



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

June 17, 2024

**Entrepreneurs Sandbox – Purple Room
643 Ilao St., Honolulu, HI 96813**

Member(s) Present

Craig Nakanishi, Chairperson (Mr. Nakanishi)
Rick Volner Jr., (Mr. Volner Jr.)
Edward Barnabas, (Mr. Barnabas) (arrived at
10:34)
Gregory Kim, (Mr. Kim)
Matthew Sullivan, (Mr. Sullivan)
Mark Ritchie, (Mr. Ritchie) for DBEDT

Staff Present

Sandi Kanemori (Ms. Kanemori)
Wayne Layugan (Mr. Layugan)
Cassidy Wong (Ms. Wong)
Ray Gomez (Mr. Gomez)
Matthew Kobayashi (Mr. Kobayashi)
David Molinaro (Mr. Molinaro)
Wendy Oshiro (Ms. Oshiro)

Member(s) Absent

Sandra Fujiyama, Vice Chair (Ms. Fujiyama)
Vincent Kimura, (Mr. Kimura)
Vassilis Syrmos, (Mr. Syrmos)

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 10:18 a.m.

2. Roll Call

Members Present: Chair, Mr. Kim, Mr. Ritchie, Mr. Sullivan, and Mr. Volner Jr., Mr. Barnabas (arriving at 10:34 a.m.)

3. Approval of April 23, 2024 Minutes

Chair requests for motion to approve the April 2023, 2024 minutes.

Motion to approve the April 23, 2024 minutes made by Mr. Sullivan / Second by Mr. Ritchie

No testimony received.

Motion approved, 5-0. (Mr. Barnabas not present).

4. Executive Director Search

Ms. Kanemori briefs on latest update of the executive director recruiting firm. She states that in the last board meeting she received approval to go ahead with the lowest bidder of the award process, CPS HR Consulting. There was a possible protest made by Bishop and Company therefore Ms. Kanemori went through the steps of formally addressing it. She stated that there needed to be a debrief before an official protest, and the possible protest was made under the guise of CPS HR Consulting not being licensed to do staffing within Hawaii. Through more investigation and consultation with the Department of Commerce and Consumer Affairs (DCCA) she found that CPS HR Consulting is not required to be licensed for staffing as they are just recruiting for HTDC. Ms. Kanemori later reconvened with Bishop and Company to explain and asked if they would like to continue to file the protest. Bishop and Company decided not to, but a period was left open for the protest. The time for the protest passed and now HTDC can go forward with the contract. It is estimated to be effective the next week.

5. Subcommittee on Current State of HTDC Assessment and Legislative Budget Request – Status Update

Mr. Sullivan shares that the subcommittee has worked through three core program presentations from the Manufacturing Assistance Grant Program (MAP), Hawaii Small Business Innovation Research (HSBIR) Program, and Accelerator Program. He states that he feels they were very effective. The subcommittee now intends to schedule program presentations for the other programs. They later will need to do a review along with recommendations to the board on next steps.

6. Program Presentations



Posted on 11/20/24 @ 10:15 am

Hawaii Technology Development Corporation

521 Ala Moana Blvd Ste 255
Honolulu, Hawaii 96813

808-539-3806
www.htdc.org

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

Mr. Gomez introduces the HI-CAP program. HI-CAP is the state's program funded by the State Small Business Credit Initiative (SSBCI). The American Rescue Plan Act of 2021 (ARPA) reauthorized and expanded the Small Business Jobs Act of 2010 to provide \$10 billion to fund the SSBCI Program as a response to economic effects of the COVID-19 pandemic. In the 2019 legislative session, Act 56 transferred all the Hawaii Strategic Development Corporation (HSDC) powers to HTDC. HSDC was the administrator of SSBCI in 2011. For SSBCI 2.0, Hawaii's allocation is up to \$62,021,957. The allocated amount is based on a calculation by the Treasury. To obtain the maximum amount, there are some metrics based on socially and economically disadvantaged businesses (SEDI) and very small businesses (VSB). HTDC has since received the 1st of three tranches. While HTDC is the lead agency, HTDC has partnered with the Hawaii Green Infrastructure Authority (HGIA) to apply for SSBCI. As mentioned, there were metrics that had to be met to eligible to receive funding for SSBCI. Some metrics include the SEDI, 1:1 financing ratio, and 10:1 leverage ratios. Teaming with HGIA allowed our overall application to meet all the requirements. The first tranche of funds has been committed to three funds. Startup Capital Ventures and Softbank with about less than \$5,000,000 due to \$138,000 for an unallowed investment, Hatch (sidecar of Hawaii investments) \$5M, BV4 \$650k want to increase to \$1.3 because they were able to find more matching funds.

