



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
February 21, 2013 at 4:00pm
by

James R. Gaines
Vice President for Research, University of Hawai'i

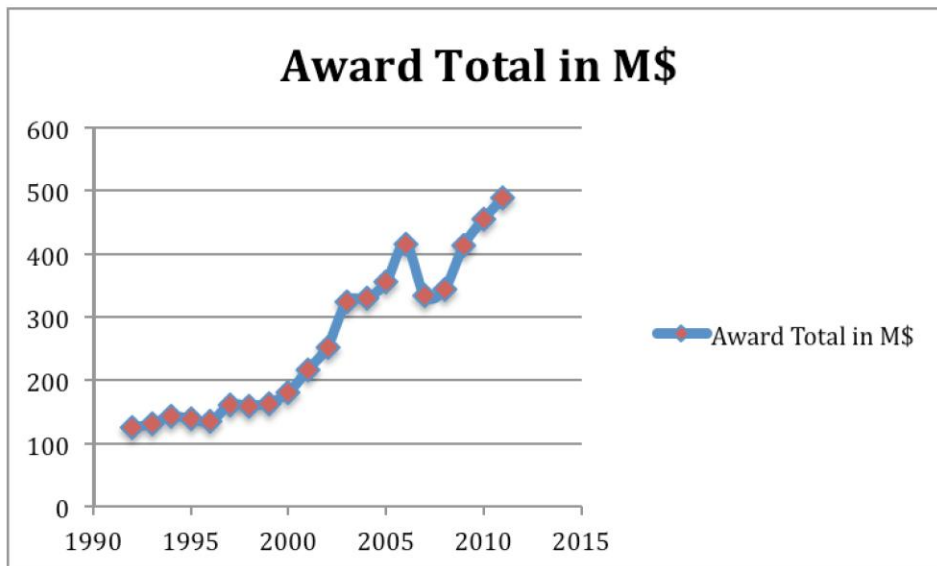
HB 71 – RELATING TO HIGH TECHNOLOGY

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

The University strongly OPPOSES HB 71 which requires the University of Hawai'i to extend the current land lease with the High Technology Development Corporation for no less than 25 years from the date of expiration of the existing lease.

In 1990, the University of Hawai'i (UH) entered into an agreement under which the (then) new Mānoa Innovation Center (MIC), constructed on University land, was to be leased to the High Technology Development Corporation (HTDC) for a 25-year term, after which the facility was to revert to UH. All parties agreed, in writing, to this arrangement.

Since beginning of the current lease, University research awards have doubled in **each** of the past decades as shown by the graph below.



It is the goal of the University, in research, *to double the annual awards once more in the coming decade*. In order to accomplish this, new and remodeled facilities are essential and an expanded MIC will play an important role in achieving that goal. It is important to emphasize the commitment of UH to the development of a robust research and technology industry in Hawai'i. Last year UH President Greenwood convened a blue ribbon task force to recommend key changes in how the University develops this research industry. Participants at our recently completed *E Kamakani Noi'i* conference further focused our ideas on what it will take to build a 21st century economy in Hawai'i.

We are still in the formative stages of defining exactly what form and structure will best support this needed innovation agenda. However, we expect that these activities will be based at the Mānoa Innovation Center, which is already a significant site for the University's research enterprise. In fact, UH and our related programs are already the single largest set of tenants in the facility and we are paying the largest portion of the rent, which goes to support HTDC operations. We could occupy all the existing space at MIC, with UH programs that are renting facilities elsewhere, immediately.

President Greenwood and UH leadership held preliminary discussions with the HTDC Executive Director and some of the HTDC board members. UH emphasized our willingness to let HTDC remain in the MIC facility after 2015 if they so choose. Our discussions further explored a range of possibilities, including HTDC playing a role in implementing the University's innovation agenda. These discussions are continuing and we will be happy to keep the Legislature informed of our progress.

