

Old Business

**Approval of CBED Advisory Council Meeting Minutes
for October 15, 2024**

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

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

TUESDAY, OCTOBER 15, 2024, AT 10:00 A.M.
No. 1 Capitol District Building,
250 South Hotel Street, 5th Floor Conference Room
Honolulu, Hawaii 96813

AND VIA VIRTUAL APPLICATION ZOOM. VIDEO/AUDIO CONFERENCE

Advisory Members Present were:

Karen Chang Barr	-	Advisory Council Member (Oahu)
Matthew Loke	-	Department of Agriculture (<i>Ex-Officio</i>)
Roberta Melton	-	Advisory Council Member (Kauai)
Josephine (Poni) Askew	-	Office of Hawaiian Affairs (<i>Ex-Officio</i>)
Jennifer Wilkinson	-	Advisory Council Member (Hawaii/Kona)
Mark Ritchie For	-	Department of Business, Economic
Dennis Ling (<i>Ex-Officio</i>)	-	Development & Tourism (DBEDT)

Guests.

Lisa Pakele	-	INPEACE
Lauren Primiano	-	Office of Planning & Sustainable Development
Lei Riedel	-	Pakini Loan Fund
Will Smith	-	Hawaii Small Business Development Center

Staff:

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

Apologies:

Nancy Elvira Lo (Chair)	-	Advisory Council Member (Oahu)
Jane Horike	-	Advisory Council Member (Hawaii/Hilo)
Colleen McAluney	-	Advisory Council Member (Oahu)
Teena Rasmussen	-	Advisory Council Member (Mau)

CALL TO ORDER:

Mr. Ritchie called the meeting to order on Tuesday, October 15, at 10.00 a.m.
All members and guests participated via ZOOM

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

Mr. Ritchie welcomed all present. He then announced that he will officially be DBEDT's Ex-Officio in place of Mr. Dennis Ling.

A roll call vote was conducted, and all members indicated that they were alone at their respective locations.

OLD BUSINESS:

Approval of Minutes of May 21, 2024.

Minutes of the May 21, 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 Mr. Loke and seconded by Ms. Melton to approve the Minutes of May 21, 2024 meeting, as presented.

A roll call vote was taken with the following Council members approving the motion: Ms. Barr, Mr. Loke, Ms. Melton, Ms. Askew, Ms. Wilkinson and Mr. Ritchie.

Motion to adopt the May 21, 2024, Minutes was approved unanimously.

Update on Grant for Micro-Lending - Ms. Lei Riedel, Director, Pakini Loan Fund:

Ms. Riedel reported that the Pakini Loan Fund received a \$50,000 grant from the DBEDT/CBED and disbursed the funds as loans to three (3) companies. All three companies are Native Hawaiian-owned and registered in the Waianae Moku as entities.

The companies that received the loans from the Pakini Loan Fund are, 1) Ho'omana Pono, LLC - received a loan of \$10,000 which was used to hire heavy equipment and operators to clear out two acres of property for agriculture and affordable housing units (50/50). This company employs two full-time staff and supports advocacy in the legal system. 2) KC Construction, LLC - offers home and commercial construction services, employs two full-time staff and contracts with up to five sub-contractors depending on their projects. KC Construction, LLC received a loan of \$20,000 that was used for working capital. 3) Costa Customs, LLC is a mobile auto welding service, that employs one full-time staff and received a loan of \$20,000 to purchase a new welding generator and to repair an existing work vehicle. Ms. Riedel also reported that Costa Customs, LLC has been working in collaboration with a couple of other Pakini Loan Fund recipients on other projects.

Mr. Ritchie thanked Ms. Riedel for her presentation.

Update on Made in Maui County Festival – November 1-2, 2024:

Mr Ritchie stated that in 2023, DBEDT/CBED provided a grant totaled \$60,000 to the Maui Chamber of Commerce to pay for all the exhibitors fees at the Made in Maui County Festival due to the wildfire. Also, that in 2024, DBEDT/CBED will be contributing \$10,000 to sponsor the Festival, as is customary.

