

**DRAFT**

**DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)**

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

**TUESDAY, October 17, 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:

Karen Barr	-	Advisory Council Member (Oahu)
Casey Brown	-	Office of Hawaiian Affairs (Ex-Officio)
Jane Horike	-	Advisory Council Member (Hawaii/Hilo)
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)
Mark Ritchie For	-	Department of Business,
Dennis Ling (Ex-Officio)	-	Economic Development & Tourism (DBEDT)

Guests:

Aaron Ellis	-	Feed the Hunger Fund
Nainoa Logan	-	WEDC

Staff:

Elisa Amemiya	-	Attorney General's Office
Timothy Tiu	-	DBEDT
Selma Malcolm	-	DBEDT

Apologies:

Nancy Elvira Lo (Chair)	-	Advisory Council Member (Oahu)
Kaleokalani Kuroda	-	Advisory Council Member (Oahu)

CALL TO ORDER:

Mr. Ritchie called the meeting to order on Tuesday, October 17, 2023, at 10:02 a.m., in the absence of Chair Lo.

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 he's representing Dennis Ling, DBEDT's Ex/Officio at the meeting.

He then introduced Mr. Nainoa Logan of Waianae Economic Development Council (WEDC) who's an observer at the meeting. Mr. Ritchie then noted that Mr. Logan is currently filling Ms. Shavone Lave's position at Pakini Loan Fund as Ms. Lave has transitioned to the City and County of Honolulu; Aaron Ellis, Director of Programs and Lending at Feed the Hunger Fund who will be walking us through a loan for Kauai Fine Woodworking LLC, Ms. Amemiya, Deputy Attorney General and DBEDT staff.

At this point Ms. Rasmussen informed Mr. Ritchie that she will be leaving the meeting at 10:50 a.m., and suggested that any votes be moved forward so she can participate.

**OLD BUSINESS:**

**1. Approval of Minutes of September 19, 2023:**

Minutes of the September 19, 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 Ms. Rasmussen and seconded by Mr. Brown to approve the Minutes of September 19, 2023, as presented.

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

Motion to adopt the September 19, 2023, Minutes was approved unanimously.

**Public Testimony:**

There was no public testimony.

## **2. CBED Grant of \$65,000 to Maui Chamber of Commerce:**

Mr. Ritchie gave an update on a DBEDT/CBED Grant of \$65,000 to the Maui Chamber of Commerce (MCOC) to distribute to the Maui County exhibitors at the Made in Maui Festival from November 3-4, 2023. The funds will off-set the cost of the booth space for the 132 exhibitors. Mr. Ritchie advised that the funds were disbursed to MCOC over 2-weeks ago and MCOC is currently distributing the funds to the exhibitors. Mr. Ritchie said that MCOC will provide a financial report to DBEDT/CBED in late November or early December 2023 about the Festival. Mr. Ritchie also indicated that DBEDT/CBED was happy to do this grant because this will help businesses on Maui sell their products statewide as well as to out-of-state buyers.

Mr. Ritchie specifically asked Ms. Rasmussen if she would like to share anything since she is the Maui representative on the CBED Advisory Council. Ms. Rasmussen indicated that she was hoping that DBEDT would do a press release on the Grant of \$65,000 to Maui Chamber of Commerce to assist exhibitors. Mr. Ritchie replied that a press release was done and will be distributed within a day or two. Ms. Rasmussen then shared how ecstatic Ms. Pamela Tumpap, President of Maui Chamber of Commerce was about the grant.

A screenshot and/or link to an interview that Mr. Ritchie did with a Maui Radio Station was included in the meeting packet that members can listen to. Mr. Ritchie thanked the CBED Advisory Council for approving this grant.

## **NEW BUSINESS:**

### **1. Approval of CBED Loan of \$75,000 to Kauai Fine Woodworking LLC, a Furniture Manufacturing Company:**

Mr. Ritchie indicated that Kauai Fine Woodworking is a furniture manufacturing company located on Kauai and is requesting a DBEDT/CBED loan of \$75,000 to be used for working capital and to purchase of equipment. He also indicated this is a co-lending deal with Feed the Hunger Fund which will make a loan of \$75,000 as well. Mr. Ritchie then advised that the DBEDT/CBED loan will have a term of 7 years with an interest rate of 5% and that underwriting for this loan was done by Feed the Hunger Fund. Also, Kauai Fine Woodworking LLC is Kauai-based and in an enterprise zone.

Mr. Ritchie then invited Mr. Aaron Ellis, Director of Programs and Lending at Feed the Hunger Fund to walk us through the underwriting process.

Mr. Ellis thanked DBEDT/CBED for co-lending with Feed the Hunger Fund (FTHF) and Ms. Melton for connecting them to a lot of these borrowers. Mr. Ellis reported that Kauai Fine Woodworking, LLC was founded in 2021 by Mr. Adam Lang, and the company has been profitable ever since. (*The company started in 2020 but an entity was created in 2021.*) Mr. Ellis stated that Mr. Lang is requesting a loan of \$150,000 (\$75,000 from DBEDT/CBED and \$75,000 from FTHF) to purchase new equipment to increase production and for working capital. Mr. Ellis also reported that the company has a risk rating of two (2) which means 200% of cash is available to make payments every month, which is very good and puts the company in an excellent rating position from FTHF perspective. The company's collateral coverage is 1.47 including DBEDT/CBED portion of financing. Mr. Ellis also stated that Mr. Lang has an excellent credit history, a very high debt coverage service ratio, positive revenue growth, and has been a carpenter for over 20 years and has been in the management position for this line of business for 8 years. He is contributing 14% of his own equity into the purchase of equipment.

Mr. Ellis also reported that Mr. Lang has 8 full-time and 2 part-time employees. He was declined by the Bank of Hawaii which is a requirement for the DBEDT/CBED funds.

Mr. Brown recommended that the documentation should include that Kauai Fine Woodworking, LLC is in an enterprise zone area. Mr. Ritchie stated that he's keeping an internal list with all indicators which he will discuss with the Advisory Council members at future meetings.

At this point, Mr. Ritchie asked if there were any comments.

Ms. Melton noted that Kauai Fine Woodworking, LLC is a great company with 8 full-time employees and once the loan is approved, the company will hire 5 more employees. The employees are highly skilled laborers, and the shop is about 10,000 sq. ft. Also, she is impressed with the work that Mr. Lang is doing at Kauai Fine Woodworking.

Ms. Rasmussen indicated that she is very thrilled that DBEDT/CBED is making a loan to a company on a neighbor island.

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

Motion was made by Ms. Melton and seconded by Ms. Barr to approve DBEDT/CBED loan of \$75,000 to Kauai Fine Woodworking, LLC to purchase equipment and for working capital.

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

Motion was approved unanimously.

NEXT MEETING:

TBA

ADJOURNMENT:

The meeting was adjourned at 10:21 a.m., on a motion by Mr. Brown and seconded by Ms. Melton.

Respectfully submitted,

For *Mark Ritchie*  
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Nancy Elvira Lo  
Chair

Oct 19, 2023  
\_\_\_\_\_  
Date