The University does support the development of a technology park on O'ahu, the only island without such a capability. However, the Mānoa Innovation Center is not large enough to house the activities normally found within a technology park, so another venue should be found to provide full support for emerging technology businesses. HTDC would be the natural organization to lead such an initiative and UH would support them.

We believe this is an opportune time for the State to invest in the development of high technology to diversify and strengthen our economy. But this should not be done at the expense of research growth and the new innovation agenda being developed by UH.

We urge you to not pass this bill and to preserve the agreement made with UH at the time MIC was constructed.

Thank you for the opportunity to testify on this matter.

Statement of
YUKA NAGASHIMA
Executive Director & CEO
High Technology Development Corporation
before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 21, 2013
4:00 p.m.
State Capitol, Conference Room 308
In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance.

The High Technology Development Corporation (HTDC) **supports** HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the HTDC.

The HTDC manages the incubation facility at the MIC which was built by the State on land purchased by the UH under an agreement which expires in April 2015. The revenue generated through the incubation program provides a sustainable fund for a majority of the HTDC operation.

The MIC facility is a highly desirable location for its proximity to UH faculty and students. The facility is configured with a dense range of small offices which makes it cost efficient for a business startup. The small offices and flexible lease we offer allows a business to grow and shrink to meet its needs. HTDC has leveraged some of the larger offices into coworking spaces to allow more businesses to take advantage of our services, workshops, and programs.

HTDC remains supportive of UH's innovation agenda as a piece of the bigger goal of growing the State's tech sector.

Thank you for the opportunity to submit testimony on this bill.



HAWAII
STRATEGIC
DEVELOPMENT
CORPORATION

Written Statement of
KARL FOOKS
President
Hawaii Strategic Development Corporation

Before the
COMMITTEE ON FINANCE
February 21, 2013
4:00 PM
State Capitol, Conference Room 308

In consideration of
HB 71 RELATING TO HIGH TECHNOLOGY

Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson, and Members of the Committee on Finance:

The Hawaii Strategic Development Corporation (HSDC) supports HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC).

The HTDC currently leases MIC from the UH and manages the incubation facility at the MIC, which was built by the State, under an agreement which expires in April 2015. The revenue generated through the incubation program provides the operating funds for the majority of the HTDC operation.

The MIC facility is an important component of Hawaii's entrepreneurial ecosystem as the small offices and flexible leases HTDC offers to entrepreneurs allows a business to grow and shrink to meet its needs. HTDC has also leveraged some of the larger offices into co-working spaces to allow even more startup businesses to take advantage of HTDC's services.

MIC's proximity to UH faculty and students makes it an ideal location to facilitate business and university interaction that will support successful efforts to commercialize UH research.

Finally, the mission of HTDC and the MIC is to promote economic development in the State. Supporting incubation facilities alone will not accomplish this objective. We recommend the Committees also consider a comprehensive policy that supports the continuum of entrepreneurialism, commercialization and business formation capabilities needed to foster high growth businesses. As part of an entrepreneurial ecosystem, MIC can be effective in creating sustainable high wage jobs.

Thank you for the opportunity to submit testimony on this bill.



KAUA'I

*Chamber
of
Commerce*

February 21, 2013

Honorable Representative Sylvia Luke, Chair,
House of Representatives, House Finance Committee
CoChairs Scott Nishimoto and Aaron Johanson & Members
Hawaii State Capitol – Room 308:00 P.M.
Honolulu, Hawaii 96813

Dear Chair Luke and Members:

RE: HB 71 Relating to High Technology

Aloha! My name is Randy Francisco, and I am President/CEO of the Kauai Chamber which comprises of 450+ businesses and 87%+ who are small businesses. I am writing this letter in **support of House Bill 71** which extends the lease between the University of Hawaii and the High Technology Development Corporation (HTDC) at the Manoa Innovation Center (MIC). As the HTDC's MIC namesake states, the MIC is an innovation center which is the primary mission of the HTDC. During my career in education, I have had the opportunity to watch and learn first-hand about what the original founders envisioned HTDC to become and, more importantly, accomplish. For thousands of residents, HTDC may not mean anything important or significant other than the inference of 'technology'. However, we all know as policy makers, business and community leaders and, educators, that this corporation established for the benefit of the public which is to serve as an incubator for economic and workforce development has significantly contributed to both the short and long term well being of our state.

