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Courtesy: Tyler Kuse

Capitol Connection with Gov. David Ige is a regular e-newsletter that provides you with updates from the fifth floor of the State Capitol. As the governor's office works to become paperless, the newsletter will be available on-line and via subscription. Check out the governor's website at governor.hawaii.gov to subscribe to this newsletter. Also, follow the governor on Twitter and Instagram @govhawaii and check www.facebook.com/GovernorIge for daily activities.

From the Governor: Building a Hawai'i Innovation Economy

In a recent Hawai'i Business Roundtable speech, Gov. David Ige talked with CEOs from some of the state's biggest companies about working together to create a strong innovation economy as the next best hope for future jobs.

Q. What is an "innovation economy" and why is that important?

A. Beyond tourism and the military, an innovation economy offers the best promise of high-quality, living wage jobs for our kids and others in this digital age. It can reach every sector of our community — from new agriculture apps to help farmers to locally created digital media, film and cultural content, clean energy, biotechnology, and cybersecurity. This new way of doing business doesn't require substantial land or a large carbon footprint. With the right broadband capacity to reach any part of the globe, knowledge workers can live anywhere. We want to create a place where the best and the brightest — especially our own local talent — can call Hawai'i home.



Gov. David Ige speaks with Hawaii Business Roundtable CEOs (from left) Rich Wacker, president, American Savings Bank; Robert Harrison, chairman, First Hawaiian Bank and 2016 HBR chair; Gary Kai, HBR executive director; Allen Uyeda, retired president, First Insurance Company; and Harry Saunders, president, Castle & Cooke Hawaii.



Smart Yields was the winner of the 2016 'Pitch the Capitol' event. The company created an app that helps farmers increase productivity. From left: Sen. Glenn Wakai; Donavan Kealoha, Startup Capital Ventures; Vincent Kimura, Smart Yields co-founder & CEO; Steve Markowitz, Hawaii Angels; Rep. Derek Kawakami.

Q. What are some key pieces of this plan already in place?

A. The state's Department of Business, Economic Development and Tourism and the University of Hawai'i have joined forces with the business community to encourage entrepreneurial development, research commercialization, and investment support from public and private partners. This legislative session, we are seeking funds to build on the success of DBEDT's HI Growth Initiative and UH's XLR8UH, for startup business development.

Q. What is the outlook for the future?

A. We know the future looks bright. A 2015 report ranked Hawai'i 12th in the nation for startup growth — above California and just below New York. Several local accelerators have been recognized as among the best in the nation. We're also developing an Entrepreneur's Sandbox in Kaka'ako and a broadband initiative, thanks to \$25 million from the 2015 state Legislature.

Giving Hawai'i a voice among the nation's governors

Improved bond outlooks that could save the state millions. Partnering with other states and the White House to fight Zika and address climate change. Ensuring Hawai'i has a voice in decisions affecting education.

Those are some of the reasons behind Gov. David Ige's recent trip to New York and Washington, D.C. As a member of the National Governors Association (NGA), Gov. Ige participated in meetings with President Barack Obama and his cabinet on a host of issues.

The governor will be part of a Zika task force to share Hawai'i's experiences in fighting mosquito-borne illnesses and develop a plan of action with the Centers for Disease Control. He also will be joining working groups of governors in support of maximum state flexibility for education programs and support of coding and computer science in the public schools.

In addition, he will host a **Western Governors' workshop April 7 and 8 in Hawai'i** on species conservation. Subjects include protecting marine areas, climate change, and invasive species and conservation efforts.



Rapid 'Ōhi'a Death threatens iconic trees

The photos are stark and foreboding: vast stands of dead 'ōhi'a trees, devoid of the rich red blossoms recognizable everywhere in Hawai'i.

The culprit is "Rapid 'Ōhi'a Death" (ROD), a mysterious fungus that prevents the trees from absorbing water and for which there is no known treatment. Although currently affecting only forests on Hawai'i island, officials say it is critically important to build awareness statewide to prevent the disease from spreading.

