

To: Hawai'i Technology Development Corporation Board of Directors
From: Wayne Inouye, HTDC Acting Executive Director
Date: February 16, 2024
Subject: Acting Executive Director's Report

SPECIFIC ACTION REQUESTED:

Information only. No action requested.

EXECUTIVE DIRECTOR UPDATE

PROGRAM UPDATES

1. **Legislative Updates**

The following bills are HTDC's admin bills or have significant impact on HTDC, and have been heard by at least one committee :

- A. HB 1788, relating to the tax credit for research activities.
- B. HB 1957, relating to research activities.
- C. SB 2497, relating to taxation.
- D. HB 1959 / SB 2081, relating to economic development.
- E. HB 2356, relating to Hawaii Technology Development Corporation.
- F. SB 2113, relating to Hawaii Technology Development Corporation.
- G. SB 2518, relating to geothermal energy exploration.
- H. SB 3045, relating to Hawaii Technology Development Corporation.

2. **Entrepreneurs Sandbox**

- A. No Update

3. **Sponsorships:**

- A. HVCA
 - a. 24th Annual Entrepreneurs Awards - \$5000

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

- A. HICAP is in the process of completing the annual reporting data due to the Treasury by March 31, 2024.

5. **INNOVATE Hawai'i (IH) Program**

- A. MAP held the Manufacturing Regional Visioning Workshop for Hawaii on February 6th to February 7th.

- B. Both HSBIR and MAP programs have opened and closed their applications. They are currently in progress of reviewing applicants and putting together recommendations for the board.

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

- A. In November, HCATT and a small consortium applied for an Advanced Research Announcement (ARA) FA8650-18-S-5008/Government Requirement for Advanced Power and Energy (GRAPE) for \$9M; White Paper Title: Joint Base Pearl Harbor Hickam Sustainable Solar-Hydrogen Microgrid: Operational Energy Resilience and Advanced Prototype Testbed for the Joint Force. The concept of the proposal is to expand the PEARL microgrid beyond its current 1.5 MW capacity and develop into a robust solar hydrogen microgrid to further support energy resiliency requirements.
- B. The contract award date was February 2, 2024 and period of performance is 24 Months. GCC – Global Connective Center, the Prime, is a Delaware Limited Liability Company, a Service Disabled-Veteran Owned Small Business (SDVOSB) and has an operating address of 300 New Jersey Avenue, NW, Suite 900, Washington, DC 20001. HCATT as a subcontractor and will be coordinating with National Guard Bureau (NGB), Air Force Research Laboratory (AFRL) and Hawaii Air National Guard (HIANG) and other consortium members

7. Aerospace

- A. Progressing on aerospace infrastructure assessment and continuing meetings with various entities in public, private and institutional players throughout the State focusing on Maui, Hawaii, and Oahu.
- B. Aerospace Bill has passed Senate and House, with amendments to provide funding for a support position under the Aerospace Coordinator. Will be discussing adding some program budget to amendment to support Aerospace focused activities.
- C. Supporting projects relating to:
 - a. Unmanned Stratospheric Platforms testing, demonstration and operation from Hawaii with CAT LLC, SoftBank, and Aerovironment
 - b. Towed Launch Platform for launch services with existing infrastructure and minimal environmental impact with Fenix Aerospace,
 - c. Monitoring SeaGlider, a wing-in-ground effect vehicle designed to provide all-electric passenger and cargo services throughout the islands.

8. Budget

- A. In the process of requesting release of remaining general funds for alternative energy.



