



Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
House Committee on Finance
Wednesday, March 30, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
SB3109 SD1 HD1
RELATING TO MANUFACTURING.

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

The High Technology Development Corporation (HTDC) **supports** SB3109 SD1 HD1 that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016 and makes a new appropriation for 2016-2017.

In 2015, the legislature appropriated \$2 million to establish a manufacturing grant program. HTDC prepared the rules for the grant program, completed all of the steps required by Administrative Directive 09-01 including conducting a public hearing, and in late February 2016 received Governor's approval to adopt the rules and implement the program.

Because the due process for rule adoption has taken 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 30 applicants requesting \$1.5 million for over \$12 million investment 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. The extension to the lapse date will allow the program to continue and anticipates that next year there would likely be greater demand for additional funding as more companies become aware of this opportunity.

Thank you for the opportunity to offer these comments.



Executive Officers:
Derek Kurisu, KTA Superstores - Chairperson
John Erickson, Young's Market Company – Vice Chair
Bob Stout, Times Supermarkets – Secretary/Treasurer
Lauren Zirbel, Executive Director

1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

TO: COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: Wednesday, March 30, 2016
TIME: 3:00 p.m.
PLACE: Conference Room 308

RE: SB3109, SD1, H1

Position: Support

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

This bill's proposed extension of the manufacturing grant program will complement existing efforts in building and diversifying our economy; keeping more dollars in Hawaii; decreasing our dependence on imports; and growing and strengthening the Made in Hawaii brand.

Research has shown that a diversified economy and a business friendly tax climate are key factors in keeping unemployment low. This bill allows manufacturers in our state to continue to grow their businesses and also incentivizes production in Hawaii. This means more jobs and a stronger economy for the entire state.

Increasing manufacturing will also mean we are less reliant on imported goods. Hawaii currently imports over 90% of the products used in the state. This reliance leaves us vulnerable to potential supply chain interruptions, adds shipping cost to almost every product and sends millions of dollars per year out of the state- millions of dollars that could be spent and reinvested here. Importing less and manufacturing more could have a wide reaching positive impact on everyone- from manufacturers to consumers.

This bill will also open the door for more products to earn the proud distinction of being "Made in Hawaii." Hawaii made products have a worldwide reputation for quality and excellence and

are in demand both within the state and abroad. Extending the grant program will help our manufacturing industry meet that demand while concurrently growing and expanding our economy.

For these reasons we ask that you please vote yes on this measure.

Thank you for the opportunity to testify.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Wednesday, March 30, 2016 at 3:00 P.M.
Conference Room 308, State Capitol**

RE: SENATE BILL 3109 SD1 HD1 RELATING TO MANUFACTURING

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 3109 SD1 HD1, which requires that the fiscal year 2015-2016 appropriation to HTDC for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016. Appropriates funds for the manufacturing development program for the 2016-2017 fiscal year.

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 is a wealth of potential in Hawaii's manufacturing industry, which has 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.

We appreciate the intent to extend the manufacturing grant program and ask that the appropriation language from the House version be included as well. This program has become a positive resource to aid companies with their investments for manufacturing equipment, training of their employees on newly purchased equipment, energy efficiency, and feasibility studies. We believe that the continuation of this program will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export. 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.



Chamber *of* Commerce HAWAII
The Voice of Business

Thank you for the opportunity to testify.



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

Before the
HOUSE COMMITTEE ON FINANCE
March 29, 2016
3:00 PM
State Capitol, Conference Room 308
In Support of
**SB3109 REALTING TO THE HIGH TECHNOLOGY
DEVELOPMENT CORPORATION**

To: Chair Representative Sylvia Luke, Vice Chair Representative Scott Y. Nishimoto,
and Members of the Committee

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

Re: Testimony in Support of HB2262

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **IN SUPPORT of SB3109.**

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 SB3109.**



KYD, Inc. dba k. yamada distributors
An independent leader in packaging and wholesale distribution

P.O. BOX 29669, Honolulu, Hawaii 96820 Phone: (808) 836-3221 Fax: (808) 833-8995

SB 3109sd1, hd1, Relating to Manufacturing
Hse FIN Committee Hearing
Wednesday, March 30, 2016
3:00 pm - Room 308
Written Testimony by: Dexter Yamada
Position: Support

Chair Luke and Members of the Hse FIN 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 by extending the lapse date of the 2015 Session grant funding, and for consideration of additional funds for FY 2016-2017. This measure acknowledges that local manufacturers make finished products in Hawaii, provide employment and contribute to the State's economy.

