



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

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Testimony Presented to the  
House Committee on Finance  
Wednesday, February 22, 2024 at 10:00 a.m.  
by  
Vassilis L. Syrmos  
Vice President for Research and Innovation  
University of Hawai'i System

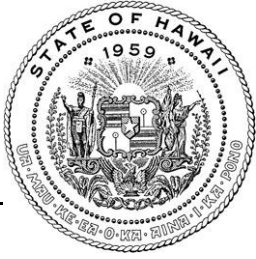
#### HB 2356 HD1 – RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

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

The University of Hawai'i supports HB 2356 HD1, which seeks to increase the cap on Hawai'i Technology Development Corporation (HTDC) awards to businesses applying for the Hawai'i Small Business Innovation Research Grant and the Small Business Technology Transfer Grant Program. Additionally, the measure classifies both the purchase of renewable energy systems and training on manufacturing equipment as eligible expenses under the Manufacturing Development Grant Program. The measure also appropriates funds to the SBIR, MAP and Accelerator Grant programs.

The University of Hawai'i shares a similar vision with HTDC to help establish a thriving innovation-based sector to boost the local economy, create jobs and to develop a highly skilled technical workforce. Continued or increased cap amounts for HTDC's award programs are crucial to moving innovation, commercialization and manufacturing efforts forward in the state.

The University of Hawai'i appreciates the opportunity to testify in support of this measure.



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

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR

**JAMES KUNANE TOKIOKA**  
DIRECTOR

**DANE K. WICKER**  
DEPUTY DIRECTOR

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Statement of  
**JAMES KUNANE TOKIOKA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Thursday, February 22, 2024  
10:00 AM  
State Capitol, Conference Room #308

In consideration of  
**HB 2356 HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

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

The Department of Business, Economic Development and Tourism (DBEDT) strongly supports HB 2356 HD1 that increases the cap for awards to assist businesses applying for the Small Business Innovation Research (SBIR) Grant Program and the Small Business Technology Transfer (STTR) Grant Program and add additional eligible expenses for the Manufacturing Development Grant Program.

With this bill, the Hawaii Technology Development Corporation (HTDC) aims to increase the cap for awards that may be used to contract grant writing assistance in hopes of encouraging new applicants to compete for the federal SBIR and STTR funds. The current cap is no longer enough due to increased costs. By securing more grant writing assistance small businesses will receive higher award rates. HTDC's Manufacturing Development Grant Program is also adding clarifications to grant more companies eligibility to participate in the program. Clarifications include purchasing renewable energy systems relating to manufacturing facilities as an eligible expense to offset high energy costs in Hawaii.

Thank you for the opportunity to testify.



1050 Bishop St. PMB 235 | Honolulu, HI 96813  
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#### Executive Officers

**Gary Okimoto**, Safeway Hawaii, *Chair*  
**Maile Miyashiro**, C&S Wholesale Grocer, *Vice Chair*  
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**Toby Taniguchi**, KTA Superstores, *Advisor*  
**Joe Carter**, Coca-Cola Bottling of Hawaii, *Advisor*  
**Eddie Asato**, Pint Size Hawaii, *Immediate Past Chair*

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TO: Committee on Finance

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: February 22, 2024  
TIME: 10am  
PLACE: Room 308

RE: HB2356 HD1 Relating to the Hawaii Technology Development Corporation

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

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

HFIA is in support of this measure. Many local businesses have successfully made use of the programs that this measure supports and we believe the changes mentioned here will make them even more beneficial.

Allowing for the purchasing of renewable energy as an eligible expense for the Manufacturing Development Grant Program helps promote renewable energy usage and integrate sustainable energy into our local manufacturing sector. Clarifying that training is an eligible expense for this program also helps promote local manufacturing and workforce development within this sector. We urge the committee to pass this measure and we thank you for the opportunity to testify.



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Statement of  
Roslynn Funakoshi  
President  
Samurai, Inc.

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

Thursday, February 1, 2024  
1:00 PM  
State Capitol, Conference Room 229 & Videoconference

In consideration of  
**SB2113**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

Samurai, Inc. **supports** SB2113 that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

Samurai, Inc. is a food manufacturer incorporated in 1995 and employs a staff of 18. Although we are not a new company, keeping up with the ever changing business climate can be a challenge. The guidance and support of HTDC has proven instrumental in the continuation of, not only our business, but many businesses across the state of Hawaii. We truly appreciate HTDC and hope you will continue to support their efforts.

Thank you for the opportunity to offer these comments.

