

**HB-1961**

Submitted on: 1/23/2018 4:13:42 PM

Testimony for EDB on 1/26/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lauren Zirbel		Support	No

Comments:

Written Statement of  
**Chenoa Farnsworth**  
Managing Partner  
Blue Startups  
before the  
**House Committee on Economic Development & Business**  
Friday, January 26, 2018  
10:00 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB1961**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

Blue Startups **supports** HB1961 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

Blue Startups is the only accelerator in Hawaii focused on early stage scalable technology companies. We are creating companies that provide our young people with opportunities to work in the careers of the future: computer coding, software development, mobile applications, and internet services. Since our founding in 2013 we have provided 68 companies with startup capital and an intensive 14-week mentorship program. Our companies have gone on to raise over \$75 million in venture capital funding and employ over 250 individuals. Blue Startups was recognized in 2016 as one of the Top 20 Accelerators in the United States.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawaii based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawaii based accelerators also strengthen the entrepreneurial network between Hawaii and the rest of the world.

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  
Friday, January 26, 2018 at 10:00 A.M.  
Conference Room 309, State Capitol**

**RE: HOUSE BILL 1961 RELATING TO THE HAWAII TECHNOLOGY  
DEVELOPMENT CORPORATION**

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

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 1961, which provides an appropriation to support the continuation of business accelerator programs.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

As Hawaii transitions to an innovation economy, supporting innovation and entrepreneurship through business accelerators is critical to growing and diversifying the State's economy. Business accelerators play a crucial role in the growth of early-stage technology companies by providing business guidance and seed stage funding while increasing entrepreneurial activity across the State. The Chamber emphatically believes that the continuation of accelerator programs is important to innovation in Hawaii.

Thank you for the opportunity to testify.



Written Statement of  
**Robbie Melton**  
Executive Director & CEO  
Hawaii Technology Development Corporation  
before the  
**House Committee on Economic Development & Business**  
Friday, January 26, 2018  
10:00 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB1961**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

The Hawaii Technology Development Corporation (HTDC) **supports** HB1961 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at promoting technology and innovation jobs.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawaii based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawaii based accelerators also strengthen the entrepreneurial network between Hawaii and the rest of the world.

Last year the legislature appropriated funds for HTDC to support the accelerator programs. HTDC awarded all 3 applicants with the \$900,000 available funds. The applicants reported investing \$3.8 million of seed capital into a total of 100 companies. The companies have attracted \$94 million of follow on funds and provided 544 jobs. This year, there are 2 additional accelerator programs that will be eligible for funding. HTDC believes this program provides leverage and positive economic development value for the State by supporting the accelerator programs that vet, mentor, and provide seed capital to some of Hawaii's most promising innovative startup businesses. They complement the existing incubator and business support programs that HTDC operates.

Thank you for the opportunity to offer these comments.

**HB-1961**

Submitted on: 1/25/2018 12:08:38 AM

Testimony for EDB on 1/26/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:

**PRESENTATION OF THE  
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES  
DEMOCRATIC PARTY OF HAWAII  
TO THE COMMITTEE OF ECONOMIC DEVELOPMENT & BUSINESS  
HOUSE OF REPRESENTATIVES  
TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2018  
Friday, January 26, 2018  
10:00 a.m.  
Hawaii State Capitol, Conference Room 309**

**RE: Testimony in Support** of HB 1961, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

To the Honorable Cindy Evans, Chair; the Honorable Jarrett Keohokalole, Vice-Chair and Members of the Committee on Economic Development and Business:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on House Bill No. 1961, relating to the Hawaii Technology Development Corporation. The OCC Legislative Priorities Committee is in favor of House Bill No. 1961 and support its passage.

House Bill No. 1961 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it promotes the Hawaii Technology Development Corporation, small businesses and innovation. DPH "recognizes that the responsible use and development of technology in all its manifestations offer immense potential for our community, government, including institutions of higher education and business sectors. DPH encourages synergistic research, development, commercialization and educational programs that promote technological proficiency and innovation. In particular, DPH supports Science, Technology, Engineering and Math (STEM) initiatives in our public, private and charter schools as these prepare the next generation to address the needs of our state. DPH also supports programs that facilitate incubator, i.e., start-up opportunities for new and promising technologies and encourages the local retention of our intellectual resources." (DPH Platform, Lines 148-156 (2016)).