MEETING MINUTES OF THE HAWAII TECHNOLOGY DEVELOPMENT CORP (HTDC) BOARD OF DIRECTORS

September 29, 2023
Entrepreneurs Sandbox – Purple Box
643 Ilalo St., Honolulu, HI 96813

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Sandra Fujiyama, Vice Chair (Ms. Fujiyama)
Edward Barnabas, (Mr. Barnabas) (arrived at 10:33am)
Gregory Kim, (Mr. Kim)
Matthew Sullivan, (Mr. Sullivan)
Vincent Kimura, (Mr. Kimura)
Vassilis Syrmos, (Mr. Syrmos) (arrived at 10:33am)
Dane Wicker, (Mr. Wicker)

Staff Present

Wayne Inouye, Acting Executive Director
(Mr. Inouye)
Sandi Kanemori, (Ms. Kanemori)
Wayne Layugan, (Mr. Layugan)
Dave Molinaro, (Mr. Molinaro)
Cassidy Wong (Ms. Wong)
Kristy Carpio, (Ms. Carpio)
Umma Berkelman (Ms. Berkelman)

Member(s) Absent

Rick Volner Jr., (Mr. Volner Jr.)

Counsel Present

Elise Amemiya, Deputy Attorney General
(Ms. Amemiya)

Guest(s) Present

None

Members of the Public Present

None

1. Call to Order

Meeting started at 10:30 a.m.

2. Roll Call

Members Present: Chair, Vice Chair Fujiyama, Mr. Kimura, Mr. Kim, Mr. Sullivan, and Mr. Wicker. Noted that Mr. Barnabas and Mr. Syrmos arrived at 10:33 am.

3. Approval of August 25, 2023 Minutes

Motion to approve the August 25, 2023 minutes made by Mr. Wicker / Second by Mr. Kimura

Amendments to the August 25, 2023 minutes as follows:

Line item 4E Paragraph 5 - Executive Directors Report – Hawai'i Small Business Capital Program (HI-CAP)

From: Maua Up
To: Mana Up

Chair calls for a motion to approve the August 25, 2023 minutes with amendments made by Mr. Kimura / Second by Mr. Wicker

Motion approved, 8-0.

4. Executive Director's Report

Mr. Inouye provides an update on the activities performed in collaboration with the Department of Business, Economic Development, and Tourism (DBEDT) in response to the Lahaina Fire. Ecommerce website training class will be launched to leverage the lack of in-person tourists to an online platform when the business community is ready. In a partnership with Amazon, a Made in Hawaii Marketplace focused on Maui will be created to build an online ecommerce platform. National Institute of Standards and Technology (NIST) Manufacturing Extension Program (MEP) has approved a disaster relief grant for manufacturers. The Department of Commerce is willing to allow a no match grant due to the Lahaina disaster site being Federal Emergency Management Agency (FEMA) approved. The Innovate Hawaii program worked with Small Business Development Centers (SBDC) Wayne Wong on Maui to provide priority services to manufacturers or technology companies in need of consulting services or support.

Mr. Inouye briefs on the admin bills HTDC submitted for the 2024 legislative session. One bill relating to the research and development tax credit, which will move application process from time stamp to date stamp. Secondly, one bill relating to Small Business Innovation Research (SBIR) and Manufacturing Development Grant Program to

amend the Phase 0 cap for awards from \$3,000 to \$6,000 as was suggested by the board.

Mr. Inouye states that a letter was received from the Governor's office stating that HTDC will receive \$6 million for core programs, but with commitments to use it with emphasis to support Maui recovery efforts. They are currently in the process of figuring what that looks like.

Mr. Wicker questions how much of the three core programs is distributed per county percentage wise.

Mr. Layugan briefs about his attendance at the PackExpo hosted in Las Vegas in partnership with Hawaii Food Manufacturers Association (HFMA).

Mr. Layugan briefs about his trip with Mr. Inouye to attend the Manufacturing Extension Partnership National Network Forum in Buffalo, New York.

Mr. Layugan states that Cindy Matsuki will be traveling to California to attend the FATHOMWERX Summit.

Mr. Molinaro provides an update on the Microgrid project and states that the plan is to start operating and testing at the end of October or beginning of November.

Mr. Inouye states that the four new positions for HTDC was approved and waiting to be released.

Mr. Wicker shares that each new positions need to be separately requested and that HTDC is asking to get the positions established to move forward with the hiring process.

