



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

February 18, 2026

Entrepreneurs Sandbox – Purple Box Conference Room
643 Ilalo St., Honolulu, HI 96813

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Greg Kim, (Mr. Kim)

Staff Present

Trung Lam, Executive Director & CEO (Mr. Lam)
Wayne Layugan, (Mr. Layugan)
Sonia Romero, (Ms. Romero)
Karlton Tomomitsu, (Mr. Tomomitsu)
Madonna Sadio, Intern (Ms. Sadio)

Member(s) Present Virtually

Matthew Sullivan, (Mr. Sullivan)	Stephanie Yuu-Sato, (Ms. Yuu-Sato)
Chad Walton, (Mr. Walton)	
Dane Wicker, (Mr. Wicker)	

Staff Present Virtually

Member(s) Absent

Edward Barnabas, (Mr. Barnabas)
Jaclyn Kaina, (Ms. Kaina)
Kelly Ueoka, (Mr. Ueoka)

Counsel Present

Nicholas Kido, Deputy Attorney General
(Mr. Kido)

Guest(s) Present

None

Members of the Public Present

None

1. Call to Order, Public Notice Quorum

Meeting called to order at 1:55 pm

2. Roll Call

Mr. Lam conducted roll call. Present in-person are Chair Nakanishi and Mr. Kim. Members present virtually are Mr. Sullivan, Mr. Walton, and Mr. Wicker. Mr. Barnabas and Ms. Kaina have been excused.



Chair Nakanishi advises that Mr. Uehara has submitted his resignation letter due to a conflict of interest between his business and being on the HTDC Board.

3. Approval of Meeting Minutes

A. December 17, 2025 Regular Board Meeting

Chair requests a motion to approve the December 17, 2025, board minutes.

Motion to approve by Mr. Sullivan / Second by Mr. Wicker

Chair asks if there are any questions, comments, corrections. None received.

Motion approved, 5/0

Chair advises agenda items will be taken out of order

4. Legislative Bills

A. Request a motion to provide authority to HTDC Executive Director, Trung Lam to provide testimony on legislative bills and/or budget items relating to HTDC.

Chair advises there is a handout in the packet, subject is to delegate legislative session authority to testify on bills where it supports HTDC's objects, goals, and mission.

Chair requests a motion to delegate authority to the Executive Director to provide testimony consistent with HTDC's missions on legislation bills and/or budget items when it is impractical to consult with the board prior to the scheduled hearing. The Executive Director will inform the Board at the next board meeting scheduled. Motion will be retroactive to the Legislative Session.

Motion to approve made by Mr. Walton / Second by Mr. Wicker

Chair asks if there are any discussion.

Mr. Kim states that he does not recall doing this yearly.

Chair states that it was done with Executive Director Higashi and prior Directors.

Mr. Sullivan states there is no practical way of handling as testimony is last minute.

Motion approved, 5/0

5. HTDC 5 Year Strategic Plan Executive Summary

A. Kapaa Industrial Advanced Manufacturing and Vote

Mr. Lam advises that HTDC will be requesting approval sign a maximum a three-year lease at the Kapaa Industrial Park to pilot a collaborative advanced manufacturing facility with ocean tech companies, focused on advanced manufacturing. The tenants subleasing will offset majority of the costs, HTDC will be absorbing the gap as a strategic incubator investment to help grow the economy and bolster the ecosystem. We are looking to take these companies from early-stage startups to more established companies. We are currently looking at four companies with 30 to 50 employees who are committed to working with us. There is a clear need-objective, addressing a shortage in vacancies as well as long-term commitments that they cannot meet on their own.

Chair asks for a motion granting authority to the Executive Director to 1) Execute a maximum three-year lease, for approximately nine to ten thousand square feet at the Kapaa Quarry estimated total expense of approximately \$32,000 per month inclusive of base rent, admin and contingency. 2) Negotiate and execute sub-lease agreement with qualified ocean and advance manufacturing dual use technology tenants at market rates and 3) establish and manage the Kapaa Industrial Advance Manufacturing Pilot as a limited three-year pilot program, and provide quarterly reports to the Board on occupancy, revenue, utilization metrics, job creation, federal leverage outcomes and pilot learnings all set forth in the attached memo under action requested.

Motion made by Mr. Wicker / Second by Mr. Kim

Chair asks for discussion.

Mr. Wicker asks what the financial shortfall per month, continues that it fits with the mission, but it feels like a landlord activity. There is no plan to make revenue. What is unique about this geographical area for ocean base and was research done with existing state facilities for a lesser fee?

Mr. Lam states estimation is approximately \$32,000 per month if there are no tenants with no revenue generated from the project and we are stuck in the lease for the full term. Continues to state that this is a time-limit facility, shared facility, these companies cannot sign a lease on their own.

Mr. Wicker asks why we don't go after state owned property or facility or utilize the statute which is in the process of transitioning land that could have been used for a manufacturing facility. We still have that land and can partner with Agribusiness Development Corporation (ADC) long term. Understand proof of concept but not comfortable investing in a private facility.

Mr. Lam agrees that it is the right strategy advises this is a brand-new facility when current state facilities would require renovation work. Removes the risk of the time and energy to locate a state facility, obtaining the permits to renovate, investing millions of dollars in something that might not be the right business model. This gives us the chance to take some of that risk off the table by doing something quick, finite, and right now.

Mr. Wicker asks how much money it would cost once we get the lease to build that out?

Mr. Lam states that it would be very little, the companies would be coming in and building their own. Anything that they want to do will be done by themselves.

Mr. Wicker asks if these companies are able to come in front of the Board with their master plan?

Mr. Lam explains that they could, but it would be individual company plans and not a whole plan as they are asking us to coordinate. They are unable to coordinate together on their own and ask us to help move forward. Regarding funding, we have the MEP Program, cleared Congress, currently at NIST they just need to get it to the states. Other states have put the MEP Program in a shared

facility to cover the rent and this is something we are looking at. We are currently in year nine and will need to re-compete next year.

Chair asks if we have any memorandum of agreement or letters of intent that state how much these companies will pay.

Mr. Lam says there is nothing in writing, discussions were there, but there are a lot of details in the lease that we do not have from the landlord. Until we sign a letter of intent that we want to negotiate for space.

Chair asks if there are letters from the companies stating how much they are willing to pay.

Mr. Lam no but we can obtain. We can amend the action request from instead of executing the lease to authority to negotiate with the landlord, obtain letter of intent from the tenants, and now here is the contract we are looking to sign with the square footage for this dollar amount they are willing to commit to.

Mr. Kim asks what are the other value adds, will they help us with anything?

Mr. Sullivan wants clarification on the timing and how to move quickly, show results and not receive unfavorable reaction renting from a commercial landlord. He asks Mr. Wicker to elaborate from a state's viewpoint.

Mr. Wicker currently states the exit strategy..lease period, lease period while it should say, once we have prototypes that we want these companies do to reach success, the exit strategy then becomes do we finalize a proof of concept. Do we look for a facility to build a permanent.

Continues how do we justify how we utilize funds. White papers talks about manufacturing with these companies MEP, ONR, INDOPACOM. A concern that will need to be addressed is innovation with some of these companies which was the purpose and intent of the Sandbox so why don't we repurpose the Sandbox which is closer to the ocean, oceantech.

Another option is if you negotiate the lease is to make it zero cost to us.

Mr. Kim asks if it is possible to get the financial risks to zero. Personal guarantees from the owners can the tenants agree to the three-year lease with some type of out-clause that matches the landlord's out-clause.

Chair states that what is missing is that is says it is a pilot, will you only focus on this, or will you also look at other state facilities and transition to those places? Also, the location it is in Kapaa Quarry, how does it get to the ocean?

Mr. Wicker asks if 10,000 square feet is sufficient for the tenants or is that what is available. If more is needed, then why not ask DAGS or DLNR for a vacant facility. Asks what the lease term is and if they should look at other state facilities to reduce the costs to HTDC.

Mr. Lam states this is ample space and the lease is either a two or three year lease and since this is new you would usually figure out by the third year what the next steps are.

Mr. Walton says you should ask the potential tenants if this is sufficient as he is looking to do this in one of his campuses.

Mr. Lam says the space does include office, one of the rooms is a clean space, ample power, but there are questions that we don't have answers to.

Mr. Wicker says he is open to helping in the search with DAGS and DLNR for a space for a short term lease, even if we have to pay at least it is going back to the State and probably at a lower rate.

Chair states we will continue the conversation to the next meeting. For the next meeting have the following available, tie down tenants, come up zero, gain, talk to Mr. Wicker about other opportunities, cleaner white paper, a timeline.

Mr. Lam asks in order for him to negotiate with the landlord he will need to get a letter of intent.

Chair, Mr. Kim and Mr. Kido state as long as the terms say non-binding.

6. Legislative Bills

Mr. Lam provides an update on legislative bills. Most of the bills moved through the first committee. Expressed the importance of the blue economy, instead of giving HTDC a position they are giving a high salary position to the Governor's office. Lost funding for consulting money for the blue-economy. Everything else is moving along.



Six month financials are included, still waiting for the release of funds for the three core programs. We are near the pre-award or award process and would like to deploy as soon as the fund becomes available.

Chair asks if all the MEP funds were received.

Mr. Lam states that the MEP funds are still up in the air. Receiving emails regularly, Congress did release the funds to NIST MEP national. Funds will run out at the end of March and are utilized for training and payroll.

Mr. Lam states positions are all full now. An aerospace coordinator was hired just waiting for an official start date.

Chair advises anything on the agenda not covered will be moved to the next board meeting.

7. Adjournment

Meeting adjourned at 2:45 pm

Respectfully submitted,

Stephanie Yuu-Sato
Board Secretary

DRAFT