Public Testimony:

There was no public testimony

NEW BUSINESS:

1) Lisa Pakele - INPEACE:

Mr. Ritchie invited Ms. Lisa Pakele, Program Director, INPEACE to provide update/metrics on the INPEACE companies that participated in the Made In Hawaii Festival Mr Ritchie then stated that in the past, DBEDT/CBED sponsored some of INPEACE's companies to attend the Made In Hawaii Festival on Oahu

Ms Pakele said she appreciates the opportunity and the support DBEDT/CBED has provided their Center for Entrepreneurship over the past four (4) years which has allowed their Native Hawaiian-owned businesses to take their products to market at the Made In Hawaii Festival She thanked DBEDT/CBED for the assistance

Ms Pakele reported that the Center for Entrepreneurship was able to bring 14 businesses to the 2024 Made in Hawaii Festival Out of the 14 businesses, DBEDT/CBED's funding covered the booth and event fees for five (5) of the companies to attend the event Ms Pakele reported that INPEACE also provided additional support to all the businesses that participated in the festival, including monthly peer networking, workshops, one-on-one coaching, marketing, etc , and that DBEDT/CBED supported those companies as well through social media platforms and press releases.

The names of the five (5) businesses that DBEDT/CBED sponsored are. The Keiki Department, Keha Hawaii, and Kaulana Mahina, all first-time Festival participants Hooked Up Hawaii and Kickin' Sweets were the other two that benefitted by attending the Festival for a second time Ms Pakele stated that the Center for Entrepreneurship continues to provide ongoing and additional support to the companies such as peer networking, workshops, one-on-one coaching, marketing, onsite support-set up, press releases, etc

Ms Pakele stated that the total sales for the five (5) exhibitors DBEDT/CBED supported at the Festival were \$115,425 The five (5) companies continue to grow and are now expanding their product lines and looking for additional support

Mr. Ritchie stated that he's hoping that those companies will take advantage of other DBEDT programs to help them grow, i.e., HiSTEP export development, Enterprise Zones to reduce taxes as well as other programs with our resource partners

Ms Pakele expressed her appreciation for all the support she received from DBEDT/CBED and also for the opportunity to attend the Council meeting. Mr. Ritchie expressed Mahalo nui loa to her and noted that he's looking forward to continuing to work with her and INPEACE in the future

At 10:29 a.m , Ms Melton left the meeting.

Ms Amemiya advised that if quorum has been lost, then the meeting is technically canceled but testimonies and presentations are allowed from guests. She also stated that technically, if there were anything to be deliberated or voted on, they should be recorded and presented at the next meeting to be deliberated and voted on. Mr. Ritchie said there was nothing to be deliberated or voted on.

2) Update on Hawaii Small Business Fair at Leeward Community College – September 28, 2024 – Mr. Jason Ushijima:

Mr Ushijima reported on the Hawaii Small Business Fair (HI-SBJ) that was held on September 28, 2024, from 7:30am to 1:30pm at the Leeward Community College. He stated that the fair was a collaborative effort between DBEDT, City and County of Honolulu, Leeward Community College, INPEACE and the Pacific Gateway Center. Also that the event was free and open to all local entrepreneurs. Mr Ushijima advised that DBEDT's/CBED's reason for supporting the HI-SBF was to promote the formation and growth of community-based businesses in Hawaii.

Mr Ushijima also reported that there were 310 online registrants and 70 walk-in participants at the Fair. There were 23 classes and workshops covering key business topics including human resources, trademarks, e-commerce, financing, accounting, marketing and how to create a business plan. Mr. Ushijima said there were 32 exhibitors that represented various support organizations that participants at the Fair were able to meet and network with

Mr Ushijima stated that the media coverage before, during and after the HI-SBF was huge. There were the KHON Morning News, Pacific Business News, the Rick Hamada Radio Show and the HNN Nightly News, etc. Mr. Ritchie thanked Mr Ushijima for his presentation and then noted that it was really a great event on a Saturday morning

3) Status of EDA Statewide Economic Development District Designation (EDD) - Ms. Lauren Primiano, Special Plans Project Manager, Office of Planning and Sustainable Development:

Mr. Ritchie invited Ms Primiano to report on the status of the EDA statewide Economic Development District (EDD) Designation Ms Primiano noted that the Office of Planning and Sustainable Development (OPSD) is a sister agency to DBEDT She noted that she was thankful and excited for the opportunity to share with the meeting how an EDD Designation and an Economic District Designation can unlock federal funds to advance Hawaii's economic future

