



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

Testimony of **Ford Fuchigami**
Administrative Director, Office of the Governor

Before the Senate Committees on
Economic Development, Tourism, and Technology
Higher Education
Water and Land
February 9, 2018
1:45 p.m., Conference Room 414

In consideration of
Senate Bill No. 48 SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, and Rhoads, Vice Chairs Taniguchi, Kim, and Gabbard, and committee members:

Thank you for the opportunity to provide comments in opposition for **Senate Bill 48 SD1**, which proposes to take real property at the Mānoa Innovation Center that is owned by the University of Hawai'i and convey it to the Hawai'i Technology Development Corporation (HTDC).

While the Office of the Governor does not support the approach taken in this bill, we nonetheless support its value in supporting innovation in Hawai'i. HTDC's current business plan relies on lease rent that they have been receiving from the Mānoa Innovation Center, so long as they are able to utilize the property with no lease rent paid to the University. However, this was not how HTDC was originally contemplated for funded. Originally, HTDC was supported with direct legislative funding and support. That support has diminished over time, thus forcing HTDC to be more reliant on their non-rent lease with the University.

To address this, the Governor's Office will be transmitting a Governor's Message to the Legislature proposing a General Fund appropriation of \$910,000 annually to HTDC to replace their net revenue derived from the Mānoa Innovation Center.

We appreciate your attention and will be available to answer your questions, should you have any at this time.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committees on
Economic Development, Tourism, and Technology
Higher Education
Water and Land
February 9, 2018 at 1:45 p.m.

by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

SB 48 SD1 – RELATING TO TECHNOLOGY

Dear Chairs Wakai, Kahele, and Rhoads, Vice Chairs Taniguchi, Kim, and Gabbard, and members of the committees:

The University of Hawai'i hereby submits testimony in opposition to Senate Bill 48, Senate Draft 1 (SB48 SD1). This bill proposes to transfer title, custody, control, and management authority of fee simple land that are rightfully owned by the University of Hawai'i (UH). This bill is counter-productive to our UH goals and mission of expanding educational programs, and managing and monetizing our assets.

SB48 SD1 seeks to transfer the land at the Mānoa Innovation Center located at 2800 Woodlawn Drive in Honolulu, Hawai'i, O'ahu, to the Hawai'i Technology Development Corporation (HTDC), and proposes a return of the land and facilities back to UH by June 30, 2029. First and foremost, UH holds the fee simple title to the land in question and has been planning for the use of the Mānoa Innovation Center. Wrestling away title of this land from the University would be a major setback and is counter to legislative and administration efforts that encourage the University to be more pro-active in real asset management.

Secondly, this property was acquired by the University in 1968 and had been leased to the Hawai'i Technology Development Corporation (HTDC) since 1990 at no ground rent to the University. The lease arrangement has allowed HTDC to retain all net rental proceeds to support their programs for over 25 years. HTDC's lease of the property expired in April of 2015. The University has allowed HTDC to remain as the lessee on a month-to-month basis for more than 2-1/2 years. The University informed HTDC on January 22nd that the month-to-month arrangement would be terminated and UH assume control and management of the Mānoa Innovation Center facility on July 1, 2018. The University will be using this property to advance its innovation and technology initiatives. The University believes HTDC could still continue to play a role in this effort.

In terminating the lease with HTDC, the University has offered HTDC to remain at Mānoa Innovation Center rent free, paying only applicable common-area maintenance fees. The University has also communicated to tenants that it intends to allow existing tenants to remain at the Mānoa Innovation Center under their existing terms and conditions if they want to stay in place. Our intent is to minimize disruption to HTDC and the MIC tenants as we transition into the property on July 1, 2018.

Furthermore, the Legislature has been increasingly vocal about the University seeking options to monetizing assets to support the UH programs rather than only relying on legislative appropriations of general funds. The Mānoa Innovation Center is University property and the University should be supported to maximize its efforts to utilize resources and assets within its possession to manage its own resources and generate its own revenue.

For these reasons, we respectfully request that the committees defer this matter indefinitely. SB48 SD1 does not serve the best interest of the UH.

Thank you for your time and consideration.



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

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the

**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, TOURISM, AND
TECHNOLOGY**

**AND
HIGHER EDUCATION
AND**

WATER AND LAND

Friday, February 9, 2018

1:45p.m.

State Capitol, Conference Room 414

in consideration of

SB 48, SD1

RELATING TO TECHNOLOGY.

Chairs Wakai, Kahele and Rhoads; Vice Chairs Taniguchi, Kim, and Gabbard and Members of the Committees. The Department of Business, Economic Development, and Tourism (DBEDT) provides comments on SB48, SD1.

SB 48, SD1 transfers title and management authority of the land under the Manoa Innovation Center (MIC) from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC) for ten years.

On January 22, 2018, UH notified HTDC and DBEDT that management of MIC will transfer to UH on July 1, 2018. The 25-year lease from UH to DBEDT for the land on which MIC sits expired in April 2015. UH informed HTDC and DBEDT that they intended to not extend the lease and take over management of the facility. Since the expiration of the lease, UH has allowed HTDC to stay as a month-to-month basis rent-free and to continue operating the Center and collecting tenants' rents to give HTDC and DBEDT time to plan for this handover.

UH has offered HTDC the option of staying in their current offices on a rent-free basis, paying CAM only, until June 30, 2020. UH has informed the MIC tenants that they will honor all current leases, and has invited HTDC to continue providing incubator services to the tenants.

