

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

Date: **Thursday, September 5, 2019**
 Time: 3:00 p.m. – 5:00p.m,
 *Location: Manoa Innovation Center
 2nd floor Board Room
 2800 Woodlawn Drive
 Honolulu, HI 96822

PRESENT	STAFF PRESENT
Elijah Yip, 1 st Vice Chair Martin Zorn Michael McCartney, DBEDT Mark Anderson Linda Rosehill Creighton Arita Vassilis Syrmos	Len Higashi, HTDC Acting Director Ray Gomez, HTDC Staff Wayne Inouye, MEP Staff Sophia Lam, MEP Staff Sandy Park, HTDC Staff

EXCUSED	Guests
Bella Hughes	Riley Fujisaki, Office of Rep. Luke Jodi Yi, Dept AG

1. Call to Order: The meeting was called to order by Chair Martin Zorn at
 3:03 p.m.

Acting Director Len Higashi welcomed and introduced Vassilis Syrmos, Vice President of Research and Innovation at the University of Hawaii as a new Board member. Dr. Syrmos was a former board member for HSDC and his participation on the HTDC Board will strengthen our partnership with the University.

2. Approval of Minutes – July 18, 2019 HTDC Board meeting

Motion made by Creighton Arita to approve the minutes of July 18, 2019 and seconded by Linda Rosehill. None opposed. Unanimously passed (6-0)

3. Innovation Centers update
 - A. Sandbox – Len Higashi provided update of activities at the Sandbox. Furniture arriving next week, there are constant events being held at the facility and tenants are coming in.
 - a. Grand Opening planned for October 10 – The date is still to be determined as we are confirming the date with the Governor’s office. However, a Save the Date evite has been sent out. With arrival of furniture, it will be a soft launch for the co-working space. There will be a VIP reception followed by opening to the public.



- b. Apaman Investment Agreement Modification – HTDC has secured the investment and working with Budget and Finance on use of the funds. HTDC attorney is drafting language for use of office space by Apaman clients. The funds are received and put into a State trust account.
 - c. TRUE Initiative – This initiative has stirred a lot of activity at the Sandbox. There is engagement with local businesses in an open innovation model which has been adding to the demand for space in the Sandbox. An example is a recent event called Amazon Connect, which was about artificial intelligence for call centers to be more efficient.
- B. Maui Research and Technology Center (MRTC) – Activity at MRTC is building. One small tenant moved out, however a larger space was taken by a new tenant. Ongoing workshops have been helping with traffic and awareness of MRTC. New tenant, Kihei Web Design attended a workshop and has recently become a tenant.
4. Tech Parks update – Len Higashi reported that there is no new activity as HTDC is working with DBEDT on the release. There has also been a new position added to work as a Tech Parks coordinator and the request has been approved by Mike McCartney and is in process.
- A. First Responders Tech Campus – no update.
 - B. Hilo Innovation and Manufacturing Center - Still waiting for Budget & Finance (or DBEDT) to release the funding so we can move forward with hiring a planner for this project. Current plan is to purchase a property in downtown Hilo and build a facility. DLIR is the lead on the project and HTDC is assisting with facilitating.
- Current partners include....
- HDLIR / Hawaii County Workforce
 - DBEDT – Aerospace program
 - Innovate Hawaii
 - (tentative) Derek Kurisu/Hawaii Community College – value added food processing

5. HTDC Staff Program Updates

A. Personnel Changes

1) HCATT - David Molinaro is serving as Acting Director for HCATT since Stan Osserman's retirement.

* Recruitment – Mr. Molinaro announced the hiring of Shuk Han Chan starting as HCATT project manager. Dr. Chan is from California and has background in mechanical engineering, R&D energy and hydrogen energy systems.

B. HCATT – Currently working on the Pearl Microgrid contract. Starting next week, HCATT has a design review and personnel from Washington, DC will be flying in. The construction of the project is expected to start at the end of October.

C. INNOVATE Hawaii – FAST Grant

1. The SBA has awarded INNOVATE Hawaii a 2nd FAST grant of \$125,000 to support SBIR. This is a one year grant starting September 30, 2019

* 40 applications were submitted.... 24 of them were awarded

* This year we will continue with commercialization support, but special focus will be to help the next group of NEW tech companies win SBIR grants.

2. The MAP and SBIR grant applications are open and will be processing the requests for funding.

D. Other HTDC Programs

6. Permitted Interaction Group Updated discussion regarding HTDC Executive Director Position** - The next committee meeting is scheduled for September 17, 2019 at 2:00 p.m.

