



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

April 23, 2024

Manoa Innovation Center – Board Room
2800 Woodlawn Dr., Honolulu, HI 96822

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Sandra Fujiyama, Vice Chair (Ms. Fujiyama)
Edward Barnabas, (Mr. Barnabas)
Gregory Kim, (Mr. Kim)
Matthew Sullivan, (Mr. Sullivan)
Vincent Kimura, (Mr. Kimura)
Vassilis Syrmos, (Mr. Syrmos)
Dane Wicker, (Mr. Wicker) (arrived at
10:53am)

Staff Present

Wayne Inouye, Acting Executive Director
(Mr. Inouye)
Cassidy Wong (Ms. Wong)
Ray Gomez (Mr. Gomez)
Cynthia Matsuki (Ms. Matsuki)
Wayne Layugan (Mr. Layugan)
David Molinaro (Mr. Molinaro)
Matthew Kobayashi (Mr. Kobayashi)

Member(s) Absent

Rick Volner Jr., (Mr. Volner Jr.)

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 10:34 a.m.

2. Roll Call

Members Present: Chair, Vice Chair Fujiyama, Mr. Kimura, Mr. Kim, Mr. Wicker (arrived at 10:53am), Mr. Barnabas, and Mr. Syrmos.

3. Approval of February 16, 2024 Minutes

Chair calls for a motion to approve the February 16, 2024 Minutes.

Motion to approve the February 16, 2024 Minutes made by Mr. Barnabas / Second by Mr. Sullivan.

No testimony received.

Motion approved, 7-0, Chair abstained from voting, Mr. Wicker not present

4. Approval of Manufacturing Assistance Program (MAP) Grant Awards

Mr. Inouye introduces the MAP grant and states that last year \$6 million was transferred from the Governor to support HTDC core programs. This year, HTDC's grant programs made an effort to prioritize the Maui efforts to rebuild the tech and manufacturing companies. He adds that additional information on company revenue growth and employment growth was also collected for the review committee.

Mr. Inouye emphasizes that the process of awarding the MAP grants is what was approved by the board and the federal projects committee in previous years.

Mr. Inouye introduces the recommended awardees and requests Chair for a motion to approve the recommendations.



FY24 MAP Award Recommendations

Applicant	Total Eligible Expenses	Requested Amount	Committee Recommendation
COHI, Inc.	\$26,561.17	\$5,312.23	\$5,310.00
Mahalo Brewing Co. LLC (dba Mahalo Aleworks) *	\$329,722.42	\$65,944.48	\$65,940.00
Kealopiko Inc. *	\$20,596.94	\$4,119.39	\$4,110.00
Aumakua Holdings LLC	\$264,910.56	\$52,982.11	\$52,980.00
Gypsy Juice, LLC (dba Maui Juice Co.) *	\$23,995.88	\$4,799.18	\$4,790.00
Hawaii Sea Spirits LLC	\$62,018.00	\$12,403.60	\$12,400.00
The Maui Cookie Lady *	\$13,350.02	\$2,670.00	\$2,670.00
Maui Beverage Company, LLC *	\$147,744.20	\$29,548.84	\$29,540.00
British Hawaiian Industries, Ltd.	\$290,190.87	\$58,038.17	\$58,030.00
Hanalei Spirits Distillery Corp *	\$174,903.20	\$34,980.64	\$34,980.00
Kauai Fine Woodworking LLC *	\$268,173.95	\$53,634.79	\$53,630.00
Koko Kai Foods LLC *	\$67,350.45	\$13,470.09	\$13,470.00
Liko Lehua LLC *	\$53,809.98	\$10,762.00	\$10,760.00
Salty Wahine Gourmet Hawaiian Sea Salts	\$11,903.14	\$2,380.63	\$2,380.00
Hawaiian Agricultural Products, LLC (dba Hawaiian SHOCHU Company) *	\$39,327.91	\$7,865.58	\$7,860.00





