



NEIL ABERCROMBIE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

Testimony in **support** of SB718 SD1
Relating to Economic Development

Committee on Ways and Means
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair

February 20, 2013
9:45 am Room 211

Chair Ige, Vice-Chair Kidani, and members of the Ways and Means Committee:

The Office of the Governor **supports** Senate Bill 718, Senate Draft 1, Relating to Economic Development. This measure appropriates \$20 million, over two fiscal years, for the Hawaii Strategic Development Corporation (HSDC) to implement an investment program designed to catalyze and leverage targeted private sector entrepreneurial initiatives. It would also enhance the ability for the Department of Business, Economic Development, and Tourism to work and coordinate with its attached agencies.

HSDC's comprehensive investment program represents a commitment to reinvigorate state efforts to fuel an innovation economy in order to diversify and grow Hawaii's economic base. This initiative will keep our established industries competitive and create new areas of opportunities to allow our young people to pursue their dreams here in Hawaii.

DBEDT and HSDC are available to answer any questions you may have.

Thank you for the opportunity to testify.



HAWAII
STRATEGIC
DEVELOPMENT
CORPORATION

Written Statement of

KARL FOOKS
President

Hawaii Strategic Development Corporation

Before the
COMMITTEE ON WAYS AND MEANS

February 20, 2013

9:45 AM

State Capitol, Conference Room 211

In consideration of
SB718 SD1 RELATING TO ECONOMIC DEVELOPMENT

Chair Ige, Vice Chair Kidani and Members of the Committee on Ways and Means:

The Hawaii Strategic Development Corporation (HSDC) respectfully submits testimony in **strong support** of SB718 SD1, legislation appropriating \$20 million (\$10 million in FY 2013-2014 and \$10 million FY 2014-2015) to the Hawaii Strategic Development Corporation for the HI Growth Initiative.

If Hawaii is to remain competitive in the global economy we need to provide our entrepreneurs the resources to build viable global businesses here at home. We have the entrepreneurial talent here in Hawaii. They are building businesses that are changing the world and doing it here in Hawaii. We need to invest in the mentor and investment networks that will allow them to survive and thrive here in Hawaii.

The **HI Growth Initiative** will provide \$20 million of investment capital that will focus on the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital.

This comprehensive investment program represents a bold new approach to reinvigorate state efforts to fuel an innovation economy.

The HI Growth Initiative will partner with the private sector to start and grow creative and innovative companies. This initiative will also help keep our established industries competitive and create new opportunities that will excite our young people and provide them the environment to pursue their dreams here in Hawaii. Below are some examples of Hawaii's entrepreneurial talent:

On Kauai, Ryan Esaki and his partners bootstrapped their vision to grow the next generation of ukulele musicians and built a global business, **Ukulele Underground**, which provides web-based instrument lessons to people around the world and allows them to tour the world spreading their message of music and Aloha.

A recent graduate of the UH Shidler College of Business, Elyse Peterson, launched her business at a Honolulu Startup Weekend event. Her passion is to create a marketplace where tea drinkers can find gourmet teas from around the world and where tea growers can find customers to sustain their businesses. Her website, **tealet.com**, is helping to promote the tea farming industry here in Hawaii. She recently received an investment from a leading global venture investor, 500 Startups.

Darius Monsef, from Waimea on the Big Island, started his successful internet business on the Mainland. He decided to return to the Big Island and is not only managing his growing business, but using his network and experience to help other entrepreneurs in Hawaii. His venture accelerator, **the Nalukai Foundation**, received support from the State's Launch Akamai Venture Accelerator Program. This investment will allow him and his team to build a program on the Big Island that will build a community of entrepreneurs and innovators.

Dr. Jeffrey Yu is the CEO of **Kineticor**. His company is commercializing research done at the Queens Medical Center and the University of Hawaii. Kineticor has developed an innovative system that compensates for patient movement during an MRI. This will increase the efficiency of performing MRI's, saving the global health care industry over \$1 billion a year.

Tina Fitch, from Maui, helped startup a software company that became a leading provider of software to power travel and loyalty systems for large corporations. Initially supported by the tourism industry, as CEO, she had to move the company to the Mainland to raise the financing to grow the company. She decided to return to Hawaii and is once again leading a new software startup that is creating a new platform to share video and pictures, **unicam**. Importantly, she also mentors other Hawaii startups to inspire and motivate the next generation of software entrepreneurs.

Skai Ventures was established by kamaaina with a vision to recruit world class talent to commercialize technologies for the global market. Over the past several years, Skai Ventures has created 5 Hawaii companies and created over 200 jobs. **TruTag Technologies**, a Skai Ventures company, has successfully developed a solution for the worldwide problem of counterfeit drugs and is now looking to expand the manufacturing of its products in Hawaii.

Hawaii is making progress, but we need many more of these kinds of entrepreneurs to startup high growth businesses in Hawaii if we are to generate economic growth opportunities for the future.

The advantages are clear. Entrepreneurial high growth businesses:

- bring dollars into Hawaii,
- have minimal impacts on the environment,
- lead our drive towards a sustainable economy and
- create high paying jobs for our local families.

With your help, we will launch the HI Growth Initiative to support these entrepreneurs and invest in Hawaii's future.

HSDC's Mission

HSDC's mission is to create funding mechanisms for investment in emerging high growth companies by developing networks to organize public and private sources of capital and develop the infrastructure to support venture capital in Hawaii. This includes the establishment of local venture investment entities and entrepreneur mentoring organizations.

The HI Growth Initiative

The HI Growth Initiative is a new, comprehensive investment program that will support research commercialization, entrepreneur mentoring and startup capital formation. This program is structured as a General Fund infusion into HSDC's Revolving Fund. Historically, HSDC's investment programs were funded in this manner. The Launch Akamai Venture Accelerator (LAVA) program deviated from this as it was positioned as a grant program, much like HSDC's \$5 million Follow-on Funding Program in 2007.

\$10 million is requested in each of the two fiscal years, FY 14 and FY 15. As this is an investment program, funds will be expended by HSDC over a period of years. There is no intention to use all \$20 million in the first year as it will take some time to seek out viable investment teams to partner with and to raise private sector capital to invest alongside HSDC. This was the purpose for the establishment of HSDC's Revolving Fund as the funding mechanism. Without the upfront availability of \$20 million committed to this program by the State, it will be extremely difficult to catalyze private sector interest and participation in this initiative.

The HI Growth Initiative will allocate its investments to focus on the critical building blocks of an innovation ecosystem: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital.

\$2.5 million will be allocated to support the establishment of a Proof of Concept Center (POC) for research commercialization, \$2 million will be allocated to support LAVA program incubators/accelerators as well as to establish new accelerators in new areas such as the food, creative industries/digital media and clean tech. \$5 million will be allocated to support existing seed funds as well as to establish new seed funds, for example in the clean tech sector. Final investment allocations will be based on the quality of potential investment opportunities, the quality of potential investment teams available to manage these funds, and the availability of private sector investors to invest alongside HSDC.

