

Written Statement of
YUKA NAGASHIMA
Executive Director & CEO
High Technology Development Corporation
before the
HOUSE COMMITTEE ON FINANCE
Thursday, March 29, 2012
3:00 PM
State Capitol, Conference Room 308
In consideration of

SB2239 SD1 HD1 RELATING TO ECONOMIC DEVELOPMENT.

Chair Oshiro, Vice Chair Lee, and Members of the House Committee on Finance:

The High Technology Development Corporation (HTDC) **strongly supports SB2239 SD1 HD1** regarding establishing a venture accelerator funding program under the Hawaii Strategic Development Corporation (HSDC).

The venture accelerator funding program aims directly at seed/early stage capital - one of the most significant challenges a high tech startup faces. Targeting this critical junction allows money and mentor's guidance to have great impact - concepts mature rapidly into prototypes and products, and business models are tested and validated or respun.

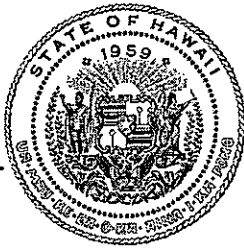
The venture accelerator model has been successfully implemented in many other states. Most notably by Y-Combinator (Silicon Valley) and Tech Stars (multiple sites – Boulder, Boston, Seattle, New York City) the latter boasting impressive statistics – since the program started in 2007 82% of companies are still alive, 63% of companies secured funding (orders of magnitude greater than the original investments), and over 8% of alumni companies have already been acquired.

For the State, the program offers the following immediate benefits:

- Recruiting and developing a fresh pipeline of tech startups that can feed into the HTDC incubation program
- Advancing early stage tech companies and positioning them to secure equity financing from local, domestic, and foreign investors / feed into HSDC's investment portfolio
- Creating a competitive advantage in securing federal economic development grants that require in-kind matches

The venture accelerator funding program is a missing piece in creating a strong core of innovation programs to promote technology based economic development in the state.

We respectfully request correction of the defective effective date and assure clear passage of this bill. Thank you for the opportunity to submit testimony on this bill.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
RICHARD C. LIM
Director
Department of Business, Economic Development, and Tourism
before the
COMMITTEE ON FINANCE

March 29, 2012
3:00 P.M.
State Capitol, Conference Room 308

in consideration of
SB2239, SD1, HD1
RELATING TO ECONOMIC DEVELOPMENT.

Chair Oshiro, Vice Chair Lee, and Members of the Committee on Finance.

The Department of Business, Economic Development and Tourism supports SB2239, SD1, HD1, provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

Small businesses are the engine of job creation. Startup ventures, in particular, create new jobs in high wage, knowledge based industries. This program would help to develop a critical component of the innovation ecosystem that Hawaii currently lacks.

Venture accelerators fill an important gap in the innovation ecosystem by providing business expertise to startup ventures that lack the management experience to quickly build a business organization and by providing seed funding to startup companies unable to use grant funds for commercialization, but too small to raise conventional financing.

By creating the supporting infrastructure to provide entrepreneurs the tools to build businesses able to compete for venture capital financing, venture accelerators will enhance the ability of Hawaii's entrepreneurs to create sustainable businesses and quality jobs for our community.

Venture accelerators can be established to accelerate the commercialization of university research and leverage the University of Hawaii's growing research prowess. Similarly, entrepreneurs in the creative industry can be empowered to compete for investment capital and increase the export of creative products developed in the state. Currently, there is no lack of creative development in the state, impediments to success are financial and distribution based.

We respectfully defer to the Hawaii Strategic Development Corporation, the expending agency, to provide the specifics on the program's operation, but we would like to voice our support of the bill as we believe part of the future success of Hawaii's economy will come from the growth and development of the commercial high technology and creative industries.

Thank you for the opportunity to offer these comments.