Attracting, creating and serving as a nucleus especially, for small businesses is an even more compelling reason as to why to support this agency when too often many businesses do not have the resources, technical knowledge/know-how as well as contacts/networks to support them in launching or even assuming the start-up and risk of establishing a business. This became even more evident to me during this recessionary environment which was the primary reason I have worked very closely and in partnership with the HTDC to especially support Kauai's small businesses who needed the neighbor island/statewide outreach and support of this organization. When the economy was just beginning to fully realize the impact of the recession, it was in December of 2008 that the HTDC responded to our request to support our members by providing the first of several partnership opportunities which first led to a panel focused on what businesses needed to do in order to prepare for the unintended consequences of the recession. In attendance were 400 business, community, government and non-profit members from throughout Kauai. The timeliness of this partnership just at the end of 2008 and the start of 2009 provided the Kauai Chamber the confidence we needed in order to effect, inform and coordinate our efforts for our Kauai business community who did not have the technical knowledge and expertise, especially, among our young as well as newer entrepreneurs. Since that time the HTDC has continued to partner and reach out to us neighbor islanders as well as on Oahu. Therefore, please support this extension which the State and University must continue in this economic environment which supports everyone, from a statewide basis and demonstrates a continued investment in entrepreneurship and innovation, and, which serves as an important resource and capacity building for businesses to leverage and continue a business and entrepreneurial spirit as was as originally envisioned.

Should I be of additional assistance, please do not hesitate to contact me at 245-7363.

Mahalo nui loa and Aloha,
Randall Francisco
President/CEO

P.S.: As a result of our partnership, nearly 2500 Kauai business men and women, and, members of the general public have participated in Chamber programs as a result of HTDC's Kauai Outreach in 2012.

Written Statement of

**Mike Curtis
President
Curtis Consulting LLC**

before the
HOUSE COMMITTEE ON FINANCE

Thursday, February 21, 2013
4:00 pm
State Capitol, Conference Room 308
In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

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

Curtis Consulting **strongly supports** HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the HTDC.

My name is Mike Curtis, President and Principal Consultant with Curtis Consulting LLC. Curtis Consulting advises new and established companies on operations, technology, sales, marketing, and finance issues.

The Hawaii Technology Development Corporation and the Manoa Innovation Center are critical components of the state's innovation economy. I have personally worked with them and several early stage companies that have benefitted from their services. I urge you to support the continuation of their services and the renewal of their lease.

Thank you for the opportunity to offer testimony on this important bill.



2800 Woodlawn Drive #265
Honolulu, HI 96822

125 University Ave., Suite 125
Palo Alto, CA 94301

Chair Luke
Committee on Finance
House of Representatives,
State Capitol, Conference Room 308
415 Beretania Street
Honolulu, HI 95813

SUBJECT: TESTIMONY IN SUPPPORT OF HB71

Dear Chair Luke & Vice Chairs Nishimoto & Johanson

On behalf of Startup Capital Ventures (SCV), which is the only venture capital firm with offices in Silicon Valley and Honolulu we strongly support HB71. SCV, whose office is in MIC, has invested over five million dollars (\$5,000,000) in high-technology Hawaii startups, some of which started at MIC and all of which are prospering.

SCV may not have opened a Honolulu office if it were not for MIC due to its unique concentration of early stage startups. During any given week we typically meet with ten or more of these companies in our role as advisors and have delivered numerous well-attended seminars including some at MIC.

To use an analogy, if Honolulu were Silicon Valley, MIC is its Palo Alto, and that is a key reason why SCV is in Hawaii.

HB71 ensures this invaluable resource to the high wage / high growth tech. sector stays to ensure growth of this industry that can provide sustainable, high wage jobs to keep high-skill people here and bring talented kama`aina home.

