



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Wednesday, February 8, 2017
9:00a.m.
State Capitol, Conference Room 309

in consideration of
HB 521
RELATING TO BUSINESS DEVELOPMENT.

Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee on Economic Development, and Tourism.

The Department of Business, Economic Development, and Tourism (DBEDT) **supports** HB 521, which establishes the high-growth grant program and special fund in DBEDT to provide grants to qualified businesses for expansion of business operations, improving business productivity or investing in food safety or quality control programs.

DBEDT appreciates that this measure will support business by making possible grants to purchase equipment, conduct management and workforce training, improve infrastructure, and conduct consulting or feasibility studies by businesses that have been in business for at least two full years and have demonstrated the ability to export products.

We support this initiative as long as it does not replace our priorities requested in the Executive Budget. We defer to the Department of Budget and Finance for the fiscal impact of this measure on the state budget.

Thank you for the opportunity to provide this written testimony.



AMERICANS FOR DEMOCRATIC ACTION

OFFICERS

John Bickel, President
Alan Burdick, Vice President
Marsha Schweitzer, Treasurer
Karin Gill, Secretary

DIRECTORS

Guy Archer Jan Lubin
Dylan Armstrong Jenny Nomura
Gloria Borland Stephen O'Harrow
Chuck Huxel Cameron Sato

MAILING ADDRESS

P.O. Box 23404
Honolulu, Hawai'i 96823

www.adaaction.org

February 6 , 2017

TO: Honorable Chairs Nakashima and Inouye & Members of the Economic Development
 & Business and Transportation and Energy Committees
 Committee

RE: HB 521 Relating to Business Development
 Opposition for hearing on Feb. 8

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We oppose HB 521 to create a special fund to provide grants to qualified businesses for certain business development activities. We oppose this bill for two reasons. First is an issue of priorities. Why are we spending money to support business development when we don't have enough money to solve homelessness or fund our schools properly?

Second is an issue of prudence. Act 221 gave out tax credits to high-tech companies from 1999 to 2010. According to the State Auditors Office, the state lost out on over \$1 billion in tax revenue and it was unclear if the tax credits were effective. Our government has not been good at choosing winners in our economic system. Perhaps the free market better serves this purpose.

Thank you for your consideration.

Sincerely,

John Bickel
President



MAUI

CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 309
WEDNESDAY, FEBRUARY 8, 2017 AT 9:00AM**

To The Honorable Mark M. Nakashima, Chair;
The Honorable Jarrett Keohokalole, Vice Chair; and
Members of the Committee on Economic Development & Business

**TESTIMONY IN SUPPORT FOR HB 521 RELATING TO BUSINESS DEVELOPMENT
TO ESTABLISH THE HIGH-GROWTH GRANT PROGRAM**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce representing approximately 600 businesses and 16,000 employees. I am writing share our strong support of HB 521.

This bill supports a number of our key legislative priorities this year in terms of small business support, investment, and providing capital opportunities to local businesses. This bill can help businesses grow and modernize their organizations, explore new opportunities, train their workforce, address regulatory mandates like the FDA Food Safety Modernization Act and more. We strongly support this bill and support the language included that requires the organization to have been in business for at least two full years. We would like to see language added that protects the state's investment of these high-growth grants by requiring businesses to remain in Hawaii for a period of time after the grant has been executed to them. This would ensure that our local businesses stay local while receiving these funds and the benefits of the grants get cycled back into the local economy.

We appreciate the opportunity to testify on this matter and therefore ask that this bill be passed.

Mahalo for your consideration of our testimony and we hope you will move this bill forward.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

keohokalole2 - Anthony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 1:12 PM
To: edbtestimony
Cc: Wayne@EnvisionsEntertainment.com
Subject: *Submitted testimony for HB521 on Feb 8, 2017 09:00AM*

HB521

Submitted on: 2/7/2017

Testimony for EDB on Feb 8, 2017 09:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Wayne Hikiji	Envisions Entertainment	Support	No

Comments:

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



MAUI
BREWING CO

February 7, 2017

House Committee on Economic Development & Business
Wednesday, February 8th, 2017, 9am
State Capitol, Conference Room 309

Re: HB521, RELATING TO BUSINESS DEVELOPMENT

Aloha Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee on Economic Development and Business.

Maui Brewing Co. supports HB521 that establishes the "High Growth Grant Program". In fact, we would encourage the expansion of funding and grant opportunities for various businesses in order to bring manufacturing back to Hawaii. As a State, we often focus on film, military and technology but we seem to ignore supporting local manufacturing which would bring a number of skilled jobs to the islands.