5. Program Review

Mr. Layugan briefs on the Manufacturing Extension Partnership (MEP) and Manufacturing Assistance Program (MAP).

Mr. Sullivan questions what manufacturing looks like in Hawaii.

Mr. Layugan states that over 40% is food and beverages. If going off annual revenue, high tech companies that work with Department of Defense (DoD) or types of programs

such as Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) are doing well.

Mr. Sullivan questions if SBIR and STTR counts as manufacturing.

Mr. Layugan states that SBIR and STTR fall into research and development that National Institute of Standards and Technology (NIST) accepts as manufacturing.

Mr. Kimura questions if there is a standardization of collecting data to figure out the priorities of manufacturing, and how is it captured quantitatively and qualitatively.

Mr. Layugan states that for the federal program a quarterly survey is pushed out to ask about manufacturing variables and impacts from projects.

Mr. Wicker suggests that it would be helpful to provide more information regarding the data of Hawaii's manufacturing industry, so board members can provide input.

Mr. Sullivan questions how we are balancing growing the manufacturing industry, but also sustaining the manufacturing industry.

Mr. Wicker suggests outlining the processes and set targets for growing and sustaining the manufacturing industry.

Mr. Syrmos questions what percentage of the manufacturing is for commercialization purposes and what percentage is for research and development.

Mr. Kim questions what MEP and MAP is looking for in clients.

My. Layugan states that food and beverage does very well.

Mr. Wicker suggests focusing on capturing growth to present to legislators grow the program for manufacturers.

Ms. Fujiyama questions if there is still a time to increase the budget for the program.

6. Executive Director Search Permitted Interaction Group – Report and Presentation of Findings and Recommendations



Chair calls for a motion to move into executive session made by Mr. Wicker / Second by Mr. Sullivan

Motion approved, 8-0.

Executive Session convened at 11:25 am

Executive Session adjourned at 12:30 pm

Open Meeting reconvened at 12:30 pm

Executive session summary announced in the open session after exiting executive session pursuant to Act 019, SLH 2023.

During the executive session, the board discussed the outline of the process to interview the four potential candidates for the executive director position and allowing HTDC to conduct several interviews. The board decided to allow HTDC staff to conduct separate interviews and report their findings with a specification that their findings would not sway decisions of the board, and the board will listen to presentations by candidates and follow up with a question-and-answer session.

Chair calls for a motion to adopt the recommendations of the PIG contained in its report. Motion made by Mr. Wicker/Second by Mr. Syrmos.

No testimony received.

Motion approved, 8-0

7. Announcements

8. Adjournment

Meeting adjourned at 12:32 p.m.

Respectfully submitted,

Cassidy Wong

MEETING MINUTES OF THE HAWAII TECHNOLOGY DEVELOPMENT CORP (HTDC) BOARD OF DIRECTORS

October 20, 2023

**Foreign Trade Zone – Homer Maxey Conference Center
521 Ala Moana Blvd., Honolulu, HI 96813**

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Sandra Fujiyama, Vice Chair (Ms. Fujiyama)
Edward Barnabas, (Mr. Barnabas) (arrived at 11:27am)
Gregory Kim, (Mr. Kim) (arrived at 8:09am)
Matthew Sullivan, (Mr. Sullivan)
Vincent Kimura, (Mr. Kimura) (arrived at 8:09am)
Vassilis Syrmos, (Mr. Syrmos)
Dane Wicker, (Mr. Wicker)
Rick Volner Jr., (Mr. Volner Jr.)

Staff Present

Wayne Inouye, Acting Executive Director
(Mr. Inouye)
Cassidy Wong, (Ms. Wong)
Sandi Kanemori, (Ms. Kanemori)

Member(s) Absent

Guest(s) Present

None

Counsel Present

Elise Amemiya, Deputy Attorney General
(Ms. Amemiya)

Members of the Public Present

None

1. Call to Order

Meeting called to order at 8:00 a.m.