Ms Primiano reported that the EDA has been an important source of funding for economic development in Hawaii and also for capitalizing the CBED revolving loan fund. Also, that the EDA's main programs including the Economic Adjustments Assistance Program which capitalizes the revolving loan fund are restricted to geographic areas, i.e., specifically, economically distressed areas This includes having an unemployment rate of at least one percentage point higher than the national average or a per capita income of 80 percent or less than the national average She noted that this creates challenges for a statewide program as well as countywide programs and projects

Ms. Primiano expressed that the EDAs' programs are wonderful to work with and there are some great opportunities to support economic development in Hawaii but accessing the funds for statewide programs is a real challenge and it is not only because our state is not experiencing widespread economic distress

Ms. Primiano advised that an EDD designation essentially allows a multicounty designated region to be preapproved by the EDA for funding eligibility Also that the pre-approval is based on two arguments: 1) the need to make the case for a widespread economic distress across the entire region; 2) need to demonstrate how the economies of the designated region are interconnected, i.e., a project located in an area that doesn't meet the distress criteria can still provide a substantial direct benefit to an area that does.

Ms Primiano stated that the Office of Planning submitted a designation request to the EDA for a statewide economic development district which comprises all five (5) of Hawaii counties including Kalawao on Molokai She said once the designation is approved, it will provide a mechanism for locating funding/projects/businesses anywhere in the State as long as the case can be made that the project provides a substantial benefit to a community that does meet the distress criteria in a census tract or neighboring county, depending on the scale of the project or business

Ms. Primiano advised that one of the conditions for an EDA designation is that the EDD needs to have an organizational backing, dedicated staff and a

governing board. This is not only to support ongoing planning and coordination within the district but also to strengthen capacity within the region to implement the Comprehensive Economic Development Strategy (CEDS) which is a 5-year plan that is required by the EDA in order for a region to have access to its funding programs. To fulfill that role, Ms. Primiano explained that the OPSD is setting up the Hawaii Regional Economic Stewardship and Advancement Program as well as the board that comprises State and County leadership, county economic development and workforce development board, the union representation, the University of Hawaii, among others. She said this program will focus on research, planning outreach and technical assistance and tracking and evaluation and coordinating these activities with the CBED program will be crucial as we move forward.

Ms. Primiano also gave a status update on the Hawaii EDD Designation Process. She stated that OPSD submitted the statewide EDD designation application and established eligibility by completing the 2023 statewide CEDS which has been approved by the EDA. OPSD has committed to a dedicated program and staffing to fulfill all the requirements of an EDA designation. Ms. Primiano said that the OPSD is in the process of finalizing a board through an intergovernmental partnership agreement with the counties. Ms. Primiano also stated that they received tremendous support from the congressional delegation as well as EDA leadership on all levels and that their request is currently under review by the EDA Seattle Regional Office. It is currently pending a few more signatures on their intergovernmental partnership agreement with the counties which will formalize the board as well as advance the request over to EDA headquarters for final approval. She stated that OPSD is optimistic that it will be approved in the very near future and they are looking forward to working with the DBEDT/CBED program and bringing that to fruition and carrying that work forward. She then thanked DBEDT/CBED for the opportunity to attend the meeting.

Mr. Ritchie stated that when DBEDT/CBED applied for the initial funding from EDA, it was during COVID when the whole USA was considered a disaster area and DBEDT/CBED didn't have to make the distinction by census tracts, etc. Also that DBEDT/CBED has been tracking what the Office of Planning and Sustainability has been doing to get that designation so DBEDT/CBED can apply for more EDA funding on a statewide basis.

Mr. Ritchie thanked Ms. Primiano for her report and noted that her hard work and dedication to the program is appreciated. Mr. Ritchie then announced that Ms. Primiano's presentation will be discussed in a future meeting when there is quorum.

4) **Update on CBED Loans, Loan Metrics and Revolving Loan Fund Dashboard**
Mr. Mark Ritchie:

Mr Ritchie presented an overview of the CBED Loans He explained that the “Risk Rating” for FY2022 was a “B” then improved to an “A” for FY2023.

CBED Annual Report - Mr. Ritchie will be working on the CBED Advisory Council annual report Copies will be sent to legislators as well as Council members.

