



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

Before the
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM and
TECHNOLOGY**

March 12, 2018

1:15 PM

State Capitol, Conference Room 414

In Support of

**HB2610 REALTING TO THE HIGH TECHNOLOGY
DEVELOPMENT CORPORATION**

To: Chair Glenn Wakai, Vice Chair Brian T. Taniguchi, and Members of the
Committee

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

Re: Testimony in Support of HB2610

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **IN SUPPORT of HB2610.**

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 HB2610.**



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
HB2610, HD2
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** HB2610, HD2 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

HTDC supports local manufacturers through our INNOVATE Hawaii program which receives \$500k a year in federal funding by the U.S. Department of Commerce, National Institute of Standards and Technology’s (NIST) to deliver the Manufacturing Extension Partnership (MEP) program. The Hawaii manufacturing industry provides export and import substitution opportunities to improve our economy and has been identified nationally as a key driver for innovation. Hawaii manufacturers face the additional challenge of the high cost of energy and shipping. The grant program is targeted to make Hawaii manufacturers more competitive.

A summary of the awards made by the matching program is listed below:

	FY16	FY17
Appropriation	\$2 MM	\$1 MM
# of Applications	69	42
# of Awards	51	25
First Time Awards	51	14
Company Investment (match)	\$31.3 MM	\$8.7 MM
\$\$ Requested	\$ 3.4 MM	\$1.6 MM
\$\$ Awarded	\$ 1.9 MM	\$0.9 MM
Estimated New Jobs	363	353

** FY18 data not available yet, awards are still in process*

Through FY16 and FY17, 46 awards have been made in the City and County of Honolulu, 12 in Maui County, 8 in Hawaii County, and 10 in Kauai County. 45% of the funding was awarded

to food manufacturers, 18% to beverage and tobacco manufacturers, 12% to fabricated metal and transportation equipment manufacturers, 10% to chemical, plastics, etc., 8% to paper and printing manufacturers. The program provides up to a 20% match of the investment by the company. As seen in the table above, the program has exceeded the 80% company match requirement with \$2.8 million awarded and \$40 million dollars invested by the companies.

Interest in the program remains high and HTDC anticipates awarding all of the \$1 million fiscal year 2017-2018 appropriated funds. HTDC believes this program provides leverage and positive economic development value for the State. The original version of the bill appropriated \$1.5 million for the program.

HTDC agrees that this would be an appropriate amount for the program and 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.



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Robbie Melton
Executive Director & CEO
Hawaii Technology Development Corporation
before the
Senate Committee on Economic Development Tourism and Technology
Monday, March 12, 2018
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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

Statement of

Carmelita Phillips

Chief Financial Officer

KYD, Inc.

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

HB2610, HD2

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

KYD, Inc. **supports** HB2610, HD2 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

Our company is a locally owned manufacturing company. The grant will allow us to purchase new and needed equipment to improve our capabilities to produce new products. It will also allow us to retain all current employees.

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.

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



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

MANUFACTURING FACILITIES: 747 Umi Street, Honolulu, Hawaii 96819-2394 Phone: (808) 836-3221 Fax: (808) 845-7754

HB-2610-HD-2

Submitted on: 3/9/2018 12:01:11 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Tom Leonard	Testifying for TeleVoice 2000	Support	No

Comments:

HB-2610-HD-2

Submitted on: 3/9/2018 12:45:44 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Randall Francisco	Individual	Support	No

Comments:

Any program such as what Hawaii Technology Development Corporation has supported and successfully demonstrated as to what is possible for Hawaii to achieve success is critical to creating a generation of new entrepreneurs. Please continue to support this program that has brought Kauai's small manufacturing economy to as far away as Washington D.C. and the Chamber of Commerce Hawaii's annual Hawaii On the Hill to Japanese trade shows and thus continue to leverage and strengthen the Hawaii Made, Kaua`i Made brands.



Sharing Heartwarming Aloha since 1921

Statement of
Gary Yoshioka
President
Diamond Bakery
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
HB2610, HD2
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Diamond Bakery **supports** HB2610 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

Diamond Bakery is a 96 year old locally-owned company that makes crackers and cookies. We have been able to secure generous manufacturing development program grants over the last two years. The support has dramatically increased our productivity and helped us grow sales revenue significantly during the two year period, due to the efficiency, quality, and innovation capability the new equipment acquisitions have brought to our company. We have also been able to add full-time factory positions and we are in the process of hiring an assistant mixer and a skilled maintenance technician due to the growth and state-of the art equipment we now have.