This handover of management of the Center from HTDC to UH will result in a loss of tenants rents which must be replaced with General Funds in order to avoid terminating HTDC employees and shutting down the program shortly after July 1, 2018.

The HTDC Board of Directors met on February 2, 2018, and voted unanimously to support DBEDT's request for General Funds to continue the HTDC programs that have been funded by revenues collected from the MIC tenants. DBEDT is working with the Administration to provide the Legislature with the amount of General Funds needed.

Thank you for the opportunity to provide these comments.

Statement of
Rachel James, MAGLSD
Hawaii Resident
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

I am in **strong support** of SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

As a resident of this state and an engaged community member, I have been encouraged by the depth of services that HTDC has provided over the years. I have had the pleasure to serve on two economic development boards over the past three years (the specific names of the boards I will reserve as I am speaking primarily as a resident of Hawaii.). During that time, I have been able to experience HTDC's impact from different perspectives and can say without hesitation that HTDC has been an asset to this state's efforts toward economic diversity.

Their dedication to serve the entire state through innovative programs like the Ni3 program. Programs like this are possible because HTDC has been able to maintain a strong base at the MIC headquarters. The location not only affords the organization a strong foundation as a hub for tech-based economic development in the state, it also serves as a necessary revenue source to ensure startup companies can thrive in their early years.

The importance of HTDC remaining at the MIC is that this location allows the organization to thrive alongside those whom it supports. The location affords HTDC's statewide outreach, community event hosting, information updates, workshops, and so much more. It is a hub for the growing tech sector in Hawaii and simply removing them from the location is an unsatisfactory proposal. I implore you to ensure that HTDC can remain at MIC until such time that a planned departure can be determined.

A premature termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

Sincerely,
Rachel James



Written Statement of
Robbie Melton
Executive Director & CEO
Hawaii Technology Development Corporation
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

The Hawaii Technology Development Corporation (HTDC) **supports** SB48 SD1 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

UH has provided notice to HTDC that it intends to terminate the lease at the Manoa Innovation Center effective June 30, 2018. Termination of the lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. The rent revenue generated through the incubation program at the Manoa Innovation Center funds half of HTDC staff's salary and all of our discretionary program funding. Without the lease or an alternate method of funding, HTDC will not be able to continue operation.

In HTDC's 2016 economic impact survey of clients, 150 companies reported \$389 million of revenue and \$620 million of total economic impact. HTDC programs receive an annual appropriation of just over \$1 million in general funds, \$520,000 of which are passed through as grants to companies. HTDC has leveraged our state funding to secure \$500,000 of annual federal funding for our Innovate Hawaii program and approximately \$20 million over 5 years federal

funding for our HCATT program. HTDC takes pride in reporting substantial leverage and return on investment for the state.

The MIC land lease has been a concern for HTDC for many years. Previous attempts to resolve the issue have included overwhelming public testimony for HTDC programs and mission. (https://www.capitol.hawaii.gov/Archives/measure_indiv_Archives.aspx?billtype=HB&billnumber=71&year=2013) HTDC has proven itself as a responsible steward for the upkeep of the facility, active member of the Manoa community, and a valuable resource for the tech community. HTDC has requested funding from the legislature every year to construct a replacement facility but the funds have not been available. HTDC has solicited and received federal grant funding and private sector investment for the construction of the Entrepreneurs Sandbox. However, the facility is only a complement to the Manoa Innovation Center. HTDC continues to seek state, federal, and private sector funding for a replacement for the Manoa Innovation Center.

HTDC remains supportive of UH's innovation agenda as a piece of the bigger goal of growing the State's tech sector. UH has offered for HTDC to stay at the Manoa Innovation Center while paying only for common area maintenance. However, HTDC would require a consistent annual appropriation to cover staff salary, federal funding match, programs, and common area maintenance to consider this opportunity. HTDC's more immediate concern is to continue our mission until funding becomes available to construct a replacement facility in Kakaako.

We humbly ask that you include the following language in the bill: "This bill is identified as affecting a matter of statewide concern." Thank you for the opportunity to offer these comments.



Cardax, Inc.

2800 Woodlawn Drive, Suite 129, Honolulu, HI 96822

telephone 808.457.1400 fax 808.237.5901

www.cardaxpharma.com

February 7, 2018

Dear Senators:

This testimony is written in strong support of SB48.

While we have always been and will continue to be a strong supporter of the University of Hawaii, HTDC plays a crucial role in the emerging entrepreneurial ecosystem in Hawaii. Unless the legislature is willing to provide alternative funding, losing MIC as a revenue source would severely damage HTDC's ability to play its key role in this process.

As a company, we at Cardax have experienced the many positive benefits that HTDC brings to this mission and we can truly say that HTDC has helped us get to where we are today - from our IPO in 2014 to the development and launch of our first product, ZanthoSyn, now available in all 3,200 GNC stores nationwide.

Sincerely,

David G. Watumull
President and CEO
Cardax, Inc.
2800 Woodlawn Dr. Suite 129
Honolulu, HI 96822
Phone: (808) 457-1375
E-mail: dwatumull@cardaxpharma.com



February 7, 2018

SB48, SD1 Relating to Technology
Senate Committee on Economic Development, Tourism, and Technology
Senate Committee on Higher Education
Senate Committee on Water and Land
State Capitol, Conference Room 414

Dear Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees,

The Oahu Economic Development Board **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

If you would like further input from me, please do not hesitate to call on me.