Additionally, \$500 thousand is allocated to support the costs of implementing and monitoring this program over several years, marketing and promoting this initiative to the private sector through meetings and conferences, and developing survey and reports to measure the impact and effectiveness of this initiative.

Research Commercialization

\$2.5 million has been allocated to support the establishment of a Proof of Concept Center (POC). These are entities that provide a bridge between research organizations and private industry in order to facilitate and invest in the commercialization of inventions and innovations generated by fundamental research. The POC will need a staff to manage the program and funds to develop ideas into commercial opportunities by investing in the protection of the intellectual property of the innovation and supporting the development of a physical product that “proves the concept” in the commercial world. If this is done successfully, the innovation will be an attractive opportunity for private investors to invest in.

This budget anticipates that on average 10 projects are identified and each is supported with \$150,000 of investment (\$1.5 million), a staff is employed for a cost of \$500,000, and \$500,000 is expended on facilities, equipment and outreach efforts to implement the research commercialization program. This is an anticipated budget for one year of activity. HSDC will seek to mobilize other financial partners to leverage the State’s commitment and thus enable the POC to operate for several years with the State’s \$2.5 million commitment.

Industry Accelerators/Incubators

\$2.0 million has been allocated to continue supporting the Launch Akamai Venture Accelerator (LAVA) Program. HSDC has made commitments to fund 3 new accelerators under the existing LAVA funding appropriated last year. In addition to the LAVA Program funds, HSDC is investing over \$1 million in the companies participating in the accelerators by investing in investment funds with private sector investors for this purpose. The funds for these investments are from HSDC’s grant from the State Small Business Credit Initiative program of the U.S. Department of Treasury.

As the current LAVA funding and the SSBCI funding are one time grants, HSDC will use the HI Growth Initiative to continue to support the investment requirements of the three accelerators. In addition, if appropriate teams and matching capital can be identified there is an interest in developing accelerators for the food, creative/digital media and clean tech industries.

Seed Funds

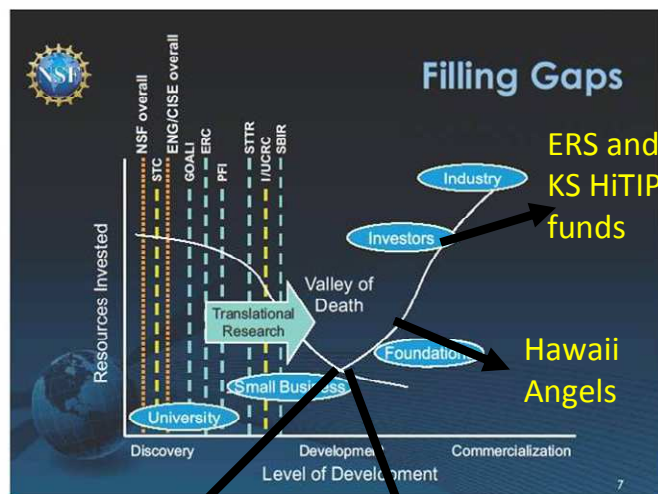
\$5 million is allocated to continue HSDC’s seed fund investment program. HSDC is already in the process of establishing several seed funds: Using \$3 million from the SSBCI grant and \$3 million from the University of Hawaii Foundation, HSDC has established a \$6 million investment fund to invest in startup companies licensing technology from the University of Hawaii.; HSDC is planning to use \$5 million from the SSBCI grant, and matched by \$5 million of private sector capital, to form a \$10 million health care investment fund in Hawaii. Also, discussions are taking place with potential co-investors to match their investment with a commitment of up to \$3 million of the SSBCI grant to an investment fund targeted at small businesses in Hawaii. As mentioned, \$1 million of the SSBCI grant is being used to support the LAVA program and will be matched with private investors. All these funds will be matched at least 1 to 1 by private sector investors.

These seed funds are needed to provide the expansion capital for startup companies graduating from the POC, the accelerators and other business development efforts undertaken by the community. This allows these companies to remain in Hawaii to grow their businesses and to attract other investors.

The \$5 million allocation from the HI Growth Initiative will be used to increase HSDC’s commitment to these investing activities in subsequent years, particularly the accelerators, and create new investment funds where sufficient investor interest can be indentified.

HI Growth Initiative Will Build on the Initial Success of the State’s Investment Programs

- **Attacking gaps**
 - Less expensive
 - High impact
 - Engage private sector
- **HSDC Seed Capital Funds (SSBCI)**
 - University \$6 million
 - Healthcare \$10 million
 - Web/Mobile \$8 million (targeted)
- **LAVA Program**
 - Empowering entrepreneurs
 - Establishing accelerators in Tech and Creative Sectors



Launch Akamai Venture Accelerator (LAVA) Program

HSDC Seed Capital Funds

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

February 16, 2013

Senate Ways and Means Committee
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair
State Capitol
415 South Beretania Street, Conference Room 211
Honolulu, HI 96813

RE: SUPPORT FOR SB718 SD1 THE HIGH GROWTH INITIATIVE

Aloha Chair Ige and Vice-Chair Kidani,

We strongly support SB718 SD1 and humbly request your support for this initiative.

My name is Louis Perez and I am the founder of The AKAMAI Foundation and AKAMAI Capital LLC. The AKAMAI Foundation is an emerging Hawaii-based non-profit CDFI focused on community economic development and training in socioeconomically disadvantaged communities across the State of Hawaii via The AKAMAI Finance Academy and AKAMAI Capital LLC. The AKAMAI Finance Academy (AFA) is a five-year program providing specialized training for students in the areas of social entrepreneurship and business. AKAMAI Capital LLC is a wholly-owned subsidiary of The AKAMAI Foundation and it provides students in the AFA with real-world work experience by hiring students as Analysts into its Pan-Asia Equity Fund or its emerging Community Development Venture Capital (CDVC) fund. The CDVC makes investments into and provides technical assistance & training for companies operating within socioeconomically disadvantaged communities statewide or companies owned by socioeconomically disadvantaged persons.

This bill will make a very significant impact upon the Hawaii economy by providing the Hawaii Strategic Development Corporation with the necessary capital to make investments into investment funds such as our AKAMAI CDVC Fund. The funding provided by SB718 SD1 would allow the AKAMAI CDVC Fund to provide the technical assistance, training and capital to small businesses and entrepreneurs who need it most, but are often overlooked.

The ***HI Growth Initiative*** will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaainas home.

If you have any questions or require any additional information, please call me at 808-664-3240 or email me at l.perez@akamaicapital.com.

