



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

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December 18, 2023

The Honorable Ronald D. Kouchi,
President and Members
of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Department of Business, Economic Development, and Tourism's Report on Hawaii Technology Development Corporation, as required by Section 206-M3.5, 206M-15.1, and 206M-72, Hawaii Revised Statutes. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at:
<http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

Sincerely,

James Kunane Tokioka

Enclosure

c: Legislative Reference Bureau



INNOVATE HAWAII Celebrates 20 years

MANUFACTURING EXTENSION PARTNERSHIP

HTDC celebrates its 20th anniversary as the home for Hawai'i's Manufacturing Extension Partnership (MEP) Center. MEP is a federal program under the Department of Commerce's National Institute of Standards and Technology (NIST). INNOVATE Hawai'i is the official representative of the MEP National Network in Hawai'i.



THE PATISSERIE TOUR
W/ OWNER ROBERT PAPARELLIA

85	Applications Received
26	Mfgs Awarded
07	First time Applicants
\$1M	Total Match
\$17.6M	Total Match Awardees
449	New Employees
318	Jobs Saved
305	Existing Jobs

Manufacturing Assistance Program

The purpose of the MAP, as defined in HAR 15-33, is to provide grants to businesses in Hawai'i that are manufacturers in the State and require assistance for specific activities related to manufacturing that shall result in economic and employment growth in Hawai'i.

“Thanks to the SBIR matching and MAP grant funding we were awarded, ASCM has been able to further innovative research for its product lines, purchase equipment to increase its commercial business capacity and expand our employee pool.” ~ Lauren Montgomery, Advanced Silicon Carbide Materials (ASCM)

HCATT

The Hawai'i Center for Advanced Transportation Technologies (HCATT) was established in 1997 by Congress under the Defense Acquisition Research Project Agency.



HCATT continues its partnership with the Air Force Research Laboratory and National Guard Bureau in development the Pacific Energy Assurance Renewables Laboratory (PEARL); a renewable energy microgrid to maintain air and space dominance in the face of climate risks. In FY23, HCATT secured \$7.2M funding to complete the PEARL which is set to begin operations in late FY2023.

Hawai'i SBIR Program

Since 1988, HTDC has been providing matching grant funds and wrap around technical assistance services to Hawai'i companies who received SBIR Grants. These companies are recognized for advancing technology to solve critical challenges for the nation. The Hawaii SBIR matching grant program is the longest state funded SBIR matching program in the United States. Over the life of the program over 20 federal dollars have come into the state per each state dollar.

“Thanks to HSBIR funding awarded by HTDC, Nalu Scientific has been able to develop products to be commercially available and to successfully operate during a period of lean business by tapping into the local talent pool.” ~ Isar Mostafanezhad, Nalu Scientific



SEN. MAZIE HIRONO, SBA ADMIN. GUZMAN & SBIR CLIENT NALU SCIENTIFIC - ISAR M.

Phase 1	
9	Applications Received
\$517K	Total State Match
\$4.2M	Total Match Federal SBIR
111	New Employees
Phase 2/3	
16	Applications Received
\$1.5M	Total State Match
38.1M	Total Match Federal SBIR
289	New Employees



FY23 HTDC STAFF

Dear Stakeholders, Collaborators, and Supporters,

I am honored to present the HTDC 2023 Annual Report—a testament to our commitment to foster technological advancement and innovation. As we navigate the dynamic island landscape of tech and manufacturing, this report signifies our collective achievements, challenges conquered, and milestones reached throughout the past year. As an island economy where change is constant, our organization stands as the foundation for small and medium sized businesses to grow and become competitive in a global market.

We adapted swiftly to the changing landscape by offering support, resources, and guidance to our tech innovators. Through strategic initiatives, mentorship programs, and financial support, we have empowered small and medium sized businesses to overcome any obstacles that they see in front of them.

Looking ahead, we remain committed to be at the forefront of technological innovation. Our focus will continue to be on creating high paying tech and manufacturing jobs, and increasing our overall GDP performance. Together, let us all continue to unlock new potentials and create a future where technology serves as a catalyst for positive change. Thank you for your unwavering support and dedication.

Wayne Inouye, Acting Executive Director



HATCH COHORT 2 - LAUNCH
JUNE 2023, NELHA

Accelerator Programs

For FY23 \$1.5M was provided legislatively to support accelerator and business training program activities:

- 11 Applicants
- 10 Awarded
- 5 First Time Applicants
- 1,350 jobs produced by cohorts
- 350+ companies assisted
- \$218M in revenue total



“Hawai'i FoundHer is very grateful to work alongside HTDC in empowering women-led businesses rooted in culture and community for growth. HTDC's support for Hawai'i FoundHer Cohort 2 was especially helpful in offering expertise in some of the business education aspects of the accelerator program”
~ Angel Permito-Kaheaku, HFH Program Coordinator

HI-CAP Invest

In FY 2023, the HI-CAP Invest program committed \$6.7 million of SSBCI funding to two venture capital funds which invest in local technology and aquaculture startups, Startup Capital Ventures and HATCH Accelerator. The State Small Business Credit Initiative (SSBCI) is a federally funded program administered by HI-CAP Invest to promote technology-based innovation and economic diversification in Hawaii.

Startup Capital Ventures (SCV) is a technology-based venture firm with offices in Menlo Park and Honolulu. Its fund invested in Hawai'i-based Shifted Energy, an EnergyTech startup which provides energy-efficient load balancing of electricity grid networks such as those for Hawaiian Electric.

HATCH is a global aquaculture venture fund with offices at the Natural Energy Laboratory of Hawai'i Authority (NELHA) in Kona, Hawai'i. The Kona-based accelerator program for aquaculture startups is helping to establish NELHA as a premier global aquaculture and ocean technology site for innovation.

Entrepreneurs Sandbox

Starting early in 2023, the Sandbox began experiencing an over abundance of requests to help host in-person events to re-connect community through showcases of innovation, workshops, coworking and various networking opportunities. This year the Sandbox was also fortunate to have hosted many special VIP guests including Congressman Case, Hirono, and SBA Administrator Isabel Guzman.



CONGRESSMAN ED CASE
APP CHALLENGE
FEB 2023



CREATIVE MORNINGS
W/ LOCAL ARTIST NICK KUCHAR
JAN 2023

- 216+ Events
- 6,900+ attendees
- 8 Tenants
- 40 Coworkers (avg.)

Maui Research & Tech Center

18 Tenants | 75% Occupancy | 20 Coworkers (avg.)

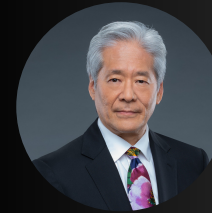
This year MRTC similarly started seeing a recovery of events and workshops such as Maui Tech Ohana and general networking to bring community together. In August of 2023, MRTC began support for Maui disaster recovery efforts by providing SBA with a home office to centralize operations, and FEMA for additional space needs.



MRTC, SBA BUSINESS RECOVERY CENTER

The grant metrics reported were prepared in accordance with Hawaii Revised Statute 206M3.5 and 206M-15.1 and the HiGrowth report per 206M-72 The annual report required by each of these statutes have been combined into this single comprehensive report.

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