Sincerely,

Pono Shim
President and CEO
Oahu Economic Development Board



SB-48-SD-1

Submitted on: 2/7/2018 5:53:44 PM

Testimony for ETT on 2/9/2018 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Terri Erwin		Support	No

Comments:

Statement of

Terri Erwin

Owner

Perfection Bra Fitting Salon

before the

Senate Committee on Economic Development, Tourism, and Technology

And

Senate Committee on Higher Education

And

Senate Committee on Water and Land

Friday, February 09, 2018

1:45 p.m.

State Capitol, Conference Room 414

In consideration of

SB48, SD1

RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

Perfection LLC (dba Perfection Bra Fitting Salon) **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

Perfection is a solopreneur, woman-owned retail shop located on the island of Maui, providing post-mastectomy services and quality lingerie products for women.

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. I support SB48 legislation that transfers title of the land and buildings of the Manoa Innovation Center (MIC) from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

I am a member of Maui Business Brainstormers, a volunteer group supporting the local small business communities of Maui and Oahu. It has received extensive support from HTDC including use of the physical facilities at MIC Oahu as well as the Innovation Center on Maui. Access to the conference rooms at both facilities has been critical to the ability of our organization to provide no-cost education to the business owners on both islands. Because of the compatibility of our missions, the relationship of MBB and HTDC is one of the strongest contributors to the success of MBB. I am concerned that loss of the lease from HTDC would irreparably harm MBB's ability to host educational sessions available to all business owners.

In particular, the HTDC has been an important asset to the start-up community, and it seems very much the wrong direction to withdraw support for that element of our state economy at this time. Thank you for your consideration.

South Maui Learning Ohana, Inc.
a 501 c3 educational non profit
Fed ID # 99-0341232

TESTIMONY IN OPPOSITION TO SB 48 SD1

DATE: Friday, February 9, 2018
TIME: 1:45 p.m.
PLACE: Conference Room 414

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY
Senator Glenn Wakai, Chair
Senator Brian T. Taniguchi, Vice Chair

COMMITTEE ON HIGHER EDUCATION
Senator Kaiali'i Kahele, Chair
Senator Donna Mercado Kim, Vice Chair

COMMITTEE ON WATER AND LAND
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Aloha Senators,

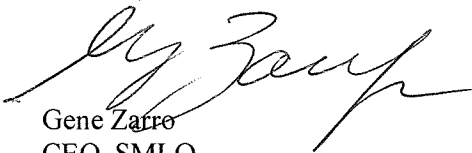
South Maui Learning Ohana, inc opposes the action in SB 48 SD1.

As an organization that has been the beneficiary of the great work of the HTDC I would hate to see this organization lose this property.

Their mission is different than that of UH but like UH it is an integral part of the tech fabric of the State of Hawaii.

Do not take this away from HTDC

Sincerely



Gene Zarro
CEO, SMLO

SB-48-SD-1

Submitted on: 2/7/2018 7:16:09 PM

Testimony for ETT on 2/9/2018 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tricia Morris	Collaborative Dispute Resolutions	Support	No

Comments:

Statement of

TRICIA MORRIS

Managing Director

COLLABORATIVE DISPUTE RESOLUTIONS

before the

Senate Committee on Economic Development, Tourism, and Technology

And

Senate Committee on Higher Education

And

Senate Committee on Water and Land

Friday, February 09, 2018

1:45 p.m.

State Capitol, Conference Room 414

In consideration of

SB48, SD1

RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

Tricia Morris and Collaborative Dispute Resolutions **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

My Company supports the Tech Industry and brings in business from the Mainland as well as throughout the State of Hawaii. It is not in the best interests of Hawaii for the University of Hawaii to take over the Facility. It is a higher priority to expand the tax base and the development of green tech businesses. The people of Maui need more employment opportunities and more prosperity. HTDC Programs and the opportunity of affordable rental space have allowed me to greatly enhance my business. It also has allowed us to expand our services to local people and businesses.

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of Statewide concern.

Thank you for the opportunity to offer these comments.

Tricia Morris

cc: testimony@htdc.org

Statement of
Lynn Fujioka
President
HI FusionED
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

HI FusionED **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

HI FusionED is a 501(c)(3) not-for-profit corporation that develops place-based engaging science and technology programs and activities for Hawaii students developed in partnership with local professionals and educators. HI FusionED provides immersive learning experiences while introducing students to local role models and field experts to foster interest in higher education and career options in related fields.

The Hawaii Technology Development Corporation has provided an accessible, professional environment to connect with scientists and engineers in developing rigorous learning activities for students. We have benefitted greatly from our tenancy at the Manoa facility primarily because of its location, amenities and supportive staff. Removing this service would create a hardship on our very small organization as we rely on its affordable virtual rent and tenant support services.

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.



Statement of
Mark Tawara
President/Owner
Bright Light Digital
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land

Friday, February 09, 2018

1:45 p.m.

State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees:

Bright Light Digital (BLD) **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

BLD provides digital signage and audio/visual solutions for dozens of clients in Hawaii. I started this business in January 2016 and was accepted as a virtual tenant of the MIC in April 2016. Since then, my business has taken off tremendously, and I owe a large part of it to being associated with the MIC.

Since becoming affiliated with MIC, Bright Light Digital's gross revenue has increased by 109%, and net profit has increased by 65%.

I am extremely concerned about the University of Hawaii taking over the facility, regardless of their assurances that current tenants will continue to keep their spaces. The building is already occupied by many UH offices, and I can imagine that UH would want to expand their presence within the MIC if given free rein to the facility.



Having started my business out of my home, I can attest to the fact that by having an address at the MIC, it not only helped by giving my business a physical presence, but it also serves as a talking point with almost every new client of mine. I point to the various resources that are available to my business through HTDC and how they are helping to make our state a technology hub in the middle of the Pacific.

