



DRAFT

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

Date: **Thursday, January 23, 2020**
Time: 3:00 p.m. – 5:00p.m.
*Location: DBEDT
250 S. Hotel Street Room 506
Honolulu, HI 96813

PRESENT

Martin Zorn, Chair
Elijah Yip, 1st Vice Chair
Chung Chang, DBEDT
Creighton Arita
Linda Rosehill
Vassilis Syrmos
Bella Hughes
Craig Nakanishi

EXCUSED

Mark Anderson

STAFF PRESENT

Len Higashi, HTDC Acting Director
Wayne Inouye, INNOVATE Hawaii
Ray Gomez, HTDC
Dave Molinaro, HCATT
Sophia Lam, INNOVATE Hawaii

COUNSEL

Jodi Yi, Deputy Attorney General
Bryan Yee, Deputy Attorney General

GUESTS

Senator Glenn Wakai

1. Call to Order
The meeting was called to order by Chair Martin Zorn at 3:03 pm
2. Approval of Minutes – Revised September 5, 2019, November 7, 2019, December 16, 2019, and January 2, 2020 HTDC Board meeting. September 5 revision is to correct attendance to include Vassilis Syrmos.

Motion made by Creighton Arita to approve the minutes of September 5, 2019 and seconded by Linda Rosehill. None opposed. Unanimously passed (8-0)

Motion made by Vassilis Syrmos to approve the minutes of September 5, 2019 and seconded by Creighton Arita. None opposed. Unanimously passed (8-0)

Motion made by Creighton Arita to approve the minutes of September 5, 2019 and seconded by Vassilis Syrmos. None opposed. Unanimously passed (8-0)

3. Request for Executive Session Minutes

- A. Discussion and action regarding a request for executive session minutes of December 16, 2019 and January 2, 2020. The discussion may include the process for releasing minutes as well as the procedure to be used for taking minutes during executive sessions. **

Motion to enter Executive Session was made by Linda Rosehill and seconded by Creighton Arita at 3:05 pm. No vote was taken.

Craig Nakanishi questioned if we go into Executive Session, who would be excused.

Deputy Attorney General Bryan Yee commented that whoever the board deems is needed for the Executive Session would stay and all others would be excused.

Senator Wakai requested to participate in Executive Session.

Vassilis Syrmos preferred to have the discussion in open session.

Board agreed to stay in open session until the discussion required the board to move into Executive Session.

4. Discussion and action with respect to permanent Executive Director **

Senator Wakai requested information about the last board meeting related to hiring an Executive Director.

Martin Zorn commented that the motion to defer action on hiring an Executive Director on January 2nd failed due to not having enough affirmative votes. Martin Zorn summarized that the board went through the interview process and deliberated on candidates. There was no action taken on December 16, 2019 and the meeting was continued. At the continued executive session meeting on January 2, 2020, the board went around the table for each member's input on where they stood. After deliberation, a vote was taken and based on consensus, neither candidate was selected.

Elijah Yip commented that there was an evaluation of the long-term vision by both candidates and their alignment with HTDC's vision, but also in the short-term in this legislative session. Neither candidate meet provided satisfactory responses on both points. Given the statutory changes replacing the board at the end of May, the board decided to defer until the new board was in place.

Chung Chang commented that he did not participate in prior meeting.



Craig Nakanishi commented that the board did what was in the best interest of HTDC and the organization. Martin Zorn stated that he would make efforts to help HTDC get through the legislative session.

Creighton Arita commented that both candidates had strengths and weaknesses. Being that the board will be disbanded in four months and we want to create a healthy organization for HTDC, we thought it would be best to wait until the new board is convened.

Vassilis Syrmos and Bella Hughes commented that they weren't there to meet any of the candidates but supported the decision the board made.

Linda Rosehill commented that she had a different viewpoint. There was a large field of applicants that had excellent credentials and not all had met every criteria important for this position, but they were qualified. The board has a responsibility to make sure the organization can get through this legislative session. The pressure that this agency is going through to perform and the added responsibility of HSDC with no budget, we need someone strong. Given that a new board is coming on and that they'll need time to learn, by not hiring someone, we left vacant the position and there will be a possibility HTDC goes three sessions without an Executive Director.

Craig Nakanishi commented that he went off the board in June and rejoined in December. We have a duty which is to do what's best for the organization. While he felt that having the Chair assist the interim ED is a stop-gap is not perfect, it's better than the alternatives based on the candidates.

Martin Zorn commented that during this process, he wasn't on the original PIG and wasn't Chairman when the process began. The PIG started in May, members of the PIG have rolled off since then, and there were a lot of people involved and turnover on both the Board and PIG during the process. Given the alternatives he volunteered as Chairman to assist the Interim ED during this period.

Elijah Yip also commented that he was not a part of the PIG but he was there for the review of applications. There wasn't a strong field of applications, and with the board turning over, it might have discouraged qualified applicants from applying.

