

HB-2610

Submitted on: 1/30/2018 11:03:55 AM

Testimony for EDB on 2/2/2018 8:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Randall Francisco	County of Kauai	Support	No

Comments:



MAUI
BREWING CO

January 30, 2018

House Committee on Economic Development & Business
Wednesday, February 2nd, 2018, 8:45am
State Capitol, Conference Room 309

Re: HB2411, RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION,
SUPPORTING TESTIMONY

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

Maui Brewing Co. supports **HB2610** 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

Statement of

<Name>

<title>

<company>

before the

House Committee on Economic Development & Business

Friday, February 2, 2018

8:45 a.m.

State Capitol, Conference Room 309

In consideration of

HB2610

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

<your company> supports HB2610 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

<about your company, your project, why the grant is important, how it benefits your business, include any stats on revenue and employees that you are comfortable sharing with the public >

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.

HAWAII COFFEE COMPANY™

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



Written Testimony of
Daniel Dinell
President, Hawaii Coffee Company
before the
House Committee on Economic Development & Business
Friday, February 2, 2018; 8:45 a.m.
State Capitol, Conference Room 309

RE: HB2610 “RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION”

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

Hawaii Coffee Company **supports** HB2610 that 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 of state government entities such as HTDC, DOA and DBEDT to support Hawaii businesses. This kind of grant program is important to leverage dollars by encouraging investment and growth to further strengthen and diversify Hawaii’s economy.

Mahalo for your support and consideration.



Statement of Aloha Aina Poi Co. before the

House Committee on Economic Development & Business

Friday, February 2, 2018

8:45 a.m.

State Capitol, Conference Room 309

In consideration of

HB2610

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Aloha Aina Poi Co. **supports** HB2610 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

HTDC has been a valuable resource in the growth of our company which is a kalo manufacturing and distribution based company. We are a small, farmer owned company that has big dreams to see a flourishing and sustainable food production industry in Hawaii. Programs such as the manufacturing grant program are extremely important resources to have available for our small, growing business. Please continue to fund this program.

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.

Mahalo nui for the opportunity to provide these comments.

Kaina Makua, Owner

HB-2610

Submitted on: 1/31/2018 5:44:44 AM

Testimony for EDB on 2/2/2018 8:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dirk Koeppenkastrop	IL Gelato Hawaii	Support	No

Comments:

Statement of

Dirk Koeppenkastrop, Ph.D.

Owner

IL Gelato Hawaii

before the

House Committee on Economic Development & Business

Friday, February 2, 2018

8:45 a.m.

State Capitol, Conference Room 309

In consideration of

HB2610

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

IL Gelato Hawaii **supports** HB2610 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

Our company IL Gelato Hawaii is a local manufacturer of Hawaiian inspired gelato and sorretto. We whole sale to the the food and lodging industry. We provide locally made ice cream focusing on flavors of Aloha. We are a small company and make one of the best gelatos in the world. We made 3rd place in the Mystery Box Challenge at the Gelato World Championships in 2016 in Italy and are famous for our textures and unique Hawaiian flavors. Besides skills and original receipes, equipment a is very important factor in the production of premium gelato. State of the art gelato manufacturing equipment is very expensive and we depend on the support of the Hawaii Technology Development Corporation funds to expand our business further. In return we have been able to grow revenues and create many entry level and some customer service, office and management jobs. We are willing to train and provide career opportuniuies.

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.



January 31, 2018

House Committee on Economic Development & Business
Wednesday, February 2nd, 2018 8:45am
State Capitol, Conference Room 309

Re: HB2411, RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION,
SUPPORTING TESTIMONY

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

Origin Coffee Roasters supports HB2610 that Appropriates funds for the Hawaii
Technology Development Corporation's manufacturing grant program; the "MAP Grant". We
would even encourage the growth of funding. As a State, we should support local manufacturing
to bring more skilled jobs to the islands.

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.

We support the passage of this program. It would show local manufacturers the State's
support and commitment to growing business locally.
Thank you for the opportunity to offer these comments.

Sincerely,

Heather Brisson
Origin Coffee Roasters
Roastmaster/Founder

605 Lipoa Parkway, Kihei, HI 96753
808.213.3002

Statement of
Gary Yoshioka
President
Diamond Bakery
before the
House Committee on Economic Development & Business
Friday, February 2, 2018
8:45 a.m.
State Capitol, Conference Room 309

In consideration of
HB2610
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

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.

