



Written Statement of  
**Len Higashi**  
 Executive Director  
 Hawaii Technology Development Corporation  
 before the  
**House Committee On Finance**  
 Monday, February 27, 2023  
 10:00 a.m.  
 Conference Room 308 & Videoconference

In consideration of  
**HB396, HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee.

The Hawai'i Technology Development Corporation (HTDC) **supports** HB396, HD1 that appropriates funds to the Hawai'i Technology Development Corporation for the Manufacturing Assistance Program.

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

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

	FY16	FY17	FY18	FY19	FY20	FY21/22	FY23
Appropriation	\$2 MM	\$1 MM	\$1 MM	\$1 MM	\$500 K	-	\$1 MM
# of Applications	82	42	51	69	45	-	85
# of Awards	51	25	29	37	18	-	TBD
\$\$ Awarded	\$2 MM	\$932K	\$931K	\$899K	\$486 K	-	TBD
Company investment	\$31 MM	\$5.5 MM	\$13.6MM	\$13.4MM	\$9.0MM	-	\$25.8MM
Estimated New Jobs	-	353	230	465	281	-	TBD

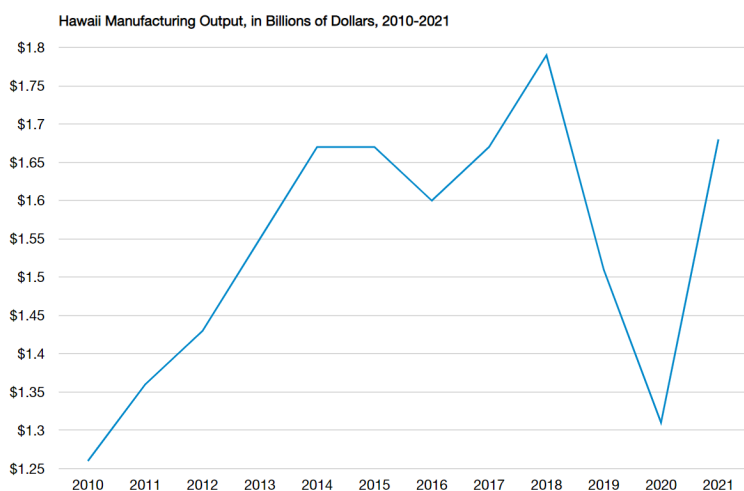
Every year, there have been more qualified applicants than available funds. The funding awarded to companies provides a partial reimbursement (20%) for equipment upgrades and other eligible expenses. Through our federally funded INNOVATE Hawai'i program, HTDC provides

wrap-around support services for the matching grants to help Hawai'i manufacturers become more globally competitive.

In HTDC's economic impact survey conducted in 2019, 54 MAP grant companies reported \$748 million of economic impact with \$425 million of revenue, and 2,387 jobs in Hawai'i.

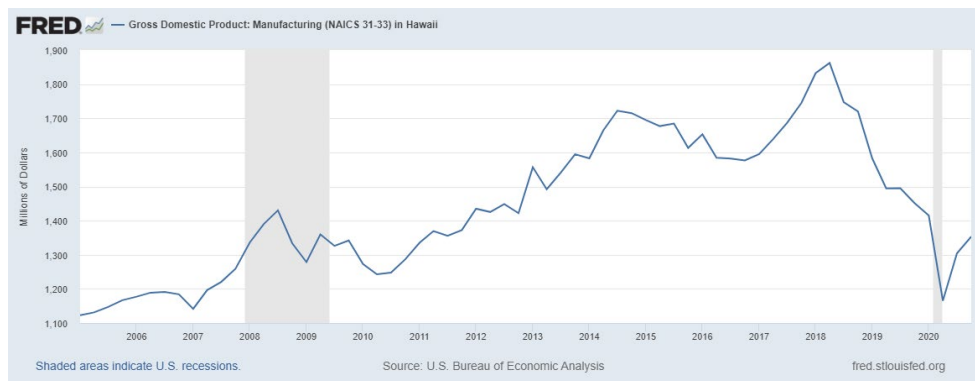
### Hawai'i's Manufacturing Sector Snapshot