2. Roll Call



Members Present: Chair, Vice Chair Fujiyama, Mr. Kimura, Mr. Kim, Mr. Sullivan, Mr. Wicker, Mr. Barnabas, and Mr. Syrmos.

3. Executive Director Search – Discussion and Possible Action

Chair calls for a motion to convene into Executive Session

Motioned made by Mr. Volner Jr. / Seconded by Mr. Syrmos.

Motion approved, 8/0.

Executive Session convened at 8:10 a.m.

Chair calls for a motion to adjourn Executive Session

Motion to adjourn Executive Session made by Mr. Volner Jr. / Second by Ms. Fujiyama

Executive Session adjourn at 2:00 p.m.

DRAFT





MEETING MINUTES OF THE HAWAII TECHNOLOGY DEVELOPMENT CORP (HTDC) BOARD OF DIRECTORS

November 09, 2023

**Foreign Trade Zone – Homer Maxey Conference Center
521 Ala Moana Blvd., Honolulu, HI 96813**

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Sandra Fujiyama, Vice Chair (Ms. Fujiyama)
Edward Barnabas, (Mr. Barnabas) (arrived at
10:36 a.m.)
Gregory Kim, (Mr. Kim)
Matthew Sullivan, (Mr. Sullivan) (arrived at
10:36 a.m.)
Vincent Kimura, (Mr. Kimura)
Vassilis Syrmos, (Mr. Syrmos)
Rick Volner Jr., (Mr. Volner Jr.)

Staff Present

Wayne Inouye, Acting Executive Director
(Mr. Inouye)
Cassidy Wong (Ms. Wong)

Member(s) Absent

Dane Wicker, (Mr. Wicker)

Counsel Present

Elise Amemiya, Deputy Attorney General
(Ms. Amemiya)

Guest(s) Present

None

Members of the Public Present

None

1. Call to Order

Meeting called to order at 10:35 a.m.

2. Roll Call

Members Present: Chair, Vice Chair Fujiyama, Mr. Kimura, Mr. Kim, Mr. Sullivan, Mr. Barnabas, Mr. Volner Jr., and Mr. Syrmos.

3. Executive Director Search – Discussion and Possible Action

Chair calls for a motion to enter executive session.

Motion to enter Executive Session pursuant to HRS §92-4 and HRS §92-5(a)(2) to consider the hiring of an Executive Director made by Mr. Volner Jr. / second by Mr. Kimura.

Chair calls for the vote. All members present vote in the affirmative. Motion passes 8-0.

Executive session entered at 10:36 a.m.

Executive session adjourned at 11:29 a.m.

Executive session summary announced in the open session after exiting executive session pursuant to Act 019, SLH 2023.

During the executive session, the board discussed how to proceed with the Executive Director search in light of recent developments since the last special meeting held on October 20, 2023. The board decided there will be follow-up with one candidate. If it does not work out with that candidate, then the use of a search firm will be explored.

4. Adjournment

Chair calls for a motion to adjourn.

Motion to adjourn made by Mr. Barnabas / second by Mr. Volner Jr.

All members present vote in the affirmative. Motion passes 8-0.

Meeting adjourned at 11:29 a.m.



MEETING MINUTES OF THE HAWAII TECHNOLOGY DEVELOPMENT CORP (HTDC) BOARD OF DIRECTORS

December 20, 2023
Entrepreneurs Sandbox – Purple Room
643 Ilao St., Honolulu, HI 96813

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Sandra Fujiyama, Vice Chair (Ms. Fujiyama)
Edward Barnabas, (Mr. Barnabas)
Gregory Kim, (Mr. Kim)
Vincent Kimura, (Mr. Kimura)
Vassilis Syrmos, (Mr. Syrmos)
Dane Wicker, (Mr. Wicker)
Rick Volner Jr., (Mr. Volner Jr.)

