



Written Statement of  
**Len Higashi**  
Acting Executive Director  
Hawaii Technology Development Corporation  
before the  
**Senate Committee on Technology**  
**And the**  
**Senate Committee on Energy, Economic Development and Tourism**  
Tuesday, February 5, 2019  
2:45 p.m.  
State Capitol, Conference Room 414

In consideration of  
**SB1366**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION .**

Chairs Keohokalole and Wakai, Vice Chairs English and Taniguchi, and Members of the Committees.

The Hawaii Technology Development Corporation (HTDC) **supports** SB1366 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at promoting technology and innovation jobs.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawaii based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawaii based accelerators also strengthen the entrepreneurial network between Hawaii and the rest of the world.

In FY18, HTDC awarded all three applicants a total of \$900,000 (10% restriction). The accelerators reported helping 77 companies raise \$138,000,000 through 18 cohorts. In FY19, five accelerators were awarded a total of \$1,500,000. HTDC believes this program provides leverage and positive economic development value for the State. The funding ensures the State is a stakeholder in the accelerator programs and our economic development interests remain a priority. The funding allows HTDC to collect data from the programs to include in our annual economic impact report. The accelerator programs vet, mentor, and provide seed capital to some of Hawaii's most promising innovative startup businesses. They complement the business support programs that HTDC operates and help to provide the critical mass needed for innovation to flourish.

This year, the Governor's budget included \$750,000 for this program. Thank you for the opportunity to offer these comments.

**SB-1366**

Submitted on: 2/4/2019 6:34:19 AM

Testimony for TEC on 2/5/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Brian Miyamoto	Testifying for Hawaii Farm Bureau	Support	No

Comments:



Written Statement of  
**Tarik Sultan**  
Founder and Managing Partner  
Sultan Ventures  
before the  
**Senate Committee on Technology**  
and  
**Senate Committee on Energy, Economic Development, and Tourism**  
Tuesday, February 05, 2019 at 2:45p.m.  
State Capitol, Conference Room 414

In consideration of  
**SB1366, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Jarrett Keohokalole, Vice Chair J. Kalani English, and Members of the Committee on Technology; Chair Glenn Wakai, Vice Chair Brian T. Taniguchi, and Members of the Committee on Energy, Economic Development, and Tourism

Sultan Ventures respectfully submits testimony **in support of** SB 1366 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of accelerator programs.

Sultan Ventures is a collaborative venture firm that builds visionary startups and innovation hubs. Founded in Honolulu, the company works closely with innovative early-stage startups and entrepreneurs focused on transformative solutions. Guided by a people-first approach, Sultan Ventures also invests in human capital by developing opportunities to educate and elevate entrepreneurs. We founded and run the nationally ranked, award winning XLR8UH program as a public-private-partnership with the University of Hawaii (UH), providing the hands-on expertise and access to capital needed to accelerate growth.

With its undeniable strengths in ocean sciences, energy research, sustainable agriculture and astronomy; and its growing strength in cybersecurity and health sciences -- UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers.

To date XLR8UH has completed 5 cohorts, helped launch 24 companies, and commercialized 15 University of Hawaii technologies. These companies have raised over \$30M and generated over \$7M in revenue to date. Together they have created more than 100 jobs.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawaii based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawaii based accelerators also strengthen the entrepreneurial network between Hawaii and the rest of the world.

Thank you for the opportunity to offer our comments on this bill.



Written Statement of  
**Omar Sultan**  
Founder and Managing Partner  
XLR8UH  
before the  
**Senate Committee on Technology**  
and  
**Senate Committee on Energy, Economic Development, and Tourism**  
Tuesday, February 05, 2019 at 2:45p.m.  
State Capitol, Conference Room 414

In consideration of  
**SB1366, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Jarrett Keohokalole, Vice Chair J. Kalani English, and Members of the Committee on Technology;  
Chair Glenn Wakai, Vice Chair Brian T. Taniguchi, Members of the Committee on Energy, Economic Development, and  
Tourism

XLR8UH respectfully submits testimony in **strong support of SB1366** that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of accelerator programs.

