



## MINUTES OF THE LUNCHEON MEETING OF THE BOARD OF DIRECTORS

Wednesday, 28 October 2015

#1 Capitol District Building, 250 South Hotel Street, Room 436, Honolulu, HI 96813

### MINUTES

#### PRESENT

H. Brian Moore, Chair  
Keiki-Pua Dancil, Vice Chair  
Jon Wallenstrom  
James Moonier  
Michael O'Malley  
Mary Alice Evans, Acting Director DBEDT  
Roderick Becker

#### EXCUSED

Ann Chung  
Fred Hemmings

#### STAFF

Karl Fooks, President  
Gregg Kinkley, DAG

#### GUESTS

- **CALL TO ORDER:** Meeting called to order by the Chairman at 12:20 PM.
- **19 August 2015 MEETING MINUTES:** Minutes were approved.
- **mbloom Fund I:**
  - Arben Kryeziu, General Partner of mbloom Fund I and Lauren Primiano presented an update of the fund's activities.
  - **DECISIONS:** The Board unanimously approved entering into Executive Session at 12:25 PM to receive mbloom's presentation that contained proprietary information of the fund's portfolio and operations.
  - **DECISIONS:** The Board unanimously approved exiting Executive Session at 1:00 PM.
  - **DECISIONS:** The Board unanimously approved the continued operation of mbloom Fund I with only one member of the General Partnership, Arben Kryeziu.
- **Startup Capital Ventures Fund II:**
  - Tim Dick, General Partner of Startup Capital Ventures Fund II, presented an update of the fund's activities. The Fund achieved its final close and is now capitalized at \$28.3 million. Kamehameha Schools and HiERS are investors in the Fund as well a British company pension fund and a large Chinese fund of funds.
  - **DECISIONS:** The Board unanimously approved entering into Executive Session at 1:08 PM to receive Startup Capital's presentation that contained proprietary information of the fund's portfolio and operations.
  - **DECISIONS:** The Board unanimously approved exiting Executive Session at 1:27 PM.
  - **ACTIONS:** The Board thanked Tim Dick for his presentation.
- **2015 Annual Report:**
  - **DECISIONS:** The Board reviewed and unanimously approved the 2015 Annual report subject to corrections for typo's and fact checking the financial statements.
- **President Performance Evaluation:**

- **DECISIONS:** The Board unanimously approved Jon Wallenstrom and James Moonier to form a Special Investigative Sub-Committee to review and prepare a report on the President's Performance Evaluation for 2015.
- **UHERO Proposal:**
  - Dr. Carl Bonham presented a proposal for HSDC to provide a \$200,000 commitment to anchor a fund raising effort to fund a position at UHERO focused on innovation based economic development. UHERO currently does not have the expertise to research and report on entrepreneurship and innovation and is looking to hire someone to be able to develop reports to provide input into the policy making and evaluation process.
  - Business leaders in the community have expressed interest to support this proposal.
  - Member Moonier asked about the type of candidate UHERO is seeking to hire. Dr. Bonham replied that Professor Morretti is a "star" in this field and his graduate students or network would be investigated for potential candidates.
  - Chair Moore and several members asked about the structure of UHERO, how it operates in the UH context, and how this funding would be approved and administered by the university.
  - Member O'Malley asked about who in the business committee has expressed interest. Richard Wacker of the Hawaii Business Roundtable has been helpful in this process.
  - Member Dancil asked about the fund raising amounts. Dr. Bonham replied that \$100,000 is a target, but smaller is possible. A minimum total of \$500,000 is the target raise that would be used as a permanent fund to sweeten a salary offer to a candidate, or any future holders of this position.
  - The President noted that the Hawaii Business Roundtable innovation study that HSDC supported cost over \$100,000. This position would support the generation of sustained reports for this sector on a consistent basis that can help HSDC measure the effectiveness of its investment programs.
  - Member Wallenstrom asked for clarifications on the parameters of the commitment.
  - Member Becker questioned whether HSDC will get \$200,000 of value from UHERO and whether the HI Growth Initiative is allowed to fund this type of investment. The President replied that reporting on Hawaii's innovation sector is only available on an ad hoc basis and is expensive. A focused effort from UHERO will provide ongoing reports in this area. Member Dancil suggested HSDC provide B&F the cost of the two most recent reports on Hawaii's innovation sector.
  - **DECISIONS:** The Board voted to approve the proposal with Roderick Becker abstaining. 7 affirmative votes are necessary to approve a proposal and the proposal was not approved.
- **Member Wallenstrom left the meeting at 2:00 PM and quorum was lost.**
- **Legislative Agenda:**
  - The President reported, as a presenter, that the Administration is considering introducing a bill that would provide \$5 million of funding, on an annual basis, to the HI Growth Initiative.
  - The President showed a video of the LA announcement of the GVS Connect service, a gigabit hub for the film and content creation industry.
  - This report will be reported to the Board at the next meeting.
- **HTDC Report:**
- **NELHA Report:**
- **Public Input and Discussion:**
- **Request for Future Agenda Items:**
- **MEETING ADJOURNED:** Meeting adjourned at 2:00 PM.

*Kal Fede*