



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND
TECHNOLOGY**

Monday, March 12, 2018
1:15 p.m.
State Capitol, Conference Room 414

in consideration of
HB 2174, HD1
**RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.**

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) **supports the intent** of HB 2174, HD1, 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.

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

Thank you for the opportunity to provide this testimony.



Written Statement of
Robbie Melton
Executive Director & CEO
Hawaii Technology Development Corporation
before the
Senate Committee on Economic Development Tourism and Technology
Monday, March 12, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
HB2084, HD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism and Technology.

The Hawaii Technology Development Corporation (HTDC) **supports** HB2084, HD1 that requires reporting and appropriates funds for HTDC to continue providing outreach and mentorship support to innovative small businesses on the Neighbor Islands and authorizes and provides funding for HTDC to participate in and contribute funding for the development of a Hawaii cyber ecosystem and related aspects of cybersecurity.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC launched the Neighbor Island Innovation Initiative (NI3) program in 2016 to provide business assistance to small and early-stage companies engaged in technology, manufacturing, or innovation based products/services on the neighbor islands.

The NI3 program uniquely fills a gap in the available resources of support because the program provides mentorship with experience specific to technology and manufacturing businesses. The program removes time, distance, and money as barriers for entrepreneurs in need of assistance by meeting on their schedule, including nights and weekends, at their place of business, at no cost. The program provides an on-island representative with direct access to HTDC resources including experienced staff, workshops, federal and state grant programs, and relationships with partner agencies.

One example of a success story for the NI3 program is local entrepreneur Bobby Farias, founder of Kunoa Cattle Company on Kauai. Kunoa has been working to provide sustainable, local, quality beef in Hawaii. Our NI3 mentor, Warren Doi, has provided him with ongoing support through multiple evolutions of the business and helped introduce the company founders to financiers, outside investors, and the HTDC matching grant programs. The company has grown in the past year including the acquisition of Hawaii's largest USDA inspected butchery for beef and pork on Oahu and a retail partnership with Times Supermarkets on Oahu and Maui.

Due to budget constraints, HTDC started this program with one mentor on Kauai and one mentor on Hawaii Island. On Hawaii Island, the program met with 35 prospects providing ongoing mentorship to 9 companies and 2 entrepreneurs. On Kauai, the program met with 55 prospects providing ongoing mentorship to 16 companies and 4 entrepreneurs. Together the companies in the program have reported an economic impact of over \$6,000,000. HTDC has conducted showcase days on each island for economic development stakeholders to meet with select companies. In addition, the program has been an integral partner to other economic development efforts including starting the Business Plan Competition on Hawaii Island and Kilauea Ag Park development on Kauai.

HTDC has been funding the program with reserves from the HTDC special fund. HTDC does not have funding to continue the program beyond this year and will be forced to end the program. With proper funding, the program can contract additional mentors to provide support in Maui and a dedicated mentor for East Hawaii Island.

HTDC **supports the intent of Part II** and recognizes the need for improved cybersecurity training and resources in the State. HTDC is currently facilitating the development of the First Responders and Cyber Security Campus at the Millani Tech Park. HTDC notes that there are currently components to build a cyber ecosystem with the ongoing efforts of the Cyber Hawaii group, Shakacon conference, Loco Moco Hawaii security conference, Referentia E-resiliance division, DevLeague, Cyber Patriot, NSA and PACOM to name just a few that we have met with. HTDC recognizes that the effort described in the measure will require significant coordination and participation from multiple stakeholders. HTDC looks forward to working together with other stakeholders.

We support this initiative as long as it does not replace our priorities requested in the Executive Budget. HTDC respectfully requests correction of the defective effective date. Thank you for the opportunity to offer these comments.

Written Statement of
Tom Leonard
Owner
TeleVoice 2000
before the
Senate Committee on Economic Development Tourism and Technology
Monday, March 12, 2018
1:15 p.m.
State Capitol, Conference Room 414

In consideration of
HB2084, HD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism and Technology.

Televoice 2000 **supports** HB2084, HD1 Part 1, which requires reporting and appropriates funds for HTDC to continue providing outreach and mentorship support to innovative small businesses on the Neighbor Islands.

TV2K supplies technology consulting services mainly to the customer service industry. I've spent over 50 years working in technology companies. In that time, I've worked as a technologist, manager, executive and owner of 4 businesses. I've also worked as a management consultant to large and small businesses, with a focus on leveraging technology to improve their bottom line.

I am now semi-retired and able to use the experience I've gained to support developing companies on the Big Island. Under the auspices of HTDC's NI3 program, I've been able to act as a business mentor to over 30 start-up and established businesses. More often than not, my "clients" need to work through business issues where I can act as a sounding board conditioned by my own real world business experiences.

The Neighbor Island Initiative (NI3) program uniquely fills a gap in the available resources of support because the program provides mentorship with experience specific to technology and manufacturing businesses. The program also provides an on-island representative with direct access to many State resources.