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

Sincerely,
Bright Light Digital

A handwritten signature in black ink, appearing to read "Mark Tawara", written in a cursive style.

Mark Tawara
President/Owner



Statement of
Dianne H. Jordan, PhD
Chief Executive Officer
Resurgo, LLC
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

Resurgo, LLC **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

Resurgo, LLC is a minority woman-owned small business owned and registered in the state of Hawai'i. Since 2011 we have focused on cyber security research, development, testing, and evaluation (RDT&E) and have been a contractor working with the Federal government and the nation's leading universities, laboratories, and other companies on challenging issues facing the nation. Since 2014 we have been tenants of HTDC at the Manoa Innovation Center (MIC). Since that time we have developed a prototype machine-learning assisted network analyzer (MANA) which was successfully demonstrated at a Hawaiian Electric Company plant last week. MANA shows great promise for the security of industrial control systems (ICS) and energy critical infrastructure.

My company is at a fragile state at this point in time. Having used significant personal resources to sustain the development of MANA, we are attempting to secure additional funding to have a successful dual-use product for government and commercial markets. The transfer of the MIC facility and supporting staff to the University of Hawai'i at this time creates a vulnerability for Resurgo that I was hoping to avoid. The loss of HTDC support staff would be very detrimental to our MANA startup lifecycle.

The benefits of HTDC management of the MIC are many. The month to month leases, the use-based nominal charges for conference rooms, the Internet connectivity are must-have for a startup. I researched leases in building around the airport and a three-year lease is the minimum time frame. No startup can make that kind of commitment.

The many HTDC programs have benefitted us enormously. We met the NSA at a HTDC event, and have subsequently entered into a very promising cooperative research and development agreement (CRADA) and a patent license agreement that when developed will complement the capability of our MANA sensor. I have attended very information workshops on intellectual property, have met many legislators on their yearly stop at the MIC. The informative newsletters, bulletins, and emails from HTDC staff keep us abreast of community and national resources to help grow our fledgling companies. Through HTDC we were able to plug into several SBIR/STTR conferences and have applied for one recently. Through HTDC workshops we met several fellow scientists in the building and have submitted for SBIRs with two different companies co-located with us. Through HTDC I recently attended a fireside chat with a successful NYC venture capitalist who had some interesting insights for the attendees. Through HTDC connections I was invited to be on the opening panel at the UH Future Focus symposium which gave my company visibility with the academic and business community.

The termination of the HTDC lease adds considerable uncertainty to my business prospects. All the tenants of the MIC are eager to grow the knowledge economy of Hawai'i. We are all taking significant business and personal risks to put our ideas into practice, to create and develop innovative concepts. I share one comment from the chairman of the Johns Hopkins University computer science department who demonstrated his technology at our joint HECO demo. He told my engineers that it was wonderful that we somehow managed to take root in such a far away place (from the hub of high tech and big business)...he used the term "eco-system" and complimented my husband and I for the effort and courage it takes to sustain our business. That is the right term to describe what it takes to create and nurture a startup here in Hawai'i--an ecosystem. And HTDC and the MIC have been strong partners for all the tenants there and their contribution to the high technology "eco-system" is critical.

Future economic vitality of Hawai'i depends on our ability as a society to nurture the very promising high technology developments in computer sciencd and biology that have flourished under HTDC mentorship and leadership at the MIC. Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

Malama pono a me ke aloha pumehana nō.



Statement of

**The volunteer organizers of Maui Business Brainstormers (MBB):
Grace Fung, Lori Fisher, John Hau'oli Tomoso, David Kapaku, Kauionalani Waller,
Nicole Fisher, Patricia Anderson, Patricia Diaz, Patricia Morris, Gylan Solay,
Molly Balzano, Carmel Patterson, and Ed Gazmen,**

before the

Senate Committee on Economic Development, Tourism, and Technology

And

Senate Committee on Higher Education

And

Senate Committee on Water and Land

Friday, February 09, 2018

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SB48, SD1

RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. We support SB48 legislation that transfers title of the land and buildings of the Manoa Innovation Center (MIC) from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

Maui Business Brainstormers (MBB) is a volunteer group supporting the local small business communities of both Maui and Oahu, and has received extensive support from HTDC including use of the physical facilities at MIC Oahu as well as the Innovation Center on Maui.

Access to the conference rooms at both facilities has been critical to the ability of our volunteer organization to provide no-cost education to the business owners on both islands. Because of the affinity of our missions, the partnership of MBB and HTDC is one of the strongest contributors to the success of MBB.

We are concerned that loss of the lease from HTDC would irreparably harm MBB's ability to host educational sessions available to all business owners. In addition, the services provided by HTDC itself to our business community has directly helped our local business owners especially the start-up community for whom such support is critical, and means the difference between survival and failure. Losing the lease would mean HTDC would be forced to withdraw such critical support to our community.

Mahalo for the opportunity to offer these comments.

A handwritten signature in black ink that reads "Grace Fung". The signature is fluid and cursive, with a large initial "G" and "F".

Grace Fung, on behalf of MBB and its entire team of volunteer organizers.

Statement of
Ryan Kanno
Former Code for Hawaii Co-Captain
Code for Hawaii, a Code for America Brigade
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
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In consideration of
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RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

I, Ryan Kanno, **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

Code for Hawaii (<https://codeforhawaii.org>) is a Code for America Brigade. We are volunteers interested in open data, open knowledge, civic apps, data visualizations, and the application of technology to make our communities better. As the longest running technology focused volunteer group, we have met 3 times a month for the past 2+ years. I am the former co-captain of Code for Hawaii.