Your support is appreciated. Thank you for the opportunity to testify.





Statement of
O Ka Aina Fuel, LLC
before the
House Committee on Finance
Wednesday, March 30, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
SB3109 SD1 HD1
RELATING TO MANUFACTURING.

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

O Ka Aina Fuel, LLC **strongly supports** SB3109 SD1 HD1 that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016 and makes a new appropriation for 2016-2017.

After 4 Years of successful development and lab tests with Zalco Laboratories, O Ka Aina Fuel, LLC created the world's first portable, scalable and sustainable waste to fuel conversion device. Our first prototype machine is capable of producing up to 2,000 gallons per day of true petroleum hydrocarbon fuel. The patented proprietary system is flameless, emissions free, environmentally-friendly and safe waste reduction and conversion to renewable fuels capability. This grant is very helpful to a young company such as ours, helping us provide the needed capital to make our vision a reality. Please keep the grant in place to support local business grow to their full potential in Hawaii, the state in which we all live comfortably.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.



40 Hobron Avenue
Kahului, Hawaii 96732
(808) 877-3144
Fax (808) 877-5030
www.biodiesel.com

March 29, 2016

Testimony on Senate Bill 3109, SD1 HD1 Relating to Manufacturing SUPPORT

Committee on Finance
Representative Sylvia Luke, Chair
Representative Scott Nishimoto, Vice Chair
Hearing March 30, 2016 at 3:00 p.m., Conference Room 308

Dear Chair Luke, Vice Chair Nishimoto and Committee Members,

Pacific Biodiesel Technologies strongly supports SB 3109, SD1 HD1 which designates funding for the High Technology Development Corporation's manufacturing development program that otherwise would lapse at the end of fiscal year 2016. It is crucial to continue the funding at least through 2017 to support local jobs and a healthy economy.

Pacific Biodiesel employs about 70 people in a wide range of positions from chemists to engineers, office and sales personnel to biodiesel facility operators and farmers, as well as numerous outside consultants, trucking and shipping operations. Employment represents over \$3 million in wages paid in 2015 and continued operations generate over \$20 million in revenue in the State of Hawaii every year. When biodiesel is produced at Pacific Biodiesel in Hawaii, over 85% of the money stays in the Hawaii economy, and 98% of the money stays in the US economy. This is truly an economic boost as opposed to the economic drain of foreign petroleum.

It is the goal of all those connected with Pacific Biodiesel to continue with our mission to promote a clean, sustainable energy future through the community-based production of renewable fuels. As the only local biofuels manufacturer in Hawaii, we know how difficult it is to do business in our state, with the burden of high taxes, costly interisland travel and freight expenses for equipment and supplies from the mainland. The manufacturing grant is just coming on line and needs your support to give HTDC a full year to show success. This will allow HTDC to assess the current rules and amend them to be more effective, such as possibly decreasing the cost share to lend greater support for struggling manufacturers to upgrade, expand and increase their operations to meet the needs of the 21st century customer base.

We ask you to please pass SB3109, SD1 HD1, to support the continued efforts of manufacturers throughout the State of Hawaii.

Mahalo,

A handwritten signature in black ink that reads "Kelly T. King".

Kelly Takaya King
Vice President
ktk@biodiesel.com



HYPERPECTIVE
INSPIRE BELIEF

Statement of:
Todd J. Robertson
Hyperspective
Before the
House Committee on Finance
Wednesday, March 30, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of

SB3109 SD1 HD1

RELATING TO MANUFACTURING.

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

Hyperspective **strongly supports SB3109 SD1 HD1** that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016 and makes a new appropriation for 2016-2017.

Hyperspective is a digital creative agency, focused on developing cutting edge communications, media and products within the State of Hawaii for global export. Hyperspective and companies like ours benefit from having a thriving manufacturing industry directly through opportunities to manufacture new products for our customers, and also by creating ancillary business opportunities through a thriving economic ecosystem. Not only does this program pose a huge potential to grow the economy, but also helps to build an ecosystem of companies that attract large-scale business, talent and investments to Hawaii.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers, and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.