Applicant	Total Eligible Expenses	Requested Amount	Committee Recommendation
Tradition Coffee Roasters *	\$125,001.56	\$25,000.31	\$25,000.00
Tea Hawaii.Com (dba Tea Hawaii & Co.) *	\$11,618.78	\$2,323.76	\$2,320.00
Manoa Honey LLC *	\$85,592.25	\$17,118.45	\$17,110.00
Lonohana Estate Chocolate *	\$311,074.61	\$62,214.92	\$62,210.00
Pop Culture Artisan Pops LLC *	\$42,690.65	\$8,538.13	\$8,530.00
Pawniolo Pets *	\$76,397.72	\$15,279.54	\$15,270.00
Omao Labs LLC (dba Kauai Hemp Co.) *	\$103,367.00	\$20,673.40	\$20,670.00
Rusty's Hawaiian LLC	\$47,139.23	\$9,427.85	\$9,420.00
MXCAL LLC (dba Raiz Tortillas) *	\$29,643.04	\$5,928.61	\$5,920.00
Oishii Family Restaurant LLC *	\$375,530.82	\$75,106.16	\$75,100.00
Punahale Provisions PBC *	\$97,440.32	\$19,488.06	\$19,480.00
Gourmet Barn LLC *	\$149,517.93	\$29,903.59	\$29,900.00
SKY Kombucha LLC *	\$47,174.63	\$9,434.93	\$9,430.00
Lanikai Mochi *	\$78,000.00	\$15,600.00	\$15,600.00
Small Kine Farm	\$183,043.12	\$36,608.62	\$36,600.00
Manu Brewing LLC *	\$67,964.00	\$13,592.80	\$13,590.00
Kakilepo LLC *	\$50,528.83	\$10,105.77	\$10,100.00
Aloha Edibles, Inc.	\$204,208.51	\$40,841.70	\$40,840.00
Lubrco LLC *	\$34,765.97	\$6,953.19	\$6,950.00
Normal Corporation *	\$41,371.19	\$8,274.24	\$8,270.00
Ba-Le Inc. (dba La Tour Bakehouse)	\$1,537,396.39	\$100,000.00	\$80,000.00
HNK, Inc. (dba Koha Foods) *	\$546,194.43	\$100,000.00	\$80,000.00
Diamond Bakery Company Limited	\$340,930.48	\$68,186.10	\$54,550.00



Hawaiian King Candies, LLC	\$90,058.00	\$18,011.60	\$14,410.00
Big Island Coffee Roasters LLC *	\$216,534.03	\$43,306.81	\$34,650.00
Paniolo Hardwoods, LLC *	\$363,740.00	\$72,748.00	\$50,930.00
Purdyco, Ltd. *	\$128,388.05	\$25,677.61	\$17,980.00
FCH Enterprises, Inc.	\$273,918.73	\$54,783.75	\$38,350.00
Hawaii Candy Factory LLC *	\$86,693.75	\$17,338.75	\$12,140.00

Applicant	Total Eligible Expenses	Requested Amount	Committee Recommendation
Edward Enterprises, Inc.	\$2,695,664.00	\$100,000.00	\$70,000.00
Samurai, Inc. *	\$52,514.04	\$10,502.81	\$7,360.00
Koloa Rum Corp	\$240,711.71	\$48,142.34	\$33,700.00
Advanced Silicon Carbide Materials, LLC (ASCM)	\$331,800.00	\$66,360.00	\$46,460.00
Meadow Gold Dairies Hawaii	\$963,170.98	\$100,000.00	\$70,000.00
Okuhara Foods Inc.	\$274,117.28	\$54,823.46	\$38,380.00
Hawaii Ulu Producers Cooperative	\$159,954.71	\$31,990.94	\$22,400.00
Waiakea Bottling, Inc.	\$88,050.00	\$17,610.00	\$12,330.00
Verde Restaurant LLC *	\$49,880.56	\$9,976.11	\$6,990.00
Nippon Food Takeout & Catering, Inc. *	\$44,503.40	\$8,900.68	\$6,240.00
PD Technologies *	\$7,755.31	\$1,551.06	\$1,500.00
Simonpietri Enterprises LLC *	\$252,182.87	\$50,436.57	\$30,270.00
Kauai Island Brewing Company	\$156,185.13	\$31,237.03	\$18,750.00
Honolulu Beerworks LLC	\$614,676.90	\$100,000.00	\$60,000.00
Kauai Island Metals Inc. *	\$18,263.43	\$3,652.69	\$2,200.00
Manulele Distillers, LLC	\$534,000.00	\$100,000.00	\$60,000.00