No. 1 Capitol District Building
250 South Hotel Street, Suite 508
P.O. Box 2359
Honolulu, Hawaii 96804
Telephone: (808) 587-3830

Written Statement of
The Board of Directors
Hawaii Strategic Development Corporation

before the
HOUSE COMMITTEE ON FINANCE
March 29, 2012
3:00 PM
State Capitol, Conference Room 308

In consideration of
SB2239 HD1 RELATING TO ECONOMIC DEVELOPMENT

Chair Oshiro, Vice Chair Lee, and Members of the Committee on Finance:

The Board of Directors of the Hawaii Strategic Development Corporation (HSDC) wishes to express its strong support for SB2239 HD1, legislation establishing the Venture Accelerator Funding Program. This program will address a critical gap in Hawaii's innovation eco system by funding the creation of jobs and the supporting infrastructure to provide entrepreneurs the tools to build businesses able to compete for venture capital financing. In turn, this program will greatly enhance HSDC's ability to use its \$13 million investment program to catalyze private sector investment to grow Hawaii's economy.

In May 2011, HSDC received a \$13 million allocation from the U.S. Treasury Department for the purpose of implementing a Hawaii venture capital investment program. This investment program seeks to encourage and promote private sector capital to invest alongside HSDC in investment funds dedicated to developing and launching Hawaii-based businesses. HSDC has been successful in partnering with the UH Foundation to launch a \$6 million investment fund focused on commercializing University of Hawaii technologies. We are in the process of establishing similar funds focused on specific sectors in partnership with local, institutional capital.

However, a successful investment program must first address key innovation gaps that exist in Hawaii, such as low rates of commercializing university research, a lack of risk capital, and limited talent in both top management and technical occupations. Venture accelerators address these gaps and will enhance the ability of Hawaii's entrepreneurs to create sustainable businesses and quality jobs for our community.

Through the Venture Accelerator Funding Program, HSDC will identify and finance, by competitive means, Hawaii-based, private sector teams with the experiences and networks to provide the hands-on business mentoring that can accelerate a startup's development. The intensive business mentoring and business development will allow the startup to effectively compete for investment capital from HSDC's investment program, as well as, from the Hawaii Targeted Investment Programs of Hawaii's major institutional investors.

Unfortunately, the requirements of the U.S. Treasury do not allow HSDC to finance mentoring organizations from its \$13 million allocation. Other venture investors have similar constraints. Therefore, HSDC respectfully requests an appropriation of \$5 million for the Venture Accelerator Funding Program. This level of funding will allow the establishment of up to three accelerators to focus on specific industries and provide these accelerators with three years of operating capital. This funding strategy will allow each accelerator the time needed to establish an operating track record and to find other sources of funding to sustain its operations. HSDC anticipates that this program will be able to attract and leverage grant funding from the Federal Government and philanthropic organizations.

The U.S. Department of Commerce and national philanthropic organizations, such as the Kaufman Foundation, have championed the establishment of venture accelerators across the country as they recognize the positive impact these entities have on accelerating the commercialization of new technology, the formation of new businesses, and ultimately on economic growth and job creation.

We urge you to support the Venture Accelerator Funding Program for the State of Hawaii.

Thank you for the opportunity to submit testimony on this bill.

Board Chair	H. Brian Moore, Senior Vice President, Pacific Guardian Life, Ltd.
Board Vice Chair	Danton S. Wong, Attorney at Law, Chun, Kerr, Dodd, Beaman & Wong
Board Member	Blenn A. Fujimoto, President & CEO, Central Pacific Homeloans, Inc.
Board Member	Eric B. Yee, Vice President, Private Banking, First Hawaiian Bank
Board Member	Keiki-Pua Dancil, Ph.D., Vice President, Hawaii, Bio-Logical Capital, LLC
Board Member	Jon Wallenstrom, President, Forest City Hawaii
Board Member	Alan Hayashi, Director, Public Relations & Policy Advocacy, BAE Systems Support Solutions
Board Member	Richard C. Lim, Director, DBEDT
Board Member	Assumpta Rapoza, Director, Enterprise Risk Management, HMSA
Board Member	John H. DeLong, President, Hawaiian Cement



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Written Statement of

KARL FOOKS
President

Hawaii Strategic Development Corporation
before the

HOUSE COMMITTEE ON FINANCE

March 29, 2012

3:00 PM

State Capitol, Conference Room 308

In consideration of

SB2239 SD1 HD1 RELATING TO ECONOMIC DEVELOPMENT.