One of the first of its kind in the nation, XLR8UH is a public-private partnership with University of Hawaii through the Office of the Vice President for Research and Innovation and Sultan Ventures, a Honolulu-based venture firm.

Although just a little over four years old, XLR8UH is a multiple award winning, venture accelerator program, nationally recognized by:

- the **Small Business Association** three years in a row (**2015, 2016, and 2017**);
- the **Economic Development Association in 2016**, under the Department of Commerce Regional Innovation Strategies i6 Challenge.
- **Forbes in 2017** as one of the top 30 accelerators in the USA.

With its undeniable strengths in ocean sciences, energy research, sustainable agriculture and astronomy; and its growing strength in cybersecurity and health sciences -- UH has a significant amount of academic research that has viable commercial potential. Successful commercialization contributes directly to the State's economy, its academic and business reputation and to creating diverse, well-paying jobs and careers.

For example, KinetiCor, a graduate of XLR8UH and a UH spinout, is a medical imaging company dedicated to bringing clarity to MRIs. KinetiCor's patented motion correction technology enables accurate scans with correction for motion as slight as normal breathing. Currently working with large MR vendors like Siemens, KinetiCor now has 14 employees with plans to recruit another 5-10 this year.

To date XLR8UH has completed 5 cohorts, helped launch 24 companies, and commercialized 15 University of Hawaii technologies. These companies have raised over \$30M and generated over \$7M in revenue to date. Together they have created more than 100 jobs.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawaii based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawaii based accelerators also strengthen the entrepreneurial network between Hawaii and the rest of the world.

Thank you for the opportunity to offer our comments on this bill.

**SB-1366**

Submitted on: 2/3/2019 4:31:04 PM

Testimony for TEC on 2/5/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Omar Sultan	Individual	Support	No

Comments:

**SB-1366**

Submitted on: 2/3/2019 6:29:26 PM

Testimony for TEC on 2/5/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
SUSAN P HUGHES	Individual	Oppose	No

Comments:

I OPPOSE this process because *there may be legitimate legal reasons to remove a persons firearms, this law removes all DUE PROCESS. The court orders are done in secret behind closed doors with no notification or chance to defend themselves of provide evidence in their defense. The first time the firearms owner finds out a red flag order has been placed on them is when the police show up to take away their firearms. They would then have to hire a lawyer to defend themselves in court to get them ba*

**SB-1366**

Submitted on: 2/4/2019 10:14:31 AM

Testimony for TEC on 2/5/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David L. Cunningham	Testifying for GVS Accelerator	Support	No

Comments:

I would like to respectfully request for the on going funding for the Hawai'i Accelerator programs. I am the founder of the GVS Accelerator that accelerates media companies in Hawai'i. As a public/private partnership the state funding for our program has attracted 2.5M in investments to Hawai'i Island and has help create 175 jobs in the media industry. We have hosted over 800 high school students for workshops and internships and have been nationally recognized by Congressional awards 4 times as one of the top accelerators in the nation.

Please continue to back our program. There has been much sacrifice that has been poured into building this program with great results.

Thank you,

David L. Cunningham

Founder, GVS Accelerator



Monday, February 4, 2017

Mahalo nui loa to the Committee for your service to the State of Hawaii.

It is with great appreciation and hope I would like to humbly ask for your support of SB 1366 as I believe appropriation of funding for Hawaii's accelerators is important to solidify Hawaii's investment in its startup economy - and therefore Hawaii's future.

I have been privileged to be a part of the team that founded the GVS Accelerator, one of the accelerators supported by the State of Hawai'i, and am so encouraged to see the yield it has already produced. From only a few years into the Program, the Accelerator has seen significant job creation and Hawai'i State home-grown content creation - where the economic benefit will be captured and retained by the State as opposed to out-of-State companies that usually own the content produced in Hawai'i.