Staff Present

Wayne Inouye, Acting Executive Director
(Mr. Inouye)
Cassidy Wong (Ms. Wong)
Ray Gomez (Mr. Gomez)
Paul Hsi (Mr. Hsi)
Sandi Kanemori (Ms. Kanemori)
Umma Berkelman (Ms. Berkelman)
Dave Molinaro (Mr. Molinaro)
Kristy Carpio (Ms. Carpio)
Matthew Kobayashi (Mr. Kobayashi)
Karlton Tomomitsu (Mr. Tomomitsu)

Member(s) Absent

Matthew Sullivan, (Mr. Sullivan)

Counsel Present

Alison Kato, Deputy Attorney General
(Ms. Kato)

Guest(s) Present

None

Members of the Public Present

None

1. Call to Order

Meeting called to order at 10:30 a.m.

2. Roll Call

Members Present: Chair, Vice Chair Fujiyama, Mr. Kimura, Mr. Kim, Mr. Wicker, Mr. Barnabas, Mr. Volner Jr., and Mr. Syrmos.

3. Executive Directors Report

Wayne Inouye briefs on the Maui recovery efforts.

Ms. Kanemori states that they have been working with Federal Emergency Management Agency (FEMA) to lease about 800,000 square feet of space. This occupation could be for up to 2 years. They currently still have the Small Business Association (SBA) disaster recovery center there for about another 4 to 5 months.

Mr. Inouye asks Mr. Volner Jr. to share about the current climate of Maui.

Mr. Volner Jr. states that there are currently many different perspectives within Maui and as a company they are pleased to be participating in the clean up.

Mr. Gomez states that our request to fund the three core programs was not recommended by Budget and Finance therefore it was not in the Governor's budget. HTDC is currently working with legislators and clients to introduce a bill.

Mr. Wicker questions if there are any budget bills to fund the core programs in the Department of Business, Economic Development, and Tourism (DBEDT) legislative package.

Mr. Gomez states that there are no budget bills in the DBEDT legislative package.

Mr. Wicker states that there is no First Responder Tech Campus (FRTC) update, and the advisory committee may be dissolved.

Mr. Hsi briefs on an update about the Hawaii Capital Assistance (HICAP) program, in the end of November, HTDC finalized an agreement with HATCH Accelerator Fund II to provide its full capital commitment of \$5 million through Tranche I of the State Small Business Credit Initiative (SSBCI) program. It is expected that the next venture fund capital commitment to be made to Mana Up Capital Fund II, which plans to launch its \$15-25 million fundraising effort in January 2024 (expected closing in June 2024). HTDC

plans to apply for Tranche II of the SSBCI program in early 2024, with a 4 to 6 months timeframe to receive the next allocation from the US Treasury.

Mr. Layugan states that the Small Business Innovation Research (SBIR) application recently closed. The Manufacturing Assistance Program (MAP) application is opening in January and closing mid-February. Innovate Hawaii also hosted an annual review for the National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP). The next step is updating annual reports and paperwork, they should be seeing renewal within the next two years.

Mr. Molinaro states that the PEARL microgrid is targeting the first of March.

Mr. Gomez states that our Section 5 funding from the governor was released, equaling to \$2 million for each program. He clarifies that \$1.8 million is for the renewable energy microgrid project.

Mr. Inouye shares that HTDC will be focusing on collecting the right data and working with Research and Economic Analysis Division (READ) to fix the annual economic impact survey. They are working with TRUE initiatives to learn what the roadmap is.

4. Department of Business, Economic Development, and Tourism (DBEDT) Economic Strategy Presentation – Information only

Mr. Wicker presents on the strategic direction to diversify the economy, expand the economy, and grow the tax base. The goal is to build an economically sustainable Hawaii through innovation in agriculture and food production, green energy, and water reuse and conservation. The tactics to achieve this goal include strengthening current economic anchors, cultivating and growing emerging sectors, developing workforce and human capital, and building/updating economic foundations. Some specific strategies include curriculum to career, building infrastructure and facilities, policy changes, and layering incentives. Mr. Wicker highlights the aerospace economy and presents a brief timeline of milestones regarding topics such as aerospace and advanced manufacturing.