Current quarantine rules prohibit interisland transport of 'ōhi'a plant parts without inspection and a permit. Dr. J. B. Friday with the UH College of Tropical Agriculture said the fungal spores could also be spread through vehicles, equipment used to cut infected wood, insects, feral pigs or soil on the bottom of shoes or attached to clothing.

'Ōhi'a have been called the most important trees in the forest. "They protect our watersheds, provide habitats for native plants and birds and are a major part of Hawaiian culture," said Friday. He said dead trees could affect property values, increase wildfires, and create a visual blight affecting tourism. For more details go to www.rapidohiadeath.org

White House selects Hawai'i for TechHire

President Barack Obama has selected the state's High Technology Development Corporation (HTDC) to participate in a national initiative to fast-track training for high-paying tech jobs and 21st century workforce demands.

HTDC has created a coalition of workforce organizations, employers and state and local government to develop training to meet the needs of employers.

"HTDC is committed to developing innovative training programs such as coding boot camps," said Robbie Melton, executive director and CEO. "This program supports HTDC's 80/80 Initiative to create 80,000 tech and innovation jobs earning more than \$80,000 a year by 2030."

Kaka'ako homeless center work underway



Gov. David Ige and Scott Morishige, coordinator on homelessness, got a hard hat tour of the future Family Assessment Center, expected to open later this year. The temporary shelter, which will house as many as 60 individuals or 15 families, is the result of several state agencies working together to transform the facility.

Accelerating the Dream in a “Startup Paradise”

Talent. Funding. Infrastructure. Add the natural beauty and cultural diversity of Hawai‘i for creative inspiration and you have what Governor Ige and the state hope will become a “startup paradise” with a focus on technological innovation, job growth, and economic strategies to compete globally.

“We need to take a comprehensive, long-term approach,” said the governor. “As we expand our commitment to STEM, coding skills, and innovation in our schools, we also need to set the foundation to make the state attractive for entrepreneurs and investors to create the jobs. We want every child in Hawai‘i to grow up knowing they can be part of a vibrant new economy.”

Let’s say you have a great idea for an innovative business but don’t know how to develop it. What do you need in your business plan? How do you find investors to fund it? Where can you turn for help to connect with industry experts?

The answer to all these questions is an accelerator, a boot camp for entrepreneurs who want to take their idea from doodling on a napkin to operational and investment-worthy. The accelerator provides training, mentoring, resources, and access to a network of investors. In Hawai‘i, the innovation ecosystem is taking hold, thanks to a combination of state and business community leadership, public-private partnerships, and several Hawai‘i-based investment funds.

“Accelerators are a critical part of a healthy startup environment,” said Luis Salaveria, director of the state Department of Business, Economic Development and Tourism. “Through them, we can motivate private investors to bring capital resources to Hawai‘i for local companies.”

DBEDT’s **Creative Lab Hawai‘i** is developing immersive programs in six high-growth areas: broadband/new media; producing; screenwriting; interactive media; music; and design/fashion. From there, these creative entrepreneurs can take their ideas to the next level, to accelerators that can connect them to potential investors and industry decision-makers.

Karl Fooks is president of the **Hawai‘i Strategic Development Corporation**, a state agency that encourages innovation through investments by its **HI Growth Initiative**. According to a report from the UH Economic Research Organization, these investments have helped start more than 40 companies that created 154 to 180 local jobs and attracted millions of dollars in private investment.

Economic growth is also being nurtured in the **University of Hawai‘i system** through **XLR8UH**, a startup accelerator focusing on transforming UH’s world-class research by faculty, staff and students into viable products and businesses. “XLR8UH is a vital component of the Hawaii Innovation Initiative we’ve launched, in partnership with the Hawaii Business Roundtable,” said UH President David Lassner. To date, XLR8UH has developed 15 companies that have generated more than \$600,000 in revenue and have raised \$7.8 million.