Chair Oshiro, Vice Chair Lee, and Members of the Committee Finance:

The Hawaii Strategic Development Corporation (HSDC) respectfully submits comments in support of SB 2239 SD1, HD1, legislation to establish a Venture Accelerator Funding Program.

Exhibit I is a slide from the National Science Foundation that illustrates a systemic gap, often called the "Valley of Death", in the innovation ecosystem. **The venture accelerator model was developed specifically to address this gap by providing business expertise to startup ventures that lack the management experience to quickly build a business organization and by providing seed funding to startup companies unable to use grant funds for commercialization, but too small to raise conventional financing.**

This bill would provide grant funds that would be competitively allocated to entities providing **hands-on mentoring to startups to accelerate the startups' ability to attract venture capital financing.** Some of funds could potentially be used to provide capital for the startups' proof of concept efforts. By creating the supporting infrastructure to provide entrepreneurs the tools to build businesses able to compete for venture capital financing, **venture accelerators will enhance the ability of Hawaii's entrepreneurs to create sustainable businesses and quality jobs for our community.**

Successful venture accelerators have become the hubs around which entrepreneurial activity in their respective industries and regions can aggregate and create critical mass.

The Venture Accelerator Funding Program **will complement the HiERS Hawaii Targeted Investment Program and HSDC's seed capital investment program** by launching new ventures that will be attractive investment opportunities for these funds. From the entrepreneur's perspective, joining a venture accelerator would be the **next step for entrepreneurs successfully competing in the various business plan competitions and Startup Weekend events.**

The U.S. Department of Commerce and national philanthropic organizations, such as the Kaufman Foundation, have championed the establishment of venture accelerators across the country as they recognize the positive impact these entities have on accelerating the commercialization of new technology, the formation of new businesses, and ultimately on economic growth and job creation.

Examples of nationally recognized venture accelerators are Jumpstart, Inc., i2E, Inc., regionally focused accelerators; TechStars, a software focused accelerator; the Deshpande Center, a university focused accelerator; and the Sundance Labs, a film/digital media focused accelerator. These models can be adapted to fit Hawaii's competitive advantages.

Venture accelerators provide an effective pathway to commercialization for innovations developed with grant funding and can accelerate the commercialization of university research. Given the intersection of creative and technology sectors, Hawaii's technology and creative industry entrepreneurs would be empowered to increase job growth and provide advanced opportunities for Hawaii creative content export.

HSDC recommends an appropriation of \$5 million for the Venture Accelerator Funding Program. This level of funding will allow the establishment of up to three accelerators to focus on specific industries and provide these accelerators with three years of operating capital. This funding strategy will allow each accelerator the time needed to establish an operating track record and to find other sources of funding to sustain its operations.

Small businesses are the engine of job creation and startup ventures in particular create new jobs in high wage, knowledge based industries. SB2239 SD1, HD1 will provide the resources to develop a critical component of the innovation ecosystem that Hawaii currently lacks.

Thank you for the opportunity to submit testimony on this bill.

Hawaii Venture Capital Association
805 Kainui Dr.
Kailua, HI 96734
808-225-3579

To: Chair Marcus R. Oshiro, Vice Chair Marilyn B. Lee – House Committee on Finance

Subject: **SB2239 SD1, HD1** Relating to Economic Development, being heard Monday, March 29, 2012 at 3:00PM, State Capitol, Conference Room 308

Dear Chair, Vice Chair and Members of the Committee on Finance

The Hawaii Venture Capital Association (HVCA) strongly supports the provision in SB2239 SD1 regarding a venture accelerator program under the Hawaii Strategic Development Corporation (HSDC).

In order to attract investment capital to Hawaii businesses, quality deal flow is a must. Entrepreneurs face a long finance continuum that starts with self-funding and moves to angel investment, early stage venture capital and later stage venture capital. The process of developing a quality business investment opportunity requires a wide range of skills. These skills do not just show up naturally among entrepreneurs.

It has been demonstrated in many other states that a competent mentor/advisor program targeting early stage companies can have a significant impact on entrepreneurs' ability to attract key people and finance to their company.

Hawaii has tremendous potential in a variety of areas especially technology, clean energy, food sustainability and biotech, but its entrepreneurs need support and the advantage of coaching and mentorship that a properly funded accelerator can provide.