Manufacturing Firms in Hawaii (2019)	740
Total Manufacturing Output (2021)	\$1.68B
Percent share of total GDP (2021)	1.63%



<https://www.nam.org/state-manufacturing-data/2022-hawaii-manufacturing-facts/>

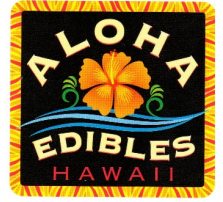
### 2022 Hawaii Manufacturing Facts – Gross Domestic Product NAICS 31-33



The industry was greatly impacted by the COVID-19 pandemic and is still on the road to recovery. Despite the setbacks, HTDC believes manufacturing is a key strategic sector for the state to increase exports and reduce imports. HTDC respectfully requests correction of the defective effective date. Thank you for the opportunity to offer these comments.

# Aloha Edibles, Inc

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Statement of  
Carri Loui  
Manager  
Aloha Edibles  
before the  
House Committee on Finance

Monday, February 27, 2023  
10:00 AM  
State Capitol, Conference Room 308 & Videoconference

In consideration of  
HB396 HD1  
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee on Finance.

Aloha Edibles supports HB396 HD1 that appropriates funds for the Manufacturing Assistance Program. According to the National Association of Manufacturers, Hawaii has an average of 11,000 manufacturing employees working at 750 manufacturing firms with an output of \$1.66 billion. The MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

Aloha Edibles is a small snack manufacturer that caters to all both the local and tourist market. In the past few years we have learned that pivoting is critical to our survival. We've had to invest in new equipment to keep up with this. The MAP grant is a tremendous help in our efforts to keep our people employed and to survive the economic climate in Hawaii.

Thank you for the opportunity to offer these comments.

94-334 UKEE STREET, WAIPAHU, HI 96797

PH: 808-732-2292 EMAIL: ALOHAEDIBLES@GMAIL.COM FEIN # 46-5734141



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

Before the  
**HOUSE COMMITTEE ON FINANCE**  
February 27, 2023  
10:00 AM  
State Capitol, Conference Room 308  
In Support of  
**HB396 REALTING TO THE HIGH TECHNOLOGY  
DEVELOPMENT CORPORATION**

To: Representative Kyle Yamashita, Chair, Representative Lisa Kitagawa, Vice Chair  
and, and Members of the Committee

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

Re: Testimony in Support of HB396

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **IN SUPPORT of HB396**

Oceanit is a local diversified science and engineering company with capabilities/facilities in advanced technology, life sciences, information systems, aerospace, energy, oil and gas and consulting engineering services. Many of our technologies are ready for commercialization and hope to manufacture our technologies here in Hawaii.

This bill will allow Hawaii companies to keep the manufacturing of their products here in Hawaii. In turn, there will be job creation and long- term investments for the people of Hawaii.

Oceanit is committed to manufacturing technology in the State of Hawaii.

Therefore, we **SUPPORT HB396**

**HB-396-HD-1**

Submitted on: 2/25/2023 2:25:08 PM

Testimony for FIN on 2/27/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ryan Kawailani Ozawa	Hawaii Hui LLC	Support	Written Testimony Only

Comments:

Hawaii Hui LLC supports HB396 HD1, which appropriates funds for the Manufacturing Assistance Program. According to the National Association of Manufacturers, Hawaii has an average of 11,000 manufacturing employees working at 750 manufacturing firms with an output of \$1.66 billion. The MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State’s support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

I am a Hawaii startup CEO and cofounder (Smart Yields), entrepreneur (Hawaii PR), Hawaiian community advocate (Kilinahe foundation), and an independent technology journalist (Hawaii Bulletin) that has covered Hawaii's innovation ecosystem for nearly 30 years. 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 by providing capital, building infrastructure, and developing talent to foster innovation and diversify Hawaii's economy.



