



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

December 20, 2024
Entrepreneurs Sandbox – Large Classroom
643 Ilalo St., Honolulu, HI 96813

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Jaclyn Kaina, (Ms. Kaina)
Gregory Kim, (Mr. Kim)
Matthew Sullivan, (Mr. Sullivan)
Vassilis Syrmos, (Mr. Syrmos)
Gregory Uehara, (Mr. Uehara)
Kelly Ueoka, (Mr. Ueoka)
Dane Wicker, (Mr. Wicker)

Staff Present

Damon Matteo virtual attendance, Executive
Director, (Mr. Matteo)
Wayne Inouye, (Mr. Inouye)
Sandi Kanemori, (Ms. Kanemori)
Tuan La, (Mr. La)
Cynthia Matsuki, (Ms. Matsuki)

Member(s) Absent

Edward Barnabas, (Mr. Barnabas)

Counsel Present

Elise Amemiya, Deputy Attorney General
(Ms. Amemiya)

Guest(s) Present

None

Members of the Public Present

None

1. Call to Order

Meeting called to order at 8:04 a.m.

2. Roll Call

Members present: Chair Nakanishi, Ms. Kaina, Mr. Syrmos, Mr. Uehara, Mr. Ueoka, Mr. Wicker, Mr. Sullivan, and Mr. Kim.

3. Approval of November 15, 2024 Regular Board Minutes

Chair requests a motion to approve the November 15, 2024 regular Board Minutes

Motion to approve the November 15, 2024 Regular Board Minutes made by Jaclyn Kaina / Second by Mr. Syrmos

Chair asks if there are any comments or suggestions. None received.

Motion approved, 5/0, with Mr. Sullivan, Mr. Kim and Mr. Ueoka abstained from voting.

4. Introduction of Hawaii Technology Development Corporation (HTDC) New Executive Director, Damon Matteo

Mr. Inouye briefs the Board that Mr. Matteo started with HTDC November 18, 2024 and has been working remotely.

Mr. Matteo says it is an honor to work with the Board, HTDC and all the principals he has had the privilege to meet thus far. Thanks everyone for the opportunity.

Chair Nakanishi welcomes Mr. Matteo to HTDC.

6. Approval to Increase allocation for BV4 L.P. (Blue Ventures 4)

Mr. La reviews the HICAP investment for BV4 L.P approved for \$1.3 million and is requesting to increase an additional amount of \$700 thousand to increase the total amount to \$2 million. Recapping that Blue Startups is an accelerator program in Blue Ventures a venture capital firm founded in 2013 under the guidance of Hawaii State Development Corporation (HSDC) with the goal of developing and promoting local tech, entrepreneurship, and sources for venture funding for the State. Blue Ventures is an investment vehicle – venture capital arm that invests in seed stage startups companies that come out of Blue Startups. Blue Startups is the accelerator program that provides mentorship and boot camp workshop to help accelerator growth and product marketing for promising for early-stage companies. From the first three funds, Blue Ventures has invested in 121 companies of which 63 are Hawaii based, created over 168 Hawaii jobs,

and the investee companies have gone to raise over \$500 million in external capital. Blue Ventures is requesting an additional increase due to additional matching capital commitment from Stafford Capital. Chair questions if the increase is coming from the Tranche 2 funding of the SSBCI Program.

Mr. La confirms that the amount will be coming from the Tranche 2 funding that was submitted and is expected to be received Quarter 1 2025, and the allocation is conditional on the available funds.

Mr. Wicker questions if the funding is coming from the U.S. Treasury and if the investment money is allowed to be reinvested or does it need to be returned.

Mr. La advises that we are allowed to recycle back into investments. It can only be used for the same program just less restrictions.

Mr. Uehara asks if the funding source will provide a matching similar to the other grants HTDC provides.

Mr. La explains that when we applied for the grant it was specific to the fund-of-fund, and we are only allowed to allocated in venture capital funds with the purpose to increase capital investments in Hawaii.