Meadow Gold Dairies



SB 3109hd1, Relating to Manufacturing
House FIN Committee
Wednesday, March 30, 2016
3:00 pm, Room 308
Written Testimony By: Glenn Muranaka

Position: Support

Chair Luke and Members of the House FIN Committee:

My name is Glenn Muranaka, President and General Manager of Meadow Gold Dairies. Our company has been in Hawaii since 1897—119 years, providing Hawaii consumers with a variety of milk products and juices. Meadow Gold's long history has not come without effort. We continually adapt to our customers' and consumers' ever-changing needs, and we constantly evolve along with our industry, our community and our market. Over the years, this has required that we struggle, tighten our belts, innovate and work extremely hard, making us a better company in the process. The foundation of this work rests with the 330 employees that are committed to providing superior quality products.

Manufacturers in Hawaii have certain challenges that are the result of being an island-State. Nonetheless, there are approximately 1000 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 continuation of funding by extending the lapse date of funds appropriated in the 2015 Session and consideration of additional funding in FY 2016-2017 is very much appreciated. The manufacturing grant program will contribute to the growth and stability of local manufacturers.

Your support of this measure is appreciated. Thank you for the opportunity to submit testimony.

HAWAII FISH COMPANY

Since 1978

P. O. Box 740
Waialua, HI 96791, USA
Contact: 808-429-3147
E-mail: hawaiiifish@gmail.com

City Bank TIGR Award
US SBA Tibbitts Award
US SBA Small Business Award
Special Congressional Recognition

THE HOUSE
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair
Rep. Scott Y. Nishimoto, Vice Chair

DATE: Wednesday, March 30, 2016
TIME: 3:00 P.M.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

RE: SB 3109, SD1, HD1 RELATING TO MANUFACTURING

Aloha Chair Luke, Vice Chair Nishimoto, and Committee Members:

Hawaii Fish Company (HFC) strongly supports SB 3109, SD1, HD1.

SB 3109, SD1, HD1 provides important continuing support for Hawaii's manufacturing sector to help offset Hawaii's high level of imported manufactured goods, and the high costs of upgrading or planning and starting a manufacturing project in Hawaii. With increasing public demand and Federal and State regulations, oversight, and enforcement of food safety, there is increased need and market opportunities for aquaculture farms such as HFC to process and manufacture value-added products for sale to local, domestic, and export markets. The HTDC manufacturing grant program will assist Hawaii companies in designing and developing increased local manufacturing capacity to produce innovative, Hawaii-grown, food safe, seafood goods for these new markets, resulting in increased local employment opportunities, production, sales revenue, and taxes.

Mahalo for your support of SB 3109, SD1, HD1.

Sincerely,

Ron and Estralita Weidenbach, HFC Co-Owners



MAUI BREWING CO.

March 29, 2016

House Committee on Finance

Wednesday, March 30, 2016, 3:00 p.m.

State Capitol, Conference Room 308

Re: **Strong Support** SB3109 SD1 HD1 RELATING TO MANUFACTURING.

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

Maui Brewing Co. **strongly supports** SB3109 SD1 HD1 that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016 and makes a new appropriation for 2016-2017.

This program will be important to Hawaii's diversified economic future. We've seen a huge exodus of manufacturing jobs over the last 10+ years and this has left us focused in only military and service industry jobs. Our economy needs the support to diversify and rebuild a strong manufacturing base in order to secure a strong financial foundation for our State.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.

Sincerely,

Garrett W. Marrero
808.213.3002 x101
Garrett@MauiBrewing.com

HAWAII COFFEE COMPANY™

1555 Kalani Street
Honolulu, Hawaii 96817
Ph: 808-847-3600
Fax: 808-847-7900
www.hicoffeeco.com



Written Testimony of
Daniel Dinell
President, Hawaii Coffee Company

before the
House Committee on Finance
Wednesday, March 30, 2016; 3:00 p.m.
State Capitol, Conference Room 308

RE: SB3109 SD1 HD1 "RELATING TO MANUFACTURING."

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

Hawaii Coffee Company **supports** SB3109 HD1 that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation (HTDC) for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016. It further appropriates funds for the manufacturing development program for the 2016-2017 fiscal year.

Hawaii Coffee Company has been in the coffee roasting business since 2000 and today is the world's largest roaster of Kona Coffee. Our 100 plus employees at our plant in Kalihi and other locations around the state earn a livelihood milling, roasting, packing, distributing, and retailing coffee. We have a major retail presence throughout Hawaii, are a leading provider of coffee to Hawaii hotels and restaurants and export our products around the globe.

