

INNOVATION STARTS HERE



80,000
NEW JOBS

HTDC 2014 ANNUAL REPORT
HIGH TECHNOLOGY DEVELOPMENT CORPORATION

MESSAGE FROM BOARD CHAIR CRAIG NAKANISHI

This past year the Board of Directors of HTDC set forth a vision to drive economic growth by facilitating innovation in all sectors of the economy. Specifically, we set an ambitious goal calling for the creation of 80,000 innovation jobs that pay \$80,000 or more by 2030.

In connection with this 80|80 goal, we seek to create an environment that inspires our younger generations to come back to Hawaii, that emboldens our current workforce to stretch beyond their imagination, and that strives for a place where the brightest minds choose to work

In order to be successful in this endeavor, we must all be willing to embrace change, be willing to fail and learn from that failure, give people the confidence to try things they would not ordinarily attempt, and to keep going even though the outcome is unknown, just because it is worth trying. Together we can succeed.

To lead this monumental effort, we are fortunate to have Robbie Melton as our new executive director as of February 1, 2014. As the former Director of Entrepreneurial Innovation at TEDCO, Maryland's highly successful counterpart to HTDC, Robbie Melton brings the know-how to facilitate statewide creation and growth of technology-based businesses and the improvement of all sectors of the economy through innovation.

As we boldly go into this new future, on behalf of the Board of Directors, I would like to express our sincerest thanks to our partners, past, present and future, and especially to the HTDC staff and, in particular, Len Higashi who aptly stepped in as our acting executive director this past year.

Craig Nakanishi

Chair, HTDC Board of Directors

A LETTER FROM THE DIRECTOR

I am glad to be back in Hawaii and excited about Hawaii's growth of tech, innovation and entrepreneurial activity. Hawaii is ranked number three in the nation in innovation. It demonstrates that Hawaii has the capacity to create new ideas, products and processes and be competitive in a global economy. That is the impetus for our vision for Hawaii – 80,000 new jobs, earning \$80,000 annually by 2030. This is our 80|80 goal. We can do it Hawaii!

To advance our 80|80 goal in 2015, we will undertake the following initiatives:

- Reinvigorate our incubator programs to increase the success rate of early stage companies leveraging the right programs, mentoring and access to capital;
- Increase the number of Hawaii companies winning SBIR awards and HISBIR matching funds; and
- Complete development and implementation of three technology parks, each with a unique industry focus, are underway and will house companies creating new technologies for the aging, cyber security and agriculture.

However, we cannot accomplish this alone. We must all work together to lead Hawaii to this new frontier. For the long term, infrastructure, capital and talent are the drivers. Affordable and accessible high-speed broadband for all the islands is key. A diverse portfolio of funding opportunities to move companies from proof-of-concept to market and high-revenue generation is also critical. Preparing our children for the jobs of the future will only happen if industry becomes more involved with education so that the right curriculum is taught. Together we can realize the 80/80 goal for the benefit of all Hawaii.

Robbie Melton

Executive Director and CEO

HTDC

80|80 BY 2030

VISION

To create an environment where innovation drives economic growth and where the brightest minds choose to work.