Mr. Sullivan questions if there is a deadline to spend and if there are alternatives to invest into.

Mr. La advises there is a sunset date but we only need to expend 80% before we can apply for the next tranche. Also reiterates we do not have many options; we want to be prudent in where we invest the funds to.

Chair requests that Mr. La updates the Board on the \$60 million and remaining funds from the first tranche.

Mr. La advises that on the venture side there is zero remaining and as mentioned we must expend at least 80% of which we spent a little over, so we have approximately less than \$3 million.

Mr. Syrmos asks what the expectations at the end of the day are.

Mr. La explains for expectations to report for example, private leverage, 10-1. If provided \$1 million they expect the company to raise \$10 million. They also look at who the invested companies are, SETI (Socially Economically Disadvantaged Individuals) or businesses located in rural area or small business with under ten employees.

Mr. La is requesting a \$750,0000.00 additional investment into BV4 subject to availability on the Tranche 2 funds.

Chair requests a motion to approve the \$750 thousand additional investment into BV4 subject to availability of the SSBCI Tranche 2 funding.

Motion to approve made by Mr. Wicker / Second by Ms. Kaina

Mr. Sullivan requests for Tranche 3 to have a broader discussion of other investment options as it feels we are being forced to invest due to the limited options.

Mr. La explains there will be other options provided to the Board that he is currently working on. Also advises that there is no Tranche 3 as he has made an agreement with Gwen of Hawaii Green Infrastructure to expend majority of Tranche 2 and she will expend majority of Tranche 3.

Mr. Syrmos asks what success looks like for Mr. La.

Mr. La advises that for himself and HTDC we are looking for long-term, 5 year investing and 5 year harvesting, great jobs, the investing companies to become Hawaii companies that continue to stay in Hawaii.

Motion approved, 7/0, with Mr. Ueoka abstained from voting.

5. Approval of transfer of Mililani Technology Park, Phase II lands, TMK 9-5-002-057, 9-5-002-039, 9-5-046-010 from HTDC to the Agribusiness Development Corporation (ADC)

Mr. Wicker explains that Mililani Tech Park Phase I has already been developed, in 2011-2012 the State legislature visited what is known as Phase II to look at the possibility to develop a First Responders Technology Campus and Cyber Security Center. The legislature appropriated \$11.5 million to HTDC and Department of Accounting and General Services (DAGS) as the lead in 2014 to acquire the land. Current administration

did not approve funding to continue, and it has become a liability and cost on HTDC resources. Approximately \$27,000 annually to maintain property management, maintenance and dealing with trespassers.

The First Responders Technology Campus (FRTC) Advisory Committee met in August 2024 has approved to make a consideration to recommend transferring to the Agribusiness Development Corporation (ADC) and dissolve the FRTC Advisory Committee. ADC is a sister agency under DBEDT and will work hand in hand and the idea of the area 120 of 150 acres can be developed. Given the limited infrastructure they are looking into greenhouse infrastructure and facilities to accomplish the State mandate of doubling the food production. HTDC will not lose all interest as they can enter into agreement with ADC for opportunities for manufacturing, innovation facility. Requesting the Board's approval to transfer the 150 acres over to ADC.

Chair asks if there is a Memorandum of Understanding between HTDC and ADC.

Mr. Syrmos says that he has seen both phase of the land and this is the first time that it makes sense for the purpose of the property. He believes there could be no better use of the property and would like to vote yes to transfer the property to ADC.

Chair provides additional background and explains that it is a strain for HTDC to continue to keep the land.

Mr. Inouye advises that we can provide the Board with the MOU that will be provide to the ADC board.

Ms. Amemiya advises that the Board can approve the transfer of the lands, but the MOU documents a little more detail and is subject to Board approval.

Mr. Syrmos makes a motion to approve the concept to transfer the Phase II lands to ADC pending full review of the MOU between the HTDC and ADC Board.

Chair requests a motion to approve the transfer of property.