5. Executive Director Search – Discussion and Possible Action

Chair calls for a motion to convene into Executive Session

Motioned made by Mr. Volner Jr. / Seconded by Mr. Syrmos.



Motion approved, 8/0.

Executive Session convened at 11:44 a.m.

Chair calls for a motion to adjourn Executive Session

Motion to adjourn Executive Session made by Mr. Volner Jr. / Second by Mr. Kimura

Executive Session adjourn at 11:44 a.m.

Chair asks for a motion to end the current executive director search.

Motion made by Mr. Syrmos / Second by Mr. Wicker.

Motion approved, 8/0. No testimony received.

Chair asks for a motion to start executive director search using a recruiting firm

Motion made by Mr. Kimura / Second by Mr. Wicker

Motion approved, 8/0. No testimony received.

Mr. Barnabas questions if the board knows which recruiting firm will be used.

Chair states that they must go out for a Request for Proposal (RFP), and questions if the board wants to be part of RFP process or give the authority to Mr. Inouye.

Mr. Syrmos states that the firm should provide pool of candidates and sets up interviews, but the board should have the last say in picking of the candidate.

Mr. Kim questions what the criteria for the recruiter firm is.

Chair questions if the board wants to recruit nationally.

Mr. Syrmos states that it should be local, and we should find interest in the community.

Mr. Barnabas expresses agreement.

Greg, be part of the process selecting recruiters

Mr. Volner Jr. asks if the state procurement system contains approved recruiting firms.

Chair asks for recommendations.

Mr. Syrmos states that they should do the RFP.

Mr. Inouye states that for the RFP, a scope of work and criteria is needed. The next step would be to post those materials on the State of Hawaii eProcurement system (HlePRO).

Mr. Barnabas suggests including criteria such as experience recruiting people in Hawaii and experience in sourcing relevant employee backgrounds.

Ms. Fujiyama questions if it is possible to put a time limit on recruiting firm.

Mr. Inouye states that it is possible.

Chair questions if it is the lowest bidder that will be awarded.

Mr. Inouye states yes, therefore, there needs to be a specific scope of work for recruiting firms to adhere to. There is also budget limitation as the payment would be coming out of HTDC's budget and he needs to confirm with Mr. Gomez how much HTDC can spend.

Mr. Barnabas suggests that HTDC staff draft the scope of works for board members to review.

Mr. Inouye agrees.

Chair asks for a motion to start a new executive director search and use a search firm.

Motion approved, 8/0. No testimony received.

Mr. Inouye states that the HlePRO is posted for a set amount of time and typically two weeks. They are looking into the first or second week of January.

Chair states that the next board meeting will be in February. He also states that he aims to have the board meetings every other month rather than every month.

Mr. Inouye states that he will check with Mr. Gomez about budget but needs to set a range to pay the recruiting firm.

Mr. Barnabas states that most firms charge 20% to 25% of the salary posted.

Mr. Syrmos questions if HTDC has leftover funds for Mr. Higashi's, former acting executive director, salary.

Mr. Syrmos suggests the range of \$50,000 to \$100,000 to employ the recruiting firm.

Mr. Wicker suggests checking the budget and salary savings, find what HTDC can go up to, and if plausible go up to \$100,000.

Chair asks for motion to give Mr. Inouye authority to do the RFP process under what was discussed and gain board approval.

Motion made by Mr. Kimura / Second by Mr. Wicker

Motion approved, 8/0. No testimony received.

6. Announcements

Mr. Inouye shares that HTDC is hosting a holiday tech job fair on December 21, 2023.

7. Adjournment

Chair calls for a motion to adjourn.

Motion to adjourn made by Mr. Volner Jr. / second by Mr. Barnabas.

Meeting adjourned at 12:20 p.m.