This bill can serve an important role in strengthening entrepreneurs and the businesses they are developing. I urge your committee to pass this bill.

Sincerely,

Bill Spencer
President

Personal Testimony Presented Before
The House
Committee on Finance
on
Thursday, March 29, 2012, 3PM
Conference Room 312, State Capitol
by
Peter Crouch, Dean
College of Engineering
University of Hawaii at Manoa

SB2239 HD1 – RELATING TO ECONOMIC DEVELOPMENT

Chair Marcus Oshiro, Vice Chair Marilyn Lee, and Members of the House Committee on Finance.

Aloha Chairperson Oshiro, Vice-Chair Lee and members of the Committee. Thank you for the opportunity to testify in support of SB2239 HD1. The College is a strong supporter of diversifying Hawai'i's economy through the development of high technology start-up companies and sees the establishment of funding for a venture accelerator program as a mechanism that would greatly assist this process.

The College of Engineering graduate engineers at all levels, BS, MS and PhD that have a enhanced proclivity to stay in Hawai'i when hired in local companies and agencies and thereby supplies an integral component of the jobs that are the focus of high technology start-ups. Many of the College of Engineering faculty members are increasingly involved in high technology start-ups, licenses and patent applications. Their success depends on emerging high technology companies in Hawai'i having access to suitable funding sources that the SB2239 HD1 promotes.

Thank You.



Hearing on SB2239 SD1 HD1 - Relating to Economic Development, State Capitol, ERB, Room 308

Dear Chair, Vice Chair, and Members of the ERB, EEP, FIN Committees:

My name is Russel Cheng. I support the bill SB2239 SD1 HD1.

I am an entrepreneur, born and raised in Hawaii. I started two companies in my senior year at UH. I later spent 16 years in Tokyo, Singapore, Silicon Valley and again Tokyo where I started two more companies. XM Asia was bootstrapped and hired approximately 50 staff before the WPP ad agency network bought it. Organic Asia was venture funded and hired approximately 45 staff in Asia when we took Organic Inc. to a successful IPO on the US NASDAQ. Both companies are still in business today and engage Fortune 100 customers.

I joined Leo Burnett Japan to turn around the money-losing Internet division into profit powerhouse. As Asia regional director of Microsoft, I built two Internet divisions with a portfolio of \$22 million under my management.

Upon coming home in 2007, I worked for Oceanit where I was engaged as commercialization lead. I lead three State Follow-on Funding projects: Nanoconcrete, Wind Lidar and Inspecta software, all of which enabled Oceanit to earn more business.

I am now a co-founder of Beebleo, an eBook marketplace that launches Readerie.com on April 10.

I am a mentor at HiBEAM, entrepreneur in residence Chaminade's Hogan entrepreneur program, UH Shidler and Punahou. I mentored the team that built Hawaii's first co-workspace The Box Jelly out of the Hogan program.

The venture accelerator model has been successfully implemented in many cities since 2005. David Cohen, founder and CEO of Techstars, is convinced startup entrepreneurs can create value with support from the entrepreneur community via small investments in the \$15-\$20k range in early stage Internet and software startups. Techstars posts impressive results over the last five years:

- 104 Techstar companies
- 90 active
- 9 acquired
- \$1 million average funding raised per company
- 571 employees

My long-term passion is to build the startup entrepreneur community in Hawaii. I am investing my own time and money into StartupHui LLC, a venture accelerator that helps first time Internet and software entrepreneurs kick-start their ideas into companies that will build products and seek venture funding.

StartupHui has:

- Solid commitments from 16 startup CEO/Founders with Hawaii ties to act as mentors
- Designed our summer and winter programs
- Identified suitable co-workspace facilities in Kaka'ako
- Potential investors for the program's demo day
- Active engagement with the Internet and software entrepreneur community

Your legislative kick-start funding will help kick-start this startup entrepreneur community in Hawaii.

Sincerely,

Russel Cheng
Found and CEO, russel@startuphui.com



Hyperspective Studios

March 27th, 2012

TO: Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair
Members of the Committee on Finance

DATE: Thursday, March 29th, 2012

TIME: 3:00p.m.