Testimony Presented to  
House Committee on Finance  
Monday, February 27, 2023 10:00am VIA VIDEOCONFERENCE Conference Room 308  
by  
*Ron Weidenbach, Co-owner/President, Hawaii Fish Company Inc., Waialua, HI*

SUBJECT: Strong support for HB 396 HD1 – RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Aloha Rep. Yamashita, Chair, Rep. Kitagawa, Vice Chair, and Members of the Committee:

Hawaii Fish Company Inc. (HFC), established in 1978, is Hawaii's oldest commercial fish farm. We strongly support HB396 HD1 which appropriates funds for the manufacturing assistance program under the Hawaii Technology Development Corporation. This very successful program supports Hawaii's new and expanding manufacturing companies, including agricultural and seafood processing and value-added food manufacturing. 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, for food security, for the expansion of Hawaii's export industry, and for HFC's planned growth and diversification.

Thank you for the opportunity to testify in strong support of HB 396 HD1.

Respectfully,

Ronald P. Weidenbach  
Co-owner and President  
Hawaii Fish Company Inc.

**Sustainability. Innovation. Quality.**

P.O. Box 740 | Waialua, HI 96791 USA | [info@hawaiifishcompany.com](mailto:info@hawaiifishcompany.com) | [hawaiifishcompany.com](http://hawaiifishcompany.com)



Statement of  
**Isar Mostafanezhad, Ph.D.**  
Founder and CEO, Nalu Scientific, LLC  
before the  
**House Committee on Finance**

Monday, February 27, 2023  
10:00 AM  
State Capitol, Conference Room 308 & Videoconference

In consideration of  
**HB396 HD1**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee on Finance.

Nalu Scientific, LLC **supports** HB396 HD1 that appropriates funds for the **Manufacturing Assistance Program**. According to the National Association of Manufacturers, Hawaii has an average of 11,000 manufacturing employees working at 750 manufacturing firms with an output of \$1.66 billion. The MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

I founded Nalu Scientific in 2016. Nalu Scientific has participated in, and benefitted from, several SBIR funding opportunities. We have earned multiple large-scale federal grants totalling more than \$10 million.

Further, 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. HTDC programs have 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 253, Kunia, Hawai'i 96759  
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February 27, 2023

HEARING BEFORE THE  
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HB 396, HD1**  
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Conference Room 308 & Videoconference  
10:00 AM

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

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

**The Hawai'i Farm Bureau supports HB 396, HD1**, which appropriates funds to the Hawai'i Technology Development Corporation for its manufacturing assistance program.

As expenses rise, increases in farm revenues and profits are critical to the continued viability of farms and ranches. One way farmers can do this is by "adding value" to raw agricultural crops. Currently, off-grade and excess production is sometimes wasted due to market conditions. Converting them into value-added products will not only increase farm revenue but also provide new business opportunities, increase employment opportunities, and address Hawai'i's goals of increased self-sufficiency and sustainability.

High production costs are a major driver of narrow profit margins for Hawai'i's farmers and value-added food producers. Labor, taxes, land, transportation, utilities, and supplies are all costs of doing business that often results in value-added food producers just being able to break even.

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

The strength of Hawai'i's economy is dependent upon a diversity in commerce that is resilient to economic downturns and aggressive in creating new growth opportunities. The HTDC manufacturing assistance program supports this goal.





# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Finance  
Monday, February 27, 2023, at 10:00 A.M.  
Conference Room 308 & Videoconference**

**RE: HB 396 HD1 Relating to the Hawaii Technology Development Corporation**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 396 HD1 , which appropriates funds to the Hawaii Technology Development Corporation (HTDC) for 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.

Continuing to support the Manufacturing Assistance Program is vital to Hawaii Technology Development Corporation'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 continued funding of this program will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export, and this amendment will help companies in Hawaii to start or grow their operations.

Hawaii Technology Development Corporation 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, which will continue to economically benefit our state. Hawaii Technology Development Corporation 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.