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

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

Thank you for the opportunity to offer these comments.

Statement of
Richard J. Bailey Jr.
Founder/President
DewPoint Systems LLC
before the
House Committee on Economic Development & Business
Friday, February 2, 2018
8:45 a.m.
State Capitol, Conference Room 309

In consideration of
HB2610
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

DewPoint Systems LLC supports HB2610 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

DewPoint System LLC is an agriculture technology company located at the Natural Energy Laboratory of Hawaii (NELHA). We have been developing a unique method of producing agriculture crops in areas that have no access to freshwater. We are very interested in keeping this technology and the manufacturing of our systems here in Hawaii. Hawaii can be a model site for the world to produce enough freshwater to support agriculture crops in Hawaii's role of becoming a self-sufficient state. The manufacturing development program is important to us in utilizing local talent with the desire to ultimately manufacture units here in Hawaii for local and export sales.

The program shows the State's has support for local manufacturers and is willing to make the commitment to help grow their businesses in Hawaii and this commitment needs to continue.

Thank you for the opportunity in allowing us to offer these comments in support of HB2610.

Aloha,
Richard Bailey

Statement of
Adrian Hong
President
Island Plastic Bags, Inc.
before the
House Committee on Economic Development & Business
Friday, February 2, 2018
8:45 a.m.
State Capitol, Conference Room 309

In consideration of
HB2610
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

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

Island Plastic Bags, Inc. is a manufacturer of trash liners for hospitals, nursing homes, airlines, hotels, restaurants, bars, etc. We recently received a grant that is helping us improve our manufacturing capacity. As you know industrial space in Hawaii is scarce and expensive, which makes it all the more important to be efficient in the space you have. The newest cutting machine we purchased will increase our output by an estimated 38% on that line compared to our old cutting machine. The new extruder that we are bringing in should produce about 500 lbs. an hour at a minimum. That is approximately five times faster than any one of our current extruders.

The grant helped defray the costs of purchasing the new equipment and training our employees. We are very grateful to the state for their support for local manufacturing. The new equipment will allow us to produce more bags locally and to improve the quality of the products we offer businesses in Hawaii.

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

January 31, 2018

2

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.



MAUI
BREWING CO

January 31, 2018

House Committee on Economic Development & Business
Wednesday, February 2nd, 2018, 8:45am
State Capitol, Conference Room 309

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

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

Maui Brewing Co. supports **HB2610** 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.

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,

Russell H. Adkins
CFO

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



64-1066 Mamalahoa Highway
Kamuela, Hawaii, 96743

T 808-887-1717
F 808-885-0653
BigIslandBrewHaus@Yahoo.Com

BigIslandBrewHaus.Com

February 1, 2018

House Committee on Economic Development & Business
Wednesday, February 2nd, 2018, 8:45am
State Capitol, Conference Room 309

Re: HB 2610, RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION,
SUPPORTING TESTIMONY

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

I'm writing on behalf of our small, local family-operated business, Big Island Brewhaus in Kamuela on the Big Island. We support **HB 2610** that appropriates funds to the HTDC's "MAP GRANT". This program has shown success in assisting the growth of manufacturing in Hawaii. In addition to greater independence, local manufacturing is important to our local workforce in creating valued technical jobs for our statewide communities.

A passage of this bill will create more jobs, pay more wages, create new products, allow breweries to grow not only in numbers but in volume, and ultimately reinvest in our communities growing the overall industry of locally made beverages.

Hawaiian manufacturing and producers operate under the highest cost conditions of any State. This has served to limit the availability of true, locally produced selections and give rise to a host of "faux-Hawaiian" products. As an isolated State we must invest in local manufacturing, these are jobs with good wages and benefits that can provide careers for our residents. Further if Hawaii is to continue to compete in the world of tourism it is important for us to deliver an authentic Hawaiian experience in our products. How can we do that if we instead serve beers, wine and spirits bearing Hawaiian names but are made across the world and not necessarily made in Hawaii?

Big Island Brewhaus was founded initially in 2008 with 9 original employees as a community gathering place serving local cuisine and hand-crafted beers. We have grown into a team of 40 Big Island residents that sells award winning beers throughout Hawaii and is focused on using local sources for our food and beer. We have done this in the face of significant challenges to growth at all levels; financial, shipping, taxation, legislative and more. Incentives like this bill can help us continue our success and help others to do the same. We appreciate the ongoing support of all individuals and legislators who support issues which enable local manufacturers and businesses to thrive in Hawaii.