We respectfully request correction of the defective effective date. Thank you for the opportunity to offer these comments.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Economic Development,
Tourism and Technology
Monday, March 12, 2018 at 1:15 P.M.
Conference Room 414, State Capitol**

RE: HOUSE BILL HB 2174 HD1 RELATING TO BUSINESS DEVELOPMENT

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2174 HD1, 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 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.

The Chamber supports efforts to expand and diversify the economy. HB 2174 HD1 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.

HB-2174-HD-1

Submitted on: 3/10/2018 8:54:39 AM

Testimony for ETT on 3/12/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES
DEMOCRATIC PARTY OF HAWAII
TO THE COMMITTEE OF ECONOMIC DEVELOPMENT, TOURISM, AND
TECHNOLOGY

THE SENATE
TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018
Monday, March 12, 2018
1:15 p.m.

Hawaii State Capitol, Conference Room 414

RE: Testimony in Support of **HB2174 HD1**, RELATING TO THE DEPARTMENT
OF
BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM

To the Honorable Glenn Wakai, Chair; the Honorable Brian T. Taniguchi, Vice-Chair
and Members of the Committee on Economic Development, Tourism, and Technology:

Good afternoon. 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.
2174 HD1 relating to DBEDT; Business Development; Grant Program; Special Fund;
and an appropriation.

The OCC Legislative Priorities Committee is in favor of House Bill No. 2174 HD1
and supports its passage.

House Bill No.2174 HD1 is in alignment with the Platform of the Democratic
Party of Hawai'i ("DPH"), 2016, as it establishes the high-growth grant program and a
special fund to provide grants to qualified businesses, i.e., (1) been in business for at
least two full years; and
(2) demonstrated the ability to export products, for certain business development
activities such as to: (a)(1) Expand business operations; (2) Improve business
productivity; or (3) Invest in food safety or quality control programs, or to finance (b)(1)
Equipment purchases; (2) Management and workforce training;(3) Infrastructure

improvements; and (4) consulting or feasibility studies.

The DPH Platform states that a "diversified and healthy economy in Hawai'i requires a well-educated and healthy citizenry. To encourage existing and new enterprise, we need to develop a combination of tax policies and credits, lending programs, and financial incentives that will attract the business community. The creation of intellectual property and new start-ups should be a part of the curriculum of our business schools. Business training should stress ethical company management that is responsive to customer needs. (Platform of the DPH, P. 1, Lines 38-42 (2016)).

We believe that government plays a vital role in nurturing and regulating our economic system. We believe that private and public employers, as responsible members of the community, by providing good jobs and fair pay and benefits, are essential for economic expansion, diversification, innovation, and entrepreneurship.

Availability of financial support and a capable educated people are critical to our economic expansion and diversification. The management of businesses should be ethical and responsive to the community with transparency for investors and shareholders guaranteeing sound, healthy management. Innovation through the generation of intellectual property should be the goal of our economic diversification. We support the continuing protection of intellectual property developed in the state of Hawai'i.

We need to give priority to the development of "green" sustainable industries and business. We need financial literacy and asset building programs to strengthen our 'ohana. We need to pursue relationships with the information technology industry. We need to invest in world-class higher education to stimulate our economic resources. We need to reduce our dependence on tourism, real estate development, and military. A diversified economy will help to create diversified jobs. (Platform of the DPH, P. 2, Lines 56-73 (2016)).

Given that House Bill No. 2174 HD1 establishes the high-growth grant program and a special fund to provide grants to qualified businesses for certain business development activities, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889



March 9, 2018

Maui Gold Pineapple Company

Testimony

**HB2174 Relating to the Department of Business, Economic Development, and Tourism
House Committee on Economic Development and Business**

Chair Evans and Members of the House Committee on Economic Development and Business,

I am Darren Strand and I am the president of Maui Gold Pineapple Company. We are farming pineapple on nearly 1000 acres below Makawao town. Currently we have 71 full time employees who are well paid and have access to subsidized health and welfare for their families along with many other benefits. I am testifying in support of HB2174 as it will greatly benefit farms like ours. On behalf of Maui Gold Pineapple Company's employees, customers and stakeholders; I **STRONGLY SUPPORT HB2174**.

In 2009 Maui Pineapple Company closed its pineapple operations and in January of 2010 Haliimaile Pineapple Company, now Maui Gold Pineapple Company was born. Pineapple has always had a unique place in Maui's culture and the rebirth, continued operations and successes of Maui Gold can be attributed to the collective experience of the employees and the continuous innovation and development of new technologies.

The implementation of these new technologies and systems is often difficult or financially out of reach for farms and ranches. A high growth grant program provides a great mechanism for an operation like ours to fund programs and ideas that we might not without some assistance. It also allows us to reach out and find investment partners to move projects forward without putting our current operations at risk.

The County of Maui Office of Economic Development has awarded Maui Gold several small grants to "seed" projects. With this help we have installed and are operating a tunnel freezer, installed a water system to meet FSMA food safety standards and installed an ozone generator to control mold in our cold storage. The high growth grant program under DBEDT will provide a similar type of momentum and support to the agricultural businesses of Maui.

Thank You,

Darren Strand
President, Maui Gold Pineapple Co.

Maui Gold Pineapple Company

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