Dana Labels, Inc.	\$1,226,835.21	\$100,000.00	\$50,000.00
Lanikai Brewing Company, LLC	\$67,923.96	\$13,584.79	\$6,800.00
Hawaii Beverage Manufacturing Company Inc. *	\$421,911.69	\$84,382.34	\$42,200.00

Chair requests for a motion to approve the Hawaii Manufacturing Assistance Program awards as recommended by the review committee.

Motion to approve the Hawaii Manufacturing Assistance Program awards as recommended by the review committee made by Ms. Fujiyama / Second by Mr. Kimura.

No testimony received.

Motion approved, 7-0, Mr. Wicker not present.

Mr. Kim questions how this program carries out HTDC's mission.

Mr. Inouye states that HTDC intends to try to align with the state and Department of Business, Economic Development, and Tourism (DBEDT) strategic plan. He adds that part of HTDC's core plan is supporting manufacturing due to manufacturers of food and beverage being a big sector of the state.

Mr. Kim states that it seems like this focus should be on another agency or division of DBEDT.

Mr. Inouye states that he understands this sentiment and that there may be another federal project committee in the future to change the direction of the MAP program.

Mr. Kimura questions if the review committee looks and considers the total awarded grants in the past for each applicant.

Mr. Layugan states that it is considered, but majority of the score sheet is based on company growth and economic impact. Companies with larger revenues and growth tend to score higher.

Mr. Kimura questions how small companies are supported on the score sheet.

Mr. Layugan states that first time applicants receive more points and this year the review committee also scored applicants with lower revenues higher. He adds that all Maui applicants were awarded funding.

Mr. Syrmos agrees with Mr. Kim's prior statement and questions if the program aligns under Agribusiness Development Corporation (ADC) more.

Chair states that this discussion could be expanded in the next board meeting where this topic will be explored.

Mr. Barnabas suggests that the rubrics for this program should be more specific in how these company are related to tech such as robotics or sensors. He emphasizes that technology could be smaller factors that are not mentioned in the information.

Chair states that there is agreement among the board that there should be more connections to technology when discussing the MAP program as the connection with technology is not clear.

5. Approval of Hawaii Small Business Innovation Research (HSBIR) Grant Awards

Ms. Amemiya prefaces that due to Mr. Sullivan's relationship with Oceanit, he cannot participate in voting or discussion regarding the HSBIR grant awards as Oceanit is a direct recipient.

Mr. Inouye introduces the HSBIR program and states that like the MAP awards, Maui companies were prioritized. He also states that a big portion of the pool of applicants were first-time applicants. The process of this grant approval has also been approved by the board and the federal projects committee in previous years.

Mr. Inouye reiterates that the economic impact survey that will be used to collect data for HSBIR and MAP is currently under review by Dr. Eugene Tian's team at the Research and Economic Analysis Division (READ). The goal is to finish the survey by the end of summer.

Mr. Kimura questions if we can have the survey documented for transparency.

Mr. Inouye states that it will be shared with the board when finalized.



Mr. Syrmos questions if the board can obtain the descriptions of projects that were awarded the HSBIR grant.

Mr. Inouye agrees and will disburse the information when compiled.

