

# FINAL

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

**June 14, 2018**

Manoa Innovation Center, 2800 Woodlawn Drive, 2<sup>nd</sup> Floor Board Meeting Room  
Honolulu, HI 96822

### PRESENT

Derek Lau, Chair  
Elijah Yip, 1<sup>st</sup> Vice Chair  
Fred Delse, Secretary/Treasurer  
Kelly King, Director  
Mary Alice Evans, DBEDT 1<sup>st</sup> Alternate  
Craig Nakanishi, HSDC Representative  
Martin Zorn,  
Mark Anderson(Ex-Officio Alternate Rep for B&F)

### STAFF PRESENT

Robbie Melton, Executive Director & CEO  
Ray Gomez, HTDC Controller  
Sandy Park, HSBIR Manager  
Michelle Rios, HTDC Exec Asst & Bd. Sec.

### EXCUSED:

Race Randle  
John Morton  
Linda Rosehill

### GUESTS:

Dawn Apuna, Deputy Attorney General  
Riley Fujisaki, House Finance  
Alan Vargas, House Finance  
Tina Deitschman, Sen. Dela Cruz

1. Meeting called to order by Derek Lau at 3:08pm.
2. Recognition, remarks and thanks of outgoing Board Members: Kelly King and Fred Delse
3. Approval of Minutes – May 3, 2018 HTDC Board meeting

***Motion made by Elijah Yip*** to approve the March 1, 2018 minutes of the HTDC special Board meeting and seconded by **Craig Nakanishi** and **None opposed**

4. HTDC Funding Status update  
Executive Director expressed grave concerns about HTDC operations funding for FY19. ED explained HTDC's different sources of revenue. ED presented budget for current fiscal year and the upcoming fiscal year, highlighting the major differences. Elijah Yip asked for clarification of "special funds". Craig Nakanishi asked if the board wanted to go into Executive Session due to matters that affect personnel.

***3:16PM Motion made by Craig Nakanishi*** for the board to go into Executive Session, seconded by **Mary Alice Evans** and **None opposed**.

*\*Staff and guests (except Dawn Apuna, Assistant Attorney General and Executive Director) left the Board Room while Board in Executive Session for 38 minutes*

**3:54PM \*Staff and guest returned to Board Room.**

5. UH Lease Status Update and review of lease.  
ED asked if anyone from the Permitted Action Committee had comments about lease.

Vice Chair Elijah Yip made recommendations to make sure the language follows what was discussed with UH at the meeting.

**Controller Ray Gomez** – pointed out need to clarify terms at which UH can purchase the IT equipment UH is leasing from HTDC.?" Discussions concluded rewrite of paragraph was needed.

Member Craig Nakanishi asked if the new construction in front office area had been resolved. ED indicated, no it had not. Suggested adding terms of construction needs to be added to agreement.

Craig Nakanish and Elijah Yip agreed to review and make recommendations to AG Dawn Apuna on agreement. Time is of the essence for short July 1<sup>st</sup> deadline for execution.

ED asked for board vote ot have authority to sign agreement before next Board meeting. Chairman Lau, questioned did we really need to vote, she has the authority. ED indicated she would like to be specific about this agreement since this is an agreement that has not come up before.

**Motion made by Derek Lau** to allow Executive Director authority to execute the UH Agreement after review and recommendations from the Permitted Action committee" seconded by **Mary Alice Evans** and **None opposed**.

6. Sandbox Apaman Investment and lease agreements (review and vote to accept)\*  
ED – Presented to the board the investment agreement and Lease agreement for the Apaman investment of \$1 Million for the Entrepreneur Sandbox. HTDC will provide 3 offices for use in Entrepreneur Sandbox. ED, thanked AG Dawn Apuna for her hard work formulating both the investment agreement and the lease agreement. These agreements have been sent to Apaman attorney for review. Discussion followed.

Elijah Yip indicates need for language indicating "conditions then in effect", so HTDC is not refer to non – existing documents.

Martin Zorn asked to include location of venue if there is any action bring to Hawaii. Dawn Apuna will add.

After discussion Board agreed for AG Dawn Apuna to amend language regarding indemnification, clarify the term facilities for the agreement: modify the language to reflect the landlord is required to have final approval of any subleases; define "Development" so that there is no misinterpretation.

Board agreed to delay vote on approval until more details added to contract and for Apaman attorney response.