Maui Brewing Co. is a small, independent craft brewery that began with just 23 on our team in 2005. We are now 355 strong and Hawaii's largest craft brewery. We did this in the face of significant challenges to growth at all levels; financial, shipping, taxation, legislative and more. We were a recipient of a portion of grant funds last year and that has allowed us to continue growth in job creation and production. We are currently investing more than 10 million dollars over the next several years to take our company off-grid and to grow our manufacturing and retail facilities. Every bit of support that we can get is critical to our success as a truly local, 100% Hawaii grown company.

We support this program and its passage would show 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
CEO/Founder

Handcrafted Ales & Lagers Brewed with Aloha
605 Lipoa Parkway, Kihei, HI 96753
808.213.3002



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Economic Development & Business
Wednesday, February 8, 2017 at 9:00 A.M.
Conference Room 309, State Capitol**

RE: HOUSE BILL HB 521 RELATING TO BUSINESS DEVELOPMENT

Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 521, which establishes the high-growth grant program and special fund to provide grants to qualified businesses for certain business development activities.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ 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 efforts to expand and diversify the economy. HB 521 would provide necessary capital to assist small businesses in expansion, improving the quality and efficiency of their operations, and to stay updated with safety and quality control programs. It is crucial that Hawaii's businesses receive support in order to grow to the next level and be able to compete globally.

Thank you for the opportunity to testify.

LATE

Statement of
Bret Larson
President
Kauai Island Brewing Company
before the
House Committee on Economic Development & Business
Wednesday, February 8, 2017
9:00 a.m.
State Capitol, Conference Room 309

In consideration of
HB521
RELATING TO BUSINESS DEVELOPMENT

Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee on Economic Development and Business.

Kauai Island Brewing Company **supports** HB521 that establishes the high-growth grant program and special fund to provide grants to qualified businesses for certain business development activities.

As an owner and manufacturer of Craft Beer in a very competitive industry, we rely heavily on expensive food grade beverage manufacturing equipment. Access to grants such as this would assist in the rapid growth of our business and provide the resources to further expand our business thereby employing additional employees who would in turn add to the overall Hawaii Tax base.

Due to the success and rapid growth of the Craft Brewing Industry in Hawaii and the demand for craft brewed beer, we have begun the efforts of expanding of our business on the west side of Kauai.

Economic Development grants such as these would allow us to more rapidly expand our business and provide greater employment opportunities on Kauai.

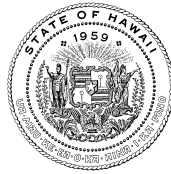
Thank you for the opportunity to offer these comments.

Sincerely,



Bret Larson, President
Kauai Island Brewing Company

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS
ON
HOUSE BILL NO. 521

LATE

February 8, 2017
9:00 a.m.
Room 309

RELATING TO BUSINESS DEVELOPMENT

House Bill No. 521 establishes the High-Growth Grant Program (HGGP) and special fund to provide grants to qualified businesses for certain business development activities and appropriates an unspecified amount of general funds for FY 18 and FY 19 to be deposited into the HGGP Special Fund.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 521, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

The Twenty-Ninth Legislature
Regular Session of 2017

THE HOUSE
Committee on Economic Development & Business
Representative Mark M. Nakashima, Chair
Representative Jerret Keohokalole, Vice Chair
State Capitol, Conference Room 309
Wednesday, February 8, 2017; 9:00 a.m.

STATEMENT OF THE ILWU LOCAL 142 ON H.B. 521
RELATING TO BUSINESS DEVELOPMENT

The ILWU Local 142 supports H.B. 521, which establishes the high growth grant program and special fund to provide grants to qualified businesses for certain business development activities, and includes an appropriation.

H.B. 521 provides for a high growth grant program that will provide grants to high growth businesses, which will allow them to expand business operations, improve business productivity, or invest in food safety or quality control programs. The allowable uses for these grant funding will include, equipment purchases, management and workforce training, infrastructure improvements, and consulting or feasibility studies.

Those businesses that would be eligible for these high growth grants would have to have been in business for at least two years and have demonstrated the ability to export products. Additional safeguards included in H.B. 521 would include that the grant be no greater than forty per cent of the amount that is privately invested in a business, that is attempting to expand its operations, improve business productivity, and invest in food safety or quality control programs or a combination of these three purposes. The bill also ensures that no grant shall be greater than \$400,000 for any specific qualified business.

The ILWU supports the concept that potential existing agricultural businesses could qualify for this high growth grant program, thereby keeping additional land in agriculture production, which could assist a number of neighbor island as well as Oahu businesses that are interested in capitalization of their existing operations to improve their business productivity.

This bill creates a high growth grant program special fund, and provides for an appropriation to be placed into the special fund, with a proviso that “no more than \$100,000 may be used to administer the program in any fiscal year”. The high growth grant program should be implemented when the economy is improving, rather than during a downturn. Therefore, the current timing is good, while we’re facing near record low unemployment rates and while our jobs in the workforce numbers are approaching record highs.

The ILWU urges passage of H.B. 521. Thank you for the opportunity to share our views on this matter.