OBJECTIVES

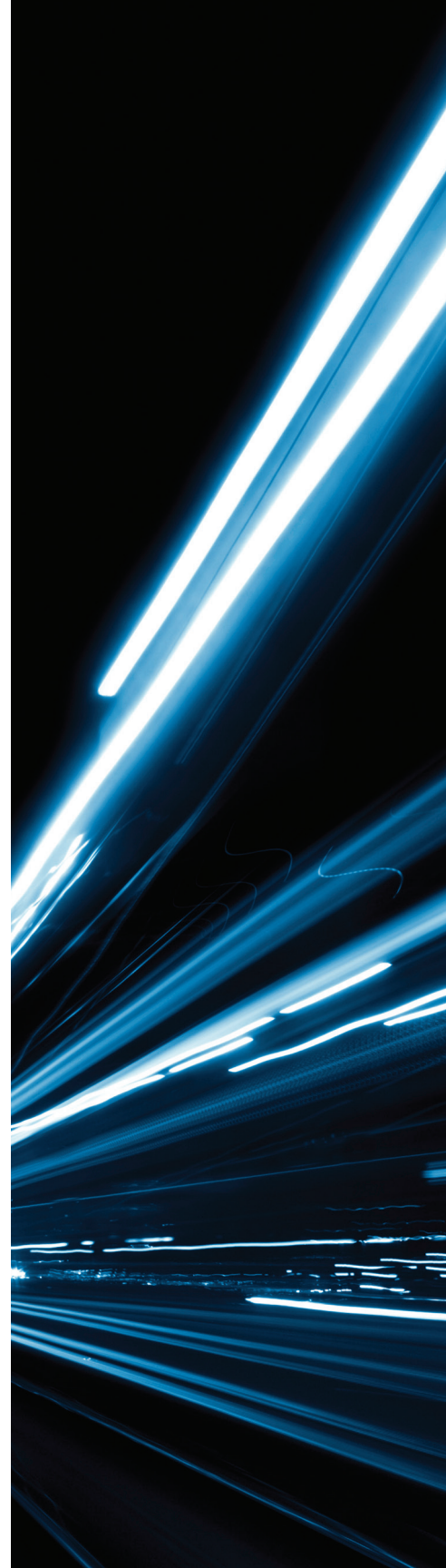
- Economic prosperity on all islands
- Attract prominent innovators and businesses
- Create the right jobs so our Kama'aina can stay in Hawaii
- Increase the survival rate of Hawaii tech companies
- Build Hawaii's reputation as a place to do business

GOAL

80,000 JOBS EARNING \$80,000

Facilitate the creation of 80,000 new jobs with salaries over \$80,000 in technology and innovation by 2030.

The HTDC mandate is to facilitate the growth of Hawaii's innovation economy, understanding that technology is an integral part of innovation. Today, this effort is evidenced in all industries including technology, agribusiness, health & wellness, manufacturing, education, and the creative sector just to name a few.



WHERE IS INNOVATION?

C A W E J R O B O T I C S D K O Y R C D F
S E M I C O N D U C T O R S B N A X U E W
P F A S T R O N O M Y U R E I U V T Q S I
G B R O A D C A S T I N G J W D S E K I Y
B N K Z U J B S U P C O N S U L T I N G B
K R E S E A R C H E G Z L O B H Z L C N E
N C T D I G I T A L M E D I A Q M E D I A
A X I F N C Y B E R S E C U R I T Y G S T
L H N I N F O R M A T I O N T E C H P H M
R O G C O M P U T E R P R O D U C T S K U
D V Q T V R X D R U G D I S C O V E R Y S
J C R E A T I V E K E S S E N S O R S J I
H P H O T O V O L T A I C Q U A S Z F G C
Y M E D I C A L D E V I C E H R A D I O P
S R T S O F T W A R E A N D I T M S L E X
E L A E N G I N E E R I N G P V I N M C Z

HTDC leads Hawaii in growing the innovation economy.

INNOVATION IS DRIVING GROWTH FOR THE US ECONOMY

CURRENT NATIONWIDE INNOVATION ECONOMY

\$1.4 TRILLION

TECHNOLOGY & CREATIVE GROSS TOTAL REVENUE IN THE U.S.

78,800 TECHNOLOGY & CREATIVE SECTOR JOBS IN HAWAII

Source: DBEDT. Hawaii's Targeted and Emerging Industries Report. Dec.2013

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HERE

STRENGTHENED ECONOMY

INNOVATION IS INTEGRAL TO SUSTAIN HAWAII'S FUTURE

By creating 80,00 new jobs earning more than \$80,000 by 2030, our mission is to drive economic prosperity statewide by joining forces with those who are focused on new ideas, products, and processes.





MOVING TOWARD 80|80

PROGRAMS

HTDC provides mentoring assistance to startups at technology innovation centers statewide, including Manoa Innovation Center (MIC) and Maui Research and Technology Center (MRTC). They're part of an incubation infrastructure that also includes a host of programs that enable the growth of technology companies.