Given that House Bill No. 1961 provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs, it is the position of the OCC Legislative Committee to support this measure as it facilitates start-up opportunities for new and promising technologies and encourages the local retention of our intellectual resources.

Thank you very much for your kind consideration.

Sincerely yours,

**/s/ Melodie Aduja**

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: [legislativepriorities@gmail.com](mailto:legislativepriorities@gmail.com), Tel.: (808) 258-8889



**HAWAII  
STRATEGIC  
DEVELOPMENT  
CORPORATION**

No. 1 Capitol District Building  
250 South Hotel Street, Suite 509  
P.O. Box 2359  
Honolulu, Hawaii 96804  
Telephone: (808) 587-3830

Statement of  
**Karl K. Fooks**  
**President**

Hawaii Strategic Development Corporation

Before the  
**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS**

Friday, January 26, 2018  
10:00 AM  
State Capitol, Conference Room 309

In support of

**HB 1961**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Evans, Vice Chair Keohokalole and Members of the Committee on Economic Development and Business:

The Hawaii Strategic Development Corporation (HSDC) **supports** HB 1961, which provides HTDC an appropriation to support the continuation of the business acceleration program.

HSDC defers to HTDC on the specifics relating to this measure.

As stated in HB 1961, Hawaii Strategic Development Corporation's Launch Akamai Venture Accelerator (LAVA) Program supported the successful establishment of several of the leading accelerator programs in Hawaii. The LAVA program was successful because it was linked to and facilitated the raising of equity investment funds for each of the accelerators. With the ability to provide investment capital to their cohort companies, Hawaii's accelerators were able to compete with Mainland accelerators and attract high quality applicants and mentors to their programs.

HSDC supports the bill as long as it does not either replace or adversely impact the Administration's priorities. 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 testimony.



P.O. Box 253, Kunia, Hawai'i 96759  
Phone: (808) 848-2074; Fax: (808) 848-1921  
e-mail [info@hfbf.org](mailto:info@hfbf.org); [www.hfbf.org](http://www.hfbf.org)

January 24, 2018

HEARING BEFORE THE  
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

**TESTIMONY ON HB 1961**  
RELATING TO ECONOMIC DEVELOPMENT

Room 309  
10:00 AM

Aloha Chair Evans, Vice Chair Keohokalole, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

**HFB strongly supports HB 1961**, which provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

A major impediment for agriculture in Hawaii is the lack of technology. Many of our farms continue to operate as they did during our parents' generation, despite significant advances in beneficial technology. A good example is in the area of food safety. Food safety regulations require recordkeeping and traceability. Hawaii's farms are small and because of this, traceability recordkeeping is a major issue. Even consultants with expertise in this area say they don't know how to make it work for our farmers. As consumers, we all know that RFID technology is advanced and used throughout various sectors. For example, when you return your rental car, the agent quickly and efficiently scans the barcode to get your data and give you a receipt. It seems these technologies could be adapted for use on our farms. We need entrepreneurs such as those who could participate in the SBIR program, to help us address these and other issues.

We respectfully request your support of HB 1961, as it supports the agriculture industry in implementing new technology.

Thank you for the opportunity to testify on this measure.





Written Statement of  
**Derek Hall**  
Managing Director  
GVS Accelerator  
before the  
**House Committee on Economic Development & Business**  
Friday, January 26, 2018  
10:00 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB1961**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

The GVS Accelerator **supports** HB1961 that provides an appropriation for the Hawai'i Technology Development Corporation to support the continuation of business accelerator programs – we also ask that the amount be \$1,500,000 or more for increased economic development throughout the State.

The award-winning GVS Accelerator is the only one of its kind in the entire country. It focuses on Hawaiian companies, developing Hawaiian intellectual property to tell Hawaiian stories in a commercially viable way. Our cohorts are made in Hawai'i but created for the world.

The GVS Accelerator was founded in 2014 as a public/private partnership between the State of Hawai'i, the County of Hawai'i and private investors. Since then we have become one of the entertainment hubs for the State and are home to 18 resident companies, over 30 freelancers and have accelerated 12 companies to date, with another 3-4 companies about to be announced. We have a fulltime staff of 5 with over 100 contractors engaged each year on the neighbor island of Hawai'i.