**Subject: Support for Bill HB2356 HD1**

Dear Committee,

As one of the founders of XLR8HI, a prominent organization dedicated to fostering innovation and entrepreneurship in Hawaii, I am writing to express our strong support for Bill HB2356 HD1.

The Hawaii Technology Development Corporation (HTDC) has been a crucial partner in our efforts, providing invaluable support to several of our accelerator programs over the years. **Through these programs, we have been able to nurture and empower over 135 local startups, 100% of which are Hawaii-based entities.** The impact of HTDC's support is undeniable, as evidenced by the remarkable achievements of the companies we have assisted.

To date, **the companies that have emerged from our programs have collectively raised over \$90 million in funding, generated more than \$120 million in revenue, and have created or retained over 550 jobs in the state.** These figures highlight the significant economic contributions of our local startup ecosystem, facilitated in large part by the support and resources provided by HTDC.

Moreover, many of our affiliated companies have directly benefited from HTDC's Manufacturing Assistance Program and Hawaii Small Business Innovation Research program. For instance, projects such as leveraging Artificial Intelligence for sustainable fishing in Hawaii have not only contributed to environmental conservation efforts but have also resulted in additional funding opportunities, **with millions more raised as a direct outcome of HTDC's assistance.**

It's important to note that these statistics only scratch the surface of the broader impact HTDC has had on Hawaii's economy. **Through various initiatives and programs, HTDC has catalyzed economic growth, innovation, and job creation, ultimately generating billions of dollars in economic impact** both directly and indirectly.

Considering these compelling outcomes, we believe that supporting HTDC is paramount to ensuring the continued success and resilience of Hawaii's economy. Therefore, we urge you to lend your support to Bill HB2356 HD1, which will further empower HTDC to carry out its vital mission of fostering technological innovation and economic development in our state.

Thank you for considering our perspective, and we look forward to seeing positive outcomes for Hawaii's future.

Sincerely,



Tarik Sultan,  
Managing Partner, Sultan Ventures  
Founder, XLR8HI



**HIplan**  
www.HIplan.biz

PO Box 1095  
Kurtistown Hawaii  
96760  
808-938-2840

February 20, 2024

**Re: Testimony in support of HB2356 HD1**

**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

Dear Committee:

HIplan strongly **supports HB2356 HD1** that appropriates funds for HTDC's core programs: the Manufacturing Assistance Program (MAP), Hawai'i Small Business Innovation Research (HSBIR), and Accelerator programs. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawaii. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

My previous for-profit company, High Health Aquaculture, benefitted tremendously from the Hawaii SBIR program. I strongly support continuing support for this program.

Thank you for the opportunity to testify regarding my support of this measure.

Aloha,

Jim Wyban PhD  
President, HIplan



P.O. Box 253, Kunia, Hawai'i 96759  
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February 22, 2024

HEARING BEFORE THE  
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HB 2356, HD1**  
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Conference Room 308 & Videoconference  
10:00 AM

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

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawai'i Farm Bureau supports HB 2356, HD1**, which increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation, adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program.

As expenses rise, increases in farm revenues and profits are critical to the continued viability of farms and ranches. One way farmers can do this is by "adding value" to raw agricultural crops. Currently, off-grade and excess production is sometimes wasted due to market conditions. Converting them into value-added products will not only increase farm revenue but also provide new business opportunities, increase employment opportunities, and address Hawai'i's goals of increased self-sufficiency and sustainability.

High production costs are a major driver of narrow profit margins for Hawai'i's farmers and value-added food producers. Labor, taxes, land, transportation, utilities, and supplies are all costs of doing business that often result in value-added food producers just being able to break even.

Hawai'i is potentially losing millions of dollars because of the cost of processing agricultural crops into value-added products. HFB supports any program that supports the production of value-added products so that farmers can increase their income while allowing locally produced value-added goods can compete with imported products, strengthening our local economy.

The strength of Hawai'i's economy is dependent upon a diversity in commerce that is resilient to economic downturns and aggressive in creating new growth opportunities. The HTDC programs support this goal.

Thank you for this opportunity to testify in support of this measure.



**TESTIMONY ON HOUSE BILL NO 2356HD1 / SENATE BILL NO. 3045, RELATING TO  
THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

Position: **Support**

To the Honorable Rep. Daniel Holt, Chair; Rep. Rachele F. Lamosao, Vice Chair; and Members of the Committee:

Please accept this testimony in **support** of this bill, to raise the cap and expand the scope of the HTDC Manufacturing Assistance Program and Small Business Innovation Research matching funding program.

