



To: Hawai'i Technology Development Corporation Board of Directors
From: Len Higashi, Executive Director
Date: May 11, 2023
Subject: Hawai'i Manufacturing Assistance Program (MAP) Award Allocations

SPECIFIC ACTION REQUESTED:

Request Motion to Approve Hawai'i Manufacturing Assistance Program (MAP) Awards as recommended by the review committee.

RECOMMENDED EFFECTIVE DATE:

Upon Approval

BACKGROUND:

Description

The Manufacturing Assistance Program (MAP) provides 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.

The amount of funding allocated to the MAP is dependent every year on legislative appropriation and Governor holdbacks. Every year there are more qualified applicants than funds available.

The funding preferences and priorities are stated briefly below with the program objectives.

- Encourage more manufacturers statewide by giving preference to:
 - businesses receiving their first MAP-award
 - businesses located on the neighbor island
- Give preference to applications that:
 - communicate economic significance of the project
 - highlight how funds will be used to achieve success
 - demonstrate potential for job creation in Hawai'i

The goal of the program is to help companies grow and create sustained manufacturing jobs in the state of Hawai'i.

MAP Award Allocation Process

As presented to the HTDC Board of Directors on February 9, 2023, HTDC makes grant awards through a competitive application process described in the MAP grant award allocation policy



statement. MAP is a reimbursable grant and requires proof of payment to qualify for an award. Awards are allocated strategically instead of equally amongst eligible applicants.

The MAP Review Committee met over a period of 8 weeks for over 16 hours to evaluate all eligible applications. The committee reviewed and scored each application. The applications were ranked then tiered after which the committee made recommendations on the award distribution to the companies. The award distribution considers the budget, the scores, and the requested amounts. The top tier receives the highest percentage of the eligible amount. As per the policy, applications that scored below 50% were not selected to receive funding.

Summary of Recommendations

The MAP Review Committee offers the following award recommendations for the FY23 Manufacturing Assistance Program.

FY23 MAP Award Recommendations

Available Budget (Year ending June 30, 2023) \$1,000,000.00

| Applicant | Total Eligible Expenses | Requested Amount | Committee Recommendation |
|---|-------------------------|------------------|--------------------------|
| Hawaiian King Candies, LLC* | \$118,253.06 | \$23,650.61 | \$18,930.00 |
| Hilo Fish Company, Inc.* | \$9,486.35 | \$1,897.27 | \$1,520.00 |
| Ba-Le Inc. (dba La Tour Bakehouse) | \$683,117.30 | \$100,000.00 | \$80,000.00 |
| Koloa Rum Company | \$71,720.31 | \$14,344.06 | \$10,050.00 |
| Meadow Gold Dairies Hawaii LLC* | \$388,717.00 | \$77,743.40 | \$54,430.00 |
| Hawaiian Sun Products Inc.* | \$645,425.00 | \$100,000.00 | \$70,000.00 |
| Hawaii Sea Spirits LLC* | \$168,089.45 | \$33,617.89 | \$23,540.00 |
| ISLAND GROWN FOODS, INC (dba Hawaii Food Products)* | \$25,922.95 | \$5,184.59 | \$3,630.00 |
| Advanced Silicon Carbide Materials, LLC | \$325,266.73 | \$65,053.35 | \$45,540.00 |
| La'i LLC (dba Punalu'u Bake Shop) | \$39,733.53 | \$7,946.71 | \$5,570.00 |
| The Patisserie Inc. | \$344,619.56 | \$68,923.91 | \$48,250.00 |
| Oceanit Laboratories, Inc. | \$123,462.42 | \$24,692.48 | \$17,290.00 |
| KYD, Inc. | \$196,849.97 | \$39,369.99 | \$27,560.00 |
| Pacific Biodiesel Technologies, LLC | \$343,539.00 | \$68,707.80 | \$48,100.00 |
| Aumakua Holdings Inc. (dba Maui Brewing Company) | \$2,949,371.66 | \$100,000.00 | \$70,000.00 |
| Maui Wine, Ltd. | \$53,383.76 | \$10,676.75 | \$7,480.00 |