Currently, the initial State investment has seen more than an indirect 200% return as these cohort companies bring millions of non-Hawaiian dollars to the State. Our most recent project, JO, THE MEDICINE RUNNER had a local economic impact of \$2.5 million to the local economy, created 75 jobs and supported over 800 other local vendors. Creative Industry metrics show that .40 cents to every dollar on a film project goes directly into the pocket of Hawaiian families.

The GVS Accelerator has won awards at the County, State and Federal levels, including being a three-time recipient of the Small Business Administration's Accelerator Growth Award – GVS is only one of four in the entire nation to be bestowed that honor.



Should further funding not be granted to HTDC and the GVS Accelerator, an entire industry is in jeopardy on the neighboring island of Hawai'i and significant innovation will be lost. In the last year alone, more than 300 students have passed through the Accelerator's doors for various workshops, internships and mentorships – inspiring the upcoming generation to think about an alternative industry to work in. These students range from middle schoolers to graduate students. One of the critical services that GVS can provide is vocational on-the-job training that helps to reverse the brain-drain, and in due course, as the industry continues to expand, help achieve HTDC's 80 | 80 initiative goal.

As our runway is extended with continued funding, we are able to generate more consistent revenues and have wider opportunities for our Accelerator cohorts to bring their projects to fruition and bring significant financial returns to the Accelerator and thus the State.

Hawai'i accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawai'i based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawai'i based accelerators also strengthen the entrepreneurial network between Hawai'i and the rest of the world.

Thank you for the opportunity to offer these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Derek Hall". The signature is stylized and fluid.

Derek Hall  
Managing Director  
GVS Accelerator | Honua Studios | GVS Connect  
+1-808-339-7553

**HB-1961**

Submitted on: 1/25/2018 12:53:35 PM

Testimony for EDB on 1/26/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shari Lienau	Global Net Productions	Support	No

Comments:

**I definately SUPPORT this piece of legislation and strongly request that it be at \$1.5M or more in the budget. Thank you for your consideration!**

Written Statement of  
**David L. Cunningham**  
Director  
Kona Snow Pictures  
before the  
**House Committee on Economic Development & Business**  
Friday, January 26, 2018  
10:00 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB1961**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

*Kona Snow Pictures supports HB1961 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.*

Aloha from Hawai'i Island.

My name is David Cunningham and I am a lifelong resident of Hawai'i. I am a filmmaker who has made three independent movies in the islands (a total spend of approximately 14Million with hundreds of jobs created). Most recently, I have pioneered the public/private partnership, the GVS Accelerator, which is creating opportunity for other local filmmakers to launch their movies and media. We are so grateful to our friends in government for all their support and we are really seeing headway in local job creation and a growing local independent scene where Hawaii companies are owning their own intellectual property.

I would like to implore you to support House Bill 1961 and strongly request that it be \$1,500,000 or more in the budget.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawaii based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawaii based accelerators also strengthen the entrepreneurial network between Hawaii and the rest of the world.

Thank you for the opportunity to offer these comments.

Sincerely,

David L. Cunningham

**HB-1961**

Submitted on: 1/25/2018 3:24:17 PM

Testimony for EDB on 1/26/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Amy Bircher		Support	No

Comments:



# ELEMENTAL EXCELERATOR

Written Statement of  
**Elemental Excelerator**  
before the  
**House Committee on Economic Development & Business**  
Friday, January 26, 2018  
10:00 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB1961**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Aloha Chair Evans, Vice Chair Keohokalole, and Members of the Committee on Economic Development & Business:

Elemental Excelerator respectfully submits our strong support of HB1961 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

Elemental Excelerator is a Honolulu-based growth accelerator program founded and operating Hawaii. Each year, we select 12-15 companies that best fit our mission and fund each company up to \$1 million. Our selection process is competitive – we accept about 5% of our applicants each year. We recruit entrepreneurs from around the world to come to Hawaii and work on our agriculture, water, energy, and transportation challenges to help us achieve our 100% clean energy goals.

