

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

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

TUESDAY, FEBRUARY 20, 2024, AT 10:00 A.M.

HCDA Building, First Floor

547 Queen Street, Honolulu, Hawaii 96821

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)
Mark Ritchie For	-	Department of Business,
Dennis Ling (Ex-Officio)	-	Economic Development & Tourism (DBEDT)

Guests:

Aaron Ellis	-	Feed the Hunger Fund
Lei Riedel	-	Pakini Loan Fund

Staff:

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

Apologies:

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

CALL TO ORDER:

Mr. Ritchie called the meeting to order on Tuesday, February 20, 2024, at 10:03 a.m. All members and guests participated via ZOOM.

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

Mr. Ritchie welcomed all present. A roll call vote was conducted, and members indicated if they were alone at their respective locations. Mr. Ritchie announced that he's DBEDT's Ex/Officio in place of Mr. Dennis Ling.

Mr. Ritchie introduced Mr. Aaron Ellis, Director of Programs and Lending at Feed the Hunger Fund (FTHF), Ms. Lei Riedel of Pakini Loan Fund, Ms. Amemiya, Deputy Attorney General and DBEDT staff.

OLD BUSINESS:

Approval of Minutes of February 20, 2024:

Minutes of the February 20, 2024, meeting were distributed and reviewed by Council. Mr. Ritchie asked if there were any comments and/or corrections to the Minutes. There were none and 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 January 16, 2024, 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. Melton, Ms. Rasmussen and Mr. Ritche.

Motion to adopt the January 16, 2024, Minutes was approved unanimously.

Public Testimony:

There was no public testimony.

NEW BUSINESS:

Approval of CBED Loan of \$25,000 to Samurai, Inc.

DBEDT/CBED has a co-lending opportunity with Feed the Hunger Fund (FTHF) which will also make a loan of \$25,000 to Samurai, Inc., a manufacturing company based in the Kalihi area of Honolulu in an Enterprise Zone. The loan will be used to purchase more equipment (in-line printer, a conveyor belt system, and flash freezer). The term of the loan is 4 years with an interest rate of 6 percent.

Mr. Ritchie stated that he approached Mr. Ellis of FTHF to see if FTHF would be interested in this follow-on loan after Samurai approached CBED. FTHF agreed to the follow-on loan, and it has already been approved by the FTHF loan committee. Mr. Ritchie invited Mr. Ellis to walk the Council through the loan underwriting.

Mr. Ellis reported that in 2023 DBEDT/CBED and FTHF made a co-loan of \$200,000 (split 50/50) to Samurai, Inc., to update their facility. The company is located in Kalihi, Honolulu and employs 20 people. Mr. Ellis stated that the original founder, Mr. Gilbert Yamada retired in 2023 and sold his equity to Roselyn Funakoshi, a longtime employee/manager. He stated that the site lease was renewed in March 2023 for 5 years with a renewal extension of an additional 5 years.

Mr. Ellis stated that Ms. Funakoshi is requesting a loan of \$50,000. The loan will be a joint loan between DBEDT/CBED (\$25,000) & FTHF (\$25,000) to purchase automated production equipment that will increase efficiency and reduce costs. He noted that Samurai, Inc., has a history of managing debt well and the collateral coverage for this debt including both DBEDT/CBED and FTHF is 1.96.

The company was turned down for a loan by the Hawaii USA Federal Credit Union.

Mr. Ritchie asked for a motion to approve this agenda item.

Motion was made by Chair Lo and seconded by Ms. Melton to recommend DBEDT Director approval of a DBEDT/CBED loan of \$25,000 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. Melton, Ms. Rasmussen and Mr. Ritche.

The motion was approved unanimously. Mr. Ritchie thanked everyone for attending the meeting and Mr. Ellis for his presentation.

NEXT MEETING:

March 19, 2024

ADJOURNMENT:

The meeting was adjourned at 10:20a.m., on a motion by Chair Lo and seconded by Ms. Melton.

Respectfully submitted,



February 23, 2024

For Nancy Elvira Lo, Chair

Date