PHASE 0 Company Awards:

- Hi-Spectral, LLC, DOD Air Force Phase I application, \$3,000
- Mahina Aerospace, Institute for Education Services, Phase I application, \$2,000

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PHASE I Company Awards

Company	FED AGENCY	GRANT \$	REQ \$	Award \$
Hawai'i Biotech, Inc.	NIH/NIAID	\$408,345	\$75,000	\$60,000
Cloudstone Innovations, Inc.*	DAF	\$74,988	\$37,494	\$30,000
MorphOptic, Inc.*	USAF-USSF	\$150,000	\$75,000	\$48,750
Pacific Hybreed, Inc.*	USDA/NIFA	\$167,986	\$75,000	\$48,750
Simonpietri Enterprises LLC	DOEnergy	\$206,500	\$75,000	\$48,750
WaiHome, LLC	NOAA	\$175,000	\$75,000	\$48,750
PacMarTechnologies LLC	NAVSEA	\$139,925	\$69,575	\$45,250
Oceanit Laboratories, Inc.	DAF	\$180,000	\$75,000	\$41,250
VisSidus Technologies, Inc.	NASA	\$149,643	\$74,800	\$41,250
Jun Innovations Inc.	NIH	\$275,001	\$75,000	\$41,250
Nalu Scientific, LLC	NASA	\$149,424	\$74,712	\$41,000

**First time HSBIR companies*

FY24 Phase I Companies with average score below 75

Company	FED AGENCY	GRANT \$	REQ \$	Award \$
Makai Ocean Engineering, Inc.	Navy	\$139,837	\$69,811	\$0
Hawai'i Innovation Laboratory	NIH/CDC	\$243,500	\$75,000	\$0

FY2024 Phase II HSBIR Budget (Year ending June 30, 2024)

\$2,000,000.00





PHASE II Company Awards

Company	FED AGENCY	GRANT \$	REQ \$	Award \$
Hawaii Biotech, Inc.	NIH/NIAID	\$2,957,245	\$150,000	\$62,000
Symbrosia Inc.	NSF	\$1,000,000	\$500,000	\$200,000
Ocean Era Inc.	USDA	\$589,445	\$294,500	\$118,000
Experiad LLC	NIH/NIMH	\$1,367,270	\$475,000	\$190,000
Hawai'i Ulu Producers Cooperative	NIFA/USDA	\$649,809	\$324,905	\$130,000
MorphOptic, Inc.	USAF	\$1,250,000	\$290,000	\$116,000
Ai.Fish LLC	NOAA	\$649,987	\$324,934	\$130,000
WaiHome, LLC	NSF	\$966,717	\$498,358	\$110,000
Simonpietri Enterprises LLC	DOEnergy	\$1,150,000	\$500,000	\$110,000
Interstel Technologies, Inc.*	NASA	\$759,834	\$375,000	\$83,000
Oceanit Laboratories Inc.	USAF	\$1,250,000	\$200,000	\$44,000
Nalu Scientific, LLC	DOEnergy	\$1,150,000	\$500,000	\$110,000
H Nu Photonics LLC	DLA	\$1,593,842	\$500,000	\$110,000
Hawai'i Fish Company Inc.	USDA	\$650,000	\$325,000	\$72,000
PacMar Technologies LLC	DARPA	\$1,499,963	\$500,000	\$110,000

**First time HSBIR companies*





FY24 Phase II Companies with average score below 75

Company	FED	GRANT \$	REQ \$	Award \$
Oceanic Imaging Consultants, Inc.	Navy	\$1,699,528	\$150,000	\$0.00
Makai Ocean Engineering, Inc.	DOEnergy	\$1,149,913	\$494,320	\$0.00
Guide Star Engineering LLC	NAVY	\$1,100,064	\$500,000	\$0.00

PHASE III Company Awards

Company	FED AGENCY	CONTRACT \$	REQ \$	Award \$
Referentia Systems Incorporated	USAF	\$3,692,000	\$500,000	\$200,000
Advanced Silicon Carbide Materials (ASCM), LLC*	MDA	\$3,545,288	\$476,449	\$105,000

Chair requests for a motion to approve the Hawaii Small Business Innovation Research award allocation.

Motion to approve the Hawaii Small Business Innovation Research award allocation awards made by Ms. Fujiyama / Second by Mr. Syrmos.

No testimony received.

Motion approved, 6-0, Mr. Wicker and Mr. Sullivan abstained from voting.