Simonpietri Enterprises LLC is an O'ahu-based small business developing new ways to recycle waste generated in Hawaii into sustainable aviation fuel, green hydrogen, organic fertilizer, green cement, and other beneficial recycled-material products. We strongly support the HTDC's matching funding programs, as a powerful way to multiply the State's funding to accelerate innovation and facilitate local manufacturing investment. The requirement to match funding to federal funds awards in the HSBIR program is a prudent way to leverage federal agency technical expertise and reward innovation while maintaining a level playing field.

In part thanks to the coaching and proposal assistance from the HTDC, we received our first-ever Small Business Innovation Research award in late 2020. This was also the first SBIR awarded nationwide to any company to develop technology and processes to manufacture Sustainable Aviation Fuel. We have since gone on to win six additional SBIR awards, all for innovations focused on addressing Hawaii's hard-to-recycle waste streams like construction and demolition debris, and converting those wastes into locally manufacturable products that address imports that drive up Hawaii's cost of living, such as fossil fuel, fertilizer, and building materials.

We are now designing a small manufacturing facility, the Aloha Sustainable Materials Recycling and Fertilizer Facility (Aloha SMRFF) in Campbell Industrial Park in Kapolei, to divert over 200 tons per day of construction and demolition waste from the state's only C&D landfill, and remanufacture that waste to displace over 10,000 tons per year of imported fossil fuels, fertilizers, and building materials. This facility is the first step to demonstrating our Aloha Carbon manufacturing process to manufacture pipeline-quality renewable fuel from solid waste generated in Honolulu.

In the 3.5 years since launching our SBIR efforts, we have been awarded a total of \$60,000 in HSBIR matching funds and over \$4 million in federal research funds, a 66-times multiple on the State's funding. We used the HSBIR funds to apply for our first patent, and to hire five University of Hawaii undergraduate interns, three of whom are now full-time employees on our team.

We have now been selected for our first-ever federal manufacturing grant, to construct the fertilizer manufacturing line of our Aloha SMRFF project. State matching funds like the MAP are critical to allow us to actually bring in these federal funds and build the facility to employ 2 dozen skilled workers.

We appreciate the opportunity to testify on this measure, and urge your support for this bill.

Sincerely,



Marie-Joelle Simonpietri  
President

*About Simonpietri Enterprises LLC*

Simonpietri Enterprises is a Kailua, Hawaii-based woman- and veteran-owned small business with ten employees, focused on technical innovation and first-of-kind project development of emerging clean and renewable technologies. Since founding in 2006, we have helped dozens of small and large industrial companies in Hawaii, the continental U.S., Australia, and Canada improve the environmental and economic sustainability of their operations through technical and business advice in renewable energy conversion, waste reduction and re-use, and greenhouse gas lifecycle impact reduction. Simonpietri Enterprises serves as an industry advisory committee member of the Federal Aviation Administration's Aviation Sustainability Center of Excellence on renewable aviation fuel production and certification ([www.ascent.aero](http://www.ascent.aero)). Simonpietri Enterprises' founder and employees have participated in the strategy, planning, design, financing, development, construction, and energy efficiency/greenhouse gas reduction/sustainability renovation for over \$400 million in new renewable and first-of-kind sustainable fuel projects over the past 15 years. Since launching the Aloha Carbon waste-to-fuel technical development process in August 2020, Simonpietri Enterprises is now developing renewable fuel production facilities in its own right, starting with the Aloha Sustainable Materials Recycling and Fertilizer Facility (SMRFF) in Kapolei, Hawaii to divert wastes generated in Honolulu from landfilling and transform it to renewable fuel, organic fertilizer, and recycled-material building products.



Dana Labels, Inc.  
808-845-3262  
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1920 Colburn Street  
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- Promotional Products • Retail Packaging

Statement of  
**Susan Hanes**  
**Director of Development**  
**Dana Labels, Inc.**  
before the  
**House Committee on Finance**

Thursday, February 22, 2024  
10:00 AM  
State Capitol, Conference Room 308 & Videoconference

In consideration of  
**HB2356 HD1**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

Dana Labels, Inc. supports HB2356 HD1 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

Dana Labels is a diversified, custom printing and design company which has specialized in label and decal production in Hawaii since 1970. We are the only locally owned and operated label manufacturer in Hawaii. For three generations, we have proudly helped local businesses with their labeling needs.

Throughout the years, our business has worked with HTDC. They have assisted us with MAP Grant funding as well as technical training. Their programs and support are an invaluable resource for Hawaii's manufacturing industry. More specifically, they have helped us with MAP Grant funding for machinery which has helped us stay current with new print technology, making our



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production more cost effective and eco-friendly. In addition, they have help with training on our website development to help increase our visibility during Covid.

