
A BILL FOR AN ACT

RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The high technology development corporation is
2 a key state agency in developing and supporting the
3 manufacturing industry in the State. In 2015, the legislature
4 established a manufacturing grant program within the
5 corporation. The legislature finds that continuation of the
6 program is important in supporting this industry.

7 SECTION 2. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$1,000,000 or so much
9 thereof as may be necessary for fiscal year 2016-2017 for the
10 manufacturing grant program including operational expenses.

11 The sum appropriated shall be expended by the high
12 technology development corporation for the purposes of this Act.

13 SECTION 3. This Act shall take effect on July 1, 2016.

14

INTRODUCED BY: _____

[Handwritten signatures and initials over the line]



H.B. NO. 2262

Report Title:

Relating to High Technology Development Corporation;
Manufacturing Grant Program; Appropriation

Description:

Appropriates funds for the continuation of the manufacturing grant program, within High Technology Development Corporation.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
House Committee on Economic Development & Business
Tuesday, February 2, 2016
9:00 a.m.
State Capitol, Conference Room 312

In consideration of
HB2262
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Kawakami, Vice Chair Kong, and Members of the Committee on Economic Development and Business.

The High Technology Development Corporation (HTDC) **supports** HB2262 that makes an appropriation for the continuation of the manufacturing grant program within the High Technology Development Corporation.

In 2015, the legislature appropriated \$2 million to establish a manufacturing grant program. HTDC has prepared the rules for the grant program, completed all of the steps required by Administrative Directive 09-01 including conducting a public hearing, and awaiting Governor's final approval to adopt the rules and implement the program.

Because the due process for rule adoption takes time and the appropriated funds lapse at the end of the fiscal year, HTDC has been proactive in marketing the new grant program concurrent with the rule adoption process. HTDC has recruited industry, trade, and public partners to assist in marketing the program and has conducted outreach workshops in Honolulu, Hilo, Kona, Kihei, and Lihue. Interest in the program has been very high with over \$1.5 million of grant applications expected as soon as the program opens from the businesses HTDC hosted at the workshops. The program limits reimbursement to 20% of qualified expenses capped at \$100,000, therefore, companies will be investing over \$7.5 million of their own money toward growing their businesses. While some companies may not qualify, there will likely be a greater number of applicants not accounted for yet. HTDC believes this program provides leverage and positive economic development value for the State.

Thank you for the opportunity to offer these comments.



Chamber of Commerce HAWAII

The Voice of Business

Testimony to the House Committee on Economic Development & Business Tuesday, February 2, 2016 at 9:00 A.M. Conference Room 312, State Capitol

RE: HOUSE BILL 2262 RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 2262, which appropriates funds for the continuation of the manufacturing grant program within the High Technology Development Corporation.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 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.

The Chamber supports this bill as part of its economic development package. There are approximately 1,000 active manufacturers in the state that employ almost 17,000 people at an average compensation rate of \$42,896 or over \$6,000 more than the average private non-farm employee. Manufacturers helped Hawaii's economy by contributing nearly \$570 million in manufactured goods exported in 2012.

The bill extends the manufacturing grant program, which has become a positive resource to aid companies with their investments for manufacturing equipment, training of their employees on newly purchased equipment, energy efficiency, and feasibility studies. We believe that the continuation of this program will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export. There is movement to begin to manufacture more back in the U.S. At the same time, Hawaii still has some competitive disadvantages. This bill will help companies in Hawaii to start or grow their operations.

According to the National Association of Manufacturers, every new manufacturing job created adds another 1.6 jobs to the local service economy, and for every dollar in manufacturing sales, another \$1.34 is added to the economy. Investments in manufacturing have a stronger impact than investments in most other economic sectors.

The Chamber is committed to working together with others in the business and innovation community to grow Hawaii's manufacturing sector and the economy.

Thank you for the opportunity to testify.



KYD, Inc. dba k. yamada distributors

An independent leader in packaging and wholesale distribution

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HB 2262, Relating to The High Technology Development Corporation
House EDB Committee – Tuesday, February 2, 2016

9:00 am - Room 312

Written Testimony by: Dexter Yamada

Position: Support

LATE

Chair Kawakami and Members of the House EDB Committee:

I am Dexter Yamada, President of KYD, Inc. dba: K. Yamada Distributors. KYD, Inc. is a local family run business that originated in the 1940's as a florist and florist supply distributor, and in 1958, evolved into a packaging company. Today, KYD, Inc and its sister company, Hawaii Foam Products, LLC, employ about 90 to 100 employees and contribute to Hawaii's economy through taxes and payroll. Our companies manufacture packaging materials such as food-grade EPS (Expanded Polystyrene) food containers, and distribute a variety of supplies, to include compostable containers, for food processors, food establishments, supermarkets, hotels hospitals and other institutions.

We appreciate this measure that continues to support Hawaii's manufacturing industry. Locally manufactured products contribute to import replacement, and help with local job creation.

Thank you for the opportunity to testify.



WILL CALL, G&A, AND WAREHOUSE OFFICES: 2949 Koapaka Street, Honolulu, Hawaii 96819-1923 Phone: (808) 836-3221 Fax: (808) 833-8995