Senator Glenn Wakai commented that we need to make good decisions for Hawaii and the board is tasked with making a decision. If the board didn't find any of the candidates to be a fit, then they need to find new candidates. Senator commented that Martin Zorn has a full-time job and the agency needs someone who will fight for funding and be the face of HTDC. The process needs to be restarted to bring onboard someone who will help fight for this agency alongside him.

Bella Hughes thanked Senator Wakai for bringing his perspective. She questioned if board members could invite candidates to apply.



Deputy Attorney General Bryan Yee commented that if the board concludes that no candidates met the qualifications, then you can thank the candidates and inform them no one has been selected and reopen the application process.

Martin Zorn asked if the board can legally give that position to someone who didn't apply but is currently interested.

Deputy Attorney General Bryan Yee commented that the board will need to complete the process by rejecting the applicants and going through another process. The decision with what process is up to the board.

Linda Rosehill commented that there are several qualities that we need for a successful Executive Director, but realistically we need someone who can be at the legislature.

Craig Nakanishi requested a 10-minute recess at 3:55pm. None opposed.

Board members left the Board room.

Board members re-entered the Board room.

Senator Wakai commented that the PIG was not a required process and that they are able to agree on a candidate and take a vote on an Executive Director.

Martin Zorn thanked Senator Wakai.

Bella Hughes commented that we need someone who can do the day-to-day representation at the capitol, but also need someone with an innovation vision. The Executive Director may need a COO to work with.

Linda Rosehill questioned the Senator whether the person who is engaging the legislature needs to be the Executive Director?

Martin Zorn commented that HTDC could hire someone to do the legislative work and this can help with the current situation.

Craig Nakanishi thanked Senator Wakai for his continued support for HTDC.

Senator Wakai commented that this can't be another lost year and asked the board to help him find a partner.

5. Legislative Session Strategy





Len Higashi commented that our request into the legislature is minimal. We requested at the minimum to continue programs we have in place, such as MAP, SBIR, Accelerator, and a small amount of supplemental funding. There are a few bills resurfacing on the House and Senate side coming out of economic development. There's also a bill to consolidate the Office of Aerospace into HSDC which is a version that was discussed last year. There are a number of R&D tax credit bills. In terms of strategy, we appreciate the Chair for stepping up to assist.

Martin Zorn questioned if there are things that the board should be considering and if Len Higashi can articulate what they are to the current legislative session, such as the fact that HSDC was consolidated into HTDC without adding personnel.

Len Higashi commented that HSDC's mission and position is vacant. It needs funding and an expert to identify investment opportunities. A lot of HTDC's effort has been spent at Sandbox with reserve funding and no state funding. TRUE initiative is funded by private sector and a lot of real activity centered by the private and public sector, but with no state money, it is not sustainable. The private sector is stepping up and they are looking at the public to do their part as well. A lot of HTDC's effort is focused on bringing in federal money. The short answer is that there's so many opportunities that require funding, but there's a lot of requests and we are trying to not create confusion.

Linda Rosehill commented that today is the last day to submit bills. She questioned if we had things to put in.

Senator commented that the organization needs to request more. Sandbox is doing great and he never would have thought he'd see corporate Hawaii there. There are great initiatives happening and we must think larger, capitalize on that momentum and grow impact through the state.

Martin Zorn asked what is the process for requesting more funding at this point?

Craig Nakanishi commented that we are able to submit bills ourselves. There are gaps and holes. Len Higashi needs to bring it to the board first then bring it to the legislature. We need a strong advocate to go to the legislature to tell them what we need and why we need it.

Len Higashi commented that in the past, HTDC was approached by a lobbyist, but after internal discussions decided not to move forward. If the board has changed their direction, then he needs to understand that.

Martin Zorn commented that we have to take a strategic position.

Bella Hughes commented that the board needs to have more invigorating conversations and thinking how we can work hand-in-hand with Len Higashi.



Vassilis Syrmos commented that these discussions have not taken place because of the vacant Executive Director position. We need to figure out what is the strategic plan.

Motion to enter into Executive Session was made by Elijah Yip and seconded by Bella Hughes. None opposed. Unanimously passed (8-0) at 4:25 pm

Staff and Executive Director left the Board Room while Board is in Executive Session.

Motion to exit Executive Session was made by Craig Nakanishi and seconded by Linda Rosehill. None opposed. Unanimously passed (8-0) at 4:52 pm

Motion to not accept any of the candidates and to close the current search process, was made by Elijah Yip and seconded by Craig Nakanishi. None opposed. Unanimously passed (8-0) at 4:53 pm

Staff and Executive Director re-entered the Board Room.

10. Next HTDC Board Meeting: March 5, 2020

11. Adjournment

Motion to adjourn was made by Craig Nakanishi and seconded by Chung Chang. None opposed. Unanimously passed (8-0). The meeting adjourned at 4:56 pm.

**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.