Mahalo,

Louis F. Perez III
Founder & Managing Director

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: b.lau@akamaicapital.com
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Monday, February 18, 2013 9:58:22 PM

SB718

Submitted on: 2/18/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Benjamin W. Lau	AKAMAI Capital	Support	Yes

Comments: Dear Honorable Ladies & Gentlemen, On behalf of AKAMAI Capital, we strongly support SB718 SD1 and humbly request your support for this initiative. This bill will make a very significant impact upon the Hawaii economy by providing the HSDC with the necessary capital to make investments into investment funds such as our AKAMAI CDVC Fund. The funding provided by SB718 SD1 would allow the AKAMAI CDVC Fund to provide the technical assistance, training and capital to small businesses and entrepreneurs who need it most, but are often overlooked. Passing this bill will, in addition to having other positive effects for our shared islands, help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kama'aina home. Mahalo for your consideration. Benjamin W. Lau CEO Akamai Capital

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February 18, 2013

RE: In Support of SB718 SD1, HI Growth Initiative

To whom it may concern:

As a champion of innovation and entrepreneurship in Hawai'i, I have had the honor of creating and partnering with many quality agencies and programs that look toward bright future Hawai'i. Times continually change and for Hawai'i to maintain a viable economy, we must continually look toward seeding new opportunities for future generations.

I urge you to support SB718 SD1 and help build a bright future for Hawai'i.

With aloha,

A handwritten signature in black ink that reads "Steve Sue". The signature is stylized and cursive.

Steve Sue, founder
BizGym.com, Lemonade Alley, LeiHut.com
steve@bizgym.com

www.bizgym.com
www.lemonadealley.com
www.leihut.com



SB718 Proposed SD1

We strongly support this bill

Box Jelly

The *HI Growth Initiative* will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaaina home.

Sincerely,

Rechung Fujihira
Co-Founder Box Jelly

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: dwatumull@cardaxpharma.com
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Saturday, February 16, 2013 11:39:40 AM

SB718

Submitted on: 2/16/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
David G. Watumull	Cardax Pharmaceuticals, Inc.	Support	No

Comments: This is David G. Watumull, President and CEO of Cardax Pharmaceuticals, Inc. ("Cardax"). We are developing a new class of powerful anti-inflammatory compounds with the efficacy of aspirin and steroids but with the safety of food. We have been fortunate to raise more than \$25 million for our company but start-ups in the life science industry, in Hawaii and elsewhere, today face a daunting task to find sufficient financing. While many people, including many economists, believe that all or most "good" companies with important breakthroughs will be funded by the "market," reality suggests a far different picture. Across the globe, hundreds of promising "early stage" companies or technologies, particularly in the life science arena, are not being funded by traditional venture capital and pharmaceutical company sources. Instead, most of this funding goes to "late stage" companies. To counteract this dynamic, many states, cities, and foundations across the country and around the world are contributing to the creation and support of "early stage" life science companies. To be competitive, Hawaii must do the same if it wants to participate in what many consider to be the largest growth opportunity of the 21st century. In particular, the HI Growth Initiative is a good start. It will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring, and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, including the life science companies, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs, keeps talented people here, and brings talented kamaaina home.

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Creative MARKET

www.CreativeMarket.com

February 11, 2013

RE: SB 718 / HI Growth Initiative

To whom it may concern,

I strongly support this bill and believe it will make a significant impact on improving Hawaii's economy and create professional job opportunities for our community.

I am the founder & CEO of CreativeMarket.com, and online startup much like the kind of company that would be supported by this bill. My company was incubated at a mainland tech accelerator in Silicon Valley and we've since gone on to raise \$2.5M in venture capital from top firms. I've spent the past 18 months living back in Hawaii, running my company remotely and trying to help build Hawaii's tech ecosystem. But, because Hawaii doesn't yet have a strong network of talent, investors and services providers I end up having to spend half my time on the road traveling back and forth to the mainland.

I'm in the process of reversing my commute and will be spending a majority of my time back in Silicon Valley over the next year to focus on giving my company the best opportunity for it to succeed. I've hired two, professional wage earning, software engineers in the state and have 5 open positions to fill but can't find the talent here on Islands. I'm also looking to raise another \$5-10M in growth capital in the next several months, but we don't have access to that kind of investors here either. I'm committed to and working hard to improve the tech ecosystem here in Hawaii and will be acting as a bridge from our Islands to the heart of it in Silicon Valley.

I was born and raised in Hawaii and plan to raise all my children here too, but right now our ecosystem for tech & entrepreneurship doesn't have the resources it needs to grow and become a thriving place for technology companies to call home. This bill can change that.

The HI Growth Initiative will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaainas home.

Sincerely,

Darius 'Bubs' Monsef



Founder, Creative Market Labs, Inc. darius@creativemarket.com

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: bchua@hibeam.org
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Monday, February 18, 2013 9:06:25 PM

SB718

Submitted on: 2/18/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Bee Leng Chua, PhD	HiBEAM	Support	No

Comments: I. We strongly support this bill II. I am Bee Leng Chua, Executive Director of HiBEAM. HiBEAM stands for Hawaii Business Entrepreneur Acceleration Mentors. Our voluntary board and mentors provide expert advice to young technology companies in Hawaii and connect them to global resources. Our mission is to help Hawaii diversify its economy by nurturing an environment for tech companies to take root and grow. Without a continuing pipeline of innovation-based companies, HiBEAM would not have a pool of these companies to mentor and help them grow into the Asia-Pacific region and markets. The Bill will ensure a stream of companies that will need the advice and resources of HiBEAM. III. The HI Growth Initiative will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaaina home."

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February 18, 2013

To: The Honorable David Ige, Chair
The Honorable Michelle Kidani, Vice Chair
Members of the Senate Ways and Means Committee

From: D. Elliot Parks, Ph.D.
President and CEO
Hawai`i Biotech Inc.
99-193 Aiea Heights Drive
Suite 200
Aiea, HI
96701

RE: **The Hawai`i Growth Initiative, SB718 SD1– SUPPORT**
Hearing date: Wednesday, February 20, 2013
Hearing time: 9:45 am
Senate Capitol Room 221

Aloha Chair Ige, Vice Chair Kidani, and Members of the Committee:

As a key member of management of one of Hawai`i's premier knowledge-based companies, I am writing in strongly support of the Hawaii Growth Initiative, SB718 SD1.

I can speak firsthand to what is required in Hawaii to create and fund innovative companies, in nurturing a skilled workforce, and spawning well-paying jobs.

The **Hawai`i Growth Initiative** will provide \$20 million of investment capital that can be invested in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring, and the mobilization of startup investment capital. Passage of this bill will help to promote knowledge-based businesses and provide new opportunities to grow and diversify our State's economy. The **Hawai`i Growth Initiative** will encourage an entrepreneurial ecosystem that can support high wage jobs and talented people here in the State.

