



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

Date: **Thursday, March 7, 2019**
 Time: 3:00 p.m. – 5:00p.m,
 Place: Manoa Innovation Center
 2nd Floor Board Room
 2800 Woodlawn Drive
 Honolulu, HI 96822

PRESENT	STAFF PRESENT
Derek Lau, Chair Elijah Yip, Vice Chair Creighton Arita Martin Zorn Mark Anderson Michael McCartney, DBEDT	Len Higashi, HTDC Acting Director Ray Gomez, HTDC Staff Stan Osserman, HCATT Director Sophia Lam, INNOVATE Hawaii Sandy Park, HTDC Staff
EXCUSED	COUNSEL
Race Randle John Morton, UH Linda Rosehill, NELHA Bella Hughes Craig Nakanishi	Dawn Apuna, Deputy Attorney General

1. **Call to Order:** The meeting was called to order by Chair Derek Lau at 3:09 pm.

2. **Approval of Minutes** – January 30, 2019 HTDC Board meeting
Motion made by Martin Zorn to approve the January 30, 2019 minutes of the HTDC Board meeting and seconded by *Elijah Yip*. *None opposed. Unanimously passed (6-0)*

3. **Grant Rules**
 - A. R & D Tax Rules update
 Under Sec. 15-38-8, add a subsection (c) to read:
 “Preference shall be given to businesses that agree to not claim the Hawaii tax credit for research activities for the same year that a Hawaii research and development program grant is awarded.”



* This change is not considered a substantial change and communicates the intent of the board while not overstepping authority. Request approval to adopt the rules.

Motion made by Creighton Arita to adopt the rules to the R& D Tax Credit Grant and incorporate the change as stated above and seconded by ***Martin Zorn***. ***Unanimously passed (6-0)***

4. Innovation Centers update

A. Sandbox

1. Sandbox Blessing – Acting Director Len Higashi thanked everyone who came to the blessing and provided support for the project. The event showcased the pride of ownership that partners, architects, contractor and HTDC team have put into fund the Sandbox.

2. CIP funds have been requested to provide needed equipment, such as carpeting, utility, furniture and other equipment. The Sandbox will house the Creative Lab, part of DBEDT's Creative Industries Division, which will be responsible to equip their space. Colliers has ordered security after hours.

3. Investor Apaman's representative, Mr. Naka, attended the blessing and advised he will get back to HTDC in June with an update on funding in exchange for office space. The funds will be placed in a trust fund to allow HTDC operational flexibility.

B. RFP for Partners

Mr. Higashi announced that there is an RFP for a partner to manage the Sandbox and decision will be made shortly to announce the partner, as well as an RFP for the management of the maker space.

5. Tech Parks update

A. First Responder Tech Campus

The proposal is with the Governor's office.

B. Hilo Multipurpose Processing Facility

Mr. Higashi advised that Wayne Inouye is overseeing the Hilo IMC project and is currently working on securing a planner for the project, while working on the scope of work and qualifications with UH. Colliers completed their first draft of Market Analysis and confirmed that there is a need for industrial space. The estimated rental rate is \$1.10. Pending the release of funding of \$400,000.00, staff is working with Foreign Trade Zone to finalize the MOU. Updates will be made to the Hilo Working Group by the end of March.

6. HTDC Staff Program Updates

A. HCATT

Stan Osserman reported on several joint projects with Hawaii Gas. Other projects include working with ITM from the United Kingdom to work on hydrogen projects.

B. INNOVATE Hawaii

Wayne Inouye attended Day-on-the-Hill in Washington, DC to meet with Hawaii's Congressional Delegation to provide updates to the Members on the MEP program. He will also schedule a call with the MEP Regional Director and DBEDT to discuss concerns with the bill to merge HTDC and HSDC into UH. Mr. Inouye also announced that the Maui Chamber of Commerce will hold workshops at the MRTC to bring more traffic and visibility to the center.

C. Other HTDC Programs

7. 2019 Legislative Session –

A. Mr. Higashi announced that there are several budget bills that HTDC is tracking. House and Senate have versions addressing HTDC's operational funds as well as CIP funding for the Sandbox. Also, there is the bill merging HTDC and HSDC with UH. There is still some lack of clarity on this bill at this time.

B. Mike McCartney, DBEDT Director reported that Len Higashi has done a good job leading his team during this time and providing everyone with good information. It is good for the Legislature to know how we measure success and how money is used. Mr. Higashi reported that the HTDC Economic Impact survey is important to show transparency, measurables and testimonials from HTDC clients. Chair Derek Lau acknowledged Mike McCartney, DBEDT's new director and looks forward to working together.

C. At this time, the House does not have any operational funds in the budget, however there is funding in the Senate Budget.

8. HTDC Reports

A. Chair's Report

Chair Derek Lau noted that the Sandbox blessing was a great event and credited Len Higashi on the project. He is excited to see activity and occupancy in the near future. The project was completed early and on budget and Chair Lau credited Mr. Higashi for moving the project to completion in addition to his other duties.

Chair Lau appointed a P.I.G. to oversee recruitment and recommend a new executive director for the approval of the full board. Race Randle, Craig Nakanishi, Mary Alice Evans and Linda Rosehill will serve on this committee with Chair Derek Lau. ***Motion made by Mary Alice Evans*** to approve the appointment of a PIG and seconded by ***Linda Rosehill***. ***None opposed. Unanimously passed (6-0)***

B. Executive Director's Report

Mr. Higashi reported that staff has been wearing many hats due to staff vacancies. He acknowledged that HTDC is a great team and is continuing to work very hard.

1. HTDC Financial Report – Ray Gomez, HTDC Controller reported that there are savings in payroll and closer to end of the year, those funds can be reallocated for other expenses.

2. MEP and HSBIR Federal Grants Awards – HTDC Staff, Sandy Park reported that applications for these grants will close on Friday, March 15th.

3. Mark Anderson stated that the next Executive Director will have an important role to play in carrying out the Legislature's technology development priorities.

C. Department of Business, Economic Development & Tourism (DBEDT) Report - Director Mike McCartney stated that he was thankful for Len's leadership and wants to see all of DBEDT's attached agencies succeed.

D. Natural Energy Laboratory of Hawaii Authority (NELHA) Report – N/A

E. Hawaii Strategic Development Corporation (HSDC) Report – Elijah Yip reported that the board has committed \$4.8 million to three areas. There will be \$1million each to the GVS and Blue Venture accelerators and a \$1.85 million investment into a venture fund for aquaculture businesses at NELHA.

F. University of Hawaii (UH) Report – N/A

9. Next HTDC Board Meeting: May 9, 2019, 3:00pm, MIC 2nd floor Board Room

10. Adjournment

Motion to Adjourn made by Mark Anderson and seconded by Creighton Arita, unanimously passed (6-0). The meeting adjourned at 4:12 p.m.



Filed on line 02/27/2019 at 4:35 pm

Hawaii Technology Development Corporation
2800 Woodlawn Dr, Ste 100 | 808-539-3806
Honolulu, Hawaii 96822 | www.htdc.org

*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.