



# FINAL

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

Date: **Thursday, March 5, 2020**  
Time: 3:00 p.m. – 5:00p.m.  
\*Location: DBEDT  
250 S. Hotel Street Room 436  
Honolulu, HI 96813

**PRESENT**

Martin Zorn, Chair  
Elijah Yip, 1st Vice Chair  
Creighton Arita  
Mark Anderson  
Linda Rosehill  
Vassilis Syrmos  
Chung Chang

**STAFF PRESENT**

Len Higashi, HTDC Acting Director  
Ray Gomez, HTDC  
Sophia Lam, INNOVATE

**COUNSEL**

Jodi Yi, Deputy Attorney General

**ABSENT**

Craig Nakanishi  
Bella Hughes

**AGENDA**

1. Call to Order

The meeting was called to order by Chair Martin Zorn at 3:04 pm

2. Approval of Minutes – January 23, 2020, February 6, 2020  
Approval of Executive Session Minutes – January 23, 2020, February 6, 2020\*\*

***Motion made by Linda Rosehill to approve the minutes of January 23, 2020 and February 6, 2020 and seconded by Chung Chang. None opposed. Unanimously passed (6-0)***

Elijah Yip requested to amend the minutes of January 23, 2020 to update that he was not a part of the PIG initially but joined when they were in the process of reviewing candidates.

*Creighton Arita joined the board meeting at 3:08 pm*



***Motion made by Linda Rosehill to approve the Executive Session minutes of January 23, 2020 and February 6, 2020 and seconded by Elijah Yip. None opposed. Unanimously passed (7-0)***

### 3. Hiring of Consultant Update

Len Higashi commented that HTDC hired Chung Associates to assist with legislative strategy. Len Higashi and Chung Associates are meeting on a regular basis to discuss funding priorities.

### 4. Legislative Update

Len Higashi commented that the legislature is currently at their 1/3 way point where bills have crossed over. HTDC's priority bills have crossed over. The bill on the Senate side that includes funding for our grant programs added a clause that requires HTDC to encumber all funds for the FRTC project before any of the grant funds are used.

Mark Anderson explained the standard process for releasing funds. There was a discussion about what actions HTDC should be taking. Len Higashi indicated that he is coordinating with DBEDT as well as working directly with the Legislature. Discussion continued about proposals that are making their way through the process. A question was asked about lapse dates for funding as this will need to be managed.

Specific questions were raised about the details regarding Coconut Island.

Len Higashi commented that it is a strategic plan/working group for the Innovation Tech Park on Coconut Island by Senator Keohokalole. There are a number of groups with common interests, some which HTDC is working with, such as Purple Maia, and SB2500 forms a working group to bring them together. The bill is asking for these groups to collaborate on a plan around climate innovation.

Linda Rosehill commented that the Senator is looking for industries which are suitable for Hawaii. She also commented that she had hoped Chung Associates would be present in this meeting and that for future meetings, she requests written reports from the consultant.

Discussion continued regarding funding and Len Higashi commented that the budget bill which includes funding for HTDC has funds for the rent, but the Executive Secretary position was removed. The House notified us they are cutting positions that are vacant for over a year. Len Higashi also commented that he sent justification that the position was held vacant awaiting the executive director search.

Mark Anderson asked Len Higashi if the position can be filled by the end of the year?

Len Higashi commented that HTDC has interviewed candidates and can fill the position.



Len Higashi also commented that there are other bills, such as the expansion of the R&D tax credit which impacts the tech sector, revenue bonds tied to hydrogen fuel, matching grants for STEM related projects, and guidelines that prohibit MAP grant awardees from winning in consecutive years which the program is already doing.

5. Federal Projects Committee Report

- A. Review of SBIR Budget Phase 2 & 3
- B. Summary of SBIR applications and awards. Board vote to approve funding and recommendations.

Elijah Yip commented that the Federal Projects Committee met over two days and reviewed 16 applications. The program was only allotted \$900k in funds with an ask of over \$6 mil. The committee allocated the funds the best they could. As for the method of funds allotted, Phase 3 applications were allotted 20% of the funds because the committee agreed that they are heading towards commercialization and their applications were strong. As for the remaining funds for Phase 2 applications, those who scored above the median received 70% of the remaining and those who scored below the median received the remaining 30%. Companies who had multiple applications only received one award.

<i>Applications for Ph 2/3 FY 20 First Round</i>	<i>Recommended by Committee</i>
Navatek-PH3	\$ 159,428.57
Referentia	\$ 159,428.57
Premier Solutions	\$ 69,428.59
Adnoviv	\$ 69,428.57
Akabotics	\$ 69,428.57
Makai Ocean Engineering	\$ 69,428.57
Tridentis-BF	\$ 69,428.57
Hawaii Biotech	\$ 33,428.57
Hnu Photonics	\$ 33,428.57
Nalu Scientific	\$ 33,428.57
Oceanit	\$ 33,428.57
Praxis Bioresearch	\$ 33,428.57
RevaComm	\$ 33,428.57
Spectrum Photonics	\$ 33,428.57
Navatek-PH2	\$ -0-
Tridentis-ACM	\$ -0-
-----	
<b>TOTAL</b>	<b>\$ 900,000.00</b>

***Motion made by Federal Projects Committee to approve the SBIR Phase 2 & 3 awards and seconded by Vassilis Syrmos. None opposed. Unanimously passed (7-0)***





Len Higashi commented that 16 applications is a record and the program has been doing very well. The quality and quantity of the applications are increasing. SBIR companies are doing the state a great service by bringing federal dollars in.