PLACE: Conference Room 308

Re: AUPPORT of HB2239 SD1 HD1 RELATING TO ECONOMIC DEVELOPMENT.

FROM: Todd J. Robertson, President/CEO
Hyperspective Studios, Inc.

Hyperspective Studios, Inc. is in support of HB2319 relating to economic development because we believe that such a bill to develop a venture accelerator program will create opportunities for new ventures to start and grow as well as align them with pathways and guidance to success, specifically within leading economic sectors in Hawaii.

Hyperspective Studios, founded in April 1996, has been headquartered in Hawaii since 1999 and produces film and digital media projects including animation, visual effects, interactive media, games and film. The company has produced award winning media for several Hawaii companies as well as large domestic and international projects, with a large portion of it's revenue coming from the export of digital media.

Specifically, I believe that HB2319 will help develop a new industry sector of digital media, which has a massive potential for growth and sustainability. The interactive media/game industry was measured at USD \$10.3 Billion domestically in 2004. The industry has shown rapid growth since then to UDS \$65 Billion in 2011 and is expected to continue this pattern of growth for years. Fostering growth of this industry in Hawaii has the prospective to create a large volume of high quality jobs within an industry that can become a pillar of Hawaii's economy.

The digital media industry provides high quality jobs with broad opportunities for growth. The digital media industry not only requires creative development teams to write scripts, create digital artwork and music, but employes technicians who are skilled in 3D technologies, information technology, computer science, engineering and programming. Digital media companies provide a long-term, sustainable opportunity for jobs and development of products, while maintaining a work-force of Hawaii residents. HB2319 will provide important and crucial support in developing this and other strong economic sectors in Hawaii.

Thank you very much for the opportunity to testify.



March 27, 2012

TO: Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair
Members of the Committee on Ways and Means

DATE: Thursday, March 29, 2012
TIME: 3:00 P.M.
PLACE: Conference Room 308

Re: SUPPORT of ^{SB} HB2239 SD1 HD1 RELATING TO ECONOMIC DEVELOPMENT

FROM: Charisse Lindsey, VP/Chief Operating Officer, Hyperspective Studios, Inc.

I am in support of ^{HB} SB 2319 relating to film and digital media industry development because I believe that such a bill will foster expanded growth of the film industry as well as development of a new and emerging digital media industry in Hawaii.

Hyperspective Studios is a small Hawaii-based production company. As Chief Operating Officer for 6 years, I have experienced some challenges operating a digital media company here in Hawaii. One of our biggest challenges has been finding and maintaining qualified local talent that can afford to live and work in Hawaii.

Digital media workers are those who are highly skilled and talented individuals. Our staff consists of animators, web and game programmers, camera operators, editors, writers, visual effects artists, and graphic designers. Because we are a small company and must maintain a smaller crew, most of our staff wear multiple hats and have many different skill sets. Bill SB2319 will provide our company with the assistance required to keep more of our staff employed and it will also increase our capability for hiring more local talent.

Hawaii residents who are interested in the digital media industry will have a greater opportunity to thrive in their desired profession by working for companies like ours or creating digital media companies of their own. This bill will provide our company as well as other small companies with the opportunity for significant growth here in Hawaii.

The benefits that SB2319 will bring to Hawaii-based companies will help develop a new industry with a massive potential for growth and sustainability.



The House Committee on Finance

**Thursday, March 29, 2012; 3:00 p.m.
Conference Room 308**

**SB 2239, SD1, HD1
Testimony in Support**

Chair Oshiro, Vice Chair Lee and Members of the Committee, my name is Jon Wallenstrom and I am the President of Forest City Hawaii. It has been Forest City's honor to be a member of the Hawaii business community. Over the past seven years our company has executed on a \$2 Billion project to redevelop Navy and Marine Corps housing, built the largest photovoltaic project on the island of Oahu, and started development of a large affordable housing project using solar energy in partnership with HHFDC on the Big Island. We are very proud of these accomplishments and would like to continue to work with the people of Hawaii to create a better built environment.

