beneficiary of MAP (Manufacturing Assistance Program) grants that have allowed us to subsidize the purchase of new equipment and continue to operate in our community.

The other programs promoted by the HTDC are also key in allowing innovation to take root and support budding enterprises that would not otherwise survive. This is exactly the type of support needed if we are serious about keeping our highly skilled and motivated talent within the islands.

Mahalo for your consideration.

Sincerely,

Paul Uyehara
Aloha Tofu Factory, Inc.
President

HB-999-SD-1

Submitted on: 4/3/2023 7:58:25 AM

Testimony for WAM on 4/4/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Collin Kobayashi	Testifying for 3D Innovations	Support	Written Testimony Only

Comments:

Statement of

Collin Kobayashi

President

3D Innovations

before the

Senate Committee on Ways and Means

Tuesday, April 4, 2023

10:30 AM

State Capitol, Conference Room 211 & Videoconference

In consideration of

HB999 HD1 SD1

RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

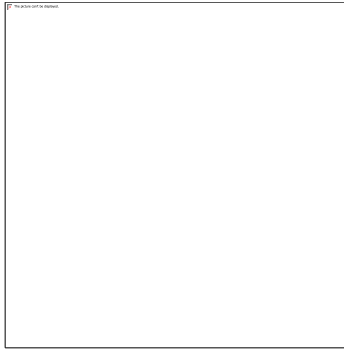
3D Innovations **supports** HB999 HD1 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

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

3D Innovations supports companies developing new technology and products. With the support of HTDC, our technology and manufacturing sectors have greatly benefited from these programs. The additional funding and support helps with further development and prototyping that leads to commercialization. Without the support of these programs that HTDC creates, the commercialization process would take years longer to achieve and in some cases, not be possible.

Thank you for the opportunity to offer these comments.



**Testimony to the Senate Committee on Ways and Means
Tuesday, April 4th, 2023, at 10:30 A.M.
Conference Room 211 & Via Videoconference**

RE: HB 999 HD1 SD1 Relating to Hawaii Technology Development Corporation

Chair, Vice Chair, and Members of the Committee:

The Hawaii Food Manufacturers Association **strongly supports** HB 999 HD1 SD1, which establishes a public policy framework that addresses state goals in the area of economic diversification. Appropriates funds to the Hawaii Technology Development Corporation to implement specific projects that address those goals. Requires the Hawaii Technology Development Corporation to submit annual reports over three years to the legislature.

The Hawaii Food Manufacturers Association (HFMA) is a non-profit organization of approximately 120 members that has been promoting Hawaiian grown or manufactured products since 1977. The HFMA works to increase the understanding and appreciation of the unique flavors, quality, and care that go into the production of Hawaii's fine foods and beverages represented by our valued members and enjoyed by our valued community.

The food manufacturing industry in Hawaii generates \$900 million in annual revenue and is the largest manufacturing sector in the state using local inputs according to the Hawaii State Department of Business, Economic Development and Tourism. The industry provides over 6,100 jobs in the state and an annual payroll of more than \$160 million.

Food manufacturers have struggled in recent years due to the COVID-19 pandemic, supply chain shortages, and rising inflation. This bill would be a tremendous help to the small businesses that are struggling to keep their doors open and bring back workers that were laid off during the last few years.

Continued support for the manufacturing industry is essential to the economy of Hawaii. The Manufacturing Assistance Grant program helps spur economic growth amongst the industry and crucial for the success of our businesses.

Thank you for the opportunity to testify.

Statement of
Brittany Heyd
Cofounder
Mana Up
before the
Senate Committee on Ways and Means

Tuesday, April 4, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
HB999 HD1 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Mana Up **supports** HB999 HD1 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

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 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. In 2021, this portfolio accounted for \$61 million in annual revenue (with 67% of revenue coming from markets outside Hawaii, bringing new dollars into the State), 498 jobs, and a 33% median growth rate. In analyzing revenues of graduates before and after the program, Mana Up has helped add \$35 million in annual revenue in 2021 – 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.

Thank you for the opportunity to offer these comments.

Written Statement of
Meli James
President
Hawaii Venture Capital Association
before the
Senate Committee on Ways and Means

Tuesday, April 4, 2023
10:30 AM
State Capitol, Conference Room 211 & Videoconference

In consideration of
HB999 HD1 SD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

HVCA **supports** HB999 HD1 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

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

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

The Hawaii Venture Capital Association (HVCA) is a local nonprofit that stands as a nexus for entrepreneurs, capital foundation, and networking opportunities in Hawaii. Our organization helps to foster entrepreneurship through education and exposure to key members in our business community in order to support our islands' emerging entrepreneurs, all while sustaining a vibrant and successful business community. 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.

HB999 HD1 accelerates economic diversification by building upon HTDC core programs: Accelerator, Hawai'i Small Business Innovation Research (HSBIR) and Manufacturing Assistance Program (MAP). Many local entrepreneurs 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.