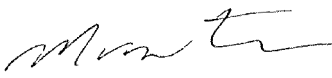
NEXT MEETING:

TBA

ADJOURNMENT:

The meeting ended at 10.52 am.

Respectfully submitted,

For 

Nancy Elvira Lo, Chair

January 13, 2025

Date

New Business

Recommendation/Approval of CBED Loan of \$37,500 to Cymz_Sweet_Kre8tionz, LLC, a food manufacturing company producing confectionary desserts in Kahului, Maui. Co-lending with Feed the Hunger Fund (FTHF), which will also make a loan of \$37,500 for a total loan of \$75,000. The CBED/FTHF loan will fund a dough divider and a second double oven, enabling the business to scale production efficiently. The CBED loan will have a term of six (6) years with an interest rate of 5%. Underwriting review by Eric Bowman, Loan Officer, FTHF.

To: Ritchie, Mark J <mark.j.ritchie@hawaii.gov>

Subject: [EXTERNAL] New submission from 2024 CBED Loan Interest Form

Company Name

Cymz_Sweet_Kre8tionz LLC

Title of person acting on behalf of this business (e.g. CEO, President)

CEO OWNER

Name

Cymbree Kailiehu

Company Contact Information

Address

153 Ma'a Street Suite #101
Kahului, Hawaii 96732
United States
[Map It](#)

Company Phone

(808) 757-6603

Email

cymzsweetkre8tionz@gmail.com

Website (if any)

<http://www.cymzsweetkre8tionz.com>

The Company Name listed above is a business and is registered to do business in the State of Hawaii and is in good standing

Yes

The Company Name listed above is current on all County, State, and Federal Tax Filings and Tax Payments.

Yes

Do you have financial statements (income statement and balance sheet) for two most recent fiscal years?

Yes

Business Information

Date Established

12/12/2014

Type of Entity

Limited Liability Company

Is business a for-profit business?

Yes

Type of Business

Wholesaler

Please describe your business

Creating confectionary desserts. Using locally sourced fresh fruit ingredients from local growers and farmers on Maui in our fruit flavored cupcakes, tartlets and cookies.. Made from scratch, hand scooped, not to sweet and full of color and life.

Annual Revenue

\$120,000.00

Number of Employees

2

Loan Information

What loan amount are you seeking?

\$55,000.00

Have you had one turndown from a commercial lender in the past year?

Yes

What is the loan to be used for?

Purchase of equipment

What type of collateral do you have to secure a loan?

car?

Terms & Conditions

- I Agree

Loan Presentation:

Date:	12/20/2024	Total Project Cost:	\$ 97,524.92
Business:	Cymz_Sweet_Kre8tionz, LLC	Loan amount requested:	\$ 37,500.00
Principal Name(s):	Cymbree Kailiehu	Recommended Interest rate:	5.0%
Address: <i>Business Address</i>	131 Hanamu Rd ; Makawao, HI 96768	Term / Amortization:	72
Business Type:	Existing	RISK RATING:	2
FTHF Loan Client:	No	Access to Other Capital:	Cymbree was referred to CBED by a bank who denied her loan. CBED passed her along to FTHF for underwriting and origination.
Loan Status:			
Business Structure:	Limited Liability Company		
Purpose of Loan:	Fixed Asset & Working Capital		
Jobs created:	1		
Jobs retained:	1		
Ownership Structure:			
	100%	Cymbree Kailiehu	

Business Description: Cymbree started Cymz_Sweet_Kre8tionz, LLC in late 2014 baking treats like cake pops and cupcakes, operating out of her garage. In 2015, she transitioned to commercial kitchens and rented spaces. Since then, her business has grown significantly, catering to both individual and wholesale customers, including prominent clients like Grand Wailea Resort and Island Grocery Depot, while attending major local events such as Made in Maui. Her products feature local flavors like ube, lilikoi, and kula strawberry. To scale further, she seeks funding for equipment upgrades, such as a dough divider and double oven, which will increase efficiency and meet growing demand.