MIC
MRTC

INCUBATOR PROGRAM

For start-up companies that require a total support package, HTDC created the Incubator Program to offer clients a combination of subsidized facility rates in addition to a variety of business support program services including mentors and shared and flexible-lease offices in a community of tech entrepreneurs.

INNOVATE HAWAII (IH)

The HTDC INNOVATE Hawaii program offers small and medium-size companies in all industries the expertise they need to take their businesses to the next level. The program also receives federal funds from the National Institute of Standards and Technology - Manufacturing Extension Partnership (NIST MEP) to help Hawaii manufacturers and pre-manufactures create and retain jobs, increase profits, and save time and money.

INNOVATE
HAWAII



HAWAII SMALL BUSINESS INNOVATION RESEARCH GRANTS

HTDC awards HISBIR matching grants to small R&D federal SBIR award winning companies that are developing new technologies and innovations. The grants provide critical matching funds to accelerate the research and development phase of a company's product life cycle.



HAWAII CENTER FOR ADVANCED TRANSPORTATION TECHNOLOGIES

A leader in developing alternative transportation technologies, HCATT leverages a \$19 million federal contract with the Air Force Research Laboratory to address the goals of the Hawaii Clean Energy Initiative while creating business opportunities for companies engaged in clean energy development in the State.



WETWARE WEDNESDAY

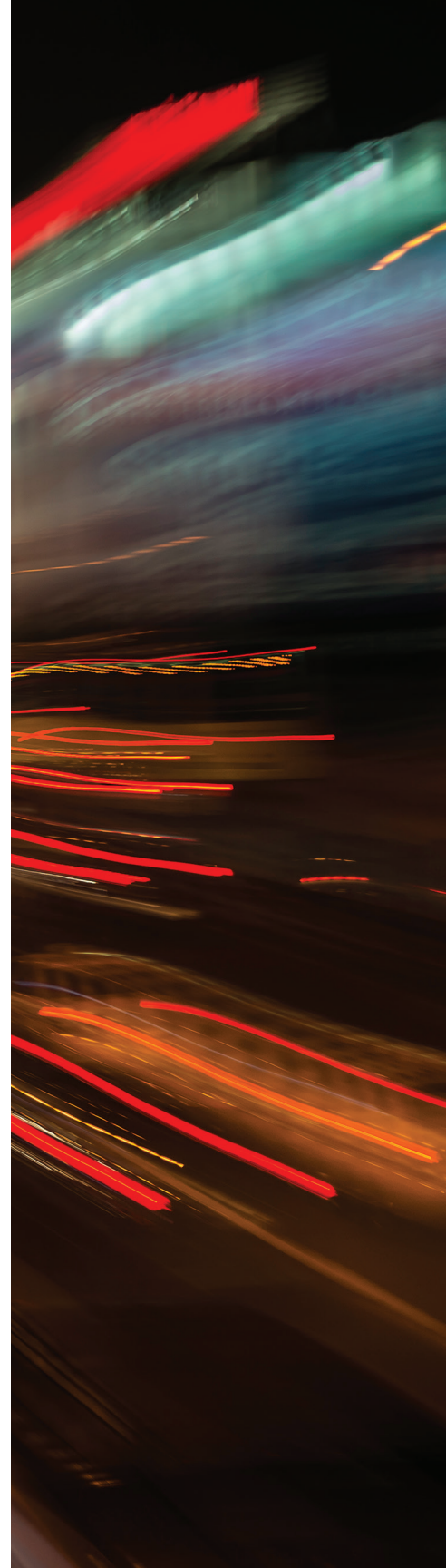
A program of monthly networking events, WetWare Wednesday brings together software developers, engineers, entrepreneurs, university professors, and others involved in Hawaii's technology community. Wetware Wednesday celebrated its 3rd anniversary.



HI GROWTH INITIATIVE

HTDC promotes Hawaii's technology assets through the Department of Business Economic Development and Tourism's initiative to promote companies that have the potential for global market penetration. The initiative is a collaboration with HTDC, the Hawaii Strategic Development Corporation, the Creative Industries Division and Business Development and Support Division.

The Hawaii Software Service Center ceased operations due to budget cuts and there is nothing to report.





HOW CAN WE ACHIEVE
THE 80|80 VISION?