7. HTDC Funding Permitted Interaction Group*** - Martin Zorn and Mary Alice Evans said that there was nothing to report at this time.

8. Discussion and Action Relating to the HTDC Budget***

Len Higashi reported that most discretionary services were eliminated in FY19 due to the uncertainty of HTDC's future and the lack of special fund revenue since the loss of MIC. The FY19 general appropriation for HTDC was a little over \$1 million. In FY20, \$1.3 million was appropriated. However, the FY20 budget is actually less than FY19 because the special fund reserves were eliminated at the end of FY19. Therefore, HTDC is operating in the same mode as last year with additional reductions.

Motion made by Martin Zorn to approve current budget as-is and have staff restructure the format going forward for more clarity.

The motion was approved by Mike McCarthy and seconded by Creighton Arita.

Discussion ensued about the funding situation and questions about the line items as well as the need for improved financial clarity.

Len Higashi reported that the lease at MIC with the University is to keep CAM until FY20 and has spoken with UH that HTDC will move out by end of year or sooner. Linda Rosehill requested clarification on the implications of the budget reductions, specifically for drastic reductions in contractors, etc. Len Higashi responded that since the middle of FY19, due to lack of budget, the Neighbor Island Mentorship program, Public Relations and Marketing contracts have been reduced/eliminated. HTDC has been relying on DBEDT for PR assistance. The board requests further clarification to understand how the changes in the budget are impacting HTDC's mission and how we move forward. The board states HTDC is undergoing a lot of transition so staff can continue to operate with the understanding that the budget needs to be better formatted and explained and large variances needs to be explained.

Motion made by Martin Zorn to amend the motion to approve the budget as provisional given current funding levels, while HTDC restructures budget, the financial reporting, and provides information on significant variances.

The motion was approved by Elijah Yip and seconded by Mike McCartney. None opposed. Unanimously passed (6-0)

9. HTDC Reports

A. Chair's Report – Chair Martin Zorn provided that this is a transition year with uncertainty with search for a permanent Executive Director, addition of HSDC under HTDC and the termination of the board on May 31, 2020. Chair Zorn suggested that a Board retreat be held or accelerate number of board meetings to eliminate uncertainties and move staff forward.

- Chair suggested that in the upcoming legislative session, certain issues need to be addressed. There needs to be a transition plan that includes policy changes and strategy with respect to funding. The board could research the statutes and find areas that need updating to guide HTDC to succeed.

B. Executive Director's Report – updates by Len Higashi

- a. HTDC Financial Report – Len Higashi committed to revising the financial report per Board's request.
 - i. Budget for the current year
 - ii. With the addition of HSDC assets we are working on making our consolidated financial reports easier for all stakeholders to understand.
- b. DCCA – Division of Financial Institutions partnership update

- i. The DCCA created a draft MOU for their new innovation tech doing business in the state. DCCA is excited and happy to hear the board is also in agreement.
 - c. A meeting was held with the State Ethics Commission regarding grant eligibility regarding Ike and the R&D Tax Credit Grant. They should have a determination in the next few weeks.
- C. Department of Business, Economic Development & Tourism (DBEDT) Report –
No updates per Mike McCartney.
- D. Natural Energy Laboratory of Hawaii Authority (NELHA) Report –
Linda Rosehill provided update. As Ms. Rosehill is currently the Chair of the NELHA board, she can no longer represent HTDC on the NELHA board and asked for another representative from HTDC Board. Chair Martin Zorn will address this at next Board meeting.
 - a. HATCH launch – the launch was a success and there are plans for expansion at NELHA for the abalone and shrimp projects. The first co-hort graduation will be held on October 3rd on the same day as the NELHA board meeting.
- E. University of Hawaii (UH) Report – Vassilis Syrmos provided update.

Len Higashi has done an outstanding job under difficult circumstances and has been out in the community and has heard meaningful things about HTDC for the first time and is happy to partner with HTDC. UH funds are 10% higher and the focus is still to make Hawaii a premier place for astronomy.

10. Next HTDC Board Meeting: November 7, 2019

11. Adjournment

Motion to adjourn was made by Linda Rosehill and seconded by Mike McCartney. None opposed. Unanimously passed (6-0).

Reviewed by Len Higashi, Acting Executive Director
Respectfully submitted by Sandy Park, HTDC Staff



**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 may attend the meeting at any of the locations specified above.

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.

