



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

October 06, 2022
Entrepreneurs Sandbox – Large Classroom
643 Ilalo St., Honolulu, HI 96813

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Vassilis Syrmos, Vice Chair (Mr. Syrmos)
Edward Barnabas (Mr. Barnabas)
Sandra Fujiyama (Ms. Fujiyama)
Gregory Kim (Mr. Kim) (arrived meeting
at 3:09 pm)
Vincent Kimura (Mr. Kimura)
Bernice Kissinger (Ms. Kissinger)
Mike McCartney, Department of Business
Economic Development and Tourism
(DBEDT) (Mr. McCartney) (arrived meeting
at 3:14 pm)

Member(s) Absent

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

Guest(s) Present

None

Staff Present

Len Higashi, Acting Executive Director (Mr. Higashi)
Wayne Inouye, MEP Center Director (Mr. Inouye)
Ray Gomez, HTDC Controller (Mr. Gomez)
Dave Molinaro, HCATT Manager (Mr. Molinaro)
Paul Hsi, HI-CAP Program Manager (Mr. Hsi)
Sandi Kanemori, HTDC Contracts Manager
(Ms. Kanemori)
Wayne Layugan, MEP Program Manager
Cindy Matsuki, MEP Project Engineer
(Ms. Matsuki)
Stephanie Yuu-Sato, HTDC Fiscal & Contracts
Specialists (Ms. Yuu-Sato)

Counsel Present

Elise Amemiya, Deputy Attorney General
(Ms. Amemiya)

Members of the Public Present

None

1. Call to Order

Chair called the meeting to order at 3:02 p.m.



2. Roll Call

Mr. Higashi conducted a roll call of the Board.

Roll call: Chair, Mr. Barnabas, Ms. Fujiyama, Mr. Kimura, Ms. Kissinger, Mr. Syrmos, acknowledged attendance. Noted that Mr. Kim arrived at 3:09 pm, Mr. McCartney arrived at 3:14 pm, and Mr. Volner Jr. absent (excused).

3. Approval of the September 8, 2022 Minutes

No comments or changes to the minutes.

No testimony received.

Chair calls for a motion.

Motion to approve the September 8, 2022 minutes made by Mr. Kimura / Second by Mr. Barnabas.

Motion approved, 6-0

4. Hawai'i Small Business Innovation Research (HSBIR) Awards

Mr. Higashi advises that the President has re-authorized the SBIR program on the federal level, the SBIR program provides over \$4 billion of funding every year, HTDC has providing matching grants since 1988 and in 2016 expanded to Phase II and Phase III awards. The purpose of the matching grant is to increase the competitiveness of small business in Hawaii and to help companies grow, create and sustain engineering jobs in Hawaii. The committee reviews 10-15 Phase I and 5-10 Phase II and III applications every year and the budget is determined by the legislature.

Mr. Inouye thanks the Federal Projects Committee, Ms. Fujiyama, Mr. Barnabas and Mr. Kimura for their participation in reviewing the process.

On behalf of the Federal Projects Committee, Ms. Fujiyama comments that Hawaii is leading the way with its SBIR matching grant programs. The vetting process is extensive and unbiased, and other states are looking at our program to adopt our procedures. Ms. Matsuki talked to other states to do a comparison and it was confirmed that HTDC is doing more than other state's programs.

Ms. Matsuki advises that they will be keeping most of the current process. There will be a few exceptions: instead of Federal Projects Committee with the board there will be a committee of HTDC staff and other State Government employees; in addition we will



add preference to businesses located on the neighbor islands; preference to projects on topics of focus to DBEDT priority industries, IT, software, manufacturing, value added agriculture, defense, creative media, aquaculture and renewable energy. Clarify that follow-on awards for Phase I and Phase II will be considered for a match. Also clarify that there will be tiers and that is how that the funds will be distributed.

After discussion, the board requests to amend the policy to add executive director to nominate the evaluation committee subject to approval by the board; add annual report back to the board; publish awards on website; and publish evaluation criteria on website.

Chair calls for motion to approve the HSBIR award allocation policy statement as revised.

Motion to approve as revised made by Mr. McCartney / Second by Ms. Kissinger.

Motion approved, Vote 7-0

5. Blue Startups Fund III - Investment Update

Mr. Hsi informs the board that HTDC intends to “recycle” the distribution on its investment with Blue Ventures.