Motion to approve made by Mr. Syrmos / second by Ms. Kaina

Chair asks Mr. Wicker for a timeline.

Mr. Wicker advises that ADC has a board meeting in January.

Chair calls a five-minute recess so that the Board is able to review the MOU.

Chair amends the motion to approve the concept, approval of the MOU, and delegation of authority to the Executive Director to take all action consistent with the motion.

Motion to approve made by Mr. Syrmos / second by Mr. Sullivan

Chair mentions the concept to transfer the property to ADC, approval of the MOU dated September 17, 2024 between HTDC and ADC, and delegation of authority to execute all documents to take further action as needed consistent to this motion.

Motion approved, 7/0, with Mr. Ueoka abstained from voting.

7. Proposal to Explore, Develop, and Launch Capital Formation Initiatives

Mr. Kim advises that Hawaii has a deficiency in capital. You need research, talent, and money. When you want to build an ecosystem, you need to focus on those three things. Requesting to form a committee to explore what can be done and requesting \$100 million or more if less it will not make a difference, partially state funded or private funded. He wants a better ecosystem by creating a fund of funds by giving \$5 - \$10 million to top tier California funds and have them look at deals here in Hawaii as a first step and create more of a presence. Look at other places like Utah, as they have made progress. Proposes to form a sub-committee, explore alternatives, try to do something proactively and provide ideas to the Board.

Ms. Amemiya asks Mr. Kim to clarify if he wants a sub-committee which is subject to the Sunshine law.

Mr. Kim is not opposed to a sub-committee and having the discussions public.

Ms. Amemiya confirms the sub-committee will need to have the meetings open to the public, post the agenda six days prior to the meeting, and the agenda will need to be specific, and you are limited to discuss items listed on the agenda. While the Permitted Interaction Group (PIG) cannot provide interim report and once it reports its findings it is automatically dissolved.

Chair advises that it sounds like he is looking more towards a PIG.

Mr. Kim advises that he moves to form a PIG to explore and return to the Board with recommendations with a plan significant venture capital fundraising efforts and proposed design on how that will work.

Chair asks for a second

Mr. Sullivan seconds the motion.

Chair asks if any member is interested in being a part of the PIG.

Mr. Uehara is interested in being part of the PIG.

Discussion between members if they want to participate, how many participants are necessary, if discussions can be held between members if no PIG is formed, when meetings will be held and how many meetings will be necessary.

Mr. Kim decides after further review to withdraw his motion.

8. Designate HTDC Board Member to be a member on the Natural Energy Laboratory of Hawaii Authority (NELHA) Board.

Chair and Ms. Amemiya advise vaguely remembering that Ms. Kaina and Mr. Barnabas both wanting to volunteer to be the HTDC representative for the NELHA Board. Chair asks Ms. Kaina if she is still willing to take the position.

Ms. Kaina advises that she is still debating and asking what the commitment is.

Mr. Wicker mentions that he is a member of the NELHA Board being the DBEDT Director's designee. He states that NELHA does ocean resources and the meetings are held virtually.

Chair mentions that NELHA does great work the only caveat is that you need to provide your financials.

Chair appoints Ms. Kaina and if it does not work out will re-appoint another member in her place.



9. Executive Director's Report

Mr. Inouye wants to highlight tomorrow, Saturday December 21st from 10:00am - 2:00pm at the Entrepreneurs Sandbox will be the 23rd Holiday Job Tech Fair. The first time at the Sandbox, thirty companies have signed up for booths. The Holiday Job Tech Fair is focused on bringing kamaaina back home.

We will also provide an update on the legislative package; we have two bills R&D Tax Credit bill and the grant programs.

10. Announcements

Chair advises that there will be a Doodle Poll sent out for January to get ready for the legislative session.

11. Adjournment

Meeting adjourned at 9:36 am

Respectfully Submitted,

Stephanie Yuu-Sato
Acting Executive Secretary

DRAFT