7. HTDC Executive Director Annual Review (appoint a review committee)  
ED will deliver report to Board. Mary Alice Evans agreed to serve as DBEDT rep, Derek Lau as Chair, and Craig Nakanishi volunteered to be on committee. Chair has the authority to appoint this committee without motion. Committee members approved.

8. Upcoming July board elections for officers and committees. By HTDC statute, elections are to be held during the July Board of Director meeting. ED will contact each member individually to discuss preferences.

9. Tech Parks update

A. First Responder Tech Campus

ED relayed FBI is to be a part of the FRTC. It wants to develop a 20 acre indoor and outdoor firing range/joint training facility with HPD. We are working on MOU and UH CDC to do preliminary drawings. For FY19, HTDC will receive \$6.5M to clear the land and \$900K for Project Management. ED reported to board we have to hire an outside attorney to facilitate new zoning. It will cost approximately \$100K. Working with Brian Yee at AG's office select the third party attorney to address all the various land use issues and reclassification.

B. Hilo Multipurpose Processing Facility

DLIR secured \$11M for Hilo Multipurpose facility. HTDC will hire a part time Project Manager. HTDC will be hiring an architect to do construction designs of 1<sup>st</sup> building which will be attached to the current warehouse. ED delivered good news that HTDC already has companies that want to move into the building.

C. Kauai – HTDC owns Land (with some undeveloped land on it) in west Kauai currently leased to KEDB. Kauai Habitat for Humanity called and is building affordable housing project on land that abuts to HTDC and want to purchase some of the land. AG Dawn Apuna explained it would be necessary to subdivide in land court and it could take years to complete if we want to pursue. Mary Alice Evans informed the board that sale of state land required legislative approval. Members discussed a long term land lease instead, but questioned if it is really in line with HTDC Mission. ED will get back to Habitat with their/our options.

10. Innovation Centers update

A. Sandbox construction progress/timeline. Race Randle previously asked for Sandbox timeline. ED invited members to review Sandbox timeline included in the board packet. ED informed board of a time lapse camera HTDC installed at the Goldbond building overseeing the construction site for the record.

B. The Cube – ED is pursuing other HTDC office leasing options. ED is in discussions with Stanford Carr about purchasing space in Innovation Hale which is connected to the Sandbox.

C. Occupancy Report:  
ED reported on the MIC and MRTC occupancy reports.

11. HTDC Reports

A. Chair's Report – No, Chair's report

B. Executive Director's Report

1. HTDC Financial Report –Controller, Ray Gomez explained we will be expending all of our general funds and preserving all Special Funds to hold us over until we have a resolutions to income, since we will have no income as of July 1.
2. BIO Conference Report - 17,000 Attendees in Boston, Mark and Jaime from DBEDT did a great job. ED had 2 meetings with BIO Tech companies that want to relocate to Hawaii.
3. HTDC Wayne Inouye is at Hawaii on Hill 80 Hawaiian companies were there and represented. Chamber sets up other meeting to meet with other Federal agencies.
4. HTDC Last client appreciation lunch. Celebrating 25 years of MIC.

- C. Department of Business, Economic Development & Tourism (DBEDT) Report – No report
- D. Natural Energy Laboratory of Hawaii Authority (NELHA) Report – No Report
- E. Hawaii Strategic Development Corporation (HSDC) Report The board met yesterday and committed to \$5.3M in follow on funding – reinvest funds, given short life span of HSDC.
- F. University of Hawaii (UH) Report - None

12. Next HTDC Board Meeting: it was decided the board secretary is to send out Doodle Poll to find acceptable date for July 2018 meeting.

**Adjourned the Board meeting at 4:54 p.m. (Unanimously passed 7-0)**

\*An executive session may be called to consider the hire, evaluation, dismissal, or discipline of an officer or employee, where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held pursuant to Section 92-5(a) (2), HRS.

\*An executive session may be called to deliberate concerning the authority of persons designated by the board to conduct labor negotiations or to negotiate the acquisition of public property, or during the conduct of such negotiations pursuant to Section 92-5(a) (3), HRS.

**The public meeting is accessible for individuals with disabilities. Auxiliary aids and services are available upon request by calling the Hawaii Technology Development Corporation offices at: (808) 539-3615. A request for an auxiliary aid or service should be made no later than FIVE working days prior to the public meeting.**