There are many concerns with UH taking over the facility:

1. HTDC has nurtured and fostered relationships with members of the technology community. The change will cause undue stress on our volunteer group.
2. HTDC provides support to the technology community in many forms – from marketing to guidance to funding to space – it would be a travesty to see them not be able to support the community in the same capacity.

Every year for the past 3 years, Code for Hawaii has organized two annual events for Hawaii's civic technology community (see: <https://blog.codeforhawaii.org/2016/06/10/national-day-civic-hacking-recap/> for an example). HTDC has been an integral partner for Code for Hawaii by helping us market, host, and organize these events at the Manoa Innovation Center. Every first Wednesday for the past 2 years, we've used the space at MIC to host our meetups – in addition, many of our volunteer members have come through various recommendations from HTDC and their technology partners.

« Recipient's Name »
« Subject »

February 8, 2018

2

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

SB-48-SD-1

Submitted on: 2/8/2018 4:54:59 AM

Testimony for ETT on 2/9/2018 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicholas Hurd	Litening Software, Inc.	Support	No

Comments:

I support SB48 because it supports the tech community in Hawaii and it's important to have forward looking businesses in Hawaii.

Regards,
Nicholas Hurd
Litening Software, Inc.
Kihei, HI

HAWAII EVOLUTIONARY DEVELOPMENT, LLC

Statement of
LETIZIA DE LANNOY
Manager
Hawaii Evolutionary Development, LLC
(HIEvoDEvo)
before the
Senate Committee on Economic Development, Tourism & Technology
and
Senate Committee on Higher Education
and
Senate Committee on Water and Land

Friday, February 9, 2018

1:45 p.m.

State Capitol, Conference Room 414

In consideration of

SB48, SD1
RELATING TO TECHNOLOGY

2800 Woodlawn Dr, #286

Honolulu, HI 96822

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hed@evodevohi.com

FEIN 36-4683352

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard and Members of the Committees.

HIEvoDevo supports SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

HIEvoDevo is a startup company developing HEDS, an engineering design software using a novel methodology to find optimal solutions. This methodology has a wide range of applications in industries such as engineering (aircraft and airspace, automotive, drones, and building design, etc.), health care, finance, to name a few.

HTDC personnel and programs have been instrumental in mentoring, making the connections to other companies, funding opportunities to develop our technology, and offering an incredible work environment.

We have a few concerns with UH taking over the facility:

- 1) What will happen with the mentorship/advising support provided by HTDC;
- 2) The conferences, talks, and contacts opportunities offered by HTDC;
- 3) Quality of the work environment and building maintenance; and
- 4) Affordability of the rent;



Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

Thank you for the opportunity to offer these comments.

SB-48-SD-1

Submitted on: 2/8/2018 8:01:45 AM

Testimony for ETT on 2/9/2018 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Pierre Parranto	Aloha Dollar Store	Support	No

Comments:

Statement of

Pierre Parranto

President

Aloha Dollar Store

before the

Senate Committee on Economic Development, Tourism, and Technology

And

Senate Committee on Higher Education

And

Senate Committee on Water and Land

Friday, February 09, 2018

1:45 p.m.

State Capitol, Conference Room 414

In consideration of

SB48, SD1

RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

Aloha Dollar Store **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

Aloha Dollar Store is a locally owned business, the owner is a UH graduate.

HTDC programs (workshops, grants, community building efforts, legislation, sponsorships) have benefited Aloha Dollar Store and local businesses on Maui and the impact of HTDC programs being reduced/eliminated could prove to be detrimental to local businesses and the local economy.

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.



Statement of
Derek Hall
Managing Director
GVS Accelerator
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

The GVS Accelerator **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

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

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

UH taking over this facility will compromise the mission and focus of the initiatives HTDC is pushing forward with. The giant that is UH will cause hardship to this entity if it occupies this space en masse.

HTDC has been paramount in keeping the GVS Accelerator up-and-running and without them innovative thinking and progress on neighbor islands would be likely forgotten and lost. Should HTDC not be able to maintain its ability to build community and offer grants, due to a lack of



TRANSMEDIA ACCELERATOR

resources and infrastructure, the detriment to the wider State of Hawai'i will be considerable. It's groups like HTDC that endeavor to reverse the brain drain – but reducing their footprint, this drain opens wider.

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Derek Hall", written in a cursive style.

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



2800 Woodlawn Dr.
STE #150
Honolulu HI 96028
www.spectrum-photonics.com

9 February 2018

**Statement of
Edward Knobbe
President
Spectrum Photonics**

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Spectrum Photonics strongly supports the staff and the mission of HTDC, which serves a very valuable role in fostering the growth of Hawaii's small business technology community. Beginning as an HTDC-affiliate and Manoa Innovation Center tenant since 2008, Spectrum Photonics has directly benefitted from technology development and outreach programs offered through HTDC. In particular, Spectrum has participated in a variety of HTDC-sponsored workshops, SBIR matching grants, legislative dialog opportunities, and training programs. HTDC continues to serve as an extremely valuable advocate and ambassador on behalf of Spectrum and other small technology-oriented businesses.