Mr. Barnabas states that datapoints regarding the companies awarded should be clearer to see trends.

6. Executive Director Search

a. Executive Director Recruiting Firm Solicitation Status



Ms. Kanemori states that the HI-ePRO was released last month based on the scope of work that was approved by the board. The HI-ePRO was out for three weeks and received five bids. No award or contact was made with the lowest bidder. They are based in California and specialize in government placement on an executive level. Ms. Kanemori states that she can ask the firm to come and present to the board. The contract will take a few weeks to take effect if moved forward. The firm also attached a 40-page document containing more information that can be shared with the board.

Mr. Barnabas states that due to time restraints he would suggest not to wait for a presentation from the firm.

Mr. Kimura questions if there is point system.

Ms. Kanemori states that there is no point system, and the lowest bidder is awarded. She highlights that each vendor gets to see bids from other vendors.

Mr. Kimura questions if the firm provided indication or evidence that they are qualified to perform the work.

Mr. Kim expresses concern that the lowest bidder is very cheap.

Ms. Kanemori states that the attachment contains examples of previous works and will be sent to the board afterwards for review.

Mr. Syrmos questions the proposed form of payment and amount.

Ms. Kanemori states that their proposal was the bid paid in monthly installments.

b. Next Steps

Chair states that the board is required to approve or disapprove the firm based on the requirements laid out in prior meetings.

Chair requests for a motion to approve the agency to go forward with the process of the contract.

Motion to approve the agency to go forward with the process of the contract made by Mr. Wicker / Second by Mr. Kimura.

No testimony received.
Motion approved, 8-0.

Mr. Syrmos questions if it is possible to request a general timeline from Ms. Kanemori.

Ms. Amemiya states that it is hard to project but it will most likely be a month-long process to go through the contract process.

7. Formation of Permitted Interaction Group (PIG) to develop HTDC Strategic Plan

Chair states that the purpose of the formation of this PIG is to investigate metrics of current programs and create a strategic plan for HTDC. The short-term goals would be what is wanted from the current legislative session and long-term goals are pillars for forthcoming years. The proposed scope of duties is to review the current draft of HTDC strategic plan, review the DBEDT strategic plan, gather metrics on the programs, and discuss and interview with stakeholders to lead to a strategic plan for HTDC.

Mr. Syrmos questions why there needs to be a PIG to develop the HTDC strategic plan and who developed the idea to form a PIG. He expresses interest in joining.

Mr. Kimura concurs with Mr. Syrmos.

Mr. Kim questions if we can make a subcommittee instead.

Mr. Syrmos expresses concern that a PIG is necessary for a strategic plan. He states that it is typically an open process, and questions what prompted this agenda item.

Chair states that this is intended to be a talking point to figure out how to start the process of developing a strategic plan. The PIG could be of use to develop starting points for the board to go off on. After the PIG completes its duties, it goes into open session for the board. He states that after conferring with Mr. Wicker, this process could streamline the creation of a strategic plan prior to June 23rd, 2024. The June 23rd date is projected to complete the strategic plan to be timely with budgetary requests. The

agenda item serves to generate discussion rather than to move forward with a PIG immediately.

Mr. Syrmos states that in his opinion, strategic plans are discussed in open session. He questions the agenda item materials and why they were not disbursed prior to the meeting.

Ms. Amemiya states that according to sunshine law, board packets are required to be circulated 48 hours prior to the meeting. If you miss the 48 hour deadline then all you can do is bring the material to the meeting. She adds that this is not set in stone and is a starting point for discussion. She adds that a lot of boards use PIGs to do groundwork such as interviews with stakeholders as they are not subject to the sunshine law. The plan can be discussed in open session. She states that a sub-committee is also an option.

Mr. Syrmos agrees with the sub-committee suggestion.

Mr. Wicker shares that he believes both PIG and sub-committee could be utilized.

Mr. Kim shares agreement with Mr. Syrmos.

Ms. Amemiya reiterates that PIGs are not subject to sunshine law while sub-committees need to adhere to sunshine law. The PIG's duties are established and required to adhere to the scope of duties laid out, therefore it is controlled despite not having to adhere to sunshine law.