**FEED THE HUNGER FUND
Loan Narrative Template**

- **Business Name:** Cymz_Sweet_Kre8tionz, LLC
- **Borrower Name:** Cymbree Kailiehu
- **Borrower Social/Website:**
 - Web: www.cymzsweetkre8tionz.com
 - Facebook: www.facebook.com/cymzsweetkre8tionz
 - Instagram: www.instagram.com/cymz_sweet_kre8tionz_llc
 - Yelp: www.yelp.com/biz/cymz-sweet-kre8tionz-kahului-3
- **Does the borrower have previous Loans:** No
- **Borrower Risk Rating:** 2
- **Loan Amount:** \$75,000; participation with CBED, \$37,500 from each partner
- **Interest Rate:** 5%
- **Term (Months):** 72
- **Conditions on loan approval:** In the event CBED denies this loan, FTHF funds the full amount.
- **Grant Amount:** N/A
- **Funding Source:** CDFI (FA or ERP), EDA, KS, or HPH and CBED (i.e. EDA)

PROS:

- **Target Market:** As a low-income, native Hawaiian woman engaged in food preparation, Cymbree is at the center of the Fund's mission.
- **Strong Customer Base:** The business has a well-established reputation and consistent sales from both direct consumers and wholesale clients, including notable partnerships with local supermarkets, resorts, and retail stores.
- **Proven Growth Potential:** Demand currently outstrips supply, she is currently limited in her capacity to meet demand.
- **Operational Experience:** Borrower has nine years of experience in the food industry and has successfully managed growth from her garage to a sought-after brand.

CONS:

- **Labor-Intensive Process:** Current production is highly labor-intensive, requiring manual scooping of cookies, which limits scaling without proper equipment.

FEED THE HUNGER FUND

Loan Narrative Template

- **Dependence on Local Markets:** The borrower is dependent on Maui-based vendors and events, which could be impacted by market conditions or local competition. She seeks to expand into other markets.
- **Seasonality:** The business's sales may fluctuate based on seasonal demand, especially with a focus on events like weddings, holidays, and corporate gatherings.

- **NARRATIVE:**

Cymbree started her company in late 2014 from her home, using a small gas oven in her garage and an outdoor table for baking. Before starting the business, she gained experience working in retail, floral design, and dental assisting. After struggling with anxiety in her previous career, she took a leap into making treats like chocolate pretzel rods and cake pops, eventually finding her passion in baking. Working with the Dept. of Health in 2015, she transitioned her operations to a commercial kitchen in Wailuku, where she worked until 2018. She has grown her brand from selling small packs of treats out of her car to fulfilling orders for events, weddings, and wholesale clients.

The bakery specializes in handcrafted desserts, with its best-selling items being macarons in flavors like ube, lilikoi, and Kula strawberry, made with fresh local ingredients. Customers have praised the quality and artistry of her products. She has established strong wholesale relationships with vendors like Pukalani Super Market, TJ's Wearhouse, and Andaz Wailea, as well as direct sales through community events and markets. With increasing demand, her minimum order requirements have risen to \$100 for individual customers and \$200 for weddings. The borrower also attends approximately six community events monthly, further building brand awareness.

The loan request will fund a dough divider and a second double oven, enabling the business to scale production efficiently. Currently, the most labor-intensive process is manually scooping cookies, which the dough divider will streamline. The second oven will allow for higher production capacity, meeting growing demand. These investments will save time, reduce labor intensity, and increase the business's ability to fulfill larger orders, including potential expansion to new wholesale accounts.

- **PHOTOS:**

FEED THE HUNGER FUND Loan Narrative Template



Miguel M. Elite 24
Wailuku, HI
6 Cake Shop reviews

★★★★★ Jul 16, 2023

1 photo

Some of the best sweets Maui has to offer - their bevy of desserts perfectly satisfies those with a sweet tooth, and it's paired with the owner's incredible kindness and friendliness. The shop is a cute little bake shop and has a great aesthetic to it. Definitely recommend trying out one of their sweets if you see them around

- Miguel Morales Photography



A representative consumer review that maintains her 4.8 rating on Yelp



Cymbree and her spouse Glen.

FEED THE HUNGER FUND
Loan Narrative Template

WAILUKU FIRST FRIDAY
SPOOKTACULAR
Keiki Costume Parade at 7:15pm Market St. Stage & Merchant Trick or Treat



@CYMZ_SWEET_KREATIONS

WAILUKUFIRSTFRIDAY.COM