Spectrum Photonics' core business is largely based on intellectual property licensed from University of Hawaii, which we have leveraged to attract substantial research and development funding from the US government and to develop a unique remote sensing technology portfolio. During the past 8 years we have received approximately \$12,000,000 in federal small business innovative research (SBIR) funds, which in turn has enabled Spectrum to win highly-competitive broad agency announcement (BAA) awards. Recent contracts include \$3,000,000 from the Office of Scientific Development's Rapid Innovation Fund (RIF) program, \$4,500,000 of funding under the Next-Generation Chemical Detection (NGCD) program, \$3,600,000 under the Surface Contamination Detection (SCD) Stryker NBCRV sensor upgrade program, and \$16,900,000 under IARPA's Standoff Illuminator for Measuring Absorbance and Reflectance Infrared Light Signatures (SILMARILS) program. Our ability to transition innovative technologies from laboratory prototype to commercialized product is greatly enhanced through HTDC-administered programs such as the SBIR grant match. We strongly advocate for the staff and the mission of this important state agency.

Thank you for the opportunity to offer these comments. Please do not hesitate to contact me if you have follow-up questions.

SB-48-SD-1

Submitted on: 2/8/2018 9:40:20 AM

Testimony for ETT on 2/9/2018 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
George Hub Yarbrough	Impact Hub Honolulu	Support	No

Comments:

Impact Hub Honolulu supports SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

Impact Hub Honolulu is a coworking, office, event, and community space that supports small businesses and their growth in Hawaii. We are located in the heart of Ward/Kakaako area and have received support from the growing startup community.

It is from my observations that HTDC does a great job of building and supporting the tech companies within the Manoa Innovation Center and I don't see any history of the University of Hawaii providing this type of support.

The Impact Hub Honolulu has a great partnership with the HTDC. They are a founding partner of the space which directly supports numerous small businesses, including tech startups like Smart Yields which has their office here. They also work with the Hub to develop programs such as the Ag Hackathon and supporting Hawaii's largest hackathon, the Angel Hackathon. Without their support it would not be possible.

Statement of
Sarah Betcher
Documentary Filmmaker
Farthest North Films and Wisdom Keeper Media
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard,
and Members of the Committees

Farthest North Films and Wisdom Keeper Media supports SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

I own two film production businesses. I am an independent contractor business who provides film production services to clients. My specialty is producing media that effectively communicates across cultures, primarily showcasing indigenous traditions of gathering wild plants and animals for food and medicine, but also for crafts and music related traditions. There are agencies who highly value preserving indigenous ways of life, however my specialty of cross cultural communication through media production is unique and keeps me consistently sought after.

Being a small business owner who did not go to business school, it's been important for me to seek out business development advice on a regular basis. I recently heard word that the University of Hawaii may be taking over the facilities that the Hawaii Technical Development Corporation currently uses.

I have benefited by going to many workshops over the last two years at the Hawaii Technical Development Corporation in Maui. I have learned from the specialists at the corporation and from workshops designed to learn from other business owners. Having

these workshops helps me stay connected to other business owners and to expand my understanding of how to continue to be successful and to grow my business here in Maui, Hawaii. Eliminating these facilities and its programs would be a significant negative impact on my businesses.

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

Sarah Betcher



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Honolulu, HI 96822

✦ 808.388.9586
foodsupercool@gmail.com
juninnovationsinc.com

✦ Federal ID 81-0985975

Statement of
Soojin Jun
Founder
Jun Innovations Inc

before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

Jun Innovations **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

Jun Innovations, founded by Dr. Soojin Jun in 2015 has developed a proprietary supercooling technology that preserves perishable materials at below-freezing temperatures without the formation of ice crystals. The company were awarded with USDA SBIR Phase I and II grants, State matching funds, and XLR8UH grant. Recently the company successfully completed tech demonstrations to interested parties including Samsung and LG home appliance manufacturers.

Dr. Jun is a Professor working at University of Hawaii (UH) and has established the solid conflict of interest (COI) management plan with Office of Research Compliance (ORC) at UH system. Because of potential COI activities in his business (i.e. research, students' experiments, equipment use, etc.), Dr. Jun created the business entity and locate its physical address outside



**Jun
Innovations**

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the campus. A key concept is to isolate his business activities from the UH campus. The Manoa Innovation Center (MIC) has provided a virtual space for Jun Innovations and later a physical office space where the company was able to be functioned as an independent C-corporation. As proposed, UH's possession of the MIC could challenge the already-established COI management for Dr. Jun and Jun Innovations since the company property and business activities may be influenced by the direct UH management.

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern.

Thank you for the opportunity to offer these comments.

Statement of
SUMMER SHIIGI
Owner/Designer
TEN TOMORROW
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

TEN TOMORROW **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

We are a locally owned and operated women's clothing brand that has recently opened a unique boutique/workspace concept in the heart of Kaimuki. This will be our 2nd year in the retail industry since our founding in 2014. We are currently a 100% Made in Hawaii brand and wholesale our clothing into retailers like Nordstrom Hawaii, Oasis Lifestyle and various boutiques statewide.

Ten Tomorrow is concerned with UH taking over the MIC facility because of the lost opportunities for not just start-up businesses but those looking to grow and expand like us. The support and services HTDC has provided us has been invaluable and we would be devastated if their operations were hindered or closed.

We got our start thanks to HTDC and Innovate Hawaii. We were housed in their incubator program within MIC and grateful for their subsidation, mentoring services, and access to providers/seminars. Ten Tomorrow was able to stabilize within MIC for 2 years before we could officially graduate into our first retail home in Ward Warehouse. Our team also benefited from some of the manufacturing initiatives that HTDC's Innovate Program lobbied for within the legislature. We were aided in buying new technology that allows us to digitally design and the training of our contractors. Our business has expanded because of the start and continued support HTDC provides our industry. We began as a self-funded fashion brand selling at pop-ups and now have a retail flagship store and sold into 8 retailers from Oahu, Kauai, Maui and Big Island. We owe our success to HTDC and MIC for providing us space and tools to even begin our journey.