Chair states that the big reason for a PIG was to make short term goals for the coming legislative session. The suggestion of the PIG was to be time efficient as board members need to coordinate schedules.

Mr. Syrmos requests for a motion to form a subcommittee to create a strategic plan.

Motion to create a subcommittee to create a strategic plan made by Mr. Syrmos /
Second by Mr. Wicker.

Mr. Sullivan shares that in his experience with interviewing stakeholders they may refrain from sharing if the meeting is held in public but understands transparency.

Chair states that the discussion should be routed to what the goal is with the decision of how to develop a strategic plan.

Mr. Wicker states that there needs to be short term goals to present to legislators to argue for funding.

Mr. Barnabas states that the short-term plan seems to take importance over the strategic plan to present to legislators.

Chair questions if the board should focus on a tactical plan rather than strategic plan.

Mr. Wicker states that there needs to be recommendation by the board by end of August.

Ms. Amemiya states that sub-committee is not spelled out in sunshine law and is based on best practices.

Mr. Syrmos states that the \$6 million funding should be included in the base budget.

Chair questions what the board is looking for and the base of the sub-committee duties.

Mr. Barnabas states that there should be a status assessment.

Chair states that the consensus is to generate a current state assessment, compile a report, and recommendations and justification. The projected due date is by an August scheduled board meeting.

Chair requests for a motion to amend the prior motion to establishing a subcommittee with the purpose of a current state assessment of the organization that leads to the budgetary request of the next 2025-2027 years.

Motion made by Mr. Syrmos / Second by Mr. Kimura

No testimony received.

Motion approved, 8-0.

Chair asks for members to volunteer to sit on the subcommittee.

Mr. Kimura, Mr. Kim, Mr. Sullivan, Mr. Syrmos, and Deputy Director Wicker volunteer.

Mr. Kim questions if non-director persons can be a voting member.

Chair states yes, but it must be subject to a board vote.

Chair states that Mr. Inouye is on the subcommittee but not a voting member.

Chair tentatively appoints Mr. Sullivan as subcommittee chair and will be discussed more on the first subcommittee meeting.

8. Executive Director's Report

a. 2024 Legislative Session

Mr. Gomez states that House Bill (HB) 1800 House Draft (HD) 1 Senate Draft (SD) 1 contains no additional funding above the base budget. Within the SD is a \$12 million CIP to purchase a building, changes mode of funding for 4 positions to the strategic development revolving funds and eliminates one federally funded position. He mentions HB679 which authorizes the Budget and Finance Director to lapse \$5 million from the revolving fund. This lapse was also included in Senate Bill (SB) 582 but was taken out in the most recent version. SB2497 extends the research and development tax credit an additional 5 years, and no cap on the amount allotted is set. The language that HTDC requested to change to a date stamp method rather than first come first served. Lastly, SB2291 creates a workforce development advisory board on the technology industry.

b. HTDC Sponsorship

Deferred.

c. Facilities

i. Entrepreneurs Sandbox

Deferred.

ii. Maui Research and Technology Center

Deferred.

d. Budget

Mr. Gomez states that with board approval of the MAP and HSBIR grants awardees the Section 5 funding provided by the Governor is expended. The support funds received from the legislature for the State Small Business Credit Initiative (SSBCI) will be transferred to the revolving fund in the 4th quarter. HTDC should be able to expend available general funds appropriated to HTDC.

9. Program Updates

a. Hawaii Small Business Capital Program (HI-CAP) Program

Deferred.

b. Accelerator Program

Deferred.

c. INNOVATE Hawaii Program

Deferred.

d. Hawaii Center for Advanced Transportation Technologies (HCATT) Program

Deferred.

e. Aerospace Program

Deferred.

10. Announcements

None.

11. Adjournment

Chair calls for a motion to adjourn.



Motion to adjourn made by Ms. Fujiyama / second by Mr. Wicker

Meeting adjourned at 12:31 p.m.

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