6. HTDC Reports

A. Chair’s Report

Chair advised that he was fortunate to have had the chance to visit the HCATT project, hydrogen-microgrid and suggests if any board member has the time to contact Dave to get a tour. Reminds the board of next week’s strategic plan session.

B. Executive Director’s Report

1. First Responders Tech Campus

Mr. Higashi advises that the project is still in the planning and environmental impact statement approval process. Water and power are problematic, there are limitations that need to be addressed but the project is still on-track and moving forward.



2. Entrepreneurs Sandbox

Ms. Kanemori notes that Sandbox is extremely busy with activity. Two large events happening each week, AWS and Microsoft last week.

Ms. Kanemori thanked Mr. Kim for the continuation of the Business Law Corp event for the last 6-7 years. Event alternates each week between the Sandbox and Patsy Mink Center.

3. Maui Research and Technology Campus

Ms. Kanemori advised that she and Mr. Higashi traveled to Maui last week to meet with tenants, renew leases, meet with Catalyst Campus who is looking for office space at MRTC.

4. HI-CAP

Mr. Higashi briefs the first loan for the HI-CAP Collateral Loan has been approved. They have one approved lender and more banks soon to follow. They have applicants and are in the process to approve.

Mr. Hsi briefs that after receiving the approval from the board for the SCV we are looking to close, a week after expected. We have one capital venture firm docket to discuss with the board in December. We have 2-3 ventures firm funds in early 2023, we should be ready to approach the 2nd tranche in mid 2023.

Mr. Higashi advises that we will not be able to go to NELHA in November but will be requesting Greg Barbour to attend our November board meeting to provide an update. At a later more convenient date we can attend a NEHLA board meeting.

5. INNOVATE Hawaii

Mr. Inouye advises that NIST MEP award has been increased by \$100,000.00 to make the yearly award \$809,000.00 to support all the manufacturing activities. This is manufacturing week, tomorrow they will be hosting a bus tour with legislators to visit local manufacturers, many Manufacturing Award Program (MAP) recipients. It is important for us to showcase these companies to the legislators so they understand how the



MAP grant funds are being used and we can continue to obtain the MAP funding. Companies being showcased this year will be Revacom, Jade Foods, Sinaloa Tortilla, and Kohana Rum who also received a CARES award which provided hand sanitizer during the start of the pandemic.

Ms. Matsuki briefed the continuation of the Small Business Innovation Research Federal and State Technology (SBIR FAST) grant award of \$125,000.00 received this month. There will be the Pacific Tech 2022 Conference taking place October 24-26 at the Hawaii Convention Center that will help support SBIR companies. Thanked Ms. Kissinger for helping to put the program together and Mr. Syrmos for being a speaker as well as a sponsor.

Ms. Kissinger advises she appreciates the tie between University of Hawaii (UH) and SBIR. there are so many contracting officers and Science & Technology (S&T) advisors requests if each board can reach out and distribute the conference material.

6. HCATT

Mr. Molinaro thanked Chair for taking the time to see the HCATT projects. Construction will not be taking place till next summer but discussing with potential clients and customers who have the technology that we might want to bring to the microgrid.

C. Department of Business, Economic Development & Tourism (DBEDT)

Mr. McCartney advises that he just returned from San Francisco with the Governor and the Budget and Finance director.

D. University of Hawaii (UH) Report

Mr. Syrmos advises that they received a AA rating. Huge opportunities for the University in the coming year with several DOD partners, inflation reduction act and other great opportunities for federal funding in the innovation front, UH closed almost 10% last year first quarter and cautiously optimistic that UH will outdo the \$500 million of this year. Our concern is HTDC is doing so well that actually they need to grow their people, they are spread thin. We need to support HTDC.

7. Old Business



A. Continue discussion and/or action related to the Finance committee.

Mr. Higashi advises that there is not a lot of urgency so it can be removed from the agenda. The Finance committee usually reviews the finances at the beginning of the fiscal year to present to the board. The primary need is sometime before June.

Chair advises if anyone is interested on being on the Finance committee to please email Mr. Higashi.

B. Continue discussion on preparing an updated strategic plan for HTDC and/or action related to developing a strategic plan for HTDC.

Mr. Higashi thanked the board for taking the time to chat with Mr. Adler and answer his questions. It was requested for a 3 hour meeting, answers during the interviews will be reflected during the meetings.

8. Adjournment

Chair calls for a motion to adjourn.

Motion to adjourn made by Mr. Barnabas

Meeting adjourned at 4:32 p.m.

Respectfully submitted,

Stephanie Yuu-Sato
Board Secretary