Mahalo for your consideration, We urge you pass this bill. Thank-you for the opportunity to provide testimony in support of HB 2610.

Sincerely,

Thomas D. Kerns

Thomas Kerns

Founder & Brewer

Big Island Brewhaus

64-1066 Mamalahoa Highway

Kamuela, HI, 96743

BigIslandBrewhaus@yahoo.com

Cell# 808-276-3301



ALOHA SHOYU COMPANY

Statement of
David Y. Morikawa
Vice President - Operations

**Testimony to the House Committee on Economic Development & Business
Wednesday, February 2, 2018 at 8:45 A.M.
Conference Room 309, State Capitol**

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

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

The Aloha Shoyu Company, Ltd. **supports** HB2610 that appropriates funds for the continuation of the manufacturing grant program within the High Technology Development Corporation.

According to the Chamber of Commerce of Hawaii, there are approximately 1,000 active manufacturers employing approximately 17,000 workers. Manufacturers 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. We believe that this is a worthwhile and financially smart investment for state funding. 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



Written Statement of
Robbie Melton
Executive Director & CEO
Hawaii Technology Development Corporation
before the
House Committee on Economic Development & Business
Friday, February 2, 2018
8:45 a.m.
State Capitol, Conference Room 309

In consideration of
HB2610
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** HB2610 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 bill appropriates \$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. Thank you for the opportunity to offer these comments.



Volcano Island Honey Company, LLC

66-1250 Lalamilo Farm Road, Kamuela, HI 96743

Tel: (808)775-1000 Fax: (808)775-0412

Web Site: www.rarehawaiianhoney.com

Statement of
Michael Domeier
Owner

Volcano Island Honey Company, LLC
before the

House Committee on Economic Development & Business

Friday, February 2, 2018

8:45 a.m.

State Capitol, Conference Room 309

In consideration of

HB2610

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

The Volcano Island Honey Company **supports** HB2610 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

Our company is renowned for a very unique variety of honey that we produce on the Island of Hawaii: raw, organic white honey originating from the Kiawe Tree. Over the years the HTDC manufacturing development grant program has helped us increase our production and efficiency through partial reimbursements for new, modern honey processing equipment. We have been able to dramatically increase our production while more efficiently managing our labor costs. We are able to process more honey with just

A Taste of Hawaii

modest increases in staff, while making the job easier and safer for our employees. Since participating in the program, we have increased our revenue from less than \$1 million to approximately \$1.5 million.

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.

A handwritten signature in black ink that reads "Michael L. Domeier". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Michael L. Domeier
Owner
Volcano Island Honey Company, LLC



Lanikai Brewing Company
175 Hamakua Drive, Unit C
Kailua, Hawaii 96734
www.lanikaibrewing.com

1/31/2018

RE: HB 2610 relating to a small craft beer producer tax credit in support with amendments.

Aloha Chair Evans, Vice Char Keohokaloke and members of the Committee on EDB.

Lanikai Brewing Company is a locally owned and operated Craft Brewery here on Oahu and we are in support of HB2610.

HB2610 Appropriates funds for the Hawaii Technology Development Corporations Manufacturing Grant Program (MAP Grant) that LBC has benefited from. We continue to encourage supporting this as well as expanding funding opportunities to bring back more manufacturing to Hawaii that will provide more jobs, more Made in Hawaii products, and more revenue to grow. Without the Map grant, LBC would not have been able to grow at the rate we have and continue to provide jobs to our local community to support that growth.

Manufacturing in Hawaii poses many challenges due to our costs of shipping, geographic isolation, taxation and general costs of business. Grants like the MAP program are integral to building and fostering a Manufacturing sector in Hawaii.

Lanikai Brewing Company is an Island Inspired® authentic Hawaiian craft beer company making 100% of our brews here in Hawaii. We take our cues from premium, local, rare, and exotic ingredients grown by local farmers and foraged across the Pacific to bring you bold and flavorful beers that you will find nowhere else utilizing Hawaiian terroir. **Please note that variances in growing season conditions can impact batch-to-batch flavor and aroma profiles.