I respectfully urge your committee's **support** of the **Hawai`i Growth Initiative, SB718 SD1**. Thank you for your consideration.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: melissa@hawaiifashion.org
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Tuesday, February 19, 2013 9:25:31 AM

SB718

Submitted on: 2/19/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Melissa White	Hawaii Fashion Incubator	Support	No

Comments: Thank you for the opportunity to testify in favor of this bill. The HI growth initiative will support entrepreneurs in diverse sectors such as fashion, food and technology. Creating a thriving entrepreneurial community will help to brand Hawaii as a center for innovation and creative industry. Bolstering creative industries such as fashion creates local job opportunities across the entire production cycle and results in value added, exportable products that elevate the Made in Hawaii brand. Hawaii's fashion industry has thousands of stakeholders, and retail continues to provide a major revenue source for the state. Hifi's aim, with the support provided by this initiative, will be to direct more of those retail dollars to local businesses, establish Hawaii as a fashion destination, and elevate Hawaii fashion as an internationally recognized brand. Mahalo.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: tohy@hawaiiifashion.org
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Tuesday, February 19, 2013 9:04:49 AM
Attachments: [HB 718 Testimony.docx](#)

SB718

Submitted on: 2/19/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Toby Portner	Hawaii Fashion Incubator	Support	No

Comments: Please pardon my error in the title. Indeed I meant SB 718. Many thanks for accepting testimony.

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19 February, 2013

Thank you for taking testimony in support of HB 718.

As partner and co-founder of Hawaii Fashion Incubator, I work each day with creative individuals and companies busy growing our local fashion industry. We've been working for 7 years to bring people and opportunities together to mutual benefit. All of the components of the production cycle, from concept to sales, are in place in Hawaii, coupled with a rich legacy and supportive mentors from successful local fashion companies such as Hilo Hattie and Jams/Surflin. Additional resources via accelerator programs will increase access and remove barriers to moving forward with viable businesses. We see over and over how working together as a community benefits individuals as well as the the industry as a whole. The time is now. We are also driven by the guidance of President Obama- to be the ones to create jobs and strengthen our own local economies. We are ready and thank you for the work you're doing to enable success and progress. Aloha.



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)
1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

DATE: February 20, 2013 TIME: 9:45 A.M PLACE: CR 211

TO: COMMITTEE ON WAYS AND MEANS

FROM: Hawaii Food Industry Association - Lauren Zirbel, Executive Director

Re: SB 718 RELATING TO ECONOMIC DEVELOPMENT

In Support.

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

The HFIA respectfully submits testimony in strong support of SB 718 Proposed SD1, legislation appropriating \$20 million (\$10 million in FY 2013-2014 and \$10 million FY 2014-2015) to the Hawaii Strategic Development Corporation for the HI Growth Initiative. If Hawaii is to remain competitive in the global economy we need to provide our entrepreneurs the resources to build viable global businesses here at home. We have the entrepreneurial talent here in Hawaii. They are building businesses that are changing the world and doing it here in Hawaii. We need to invest in the mentor and investment networks that will allow them to survive and thrive here in Hawaii.

The HI Growth Initiative will provide \$20 million of investment capital that will focus on the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. This comprehensive investment program represents a bold new approach to reinvigorate state efforts to fuel an innovation economy. The HI Growth Initiative will partner with the private sector to start and grow creative and innovative companies. This initiative will also help keep our established industries competitive and create new opportunities that will excite our young people and provide them the environment to pursue their dreams here in Hawaii. Thank you for the opportunity to provide this testimony.

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

Date: February 19, 2013

To: Chair David Ige, Vice Chair Michelle Kidani – Senate Committee on **Ways and Means**

Subject: **SB718 Proposed SD1 and is scheduled to be heard on February 20 at 9:45PM in Room 211 of the State Capitol**

Dear Chair, Vice Chair and Members of the Committee on Ways and Means

The member supported Hawaii Venture Capital Association (HVCA), formed in 1988, strongly supports SB718 SD 1 regarding the HI Growth Initiative.

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 \$20 million of investment capital proposed in this bill will be critical to filling a serious funding gap resulting from a lack of early stage investment capital needed after angel investors and before professional later stage venture capital. Building funding capacity for new businesses, especially those supported by the accelerator programs that were started and strengthened by funding appropriated in last year's legislature, is very important to sustaining momentum and helping these businesses succeed.

Hawaii must nurture and support high growth business in order to create quality jobs and help diversify the economy.

I urge your committee to pass this bill.

Sincerely,

Bill Spencer
President
bspencer@hawaii.rr.com

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: holland.wood@ikehu.com
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Monday, February 18, 2013 6:19:53 PM

SB718

Submitted on: 2/18/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Holland Wood	Ikehu, Inc.	Support	No

Comments: We strongly support this bill as it will help small, technology startups thrive in Hawaii. Without it, we are forced to look to the mainland for both talent and business opportunities.

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KŪKULU

A LIMITED LIABILITY COMPANY

February 18, 2013

Senate Ways and Means Committee
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair
State Capitol
415 South Beretania Street, Conference Room 211
Honolulu, HI 96813

RE: SUPPORT FOR SB718 SD1 THE HIGH GROWTH INITIATIVE

Aloha Chair Ige and Vice-Chair Kidani,

We strongly support SB718 SD1 and humbly request your support for this initiative.

My name is Todd J. Shishido and I am the president of Kukulu, LLC.

This bill will make a very significant impact upon the Hawaii economy by providing the Hawaii Strategic Development Corporation with the necessary capital to make investments into investment funds such as the AKAMAI CDVC Fund. The funding provided by SB718 SD1 would allow the AKAMAI CDVC Fund to provide the technical assistance, training and capital to small businesses and entrepreneurs who need it most, but are often overlooked.

The *HI Growth Initiative* will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaainas home.

Mahalo,



Office: 3375 Koapaka Street, Suite B-256, Honolulu, Hawaii 96819
Mailing: P.O. Box 31325 Honolulu, Hawaii 96820
Phone: 808-548-0700 Fax: 808-441-0046

Wednesday, February 20, 2013

9:45AM

Conference Room 211

State Capitol

415 South Beretania Street

COMMITTEE ON WAYS AND MEANS

Senator David Y. Ige, Chair

Senator Michelle N. Kidani, Vice Chair

From: Lady Ease Limited dba Ease Collection

Denyse Ray, Founder/CEO

Bill - SB 718, SD1

RELATING TO ECONOMIC DEVELOPMENT.

Appropriates funds to the Hawaii Strategic Development Corporation to establish the HI Growth Initiative, an investment program to develop and ecosystem to support high-growth entrepreneurial companies in the State. Requires an annual report to the legislature. (SD1)

In Support of:

Chairs & Committee Members:

I Denyse Ray, Founder/CEO of Lady Ease Limited dba Ease Collection am in support of bill SB 718, SD1 for the following reasons.....

Ease Collection heard the call of "Bring Manufacturing back to the USA" and opened a 4500 square foot manufacturing facility in the Ward Industrial complex in Kakaako in April of 2012. By December 2012, the company had expanded an additional 3500 square feet to accommodate the community wide need for local designers and boutiques to have their products made at home. The citizens of the state wanted their products made in the USA and most specifically here at home in Hawaii.

As of February 2013, Ease Collection not only produces its own line of apparel using sustainable fabrics such as bamboo, soy and organic cotton, it also cuts and sews for lolani Sportswear, Reyn Spooner, RIX,

Manuheali'i, Island Treasures and numerous small designers and boutiques. Ease Collection also, has a working partnership with the textile department at University of Hawaii Manoa and an apprentice program with HiFi Coop a community fashion incubator program. Ease Collection is the only 21st century manufacturing company in the state of Hawaii. Ease utilizes state-of-the-art technology to produce the cutting edge designs and production that will keep it competitive.