« Recipient's Name »
« Subject »

February 8, 2018

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Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.



Statement of
Russel Cheng
Co-founder, Director
Dev League Inc.
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018 at 1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

DevLeague **supports** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

DevLeague (<http://www.devleague.com/>) is the premier technical boot camp in the Pacific designed to provide mentorship and training to motivated individuals seeking a career change. We design our own curriculum based on relevant industry standards, teach in-demand technical skills such as JavaScript Web Engineer, Cyber Security Professional, Big Data Analyst and Enterprise Software Developer to help our graduates onboard into career starts in the technology industry.

For the last four years, we have enjoyed the benefits of a renewal at Manoa Innovation Center under the guidance of HTDC. The facilities have been improved, the upkeep and maintenance of the grounds are well attended to and the attention to the tenants has vastly improved since we arrived in 2014. As the only innovation space in Honolulu that HTDC oversees, it can afford to put all of its attention into MIC and its tenants. With the \$503MM repair backlog in repair and maintenance across the UH's 10 campuses, it has to get legislature funding and prioritize how it spends on repairs and maintenance. MIC will soon be one of hundreds of facilities in UH's backlog of facilities and maintenance plans and likely lead to the decline and neglect of MIC as it gets lost in the UH repair shuffle.

<http://www.upwhawaii.org/OurUnionOurFamily/chip-away-at-uh-repair-backlog>



HTDC has fostered workshops and community building efforts that have benefited DevLeague and the startup/entrepreneur ecosystem we lead and serve. We have held Friday to Sunday hackathons where 100s of students and adults attend and collaborate in the annual NASA Space Apps Challenge, AT&T Hackathon, Global Game Jam and hosted our well-attended DevLeague cohort graduations where our students demonstrate their final projects to peers, potential employers, family and friends. The intimate setting is easy to plan and secure well into the late night and early morning time, doesn't require permitting, has ample parking for guests in and around the grounds, and brings the community into MIC. It's simply easy to and painless to do business in MIC—one less thing to worry about in a stressful startup world.

Four years earlier, it was DevLeague that needed the help from HTDC to get started. Today, it is HTDC that needs our support to continue to provide incubator support and services to the technology startup/entrepreneur ecosystem. Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

Mahalo!

Russel Cheng
Co-founder, Director
808-391-8424, russel@devleague.com

SB-48-SD-1

Submitted on: 2/8/2018 12:26:04 PM

Testimony for ETT on 2/9/2018 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Zisk		Support	No

Comments:

Dear Honorable Senators,

As a technology entrepreneur now raising a family on the North Shore of Maui, I wanted to write to express how important HTDC is to Hawaii's economy.

When looking at whether to relocate their families and jobs to Hawaii, technology entrepreneurs look at how friendly the state is towards business. The funding of HTDC has shown many of us that Hawaii does care, and that will in turn continue to bring more knowledge jobs to these great islands, and influence growing companies who are thinking of leaving to stay.

Please allow HTDC to continue in its current space at the Manoa Innovation Center, to allow HTDC to continue helping Hawaii's economy.

Thank you!

Brian Zisk

Statement of
Adelheid Kuehnle
CEO
Kuehnle AgroSystems Inc.

before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land

Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

Kuehnle AgroSystems Inc. supports SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

Kuehnle AgroSystems Inc. is a bio-based product research and development company located in the Manoa Innovation Center. As a tenant of MIC, and we have worked closely with HTDC to build our company. They have been excellent partners for us, aiding in many areas of our business development and including a recently installed small pilot test manufacturing facility.

This bill is important for the small business community in Hawaii, and good for innovation companies such as ours.

The point of the MIC is to serve small innovation companies. Whoever runs it needs to have this mission in mind.

- HTDC has been successfully carrying out its mission to assist the small business technology community in Hawaii.
- HTDC delivers the services required for a tech innovation park or innovation center, i.e., all business support (which is extensive), manufacturing support, IP support, guidance on GLP and GMP, federally funded programs, community outreach, etc.
- HTDC has a proven track record of efficiently managing MIC facilities to the level required for high tech businesses.

- HTDC being co-located at MIC with small businesses facilitates seamless communication, fast response times, an on-going relationship for our unique business needs, and is essential to the facility's professional aura, cleanliness and upkeep. When investors and strategic partners visit us at MIC, they are favorably impressed.

- HTDC demonstrates upkeep of MIC, and valued flexibility for changes concerning the physical plant. The high quality and flexibility of the MIC facilities is very important. If monetizing assets is prioritized over mission, it is easy to see how upkeep of MIC would suffer under other organizations.

- MIC's location allows our business to employ UH student help, collaborate with UH faculty, and use UH analytical services. The combination of MIC's proximity to the UH Manoa campus and having the HTDC reside on site is ideal for small innovation companies such as ours.

Without this bill, the alternative is for MIC to be run by the University of Hawaii. UH has stated publically that a major reason for an MIC takeover is to monetize its asset. This contrasts with that of HTDC, which serves to fulfill the mission of supporting innovation businesses. This is a real concern. With a well thought-out plan in hand, there is no reason in the future that landowners, stakeholders and state agencies cannot work together to serve the innovation business community even better. Currently there is no such plan that we know of.

