



HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held in Person & Virtually via ZOOM Teleconference
March 16, 2022

The meeting of the Board of Directors (Board) for the Hawaii Technology Development Corporation (HTDC) was held in-person on March 16, 2022 at the Entrepreneurs Sandbox – Large Classroom, located at 643 Ilalo Street, Honolulu, HI 96813, and via ZOOM videoconference.

Members Present, In-Person:

Mike McCartney, Department of Business, Economic Development and Tourism (DBEDT),
Ex-Officio Member, Chairperson (Chair)
Edward Barnabas, Member-At-Large (Mr. Barnabas)
Chung Chang, DBEDT, alternate Ex-Officio Member (Mr. Chang)
Bernice Glenn, Member-At-Large (Ms. Glenn)
Vincent Kimura, Member-At-Large (Mr. Kimura)
Vassilis Syrmos, University of Hawaii (UH), Ex-Officio Member (Mr. Syrmos)
Rich Volner Jr., Maui County Member (Mr. Volner)

Member Present, Virtually:

Craig Nakanishi, Member-At-Large (Mr. Nakanishi)

Member Absent:

Sandra Fujiyama, Member-At-Large (Ms. Fujiyama)

Counsel Present, virtually:

Delanie Prescott-Tate, Deputy Attorney General (Ms. Prescott-Tate)

Staff Present, In-Person:

Len Higashi, Acting Executive Director (Mr. Higashi)
Ray Gomez, HTDC
Wayne Inouye, INNOVATE
Kanna Kawai, HCATT
Dave Molinaro, HCATT

Guests Present:

None



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1. Call to Order

Chair called the meeting to order at 3:05 p.m. and welcomed the Board to their first meeting.

2. Roll Call

Mr. Higashi recited the video conference housekeeping details as set forth in the agenda. Mr. Higashi conducted a roll call of the Board.

Roll call: Chair, Mr. Barnabas, Mr. Chang (non-voting member for this meeting as Chair was present), Ms. Glenn, Mr. Kimura, Mr. Syrmos, Mr. Volner, and Nakanishi acknowledged attendance. Ms. Fujiyama was excused.

3. Administration of Board Directors Oath

Chair confirmed that the signed oath of office was received from each Board member.

4. Orientation

A. Board Member Introductions

Each Board member introduced themselves and provided a brief statement about their background and why they volunteered to serve on the HTDC Board.

Mr. Syros commented about the need for an updated strategic plan for HTDC.

B. Sunshine Law

Ms. Prescott-Tate provided a brief overview on the Sunshine Law and noted that the Guide to “The Sunshine Law” for State and County Boards, along with a copy of the Sunshine Law as set forth in chapter 92 of the *Hawaii Revised Statutes* (HRS) was contained in their “Welcome Packet”, along with other helpful materials. Ms. Prescott-Tate covered topics related to permitted board interactions, attending unofficial and official meetings, and establishing committees. The topic of ethics was briefly addressed, which included a discussion on gifts and confidentiality. The Board was referred to the Office of Information Practices for further information on the Sunshine Law and the State Ethics Commission for further information on Ethics.

Chair concluded the presentation by recommending that the Board members read HRS Chapter 92, HRS Chapter 84, and HRS Chapter 206M.



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Mr. Higashi stated that HTDC staff could make arrangements with the Office of Information Practices or the State Ethics Commission if Board members have any questions and informed the Board that both agencies would be asked to speak at future Board meetings.

5. HTDC Update

A. HTDC Overview for New Board Members

Mr. Higashi provided a PowerPoint presentation using slides that were included in the Board Packet. The presentation included a brief overview of the 2019 HRS Chapter 206M statute amendment; strategic direction for HTDC; existing programs and projects; examples of recent HTDC activities; and legislative requests for this session. The HTDC legislative priorities for this year include funding for the Manufacturing Grant Program, Hawaii Small Business Innovation Research (HSBIR) matching grant program, Accelerator program, administration of the State Small Business Credit Initiative (SSBCI) program, housekeeping for the Tax Credit for Research Activities, and new licensing for digital currency. Mr. Higashi concluded the update by directing the Board to the HTDC web site for a detailed list of the 2020 and 2021 highlights.

B. Brief Recap of Activities Since Last Board Meeting in May 2020

Mr. Higashi reviewed the summary of actions taken since the last Board meeting in May 2020, which were included in the Board Packet. Highlights included the PPE Supply Chain grant program, FY21 HSBIR program Phase 1 awards, Partnership Intermediary Agreement with the Hawai'i Tech Bridge, and the SSBCI applicant selection.

C. Schedule of HTDC Program Briefings for the Upcoming Board Meetings

Mr. Higashi proposed a future schedule for program briefings at the upcoming Board meetings. The schedule was included in the Board Packet.