Forest City supports the SB 2239, SD1, HD1 which seeks to establish a venture accelerator funding program under the Hawaii Strategic Development Corporation (HSDC). This measure would allocate much needed funding to entities providing hands-on mentoring to startups to accelerate the startups' ability to attract venture capital financing. By fostering entrepreneurs by giving them the tools to build businesses that are able to compete for venture capital financing, we would expand Hawaii's entrepreneurs ability to create sustainable businesses. This in turn would create quality jobs in our community. It is critical for the livelihood and long-term financial sustainability of our state that we explore and find significant economic drivers, other than tourism and the military.

Thank you for the opportunity to provide testimony on this matter.



**Testimony in Support of SB 2239 SD1 HD1
Chenoa Farnsworth
Managing Director
Hawaii Angels**

**House FIN Committee
March 29, 2012
3:00pm**

**In consideration of
SB 2239 SD1 HD1 RELATING TO ECONOMIC DEVELOPMENT**

Hawaii Angels strongly supports SB 2239 SD1 HD1, a bill that provides funding for Hawaii based venture accelerators that can support Hawaii's economic recovery and growth. This funding request is relatively minimal but may have a major impact on Hawaii's entrepreneurial community.

Business Acceleration a Proven Strategy

Business accelerator programs are a key ingredient of an innovation ecosystem in many states. Indeed, California has benefited from numerous examples of these types of entities from Y Combinator to 500 Start-ups. Business Accelerators have also played a key role in the economic diversification and recovery of states such as Ohio which did not previously benefit from activity in sectors such as technology. Through its Jumpstart program, they were able to build a robust start-up community which has attracted venture capital and entrepreneurs from around the country. They have also provided a model that can be emulated here in Hawaii and elsewhere.

Technology Sector Economic Impact

Driven primarily by incentive programs such as Act 221, technology sector company formation and job creation in the sector skyrocketed from the 2000-2010 timeframe. In total, since 2002, Hawaii Angels was instrumental in the launch and funding of 40 new companies in the sector. However, deal flow has now slowed significantly due to a lack of incentives and available funding. Where previously we reviewed a dozen qualified deals a month, we now see only 2-3 from Hawaii – the rest of the opportunities are from out of state. Entrepreneurs in Hawaii do not have support to grow nor the availability of initial funding that many of these venture accelerators provide. Hawaii Angels believes the development of these programs is key to jumpstart our start-up community again after the loss of Act 221.

Consistent with Best Practices

Many states have supported the development of venture accelerators in order to fuel new business growth and attract venture capital to their states. Due to fiscal constraints, states have looked at supporting programs at the beginning of the entrepreneurial life cycle. Many of these programs require very little funding but have a significant impact by creating quality dealflow that result in investible companies. If we build quality start-ups the funders will come to finance these start-ups.

Thank you for the opportunity to submit testimony on this bill.

March 25, 2012

Aloha members of the committee.

My name is Darius Monsef and I'm an internet entrepreneur, born and raised on the Big Island and recently moved back from the mainland to raise my family at home.

From the Big Island I run my growing internet company. We have 9 employees working remotely from HI to NY. We've raised \$1M in venture capital from some of the top Bay Area VCs and angel investors and we're in the process of raising another round of capital to continue growing our company at an accelerated pace.

One issue I constantly face is whether I'll be able to stay in Hawaii. Without a thriving tech startup community in Hawaii it gets harder and harder to justify the isolation of living here. I fear we'll have to move the company back to SF where there is a network of startups being run by my peers, investment capital ready to be invested and established internet companies capable of partnering up with.

The best way we can support the early growth of a tech startup community is by developing seed stage funding and incubator programs. These micro investments and designated programs to help formulate early ideas into startups are key to getting more companies formed, more entrepreneurs committing to building them and more investment capital flowing into the state.

I'm confident a seed stage fund & incubator can be the foundation for a thriving startup environment and a huge benefit to the economy. I feel this way, because I've been part of it succeeding in other locations and I've been involved with the top seed funds & incubators in the country.

I am an alumni, mentor & peer of the most prestigious and successful tech incubators like Y Combinator, TechStars, 500Startups & PIEPDX. These incubators have funded hundreds of companies at the \$20-30k stage and have gone on to raise several hundred million in venture capital, hiring thousands of employees at high professional salaries and dozens have been acquired for many hundreds of millions of dollars.