Mahalo for your consideration.

Timothy Dick / General Partner

Written Statement of

William M. Bass, Jr.
President
Bill Bass & Associates, LLC

before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 21, 2013
4:00 p.m. State Capitol, Conference Room 308
In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance.

I am Bill Bass, the first Executive Director of the High Technology Development Corporation (HTDC) testifying in **support** HB71, which would require the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the High Technology Development Corporation (HTDC).

I served as the first Executive Director of HTDC from March 1984 until October 1994. I conceived, fought for and built the MIC to support innovation and entrepreneurship among Hawaii high tech companies. By providing office space for these start-up companies on the grounds of UH, we made it possible for them to access the wide-range of UH support including its faculty, technical facilities (labs) and business assistance. We co-located the UH quasi-public Research Corporation of the University of Hawaii (RCUH) and the private Pacific International Center for High Technology Research (PICHTR) on the grounds to further encourage synergy there. We also created the Hawaii Small Business Innovation Research (HSBIR) program to enhance Hawaii companies' access to funding for innovative projects. The MIC was the center-piece of our efforts to make it possible for local companies to grow and prosper.

I must admit that I was taken aback when UH proposed HTDC accept the site on a 25-year lease in 1989 instead of an outright transfer, but when it was explained to me that the reason for the lease was HTDC's lack of a proven track record (HTDC was created in 1983 and this was only our second project), I was happy to sign the lease and begin construction. The

MIC is the result of outstanding cooperation between HTDC and UH and one of their most successful joint projects.

While I would prefer to see UH transfer the property to HTDC outright, a renewal of the lease is an acceptable way to ensure that innovation and entrepreneurship continue to be supported by our State.

Please pass this bill and make it possible for the MIC to continue encouraging innovation and entrepreneurship there. Thank you for this opportunity to testify. I'll be glad to try to answer any questions you may have for me.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 20, 2013 2:14 PM
To: FINTestimony
Cc: hawaiiifish@gmail.com
Subject: Submitted testimony for HB71 on Feb 21, 2013 16:00PM

HB71

Submitted on: 2/20/2013

Testimony for FIN on Feb 21, 2013 16:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ron Weidenbach	Hawaii Aquaculture and Aquaponic Association	Support	No

Comments: The HAAA strongly supports this measure to extend the Hawaii Technology Development Corporation (HTDC)'s long-term lease with the University of Hawaii Manoa (UHM) for the Manoa Innovation Center (MIC). HTDC provides very valuable services to the Hawaii technology research community through this important and strategically located facility that are not otherwise available locally, supporting Hawaii's tech companies through a number of programs including the Hawaii Small Business Innovative Development (SBIR) program and the Manufacturing Enterprise Program (MEP). A number of Hawaii's innovative aquaculture companies have participated in and benefited from HTDC's programs at the MIC over the years, enabling them to be more competitive in securing Federal research dollars and in commercializing their research findings. UHM has extensive land holdings, and this small facility leased by the MIC would not significantly benefit UHM, while its loss would very negatively impact HTDC and the Hawaii tech community. UHM should learn to be more collaborative with the rest of the Hawaii tech community and should show good faith in this regards by providing the MIC a long-term lease of at least 25 years, and ideally 55 years, for the benefit of all involved parties and Hawaii's tech community. The HAAA strongly supports this measure!!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



2800 Woodlawn Drive, Suite 263, Honolulu, HI 96822

February 20, 2013

Written Statement of
Joe Cooper, Chief Financial Officer
before the

HOUSE COMMITTEE ON FINANCE
Thursday, February 21, 2013
4:00 p.m. State Capitol, Conference Room 308
In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance.

Archinoetics supports HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the HTDC.

I support HB71 because it provides more than rented office and lab space. It provides a community of technology entrepreneurs. In this community synergies and collaboration develop that allow companies to mature and become successful. It is very hard to create this intangible quality that is so critical for many companies like ours to grow.