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 clearly demonstrates 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.

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



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Executive Officers

Beau Oshiro, C&S Wholesale Grocers, *Chair*
John Erickson, Meadow Gold Dairies, *Immediate Past Chair*
Toby Taniguchi, KTA Superstores, *Vice Chair*
Lauren Zirbel, HFIA, *Executive Director*
Joe Carter, Coca-Cola Bottling of Hawaii, *Secretary / Treasurer*
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Paul Kosasa, ABC Stores, *Advisor*
John Shilf, Rainbow Sales & Marketing, *Advisor*
Barry Taniguchi, KTA Superstores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*

TO:

Committee on Economic Development, Tourism, and Technology
Senator Glenn Wakai, Chair
Senator Brian T. Taniguchi, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: Monday, March 12, 2018
TIME: 1:15pm
PLACE: Conference Room 414

RE: HB 2610 Relating to the Hawaii Technology Development Corporation

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.

The Hawaii Technology Development Corporation (HTDC) is a vital business accelerator that helps diversify and strengthen Hawaii economy. Manufacturing is an essential industry here in Hawaii providing jobs and local products. There is room for growth in this industry and The Manufacturing Grant Program is an important part of maintaining and growing a strong manufacturing sector here in Hawaii. We urge you to vote yes on this measure and we thank you for the opportunity to testify.



**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 2610 HD1 RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION**

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

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 2610 HD1, which appropriates funds to the High Technology Development Corporation for the Manufacturing Development Program.

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

In Hawaii there are over 700 active manufacturers in the state that employ 14,000 people and contribute to the overall state economy. In 2016 Hawaii manufacturers helped our state's economy by contributing nearly \$1.78 billion in manufactured goods exported outside of Hawaii.

The grant program supports the industry by increasing production and economic activity. According to the High Technology Development Corporation's Innovate Hawaii, in 2017 the agency that administers the grant, they gave out approximately \$1.9 million in grant funding that spurred over \$31 million in private investment. We believe that this is worthwhile and financially smart investment for state funding.

Thank you for the opportunity to testify.



Statement of
Julia Person
Corporate Sustainability Manager
Julia.person@konabrewingco.com / 971-271-0596
Kona Brewing Co.

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
HB2610, HD2
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Kona Brewing Co. **supports** HB2610, HD2 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

Kona Brewing Co. is Hawaii's oldest and largest craft brewery, and is today a top 10 national craft beer brand. The flagship brewhouse operates in Kailua-Kona, where the company is embarking on a large expansion, with a commitment to grow in a sustainable manner. The new brewery has a goal to be net zero energy usage, net zero water usage, and a certified green building. The HTDC manufacturing grant program has enabled Kona Brewing Co. to pursue innovative energy efficient technology, helping to support more local jobs and revenue generation by growing our manufacturing business. We strongly recommend the continuation of HB1327.

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.



March 10, 2018

Senate Committee on Economic Development, Tourism, and Technology
Monday, March 12th, 2018, 1:15pm
State Capitol, Conference Room 414

Re: **HB2610 HD2**, RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION,
SUPPORTING TESTIMONY

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

Maui Brewing Co. supports **HB2610 HD2** that Appropriates funds for the Hawaii Technology Development Corporation's manufacturing grant program; the "MAP Grant". 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.

The MAP grant program has been an integral part of the investment in growing the entire craft brewing industry in Hawaii. HTDC is helping to change the landscape of manufacturing in Hawaii and this grant is a big piece of this change.

Maui Brewing Co. is a small, independent craft brewery that began with just 23 on our team in 2005. We are now 500 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



1928 Republican Street Honolulu, HI 96819 Phone: (808) 845-9868 Fax: (808) 848-7848

Statement of
James K. Chan
General Manager/Owner
Hawaiian Chip Company, LLC
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
HB2610, HD2
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION

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

Hawaiian Chip Company, LLC **supports** HB2610, HD2 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

The Hawaiian Chip Company is a manufacturer of taro & sweet potato chips with operations based in Honolulu. With assistance from HTDC in the form of training and professional consultation the company was able to implement a comprehensive food safety plan. This plan is essential in protecting the company's two and a half million dollars in annual revenue because it meets the criteria of new federal guidelines. Ensuring operations will continue also allows for retention of the company's sixteen employees. The Hawaiian Chip Company would have struggled to achieve compliance without help from HTDC's technical and safety training sessions. HTDC also provided promotional assistance in sponsoring events like Hawaii on the Hill with Chamber of Commerce Hawaii and the FABEX Food Show in Japan. Participation in these various events has



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contributed to a twenty-five percent increase in 2018's sales in comparison to the same period in 2017.