Mahalo for your time and the opportunity to offer these comments.

Much Aloha,  
Susan Hanes

21 February 2024

Honorable Members of the Committee,

I am writing to express my strong support for HB2356, which aims to provide grants to local manufacturers in Hawaii. As a resident deeply invested in our state's prosperity, I believe diversifying our economy and supporting local manufacturing are paramount.

Diversification of our economy is essential for long-term stability and resilience. Relying heavily on tourism leaves us vulnerable to economic downturns and external shocks. By nurturing local manufacturing, we can create a more balanced economy that withstands fluctuations in tourism and global markets.

Moreover, supporting local manufacturing is crucial due to the high-cost environment in Hawaii. Operating expenses, including rent, utilities, and labor, are significantly higher here compared to mainland counterparts. These grants would provide much-needed relief to local manufacturers, enabling them to compete more effectively while retaining jobs and fostering economic growth within our communities.

In conclusion, passing HB2356 and allocating grants to local manufacturers will not only diversify our economy but also strengthen our resilience and create opportunities for sustainable growth. I urge you to support this important legislation for the benefit of all Hawaii residents.

Mahalo,



Garrett W. Marrero, CEO  
[Garrett@craftohana.com](mailto:Garrett@craftohana.com)

Statement of  
**Nam Vu**  
**COO**  
**Hub Coworking Hawaii**  
before the  
**House Committee on Finance**

Thursday, February 22, 2024  
10:00 AM  
State Capitol, Conference Room 308 & Videoconference

In consideration of  
**HB2356 HD1**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

Hub Coworking Hawaii **supports** HB2356 HD1 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

Hub Coworking Hawaii Serves as a part of the ecosystem of innovation. We value the work that HTDC does to enable and advance innovation and technology for the betterment of Hawaii.

Thank you for the opportunity to offer these comments.

Sincerely,



Nam Vu

**HB-2356-HD-1**

Submitted on: 2/21/2024 8:37:18 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nathaniel Harmon	OceanBit	Support	Written Testimony Only

Comments:

As an OTEC startup OceanBit supports HB2356. HB2356 represents a continuing step forward in fostering innovation and sustainable practices among small businesses in Hawaii. By increasing the cap for awards under the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program, the bill provides much-needed financial support to businesses striving to innovate and grow. The inclusion of renewable energy systems as an eligible expense underscores Hawaii's commitment to sustainability and clean energy, aligning with global efforts to combat climate change. Furthermore, the bill's provision for training on both new and existing manufacturing equipment ensures that Hawaii's workforce remains skilled and competitive. This comprehensive approach to supporting small businesses, promoting renewable energy, and investing in workforce development makes HB2356 a commendable piece of legislation.



Hawaii Technology Development Corporation  
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Honolulu, Hawaii 96813 | www.htdc.org

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR

Written Statement of  
**Wayne Inouye**  
**Director**  
Hawaii Technology Development Corporation  
before the  
**HOUSE COMMITTEE ON FINANCE**

Thursday, February 22, 2024  
10:00 AM  
State Capitol, Conference Room #308

In consideration of  
**HB 2356 HD1**  
**RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.**

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

The Hawaii Technology Development Corporation (HTDC) strongly supports HB 2356 HD1 that increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

To encourage new applicants to compete for the federal SBIR and STTR funds the HTDC aims to increase the cap for awards from (\$3,000 to \$6,000) that may be used to contract grant writing assistance. The current cap is no longer sufficient due to increased costs and by securing more grant writing assistance small businesses will receive higher award rates. Additionally, in regard to the Manufacturing Development Grant Program, HTDC is also adding purchasing renewable energy systems relating to manufacturing facilities as an eligible expense to offset high energy costs in Hawaii. These clarifications will grant more companies eligibility to participate in the Manufacturing Development Grant Program.

HTDC also greatly appreciates the appropriation for its three core programs. We are dedicated to advancing the infrastructure, capital, and talent essential for fostering the



growth of technology and manufacturing jobs in Hawai'i. Aligned with our mission, HTDC's programs are designed to offer both technical and financial assistance to innovative small businesses, offering support from any phase to reach expansion and global outreach. These initiatives are closely coordinated with other programs from the Department of Business, Economic Development and Tourism (DBEDT) and the University of Hawaii (UH) to maximize their impact and effectiveness.

HTDC believes the 3 core grant programs provide leverage and positive economic development value for the State and are willing to discuss more about the programs.