**HB-396-HD-1**

Submitted on: 2/26/2023 9:30:46 AM

Testimony for FIN on 2/27/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Zeb Jones	Hydroponics Alternatives LLC	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

I submit this testimony in SUPPORT of HB396, HD1 which supports the Hawaii Technology Development Corporation Manufacturing Assistance Program with an Appropriation. Programs like these require continued funding to support Hawai`i's limited manufacturing businesses in an effort to avoid continued over-relying on tourism to support our economy. However, pushing back the effective date to 1 July 3000 in the interest of further discussion just delays this process that much more. For this reason, I urge your committee to please advance the effective date to no later than July 1, 2024 or 2025 to provide much-needed funding for the Manufacturing Assistance Program in the interest of supporting more Hawai`i manufacturers.

For these above reasons, we urge your Committee to please pass HB396, HD1.

Mahalo for this opportunity to present this testimony supporting HB396, HD1

Zeb Jones

Hydroponics Alternatives LLC

PO Box 1472/ Wai`anae, HI 96792 / Email: [zeb3442@gmail.com](mailto:zeb3442@gmail.com)

Written Statement of  
**Brittany Heyd**  
Cofounder  
Mana Up  
before the  
**House Committee On Finance**  
Monday, February 27, 2023  
10:00 a.m.  
Conference Room 308 & Videoconference

In consideration of  
**HB396**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee.

Mana Up **supports** HB396 that appropriates funds for the manufacturing assistance program under the Hawai'i technology development corporation.

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.

The MAP grant has been significantly impactful for many Mana Up companies in the past. As 73% of our portfolio manufactures locally, these grants help companies to enhance manufacturing capacity and the ability to scale revenues from right here in Hawaii. 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.

Brittany Heyd  
Cofounder, Mana Up



Hawaii Candy Factory

Hawaii Candy Factory, LLC  
P.O. Box 700701  
Kapolei, HI 96707

808.389.3307

micah@hawaiicandyfactory.com



Statement of  
**Micah Yoshino**  
**Chief Financial Officer**  
**Hawaii Candy Factory**  
before the  
**House Committee on Finance**

Monday, February 27, 2023  
10:00 AM  
State Capitol, Conference Room 308 & Videoconference

In consideration of  
**HB396 HD1**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee on Finance.

Hawaii Candy Factory **supports** HB396 HD1 that appropriates funds for the **Manufacturing Assistance Program**. According to the National Association of Manufacturers, Hawaii has an average of 11,000 manufacturing employees working at 750 manufacturing firms with an output of \$1.66 billion. The MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.

Hawaii Candy Factory is a locally owned and operated company founded in 2021. Our primary business involves the production, distribution, and sales our signature "NOMS" Brand candies. From our humble beginning operating out the home of our founders, we now have over 40 local employees with plans to expand into a 10,000 square feet warehouse later this year. During this expansion we intend to make significant investments towards key infrastructure including equipment, machinery and most importantly, in people. We expect we will need to double our workforce by year-end. Grants like the Manufacturing Assistance Program are very important for small, up and coming local businesses like us looking to take our business to the next level. In this rising interest rate environment and with banks tightening up lending, a program like MAP can really make the difference. Programs like MAP allow for a fast-growing small business like ours to be able to rise to the occasion by effectively scaling to meet demand while taking care of our employees at every level. If the MAP grant were to be approved and we were fortunate enough to be selected as a beneficiary – the sole use of the funds received would go toward raising the wages of non-owner employees who we wish to reward for all their hard work. Please consider renewing MAP and providing sufficient funding to help small local businesses like ours to thrive.

Thank you for the opportunity to offer these comments.

Micah Yoshino



Statement of  
**Hermann Kugeler**  
**Vice President of Business Development**  
**Makai Ocean Engineering, Inc.**  
before the  
**House Committee on Finance**  
Monday, February 27, 2023  
10:00 am  
Videoconference  
State Capitol, Conference Room 308  
In consideration of  
**HB396**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee.

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS HB396** that makes an appropriation to HTDC to provide grants to businesses through the manufacturing assistance program.

