

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

MINUTES OF THE COMMUNITY-BASED ECONOMIC DEVELOPMENT (CBED)
ADVISORY COUNCIL MEETING

TUESDAY, SEPTEMBER 19, 2023, AT 10:00 A.M.

Department of Business, Economic Development and Tourism

250 South Hotel Street, 5th Floor

Conference Room 503, Honolulu, Hawaii 96813

AND VIA VIRTUAL APPLICATION ZOOM: VIDEO/AUDIO CONFERENCE

Advisory Members Present were:

Nancy Elvira Lo (Chair)	-	Advisory Council Member (Oahu)
Karen Barr	-	Advisory Council Member (Oahu)
Casey Brown	-	Office of Hawaiian Affairs (Ex-Officio)
Matthew Loke	-	Department of Agriculture (Ex-Officio)
Colleen McAluney	-	Advisory Council Member (Oahu)
Roberta Melton	-	Advisory Council Member (Kauai)
Teena Rasmussen	-	Advisory Council Member (Maui)
Dennis Ling	-	Department of Business, Economic Development & Tourism

Guests:

Aaron Ellis	-	Feed the Hunger Fund
Vicky Paresa	-	Pakini Loan Fun
Shavone Lave	-	Pakini Loan Fund
Pamela Tumpap	-	Maui Chamber of Commerce

Staff:

Elisa Amemiya	-	Attorney General's Office
Keala Pruet	-	DBEDT
Mark Ritchie	-	DBEDT
Timothy Tiu	-	DBEDT
Selma Malcolm	-	DBEDT

Apologies:

Kaleokalani Kuroda	-	Advisory Council Member (Oahu)
Jane Horike	-	Advisory Council Member (Hawaii/Hilo)

CALL TO ORDER:

Mr. Ritchie called the meeting to order on Tuesday, September 19, 2023 at 10:02 a.m.

All members and guests participated via ZOOM.

▪ **Welcome Current Council Members and Introduction of any Guests:**

Mr. Ritchie welcomed and thanked all present. He asked Selma Malcolm to conduct the roll call and asked members to indicate if they were alone at their respective locations. Mr. Ritchie announced that Dennis Ling, DBEDT's Ex/Officio is present at the meeting so he's DBEDT staff.

He then introduced guests (see above), DBEDT staff and Ms. Elise Amemiya, Deputy Attorney General.

OLD BUSINESS:

Approval of Minutes of May 16, 2023:

The Minutes of May 16, 2023, meeting were distributed and reviewed by Council. Mr. Ritchie asked if there were any comments and/or corrections to the Minutes. Hearing none, he asked for a motion to approve the Minutes.

Motion was made by Mr. Brown and seconded by Ms. Lo to approve the Minutes of May 16, 2023, as presented.

A roll call vote was taken with the following Council members approving the motion: Chair Lo, Ms. Barr, Mr. Brown, Mr. Loke, Ms. McAluney, Ms. Rasmussen, Mr. Ling, Ms. Melton.

Motion to adopt the May 16, 2023 Minutes was approved unanimously.

Public Testimony:

There was no public testimony.

NEW BUSINESS:

1. **Update on Maui Disaster Relief and Business Support – Teena Rasmussen
CBED Advisory Council Member representing Maui:**

At this point, Mr. Ritchie called upon Ms. Rasmussen, the CBED Advisory Council member representing Maui County, for an update, through her perspective on the relief efforts particularly with the Business Support effort on Maui.

Ms. Rasmussen stated that the whole state woke up in a state of shock on August 9th after learning what happened to Lahaina. She said they first went through

waves of shock and now its grief that many had lost everything and despair was setting in. It's the grim reality that it's going to take years to overcome this disaster.

Ms. Rasmussen reported that the businesses in Lahaina will need commercial space to operate from, otherwise, they cannot be opened. Lahaina has lost about: 800 businesses which generated \$70 million in revenues per month, 8500 employees, 2200 housing units, 1500 accommodation units including short-term rentals, the use Lahaina's Harbor where 49 boats were sunk in or near the harbor, (there are about 78 separate objects that need to be removed by a marine salvage operation, under the coast guard command). Ms. Rasmussen indicated that all the businesses that support the marine industry are looking at least a couple years of disruption.

Ms. Rasmussen also informed the Council that Maui lost 88 transpacific flights in August, 2023. Hotel occupancy plummeted from the highs of in the 70 & the 80 percent earlier in the Summer to 20% now. The mass exodus of visitors has caused the rest of Maui's economy to be on borderline collapse which is similar to the COVID-19 experiences. Currently, there are more than 1000 people without drinking water in Up-Country Maui which is more than a month after the fire. Ms. Rasmussen also advised that the shining light through all this tragedy has been the community and the world's outpouring of support for Maui. The large donation and support has really been critical to keep their families there and specifically for businesses. SBA has a program that provides up to \$2 million per entity for a loan at 4% but its problematic because the businesses need to show that that they have the means to pay back that loan. She also spoke about Governor Green's \$20 million dollar grant program that will provide \$10,000 to small businesses & \$20,000 to the larger ones. That program is being funded by \$10 million in State funds and \$5 million in Maui County funds & funds from the Hawaii Community/ Maui Strong Fund. Maui County has forgiven the property taxes for everyone in the burnt zones for at least this year. She's also had concern about the long-term effects of property insurance rates on Maui. And hoping that they can all come together and find a path forward including CBED and other organizations because it's going to be a difficult and a very long road for them.