One of the most surprising things I've learned since assuming the role leading this company in June 2015 is the terrific support provided through the Legislature of state government entities such as HTDC, DOA and DBEDT to back Hawaii businesses. This kind of grant program is important to leverage dollars by encouraging investment and growth, especially export-oriented, to further strengthen and diversify Hawaii's economy. We believe the Return on Investment makes this initiative very worthy of your support.

Mahalo for your consideration.



Sharing Heartwarming Aloha since 1921

Finance Committee Members, SB3109 SD1 HD1

Hawaii State Capitol

415 South Beretania Street, Room 308

Honolulu, HI 96813

Dear Honorable Representatives of the House Finance Committee,

I would like to submit testimony in support of SB3109 SD1 HD1 regarding continuation of the Manufacturing Assistance Program established by the Legislature in 2015.

This program represents a simple, but critical and direct program in support of our competitively challenged manufacturing industry in the State of Hawaii. I very much appreciate that the Legislature has determined that participating in the investment of equipment, related training, energy efficiency projects, and manufacturing feasibility studies with local manufacturers is a key Legislative initiative in support of the economic vitality of our State.

As the application process of the 2015 program is in process, if we are fortunate enough to be awarded a reimbursement, and if this program were to continue in 2016, Diamond Bakery would be able to invest in critical equipment upgrades that would allow us to increase efficiency and product quality. These investments would further allow us greater production capability to innovate for revenue, market share, and profit growth, thereby creating the opportunity for job growth and further contribution to our local economy.

Please move SB3109 SD1 HD1 forward and support its passage and continuation of the Manufacturing Assistance Program into 2016. On behalf of our Board of Directors and our employees, Diamond Bakery truly appreciates your support of our Company and of our local manufacturing industry. Mahalo nui loa!

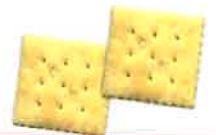
Yours Truly,

A handwritten signature in black ink that reads "Gary T. Yoshioka".

Gary T. Yoshioka

President, Diamond Bakery Co., Ltd.

P.O. Box 17760 • 756 Moowaa Street • Honolulu, HI 96817
Phone 808.847.3551 • Fax 808.847.7482 • www.diamondbakery.com



Hawaii's largest Baker of Crackers and Cookies

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 29, 2016 12:24 PM
To: FINTestimony
Cc: morris@kobakery.com
Subject: Submitted testimony for SB3109 on Mar 30, 2016 15:00PM

SB3109

Submitted on: 3/29/2016

Testimony for FIN on Mar 30, 2016 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
S. Morris Wise	Ko Bakery	Support	No

Comments: I strongly support SB3109 in manufacturing sector grant funding. It is because of these funds that we were able to and had incentive to upgrade our production equipment to higher capacity equipment that will enable us to more than double our Gross Sales. Not only will it help us to grow, it will enable us to be efficient, see more profit and in turn hire more workers. This is a win/win for jobs and GDP in Hawaii.

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

Statement of
David Y. Morikawa
Vice President - Operations
Aloha Shoyu Company, Ltd.
before the
House Committee on Finance
Wednesday, March 30, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
SB3109 SD1 HD1
RELATING TO MANUFACTURING.

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

The **Aloha Shoyu Company, Ltd.** supports SB3109 SD1 HD1 that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016 and makes a new appropriation for 2016-2017.

We look to your committee for favorable consideration of this bill and also our utilization of the grant program to supplement our efforts in modernizing our plant to remain current with changes occurring in the industry. The grant will assist our efforts to improve efficiency as we look forward to expanding our growth into new markets with diversified products made in Hawaii.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.

Statement of
Elden Ito
President
RevaComm, Inc.
before the
House Committee on Finance
Wednesday, March 30, 2016
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
SB3109 SD1 HD1
RELATING TO MANUFACTURING.

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

ReavComm **strongly supports** SB3109 SD1 HD1 that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016 and makes a new appropriation for 2016-2017.

RevaComm is a locally owned web and software consulting and development services company founded in 1990. We recently received our 8(a) certification from the Federal Government and are aggressively investing in growing this market. We are planning to increase efforts to leverage Small Business Innovation Research (SBIR) grants to develop software solutions that have commercial market potential. We are currently at 20 employees and are on track to grow by 50% in 2016 to 30 employees. HTDC's manufacturing development program (Innovate Hawaii) will provide critical business infrastructure resources, business process improvement and connectivity to knowledge resources during the high-risk start-up stage of any spinout company we are able to produce.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.



