



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Thursday, March 1, 2018 at 10:45 A.M.
Conference Room 211, State Capitol**

LATE

RE: SENATE BILL 48 SD2 RELATING TO TECHNOLOGY

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") would like to offer **comments** on SB 48 SD2, which transfers title, control, custody, and management authority of the land under the Manoa innovation center, including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii to the Hawaii technology development corporation and prohibits final execution of the conveyance until 7/1/2019. Also returns title, control, custody, and management authority of the land, including any buildings, structures, and appurtenances situated on the land, to the University of Hawaii on 6/30/2029.

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.

Within our State, there are approximately 700 active manufacturers that employ almost 14,000 people and contribute to Hawaii's economy through \$1.06 billion in manufactured goods exported in 2016. Manufacturers in Hawaii help improve the quality of our local economy. In 2016, total output from manufacturing was \$1.78 billion with manufacturers accounting for 2.2 percent of Hawaii's work force. Overall, manufacturers in Hawaii account for 2 percent of the state's total output and has experienced steady growth for more than a decade.

The Hawaii Technology Development Corporation and Innovate Hawaii works with small to medium-sized businesses and is closely allied with Hawaii's manufacturers – serving to understand their needs, meet current challenges, and provide sector-specific support to help these companies grow and prosper in Hawaii. HTDC and Innovate Hawaii have consistently produced an effective range of seminars for the manufacturing industry. Manufacturers have shared a tremendous amount of positive feedback regarding how beneficial these seminars have been in improving their individual businesses and manufacturing in Hawaii, as a whole. This invaluable support has assisted in the cultivation of a more robust local manufacturing sector.

With the University of Hawaii taking over management of the Manoa Innovation Center, we are concerned where this leaves HTDC and its programs – critical support to



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our organization and the industry which we serve. As the landlords of a hub created to stoke and nurture innovation activity in Hawaii, HTDC and its programs have provided necessary support and guidance to our organization and its members to grow in Hawaii's manufacturing and technology sectors. However, with the change of management in this facility, we are unsure if the same level of specialized and technical support would still be offered to help companies start, grow, and succeed in Hawaii. It is because of the support of HTDC and its programs that Hawaii has seen an innovation streak of success for start-up companies and medium-sized companies that were able to reach the next level and maintain success. Their programs have provided phenomenal guidance for our members to help them grow their businesses in Hawaii.

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.



LATE

STATEMENT

Graeme Sharrock
President / CEO
Honolulu Options Traders, LLC
before the
Senate Committee on Ways and Means

Thursday, March 1, 2018, 10:45 a.m.
State Capitol, Conference Room 211

In consideration of
SB48, SD2
RELATING TO TECHNOLOGY

Senate Committee on Ways and Means, State of Hawaii:
Chairs Dela Cruz, Vice Chair Keith-Agaran, and Members

Thank you for the opportunity to offer these comments.

Honolulu Options Traders, LLC **supports** SB48, SD2 that transfers title, control, custody, and management authority of the land under the Manoa Innovation Center (MIC), including any buildings, structures, and appurtenances situated on the land, from the University of Hawaii (UH) to the Hawaii Technology Development Corporation (HTDC) for 10 years.

Our company, one of about fifty that occupy as leasing or virtual tenants, moved to Manoa Innovation Center in 2014. Since then we have grown to over 450 members and created new employment skills and income opportunities for many Hawaii families, retirees, transitioning military, and training for financial professionals. In addition, we have provided Summer Internships for local business students, sponsored community information events on Alzheimer's Research, organized a public event featuring mainland speakers from the *Chicago Board Options Exchange*. and participated in regular seminars with *Hawaii Internet Marketing Association*. This would not have been possible without the support and facilities of HTDC in its current location, the Manoa Innovation Center.

Over several years, we have benefited from the HTDC's facilities and programs in the following ways:

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

These local, low-cost facilities and services are essential to early growth for cutting-edge companies. HTDC does this better than any other business incubator in Hawaii and possesses the centralized experience, necessary to continue these centralized services for Hawaii's emerging business sector. **The University of Hawaii would not be able to offer or maintain these services at the current level.**

In our opinion, termination or transfer of the HTDC lease threatens the continued existence and operation of HTDC and is a matter of statewide concern. We also respectfully request correction of the stated effective date.

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