Thank you for the opportunity to testify.

**HB-2356-HD-1**

Submitted on: 2/21/2024 8:52:21 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dana Shapiro	Hawaii Ulu Cooperative	Support	Written Testimony Only

Comments:

We suport this bill which provides important funding for Hawaii businesses.

Statement of  
David Clements  
Director of Vaccine Research  
Hawaii Biotech, Inc.  
before the

**House Committee on Finance**

Thursday, February 22, 2024  
10:00 AM  
State Capitol, Conference Room 308 & Videoconference

In consideration of  
**HB2356 HD1**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

Hawaii Biotech, Inc. (HBI) **supports** HB2356 HD1 that appropriates funds for HTDC's core programs. This bill increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

HBI has been a cornerstone of biotechnology in Hawaii for 40 years. The company is focused on the research and development of vaccines and therapeutics for established and emerging infectious diseases. The company has developed proprietary expertise in the production of recombinant proteins and have established a platform technology applicable to the development of safe and effective vaccines. Current vaccine candidates in clinical or pre-clinical development target the West Nile virus, Tick borne flaviviruses, Chikungunya virus and Coronaviruses. HBI's drug development activities are focused on small molecule drugs that block intracellular and extracellular bacterial toxins. Product opportunities include anti-toxin drugs for the lethal factor from B. anthracis and the botulinum toxin from C. botulinum.

Over the years HBI has been awarded over \$130 million in federal research and development grants and contracts. HBI currently has 17 employees and has projected annual revenues of \$5.5 mil. HBI strives to create as many high paying technology positions as possible and it is our mission to expand further and open new positions. In addition, HBI has been awarded matching funds from HDTC through the Hawaii Small Business Innovation Research (HSBIR) Program for some of our programs. The HSBIR program is instrumental to the company to further our research, support our current staff, fill gaps, and bolster our ability to secure additional federal funding.

HBI has demonstrated the quality of its vaccine candidates against complex viruses such as Dengue as well as the utility of vaccine technology platform. The dengue vaccine program was acquired by Merck & Co. HBI has also demonstrated a regulatory pathway for its vaccines through successful interactions with the FDA. Through our active West Nile virus vaccine program, HBI has established manufacturing capabilities in the Iwilei facilities. The West Nile vaccine project serves both to demonstrate these capabilities as well as advance the vaccine to human testing. It is important to note that with these efforts are done here in Honolulu and jobs and funds are kept in Hawaii rather than engaging a contract manufacturer on the mainland.

Thank you for the opportunity to offer these comments.



February 21, 2024

House Committee on Finance

Subject: Support for HB2356 RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

**Aloha Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee on Finance,**

Purple Mai'a Foundation **supports** HB2356 HD1 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

Purple Mai'a supports a growing portfolio of Hawaiian-led and women-led businesses through our various accelerator and entrepreneurship programs. We work to build a sustainable, circular economy that develops local value and an innovation ecosystem that solves 21st century problems while benefiting Hawai'i's economy. We believe HTDC's programs, including the ones supported by this bill, can play a critical role in reaching those goals.

Me ka ha'aha'a,

Kelsey Amos  
Co-Chief Executive Officer, Purple Mai'a



**Kimia Sadeghi**

Kimia\_Sadeghi@mgdhawaii.com | 949-554-3190

Subject: Support for Bill HB2356

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee on Finance:

My name is Kimia Sadeghi, and on behalf of Meadow Gold Dairies Hawaii, I am writing to express my strong support for Bill HB2356, which proposes to increase the cap for awards to assist businesses applying for the Small Business Innovation Research (SBIR) Grant Program and the Small Business Technology Transfer (STTR) Grant Program of the Hawaii Technology Development Corporation (HTDC).

As a representative and next generation owner of Meadow Gold, a local and now family-owned business that has directly benefited from the SBIR and STTR Grant Programs, I can attest to the transformative impact these grants have on our ability to innovate and grow. In 2022, Meadow Gold was fortunate to receive support through these programs, which played a pivotal role in the establishment of our new ice cream manufacturing facility in Kapolei. The grant enabled us to invest in equipment and infrastructure, allowing us to significantly increase the production of locally made food as well as additional employment opportunities within our community. This underscores the tangible benefits that arise from investing in local businesses through initiatives like the SBIR and STTR programs.

We are in favor of adding the purchasing of renewable energy systems as an eligible expense and clarifying that training on both new and existing manufacturing equipment is an eligible expense for the Manufacturing Development Grant Program. While we are currently investing in new equipment for our new manufacturing facility, every business in Hawaii needs assistance with training on existing equipment as well to stay competitive, increase the quality of local goods, and invest in the local workforce. Additionally, qualifying purchases of renewable energy systems are both an economic and environmental boost to our local community.