For many years our office was located in downtown surrounded by attorneys, accountants, and bankers. While that environment made it easy to meet with many attorneys, I believe the creative and entrepreneurial aspects of our business suffered. When our lease expired we were ecstatic that the MIC had place where we could come for a few years to recharge.

I know that I speak for many other technology companies and small businesses that are seeking a place to hone their business skills. The MIC is that place.

Thank you for the opportunity to offer testimony on this bill.

Sincerely,

Joe Cooper, CFO



Hawaii
Consortium
for Medicine
& Health

PICHTR – Pacific Guardian Tower
1440 Kapiolani Blvd, Suite 1225
Honolulu Hawaii 96814

808.943.3771 office
808.943.9582 fax

Written Statement of

Frank Fukunaga
President

Hawaii Consortium for Medicine and Health

before the

HOUSE COMMITTEE ON FINANCE

Thursday, February 21, 2013

4:00 pm

State Capitol, Conference Room 308

In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance

The Hawaii Consortium for Medicine and Health **supports** HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the HTDC.

My name is Frank Fukunaga, President of the Hawaii Consortium for Medicine and Health.

As a former Executive Director and serving in numerous staff positions with HTDC from 1989 to 2000, it has been gratifying to facilitate the successful development of early stage high technology companies that have “graduated” from the incubation programs in Honolulu and Maui.

During my tenure with HTDC, the business assistance programs such as the incubation programs, SBIR services, numerous workshops, and seminars facilitated the formation of hundreds of technology companies and new quality jobs throughout the State of Hawaii.

Without a doubt, HTDC’s incubation centers are the foundation and backbone of business creation and expansion for technology based companies in Hawaii.

From an economic development and job creation perspective, it would be a travesty to the high technology community in Hawaii if the Manoa Innovation Center’s lease would revert to the University of Hawaii.

As an economic development catalyst for high technology development in Hawaii, optimum use of the Center would be to co-locate University research and technology transfer programs with University spin-offs and early-stage high technology start-ups.

As a high technology entrepreneur, it is shameful to hear that such a successful showcase of HTDC's incubation centers and business assistance services to mitigate Hawaii's "brain drain" is on the chopping block.

Thank you for the opportunity to offer testimony on this bill.



Written Statement of

Holly Kessler
Operations Manager
Hawaii Food Manufacturers Association

before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 21, 2013
4:00 p.m. State Capitol, Conference Room 308
In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance.

Hawaii Food Manufacturers Association **SUPPORTS** HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the HTDC.

My name is Holly Kessler, Operations Manager of Hawaii Food Manufacturers Association.

I support HB71.

HTDC has helped HFMA by providing office and meeting space at the Manoa Innovation Center. Without this support, HFMA would not be able to secure market rate commercial rent office space.

HTDC is very supportive of our operations and the Manoa Innovation Center is always impeccable maintained and runs very smoothly.

Thank you for the opportunity to offer testimony on this bill.

Aloha,

A handwritten signature in cursive script that reads 'Holly Kessler'.

Holly Kessler
HFMA Operations Manager

Written Statement of

Leigh-Ann K. Miyasato
lkmiyasato@gmail.com

before the
HOUSE COMMITTEE ON FINANCE

Thursday, February 21, 2013
4:00 pm
State Capitol, Conference Room 308
In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

Chair Luke, Vice Chairs Nishimoto and Johnason, and Members of the Committee on Finance:

I **support** HB71, which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the High Technology Development Corporation (HTDC).

As Executive Director of HiBEAM, an accelerator for early stage technology companies, from 2001 to 2005, and in my subsequent work with startup entrepreneurs in Hawaii, I saw how important it was for technology entrepreneurs to have a place to gather and benefit from resources tailored to their needs. At MIC, HTDC provides this location and resources in an effective, cost-efficient way. HTDC has nurtured many successful technology companies at MIC, including Henk Rogers's Blue Planet Software, Darren Kimura's Sopogy, and Don van Deventer's Kamakura Corporation. In addition, MIC provides space, resources, and networking to companies that are commercializing UH technology, such as Adama Materials. It would be counterproductive for UH to evict HTDC when there is no better or more convenient location for UH technologies to be developed into viable businesses that have the potential to provide excellent financial returns to UH.