Thus, termination of the HTDC management authority threatens the continued existence and operation of HTDC and is a matter of statewide concern. This change will be bad for the small business community in Hawaii, and that it will be bad for our company specifically.

Thank you for the opportunity to offer these comments.

Statement of
Allison Izu Song
Co-founder
The Cut Collective
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

The Cut Collective supports SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC). We feel it is important to the many small businesses and start-ups in Hawaii, similar to The Cut Collective.

The Cut Collective began in 2014, we started with a dream to offer shared workspace and services for start up fashion design companies in Hawaii. We were the first of our kind and didn't know where to start. We met with HTDC to inquire about incubator space and to get some guidance on how to start our business. And although we were not necessarily in their technology sector, they took a chance on us and offered The Cut Collective a space in the Manoa Innovation Center.

The 956 sq ft space was home to us for about 2 years, and throughout those 2 years, we were able to help as many as 50 local fashion companies, as well as support larger companies such as ASL (for Hawaiian Airlines), Four Season Maui, FITTED Hawaii. Through the space at MIC, we hosted the first Creative Labs Fashion Immersive with DBEDT, which took 11 fashion hopefuls and gave them the tools and support they need to build their brands in Hawaii. Through the space at MIC, we grew our own businesses - Allison Izu and Ten Tomorrow, we made connections and we were give the chance to dream our dream and have it come to fruition.

To us, MIC was not only an office space to start and grow our business, it was a support system of other entrepreneurs, creatives, and techies. We had access to the many programs and mentoring that HTDC provides as well as the camaraderie that exists only in space such as MIC. Through the opportunities and mentoring we received from HTDC at MIC, we were able to graduate out in 2016 and take our first retail space in Ward Warehouse. We have since grown

again and moved into our workspace/retail store in Kaimuki. I don't think any of this would have been possible without the support of HTDC and MIC.

Please consider allowing HTDC to stay at MIC for another 10 years, please think of all of the start-ups that would miss the amazing opportunities and growth that we have experienced due to the support, space, and aloha spirit that exists at MIC, only because HTDC is there.

Termination of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

I

February 7, 2018

Honorable Members of the Legislature, State of Hawaii:

I am writing in support of [SB48](#) which transfers title of the Manoa Innovation Center to HTDC for 10 years.

Our company, one of about fifty companies that occupy as leasing or virtual tenants, moved to Manoa Innovation Center in 2014. Since then we have grown to over 400 members and created new employment skills and income opportunities for Hawaii families, retirees, transitioning military, and training for financial professionals.

This would not have been possible without the support and facilities of HTDC in its current location, the Manoa Innovation Center. Over several years, we have benefited from the HTDC's facilities and programs in the following ways:

- **Convenient teaching space for the testing of educational materials.** *We use more than five different types of rooms, including work offices, interview rooms, classroom with Smartboard, multi-idea presentation room, and front office amenities.*
- **Business mentoring** from HTDC staff and others with offices on site.
- **Consulting services** and advice from accounting and legal professionals.
- **Mutual collegiality** and with other innovative companies in education, IT and finance. *This proximity genuine relationships, helping refine ideas and offer joint venture opportunities.*
- **Frequent Seminars** on innovative marketing for educators, sales professionals, tech developers.

In addition, we have provided Summer Internships for local business students, sponsored community information events on Alzheimer's Research, organized a public event featuring mainland speakers from the *Chicago Board Options Exchange*. and participated in regular seminars with *Hawaii Internet Marketing Association*.

It could be argued that each of these services or opportunities could be found in various locations throughout the area.

However, **local, low-cost facilities and services are essential** to early growth for cutting-edge companies. **HTDC does this better than any other business incubator** in Hawaii and possesses the centralized experience and would be **the best candidate to continue these centralized services for Hawaii's emerging business sector.**

Graeme Sharrock
CEO / Honolulu Options Traders, LLC
2800 Woodlawn Drive, Suite 100
Honolulu, HI 96822

Statement of
Sara Kanno
before the
Senate Committee on Economic Development, Tourism, and Technology
And
Senate Committee on Higher Education
And
Senate Committee on Water and Land
Friday, February 09, 2018
1:45 p.m.
State Capitol, Conference Room 414

In consideration of
SB48, SD1
RELATING TO TECHNOLOGY

Chairs Wakai, Kahele, & Rhoads, Vice Chairs Taniguchi, Mercado Kim, & Gabbard, and Members of the Committees

I, Sara Kanno, **support** SB48 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC).

As a freelance graphic designer that is also interested in technology, there aren't many organizations and opportunities that benefit the community. Of those, I've taken part in numerous events with Code for Hawaii (<https://codeforhawaii.org>), an organization that partners with HTDC. They have large annual events as well as smaller monthly meetups at MIC.

These events and meetups allow the tech community in Hawaii to get together and work on projects that benefit our local community. Uipa.org (<https://beta.uipa.org/>) and Hawaii Data Tables (<http://data.codeforhawaii.org/>) are just a few of the many projects that were started by this group. You can see a full list of the projects they're currently working on here: <https://waffle.io/CodeforHawaii/projects>

Without HTDC's help in promoting and marketing events, as well as allowing Code for Hawaii access to space at MIC, none of these projects would have come to fruition. It's because of this that I am against the termination of the HTDC lease. I feel it threatens the continued existence and operation of HTDC and is a matter of statewide concern. Thank you for the opportunity to offer these comments.

SB-48-SD-1

Submitted on: 2/8/2018 1:44:35 PM

Testimony for ETT on 2/9/2018 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jenny Lee	Hawaii Food Manufacturers Association	Support	No

Comments: