



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

**January 11, 2018**

Manoa Innovation Center, 2800 Woodlawn Drive, 2<sup>nd</sup> Floor Board Meeting Room  
Honolulu, Hawaii 96822

**PRESENT**

Elijah Yip, 1<sup>st</sup> Vice Chair  
Fred Delse, Secretary/Treasurer  
Race Randle  
Craig Nakanishi, HSDC Representative  
Mark Anderson, B& F Alternate Representative  
Mary Alice Evans(arrived at 3:31 pm)

**STAFF PRESENT**

Robbie Melton, Executive Director  
Ray Gomez  
Sandy Park  
Erin Furuichi

**EXCUSED**

Derek Lau, Chair  
John Morton, UH Representative  
Kelly King  
Linda Rosehill, NELHA Representative

**GUESTS**

Courtney Nomiyama, Office of Senator Glenn Wakai  
Mayumi Sherwood, Office of Senator Glenn Wakai  
Tina-Marie Deitschman, Office of Senator Donovan  
Dela Cruz (arrived at 3:22 p.m.)  
Teresa Dawson – Environment Hawaii

**COUNSEL**

Dawn Takeuchi Apuna, Deputy Attorney General

***Ms. Melton presented the Executive Director's report at 3:14 pm, prior to the formal HTDC Board Meeting while waiting for member Deputy Director Mary Alice Evans to make quorum.***

1. HTDC Reports
  - A. Chair's Report –  
No Report
  - B. Executive Director's Report

HTDC Financial Report – presented in Financial Committee Report

HTDC Staffing

Robbie Melton announced that Executive Assistant, Yvonne Harue retired at the end of December after 27 years at HTDC. Sandy Park is filling in at Board of Director's meetings until a replacement is hired. We have the job announcement out that closed January 18<sup>th</sup>. We now have 4 openings which include: Contracts Administrator for Hi Center for Alternative Transportation Technologies (HCATT).

Other positions we are looking to fill are MEP Project Engineer, which has been vacant for several months and an Accountant position. Robbie Melton asked for any assistance in filling these positions. The positions are also listed on Craigslist, Techjobshawaii.org and the Hawaii Dept. of Human Resources – HireNet.

#### Holiday Tech Job Fair

Ms. Melton reported that the event that was held on December 28<sup>th</sup> was an awesome event. With over 300 attendees registered, KITV aired every half hour announcements that.

Hawaii News Now was on site and stayed for an hour, walking around and filming. The link to the feature was sent to the Board members.

Ms. Melton credits the reduced registration fee for having nearly 50 exhibitors. Many of the companies said it was the best job fair they have been to with qualified applicants.

One of the Ansaldo staff exhibiting was actually hired at the Job Fair two years ago. Navatek also had 2 staff at their booth who were hired from the Job Fair in the past.

The professional headshots and resume evaluations continue to be popular complimentary features. Microsoft sponsored laptops for attendees to update their resumes on the spot and print out a few updated copies to distribute.

Along with Microsoft, Bank of Hawaii, Ansaldo, DSA Inc., Alakai Research, Hi Food Manufacturers Assoc. and the UH's Information Technology Services helped to defray costs with their sponsorships. We are looking forward to the next fair.

#### 2017 Legislative Crawl

The 4<sup>th</sup> Annual Legislative Crawl was held in November. The agenda for this year included taking the Legislators to the companies outside of the Manoa Innovation Center. The tour included Referentia Systems, a company doing cybersecurity software. They have created 2 other companies from their projects which was a good information for the Legislators to hear. Next the tour went to the Oahu Makerspace. Founded and managed by Ross Mukai, the Makerspace is a community of creative people sharing knowledge, space and equipment to make stuff. This is what we envision the Sandbox to be.

The tour brought the Legislators back to MIC where 10 companies exhibited.

The Legislators appreciated the event and was well attended.

#### Agathon

Robbie Melton announced the Agathon, which is an agriculture hackathon, named after the ancient Greek Philosopher. The event has been in the plans for 2 years. Jimmy Nakatani, Agriculture Development Center Director partnered with HTDC to bring farmers and techie together to help solve issues of the farmers.

It is a 2- weekend event to expose software developers to the plight of the farmers. At the Hawaii Agricultural Research Center, the group went out to the fields to pick coffee beans, tour the Research Center, learned about issues the industry faces (i.e.; beetle infestations). 5 different agricultural organizations presented issues they want to get solutions for: language barriers, crime and vandalism, central data collection and food waste. The group of 85 was a mix of ages and range of interests. The final presentations will be on Sunday, January 14 at Impact Hub. The committee raised \$20,000 in sponsorship for food and prizes.

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

No report.

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

No Report

E. Hawaii Strategic Development Corporation (HSDC) Report

- Robbie reported for HSDC. Karl Fooks and Greg Barbour from NELHA requested money to support the first aquaculture accelerator program with a budget of \$250,000 - \$500,000. All are hoping this gets funded as more accelerators are needed in Hawaii.
- The November event was well attended.

F. University of Hawaii (UH) Report

No report.

**Mary Alice Evans** arrived at 3:31 pm for quorum.

2. Meeting called to order by Vice Chair Elijah Yip at 3:32 p.m.
3. Approval of Minutes –November 8, 2017 HTDC regular Board meeting

**Motion made by Craig Nakanishi** to approve the November 8, 2017 minutes of the HTDC regular Board meeting and seconded by **Race Randle**.

**Motion to approve** the minutes of the November 8, 2017 HTDC regular Board meeting (Unanimously passed, 6 - 0). **Motion carried**

4. Introduction of Francisco Dao, Innovation Incubator Manager by Robbie Melton

HTDC Executive Director Robbie Melton introduced Francisco Dao, new Innovation Incubator Manager. Francisco provided his background information. Originally from California, Francisco previously worked at the AI Accelerator in New York, columnist with VentureBeat, ran conferences and as an entrepreneur raised angel money. Francisco announced his first event on January 24<sup>th</sup> and invited Board members to attend the Fireside Chat with VC John Frankel from New York at MIC from 6:30-8:30 pm. Francisco is looking forward to rolling out more programs for the incubators here on Oahu and Maui.

5. Finance Committee Report on HTDC FY18 Budget

Fred Delse presented the budget. The notable point is to stay on MRTC occupancy plan ramp up at least to FY22. It is critical to ramp up 50-70% to make financial plan work and to get to possible operating income. Fred recommended to approve budget but to stay on top of MRTC plan as a key to make the budget work.

Robbie Melton reported that for FY19 budget cuts will be made to the PR and Marketing contract, sponsorships and the NI3 program. These programs are important for HTDC to be recognized as a statewide agency. However, with the reserves decreasing we will cut back.

Vice Chair Elijah Yip asked for explanation of the reduction of the grants. Robbie Melton explained that in FY16, HTDC received \$2m for the Manufacturing Grant and \$2M for the HSBIR program. In FY17, MAP received \$1M and the HSBIR program received \$2M and Office of Naval Research Alternative Energy program received \$1m. FY18 MAP grant received \$1M and the HSBIR program received \$ 1M. This budget for FY18 should have been approved in the fall, but schedule fell behind.

**Motion made by** Mary Alice Evans to approve the HTDC FY18 budget and seconded by Mark Anderson.

**Motion to approve** the HTDC FY18 budget (Unanimously passed 6-0). **Motion carried.**

6. Federal Projects Committee (decision making)

A. Hawaii Small Business Innovation Research (HSBIR) Matching Grant Phase 2 and 3

Member Robbie Melton reported that the Committee met January 5th and are submitting 5 applicants to the board for funding. Although 9 projects were received and all projects were deemed worthy of funding, preference was given to first time Ph 2 and 3 applications.

HSBIR Budget report: FY 2018 total budget was \$900,000.00 and requested funding amounts totaled \$8,056,042.00.

HSBIR Matching Grant Phase 2 and 3 awards recommendations: Total of \$900,000.00

The award recommendations were presented in the table below:

	Company Names:	Amounts:
1)	Referentia Systems: Aircraft Analysis and Anomaly Detection (ADAAD) – Army	\$ 200,000.00
2)	Studio Kinecton: Warrior Stories Platform	-0-
3)	Kampachi Farms: Tofu-Tolerant mariculture: genomics-assisted breeding of high-quality marine finfish.....(NOAA)	\$199,993.00
4)	Jun Innovations: Commercialized Supercooling Technology for Subzero Nonfreezing Preservation of Fresh Foods (USDA)	\$100,007.00
5)	Experiad: Therapy Management System for Model-Based Behavioral Interventions (NIH)	\$200,000.00
6)	Oceanit: ANTICE Low Ice Adhesion Coating (Air Force)	-0-
7)	Makai Ocean Engineering: Underwater Robot to Install Cables Autonomously (Navy)	\$200,000.00

8)	Navatek: Amphibious Combat Vehicle Ramp Interface Modular Buoyant Kit (MBK) for Joint High Speed Vessel Stern Ramp – Navy	-0-
9)	Navatek: Ship to Shore Connector Concepts with Combined High Speed and Payload Fraction - ONR	-0-

*Discussion Q&A:*

What is “Tofu-Tolerant mariculture: genomics-assisted breeding of high-quality marine finfish”. Member Robbie Melton explained that the USDA is looking at soy based feed for fish.

What is “Commercialized Supercooling Technology for Subzero Nonfreezing Preservation of Fresh Foods”. The project is a new technology that extends life of frozen foods and the company has received interest by Samsung.

Robbie Melton distributed the New Product Pioneers Booklet which features HSBIR companies and their products developed with SBIR funding. Member Race Randle asked why company revenues are not listed. Robbie Melton stated that the companies did not want their revenues in print, however revenue data will be collected in the upcoming HTDC Economic Impact Survey. Vice Chair Elijah Yip advised that an aggregate number could be included. Robbie Melton agreed that in the future we would include an aggregate revenue number.

How many members were at FPC meeting? Robbie Melton responded that currently there are 4 members as Dan Leuck left the committee. For this meeting, there were 3, however Kelly King dropped out at the last minute. However, after checking with Dawn, 2 committee members would be sufficient. Robbie will provide the email from Dawn.

Robbie announced that there will be an HSBIR Exhibition at the capitol on February 9<sup>th</sup> to showcase the benefits of the funding. The Legislators understand and see the benefits of the MAP grant, but need more exposure to the HSBIR companies and their products.

**Motion made by** Craig Nakanishi to approve the recommendations of the Federal Projects Committee to award the five applicants and seconded by Race Randle.

**Motion to approve** the recommendations of the Federal Projects Committee to award the five applicants (Unanimously passed, 6-0). **Motion carried**

7. Tech Parks update and vote for advisory committee members:

Robbie Melton gave an update on the First Responder Tech Campus:

A. First Responder Tech Campus

Project Management Update:

Robbie Melton updated members on the RFP for the project manager for the overall development of the project. HTDC is the oversight manager for development but does not have the expertise for such a large project. We are in the Best and Final Offer phase and decision will be made in the next 2 weeks. In the meantime, a Memorandum of Understanding will be made with HCDA to temporarily help manage the project. They will help the project manager get up to speed, clear land, signage, train consultants on state regulations and help with other initial work.

**Project Update:**

In December a Working Group meeting was held. Two more agencies want to participate in the First Responder Campus. They are: DOCARE DLNR and HI EMA. They self-selected their Advisory Committee. Project is moving forward.

Advisory Committee Members (vote to accept slate)

The Working Group selected members of the Advisory Committee. There is a name correction for Department of Public Safety. Cathy Tanaka should be Cathy Ross.

**Members:**

1. Ian Santee	Honolulu Medical Svcs (EMS)
2.Socrates Bratakos	Emergency Medical Services (HFD)
1.Colonel Neal Mitsuyoshi	Hi Air National Guard
2.Colonel Stuart Tomasa	Hi Air National Guard
1.Arnold Kishi	OET/DAGS
2.Chris Kinimaka	Office of Public Works
1.Renee Sonobe Hong	Dept of Public Safety
2.Cathy Ross	Dept of Public Safety
1.Keith Tamashiro	Mililani Mauka Neighborhood Board
2.Dean Hazama	Mililani Mauka Neighborhood Board

*Discussion:*

Mary Alice Evans asked why the Board needs to vote on the Advisory committee as members are all volunteers. Robbie Melton advised that our statutes require to have an advisory council for tech park development and the Board needs to approve setting up the committee. Elijah Yip asked on the time frame for the HCDA MOU. Robbie Melton stated that they will assist for a year, not more than 20 hours per month. Funding will come out of the planning/design funds and this will help with the transition and state procurement. The Advisory Committee is a 2 year renewable term.

Met with HCDA to get their assistance with development and their statutes allow us to hire them and do the initial work and transition.

**Motion made by** Race Randle to approve the members of the Advisory Committee and seconded by Craig Nakanishi.

**Motion to approve** the recommendations of the Tech Parks Advisory Committee (Unanimously passed, 6-0). **Motion carried**

**B. Hilo Multipurpose Processing Facility**

An overview summary of the project is included in the Board meeting packet that includes a time-line for the Board's review. Robbie Melton provided an update on the project.

- Leasing Agreement

The \$8.5M budget appropriated expires end of June so the project is fast tracked. Engaged with UH Community Design Center to develop conceptual drawings and budget to determine if additional funds are needed.

Name Change

Robbie Melton stated that the working group selected a new name for the Hilo Multipurpose Processing Facility, the Innovation and Manufacturing Center.

Design work and sub committees

A subcommittee was formed that will facilitate design committee to work with UH Community Design Center in design and space needs. Representing the technology sector.

Workforce Development committee and how it will integrate into the facility

Agricultural Technology Group, led by Diane Ley. It will be a separate building with clean space. UHDC will craft conceptual design on how all will flow together.

1. Advisory Committee Members (Vote to accept slate)

Representative Nakashima	
Elaine Young	DLIR Workforce Development
Dr. Luke Flynn	UH Astronomy Aerospace
Jackie Hoover	Hi Economic Development Board
Mike Miyahara	President of Business Strategy, Outreach Coordinator in Hilo
Marcia Sakai	UH Hilo Interim Chancellor

2-year term limit.

**Motion made by Mary Alice Evans** to approve the members of the Advisory Committee and seconded by Race Randle.

**Motion to approve** the recommendations of the Hilo Innovation and Manufacturing Advisory Committee (Unanimously passed, 6-0). **Motion carried**

8. Innovation Centers update

Robbie Melton reported that Francisco Dao is in place as Innovation Manager.

A. The Cube

Robbie Melton announced that she and Luis are working on funding with private investors and looking to create an endowment for operational costs. Ms. Melton made a trip to San Jose and met with a development sustainability expert and rethinking design of The Cube. Efforts to make The Cube more robust with innovation labs and State Energy Office is interested in space. Also getting private investment provides greater chance of getting state funding.

*Discussion:*

Craig Nakanishi asked if HTDC is able to do an endowment as a State agency. Mary Alice Evans responded that most state departments do have trust funds, for example, the Friends of NELHA. It depends on donors and tax benefits. Trust funds do not have to be approved by legislators, encourage foundations, 501(c)(3) formed for purpose of benefitting state public goal and it depends on the donors and the tax benefits.

Robbie Melton stated that she is working with Hawaii Community Foundation.

B. Maui Research and Technology Center (MRTC)

Refreshing Cohana co-working space into larger room, for more community experience and to relieve the cramped space. The space will have dedicated desks and updated furniture.

Wrapped up 6-month workshop series with Heyds at MRTC. Francisco revamping program at MRTC and MIC, also meeting with long standing tenants.

Robbie reported that a cell phone company contacted HTDC and wants to put up antenna on top of MRTC and pay HTDC \$1500/20 years and HTDC asked for \$2,000/month with a 25-year lease. Robbie asked if the Board thinks that \$2,000 is a good offer? Craig Nakanishi stated that towers run from \$2,000 to tens of thousands and asked what is the escalation? It price is too high, they'll move. Race Randle suggested asking Colliers and Craig Nakanishi asked if the antenna would interfere with any tenants. Robbie will investigate and advise Board. Colliers does not get involved as HTDC is land lord. Race suggested that we contact our Colliers' broker to find out what the going rate is for this.

Robbie Melton also reported that a new tenant is negotiating for extra space for no extra cost for 5 years. Race Randle asked what is the bottom line effect. Race Randle suggested giving them a promotional period, perhaps a year and then start paying.

Elijah Yip asked for clarification on what is a virtual tenant for MIC. Robbie Melton explained that virtual tenants do not have office space, but utilizes the co-working space with mailbox. They have potential to convert to office space as they grow.

C. Manoa Innovation Center (MIC)

Almost 100% occupancy  
Francisco Dao is working on creating programs and graduating older tenants.

D. Sandbox development progress/timeline

There is a new EDA contract manager and is getting up to speed on project. Received verbal go ahead for HCDA to move forward with the develop agreement with Stanford Carr. Once board of HCDA votes and passes the agreement, we can start construction hopefully in late March, early April at latest. If not, we will not make deadline with EDA for development. Board members will be invited to groundbreaking ceremony. HTDC has the funding to build The Sandbox. Robbie Melton will be presenting the Innovation Block at the Business Round Table next week.

Robbie Melton reported that Senator Wakai visited Japan and met a developer who invests in co-working spaces in Japan. He has invested in a number of co-working spaces in Japan. The developer is a large development company similar to Stanford Carr. He is interested in making an investment in the Sandbox.



This is in early stages of discussion and will keep all apprised. We appreciate the Senator's efforts in making this connection for additional money.

9. 2018 Legislative Agenda

Robbie Melton referred to the budget sheet. DBEDT submission is on left and Governor's budget is on the right. Last year the Special Projects and COO positions were approved by the Legislature with special funds as methods of funding. As indicated in the budget, there isn't enough funding for 2 fulltime positions at 100% special funds.

*Discussion:*

Mark Anderson commented that it is a lot of paperwork if you have 4 empty positions. Should we change method of funding?

Mary Alice Evans responded that in past DBEDT suggested 100% special or general funds. In the past DBEDT suggested 100% special or General. In past there was threats for abolishing positions. Have you requested the Legislature authorize general funds 100%? She defers to the Board for policy measures.

Robbie responded that in the last 3 years HTDC requested the positions be restored. Last year the Legislature approved positions with no general funds. We need these positions because of the number of new projects and without these positions it will be hard to reach 80/80 goal.

Other budget cuts made by the Governor was the MAP grant to \$500,000 and the

HSBIR budget has the biggest cut of \$500,000 for Phase 2-3 and the Accelerator program has a slight decrease to \$750,000. The biggest cut is to the HSBIR program. The cut would mean that we can only fund 2 or 3 companies. This is why we are having the HSBIR Exhibition at the Capitol to help with awareness and increase the funding.

Robbie Melton asked for the Board members' help to secure more funding for programs.

Robbie Melton reported that HTDC has one bill for economic development to support funding the NI3 program. Every year there are at least 10 bills with HTDC's name on it and we are not aware who submitted it until it is introduced. The Legislative Opening day is on Wednesday. All bills will be in by the end of the month.

Tina Marie, representing Senator Dela Cruz's office reported that all bills will be available after the 24<sup>th</sup>. Hearings will begin on the 17<sup>th</sup> as soon as a bill has a number attached to it.

10. UH Lease status\* (Executive Session)

**Motion made by** Craig Nakanishi to enter executive session to discuss matters related to the status of the UH Lease and seconded by Fred Delse. Approved to enter into an executive session (Unanimously passed, 6-0). **Motion carried**

**In an open meeting at 4:35 pm, the Board voted unanimously to enter an executive session meeting.**

***Attendees left the meeting room.***

***Executive Session closed at 5:00 pm.***

11. HTDC Reports

A. Chair's Report

No report.

12. Next HTDC Board Meeting: March 1, 2018

13. Adjournment

***Motion*** by Race Randle and seconded by Fred Delse

Adjourned the Board meeting at 5:15 p.m. (Unanimously passed 6-0)

Reviewed by: Robbie Melton, Executive Director & CEO

Respectfully submitted, Sandy Park