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.

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

Mahalo,

James Chan

A handwritten signature in black ink, appearing to read "James Chan", is written over the printed name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

HB-2610-HD-2

Submitted on: 3/9/2018 7:53:59 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Greg J Rocheleau	Individual	Support	No

Comments:

This bill supports the technology industry in Hawaii, which is sorely needed to diversify our economy, create high-paying jobs for our keiki, and reverse the brain drain. For these reasons I STRONGLY SUPPORT this bill. The program has a high return on investment, directly resulting in more money coming into the state than is spent, leading to our ability to hire more local staff.



Statement of
Duke Hartman, P.E.
Vice President, Business Development
MAKAI OCEAN ENGINEERING, INC.

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
HB2610 HD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS HB2610 HD1** that makes an appropriation for the continuation of the manufacturing development 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 44 years, and recently began a heat exchanger R&D program. Now, we are ramping up production a small manufacturing plant for heat exchangers on the Big Island of Hawaii, which is sustaining approximately 8 highly-skilled, high-paying STEM / engineering 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 and Air Force's presence in Hawaii, and Makai already owns and operates a heat exchanger test facility and corrosion lab on the Big Island. As an example, Makai was recently awarded a contract to design a new heat exchanger for the U.S. Air Force's next generation aircraft, including the new F-35 fighter jet, and we hope to be manufacturing units over the coming years.

According to the Chamber of Commerce of Hawaii in 2017, Hawaii has over 1,000 active manufacturers employing about 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 adding jobs, and growing their businesses and the industry in Hawaii.

Thank you for the opportunity to offer these comments.

HB-2610-HD-2

Submitted on: 3/10/2018 7:55:48 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
1:30 p.m.

Hawaii State Capitol, Conference Room 414

RE: Testimony in Support of **HB2610 HD2**, RELATING TO THE HAWAII
TECHNOLOGY DEVELOPMENT CORPORATION

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 **HB2610 HD2**,
regarding the Hawaii Technology Development Corporation; Manufacturing Grant
Program; and an appropriation.

The OCC Legislative Priorities Committee is in favor of **HB2610 HD2** and
support its passage.

HB2610 HD2 is in accord with the Platform of the Democratic Party of Hawai'i
("DPH"), 2016, as it appropriates funds for the Hawaii Technology Development
Corporation's manufacturing grant program.

Specifically, the DPH Platform provides that "[w]e recognize that the responsible
use and development of technology in all its manifestations offers immense potential for
our community, government, including institutions of higher education and business
sectors. We encourage synergistic research, development, commercialization and
education programs to promote technological proficiency and innovation. In particular,
we support 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. We also support programs that facilitate incubator, i.e., start-up, opportunities for new and promising technologies, and encourage the local retention of our intellectual resources." (Platform of the DPH, P. 3, Lines 149-156 (2016)).

Given that **HB2610 HD2** appropriates funds for the Hawaii Technology Development Corporation's manufacturing grant program, 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



Statement of
Heather Brisson
Owner
Origin Coffee Roasters
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
HB2610, HD2
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Origin Coffee Roasters **supports** HB2610, HD2 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

Origin Coffee Roasters is just beginning it's journey as a small business on Maui. From Day 1 our goal has been simple, "always set ourselves up for success". Our employees, equipment, supplies, vendors have all followed that blueprint. It was this goal that drew us to the MAP Grant. The opportunity to be awarded this grant in our first year of business would be an incredible achievement for our company. These funds would facilitate growth at a very crucial time our small business.

605 Lipoa Parkway, Kihei, HI 96753
808.727.2668

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.

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

Sincerely,

Heather Brisson
Origin Coffee Roasters
Owner/Roastmaster

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
Senate Committee on Economic Development, Tourism, and Technology
Monday, March 12, 2018; 1:15 p.m.
State Capitol, Conference Room 414

RE: HB2610 H.D. 2 "RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION"

Chair Wakai and Members of the Senate Committee on Economic Development,
Tourism, and Technology:

Hawaii Coffee Company **supports** HB2610 HD2, which makes an appropriation for the continuation of the manufacturing grant program within the Hawaii Technology Development Corporation (HTDC).

