



Statement of
Duke Hartman, P.E.
Vice President, Business Development
MAKAI OCEAN ENGINEERING, INC.
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Wednesday, March 14, 2018

9:30 a.m.

State Capitol, Conference Room 309

In consideration of

SB2903 SD1

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS SB2903** 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 marine heat exchanger test facility and marine 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.

SB-2903-SD-1

Submitted on: 3/12/2018 9:44:46 AM

Testimony for EDB on 3/14/2018 9:30:00 AM

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

Comments:



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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*
Stan Brown, Acosta Sales & Marketing, *Advisor*
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 and Business
Rep. Cindy Evans, Chair
Rep. Jarrett Keohokalole, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: Wednesday, March 14, 2018
TIME: 9:30am
PLACE: Conference Room 309

RE: SB 2903 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 Development 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.

Statement of
Jonah Heller
Creative
jonah.heller@gmail.com
before the
House Committee on Economic Development & Business
Wednesday, March 14, 2018
9:30 a.m.
State Capitol, Conference Room 309

In consideration of
SB2903, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Jonah Heller supports SB2903, SD1 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, SB2903 (SD1) 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.

Thank you for the opportunity to offer these comments.



HYPERPECTIVE
INSPIRE BELIEF

Statement of:
Todd J. Robertson
Hyperspective
Before the
House Committee on Economic Development & Business
Wednesday, March 14, 2018
9:30 a.m.
State Capitol, Conference Room 309

**In consideration of
SB2903, SD1 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

Hyperspective **supports** SB2903, SD1 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

Hyperspective is a digital creative agency, focused on developing cutting edge technology for communications and products within the State of Hawaii for global export. As a technology company, Hyperspective benefits from programs like the manufacturing program in-directly through services provided to companies that are awarded support and through the economic ecosystem these companies are a part of. This program supports the growth of an ecosystem of companies that attract large-scale business, talent and investments to 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.

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.

Kauai Beer Company

James Guerber

4265 Rice Street

Lihue, HI 96766

98080 639 7821

jim@kauaibeer.com



Statement of
Jim Guerber, Kauai Beer Company
before the
House Committee on Economic Development & Business
Wednesday, March 14, 2018
9:30 a.m.
State Capitol, Conference Room 309

In consideration of
SB2903, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Position: **Support**

My name is Jim Guerber and I am the President of the Kauai Beer Company, located in downtown Lihue, Kauai on Rice Street. We have been in business here since 2006 and began formally serving beer in September 2013. We have been instrumental in the effort to revitalize our downtown and are widely recognized for our contribution in that regard. We are in the process of renovating an adjacent space, which will dramatically enhance our ability to serve a larger customer base, increase production and increase our personnel, which is presently 34 full and part-time personnel.

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.

Jim Guerber
Re: SB2903, SD1

March 12, 2018

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 12, 2018

Statement of Honolulu Beerworks
House Committee on Economic Development & Business

Wednesday, March 14, 2018

9:30 a.m.

State Capitol, Conference Room 309

In consideration of
SB2903, SD1
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION**

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

Position: **Support**

Honolulu Beerworks supports SB2903, SD1 that appropriates funds to
HTDC for continuance and administration of the manufacturing development program.

My name is Geoffrey Seideman, I live in Hawaii Kai, Oahu, and I am the Owner
and Brewer of Honolulu BeerWorks brewery in Kaka'ako. Mahalo for the opportunity to
submit testimony, I apologize that I could not be there in person as my growing business
needs me present. I am writing on behalf of our local family-operated business,
Honolulu Beerworks, in support **SB2903,SD1**.

We are just completing our third expansion and thanks to programs like this ,
helps offset some of the increased costs and setup that are associated with doing
business in Hawaii. It has allowed us also to start packaging for retail markets as well.
We started our company 4 years ago with a staff of 16 and have grown to 38 local
employees. With the completion of our latest expansion and new distribution, we will be
adding another 5 full time positions by years end. We are also looking to open a
production brewery in the next couple of years which will even add more jobs in the
near future.

According to the Chamber of Commerce of Hawaii, Hawaii has over 1,000 active
manufacturers employing approximately 17,000 workers and Hawaii's manufacturing

Honolulu Beerworks
328 Cooke St, Honolulu HI. 93813
808-589-2337

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 provide testimony in support of SB2903, SD1
Sincerely,

Geoffrey Seideman
Owner/Brewer
Honolulu Beerworks

Honolulu Beerworks
328 Cooke St, Honolulu HI. 938 13
808-589-2337



March 13, 2018

House Committee on Economic Development & Business
Wednesday, March 14th, 2018, 9:30am
State Capitol, Conference Room 309

Re: **SB2903 SD1**, RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION,
SUPPORTING TESTIMONY

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

Maui Brewing Co. supports **SB2903** 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



Written Statement of
Robbie Melton
Executive Director & CEO
Hawaii Technology Development Corporation
before the
House Committee on Economic Development & Business
Wednesday, March 14, 2018
9:30 a.m.
State Capitol, Conference Room 309

In consideration of
SB2903, SD1
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** SB2903, SD1 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 draft of this 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. We respectfully request correction of the defective effective date. Thank you for the opportunity to offer these comments.



