



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism



BOARD OF DIRECTORS

MEETING MINUTES

Tuesday, February 18, 2020

10:30 a.m.

An Interactive Conference Technology Meeting was held between the following three locations:

NELHA OceanView Conference Room Hale Iako 73-970 Makako Bay Drive, Kailua-Kona, HI 96740

Members / Designees

Dr. Gerry Cysewski (Tenant Representative)
Neil Sims (Tenant Representative)
William Mielcke (Gov Appointee/Vice Chair)

Guests / Staff Present

Laurence Sombardier (NELHA)
Jan War (NELHA)
Ross Matsuyama (Mats4)
Alex Matsuyama (Mats4)
Burke Matsuyama (Mats4)

County of Hawaii - Research and Development Conference Room 25 Aupuni Street, Suite 1301, Hilo Hawaii 96720

Members / Designees

Diane Ley (County of Hawaii)

Guests

None

DBEDT Conference Room No 506 250 S. Hotel Street, Honolulu, HI 96813

Members / Designees

Alan Hilton (RAC Chair)
Phil Bossert (RAC Secretary)
Linda Rosehill (Gov. Appointee/Chair)
Cyd Miyashiro (Gov Appointee)
Chung Chang (DBEDT Representative)

Guests

Rachelle Madden (IES/Texaco)
Tim Parker (IES/Texaco)
Daniel Jacobs (Deputy AG)
Greg Barbour (NELHA Executive Director)

Members Excused

Dr. Vasillis Syrmos (UH)
Robert Masuda (DLNR)

1. Call to Order.

The meeting was called to order by Chair Rosehill at 10:36 a.m.

2. Old Business.

- a. Discussion and Decision-Making regarding Final Approval for up to two (2) acres Short Term Lease to Symbrosia Inc.

Chair Rosehill started off the discussion by asking that board members and the public in attendance introduce themselves at each of the locations where the interactive conference meeting was taking place.

NELHA Deputy Director Sombardier next announced that this agenda item is a follow up of the January 21, 2020 board meeting where the Board approved the Symbrosia Inc. project and a two (2) acre short term lease for this project at the former HDMI facility. There is no change concerning this project since the January 21st meeting. All the background information presented at that meeting has been included again in this meeting's board book.

Although the lease for this project was approved at the January meeting, due to a recusal from voting by two of the Directors at that meeting, a quorum was not present to vote on the lease rate. As such, the lease rate decision was deferred to this meeting. The fee would be \$500 per acre per month. The size of the lot requested by Symbrosia at the former HDMI facility might be somewhat reduced and they will also be renting a small space within the building at a rate of \$2.25 per square foot per month. These rates are in line with NELHA lease and rental rates, as established by the Board. The recommendation from the staff is to approve these rates for the Symbrosia Inc. project.

Chair Rosehill entertained a motion to approve the lease rates as described. Director Hilton approved the motion. Director Bossert seconded the motion. The two tenant representatives, Director's Sims and Cysewski recused themselves from voting. A vote was then taken, and the motion passed unanimously (7-0).

3. New Business.

Discussion and Decision Making regarding NELHA Default Notification and Consent to Grant of Purchase Option and Right of First Refusal between Mats4 LLC and IES Retail, LLC.

NELHA Deputy Director Sombardier indicated that this is a request for approval for the board to consent to a Grant of Purchase Option and Right of First Refusal (POROFR) between Mats4 LLC and IES Retail, LLC. IES Retail is a distributor for Texaco and partner for the Mats4 project for the fuel distribution station aspect of the development. IES Retail will be providing substantial capital to construct the fueling station and providing fuel once the station is operating. The information concerning the POROFR is included in the board book and was summarized by Deputy Director Sombardier. This POROFR gives IES Retail the ability (but not the obligation) to purchase Mats4 property should Mats4 not meet its obligations, which consists mainly of purchasing fuel from IES Retail according to a supply agreement. Since such a purchase would trigger a lease assignment from Mats4 to IES Retail, it is requested that NELHA provide consent to the POROFR.

The term of the proposed draft POROFR document would be 15 years. Any purchase by IES Retail would trigger the lease assignment clause paragraph 29 of sublease K-36 which includes the ability of the Board to review and approve or disapprove. The POROFR document is included in the board book for this meeting. NELHA AG has reviewed the POROFR and made some suggestions, all of which have been accepted.

Staff recommends approval for the POROFR request. Three representatives from Mat4 attended the meeting location in Kona and two IES Retail representatives from Texaco attended the Honolulu meeting location. Chair Rosehill asked the representatives if they wanted to speak on their behalf.

Hearing no further comments, Chair Rosehill entertained a motion. Director Bossert made a motion for approval, which was seconded by Director Hilton. The motion was approved and seconded with no further discussions. A vote was then taken, with the motion being carried unanimously.

4. Announcements.

No announcements were made

5. Adjournment.

Chair Rosehill entertained a motion to adjourn the meeting. Director Sims approved the motion, which was seconded by Director Mielcke. The meeting was adjourned at 10:43 a.m.