"In order to realize our Vision, our Mission must be to exceed the expectations of our customers, whom we define as guests, partners, and fellow employees. We will accomplish this by committing to our shared values and by achieving the highest levels of customer satisfaction, with extraordinary emphasis on the creation of products and value. In this way we will ensure that our profit, quality and growth goals are met."

Our Vision Statement is "To be recognized and respected as one of the premier manufacturing company of Eco - sustainable products"

Ease Collection's Core Values are "As we grow as a company, it has become more and more important to explicitly define the core values from which we develop our culture, our brand, and our business strategies. These are the ten core values that we live and operate by:"

"Deliver WOW Through Service
Embrace and Drive Change
Create Fun and A Little Weirdness
Be Adventurous, Creative, and Open-Minded
Pursue Growth and Learning
Build Open and Honest Relationships With Communication
Build a Positive Team and Family Spirit
Do More With Less
Be Passionate and Determined
Be Humble"

Our philosophy is to re-look at the components every few years to make sure that the values are still the values.

The apparel manufacturing industry employs those who work on production assembly lines, performing specific tasks in the process of clothing creation, as well as non-production workers that are responsible for staff management and product operations. Technological advances in these professions have allowed for more efficient performance in the field, utilizing computer-based and automated equipment.

There is a clear focus nationwide on job creation in sustainable energy, technology, automobile production and agriculture. I have a saying that I have never seen any of the owners or employees of those industries " go to work naked". Apparel manufacturing must reclaim its place among the industries that many of our citizens are well suited for. The economy will not be reestablished with jobs that only have academically trained requirements, but rather with many jobs that offer the employee may generations of skilled labor positions that will help them feed their family.

Apparel manufacturing production workers usually perform repetitive assembly line activities. Although significant changes have been made in manufacturing tools and equipment, jobs in manufacturing production still require considerable hands-on labor. Assembly positions necessitate a high degree of concentration and efficiency, though they are typically considered entry-level jobs into the field. Some production options include:

Pattern-making

Machine setting

Hand, custom and machine sewing

Laundry, dry-cleaning and pressing

Bleaching and dyeing

Leather, fabric and material forming

Upholstering

Non-production occupations deal with apparel manufacturing before and after a product is completed. Unlike production, non-production jobs may require a college degree or advanced, industry-specific skills. A few career options include:

Clothing and fashion design

Machine mechanics and engineering

Sales

Human resources management

Production-based jobs, such as sewing or clothing pressing, may require only a high school diploma or GED. Many industries provide on-the-job training, though some competency in a particular area may be necessary. Several schools offer relevant educational programs and courses in apparel manufacturing, including sewing and tailoring, industrial machine operations and pattern-making. Management of a production department may be attained through years of experience in the industry, though degrees in apparel production management and business management may provide a more direct avenue to supervisory positions.

Non-production professions vary in their educational requirements. While some careers, such as fashion design or sales, may not require formal education, many schools and colleges provide training specific to these fields, and employers may prefer those with demonstrated proficiency in the trade. Other skilled professions, such as engineers or machine workers, may require a degree.

Ease Collection has positioned itself to train many of Hawaii's citizens in a trade that is positioned to provide a great economic boost to the state of Hawaii. We currently employ 18 individuals and

several of the seamstress are newly arrived immigrants. These employees came through the Imi Loa program at Goodwill Industries and are being trained on industrial sewing equipment and will be able to use their new skills no matter whose factory they would be employed.

While I'm really proud of creating jobs here in America, it's not just an emotional decision. It makes senses. For every \$1.00 in manufacturing goods produced, it generates an additional \$1.43 worth of economic activity. More than any other economic sector.

I humbly ask you, to help me, help my fellow citizens of the state of Hawaii compete in the multi- billion dollar industry of apparel manufacturing.

With Regard,

Denyse Ray

Founder/CEO

Lady Ease Limited dba Ease Collection



www.Nalukai.org

February 11, 2013

RE: SB 718 / HI Growth Initiative

To whom it may concern,

I strongly support this bill and believe it will make a significant impact on improving Hawaii's economy and create professional job opportunities for our community.

Myself and two other successful tech entrepreneurs have established a non-profit on the Big Island to help incubate and accelerate Hawaii's tech ecosystem. Nalukai provides an accelerator curriculum for entrepreneurs with ideas who need mentorship and access to small amounts of seed capital. We are headquartered on the Big Island, but will be running our program across the state, serving entrepreneurs on every island.

Nalukai also provides outreach and education to Hawaii's youth to teach them the skills they will need to thrive in a professional tech economy. I was lucky growing up in Hawaii, in a small farm town, to have access to a computer at a young age and the mentorship to help me build things. It is because of that I am now the founder & CEO of CreativeMarket.com, a growing, venture backed internet company.

To build a thriving technology & entrepreneurship community here in Hawaii we need the support of the state. We need the kind of resources that this bill will provide to help the folks on the ground like myself, that are fighting a hard fight to get things kickstarted and running for the long haul. Hawaii's thriving ecosystem is going to be a long term effort, but there are things we can do in the short term to make significant impact and provide ourselves and our state the best opportunity to achieve its goal. This bill is one of those things.

The HI Growth Initiative will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaainas home.

Sincerely,

Darius 'Bubs' Monsef
Founder, Nalukai Foundation. darius@nalukai.org

TO: Chairman, Ways & Means Committee

FR: Dr. Philip Bossert

DT: 2/18/13

RE: SB 718

Members of the Ways & Means Committee,

I write in support of Senate Bill 718 SD1, the Hawaii Growth Initiative, because I believe that Hawaii needs to build multiple industries to support its future. Tourism and the military are the current dominate industries, but both are cyclical and dependent upon forces outside of our control. Investing in local industries – mostly in the high tech area – that are conceived and innovated by Hawaii’s proven talent will provide a much-needed balance to the ever-shifting economies of tourism and the military.

Hawaii does not lack innovative and entrepreneurial citizens, but all too often – usually for the lack of financial support – our best and brightest must move elsewhere in the world to bring their inventions to fruition. The Growth Initiative funds provided for investment will be matched with additional investment funds and invested locally, creating excellent jobs to keep Hawaii’s talent at home and to build alternate bases for Hawaii’s economy.

I urge you to support SB 718 SD1 and the promise that it holds for Hawaii’s economy.



Written Statement of

Dennis Teranishi, President and CEO
Harold Masumoto, Project Director (Dual-use Technologies)
Maurice Kaya, Project Director (Energy)

In Consideration of

SB 718 THE HI GROWTH INITIATIVE

Chair Tsuji, Vice Chair Ward and Members of the Committee on Economic Development & Business:

The Pacific International Center for High Technology Research (PICHTR) respectfully submits testimony in **strong support of SB 718**, legislation appropriating \$20 million (\$10 million in FY 2013-2014 and \$10 million in FY 2014-2015) to the Hawaii Strategic Development Corporation for the HI Growth Initiative.