We strongly support HB1961 for five main reasons:

- 1) **State investment is a catalytic economic development activity.** To date, Elemental Excelerator has awarded over \$22 million (all of which comes from federal funding and other off-island resources) to more than 60 companies. These companies have gone on to raise more than \$350 million in follow-on funding and generate millions of dollars in revenue. State support for the innovation economy enables local organizations to attract outside investment in clean energy innovation, i.e. from the federal government and private sponsors, and solidifies the state's commitment to the long-term development of our entrepreneurial ecosystem.
- 2) **Innovation companies create high-quality jobs in a knowledge-based economy.** Elemental Excelerator companies support more than 830 full-time employees, and provide work experience to more than 90 interns in energy, agriculture, transportation, and water.

- 3) **Money spent by innovation companies directly supports the trades.** With a large portion of awarded funding going to general contractors, electricians, carpenters, engineers, and other trades – as well as farmers and ranchers workers – the innovation economy supports not only high-tech jobs but also our local construction base.
- 4) **Support for groundbreaking innovation elevates Hawaii's image across the U.S. and the Asia-Pacific.** Hawaii's economic conditions and need to produce energy locally enable the state to attract top-tier clean energy technologies for testing. Moreover, a vibrant local energy innovation economy attracts attention and helps to build partnerships across the Pacific.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Hawaii-based accelerators not only nurture and grow the talent we have within the state to scale nationally and globally, but also attract talent and solutions to the state, thereby strengthening the entrepreneurial network and business relationships between Hawaii and the rest of the world.

Mahalo for the opportunity to provide testimony on this bill.



**HB-1961**

Submitted on: 1/25/2018 5:51:26 PM

Testimony for EDB on 1/26/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Mae Nakahata	HFBF	Support	No

Comments:



Written Statement of  
**Omar Sultan**  
Managing Partner  
XLR8UH  
before the

**House Committee on Economic Development & Business**

Friday, January 26, 2018 at 10:00 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB1961, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Cindy Evans, Vice Chair Jarrett Keohokalole, and Members of the Committee

XLR8UH respectfully submits testimony in **strong support of** HB1961 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of accelerator programs.

One of the first of its kind in the nation, XLR8UH is a public-private partnership with University of Hawaii through the Office of the Vice President for Research and Innovation and Sultan Ventures, a Honolulu-based venture firm.

Although just three years old, XLR8UH is a multiple award winning, venture accelerator program, nationally recognized by:

- the **Small Business Association** three years in a row (**2015, 2016, and 2017**);
- the **Economic Development Association in 2016**, under the Department of Commerce Regional Innovation Strategies i6 Challenge.
- **Forbes in 2017** as one of the top 30 accelerators in the USA.

With its undeniable strengths in ocean sciences, energy research, sustainable agriculture and astronomy; and its growing strength in cybersecurity and health sciences -- UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers.

For example, KinetiCor, a graduate of XLR8UH and a UH spinout, is a medical imaging company dedicated to bringing clarity to MRIs. KinetiCor's patented motion correction technology enables accurate scans with correction for motion as slight as normal breathing. Currently working with large MR vendors like Siemens, KinetiCor now has 14 employees with plans to recruit another 5-10 this year.

To date XLR8UH has completed 5 cohorts, helped launch 24 companies, and commercialized 14 University of Hawaii technologies. These companies have raised over \$30M and generated over \$5M in revenue to date. Together they have created more than 100 jobs.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawaii based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawaii based accelerators also strengthen the entrepreneurial network between Hawaii and the rest of the world.

Thank you for the opportunity to offer our comments on this bill.

**LATE**

Written Statement of  
Nicole M. Nietz  
**Administrator**  
GTA Development Fund  
before the  
**House Committee on Economic Development & Business**  
Friday, January 26, 2018  
10:00 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB1961**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

GTA Development Fund **supports** HB1961 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

GTA Development Fund is the half public, half private Hawai'i investment fund supporting strategic startup investments in Hawaii companies for the GVS Transmedia Accelerator. The program that the GVS Accelerator facilitates is critical to developing our portfolio properties and essential to the stimulation of the innovative creative industries in Hawai'i. Without the ongoing work of the Accelerator, in this early stage of the development of this industry in Hawai'i, there would not be properties ready to receive and steward seed funding let alone be developed enough to move on to later stage funding and profitability. Please continue the sufficient support of these programs as they very directly mean the future of diversified industries in the State of Hawaii.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawaii based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawaii based accelerators also strengthen the entrepreneurial network between Hawaii and the rest of the world.

Thank you for the opportunity to offer these comments.

Nicole Nietz,  
GTA Development Fund