Makai Ocean Engineering, Inc. is a locally-owned and operated technology company based in Hawaii for 50 years. While Makai has historically been an engineering services provider, with the help of the State's manufacturing assistance program, Makai has been able to diversify into low-volume manufacturing. Makai has been involved in marine-related engineering in Hawaii for 50 years, and began a heat exchanger R&D program in 2009. Now, we are ramping up production from a small manufacturing plant for heat exchangers on the Big Island of Hawaii, which is sustaining approximately 6 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 has been awarded contracts by the U.S. Air Force, U.S. Army, and U.S. Department of Energy to design new heat exchangers for vehicle cooling and renewable energy applications. We hope to continue and scale-up 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 HB396**, which would provide the state matching funds for manufacturing assistance to enable companies to build a manufacturing base in the islands. Not only would this expansion of funding enable our tech industry to advance manufacturing within the State, it would provide highly-skilled manufacturing jobs for our keiki here at home.

Thank you for the opportunity to offer these comments.

**HB-396-HD-1**

Submitted on: 2/27/2023 9:19:24 AM

Testimony for FIN on 2/27/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Chenoa Farnsworth	Blue Startups	Support	Written Testimony Only

Comments:

**Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee on Finance.**

**Blue Startups supports HB396 HD1 that appropriates funds for the Manufacturing Assistance Program. According to the National Association of Manufacturers, Hawaii has an average of 11,000 manufacturing employees working at 750 manufacturing firms with an output of \$1.66 billion. The MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State's support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.**

# TJ Leonard

HOUSE OF REPRESENTATIVES  
THE THIRTY-SECOND LEGISLATURE  
REGULAR SESSION OF 2023  
COMMITTEE ON FINANCE  
COMMITTEE ON ECONOMIC DEVELOPMENT

## Testimony on HB396

Relating to Hawai'i Technology Development Corporation; Manufacturing Assistance Program

I strongly support this bill.

In my consulting practice, I specialize in Economic Development, primarily in the areas of support for growing companies in the technology and manufacturing sectors. I have first hand experience of the value of this program in supporting companies to expand and modernize their production capabilities and capacities. This expansion has not only allowed them to open new product lines, but also contributed to improving their profitability

More often than not the MAP grant is the single factor that has made this expansion possible.

Sincerely,

*Tom Leonard*

**HB-396-HD-1**

Submitted on: 2/25/2023 6:11:50 PM

Testimony for FIN on 2/27/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Amber Imai-Hong	Individual	Support	Written Testimony Only

Comments:

**I support HB396 HD1 that appropriates funds for the Manufacturing Assistance Program. According to the National Association of Manufacturers, Hawaii has an average of 11,000 manufacturing employees working at 750 manufacturing firms with an output of \$1.66 billion. The MAP grant limits reimbursement to 20% of qualified expenses capped at \$100,000. This program shows the State’s support for local manufacturers who are trying to scale their businesses in Hawaii and helps to grow the industry.**



**HB-396-HD-1**

Submitted on: 2/26/2023 9:27:52 AM

Testimony for FIN on 2/27/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nancy Jones	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

I submit this testimony in SUPPORT of HB396, HD1 which supports the Hawaii Technology Development Corporation Manufacturing Assistance Program with an Appropriation. Programs like these require continued funding to support Hawai`i's limited manufacturing businesses in an effort to avoid continued over-relying on tourism to support our economy. However, pushing back the effective date to 1 July 3000 in the interest of further discussion just delays this process that much more. For this reason, I urge your committee to please advance the effective date to no later than July 1, 2024 or 2025 to provide much-needed funding for the Manufacturing Assistance Program in the interest of supporting more Hawai`i manufacturers.

For these above reasons, we urge your Committee to please pass HB396, HD1.

Mahalo for this opportunity to present this testimony supporting HB396, HD1

Nancy A. Jones

PO Box 1462, Wai`anae, HI 96792 / Email: [nancyhydroalt@gmail.com](mailto:nancyhydroalt@gmail.com)