Thank you for the opportunity to offer testimony on this bill.

Sincerely yours,

Leigh-Ann K. Miyasato

Written Statement of

Daniel Leuck
CEO
Ikayzo, inc.

before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 21, 2013
4:00 p.m. State Capitol, Conference Room 308
In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance.

Chair Choy, Vice Chair Ichiyama, and Members of the Committee on Higher Education.

Ikayzo, inc. strongly **supports** HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the HTDC.

Our company benefited greatly from incubation at the Manoa Innovation Center. We started as a family venture of two and now employ over twenty employees and contractors across the state servicing customers such as Sony, Oracle, the Federal Government and numerous large financial institutions. Last year we graduated into a commercial space in Kaka'ako.

Our first customer was a fellow MIC company and we have worked in varying capacities with numerous other tenant companies including Pukoa Scientific, Concentris, Island Pacific Energy, Kuehne AgroSystems, Undeclared Games and Sprout. In some cases they were providing us with advice on research grants. In others we were providing them with creative and technical services. Having all these great companies in proximity has been invaluable.

Ikayzo has collaborated with HTDC and fellow MIC companies on many community efforts including TechHui.com. HTDC CEO Yuka Nagashima and her staff have been invaluable resources during our journey. We sincerely hope HTDC will continue to operate the Manoa Innovation Center and receive the funding necessary to continue their work. This is a uniquely inspiring place. It wouldn't be the same in some nondescript block of office spaces.

Aloha,



Daniel Leuck
CEO, Ikayzo



isisHawaii

the power of one plus one... P.O. Box 161296, Honolulu, Hawai'i 96816 • www.isishawaii.org

Written Statement of

Lynn Fujioka
President
isisHawaii

before the

HOUSE COMMITTEE ON FINANCE

Thursday, February 21, 2013

4:00 p.m. State Capitol, Conference Room 308

In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance.

isisHawaii **SUPPORTS** HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the HTDC.

My name is Lynn Fujioka, President/Founder of isisHawaii, a not-for-profit company that connects local industry with Hawaii educators to co-develop engaging and relevant 21st century learning activities.

Thank you for the opportunity to testify in support of HB71. As a current tenant, isisHawaii has benefitted from the location and amenities of the Manoa Innovation Center (MIC). Many of our industry partners are also tenants at MIC as well as at the adjacent University of Hawaii at Manoa campus, providing significant savings in time and transportation costs.

As a virtual tenant, MIC provides small businesses with an opportunity to build capacity without debilitating overhead costs. I can truly testify that HTDC's program has contributed significantly to isisHawaii's growth and sustainability.

I am in full support of HB71. Thank you for the opportunity to testify on this important bill.

Thank you for the opportunity to offer testimony on this bill.



Written Statement of
BRIAN M. DOTE

Founder

Tapiki LLC

Co-Founder

Menuie, LLC., Viimodo LLC.

before the

HOUSE COMMITTEE ON FINANCE

Thursday, February 21, 2013
4:00 pm State Capitol, Conference Room 308
In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance.

Tapiki LLC **SUPPORTS** HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the HTDC.

My name is Brian M. Dote, and I am a tech co-founder of multiple Hawaii based technology companies. I moved away to Silicon Valley to chase my dotcom dreams having had the opportunity to work at large tech companies in the Bay Area including Cisco Systems and Apple, Inc. I worked on the iPhone, iTunes, what is now iCloud, and many other innovative technologies while at Apple, leading to 3 patents and 1 patent pending.

After moving back to Hawaii I have tried to bring what I've learned and experienced in Silicon Valley to our home here in the Islands. Starting tech companies out in the middle of the Pacific isn't easy. We are faced with many challenges and that is why I am submitting testimony in support of HB71.