**Meadow Gold Dairies Hawaii**

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(808) 949-6161

[www.lanimoo.com](http://www.lanimoo.com)



It's essential to recognize that these grants are not merely "free handouts," but strategic investments that yield substantial long-term returns for our state. By providing financial support to businesses through HTDC's programs such as the MAP Grant, the state demonstrates its commitment to fostering local manufacturing, strengthening the local food supply chain, and spurring economic growth. Moreover, it signifies that the state is genuinely willing to support and invest in Hawaii's innovation and entrepreneurship.

In light of these considerations, I strongly urge you to support HB2356 and its efforts to increase the cap for awards under the SBIR and STTR Grant Programs administered by HTDC. By expanding access to funding, we can empower more small businesses to innovate, thrive, and contribute to the prosperity of our state.

Thank you for considering my testimony. Please do not hesitate to contact me if you require any further information.

Me ke aloha pumehana,

Kimia Sadeghi

Meadow Gold Dairies Hawaii

**Meadow Gold Dairies Hawaii**

94-272 Pupuole Street  
Waipahu, Hawaii 96797 USA

PO Box 970998

(808) 949-6161

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**ALOHA SHOYU COMPANY**

Statement of  
David Y. Morikawa  
Vice President - Operations

**Testimony to the House Committee on Finance  
Thursday, February 22, 2024 at 10:00 A.M.  
Conference Room 308, State Capitol**

In consideration of  
**HOUSE BILL 2356 HD1**  
**RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

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

The Aloha Shoyu Company, Ltd. **supports** HB 2356 HD1 that increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the HTDC. It also adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense for the Manufacturing Assistance Program.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawaii. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

Our company has received the benefit of partial funding through the manufacturing grant program resulting in plant equipment expansion and upgrades. If the program is extended, we intend to continue utilizing grant funding for equipment upgrades and provide more products to Hawaii and to the mainland.

Thank you for the opportunity to offer these comments.



Statement of  
Gregory Wong  
Co-Founder and New Product Introduction Engineer  
WaiHome LLC  
before the  
**House Committee on Finance**

Thursday, February 22, 2024  
10:00 AM  
State Capitol, Conference Room 308 & Videoconference

In consideration of  
**HB2356 HD1**  
**RELATING TO HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**

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

WaiHome **supports** HB2356 HD1 that Increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Appropriates funds.

HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export.

Over the past couple years, HSBIR funding has been pivotal for WaiHome in advancing our next generation of wastewater treatment solutions, addressing Hawaii's critical cesspool replacement mandate. This support has fueled R&D efforts aimed at making cesspool replacement more affordable for homeowners in an eco-friendly way. As WaiHome moves towards local manufacturing, the increase of such funding is essential for this crucial transition, promising significant impact on both environmental sustainability and local economic growth and diversity.

Thank you for the opportunity to offer these comments,



Gregory Wong  
Co-founder and New Product Introduction Engineer  
WaiHome LLC



Written Statement of  
**DR. PATRICK SULLIVAN**  
**CEO, OCEANIT**

Before the  
**HOUSE COMMITTEE ON FINANCE**

Thursday, February 22, 2024  
10:00 a.m.  
State Capitol, Conference Room 423 and Videoconference

Offers Comments to  
**HB2356 RELATING TO THE HAWAII TECHNOLOGY  
DEVELOPMENT CORPORATION**

To: Representative Kyle T. Yamashita, Chair, Representative Lisa Kitagawa, Vice Chair, and Members of the Committee

From: Dr. Patrick Sullivan, CEO

Re: Comments relating to HB2356

Honorable Chair, Vice-Chair and Committee Members:

Testimony in Support for HB2356

The technology industry in Hawaii has grown over the past 20 years and has made significant strides towards achieving the goal of diversifying and stimulating Hawaii's economy. The continuation of the Small Business Innovation Research ("SBIR") grants is crucial to move the technology towards prototyping, customer interface, and commercialization.

The objectives of the SBIR grants are:

- To support economic growth and the diversification of our economy;
- To launch new ventures based on technology innovations; and
- To support the growth of the tech industry and the creation of intellectual property and innovation in the State.

When the SBIR matching program started a few decades ago, Hawaii was ranked close to the bottom in the US. After this program, Hawaii's success ranking improved to 29<sup>th</sup> out of 50 States. Accordingly, there is a direct correlation between the State's SBIR Matching Grant Program and improving Hawaii's position in receiving federal SBIR funds. Adding more funds is expected to further improve Hawaii's position and contribute significant research capital into the State of Hawaii, providing a positive ROI, plus supporting the diversification of Hawaii's economy.

**HB-2356-HD-1**

Submitted on: 2/21/2024 11:23:24 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Charlie Field	PacMar Technologies	Support	Written Testimony Only

Comments:

PacMar Technologies strongly supports this bill as it increases the cap for awards to assist businesses applying for the Small Business Innovation Research (SBIR) Grant Program. HTDC core programs develop infrastructure, capital, and talent to facilitate the development of technology and manufacturing jobs in Hawai'i. Following their mission, HTDC programs aim to provide technical and financial support for innovative small businesses from the startup stage through growth and export. PacMar Technologies is a leader in the marine industry, and the support from HTDC programs enables us to continue hiring local talent and keep kama'aina working in Hawaii.



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Finance  
Thursday, February 22, 2024, at 10AM  
Conference Room 308**

**RE: HB2356 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 HB2356 HD1**, which increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program (SBIR) and the Small Business Technology Transfer Grant Program of the Hawai'i Technology Development Corporation, adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense for the Manufacturing Development Grant Program.

As advocates for innovation and economic growth, The Chamber endorses the increased allocation of funds for research and development purposes, especially for small businesses struggling to find the financial support needed to prosper in our state. Investing in these endeavors not only propels scientific progress but also supports local business and our local workforce. By supporting R&D, we pave the way for groundbreaking discoveries, technological advancements, and economic growth, ensuring a more lucrative future for our state. The increased cap on award amount for small businesses will enable small business applicants to further pursue their endeavor for the benefit of our state.

HTDC has aided SBIR awarded companies since 1988; as a result, Hawaii companies have attracted federal dollars in return to the state plus commercialization funding for every state dollar invested through the program. This bill would allow HTDC to continue to provide the necessary support of a commercialization assistance program to all phases in the program for local businesses in Hawaii.

As stated in this measure, the manufacturing industry is a critical part of the State's economy. This program has become a positive resource to aid local companies with their investments in manufacturing equipment, training, and energy efficiency purposes. Continued and increased funding of these grant programs will help fuel manufacturing in Hawaii to grow and provide more products for both local consumption and export. To diversify Hawaii's economy and help Hawaii's economic recovery, the state needs to support Hawaii companies.

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.

Thank you for the opportunity to testify.



Statement of  
**Meli James**  
**Cofounder**  
**Mana Up**

SB2356 HD1, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Mana Up **supports** SB2356 HD1 that increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawai'i Technology Development Corporation and adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program, plus appropriates funds.

Mana Up is an accelerator and venture fund for Hawai'i-based products growing to markets globally, with the mission to increase economic opportunity and jobs for the people of Hawai'i. Since launching Mana Up in 2018, we have helped 85 local companies graduate from our six-month accelerator program that provides expansion opportunities and helps solve business challenges, and this year another 10 companies will participate in the program.

For over 30 years, HTDC has provided matching grants to Hawaii companies that receive Federal Small Business Innovation Research Grants (SBIR). Many of the solutions these awarded companies offer positively impact our business community and can help to solve challenges that many of the small local companies we work with face. SB2356 HD1 would help Hawaii-based innovators and small local businesses alike to develop new products that can reach global markets. Ultimately, the funds invested through the HSBIR program will help bring many new products to market, and therefore potentially generate 20x more in revenue for our state helping to further diversify and expand our local economy.

We respectfully ask for your support of SB2356 HD1 to foster innovation amongst our local community and to create solutions to challenges that many of our island-based companies face. Mahalo for the opportunity to submit this testimony on behalf of Mana Up.

Sincerely,

Meli James | Cofounder, Mana Up





Statement of  
**Meli James**  
President  
HVCA

HB2356 HD1, RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

HVCA **supports** HB2356 HD1 that increases the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawai'i Technology Development Corporation and adds purchasing of renewable energy systems as an eligible expense, and clarifies that training on both new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program, plus appropriates funds.

The Hawaii Venture Capital Association (HVCA) is a local nonprofit that stands as a nexus for entrepreneurs, capital foundation, and networking opportunities in Hawaii. Our organization helps to foster entrepreneurship through education and exposure to key members in our business community in order to support our islands' emerging entrepreneurs, all while sustaining a vibrant and successful business community.