In just four years' time, the GVS Accelerator has:

- Leveraged State of Hawai'i resources to catalyze private investment monies into Hawaii companies in the amount of \$2.85M to date;
- Produced and distributed a major motion picture with top tier cast - produced 100% by a Hawai'i company with the value of IP retained in Hawaii company (in contrast to the majority of film industry in Hawaii which is as service provider to non-Hawaii companies) - with nearly \$2.5M production spend in Hawai'i;
- Created 199 jobs and engaged 210 contractors through portfolio company activity as well as five FTE and 10 periodic part-time jobs for GVS Accelerator itself;
- Provided a co-workspace for 30 resident companies (12 portfolio companies, 18 supporting startups) and 30 freelancers
- Assembled a "brain trust"/ industry mentor network of cutting edge professionals from a variety of innovation industries;
- Laid foundation for much-needed infrastructure for transmedia production including developing production crew and the Honua Studios production hub (now Hawaii's largest independent film studio), forging relationships with local vendors and landowners, proving the viability of bridging productions from Hawaii to other industry centers with fiber connectivity, overhauling Hawai'i Island's Film Office branding and interface;
- Established reputation with Hollywood agencies and distributors and access to industry key figures;
- Hosted over 600 students for workshops, internships and mentorships and 5000 touring visitors

From the perspective of the private equity members of the GVS Accelerator's related Fund (GTA Development Fund), the State of Hawaii's support is key in focusing their attention on

From the Desk of  
Nikki Nietz

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investing in Hawai'i as opposed to utilizing those same funds on another opportunity. This support truly has been the spark to get things going - and drawing private investment monies into the State is a direct catalyst for job creation and Hawai'i-based entrepreneurship.

Sufficient funding of the accelerator mechanism is critical to the success and foundation of this new industry that is being created - and that a long enough "runway" to be properly established is key to long-term sustainability and growth.

I sincerely believe your support for SB 1366 will be a very important investment for the future for the State of Hawaii.

Mahalo for your consideration,  
Nikki Nietz  
Development Executive and Portfolio Management

**SB-1366**

Submitted on: 2/4/2019 1:55:33 PM

Testimony for TEC on 2/5/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melialani James	Testifying for Hawaii Venture Capital Association	Support	No

Comments:

Written Statement of

**Meli James**

**President**

**Hawaii Venture Capital Association (HVCA)**

before the

**Senate Committee on Technology**

**And**

**Senate Committee on Energy, Economic Development, and Tourism**

Tuesday, February 5, 2019

2:45 PM

State Capitol, Conference Room 414

In consideration of

**SB1366**

**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Keohokalole, and Vice Chair Kalani, and Members of the Committee on Technology, and.

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

HVCA **supports** SB1366 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

HVCA has played a key role in supporting the entrepreneurial and innovation ecosystem since our organization was formed in 1988. We host monthly breakfast and luncheon events where members and guests are exposed to a host of speakers and topics discussing the latest developments and trends in Hawaii's growing innovation industry. In addition to the breakfast and luncheon events, HVCA also hosts an annual Hawaii Entrepreneur of the Year & Venture Capital Deal of the Year Awards Gala, where both entrepreneurs and companies are honored for their achievements in Hawaii's venture community.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Without Hawaii based accelerators, the most promising local companies would continue leaving for opportunities outside of the state. Hawaii based accelerators also strengthen the entrepreneurial network between Hawaii and the rest of the world.

Thank you for the opportunity to offer these comments.

**SB-1366**

Submitted on: 2/4/2019 1:55:49 PM

Testimony for TEC on 2/5/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Brittany Heyd	Testifying for Mana Up	Support	No

Comments:

Written Statement of

**Brittany Heyd**

**Partner**

**Mana Up**

before the

**Senate Committee on Technology**

**And**

**Senate Committee on Energy, Economic Development, and Tourism**

Tuesday, February 5, 2019

2:45 PM

State Capitol, Conference Room 414

In consideration of

**SB1366**

**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Chair Keohokalole, and Vice Chair Kalani, and Members of the Committee on Technology, and.

