



**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

Monday, 30 April 2018

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

Member	Present	Excused	Guests
Michael O'Malley, Chair	X		Robbie Melton
Keiki-Pua Dancil, Vice Chair	X		
James Moonier		X	
Jon Wallenstrom	X		
Ann Chung		X	
Marissa Sandblom	X		
Mark Tsuda	X		
Craig Nakanishi	X		
vacant			
DBEDT: Luis Salaveria	X		
NELHA: William Mielcke (Greg Barbour)	X		
HTDC: Elijah Yip	X		
<b>Staff</b>			
Karl Fooks, President	X		
Jennifer Waihee-Polk, DAG	X		

- **CALL TO ORDER:** Meeting called to order by the Chair at 12:02 PM.
- **12 March 2018 MEETING MINUTES:** Minutes were approved.
- **2018 Legislative Agenda:**
  - The President briefed the Board on SB 48, a bill that repeals HSDC in July 2020 and places its functions into HTDC. The Budget Bill eliminated the HSDC Associate Position. The Budget Bill did include an appropriation for NELHA to fund an aquaculture accelerator. However, the budget proviso stipulated that NELHA work with the Dept. of Agriculture and the Agribusiness Development Corporation.
  - Robbie Melton reported on the new appropriations for HTDC to provide grants to support research activities. The "Excellerator" grant program was also provided an appropriation.
  - The members of the Board discussed the motivations for the SB 48, the likelihood of passage and the potential consequences for HSDC.
  - The President briefed the Board on the status of HSDC's cash balances to continue operations and funds available for investment.
  - **ACTIONS:** The Board requested the President develop a recommendation for an investment strategy with the expectation that SB 48 will pass.

- **EDA Grant:**
  - The President recommended that HSDC no longer pursue the Aquaculture Initiative given the Legislature's stance on the aquaculture accelerator appropriation and SB 48's intention to repeal HSDC. This would also entail HSDC declining the EDA Seed Fund Grant that was positioned to support a commercialization program that could be tailored for the aquaculture industry. The grant requires HSDC to find a fund management team to implement the commercialization program and raise an investment fund. HSDC must match the EDA grant with \$350,000 of HSDC funds. The President recommended that HSDC use its remaining resources and time to support its existing investments rather than start new initiatives where HSDC is not seen by the Legislature as the preferred partner.
  - Chair O'Malley asked about HSDC's current obligations under the grant. The President reported that although the grant was accepted, HSDC has not yet drawn any funds under the grant. HSDC has informed the EDA that it is considering declining the grant.
  - Vice Chair Dancil recommended that HSDC not commit funds under HSDC's name into projects where it will not be in control of the use of the funds.
  - Member Wallenstrom asked how the EDA expected the grant fund to be used. The President reported that the grant was meant to support the fund raising for a new seed fund. Given tenuous position HSDC will be in if SB 48 is passed, it will be difficult for HSDC to sponsor a new fund and attract new investors to Hawaii under these circumstances.
  - **ACTIONS:** The Board requested the President develop a recommendation for the use of the EDA grant with the expectation that SB 48 will pass.
- **Annual Performance Review:**
  - Chair O'Malley requested that this item be deferred to the next meeting.
- **Portfolio Report:**
  - The President provided the quarterly report of HSDC cash balances and the HSDC commitments by fund.
- **HTDC Report:**
- **NELHA Report:**
- **MEETING ADJOURNED:** Meeting adjourned at 1:00 PM.

*Karl E. Fodds*