6. Innovation Centers update  
A. Sandbox

Len Higashi thanked Elijah Yip for attending the True Initiative launch. HTDC is a co-founder of the TRUE initiative which is led by the private sector and embraced by HTDC. TRUE is centered on a shared belief that technology needs to be a priority to be competitive. Technology enabled workforce is the future of Hawaii. Internships and workforce are big parts of the initiative as they are providing university students real life mentorship and setting them up to work with them after.

Elijah Yip commented that it was a great event and was happy that HTDC had a role in it. This initiative is leveraging technology to develop opportunities for existing companies which was something that came up when interviewing candidates for the ED position.

Len Higashi commented that there are many people putting in their own time and money into this project. He also wanted to give Sandbox credit for being the rally point for all of this.

7. Tech Parks Update  
A. Hilo Innovation and Manufacturing Center

Len Higashi commented that there hasn't been a lot of progress as IMC has the same issues as FRTC. There is a process and the funds are scheduled to lapse. B&F is sorting it out with the Governor.

8. HTDC Program Updates  
A. INNOVATE Hawaii

Len Higashi commented that Wayne Inouye and Wayne Layugan are currently in Washington, D.C. for Hill Day as Innovate Hawaii is a federally funded program. The program has been doing well on their scorecards so they are rewarding us by increasing the funds for the MEP program. He also commented that the program applied for a Hawaii County grant to help with our NI3 program. He is also applying for a USDA grant to service rural districts and it requires a resolution from the board.

B. HCATT

Len Higashi commented that there is no update for HCATT as Dave Molinaro is out sick.

*Creighton Arita left the board meeting at 3:56 pm*



## 9. HTDC Reports

### A. Chair's Report

Martin Zorn commented that the agency needs to include outreach marketing into the budget so that more people are aware of the contributions HTDC is making. He also commented that it has been difficult to obtain quorum, so the board members need to do their part in being flexible and possibly having limited agendas that are brief and via conference call, if needed.

### B. Executive Director's Report

Len Higashi commented that there was a HSDC investment offer that couldn't make the agenda for today's discussion.

Len Higashi thanked Martin Zorn for joining him at the HVCA awards to celebrate entrepreneurship. One of the awardees was Vassilis Syrmos for Investor of the Year. Senator Dela Cruz was awarded for Start-up Paradise Champion.

Len Higashi commented that there is continued discussion with the Venture Accelerator program and how it ties with our SBIR program. Len Higashi thanked Vassilis Syrmos for the connection.

Len Higashi commented that HTDC recently launched the digital currency innovation lab but due to the coronavirus the speakers cancelled their flight, so the launch event has been cancelled. HTDC will work on outreach and marketing.

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

Chung Chang commented that DBEDT has started an outreach plan in relation to developing a business continuity plan in case there will be a recession which could go for months and limit cash flow. There will be additional information coming out of DBEDT soon for the business community.

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

Linda Rosehill commented that NELHA is doing well as they just recently has their National Congress of Aquaculture at the Convention Center where there were presentations done by their tenants. The Hatch program has been moving along and they just completed their initial lease on one of the businesses in Hatch on the Hawaii Island.

### E. University of Hawaii (UH) Report

Vassilis Syrmos commented that UH is doing okay as they are preparing contingency plans for the coronavirus and how it may affect classes, lectures, and conferences. The conference that



Posted online on 04/14/20 at 04:28 pm

Hawaii Technology Development Corporation  
521 Ala Moana Blvd, Ste 255 | 808-539-3806  
Honolulu, Hawaii 96813 | www.htdc.org

was going to bring all the universities together was just recently cancelled. Vassilis Syrmos commented that he is concerned about the economic downturn and the restrictions in budgets.

Mark Anderson commented that they're planning for possible impact but judging the scale of the impact is very difficult. There are a number of tools that are put in place to preserve cash for the state.

Len Higashi commented that each department is creating plans in assumption that people aren't going to be able to get to work and budget restrictions if revenue isn't coming in.

Martin Zorn requested Len to schedule a special board meeting regarding the HSDC offer, grant delegation, and a report from Chung Associates.

10. Next HTDC Board Meeting: May 7, 2020

11. Adjournment

***Motion to adjourn was made by Linda Rosehill and seconded by Vassilis Syrmos. None opposed. Unanimously passed (6-0). The meeting adjourned at 4:04 pm.***