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

Statement of
James Chan
General Manager/Owner
Hawaiian Chip Company, LLC
before the
House Committee on Economic Development & Business
Wednesday, March 14, 2018
9:30 a.m.
State Capitol, Conference Room 309

In consideration of
SB2903, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT
CORPORATION

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

Hawaiian Chip Company, LLC **supports** SB2903, SD1 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



1928 Republican Street Honolulu, HI 96819 Phone: (808) 845-9868 Fax: (808) 848-7848
contributed to a twenty-five percent increase so far 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.

Thank you for the opportunity to offer these comments.

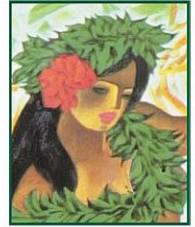
Mahalo,

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 at the end.

James Chan

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
Wednesday, March 14, 2018; 9:30 a.m.
State Capitol, Conference Room 309

RE: SB2903 "RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION"

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

Hawaii Coffee Company **supports** SB2903 SD1, 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
Gary Novosel
President
Raw Dog Brands, Inc.
before the
House Committee on Economic Development & Business
Wednesday, March 14, 2018
9:30 a.m.
State Capitol, Conference Room 309

In consideration of
SB2903, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Raw Dog Brands, Inc. **supports** SB2903, SD1 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

We are a frozen dog food manufacturer located on Oahu. We use grass-fed Hawaii beef and wild Hawaii venison exclusively in our foods. We buy 10's of thousands of pounds of meats per year, have revenues of 800k for 2017, employ 7 people, and are now expanding to a larger facility to meet our demands. Because Hawaii is expensive for manufacturers to do business here and the costs of our equipment are high (\$210,000 for 2018) the HTDC Grant Program is crucial for us to continue operations here. We strongly advocate buying locally, hiring locally, using local service providers and supporting the state's economy. Ranchers, farmers and hunters benefit from our purchasing volume and we help them to employee extra resources in order to help them grow. While the cost of doing business here is significantly higher, we believe that manufacturing and growing our business is important to the greater good.

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.

« Recipient's Name »
« Subject »

March 13, 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.

Hawaii Fish Company (HFC), a family-owned North Shore Oahu aquaculture farm, testifies in strong support of SB 2903 SD1 which would appropriate funds for the continuation of the Hawaii manufacturing development grant program administered by the High Technology Development Corporation (HTDC). HFC is currently researching and developing manufactured aquafarm products with support one USDA/SBIR Phase I feasibility research grant and two USDA/SBIR Phase II research and development grants and a Hawaii SBIR matching grant for each.

Once our current SBIR R&D efforts are complete, we will move forward with Phase III commercialization. This will include the development of manufacturing equipment and infrastructure for the preparation and manufacture of aquaculture and aquaponic products. The continuation of this supportive manufacturing development grant program would provide HFC an important cost sharing opportunity to enable our small, family-owned, multigenerational company to take this important commercialization step which, in turn, will enable us to support job retention, increased rural employment, seafood and aquaponic supply production, and sales.

In summary, the manufacturing support potentially available to our company through this HTDC program has already been successfully provided to many other local manufacturing companies for the past three years. With the manufacturing development grant program's positive track record, HFC feels strongly that this program is worthy of continued State support. As such, we strongly support SB 2903 SD1.



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e-mail info@hfbf.org; www.hfbf.org

March 14, 2018

HEARING BEFORE THE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

TESTIMONY ON SB 2903, SD 1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Room 309
9:30 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 SB 2903, SD 1, 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.



Hawaiian Craft Brewers Guild
Cindy Goldstein
Executive Director
98-814 C Kaonohi Street
Aiea, HI 96701

SB2903, S.D.1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

House Committee on Economic Development & Business
Wednesday, March 14, 2018 at 9:30 a.m. Conference Room 309

Chair Cindy Evans, Vice Chair Jarrett Keohokalole, and members of the House Committee on Economic Development and Business,

Position: **Support**

The Hawaiian Craft Brewers Guild supports SB2903, S.D.1 and the appropriation of funds to HTDC to continue the Manufacturing Development Program. SB2903, S.D.1 is well aligned with the mission of the Hawaiian Craft Brewers Guild, to promote economic activity for Hawaii's beer manufactures and enhance opportunities in our communities.

Craft beer manufacturers have applied for and received manufacturing assistance program grants under this HTDC program. This funding has provided significant positive benefits for our member breweries, supporting and stimulating expansion and growth of beer manufacturing in Hawaii. New jobs have been created at individual breweries and career opportunities broadened for living wage jobs.

According to the Chamber of Commerce, 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 their industries.

The Hawaiian Craft Brewers Guild is a non-profit Hawaii trade organization that seeks to promote production of independent craft beer in Hawaii. The number of independent craft breweries in Hawaii continues to grow, and several breweries have recently, or are in the process of expanding. Our members represent the majority of the craft beer producers in Hawaii, with members producing 100% of their beer in Hawaii.