Mr. Ritchie stated that at the next Advisory Council meeting in October, Ms. Rasmussen presentation will set the stage for certain discussions, i.e., medium business recovery, etc. Also that he and Ms. Rasmussen had a discussion on business recovery in Maui and they decided that at the Made in Festival in November 2023, they could pick up the cost of the booth space for the 132 Maui County companies that are exhibiting with the grant that the Maui Chamber of Commerce could distribute. It will be about \$450 per company for their booth space.

At this point, Mr. Ritchie inquired if there were any questions for Ms. Rasmussen.

Mr. Ling thanked Ms. Rasmussen for her presentation and indicated it shook a lot of lives, we know but we can't feel to the extent that you do. Going into the next legislative session, he will see if there are any thoughts and ideas as to how CBED could help in the medium term to help businesses and the community organizations in Maui to recover.

Ms. Rasmussen thanked Mr. Ling and noted that she has seen a lot of support that's been great from several companies, i.e., the Red Cross, Maui Strong, Oprah Fund, etc. She also indicated that there are no funds available for those who have lost their vehicles/cars and felt that is something that the state legislative should focus on.

Mr. Ritchie then asked if there were any questions before he moved on to the next item on the agenda. Hearing none, he introduced Ms. Pamela Tumpap from the Maui Chamber of Commerce.

2. Approval of CBED Grant of \$65,000 to Maui Chamber of Commerce (MCOC):

Mr. Ritchie then invited Ms. Pamela Tumpap, President, Maui Chamber of Commerce (MCOC) to make a presentation.

Ms. Tumpap stated that this is going to be the 10th annual Hawaiian Airlines Made in Maui festival. She indicated that several business owners informed her that they had lost everything. She also indicated that she previously ran Maui United Way and the Made in Maui Festival and that these event help grow businesses. With less visitor traffic, they need to watch their budget and leverage plans with foundations fundraising through MCOC. She indicated that the DBEDT/CBED relief would help the businesses that are struggling. They are looking to expand in Japan, retail, department stores, Hankyu and also with DBEDT.

Ms. Tumpap indicated that MCOC would have loved to give everybody free festival booths but that's not possible for them at this time. Also they are fundraising through Maui Chamber of Commerce to do business grants but they are looking to leverage that to strict business grants to those most impacted by the fires across the board and the DBEDT/CBED program would be a huge help.

Mr. Ritchie thanked Ms. Tumpap for her presentation and then reiterated that DBEDT/CBED would give a grant to the Maui Chamber of Commerce to cover the booth space for all 132 Maui County exhibitors including the booth space for the contingent from Molokai as well. The role of the Chamber would be to distribute these funds and provide a financial report to DBEDT/CBED.

Mr. Ritchie then asked if there were any questions.

Mr. Brown inquired if 10,000 shoppers would turn out for the festival. He then indicated that he would check with OHA for help and that he would like to discuss further assistance with Ms. Tumpap after this meeting.

Ms. Barr asked if there's a plan to encourage other groups to attend the festival and offered her assistance with various groups she is in contact with. Ms. Tumpap gave her contact information to the Council for further discussions. Contact info.: pamela@mauifestival.com; Ph. (808)269-0141.

Ms. Tumpap noted she is working with news outlets, Spectrum, building a visitor page, and negotiating special rates to participate.

At this point Mr. Ritchie asked for a motion on this agenda item.

Motion was made by Ms. Rasmussen and seconded by Ms. Melton to approve DBED/CBED Grant of \$65,000 to Maui Chamber of Commerce.

A roll call vote was taken with the following Council members approving the motion: Chair Lo, Ms. Barr, Mr. Brown, Mr. Loke, Ms. McAluney, Ms. Rasmussen, Mr. Ling, Ms. Melton.

Motion was approved unanimously

3. Approval of CBED Loan of \$100,000 to Samurai, Inc., a Food Manufacturing Company:

Mr. Ritchie introduced Mr. Ellis, Director of Programs at Feed the Hunger Fund to walk us through this loan of \$100,00 to Samurai, Inc. The underwriting was summarized by Mr. Ellis. He reported that Samurai Inc was declined by a bank mainly because she was new owner. The company has lots of fixed assets, is in an Enterprise Zone and TOD. The company employs 20 people and it is a woman owned company. Samurai, Inc., is a food manufacturing company, producing snacks foods. CBED will be co-lending with Feed the Hunger Fund which will also make a loan of \$100,00. The DBEDT/CBED loan will be used to purchase equipment and for working capital. The DBEDT/CBED loan will have a 7-year term with an interest rate of 4%.

At this point Mr. Ritchie asked for a motion on this agenda item.

Motion was made by Ms. Barr and seconded by Ms. Rasmussen to approve DBEDT/CBED Grant of \$100,00 to Samurai, Inc.

A roll call vote was taken with the following Council members approving the motion: Chair Lo, Ms. Barr, Mr. Brown, Mr. Loke, Ms. McAluney, Ms. Rasmussen, Mr. Ling, Ms. Melton.

Motion was approved unanimously.

NEXT MEETING:

October 17, 2023 10:00 am

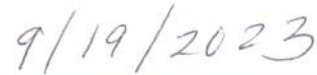
ADJOURNMENT:

The meeting was adjourned at 10:50 a.m., on a motion by Ms. Rasmussen and seconded by Ms. Lo with all in favor.

Respectfully submitted,



Nancy Elvira Lo
Chair



Date