Photo by David Bruce



Photo by Sara Lin

(top) The group of entrepreneurs, mentors and investors from the recent GVS “Pitch Showcase” in Kailua-Kona. (above) Local tech startup Hobnob, specializing in event invitations, raised \$2.25 million from private investors. Maui-born founder Tina Fitch is a mentor at Blue Startups, an accelerator supported by HI Growth Initiative, where she met her cofounders Mark and Tiffany Quezada.

Three Hawai‘i startup accelerators named among nation’s most innovative

The U.S. Small Business Administration recently recognized three Hawai‘i startup accelerators from three islands as among the nation’s most innovative. Each received a \$50,000 cash prize. They include:

- **GVS Transmedia**, based in Kona, helps Hawai‘i-based creative entrepreneurs launch original franchises across multiple media platforms.
- **XLR8UH**, geared towards commercializing University of Hawai‘i research and innovation.
- **The Maui Food Innovation Center**, a program of UH Maui College, provides business and technological expertise to food and agricultural entrepreneurs.

This was GVS’s second year winning the SBA award. Earlier, another Hawai‘i accelerator, Blue Startups, which focuses on software and mobile technology, was named as one of the top 20 accelerators in the nation.

People in the News

Environmental heroes honored for their efforts across the state

The Hawai'i Invasive Species Council has named eight environmental heroes in the state's fight against what has been declared "the greatest threat to Hawai'i's economy and natural environment and to the health and lifestyle of Hawai'i's people."

Those honored included:

Community hero - Kay Howe, whose son contracted rat lungworm disease, has worked tirelessly to inform the community about the damage the parasite can do. She has launched a program to educate students at five K-12 schools on Hawai'i Island on the dangers of the disease.

Business leader - Young Brothers, Ltd. was recognized for its initiative and response in stopping the spread of Rapid 'Ōhi'a Death (ROD) by halting shipments of 'ōhi'a products from Hawai'i Island.

Greatest hit - J.B. Friday, Flint Hughes and Lisa Keith, a dedicated team of researchers and UH specialists, were praised for their outreach to conservation professionals and the community to inform them about ROD.

Progress across the State

New Pāalamanui campus blessed

Hundreds of community members turned out Feb. 26 and 27 for the official opening of Hawai'i Community College – Pāalamanui as the new home for higher education in West Hawai'i.

"I just wanted to congratulate all those who worked so hard for many years to bring this campus to fruition," said Governor Ige. "Congratulations for making this a true community center for higher learning."

Campus director Dr. Marty Fletcher added, "It's incredibly exciting to see so many people enjoying themselves. They've waited a long time for these facilities." The sustainably designed campus will offer associate degree programs and pathways to other degrees and certificates through distance learning classes at its University Center.

DLNR revocable permit task force formed

A task force to review the Department of Land and Natural Resources revocable permit process has been appointed by chair Suzanne Case. The group is expected to recommend changes as needed to ensure the process serves the public trust and provides consistency.

Case explained, "This panel of experts will focus on the reasons for revocable permits versus leases . . . and a review of all current long-term revocable permits." New practices are expected to be in place by June 30, 2016.

Task force members include Chris Yuen, BLNR member; Paula Harris, real property professional; Scott Glenn, Office of Environmental Quality Control; Jeff Pearson, DLNR water deputy; and other DLNR representatives.



Governor Ige with environmental heroes and state officials from DLNR and Agriculture.

Hottest Pest Report – Laura Hew won recognition for her efforts in stopping the spread of the Giant Day Gecko, using the 643PEST reporting system and notifying the state's Department of Agriculture.

Also honored were MVPs from each of the state's counties: Judith Houle, Hawai'i; Dr. James Leary, Maui; Paul Zweng, O'ahu; and Trae Menard, Kaua'i.



Photos by Thatcher Moats

(top) State, UH officials and community members gathered for the blessing of the new Hawaii CC - Pāalamanui campus.



(left) A traditional Hawaiian ceremony, Moku Ka Piko, marked the opening of the new home for higher education in West Hawai'i.

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