— AND CREATE —
JOB OPPORTUNITIES
—
FOR THE BRIGHTEST MINDS?



EVERYONE MUST WORK TOGETHER
TO MAKE HAWAII
— THE —
PERFECT PLACE
TO DO BUSINESS



A STRONG

INNOVATION ECONOMY
WILL KEEP TALENT IN HAWAII

ATTRACT PROMINENT INNOVATORS & BUSINESSES.

YEAR IN REVIEW

RETURN ON INVESTMENT

8x

Every state dollar invested in HTDC generated \$8 in additional funding and revenue.

SMALL BUSINESS INNOVATION RESEARCH GRANTS*

\$2.7 MILLION

In federal funding was received by 23 companies to whom HTDC HISBIR distributed \$520,000 to develop their products. Five new companies received funding in FY14.

* For more information visit htdc.org/sbir

INFRASTRUCTURE

\$3 MILLION

FOR THE ENTREPRENEUR'S SANDBOX

U.S. Economic Development Administration (EDA) awarded to construct the Entrepreneur's Sandbox at the Kakaako Collaboration Center with Fisher Hawaii—the first major public-private partnership of its kind for HTDC.

3 TECH PARKS

Each with a unique industry focus will house companies creating new technologies for the aging, cyber security and agriculture. Each will help equip Hawaii for its future with innovation jobs and solid infrastructure.

2 INCUBATORS

64

Companies

18

New

11

Graduates

2

Companies exit, acquired successfully

BUILDING ON SUCCESS

SPONSORED EVENTS

14

HTDC sponsored events

2,000+

Participants

PROGRAM SUCCESS

90

Graduates

\$56M Total Revenues

\$24M Investments

\$4M SBIR funding

296 High wage jobs

INNOVATE HAWAII MANUFACTURING EXTENSION PARTNERSHIP

20

IH clients are responsible for:

\$10M Internal investment

\$40M Revenue

52 New employees

105 Jobs saved

HCATT

\$3 MILLION

In HCATT funding to Waste Turn 2 Energy (WT2E) for its alternative energy research project at Joint Base Pearl Harbor Hickam is authorized through HTDC

BOARD OF DIRECTORS CHAIR

Craig I. Nakanishi, Esq.
Rush Moore LLP

Assumpta Rapoza
Director, Enterprise Risk Management
HMSA
(term expired 6/30/14)

FIRST VICE CHAIR

Race A. Randle
Director, Development
The Howard Hughes Corporation

SECOND VICE CHAIR

Dick Rosenblum
President
Hawaiian Electric
(term expired 6/30/14)

SECRETARY/TREASURER

John H. DeLong
Representative for NELHA
President
Hawaiian Cement

Derek Lau
President & Principal Broker
Real Estate Specialists

Richard C. Lim
Ex-Officio
Director
Department of Business, Economic
Development & Tourism

Leigh-Ann K. Miyasato
Founding President and Executive Director
Entrepreneurs Foundation of Hawaii

John Morton, Ph.D
Representative for UH
Vice President for Community Colleges
University of Hawaii System

Eric B. Yee
Representative for HSDC
Vice President
Private Banking Division
First Hawaiian Bank

Kalbert K. Young
Ex-Officio
Director
Department of Budget & Finance

STAFF

EXECUTIVE DIRECTOR'S OFFICE

Robbie Melton
Executive Director & CEO

Yvonne Harue
Executive Secretary

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Len Higashi
Senior Economic Development Manager

Sandy Park
HISBIR Program Manager

Sandi Kanemori
Contracts & Grants Manager

Cindy Matsuki
Economic Development Specialist

HCATT

Stan Osserman
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Transportation Technologies

Kristy Carpio
Contracts Administrator

Ed Russell
Project Manager, Hawaii Center for Advanced
Transportation Technologies

Christine Tanuvasa
Secretary, Hawaii Center for Advanced
Transportation Technologies

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MEP Center Director, INNOVATE Hawaii

Mark Ausbeck
Senior Project Manager, INNOVATE Hawaii

Erin Furuichi
Program Coordinator, INNOVATE Hawaii

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