I spent several years in Portland, OR and that was where I originally began building my company. Unfortunately the startup community in Portland 5 years ago was largely how Hawaii is now. There are the right ingredients, but no pot ready to mix them all in. In the past year Portland has seen PIEPDX form to incubate web startups. The first batch of the program was successful in launching several companies that have gone on to raise million dollar seed rounds of capital and have hired on dozens of professionals workers. Not only did the program help incubate local companies, it brought mentors & investors from around the country to come visit and work with the incubated startups, exposing the local community to this wealth of outside talent.

As that first batch grows it will hire on hundreds of professional workers, who in turn support the economy all the way down to service providers. As some of those companies are acquired or begin to generate large profits, those founding entrepreneurs will become angel investors supporting the next generation of entrepreneurs.

I'm committed to staying in Hawaii and helping our web and technology community become a thriving economic driver. I'm committed to supporting the early stage seed funds & incubator programs that are created as a result of passing this measure. But, we need your support in moving SB2239 forward and giving Hawaii the opportunity to see this sector of our economy flourish.

Mahalo,
Darius A Monsef



FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, March 27, 2012 11:31 AM
To: FINTestimony
Cc: faruq.ahmad@gmail.com
Subject: Testimony for SB2239 on 3/29/2012 3:00:00 PM

Testimony for FIN 3/29/2012 3:00:00 PM SB2239

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Faruq Ahmad
Organization: Individual
E-mail: faruq.ahmad@gmail.com
Submitted on: 3/27/2012

Comments:

My name is Faruq Ahmad, and I am writing in support of HB 2319, legislation to appropriate \$5m for a Venture Accelerator Funding Program. Subject to proper implementation, it is my opinion that such a program will be essential to the success of Hawaii's innovation and entrepreneurial ecosystem.

Thank you for this opportunity to provide testimony, and I would be happy to clarify or expand on any aspect of my comments.

I am resident in Silicon Valley, and have over recent years developed and maintained close connections with the innovation and entrepreneurial community in Hawaii. I have had the honor to serve several times as finals' judge at the UH Manoa PACE business plan competition, and as a Virtual Professional in Residence; I am privileged to have been and continue to be advisor to startup companies in Hawaii, and to some in the venture capital community; and, I have personally been a Hawaii-startup investor. I have a home in Hawaii and affection for the state; and, if given suitable opportunities intend to continue to expand my links to Hawaii in the future.

I have been impressed with the diligence, thoughtfulness and receptiveness to input of officials I have met and worked with over the years, including those from DBEDT, HSDC, and other government agencies, as well as the spirit and tenacity of private sector groups committed to fostering high-value jobs and the success of Hawaii's entrepreneurial ecosystem.

In Silicon Valley, I have been founder of a venture-capital backed software company, a venture capitalist, and an institutional investor in venture capital funds, so that I have personal experience with all these levels of the innovation ecosystem. In my professional capacity I have invested in "startup markets" like India and China during their early days, in addition to companies and funds in Silicon Valley and other established markets.

I have also witnessed how geographically insular communities like Singapore were able to connect effectively with Silicon Valley to train their entrepreneurs and attract investment, establish high standards and best practices, promote their competitive edge to investors and entrepreneurs, and more successfully manage their offshore venture fund portfolios to strategic benefit.

Coaching, mentorship, and formalized support of the type venture accelerators provide is increasingly essential for startup companies, whether their business plan is based on University IP, the commercialization of dual-use technology, inventions in healthcare and

lifesciences, innovative impact investing and double-bottom-line social investing, or startups that are taking advantage of growing opportunities in mobile, collaborative and social domains.

or Hawaii companies to succeed and for Hawaii's innovation ecosystem to gain critical mass, such support is an essential complement to investment capital.

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Tuesday, March 27, 2012 6:18 PM
to: FINTestimony
Cc: alan.hayashi@baesystems.com
Subject: Testimony for SB2239 on 3/29/2012 3:00:00 PM

Testimony for FIN 3/29/2012 3:00:00 PM SB2239

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Alan Hayashi
Organization: Individual
E-mail: alan.hayashi@baesystems.com
Submitted on: 3/27/2012

Comments:

I support the passage of this Venture Accelerator bill. Mahalo, Alan Hayashi