Since 1983, PICHTR has been involved in technology demonstration and commercialization projects in the Asia Pacific region. Over the last 8 years, PICHTR has provided funding and mentorship to over a hundred high tech businesses addressing critical issues in Hawaii including defense and dual use, clean energy, sustainable agriculture, and disaster relief – mostly using federal funds. **Over the last year, there has been a ground swell of activity and momentum around building Hawaii's entrepreneurial ecosystem.**

This year, to address gaps in the ecosystem specifically related to cleantech, PICHTR launched the Energy Excelsator, funded by the U.S. Department of Energy. The Energy Excelsator brings together top cleantech entrepreneurs, investors, and mentors from all over the world for a one-week program to work intensively with cleantech start ups to commercialize innovative new technology. PICHTR also awards up to \$90,000 to top performing teams coming out of the Excelsator. **Efforts such as the Energy Excelsator do not succeed in isolation; they require an ecosystem of broad community involvement, strong mentor and investor networks, and the availability of capital – in short, the kinds of efforts proposed by SB 718.**

WORKING TOGETHER

Providing a dedicated network of industry partners, mentors, and investors across the U.S. and the Asia Pacific.

INDUSTRY PARTNERS

Hawaiian Electric Company⁺
Maui Electric Company
Hawaii Electric Light Company
Kauai Island Utility Cooperative
Landowners
Real estate developers⁺
Hotels
Independent Power Producers⁺
Large technology companies⁺

⁺ also in mentor network

INDUSTRY PARTNERS (cont.)

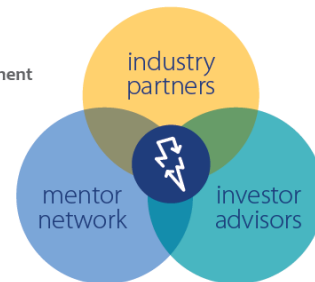
Universities⁺
Blue Startups⁺
Accelerator programs⁺
Foundations⁺
State & local government⁺
Hawaii Public Utilities Commission
U.S. Department of Energy⁺
U.S. Department of Defense⁺
USDA
National laboratories⁺

MENTOR NETWORK

Energy entrepreneurs
Supply chain and logistics
Technical expertise
Manufacturing expertise
Legal professionals
Intellectual property
CFOs
Marketing
Public relations
Talent and Recruitment

INVESTOR ADVISORS

Venture capitalists
(early stage, later stage, growth capital)
Angel investors
Strategic investors
Banks



The Energy Excelerator program builds on the Hawaii Renewable Energy Development Venture, which has co-funded over \$12 million of project in the last 3 years. Ten companies have received funding to research and commercialize clean energy technologies through this program (**Better Place, Big Island Biodiesel / Pacific Biodiesel, Concentris Systems, Hawaii Gas, Gen-X Energy Development, HNU Energy, Kuehne AgroSystems, Referentia, and Satcon**).

The Energy Excelerator was designed by listening to feedback from cleantech entrepreneurs and start ups about the kinds of tools and mentorship they need. **Developing innovative clean energy technologies is a capital extensive and often long-term endeavor, and commercializing these technologies requires special expertise and connections.** The Energy Excelerator provides this kind of specialized attention for clean energy technologies, while leveraging state funding by partnering with Blue Startups, which received state LAVA funding.

Hawaii is uniquely positioned to develop renewable energy innovations, with 1) extraordinary resource richness from sun, wind, biomass, geothermal, and ocean, and 2) extreme energy challenges with regard to high cost and vulnerable energy supply. Hawaii is facing energy challenges that the rest of the world may not experience for a decade, making the islands an ideal environment for developing and testing new technologies – and making new technologies essential to maintaining reasonable energy costs and preserving a clean environment for Hawaii's future.

WHY HAWAII

Leveraging Hawaii's assets to grow the clean energy industry in Hawaii, the Asia Pacific, and beyond.

✓ Strong government support	Hawaii Clean Energy Initiative goal of 70% clean energy by 2030
✓ Supportive policy framework	For solar, wind, hydro, bioenergy, geothermal, and emerging technologies
✓ Island systems serve as a test-bed	Dozens of clean energy demonstration projects underway
✓ Gateway to the Asia Pacific region	Access to industry players and government decision makers across the Asia Pacific region

State support through SB 718 would further leverage the significant federal clean energy innovation investment in the islands, and show that Hawaii is committed to the long-term development of our entrepreneurial ecosystem. Innovation thought leaders consistently express that long-term commitment – by the private and public sectors – is critical to the long-term viability of an entrepreneurial ecosystem.

Thank you for the opportunity to provide testimony.



To: Senator David Y. Ige, Chair and Senator Michelle N. Kidani, Vice Chair—
Committee on Ways and Means

Subject: SB718 SD1 and is scheduled to be heard on February 20 at 9:45AM in Room
211 of the State Capitol

StartupHui LLC strongly supports SB718 SD1 regarding the HI Growth Initiative.

My advisory firm directly supports startup entrepreneurs in early-stage product development, customer acquisition, revenue generation and fundraising. All of these companies face the valley of death in fundraising. Having a local funding community that is supportive of local startup entrepreneurs paves the way for additional investors. Funding leads to shipping product and quality job creation.

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 \$20 million of investment capital proposed in this bill will be critical to filling a serious funding gap resulting from a lack of early stage investment capital needed after angel investors and before professional later stage venture capital. Building funding capacity for new businesses, especially those supported by the accelerator programs that were started and strengthened by funding appropriated in last year's legislature, is very important to sustaining momentum and helping these businesses succeed.

Hawaii must nurture and support high growth business in order to create quality jobs and help diversify the economy. I urge your committee to fund and pass this bill.

Sincerely,
Russel Cheng
Founder, StartupHui LLC



S.B. 718, SD1, RELATING TO ECONOMIC DEVELOPMENT
Senate Committee on Ways and Means
February 20, 2013, 9:45 a.m.
Room 211

Thank you for the opportunity to provide testimony in **support** of S.B. 718, SD1 Relating to Economic Development. My name is Paula Yoshioka, Senior Vice President of Corporate Development for The Queen's Health Systems.

Queen's fully supports the furtherance of innovation and technology in the state of Hawaii. In the health care field, continuous advancement of technology and innovation improves the delivery of patient care every day. Queen's invests in these technologies (e.g., robotics, advanced imaging) in order to provide the best quality care. Most recently, Queen's, Hawaii Pacific Health, and the Hawaii Strategic Development Corporation, have partnered to develop a local company called Kinetikor. With Kinetikor's technology, a new way of providing motion correction of patients who receive imaging will enable radiologists to more accurately read advanced imaging tests.

