



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

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



Draft

**BOARD OF DIRECTORS
MEETING MINUTES
Wednesday December 15, 2021
11:00 a.m.**

An Interactive Conference Technology Meeting was held at

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

and via Zoom Video Conferencing Software.

Members/Designees in Attendance

William Mielcke (Gov. Appointee/Chair)
Cyd Miyashiro (Gov. Appointee/Vice Chair)
Chung Chang (DBEDT)
Robert Masuda (DLNR)
Douglass Adams (County of Hawaii)
Dr. Phil Bossert (RAC Secretary)
Alan Hilton (RAC Chair)

Guests/Staff Present

Greg Barbour (Executive Director)
Laurence Sombardier (NELHA)
Keith Olson (NELHA)
Dr. Alexander Leonard (NELHA)
Bryan Yee (Deputy AG)
John Cole (Deputy AG)
Kate Logan (County of Hawaii)
Yee Lee (Terraformation Inc)

Board Members Not Attending and Excused

Linda Rosehill (Gov. Appointee)
Dr. Vassilis Syrmos (University of Hawaii)
Dick Jones (Tenant Representative)
Neil Sims (Tenant Representative)

73-4460 Queen Kaahumanu Hwy., #101, Kailua-Kona, Hawaii USA 96740-2637
Phone: (808) 327-9585 Fax: (808) 327-9586 Email: nelha@nelha.org Website: <http://www.nelha.hawaii.gov>

- **Item 1. Call to Order.**

The meeting was called to order by Chair Mielcke at 11:04 a.m. Chair Mielcke requested a roll call of Board members, NELHA staff, and guests in attendance.

- **Item 2a. Discussion and Decision Making Regarding Final Approval for Terraformation Inc. for sublease of the Gateway Center.**

Deputy Director Laurence Sombardier summarized the item and stated that Terraformation, Inc. (“Terraformation”) is requesting a final approval to utilize the NELHA Gateway Center including its two main buildings and some outdoor space for their Ridge to Reef Sustainability Project.

As described at our November 16, 2021, Board meeting Terraformation (<https://www.terraformation.com/>) aims to positively impact climate change through native forest restoration. The company develops and tests solutions including solar desalination technology to address freshwater scarcity in arid lands and off grid seed banks. Terraformation has partnered with Arizona State University (“ASU”) Center for Global Discovery and Conservation Science to build a coral restoration facility. Terraformation requires office and meeting space for their employees and volunteers as well as outdoor space for a seed bank and for coral restoration work. The Gateway facility buildings and outdoor space will suit the project very well. This project is strongly supported by the County of Hawaii who believes it can serve as a catalyst for sustainability projects both north and south of the Gateway facility.

Approval in concept was provided by the NELHA Board at the November 16, 2021 meeting. NELHA staff also followed up on the seven areas of concern listed in the staff summary and recommendation presented at the November 16, 2021, Board meeting.

It is important to note that Terraformation plans to partner and collaborate with a variety of organizations with the aim to address global climate change challenges. Some of the partners such as ASU, KCS and the County of Hawaii may have regular on-site presence. Terraformation would like to enter into sublet agreements with these three organizations and is requesting Board approval to do so at this time. NELHA staff is comfortable with this request. The term of the sublet agreements must not exceed the term of the Terraformation agreement with NELHA. The subletters must comply with all the Terraformation lease clauses and Terraformation is responsible for any activities taking place under the sublet agreements. Any new projects and/or activities not described in the final proposal will need to be brought to NELHA staff and Board for approval, especially if these require a subletting situation.

The rented space includes two main areas: 1) the Gateway site which includes office, bathrooms, and conference room as well as outside space surrounding the buildings (including some dedicated parking stalls). This will have a flat fee of \$10,000/month; and 2) one-acre outdoor uncovered graded space across from the Gateway buildings. This is rented at the leasing policy fee of \$500/acre for productive use which both coral restoration and seed bank projects qualify for.

As such, staff recommends that the NELHA Board provide a final approval for the Terraformation project including the potential subletting to ASU, KCS and County of Hawaii and direct NELHA staff finalize and execute a lease agreement with the approval of the NELHA Deputy Attorney General.

Mr. Yee Lee from Terraformation mentioned that they are very aware of the visual sensitivity of the area and will work closed with NELHA staff regarding pre-approval of any developments.

Chair Mielcke entertained a motion to approve staff recommendation. The motion was made by Director Hilton and seconded by Director Adams.

Director Masuda asked about having a nursery at the site. Mr. Lee stated that they will use this site to showcase Terraformation's projects and there are five other projects and nurseries around the island in different climate zones.

The Board voted by roll call. The motion carried unanimously 7-0

- **Item 3. Announcements.**

None.

- **Item 4. Adjournment.**

Chair Mielcke adjourned the meeting at 11:19 a.m.

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