



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

JOSH GREEN, M.D.
GOVERNOR

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Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Monday, February 27, 2023
10:00 AM
State Capitol, Conference Room #308 & Videoconference

In consideration of
HB999, HD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee. The Department of Business Economic Development and Tourism (DBEDT) **supports** HB999, HD1, an administration bill that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to the Hawaii Technology Development Corporation (HTDC) to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

DBEDT believes that the State should accelerate economic diversification efforts as part of the economic recovery. Through public private partnerships, HTDC programs provide leverage to the State. DBEDT looks forward to working with HTDC and all stakeholders in moving Hawai'i forward.

Thank you for the opportunity to testify.



Written Statement of
Len Higashi
Executive Director
Hawaii Technology Development Corporation
before the
House Committee On Finance
Monday, February 27, 2023
10:00 a.m.
Conference Room 308 & Videoconference

In consideration of
HB999, HD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee.

The Hawaii Technology Development Corporation (HTDC) **supports** HB999, HD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following our mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export. HTDC programs are coordinated with other Department of Business, Economic Development and Tourism (DBEDT) and University of Hawaii (UH) programs to maximize their effectiveness.

Through the COVID-19 pandemic, HTDC ramped up new programs such as the \$10 million Personal Protective Equipment (PPE) Supply Chain program, appropriated by the legislature and a \$600 thousand digital marketing and e-commerce training, funded by the federal Economic Development Administration. HTDC is currently administering the \$62 million Hawai'i Small Business Capital Program (HI-CAP), funded by the U.S. Treasury, with \$500 thousand support from the State, to provide access to capital to small businesses. These programs demonstrate HTDC's ability to administer new programs.

This HTDC omnibus bill provides a framework to accelerate economic diversification efforts through substantial, strategic, coordinated investments, building upon HTDC core programs. The bill aligns individual projects toward larger state objectives with input from the community and ensures transparency and accountability with predetermined reporting requirements and objectives. HTDC looks forward to working with all stakeholders in moving Hawai'i forward.

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

HB-999-HD-1

Submitted on: 2/25/2023 2:13:58 PM

Testimony for FIN on 2/27/2023 10:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|---------------------------|
| Ryan Kawailani Ozawa | Hawaii Hui LLC | Support | Written Testimony Only |

Comments:

I wholeheartedly support the critical, ongoing work of the HTDC, a dynamic state agency responsible for diversifying Hawaii's economy by developing a flourishing technology industry by providing capital, building infrastructure, and developing talent to foster innovation and diversify Hawaii's economy. Hawaii's tech industry provides quality, high-paying jobs for Hawaii residents, and advances economic diversification and local sustainability in an increasingly globalized economy. From the island grassroots to far-reaching national initiatives, no agency does more to develop a flourishing technology industry in Hawaii.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Monday, February 27, 2023, at 10:00 A.M.
Conference Room 308 & Videoconference**

RE: HB 999 HD1 Relating to the Hawaii Technology Development Corporation

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 999 HD1 , which establishes a public policy framework that addresses state goals in the area of economic diversification. Appropriates funds to the Hawaii Technology Development Corporation to implement specific projects that address those goals. Requires the Hawaii Technology Development Corporation to submit annual reports over three years to the legislature.

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.

Hawaii Technology Development Corporation 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. Hawaii Technology Development Corporation 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.

The HTDC omnibus bill provides a framework to accelerate economic diversification efforts through substantial, strategic, coordinated investments. This bill will continue to push Hawaii's economy in the right direction and help diversify our economy.

Thank you for the opportunity to testify.

Written Statement of
Brittany Heyd
Cofounder
Mana Up
before the
House Committee On Finance
Monday, February 27, 2023
10:00 a.m.
Conference Room 308 & Videoconference

In consideration of
HB999, HD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee.

Mana Up **supports** HB999, HD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

Mana Up's mission is to create a thriving local product ecosystem in Hawaii that will help solve challenges our island economy faces, including lack of affordability for many residents and an outmigration trend of Hawaii-born residents. By creating this ecosystem, we hope to (1) create meaningful job opportunities for the next generation as Hawaii is one of the only states to have a declining local population, with more Native Hawaiians leaving than ever before, (2) foster sustainable tourism by integrating local people and companies, (3) diversify the economy through exports based on our unique niche in the international market, bringing in new dollars to the state and expanding our economic growth, (4) through value added agricultural products, generate use of agricultural land.

Mana Up has operated an accelerator for the past five years, with seven cohorts and 74 graduates. 100% of companies are headquartered in Hawaii. In 2021, this portfolio accounted for \$61 million in annual revenue (with 67% of revenue coming from markets outside Hawaii, bringing new dollars into the State), 498 jobs, and a 33% median growth rate. In analyzing revenues of graduates before and after the program, Mana Up has helped add \$35 million in annual revenue in 202 – and revenues continue to grow.



We believe that this bill is important to support the economic development work that is being undertaken by the accelerators and others. Accelerator grants in the past have made it possible for Mana Up to be in existence. We hope this momentum continues as we leverage these early successes and continue to strengthen the diversification of the economy.

HB999 accelerates economic diversification by building upon HTDC core programs: Accelerator, Hawai'i Small Business Innovation Research (HSBIR) and Manufacturing Assistance Program (MAP). Many Mana Up companies have participated in the MAP grant. These grants help companies to enhance their manufacturing capacity. The companies report that each piece of manufacturing machinery helps to grow their revenue and add employees.

Thank you for the opportunity to offer these comments.

Brittany Heyd
Cofounder
Mana Up

HVCA

HAWAII VENTURE CAPITAL ASSOCIATION

Written Statement of
Meli James
President
Hawaii Venture Capital Association
before the
House Committee On Finance
Monday, February 27, 2023
10:00 a.m.
Conference Room 308 & Videoconference

In consideration of
HB999, HD1
RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee.

The Hawaii Venture Capital Association (HVCA) **supports** HB999, HD1 that establishes a public policy framework that addresses state goals in the area of economic diversification, appropriates funds to HTDC to implement specific projects that address those goals, and requires HTDC to submit annual reports to the legislature.

Since our founding in 1988, the Hawaii Venture Capital Association (HVCA) has stood as a nexus for entrepreneurs, capital foundation, and networking opportunities in Hawaii. Fostering entrepreneurship through education and exposure to prime members of our business community continues to be our goal as we strive to grow a vibrant and successful venture community.

This year we are celebrating 35 years in supporting entrepreneurship, innovation and small business in Hawaii. We have seen first hand how startup formation and locally owned businesses have contributed to our local community and jobs and the important role it plays in diversifying our economy. HVCA strives to serve as a catalyst and beacon in the heart of the Pacific for entrepreneurship, venture capital activity, and growth.



HVCA

HAWAII VENTURE CAPITAL ASSOCIATION

HB999 accelerates economic diversification by building upon HTDC core programs: accelerator, Hawai'i Small Business Innovation Research (HSBIR) and Manufacturing Assistance Program (MAP).

Thank you for the opportunity to offer these comments.

Mahalo,

Meli James
President, HVCA