We look forward to many more successful endeavors as the state smart growth public infrastructure takes shape.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: tina@umicam.com
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Tuesday, February 19, 2013 9:03:24 AM

SB718

Submitted on: 2/19/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Tina Fitch	umicam	Support	No

Comments: I am the founding CEO of a mobile software application with global reach, umicam. I have previously founded and led an enterprise software company in Hawaii, which grew to support over 300,000 suppliers in countries around the world, generating over \$1bn in revenue for our clients per year. In my previous company, we found that there was limited ability to raise venture capital when based in Hawaii, and this also made it challenging to recruit competitive talent due to the lack of tech ecosystem here. We ended up moving our headquarters to San Francisco where we successfully raised the capital required to grow our business (over \$17M) and employed over 75 high-income, highly educated individuals. My goal is to create the same or higher level of success with my next startup here in Hawaii, but in order to do so, we need government support to bolster the technology community. This is why we support this bill. We believe that technology is a low-environmental impact, high potential industry for the local economy, and appreciate your consideration of this bill to develop the sector.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: don@nalukai.org
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Monday, February 18, 2013 8:59:43 PM

SB718

Submitted on: 2/18/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Donald Kosak	Individual	Support	No

Comments: I strongly support this bill. My name is Donald Kosak, and I run a small technology company on the Big Island. I am also a Managing Partner in a non-profit foundation to facilitate the creation of high-growth technology companies in the state of Hawaii. I believe this bill will have a large positive economic impact to the state. The HI Growth Initiative will help support the development of a vibrant "startup community" which is a key factor in new business formation and job growth.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: aiea@akamainursing.com
Subject: *Submitted testimony for SB718 on Feb 20, 2013 09:45AM*
Date: Monday, February 18, 2013 8:37:22 PM

SB718

Submitted on: 2/18/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Aiea Lorin	Individual	Support	No

Comments:

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February 16, 2013

Senate Ways and Means Committee
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair
State Capitol
415 South Beretania Street, Conference Room 211
Honolulu, HI 96813

RE: SUPPORT FOR SB718 SD1 THE HIGH GROWTH INITIATIVE

Aloha Chair Ige and Vice-Chair Kidani,

We strongly support SB718 SD1 and humbly request your support for this initiative.

My name is Bradley Punu and I am a resident of Hawaii.

This bill will make a very significant impact upon the Hawaii economy by providing the Hawaii Strategic Development Corporation with the necessary capital to make investments into investment funds such as the AKAMAI CDVC Fund. The funding provided by SB718 SD1 would allow the AKAMAI CDVC Fund to provide the technical assistance, training and capital to small businesses and entrepreneurs who need it most, but are often overlooked.

The ***HI Growth Initiative*** will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaainas home.

Mahalo,

Bradley Punu
1065 Noio St.
Honolulu, HI 96816
bradpunu@hotmail.com

February 18, 2013

Senate Ways and Means Committee
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair
State Capitol
415 South Beretania Street, Conference Room 211
Honolulu, HI 96813

RE: SUPPORT FOR SB718 SD1 THE HIGH GROWTH INITIATIVE

Aloha Chair Ige and Vice-Chair Kidani,

We strongly support SB718 SD1 and humbly request your support for this initiative.

My name is Casey Kobashigawa.

This bill will make a very significant impact upon the Hawaii economy by providing the Hawaii Strategic Development Corporation with the necessary capital to make investments into investment funds such as the AKAMAI CDVC Fund. The funding provided by SB718 SD1 would allow the AKAMAI CDVC Fund to provide the technical assistance, training and capital to small businesses and entrepreneurs who need it most, but are often overlooked.

The ***HI Growth Initiative*** will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaainas home.

Mahalo,

Casey Kobashigawa

My name is Faruq Ahmad, and I am writing in strong support of SB718 for the HI Growth Initiative, to appropriate \$20m for the purposes of research commercialization, entrepreneur mentoring, and startup capital. Subject to proper implementation, it is my opinion that such a program will be extremely valuable 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, with a home in Hawaii. I have over the past seven 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-company investor.

I am currently a lead mentor at Blue Startups, an HSDC funded accelerator.

In Silicon Valley, I have over the years been founder of two software companies (one venture-capital backed), a venture capitalist and Board member at startup companies, and an 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 the "startup markets" of India and China during their early days, as well as in startup companies and funds in Silicon Valley. I currently advise companies, as well as venture capital funds.

I have observed how through investments such as those proposed by HSDC through the HI Growth initiative, geographically insular communities like Singapore were able to connect globally 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 and leverage for company investment. Most important, to adapt their traditional cultures to be hospitable to the technology based entrepreneurial mindset. This almost always requires some break with tradition. All these communities (India, China, Singapore, etc.) benefited from strong links to Silicon Valley and to their diaspora, and European companies today are similarly leveraging their historic ties (see for example a recent article authored by me at <http://venturebeat.com/2013/01/11/european-startups-now-is-your-time-to-shine/>).

Based on my experience in Silicon Valley and my observations in Hawaii over the past several years, I would add the following comments which I believe are pertinent to this initiative:

--To attract private capital and to build a sustaining ecosystem in Hawaii, investment projects must focus relentlessly on investor returns. Such a focus is not always in harmony with near-term community goals, nor with comfort zones. If companies and Boards were motivated to recruit a mix of kama'aina and non-Hawaii stakeholders of suitable caliber, this would help surface issues in a timely way and to sharpen the discussion.

--While the top-tier of the Hawaii entrepreneurial community are successful, sophisticated and global, an effective way to empower the middle ranks is to invest in "cultural" links to Silicon Valley by supporting regular and routine interaction by Hawaii entrepreneurs. This could be accomplished by (for example) renting workspace at a Silicon Valley incubator and budgeting for split teams where appropriate.

--It is in vogue to say that one learns from failure, but the fact is that failure is hard on egos and reputations, and learning is not always so easy. With long memories and a small community, this is especially difficult in Hawaii where in some instances may be possible to keep a company going indefinitely on life-support. Investments by off-island venture capital firms in Hawaii companies will help promote best practices, including encouraging the restart of failed ventures, and thereby giving entrepreneurs the prospect of a fresh start.

The common theme in my suggestions is active and purposeful bridge building to the outside (such as, to Silicon Valley) with company team members, Board members, mentors, capital sources, customers

and partners. Such activities may involve expenditures outside Hawaii, but if properly managed this will be money well spent.

If the HI Growth Initiative is fully funded and properly directed, this will enable the Innovation and Entrepreneurship community in Hawaii to build sustainable two-way bridges between Hawaii and Silicon Valley, and between Hawaii and its natural partners in the fast growing economies of Asia.

Jay M. Fidell
1001 Bishop Street, Suite 710
Honolulu, Hawaii 96813

February 18, 2013

Re: SB718 SD1, The Hawaii Growth Initiative – Statement in Strong Support

Ladies and Gentlemen:

I am founder and president of ThinkTech Hawaii, and for some years I have supported and followed the development of the tech industry in Hawaii.

I strongly support SB718 SD1 and believe it is an important step that will provide material assistance for the development of that industry.

The Hawaii Growth Initiative will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital.

Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy.

Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaaina home.

With that in mind, I urge that you pass this bill out, and I thank you for your consideration of my views in the matter.

Very truly yours,

Jay Fidell

Jay Fidell
(808) 780-9254

February 18, 2013

Senate Ways and Means Committee
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair
State Capitol
415 South Beretania Street, Conference Room 211
Honolulu, HI 96813

RE: SUPPORT FOR SB718 SD1 THE HIGH GROWTH INITIATIVE

Aloha Chair Ige and Vice-Chair Kidani,

We strongly support SB718 SD1 and humbly request your support for this initiative.

My name is Jeffrey Sanchez and I am with AKAMAI Capital.

This bill will make a very significant impact upon the Hawaii economy by providing the Hawaii Strategic Development Corporation with the necessary capital to make investments into investment funds such as the AKAMAI CDVC Fund. The funding provided by SB718 SD1 would allow the AKAMAI CDVC Fund to provide the technical assistance, training and capital to small businesses and entrepreneurs who need it most, but are often overlooked.

The ***HI Growth Initiative*** will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaainas home.

Mahalo,

Jeffrey Sanchez

February 16, 2013

Senate Ways and Means Committee
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair
State Capitol
415 South Beretania Street, Conference Room 211
Honolulu, HI 96813

RE: SUPPORT FOR SB718 SD1 THE HIGH GROWTH INITIATIVE

Aloha Chair Ige and Vice-Chair Kidani,

We strongly support SB718 SD1 and humbly request your support for this initiative.

My name is Jonathan Honda.

This bill will make a very significant impact upon the Hawaii economy by providing the Hawaii Strategic Development Corporation with the necessary capital to make investments into investment funds such as the AKAMAII CDVC Fund. The funding provided by SB718 SD1 would allow the AKAMAII CDVC Fund to provide the technical assistance, training and capital to small businesses and entrepreneurs who need it most, but are often overlooked.

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Mahalo,

Jonathan Honda

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: ssjmakena@hotmail.com
Subject: *Submitted testimony for SB718 on Feb 20, 2013 09:45AM*
Date: Monday, February 18, 2013 6:18:37 PM

SB718

Submitted on: 2/18/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Makena Fernandez	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: keani_nwr@msn.com
Subject: *Submitted testimony for SB718 on Feb 20, 2013 09:45AM*
Date: Monday, February 18, 2013 6:17:48 PM

SB718

Submitted on: 2/18/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Keani Rawlins-Fernandez	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: meleanaestes@gmail.com
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Monday, February 18, 2013 2:58:26 PM
Attachments: [Testimony.doc](#)

SB718

Submitted on: 2/18/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Meleana Estes	Individual	Support	No

Comments:

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Hawaii has come so far in terms of fashion awareness in the past 10 years. Not only are local designers on the map all over the world, Hawaii remains a place where designers from all over the world come for inspiration.

We have grown to the point where a Fashion Month, as other cities on the forefront of fashion have, is much needed and will be a great thing for our state.

HIFI has done a tremendous job of grooming Hawaii to be ready for this sort of event and I would love to see their effort continue.

Thank you very much for listening to my testimony.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mdate@thepaf.org
Subject: Submitted testimony for SB718 on Feb 20, 2013 09:45AM
Date: Tuesday, February 19, 2013 8:20:42 AM

SB718

Submitted on: 2/19/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Melvin Date	Individual	Comments Only	No

Comments: February 16, 2013 Senate Ways and Means Committee Senator David Ige, Chair Senator Michelle Kidani, Vice Chair State Capitol 415 South Beretania Street, Conference Room 211 Honolulu, HI 96813 RE: SUPPORT FOR SB718 SD1 THE HIGH GROWTH INITIATIVE Aloha Chair Ige and Vice-Chair Kidani, We strongly support SB718 SD1 and humbly request your support for this initiative. My name is Melvin Date and I am with Pacific American Foundation. This bill will make a very significant impact upon the Hawaii economy by providing the Hawaii Strategic Development Corporation with the necessary capital to make investments into investment funds such as the AKAMA I CDVC Fund. The funding provided by SB718 SD1 would allow the AKAMA I CDVC Fund to provide the technical assistance, training and capital to small businesses and entrepreneurs who need it most, but are often overlooked. The HI Growth Initiative will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaainas home. Mahalo, Melvin Date 808-263-0084 mdate@thepaf.org Pacific American Foundation

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February 12, 2013

COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING
Senator Donovan M. Dela Cruz, Chair
Senator Sam Slom, Vice Chair
State Capitol
415 South Beretania Street, Conference Room 16
Honolulu, HI 96813

RE: SUPPORT FOR SB718 THE HIGH GROWTH INITIATIVE

Aloha Chair Dela Cruz and Vice-Chair Slom,

We strongly support SB718 and humbly request your support for this initiative.

My name is Stephani Diep and I am a student at AKAMAI Finance Academy, which is a five-year program that trains students in the areas of social entrepreneurship, business, and finance. In this program, we learn how to use Bloomberg to research various stocks, and participate in the process of investing in a profitable socially and environmentally positive companies. This type of education is not available anywhere else, not even in the university I attend. It is my dream to become an investment banker or an equity analyst and this program has genuinely spurred progress in my future career and in my self-development.

In addition to the AKAMAI Finance Academy, I am currently employed by AKAMAI Capital LLC. AKAMAI Capital LLC is a wholly-owned subsidiary of The AKAMAI Foundation and it provides students in the AFA with real-world work experience by hiring students as Analysts into its Pan-Asia Equity Fund or its emerging Community Development Venture Capital (CDVC) fund. The CDVC makes investments into and provides technical assistance & training for companies operating within socioeconomically disadvantaged communities statewide or companies owned by socioeconomically disadvantaged persons.

This bill will make a very significant impact upon the Hawaii economy by providing the Hawaii Strategic Development Corporation with the necessary capital to make investments into investment funds such as our AKAMAI CDVC Fund. The funding provided by SB718 would allow the AKAMAI CDVC Fund to provide the technical assistance, training and capital to small businesses and entrepreneurs who need it most, but are often overlooked.

The **HI Growth Initiative** will provide \$20 million of investment capital that will invest in the critical building blocks of new business formation: research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. Passing this bill will help to create high growth businesses, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the HI Growth Initiative will support an entrepreneurial ecosystem that creates high wage jobs that will keep talented people here and bring talented kamaainas home.

Mahalo,

Stephani Diep
Student of AFA

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: tabraham08@gmail.com
Subject: *Submitted testimony for SB718 on Feb 20, 2013 09:45AM*
Date: Saturday, February 16, 2013 3:36:15 PM

SB718

Submitted on: 2/16/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

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Cc: tuan22@gmail.com
Subject: *Submitted testimony for SB718 on Feb 20, 2013 09:45AM*
Date: Monday, February 18, 2013 6:26:14 PM

SB718

Submitted on: 2/18/2013

Testimony for WAM on Feb 20, 2013 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
tuan la	Individual	Support	No

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