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

Mana Up **supports** SB1366 that provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

Mana Up is an accelerator for local consumer packaged goods products who seek markets globally. By supporting local products, Mana Up helps entrepreneurs to connect to the consumer and to elevate the Hawaii brand and culture through authentic companies headquartered and grown in Hawaii. In addition, by growing local products, the benefits of tourism can be spread across local companies, directly contributing to increased economic development, tax revenues, and job creation.

21 companies participated in Mana Up in 2018, with an average of \$1.1 million in annual revenue, \$825,000 in exports, approximately 200 jobs, and an average annual growth rate of 67%. All of them are hiring this year. Mana Up was founded by Meli James and Brittany Heyd in 2017, and was awarded Best New Business of 2018 by Pacific Edge Magazine in August 2018.

Mana Up's program consists of a 12-week accelerator program, with weekly workshops, mentor matching, and a showcase of graduates. The program is meant to give companies access to insight, expertise, and connections that can help them grow exponentially. Featured speakers include: Josh Feldman, CEO of Tori Richard, Mark Taira, CEO of Kings Hawaiian, Dennis Teranishi, President/CEO of Pacific International Center for High Technology Research, Kitty Yanone, CEO of CommPac, Desiree Shank, Merchant Manager at Shopify, Yasunobu Kyogoku, Parter at Innovation Global, Renee Awana, Head of Inflight Experience at Hawaiian Airlines, and John Morgan, Owner of Kualoa Ranch. Mana Up's private sector partners include: Kamehameha Schools, DFS Hawaii, Castle & Cooke, Dole Plantation, American Savings Bank, Kaiser Permanente Hawaii, Pineapple Tweed, Spire Hawaii, Ulupono Initiative, Hawaiian Airlines, HonBlue, and VertAccount. Mana Up has also developed an e-commerce platform to create an additional channel for local products to sell through, and that will contribute to the economic sustainability of the Mana Up program.

Hawaii accelerators are playing a crucial role in the development of an entrepreneurial ecosystem for Hawaii start-up companies. Thank you for the opportunity to offer these comments.



# ELEMENTAL EXCELERATOR

## Written Statement of Elemental Excelerator

before the Joint Senate Committee on Technology/Energy, Economic Development, and Tourism  
Tuesday, February 05, 2019  
2:45 PM

### In consideration of SB 1366 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

**Aloha Chair Keohokalole, Chair Wakai, Vice Chair English, Vice Chair Taniguchi, and members of the committee on Technology and Energy, Economic Development, and Tourism:**

Elemental Excelerator respectfully submits our support of SB 1366, which provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

Elemental Excelerator is a Honolulu-based growth accelerator program founded and operating in Hawai'i. We have awarded over \$30 million to 82 companies resulting in 56 demonstration projects in Hawai'i & Asia Pacific. Each year, we select 15-20 companies that best fit our mission and fund each company up to \$1 million. We recruit innovative entrepreneurs from around the world to come to Hawai'i and find transformative solutions to help us achieve our 100% clean energy goals.

Hawai'i-based accelerators not only nurture and grow the talent we have within the state to grow startups from the idea stage to scale nationally and globally but also attract talent and solutions to the state, thereby strengthening the entrepreneurial network and business relationships between Hawai'i and the rest of the world. Each year, we evaluate over 500 companies and look for Hawai'i grown startups companies who are helping solve the most urgent environmental problems.

#### **We support SB 1366 for the following reasons:**

1. **State investment is a catalytic economic development activity:** To date, Elemental Excelerator has awarded over \$30 million to 82 companies. Most of this funding comes from federal and other off-island resources. These companies have raised more than \$350 million in follow-on funding and generate millions of dollars in revenue. Other states with vibrant innovation economies, such as Massachusetts and California, provide state government funding for a variety of accelerator, demonstration, and educational program support. State support for the innovation economy enables local companies to attract outside investment in clean energy innovation from entities like the federal government, private, and philanthropic sponsors and solidifies the state's commitment to the long-term development of our entrepreneurial ecosystem and clean energy goals.
2. **Innovation companies create high-quality jobs in a knowledge-based economy:** Elemental Excelerator companies support more than 830 full-time employees and provide work experience to 90 interns in energy, agriculture, transportation, and water. Since 2012, we have hosted 25 interns and fellows at Elemental Excelerator and our portfolio companies. One-quarter of the interns went on to work full-time at the organization they interned for, another 17% got jobs in startups, investment firms, and 30% went on to pursue undergraduate and graduate degrees.