Meli James



President
HVCA

Statement of
Hermann Kugeler
Vice President of Business Development
Makai Ocean Engineering, Inc.

before the
Senate Committee on Ways and Means

Tuesday, April 4, 2023

10:30 am

State Capitol, Conference Room 211

In consideration of

HB999

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

Makai Ocean Engineering, Inc. **SUPPORTS HB999, with comments**, that makes an appropriation to HTDC to continue providing grants to businesses through the small business innovation research program, manufacturing assistance program, and ONR renewable energy grant programs. **Makai requests the Office of Naval Research (ONR) renewable energy grant be funded \$2,000,000 due to the lapse of last year's \$1,000,000 for this grant.**

Makai Ocean Engineering, Inc. (Makai) is a locally-owned and operated technology company based in Hawaii for 50 years. One of the driving reasons behind Makai's existence is to help Hawai'i achieve energy independence using clean, alternative and renewable resources.

Hawai'i is blessed with abundant natural resources such as wind, solar, geothermal, hydro, biofuels, and ocean energy. While wind and especially solar contributions to the energy portfolio are now commercial and have grown significantly, other options like ocean energy have the potential to significantly contribute to the supply of base load / firm / constant renewable power, but are worryingly underrepresented. These alternative options are at the same place solar and wind was 25 years ago, and require R&D to reach the same level of maturity and commercialization.

Makai is currently performing R&D and working towards commercialization of ocean thermal energy conversion (OTEC) at the Natural Energy Laboratory of Hawai'i Authority (NELHA) in Kailua-Kona. Makai employs eight highly-paid, highly-skilled engineers and scientists in the high tech / renewable energy field in rural Kailua-Kona. This program has achieved a huge milestone of connecting to the grid, making Hawai'i the home of the world's largest operational OTEC plant, and the clear leader in the emerging market of ocean thermal energy. Plans are in the works for new developments to move this technology even further.

With the help of programs like this bill, Makai has been able to secure additional competitively awarded federal funding from the U.S. Navy, and bring home national honors, such as the Small Business Administration's Tibbetts Award. This national award recognizes the very best in small innovative companies in the country whose technologies have made a strong economic impact



in terms of high paying jobs, and demonstrating success in actually commercializing federal R&D and increasing taxable revenue for the state.

This is why we **SUPPORT HB999, with comments**, which would provide the state matching funds for federal SBIR programs, manufacturing assistance, and ONR renewable energy grants to enable companies to develop and commercialize new technologies more effectively. **Makai requests the Office of Naval Research (ONR) renewable energy grant be funded \$2,000,000 due to the lapse of last year's \$1,000,000 for this grant.** 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.

OUR MISSION

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

OUR VISION

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

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Mike Mohr
Brad Nicolai
Mike Pietsch

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

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Honolulu, Hawaii 96813

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HolomuaCollaborative.org

Committee: Senate Committee on Ways and Means
Bill Number: HB 999, HD1, SD1 - Relating to the Hawaii Technology Development Corporation
Hearing Date and Time: April 4, 2023 at 10:30am (Room 211)
Re: Testimony of Holomua Collaborative in support

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

We write in support of HB 999, HD1, SD1, Relating to the Hawaii Technology Development Corporation. This bill, among other things, establishes a public policy framework that addresses state goals in the area of economic diversification; appropriates funds to the Hawai'i Technology Development Corporation (HTDC) to implement specific projects that address those goals; and requires HTDC to submit annual reports over three years to the Legislature.

Holomua Collaborative's mission is to support and advance public policies that make Hawai'i affordable for all working families. We have a vision of collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

Pursuing a public policy framework that advances economic diversification for the state aligns with our goals. We particularly appreciate that the bill has a multifaceted approach, which includes: increasing the number of business and employees in the trade sector; increasing the number of businesses and employees in the renewable energy sector; encouraging new accelerator programs; increasing the export of goods manufactured in the state; strengthening the post-production capacity for value-added agriculture and manufacturing; and more.

We are pleased to support this bill and appreciate the opportunity to testify.

Sincerely,



Josh Wisch
President & Executive Director

HB-999-SD-1

Submitted on: 3/31/2023 11:28:19 AM

Testimony for WAM on 4/4/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ryan Kawailani Ozawa	Individual	Support	Written Testimony Only

Comments:

I wholeheartedly support the critical, ongoing work of the HTDC, a dynamic state agency responsible for diversifying Hawaii's economy by developing a flourishing technology industry with capital, building infrastructure, and developing talent to foster innovation and diversify Hawaii's economy. Hawaii's tech industry provides quality, high-paying jobs for Hawaii residents, and advances economic diversification and local sustainability in an increasingly globalized economy.

Blessed with a fabulous facility in the Entrepreneurs Sandbox in Kaka‘ako, HTDC should also be commended for partnering with local organizations where it makes the most sense, enlisting the talented coworking and community building team at BoxJelly to handle the day-to-day operations and event hosting and organization of the venue, reserving their limited resources for their higher-level mission.

From the island grassroots to far-reaching national initiatives, no agency does more to develop a flourishing technology industry in Hawaii.

HB-999-SD-1

Submitted on: 4/3/2023 7:23:34 AM

Testimony for WAM on 4/4/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Charlie Field	Individual	Support	Written Testimony Only

Comments:

I **support** HB999 HD1 SD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

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