

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

August 25, 2023
Entrepreneurs Sandbox – Purple Box
643 Ilalo St., Honolulu, HI 96813

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Sandra Fujiyama, Vice Chair (Ms. Fujiyama)
Gregory Kim, (Mr. Kim) (arrived at 10:42am)
Matthew Sullivan, (Mr. Sullivan)
Vassilis Syrmos, (Mr. Syrmos)
Rick Volner Jr., (Mr. Volner Jr.)
Dane Wicker, (Mr. Wicker)

Staff Present

Wayne Inouye, Acting Executive Director
(Mr. Inouye)
Ray Gomez, (Mr. Gomez)
Sandi Kanemori, (Ms. Kanemori)
Cassidy Wong, (Ms. Wong)
Stephanie Yuu-Sato, (Ms. Yuu-Sato)
Paul Hsi, (Mr. Hsi)
Wayne Layugan, (Mr. Layugan)
Cynthia Matsuki, (Ms. Matsuki)
Umma Berkelman, (Ms. Berkelman)
Kristy Carpio, (Ms. Carpio)

Member(s) Absent

Vincent Kimura, (Mr. Kimura)
Edward Barnabas, (Mr. Barnabas)

Counsel Present

Elise Amemiya, Deputy Attorney General
(Ms. Amemiya)

Guest(s) Present

None

Member(s) of the Public Present

None

1. Call to Order

Meeting started at 10:30 a.m.

2. Roll Call

Members Present: Chair, Vice Chair Fujiyama, Mr. Sullivan, Mr. Syrmos, Mr. Volner Jr., and Mr. Wicker. Noted that Mr. Kim arrived at 10:42 am.

3. Approval of July 21, 2023 Minutes

Chair calls for a motion to approve the July 21, 2023 Minutes.

Motion to approve the July 21, 2023 minutes made by Mr. Wicker / Second by Mr. Volner Jr.

No Comments or changes to the minutes.
No testimony received.

Motion approved, 6-0.

4. Executive Director's Report

A. Lahaina Fire

Mr. Inouye extends condolences to those affected by the fires on the island of Maui, mentions that client, Maui Ku'ia Estate Chocolate farm and factory was one that was affected. Defers to Mr. Volner Jr., a resident of Maui to share his perspective and if there are recommendations on what the agency can do to assist.

Mr. Volner Jr. briefs on the devastation the fire has caused, the various agencies providing support and the opportunities HTDC can provide in aiding businesses affected.

Mr. Wicker briefs that within 24 hours, Department of Business, Economic Development and Tourism (DBEDT) in partnership with the Red Cross assisted visitors and residents out of Lahaina into shelters.

Ms. Kanemori briefs that the Small Business Development Center (SBDC) has set up Information Technology Disaster Recovery Center (ITDRC) at the Maui Research Technology Park (MRTC). Senator Decoite requested the utilization of the MRTC parking lot for incoming container donations.

B. Legislative Updates

Mr. Inouye advises that he has reached out to the Governor's office and Budget and Finance regarding the \$6 million status, \$2 million for each of the three core programs. There are discussions on redirecting the funds to Maui for manufacturing or tech but until funding status is known we are unable to move forward.

C. First Responds Tech Campus (FRTC)

Mr. Wicker states that Carl Kim, Doug Murdock, and he were able to meet on August 21, 2023. Mr. Kim brought up the technology challenges that the Maui fire has exposed, and a lack of facilities and space for meetings and disaster preparedness. A call to action to figure out a center on Maui with future further discussion. Mr. Wicker states that there is no cost to HTDC for maintaining these lands reminding the Board that FRTC was not a HTDC request, and the property was purchased by the legislature through HTDC. If FRTC does not go through, then the legislature is looking to move this property to another DBEDT agency.

D. Sponsorship

Mr. Inouye briefs that HTDC sponsored the Made in Hawaii Festival held at the Hawaii Convention Center between August 18 - 20, 2023. Records were broken as prior years, there were about 24,000 attendees over three days and on the first day of this event we had 24,000 attendees. We have an agreement with Hawaii Food Industry and are looking forward to receiving the impact statement from the companies that were assisted with product development.

E. Hawai'i Small Business Capital Program (HI-CAP)

Mr. Hsi shares that the \$5 million strategic revolving fund for HI-CAP is intended to provide basic flexibility for the fund to make investments to non-conforming State Small Business Credit Initiative (SSBCI) participants. It allows flexibility to invest in further financing rounds and for select companies we deem strategically important to Hawaii and diversifying the economy.

Mr. Syrmos asks if there is a timeline for when the investments occur. Mr. Hsi stated that there is 5 years remaining on the investment program, and that is the timeframe for these investments

Mr. Sullivan questions who decide what to invest in. Mr. Hsi states that it will be on a board basis. The program manager will bring the opportunity to the evaluation committee, and then the board will decide if they would like to make the investment which requires a 2/3 vote.

Mr. Syrmos questions what the Federal restrictions on funding are. Mr. Hsi lists gaming companies with gambling elements, fintech lending companies, medical marijuana, investment rounds above \$20 million, out of state investments

Mr. Hsi previews the current scope of venture funds. HATCH started their 5th accelerator program out in Kona. Blue Ventures had approval for \$1.3 million and are due to launch their accelerator program in September. HTDC would fund \$650,000 of the total \$1.3 million. HTDC is looking to provide a capital commitment of \$2-3 million to Maua Up.

F. INNOVATE Hawai'i (IH) Program

Mr. Layugan briefs on the upcoming INNOVATE travel and will debrief at the next board meeting.

G. Hawaii Center for Advance Transportation Technology (HCATT) Program

Mr. Inouye advises that per Mr. Molinaro the Microgrid is on schedule.

H. Budget

Mr. Gomez updates that the budget execution policy was released and the last three quarters of the budget, but the 10% restrictions are still in place.

5. Program Review

Ms. Kanemori briefs on the accelerator program.

Ms. Kanemori briefs on a new method of utilizing request for proposals (RFP) to create deliverables for accelerators.

Mr. Kim suggests changing the strategy so that the same accelerators are not funded each year, setting term limits, and targeting specific industries.

Mr. Gomez states that the program is rated on metrics, and a mix of different accelerators is necessary.

Mr. Sullivan questions if there is a strategy of mitigating the problem of companies moving out of Hawaii due to the lack of capital.

Mr. Wicker questions if it is possible to impose equity shares on the accelerators.

Ms. Kanemori provides a facility update on Entrepreneurs Sandbox and the future of Maui Research and Technology Center (MRTC) facility use.

Mr. Wicker suggests creating a long run strategic plan for the facilities to be of better use to participating programs.

6. Executive Director Search Permitted Interaction Group (PIG) - Presentation of Report and Findings and Recommendations

Ms. Fujiyama outlines the actions of the PIG and states that the group went through creating criteria, reviewing and ranking applicants, providing interviews and evaluations, and discussing the candidates. The committee determined that four applicants warrant further consideration by the full Board. Requests that the Board use the same criteria.

Ms. Amemiya advises the PIG is now dissolved with this report to the full Board. The next meeting will be discussion and decision making on the report and next steps. Clarifies that today was the second meeting of three meetings in the PIG process. Special meetings may be called in addition to the regularly scheduled monthly Board meetings.

7. Announcements

8. Adjournment

Chair calls for a motion to adjourn the meeting



Motion to adjourn the meeting made by Mr. Wicker / Second by Mr. Volner Jr.

Meeting adjourned at 12:04 p.m.

Respectfully submitted,

Cassidy Wong

DRAFT