For over 30 years, HTDC has provided matching grants to Hawaii companies who receive Federal Small Business Innovation Research Grants (SBIR). The Hawaii SBIR matching program has been tremendous in providing money needed to help local companies in the innovation space that are advancing technology to solve critical issues.

Many of the solutions these awarded companies offer positively impact our business community and can help to solve challenges that many of the small local companies we work with face. HB2356 HD1 would help Hawaii-based innovators and small local businesses alike to develop new products that can reach global markets. Ultimately, the funds invested through the HSBIR program will help bring many new products to market, and therefore potentially generate 20x more in revenue for our state helping to further diversify and expand our local economy.

We respectfully ask for your support of HB2356 HD1. Mahalo for the opportunity to submit this testimony on behalf of HVCA.

Sincerely,

A handwritten signature in black ink, appearing to read 'Meli James', is written over a horizontal line.



---

Meli James  
President, HVCA





# holomua

COLLABORATIVE

## OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

## OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

## BOARD MEMBERS

Jason Fujimoto  
Meli James, *Board Chair*  
Micah Kāne  
Brandon Kurisu  
Mike Mohr  
Brad Nicolai  
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Page 1 of 1

**Committee:** House Committee on Finance  
**Bill Number:** HB 2356, HD1, Relating to Hawaii Technology Development Corporation  
**Hearing Date and Time:** February 22, 2024 at 10:00am (Room 308)  
**Re:** Testimony of Holomua Collaborative in support

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

We write in support of HB 2356, Relating to Hawaii Technology Development Corporation. Among other things, this bill appropriates funds to support the accelerator grant program; increases the cap for awards to assist businesses applying for the Small Business Innovation Research (SBIR) Grant Program and the Small Business Technology Transfer (STTR) Grant Program of the Hawai'i Technology Development Corporation (HTDC); and clarifies that training on new and existing manufacturing equipment is an eligible expense for the Manufacturing Development Grant Program

Holomua is focused on helping to keep all local working families in the state by making sure that they can afford to stay. To accomplish that, we must have a healthy, local diversified economy. As the authors of HB 2356 correctly note, Hawaii's manufacturing industry is a critical part of the State's economy. And local small businesses are a vital part of our manufacturing industry.

To encourage more applicants to compete for SBIR and STTR funds, HTDC wants to raise the cap for awards from, which can be used for contracting grant writing assistance. The current cap is inadequate for rising costs, and by securing more grant writing assistance, small businesses will have a greater chance of receiving awards. Also, HTDC is expanding the eligibility criteria for the Manufacturing Development Grant Program to include the purchase of renewable energy systems for manufacturing facilities.

HTDC has consistently played a key role in supporting these local small business manufacturers through administering programs like the small business innovation research program, the manufacturing assistance grant program, and the accelerator grant program. To invest in our *future* as a state – and to give our current and budding entrepreneurs a reason to stay and grow our local economy – we must keep investing in these programs.

We are pleased to support this bill and appreciate the opportunity to testify.

Sincerely,

Josh Wisch  
President & Executive Director

**HB-2356-HD-1**

Submitted on: 2/20/2024 4:49:27 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Chenoa Farnsworth	Blue Startups, LLC	Support	Written Testimony Only

Comments:

Support

**HB-2356-HD-1**

Submitted on: 2/20/2024 5:22:46 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jason Brett	Individual	Support	Written Testimony Only

Comments:

Hello,

My name is Jason Brett and I write to support HB2356 HD1. I believe adding incentives for entrepreneurs in Hawaii for a SBIR / STTR award not only enhances the strength of Hawaii's technological advantage, but for the entire United States. Providing a 50% state-level monetary award to a SBIR / STTR award recipient will encourage businesses to originate their work in Hawaii and likely add jobs to the workforce and benefit the overall economy of Hawaii. I highly encourage the state of Hawaii to consider and pass this measure.

Jason Brett

Managing Director

Key Bridge Advisors

**HB-2356-HD-1**

Submitted on: 2/21/2024 9:18:24 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Stanton Monlux	Individual	Support	Written Testimony Only

Comments:

I believe the investment the State makes in the SBIR Grant program and the Small Business Tech transfer Grant programs has the potential to create a highly dynamic return.

It is a smart investment in our future - one that will create meaningful jobs and a stronger tax base in the years ahead.

**HB-2356-HD-1**

Submitted on: 2/21/2024 9:19:00 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Morgan Bonnet	Individual	Support	Written Testimony Only

Comments:

Dear Committee members,

Please Pass this bill. HTDC is vital to the development of the tech industry in Hawaii.

Hawaii is in dire need of industry diversification.

Mahalo,

Morgan