6. Discussion and Action Regarding HTDC Programs

A. HSBIR Program Phase 1 Awards

Mr. Higashi presented the HSBIR evaluation committee's recommendations for the HSBIR matching grant award amounts. In the past, these awards were approved by the Board, but in the interim without a Board, a process for the manufacturing grant awards was adopted. An evaluation committee comprised of state employees who were subject matter experts made



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the award amount recommendations, which were reviewed and approved by the Acting Executive Director.

Mr. Syrmos made a motion to approve the HSBIR awards.

Mr. Barnabas asked if there was any documentation that showed the overall award process.

Chair suggested for record purposes, it would be ideal to submit a copy of the process to each Board member.

Mr. Higashi said he would provide the Board members with a copy of the procedure that HTDC had used and noted that the procedure was currently posted on the HTDC website (<https://www.htdc.org/wp-content/uploads/2021/04/HTDC-Memorandum-for-Hawaii-SBIR-Matching-Grant-Program-Review-Process-part-1-signed.pdf>)

After some discussion Mr. Nakanishi suggested that, given the Board was just appointed in the middle of the approval process, it would make sense to allow the staff to make awards like it did last year.

Mr. Higashi suggested he would be comfortable, if delegated the authority, to make the awards.

Mr. Syrmos, moved to amend his previous motion to delegate the authority to the executive director to approve the HSBIR awards.

Motion to Approve as Amended: Mr. Syrmos / Second: Mr. Nakanishi

Chair called for the vote. The motion was unanimously approved.

Vote: Approved, 7-0

B. Memorandum of Agreement (MOA) with Hawai'i Green Infrastructure Authority (HGIA) for the State Small Business Credit Initiative (SSBCI)

Mr. Higashi explained that the MOA included in the Board Packet was to partner with HGIA on the SSBCI program. HGIA would be responsible for two loan programs that will help diversify the number of businesses the state would be able to serve. Mr. Higashi explained that the planning effort has been underway for approximately nine months. Mr. Higashi requested that the Board delegate authority to the Executive Director to enter into this agreement.



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Motion to delegate authority to the Acting Executive Director to enter into the MOA with HGIA.

Motion to approve by: Mr. Symros / Second: Ms. Glenn.

Chair requested that if there were any significant changes required in the agreement to notify the Board.

Chair called for the vote. The motion was unanimously approved.

Vote: Approved, 7-0

7. Legislative Update

A. Legislative Session Update

Mr. Higashi stated that the key HTDC related legislative items were included in the earlier HTDC Overview presentation.

8. HTDC Reports

A. Chair's Report

Chair mentioned how COVID had affected the State, which resulted in borrowing federal dollars for the first time. While the State was quickly recovering from the pandemic, with revenue growing by 22%, it is crucial to spend the extra money responsibly. The majority of the legislative session has been focused on managing the State's fiscal plan.

B. Executive Director's Report

Mr. Higashi stated his report was included in the earlier HTDC Update.

C. DBEDT Report

Mr. Chang reported that DBEDT was trying to create a process this legislative session to work collaboratively with legislators and stakeholders from the community, business, and organizations. One way was through demonstration projects for projects such as digital equity.



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D. UH Report

Mr. Syrmos commented on the importance of innovation and research. UH was doing extremely well and had more than two thousand people employed with extramural funding.

Chair commented that one of DBEDT's goals was to work more closely with UH in the future.

Chair asked if there were any further discussions before the meeting was adjourned.

Mr. Kimura, Mr. Syrmos, and Mr. Barnabas inquired about the next steps to starting the strategic planning process.

Chair offered the following suggestions:

- request staff to report on best practices from similar organizations in other states, for example Maryland and Georgia, and what makes them successful to find out how HTDC can make improvement;
- create a committee or permitted interaction group with less than majority of Board members by including outside experts and have dynamic discussions to come up with recommendations;
- request funding from the legislature for a strategic plan effort for HTDC;
- decide how HTDC should conduct selection procedures;
- SWOT analysis; and
- Selecting an executive director.

Mr. Higashi suggested the Board select meeting dates for the next four Board meetings as soon as possible.

Mr. Kimura suggested it would be valuable to have a longer Board meeting.

Chair reminded the Board that things will be hectic at least through April until the legislative session was over.

Mr. Syrmos commented that an agenda development meeting may be a good tool to get a proper agenda crafted.



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9. Old Business

None.

10. Adjournment

Chair called for a motion to adjourn: Mr. Syrmos / Second: Ms. Glenn

Chair called for the vote. The motion was unanimously approved.

Vote: Approved, 7-0

Meeting adjourned at 5:02 p.m.

Respectfully Submitted,

Kanna Kawai
Board Secretary