



MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Monday, 8 October 2018

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

Member	Present	Excused	Guests
Michael O'Malley, Chair	X		
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 (Mary Alice Evans)	X		
NELHA: William Mielcke	X		
HTDC: Elijah Yip	X		
Staff			
Karl Fooks, President	X		
Jennifer Waihee-Polk, DAG	X		

- **CALL TO ORDER:** Meeting called to order by the Chair at 12:05 PM.
- **27 August 2018 MEETING MINUTES:** All Minutes were approved.
- **Terminating EDA Grant:**
 - The President reported that the EDA strongly requested that HSDC remain the lead recipient to facilitate the restructuring of the Seed Fund Grant. UH Ventures and NELHA will be added as co-recipients with UH Ventures taking responsibility for executing the scope of work and providing the matching funds. NELHA will be responsible for report completion and filing with the EDA.
 - **DECISIONS:** The Board unanimously approved the restructuring of the EDA Seed Fund Grant and approved the Joint Management Agreement that requires UH Ventures to provide project management and matching funds, and for NELHA to be responsible for report completion and filing with the EDA.
- **Venture Capital Report:**
 - Donovan Kealoha, Partner at Startup Capital Ventures and Alec Wagner, Director, Purple Prize, at the Purple Maia Foundation presented their report, Venture Capital in Hawaii 2010 to 2018. The report highlighted four trends indicating the growth and development of the

Hawaii venture capital market: 1) the growth in local deal flow; 2) the development of an active software industry subsector; 3) the consistency of VC investment year to year at \$20 million; and 4) the role HI Growth played in catalyzing these trends and attracting other ecosystem partners to partner in the growth of VC activity.

- The Board thanked Donovan and Alec for their efforts to pull the data together and write the report.
- **HSDC 2018 Annual Report**
 - The President presented the draft of the 2018 Annual Report and said the Venture Capital Report would be included as a featured attachment. There may still need to be some final editing and formatting for the Annual Report and the Venture Capital Report before it is published
 - **DECISIONS:** The Board unanimously approved the 2018 Annual Report with approval to undertake editing and formatting changes to finalize the report.
- **The Meeting lost quorum at 12:37 PM as Member Nakanishi had to leave. The Board permitted the presentation of the Capital Scan Project by Noe Kalipi.**
- **Capital Scan Project:**
 - Noe Kalipi, of Kalipi Enterprises, presented the project scope and budget of the Capital Scan Project. In 2017, driven by a decrease in state and federal funding, a more competitive grant environment, and a recognition by the philanthropic community in Hawaii that grants alone cannot solve for Hawaii's social and environmental challenges, Hau'oli Mau Loa Foundation, the Kamehameha Schools, Hawaii Investment Ready, Ulupono Initiative, the Liliuokalani Trust, the Office of Hawaiian Affairs, the KL Felicitas Foundation, and the Hawaii Community Foundation came together to create The Leveraging Hawaii Capital for Hawaii Nei (LHC) workshops to focus on place-based and alternative finance strategies and case studies.
 - In response to the request for a capital scan, a planning team was assembled with Hau'oli Mau Loa, Kamehameha Schools, the Lili'uokalani Trust, Hawaii Investment Ready and the Community Foundation to scope the project, identify the project team, and fund raise. A contract was executed with Occam Advisors, the firm that worked with Meyer Memorial Trust to deliver the Oregon Capital Scan, to provide guidance and feedback to the scoping process and to the Hawaii research team. Based on this scoping, a second contract was executed with Kalipi Enterprises to execute on the first tranche of research on the supply side.
 - The project is looking for additional sponsors to fund the data gathering, report publication, and a series of workshops with stakeholders to communicate the findings. HSDC has already contributed the data set it funded for the Venture Capital Report to this effort.
- **Portfolio Report:**
 - The President reported that UPSIDE called \$250,000 to fund a follow-on round in Kinetikor. They have reached agreement on the winding down of the fund and will send a letter to HSDC to set out the details.
- **MEETING ADJOURNED:** Meeting adjourned at 12:37 PM.