More than half of our interns and fellows come from the University of Hawai'i, Hawai'i Pacific University, and Chaminade University.

3. **Money spent by innovation companies directly supports the trades:** With a large portion of awarded funding going to general contractors, electricians, carpenters, engineers, and other trades – as well as farmers and ranchers – the innovation economy supports not only high-tech jobs but also our local construction base.
4. **Support for groundbreaking innovation elevates Hawai'i's image across the U.S. and the Asia-Pacific:** Hawai'i's economic conditions and need to produce energy locally enable the state to attract top-tier clean energy technologies. Moreover, a vibrant local energy innovation economy attracts attention and helps to build partnerships across the Pacific.

Mahalo for the opportunity to provide testimony on this legislation.

Sincerely,



Aki Marceau  
Managing Director, Policy & Community - Hawai'i



**SB-1366**

Submitted on: 2/1/2019 1:02:48 PM

Testimony for TEC on 2/5/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Neil Sauvageau	Individual	Support	No

Comments:

Continueing the Accelerators in the State of Hawaii is crucial for Hawaii's future. We need to continue to bring in new industrty for the next generations to have more job opportunities and to help move the enconomy forward in our state.

Mahalo,

Neil Sauvageau



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON TECHNOLOGY AND  
THE SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT & TOURISM  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 414  
TUESDAY, FEBRUARY 5, 2019 AT 2:45 P.M.**

To The Honorable Jarrett Keohokalole, Chair;  
The Honorable J. Kalani English, Vice Chair; and  
Members of the Committee on Technology,

To The Honorable Glenn Wakai, Chair;  
The Honorable Brian T. Taniguchi, Vice Chair; and  
Members of the Committee on Energy, Economic Development & Tourism,

**TESTIMONY IN SUPPORT OF SB 1366 RELATING TO  
THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, with approximately 650 members. I am writing to share our support of SB 1366.

The Hawaii Technology Development Corporation is extremely important to develop and sustain the state's manufacturing industry and small businesses as they increase the workforce and resources for our community. We believe supporting our local small businesses is vital to our state's economy and support this bill as it provides funding for HTDC and funding to continue the business accelerator programs.

Mahalo for your consideration of our testimony and we hope you will support this bill.

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.

**SB-1366**

Submitted on: 2/5/2019 11:56:16 AM

Testimony for TEC on 2/5/2019 2:45:00 PM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the Senate Committee on Energy, Economic Development &  
Tourism and Committee on Technology  
Tuesday, February 5, 2019 at 2:45 P.M.  
Conference Room 414, State Capitol**

**LATE**

**RE: SB 1366, RELATING TO THE TECHNOLOGY DEVELOPMENT CORPORATION**

Chairs Wakai and Keohokalole, Vice Chairs Taniguchi and English, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 1366, which provides an appropriation for the Hawaii Technology Development Corporation (HTDC) to support the continuation of business accelerator programs.

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.

HTDC has offered assistance to SBIR awarded companies since 1989; as a result, Hawaii companies have attracted 20 federal dollars in return to the state plus commercialization funding for every dollar invested through this program. Although the federal SBIR grant program has increased efforts to move companies through grant awards to commercial product sales, funds have not been dedicated towards these efforts. This bill would allow HTDC to continue to provide the necessary support of a commercialization assistance program to all phases in the program.

HTDC and its programs actively support and advocate for the specific needs of Hawaii's technology and manufacturing businesses. We have seen a rising demand from local companies wanting to manufacture here in Hawaii in order to maintain quality control, as well as an increasing desire for 'Made in Hawaii' products from consumers globally, which will continue to economically benefit our state. HTDC and its programs are integral to the growth and success of these companies who seek information and guidance on what it takes to succeed in Hawaii.

Thank you for the opportunity to testify.