The Hawaiian Craft Brewers Guild thanks you for the opportunity to provide testimony in support of SB2903, S.D.1.



ALOHA SHOYU COMPANY

Statement of
David Y. Morikawa
Vice President - Operations

**Testimony to the Senate Committee on Economic Development and Business
Wednesday, March 14, 2018 at 9:30 A.M.
Conference Room 309, State Capitol**

In consideration of
SENATE BILL 2903, SD1
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

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

The Aloha Shoyu Company, Ltd. **supports** SB 2903, SD1 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.

According to the Chamber of Commerce of Hawaii, 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.

Thank you for the opportunity to testify.



Statement of
Lyndon Dela Cruz
Owner/Designer
Lanakila Designs
Before the
House committee on economic development and business
Wednesday, March 14, 2018
9:30 AM
State capital, conference room 309

In consideration of
SB2903, SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Evans, Vice chair Keohokalole, and members of the committee on economic development and business.

Lanakila Designs **supports** SB2903, SD1 that appreciates funds to the HT DC for continuance and administration of the manufacturing development program.

Lanakila Designs is a T-shirt screen printing, direct to garment printing, heat press vinyl printing, custom decal printing and cutting business. Our project here is to upgrade our screen printing side of the business with software and a printer that will help simplify images that we can use to burn on the screens which will increase production and offer more intricate designs to our customers.

This grant is very important to us because it provides reimbursement which cuts the actual cost of the equipment and purchases that we make.

This grant benefits are business in a way where it helps us to build the business a little quicker and easier than struggling for funding. It really does help us!

According to the chamber of commerce of Hawaii, Hawaii has over 1000 active manufacturers employing approximately 17,000 workers in Hawaii is manufacturing industry help the local economy by exporting nearly \$570 million in manufactured goods in 2012.

The program limits reimbursement to 20% of qualified expenses kept at \$100,000. The program shows the states support for local manufactures willing to make the commitment to growing their business is in Hawaii and going the industry.

Thank you for the opportunity to offer these comments.

SB-2903-SD-1

Submitted on: 3/13/2018 9:29:57 AM

Testimony for EDB on 3/14/2018 9:30:00 AM

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

Comments:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **SB2903 SD1**, relating to Hawaii Technology Development Corporation Manufacturing Development Program.

The OCC Legislative Priorities Committee is in favor of **SB2903 SD1** and support its passage.

SB2903 SD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it appropriates funds to the Hawaii Technology Development Corporation for continuance and administration of the manufacturing development program.

The DPH Platform states 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 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. 2, Lines 97-99 (2016)).

Given that **SB2903 SD1** provides for funding for the Hawaii Technology Development Corporation Manufacturing Development 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



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Economic Development & Business
Wednesday, March 14, 2018 at 9:30 A.M.
Conference Room 309, State Capitol**

**RE: SENATE BILL 2903 SD 1 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** SB 2903 SD 1, 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.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 309
WEDNESDAY, MARCH 14, 2018 AT 9:30 A.M.**

To The Honorable Cindy Evans, Chair;
The Honorable Jarrett Keohokalole, Vice Chair; and
Members of Committee on Economic Development & Business;

**TESTIMONY IN SUPPORT OF SB2903
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce. I am writing share our support of SB2903.

The Hawaii Technology Development Corporation is extremely important to develop and sustain the state's manufacturing industry. The manufacturing increases the workforce and resources for our community. We believe supporting our local manufacturers is vital to our state's economy and support funding to continue the manufacturing grant program and its operations and administration for fiscal year 2018-2019.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

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



Statement of
Julia Person
Corporate Sustainability Manager
Julia.person@konabrewingco.com / 971-271-0596
Kona Brewing Co.
before the
House Committee on Economic Development & Business
Wednesday, March 14, 2018
9:30 a.m.
State Capitol, Conference Room 309

In consideration of
SB2903 SD1
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Kona Brewing Co. **supports** SB2903 SD1, which appropriates funds to the Hawaii Technology Development Corporation 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.



LATE

KAUAI ISLAND BREWING CO.

PORT ALLEN, HAWAII

March 13, 2018

In consideration of **SB2903, S.D.1**
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

House Committee on Economic Development & Business
Wednesday, March 14, 2018 at 9:30 a.m. Conference Room 309

Chair Cindy Evans, Vice Chair Jarrett Keohokalole, and members of the House Committee on Economic Development and Business,

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

Kauai Island Brewing Company **supports** SB2903 SD1 that appropriates funds to HTDC for continuance and administration of the manufacturing development program.

Kauai Island Brewing Company currently employs 35 full and part-time employees. We are a manufacturing facility that is looking to expand its brewing operations through the purchase of additional and larger equipment. All this equipment needs to be purchased and shipped from the mainland not to mention all our raw ingredients. Our costs to ship are extensive. Our costs to operate remotely from an Island are upwards of 40% higher than if we were on the mainland. This grant offers us opportunities to get relief from these higher costs and will be used to further invest in our business and our people.

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.

Sincerely,

Bret Larson
President, Kauai Island Brewing Company, LLC.
808-755-5926
bret@kauaiislandbrewing.com