Mr. Kim questions what the time frame is for HTDC to deploy the money from SSBCI.

Mr. Gomez states three years.

Mr. Barnabas questions why the investments do not surround technology.

Mr. Gomez explains that due to HTDC inheriting the program from HSDC it is under a separate statute that focuses on early-stage investments and not necessarily just technology.

Mr. Kim states that he feels that HTDC should be aiming for technology centric investments regardless because the agency's statute should take precedence.

Mr. Barnabas adds that if the recent activities made by the agency is centered around technology such as looking for an executive director with a technology background, then technology should be more prevalent.

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





Posted on 11/20/24 @ 10:15 am

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Mr. Molinaro provides a brief overview of the HCATT program and their recent activities. HCATT's mission is to inspire and transform Hawaii's clean energy future, and their vision is to put hydrogen as the forefront. HCATT also promotes and facilitates Department of Defense (DoD) level objectives. Current activity includes Cooperative Agreement with Air Force Research Laboratory (AFRL), and other activities include Joint Base Pearl Harbor-Hickam Hydrogen Station, Hydrogen Fuel Cell Electric Vehicles (FCEVs), and Net Zero Hangar. Outlook and opportunities include transitioning to hydrogen FCEVs and technologies from demonstration to mission support, expand alliance with other military entities, and support the state's hydrogen development. HCATT is positioned to become a United States Air Force (USAF) / DoD center of excellence for microgrid and hydrogen technology development, management, and operations.

Mr. Sullivan questions how HCATT initially got attached to HTDC.

Mr. Molinaro states that he does not know the exact history of how HCATT came to be attached to HTDC, but he feels that HTDC was the best agency to be attached to. Rather than the Hawaii State Energy Office, HTDC supports technological advancements along with economic diversification which he intends to do the same with HCATT.

Mr. Kim asks what type of entity HCATT is.

Ms. Amemiya states that HCATT is within HTDC and is not a separate entity.

Mr. Sullivan questions if HCATT is primarily a contract vehicle.

Mr. Molinaro replies that HCATT is primarily a contract vehicle, but he aims to expand the activities of HCATT. Activities including outreach regarding educating the public about hydrogen and more.

Mr. Kim asks what becomes of the intellectual property when HCATT's projects are finished.

Mr. Molinaro states that it will all be owned by the state.

7. Executive Director's Report

A. HTDC Sponsorships

Ms. Kanemori states that the Chamber of Commerce of Hawaii was awarded \$60,000 on March 11, 2024 to support the Manufacturing in Hawaii Initiative which was a one-year sponsorship. An additional sponsorship of \$2,000 was made recently to Thrive Hawaii who has held many events at the Entrepreneurs Sandbox.

B. Facilities

i. Entrepreneurs Sandbox

Ms. Kanemori updates that Entrepreneurs Sandbox recently received a new tenant for several offices.

ii. Maui Research and Technology Center

Ms. Kanemori updates that the Federal Emergency Management Agency wants to occupy more space as they are having about 50 people come from Oahu to Maui.

C. Budget

Ms. Kanemori updates that the section 5 funding is being awarded and spent as the board approved of the MAP (Manufacturing Assistance Program) and HSBIR (Hawaii Small Business Innovation Research) grant awardees. The SSBCI support funds of \$5,000,000 will also be transferred into the revolving fund.

Mr. Gomez states that House Bill 1800 provided HTDC with \$2,000,000 each for the three core programs along with a position for the aerospace program. This has not been signed by the Governor yet.

8. Program Updates

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

Ms. Kanemori updates that \$792,935 was awarded to HTDC through the SSBCI Technical Assistance program.

B. Accelerator Program

Ms. Kanemori updates that the 2024 Accelerator and Small Business Training solicitation for services has been awarded to 9 programs. All awardees are committed to provide extended program support to Maui by prioritizing Maui applicants and offering training opportunities either on-island or virtually to companies in need.



C. INNOVATE Hawaii Program

Mr. Layugan updates that two federally funded positions for Innovate Hawaii were filled. The Department of Energy project that was mentioned in previous board meetings has kicked off.

D. Hawaii Center for Advanced Transportation Technologies (HCATT)

No update.

E. Aerospace Program

Mr. Kobayashi briefs on the current progress made by the aerospace program. The statewide assessment of aerospace assets has been completed and Mr. Kobayashi is working with Deputy Director Wicker to narrow down the programs they want to support.

9. Adjournment

Chair calls for a motion to adjourn.

Motion to adjourn made by Mr. Sullivan / second by Mr. Barnabas

Meeting adjourned at 11:41 a.m.