* *First-time MAP companies*



| Applicant | Total Eligible Expenses | Requested Amount | Committee Recommendation |
|---|-------------------------|------------------|--------------------------|
| Diamond Bakery Company Limited | \$579,509.77 | \$100,000.00 | \$70,000.00 |
| Hawaiian Ola Brewing Corporation | \$280,127.60 | \$56,025.52 | \$39,220.00 |
| Pacific Shipyards International, LLC | \$528,836.35 | \$100,000.00 | \$70,000.00 |
| Kauai Kookie LLC | \$56,140.00 | \$11,228.00 | \$7,860.00 |
| Okuhara Foods Inc. | \$441,263.31 | \$88,252.66 | \$52,960.00 |
| Euram Inc (dba Hawaiian Paradise Coffee)* | \$339,771.50 | \$67,954.30 | \$40,780.00 |
| Makai Ocean Engineering, Inc. | \$431,350.09 | \$86,270.02 | \$51,770.00 |
| Grass Shack Industries LLC (dba Manoa Chocolate Hawaii) | \$560,078.00 | \$100,000.00 | \$60,000.00 |
| HONBLUE | \$1,161,821.00 | \$100,000.00 | \$60,000.00 |
| Kauai Juice Co. LLC | \$295,029.93 | \$59,005.99 | \$15,520.00 |
| HNK, Inc. (dba Koha Foods)* | \$448,359.18 | \$89,671.84 | No funding available |
| Kealopiko Inc.* | \$18,075.60 | \$3,615.12 | No funding available |
| Il Gelato LLC | \$91,617.17 | \$18,323.43 | No funding available |
| Purdyco, Ltd (dba Island Princess)* | \$593,010.40 | \$100,000.00 | No funding available |
| Manulele Distillers, LLC (dba Ko Hana Distillers) | \$483,000.00 | \$96,600.00 | No funding available |
| Verde Restaurant LLC* | \$58,048.10 | \$11,609.62 | No funding available |
| Big Island Coffee Roasters LLC | \$180,530.21 | \$36,106.04 | No funding available |
| Liko Lehua, LLC* | \$92,661.11 | \$18,532.22 | No funding available |
| Fujiya Hawaii LLC* | \$266,193.24 | \$53,238.65 | No funding available |
| Hanalei Spirits Distillery Corp.* | \$129,412.36 | \$25,882.47 | No funding available |
| Hawaii Ulu Producers Cooperative | \$86,589.09 | \$17,317.82 | No funding available |
| Tin Shack Bakery LLC* | \$24,928.66 | \$4,985.73 | No funding available |
| Kauai Island Metals Inc.* | \$14,633.43 | \$2,926.69 | No funding available |
| Sinaloa Hawaiian Tortillas Inc. | \$156,352.62 | \$31,270.52 | No funding available |
| FLS Composites LLC* | \$32,850.00 | \$6,570.00 | No funding available |
| Manoa Honey Company* | \$32,987.25 | \$6,597.45 | No funding available |
| Aloha Tofu Factory, Inc. | \$277,476.84 | \$55,495.37 | No funding available |
| Salty Wahine Gourmet Hawaiian Sea Salts | \$11,903.14 | \$2,380.63 | No funding available |
| Dana Labels Inc. | \$155,738.54 | \$31,147.71 | No funding available |

* *First-time MAP companies*



| Applicant | Total Eligible Expenses | Requested Amount | Committee Recommendation |
|--|-------------------------|------------------|----------------------------|
| Koko Kai Foods LLC* | \$20,887.99 | \$4,177.60 | No funding available |
| Pawniolo Pets LLC* | \$102,736.86 | \$20,547.37 | No funding available |
| Lubrco LLC* | \$43,735.36 | \$8,747.07 | No funding available |
| Hawaiian Agricultural Products, LLC* | \$30,461.43 | \$6,092.29 | No funding available |
| Blue Ocean Barns* | \$777,054.06 | \$100,000.00 | No funding available |
| Aloha Beer Company, LP* | \$528,333.10 | \$100,000.00 | No funding available |
| Kakilepo LLC (dba Kakaako Kasuals)* | \$25,436.51 | \$5,087.30 | No funding available |
| Kauai Kim Chee* | \$10,507.13 | \$2,101.43 | No funding available |
| Gourmet Barn LLC* | \$144,503.09 | \$28,900.62 | No funding available |
| Lanikai Brewing Company / Equipment | \$16,578.85 | \$3,315.77 | No funding available |
| Lonohana Estate Chocolate LLC* | \$312,014.06 | \$62,402.81 | No funding available |
| BLH Brewing LLC | \$64,577.66 | \$12,915.53 | No funding available |
| Aloha Edibles | \$96,502.11 | \$19,300.42 | No funding available |
| Omao Labs LLC (dba Kauai Hemp Co.)* | \$103,367.00 | \$20,673.40 | No funding available |
| Tea Hawaii. Com (dba Tea Hawaii & Company) | \$12,587.74 | \$2,517.55 | No funding available |
| Kin Sin, Inc. (dba Sync Ink)* | \$448,500.00 | \$89,700.00 | No funding available |
| Oahu Plastic Bags Inc.* | \$13,775.00 | \$2,755.00 | No funding available |
| Kukui Meat Market* | \$115,726.89 | \$23,145.38 | Did not meet minimum score |
| Magic Needle Productions, Inc.* | \$148,805.00 | \$29,761.00 | Did not meet minimum score |
| MXCAL LLC (dba Raiz Tortillas)* | \$33,854.51 | \$6,770.90 | Did not meet minimum score |
| Makua Banana Bread* | \$25,905.63 | \$5,181.13 | Did not meet minimum score |
| Oishii Family Restaurant LLC* | \$234,894.73 | \$46,978.95 | Did not meet minimum score |
| Eiori LLC* | \$8,780.00 | \$1,756.00 | Did not meet minimum score |