‘Ōkole Maluna,

Steven R Haumschild

Steve Haumschild, MBA
CEO & Brewmaster
Certified Cicerone®
Lanikai Brewing Company, Island Inspired™ Craft Beer



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

February 2, 2018

HEARING BEFORE THE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

TESTIMONY ON HB 2610
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Room 309
8:45 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.

The Hawaii Farm Bureau supports HB 2610, 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.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Economic Development & Business
Friday, February 2, 2018 at 8:45 A.M.
Conference Room 309, State Capitol**

LATE

RE: HOUSE BILL 1863 HD1 RELATING TO ENTERPRISE ZONES

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

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent** HB 1863 HD1, which authorizes the Governor to designate an enterprise zone dedicated to manufacturing in each county.

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 is supportive of this bill that incentivizes capital investment by manufacturing companies with the hope of stimulating business growth and job creation. Passing this bill could encourage large manufacturers to relocate to Hawaii or provide existing Hawaii-based manufacturers with the opportunity to expand their businesses.

While there may be concerns with this measure regarding economic payback and the administration of rules and regulations, the Chamber believes that potential

Thank you for the opportunity to testify.

LATE

HB-2610

Submitted on: 2/1/2018 9:43:18 PM

Testimony for EDB on 2/2/2018 8:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES
DEMOCRATIC PARTY OF HAWAII
TO THE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
THE HOUSE OF REPRESENTATIVES
TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018
Friday, February 2, 2018
8:45 a.m.
Hawaii State Capitol, Conference Room 309**

RE: Testimony in Support of HB 2610, 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 & 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. 2610, relating to the Hawaii Technology Development Corporation's manufacturing grant program. The OCC Legislative Priorities Committee is in favor of House Bill No. 2710 and support its passage.

House Bill No. 2610, 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 states, "[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 educational 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 House Bill No. 2610 it 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, Tel.: (808) 258-8889



Kohola Brewery
910 Honoapiilani Highway #55
Lahaina, HI 96761

February 1, 2018

House Committee on Economic Development & Business
Friday, February 2nd, 2018, 8:45am
State Capitol, Conference Room 309

Re: HB 2610, RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION,
SUPPORTING TESTIMONY

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

I'm writing on behalf of our small, local family owned and employee owned business, Kohola Brewery in Lahaina, Maui. We support **HB 2610** that appropriates funds to the HTDC's "MAP GRANT". This program has shown success in assisting the growth of manufacturing in Hawaii. In addition to greater independence, local manufacturing is important to our local workforce in creating valued technical jobs for our statewide communities.

A passage of this bill will create more jobs, pay more wages, create new products, allow breweries to grow not only in numbers but in volume, and ultimately reinvest in our communities growing the overall industry of locally made beverages.

Manufacturers and producers in Hawaii operate under the highest conditions of any State. As an isolated State we must invest in local manufacturing, these are jobs with good wages and benefits that can provide careers for our residents. Many of our consumers in our tasting room are visitors and tourist from all parts of the world seeking authentic Hawaiian experience. We believe in serving them locally made beers from Hawaii versus other beers impersonating as "Hawaii Made"

Kohola Brewery opened in 2015 with 1 original employee, we have grown into a team of 7 Maui residents selling award winning beers throughout Maui and Oahu, and focused on using local resources for our beers such as lilikoi, pineapple and coffee. We have grown despite significant challenges to growth at all levels; financial, shipping, taxation, legislative and more. Incentives like this bill can help us continue our success and help others to do the same. We appreciate the ongoing support of all individuals and legislators who support issues which enable local manufacturers and businesses to thrive in Hawaii.

Mahalo for your consideration, We urge you pass this bill. Thank-you for the opportunity to provide testimony in support of HB 2610.

Sincerely,

Ian Elumba
Co-Founder/Co-Owner
Kohola Brewery
910 Honoapiilani Highway #55
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HB-2610

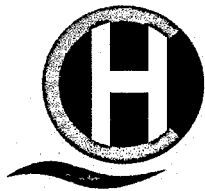
Submitted on: 2/2/2018 7:27:42 AM

Testimony for EDB on 2/2/2018 8:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Louisa Wooton	Kauai Kunana Dairy	Support	No

Comments:

Please continue support for small business manufacturers.



LATE TESTIMONY
Chamber of Commerce HAWAII
The Voice of Business

Testimony to the House Committee on Economic Development & Business
Friday, February 2, 2018 at 8:45 A.M.
Conference Room 309, State Capitol

RE: HOUSE BILL 2610 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 2610, 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.