All of my companies are based out of the Manoa Innovation Center (MIC). It is the ground zero of the tech community here. Losing the MIC is akin to losing Hollywood for the movie industry, or losing Silicon Valley for the tech industry. The critical mass of high tech companies that have formed a community here is second to none in the islands.

In addition to being the heart of the tech community, the MIC is invaluable to small business owners like myself. Offering affordable and flexible lease rates, access to programs, training, mentoring, and insanely fast internet, we could not stay in business without it. In fact, we wouldn't have started some of businesses if the MIC and HTDC were not around to help us get off the ground.

It's called the Manoa Innovation Center for a reason. Innovation is happening there each and every day. Thank you for the opportunity to submit testimony on this bill.

Hawaii Venture Capital Association
805 Kainui Dr.
Kailua, HI 96734
808-225-3579

Date: February 20, 2013

To: HOUSE COMMITTEE ON FINANCE

Regarding: HB 71 RELATING TO HIGH TECHNOLOGY, scheduled hearing is for tomorrow, February 21th at 4:00 PM

Dear Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance

The Hawaii Venture Capital Association **strongly supports** HB71 that requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the High Technology Development Corporation.

My name is Bill Spencer and I have been the President of the Hawaii Venture Capital Association since 1999 and a board member since 1995.

I have seen the great value that the HTDC has provided to entrepreneurs and others in the state through their excellent efforts and programs housed at the Manoa Innovation Center. Governor Ariyoshi had an important vision for Hawaii based on his understanding for the critical need to diversify our economy with a strong tech center. The Manoa Innovation Center and HTDC were seen as critical building blocks toward achieving this vision. The need still exists today and continues to benefit the high tech entrepreneurial eco-system with great programs, training, education, and below market space that helps start-up companies go from research and development to commercialization.

I encourage this committee to pass HB71 and keep this important facility and its managing institution HTDC in place.

Thank you for the opportunity to offer testimony on this bill.

Sincerely,

Bill Spencer
President
Hawaii Venture Capital Association

Written Statement of

Yukiyo Tetsumura
Managing Director
Ohana Investment Works LLC

before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 21, 2013
4:00 p.m. State Capitol, Conference Room 308
In consideration of

HB 71 RELATING TO HIGH TECHNOLOGY.

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee on Finance.

Ohana Investment Works LLC **supports** HB71 which requires the University of Hawaii (UH) to extend the current land lease for the Manoa Innovation Center (MIC) to the HTDC.

My name is Yukiyo Tetsumura of Ohana Investment Works LLC

We are a virtual tenant of HTDC since 2010. HTDC has supported us not only as a tenant but also by seminars, workshops and various consultations.

The virtual office service is very favorable to those who are just starting a business. HTDC offers reasonable rent, and the office space has just upgraded.

As we have shared desks in the space, we can also meet with other startups and it is easy to be able to collaborate as other tenants are those in innovation or technology.

Our business is focusing on renewable energy technology. HTDC has been the best place to be a tenant, as they have University of Hawaii office, HREDV, SBDC and some companies in same industry, it helps us meet and chat with them as we are located in the same building, HTDC.

If HTDC is unable to extend the lease and is required to move to another place, most of the small business including us will face serious problems. The cost of the move will be painful and also the loss of this great building community will be the most painful for all of the tenants.

So We do highly "SUPPORT" HB71.

Thank you for the opportunity to offer testimony on this bill.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**By Richard M. Rosenblum
President and CEO; Hawaiian Electric Co., Inc.
Second Vice Chair, Board of Directors, High Technology Development Corporation**

**Thursday, February 21, 2013
4:00 pm, Agenda #3
State Capitol, Conference Room 308**

HOUSE BILL 71 RELATING TO HIGH TECHNOLOGY

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

My Name is Richard M. Rosenblum. I am the President and CEO of the Hawaiian Electric Company, Inc., and I am honored to serve on the Board of Directors of the High Technology Development Corporation (HTDC).