* First-time MAP companies



| | |
|-------------------------------------|----------|
| FY23 Appropriation | \$1MM |
| Total Applications Received | 85 |
| Total Applications Awarded | 26 |
| Total First-time Applicants Awarded | 7 |
| Total Company Investment | \$17.6MM |
| Total Grants Requested | \$2.7MM |
| Total Grants Awarded | \$1MM |

ACTION RECOMMENDED:

Approve



To: Hawai'i Technology Development Corporation Board of Directors
 From: Len Higashi, HTDC Executive Director
 Date: May 1, 2023
 Subject: Executive Director's Report

SPECIFIC ACTION REQUESTED:

Information only. No action requested.

EXECUTIVE DIRECTOR UPDATE

PROGRAM UPDATES

A. Legislative Updates

The following bills have significant impact on HTDC:

1. HTDC Omnibus Bill (HB999, HD1, SD2, CD1) - Includes appropriation
2. Digital Currency Bill (SB945 SD2, HD2, CD2) Administrative only for HTDC
3. State Budget (HB300, HD1, SD1, CD1) – Appropriated Aerospace Coordinator Position and \$50 million for the infrastructure improvement for regional economic development. Appropriated \$9 million and 3 positions.

B. First Responders Tech Campus (FRTC)

- a. See legislative updates.

C. Business Accelerator Program

- a. The 2023 Business Accelerator Program solicitation (RFP-23-003-HTDC) has been awarded to the following 7 accelerator programs. In total, the state is subsidizing 29% of the cost of running the programs.

| | |
|--|--------------------|
| Blue Startups | \$247,500 |
| Decisive Point LLC | \$187,000 |
| Impact Hub Honolulu LLC dba Hub Coworking Hawaii LLC | \$16,500 |
| Mana Up Labs, LLC | \$467,500 |
| Pacific Asian Center for Entrepreneurship | \$165,000 |
| Purple Mai'a Foundation | \$44,000 |
| XLR8HI, LLC | \$176,000 |
| Total | \$1,303,500 |

D. Entrepreneurs Sandbox

The Sandbox partner solicitation to manage the cowork program and rental of event, conference, and training room space (RFP-23-004-HTDC) was awarded to Impact Hub Honolulu, LLC. The current four (4) year contract with BoxJelly ended on April 30, 2023. HTDC will manage the transition of the Sandbox while the contract is being finalized over the next few weeks.

E. Sponsorships:

East Meets West 2023 two day event at Aloha Tower on May 18th -19th. The Summit, on May 18th is a limited event focused on networking and small group discussions. The Conference on May 19th is anticipated to host 300-400 participants, speakers discussing travel technology, sustainability, Pitch competition, and one-on-one mentor opportunities.

F. Hawai'i Small Business Capital Program (HI-CAP)

1. Connecting Chenoa Farnsworth of Blue Startup (Ventures) with Hawaii Tourism Authority to help surface issues with the tourism industry in Hawaii, so that she is able to select cohort startups that can help address these identified issues.

G. INNOVATE Hawai'i (IH) Program

1. Completed trip to Phoenix, Arizona between April 16-20. Discussions on individual Center performance metrics, understanding of common problems within each Center and shared solutions. INNOVATE Hawaii has been scoring 100 in the last four (4) quarters and confirmed an additional funding of \$400K for two years for Hawaii Supply Chain Assessment Funding to start on June 1, 2023.

H. Hawaii Center for Advanced Transportation Technology (HCATT) Program

1. Continued discussions with Air Force Research Laboratory (AFRL) for next phase of PEARL microgrid. Collaborating with Indo-Pacific Command (INDOPACOM), on concept proposal for next phase of project with expands current designs, adds new facilities, and incorporates additional renewal energy technologies including hydrogen production, storage, distribution, and use.
2. Navy Expeditionary Warfare Center (EXWC) continues to express interest in a collaboration with HCATT on further development of PEARL in relation to a b order application of microgrid at Joint Base Pearl Harbor Hickam (JBPHH) and potentially in the Pacific Island regions.
3. Attending the Navy Microgrid Design Academy May 2-4 in Port Hueneme, CA

I. Budget

1. No updates