ALOHA EDIBLES INC
94-334 UKEE STREET
WAIPAHU, HI 96797

March 29, 2016

Statement of
Carri Loui
Sales Manager
Aloha Edibles Inc
before the
House Committee on Finance
Wednesday, March 30, 2016
3:00 p.m.

State Capitol, Conference Room 308

In consideration of
SB3109 SD1 HD1
RELATING TO MANUFACTURING.

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

Aloha Edibles, Inc **strongly supports** SB3109 SD1 HD1 that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016 and makes a new appropriation for 2016-2017.

Aloha Edibles Inc is a small manufacturer that is looking to venture in the wholesale market of snack items. We currently are in the process of getting USDA certified which will allow us to wholesale our beef jerky chips. The grant will help us purchase equipment to

PHONE: 808-732-2292 EMAIL: ALOHAEDIBLES@GMAIL.COM

accommodate this expansion. It will also allow us to manufacture and package our newest product, a Kona Coffee Crème Brulee mix. Presently we employ one person, with our expansion we are looking to employ an additional 5 people in the first year and add on at least 3 more people each year.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.



LATE

Statement of
Duke Hartman
Vice President, Business Development
Makai Ocean Engineering, Inc.
before the
House Committee on Finance
Wednesday, March 30th, 2016 – 3:00 p.m.
State Capitol, Conference Room 308

In consideration of
SB3109-SD1 HD1
RELATING TO MANUFACTURING.

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

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS SB3109-SD1 HD1** that makes an appropriation for the continuation of the manufacturing grant program within the High Technology Development Corporation (HTDC).

Makai Ocean Engineering, Inc. has historically been an engineering services provider, but now, with the help of the State's current manufacturing assistance program, Makai is diversifying into low-volume manufacturing. Makai has been involved in marine-related engineering in Hawaii for over 40 years, and recently has been involved with the design of marine heat exchangers. Now, we are in the process of building a small manufacturing plant for marine heat exchangers on the Big Island of Hawaii, which is sustaining approximately 6 highly-skilled, high-paying 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's presence in Hawaii, and Makai already owns and operates a marine heat exchanger test facility and marine corrosion lab on the Big Island.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

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 growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.



LATE

March 29, 2016

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

RE: SB3109 SD1 HD1 RELATING TO MANUFACTURING

The Hawaii Food Manufacturers Association (HFMA) respectfully submits testimony in **SUPPORT** of SB 3109 SD1 HD1 that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016 and makes a new appropriation for 2016-2017.

HFMA is a non-profit organization that serves as a conduit for resources, tools and expertise to benefit existing and start-up companies in the state's \$900 million food manufacturing industry. Established in 1977, HFMA is the only statewide food manufacturing association in the United States, representing more than 150 member companies and industry stakeholders. HFMA advocates on behalf of the local manufacturing community and works to increase public awareness of Hawaii's unique, locally made food and beverage products.

Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012. The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

HTDC has helped HFMA through the INNOVATE Hawaii program, seminars and workshops and sponsorships and grants.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Bernie Coleman".

Bernie Coleman, President
Hawaii Food Manufacturers Association

PACIFIKOOL



LATE

A Gingery Business

Statement of
Cheryl To, Owner
Pacifikool

before the
House Committee on Finance
Wednesday, March 30, 2016
3:00 p.m.

State Capitol, Conference Room 308

In consideration of
SB3109 SD1 HD1
RELATING TO MANUFACTURING.

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

Pacifikool **strongly supports** SB3109 SD1 HD1 that requires that the fiscal year 2015-2016 appropriation to High Technology Development Corporation for the manufacturing development program shall lapse by 6/30/17 and not at the end of fiscal year 2015-2016 and makes a new appropriation for 2016-2017.

Pacifikool, established in 2004, produces ginger syrups made entirely from locally sourced ingredients. The company has 9 employees of which only one is full-time. It is a very small manufacturer generating approximately \$350,000 a year. The grant would assist in purchasing equipment that would expand the production capacity and quality of the product to pursue Mainland and export sales.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active manufacturers employing approximately 17,000 workers and Hawaii's manufacturing industry helped the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses capped at \$100,000. The program shows the State's support for local manufacturers willing to make the commitment to growing their businesses in Hawaii and growing the industry.

Thank you for the opportunity to offer these comments.