I am testifying in support of HB 71 which requires the University of Hawaii to extend the current land lease for the Manoa Innovation Center to the HTDC.

The HDTC provides an array of client services, facilities, and equipment for new and early stage technology companies. It also provides services such as business and technology workshops, business reviews by trained management consultants, online tech and business resources, subscription to electronic newsletters and much more.

The HDTC manages the incubation facility at the Manoa Innovation Center and revenues generated through the programs provide funding for a large part of the HDTC operation. The location of the facility is also highly desirable for its proximity to university faculty and students.

I therefore respectfully request your favorable consideration of this bill.

Thank you for the opportunity to testify on this measure.

February 20, 2013

To: The Honorable Sylvia Luke, Chair
The Honorable Scott Nishimoto, Vice Chair
The Honorable Aaron Ling Johanson, Vice Chair
Members of the House Committee on Finance

Re: HB71, requiring the University of Hawaii to extend the current land lease with the HTDC: **Support**
Hearing date: Thursday, February 21, 2013
Hearing time: 4:00 P.M.
Conference Room 308

Aloha Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

For nearly 20 years I have participated in, founded, and invested in high-tech startups in both Silicon Valley and Honolulu. I am no stranger to innovation - last year Sprout, a Manoa Innovation Center-based company I co-founded, was acquired by InMobi, a global mobile advertising company that was recently named one of the top 50 disruptive companies in the world by MIT Technology Review. I am currently InMobi's Chief Designer.

I began working at the Manoa Innovation Center in 1993 as a student at Honolulu Community College, where I built Hawai'i's first Web site. When I came back here after five years in Silicon Valley to start a company, the Manoa Innovation Center was my number one choice of location and would still be today.

Why? It offers proximity to a variety of other startups, stores, and 24-hour services in a combination that is unparalleled by any other area on Oahu. It's located in a walkable, beautiful, inspiring, and quiet area that is close enough to H1 to host convenient business meetings and seminars with others across the island. It has fast and easy access to the university campus - from which one can recruit, hire, and train interns as well as new employees. There is simply no other existing or planned office complex, technology park, or business accelerator in the state with this mix of attributes.

I've seen firsthand how a handful of people can grow Internet-based companies that in time become major economic drivers. But this can only be done in environments that foster creativity, collaboration, and very hard work, which is exactly what the Manoa Innovation Center was built for. We cannot afford to lose a place with so much potential. I strongly support HB71.

Thank you for your consideration,

Kevin Hughes
Chief Designer, InMobi
2002 University of Hawai'i Distinguished Alumni

February 20, 2013

Ryan Kawailani Ozawa
95-595 Kanamee St., #326
Mililani, HI 96789-1431
(808) 372-3372

Dear Rep. Sylvia Luke, Chair, Rep. Scott Nishimoto, Vice Chair,
and Honorable Members of the House Committee on Finance:

I am writing to express my support of House Bill 71, relating to
high technology.

As a lifelong geek and long-time supporter of the Hawaii tech
community, I've closely watched the history of the Manoa
Innovation Center, and have been fortunate to work and meet
with many of its tenants over the last two decades. Indeed,
through its history, MIC has seen both the spectacular highs and
frustrating lows of the broader tech industry.

I respectfully submit that the MIC is today more relevant than it
has ever been to Hawaii. The center's mission and efforts are in
line with the state's near universal goals of economic
diversification, transitioning from service to knowledge-based
industries, fostering local innovation, and the retention of
home-grown talent.

Coupled with long-overdue and hard-won efforts in related
areas, from launching startup accelerators to encouraging a
wider range of investment opportunities in Hawaii-based
technology and research, the MIC clearly plays an important role
in the vital and diverse ecosystem that's needed to move Hawaii
ahead in the 21st century.

The HTDC and MIC have only just scratched the surface of what
they can do. Please ensure they can keep the momentum going
beyond April 2015.

Mahalo,

Ryan