Hawaii Coffee Company has been in the coffee roasting business since 2000 and today is the world's largest roaster of Kona Coffee in the world. Our 100 plus employees at our plant in Kalihi, coffee mill in Captain Cook on the Big Island, and other locations around the state earn a livelihood milling, roasting, packing, distributing, and retailing coffee. Our brands have a major presence at retailers 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 by state government entities such as HTDC, DOA and DBEDT to support Hawaii manufacturing businesses. Our company, our employees, and our communities benefit from these initiatives, including the grant program supported in this bill, that leverages dollars by encouraging investment and growth to further strengthen and diversify Hawaii's economy.

Mahalo for your support and consideration.



Statement of
Richard Bailey
Founder/President
DewPoint System LLC

HB2610 HD2

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION
(HTDC)

DewPoint System LLC supports HB2610 that appropriates funds for the Hawaii Technology Development Corporation's manufacturing grant program. These funds are crucial for HTDC to continue to support the development of a local manufacturing industry in Hawaii to numerous innovative tech start-up businesses in the State.

DewPoint System LLC is a small technology company developing a high tech agriculture and freshwater production systems that can help Hawaii and other islands become more self-sufficient in water and food. We would like to see our systems manufactured here in Hawaii and it is through HTDC matching manufacturing grant program it can become a reality.

DewPoint Systems highly recommends the appropriations of funds for HTDC Manufacturing Grant Program outlined in HB2610 HD2.

HB-2610-HD-2

Submitted on: 3/11/2018 10:44:38 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Jonah Robert Heller	Testifying for Jonah Heller, Creative	Support	No

Comments:

Statement of Jonah Heller, Creative (jonah.heller@gmail.com) 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

HB2610, HD2

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Jonah Heller supports HB2610, HD2 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

Jonah Heller, Creative ... The grant is important, not just to our business, but to Hawaii as a whole. If Hawaii is to become the tech & manufacturing mecca it's destined to be, HB2610 (HD2) and HTDC's administration of said funds, will be essential. Our company, is actively developing multiple projects/products positioned to take advantage of these funds, stay tuned, please continue working with HTDC, they rock!

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.

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



ALOHA SHOYU COMPANY

Statement of
David Y. Morikawa
Vice President - Operations

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

In consideration of
HOUSE BILL 2610, HD2
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

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

The Aloha Shoyu Company, Ltd. **supports** HB 2610, HD2 that appropriates funds to HTDC for continuation of the manufacturing development program.

Our company has received the benefit of partial funding through the manufacturing grant program resulting in plant equipment expansion and upgrades. If the program is extended, we intend to continue utilizing grant funding for equipment upgrades and provide more products to Hawaii and to the Mainland.

There are approximately 1,000 active manufacturers in the state that employ almost 17,000 workers. Manufacturers helped Hawaii's economy by contributing nearly \$1.7 billion in manufactured goods exported in 2015. According to the High Technology Development Corporation's Innovate Hawaii, approximately \$1.9 million given in grant funding spurred over \$31 million in private investment. We believe that this is a worthwhile and financially smart investment for state funding.

The program limits reimbursement to 20 percent of qualified expenses capped at \$100,000. The program shows support by the State for local manufacturers willing to make the commitment to grow its operations and the industry.

We respectfully request correction of the defective effective date. Thank you for the opportunity to testify.



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March 12, 2018

HEARING BEFORE THE
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND
TECHNOLOGY

TESTIMONY ON HB 2610, HD 2
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Room 414
1:15 PM

Aloha Chair Wakai, Vice Chair Taniguchi, 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.

The Hawaii Farm Bureau supports HB 2610, HD 2, which appropriates funds for the Hawaii Technology Development Corporation's manufacturing grant program.

The strength of Hawaii's economy is dependent upon a diversity in commerce that are resilient to economic downturns and aggressive in creating new opportunities for growth. This program complements other programs in DBEDT to accomplish such a goal.

A major weakness in agriculture is our lack of value added production. Our over dependence on sale of fresh goods makes us especially vulnerable to weather and pest outbreaks while strict quarantine measures and transportation costs of heavy goods make exports difficult. This measure creates incentives for value added manufacturing. Farmers like to farm. They are not experts in value-added production. Partnerships with the manufacturing sector could help us in this area.

For example, beef. Maui has a new product called Maui Crisps. It is a popular "omiyage" gift. The owner had difficulty meeting demand and recently expanded his operations. This provides a value-added product to our cattle industry, is portable and light -- perfect for suitcase exports and is shelf stable, not requiring refrigeration. Products like this can pull agricultural expansion supportive of our State's policy for increased agricultural production.

We need to expand other agricultural value-added production capacities and this program is a critical opportunity to achieve this goal.

Thank you for this opportunity to provide our opinion on this important matter.