

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

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

TUESDAY, MARCH 18, 2025, AT 10:00 A.M.

**No. 1 Capitol District Building,
250 South Hotel Street, 5th Floor Conference Room
Honolulu, Hawai'i 96813**

AND VIA VIRTUAL APPLICATION ZOOM: VIDEO/AUDIO CONFERENCE

Advisory Members Present were:

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| Karen Chang Barr | - | Advisory Council Member (Oahu) |
| Matthew Loke | - | Department of Agriculture (<i>Ex-Officio</i>) |
| Roberta Melton | - | Advisory Council Member (Kauai) |
| Jennifer Wilkinson | - | Advisory Council Member (Hawaii/Kona) |
| Nancy Elvira Lo (Chair) | - | Advisory Council Member (Oahu) |
| Colleen McAluney | - | Advisory Council Member (Oahu) |
| Teena Rasmussen | - | Advisory Council Member (Maui) |
| Mark Ritchie For | - | Department of Business, Economic |
| Dennis Ling (<i>Ex-Officio</i>) | | Development & Tourism (DBEDT) |

Guests:

| | | |
|---------------|---|--|
| Heather Piper | - | Hawai'i Community Reinvestment Corporation |
| Lisa Pakele | - | INPEACE |

Staff:

| | | |
|----------------|---|---------------------------|
| John Cole | - | Attorney General's Office |
| Timothy Tiu | - | DBEDT |
| Jason Ushijima | - | DBEDT |
| Selma Malcolm | - | DBEDT |

Apologies:

| | | |
|------------------------|---|--|
| Josephine (Poni) Askew | - | Office of Hawaiian Affairs (<i>Ex-Officio</i>) |
| Jane Horike | - | Advisory Council Member (Hawai'i/Hilo) |

CALL TO ORDER:

Mr. Ritchie called the meeting to order on Tuesday, March 18, 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 January 21, 2025:

Minutes of the January 21, 2025, 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. Lo and seconded by Ms. Melton to approve the Minutes of January 21, 2025 meeting, as presented.

A roll call vote was taken with the following Council members approving the motion: Ms. Barr, Mr. Loke, Ms. Melton, Ms. Rasmussen, Ms. Lo, Ms. McAluney, and Mr. Ritchie. Ms. Wilkinson abstained since she did not attend the last meeting.

Motion to adopt the January 21, 2025 Minutes were approved.

NEW BUSINESS:

Recommendation/Approval of CBED follow-on loan of \$80,000 to Re-use Hawai'i, a deconstruction and redistribution nonprofit company that turns waste into affordable community resources, located on O'ahu. The CBED loan will fund new equipment leading to greater operational efficiency. The CBED loan will have a term of five (5) years with an interest rate of 6%. This will be a 100% CBED loan with loan servicing done by Hawai'i Community Reinvestment Corporation (HCRC). Underwriting review by Heather Piper, Executive Director, HCRC.

Mr. Ritchie noted that this is a follow-on loan request of \$80,000 from Re-use Hawai'i, which needs to purchase new equipment for their operations. Mr. Ritchie noted that Re-use Hawai'i has been successfully making on time payments on their previous \$50,000 loan from 2021. Mr. Ritchie introduced Heather Piper to walk the Council through the underwriting process.

Ms. Piper provided insights into Re-use Hawai'i's operations, focusing on their commitment to deconstruction and environmental sustainability, and detailed the loan's purpose for acquiring a telehandler to improve operational efficiency. Ms. Piper highlighted the financial stability and credit risk associated with the loan request and emphasized the organization's effective expense control and strong cash flow.

Ms. Piper explained that Re-use Hawai'i specializes in deconstructing properties to salvage materials, significantly reducing landfill waste and providing affordable construction materials. The organization recently relocated to a larger space at Stadium Mall after being asked to move from Kaka'ako.

Ms. Piper outlined that the \$80,000 loan will be secured by a junior UCC lien, with repayment sourced from consistent business cash flow and grants. Mr. Ritchie noted the borrower has a strong payment history, with only \$19,000 remaining on their original loan of \$50,000 from CBED.

In discussion Ms. Piper explained that Re-use has a yard on the Big Island which is used for parking trucks and equipment, and the company has completed several projects, including hotels on the Big Island. Ms. Rasmussen raised questions about the financial incentives for construction companies to opt for sustainable demolition instead of traditional methods. Ms. Piper noted that while labor is paid for, materials are often donated, providing a tax incentive for developers. Ms. Rasmussen underscored the significance of Re-use Hawai'i's work in addressing landfill issues on O'ahu.

Ms. Piper emphasized the organization's solid financial management and ability to repay loans. Mr. Ritchie informed the group that there is currently \$350,000 available in the CBED EDA RLF to lend, with an additional \$50,000 being returned each quarter indicating the ability to support the new loan request.

A motion to approve the \$80,000 loan was made by Ms. Rasmussen and seconded by Ms. Barr, leading to a roll call vote that resulted in unanimous approval from Council members: Ms. Barr, Mr. Loke, Ms. Melton, Ms. Rasmussen, Ms. Wilkinson, Ms. Lo, Ms. McAluney, and Mr. Ritchie.

Public Testimony:

There was no public testimony.

Recommendation/Approval of a CBED Grant of \$8,000 to The Institute for Native Pacific Education and Culture (INPEACE) Center for Entrepreneurship, a 501(c) Community-Based Organization. The funds will support a cohort of nine (9) Native Hawaiian-owned small businesses in participating in the 2025 Merrie Monarch Festival) Kāko'o Hawai'i marketplace, in Hilo, HI, to showcase their craftsmanship, increase brand visibility, and generate sales. Presented by Lisa Pakele, Program Director, INPEACE Center for Entrepreneurship.

Mr. Ritchie welcomed Lisa Pakele, who is the Program Director for the Center for Entrepreneurship at INPEACE, to discuss support for small Native Hawaiian-owned businesses. Ms. Pakele presented a proposal for funding to support nine small Native Hawaiian businesses participating in the Merrie Monarch Festival in Hilo. She discussed the challenges these businesses face due to rising event costs and the tailored support provided to help them succeed. Ms. Pakele noted that this funding would cover event fees and travel costs for O'ahu-based businesses.

Ms. Melton asked how does one identify when someone's ready to participate in an event such as Merrie Monarch? In discussion with the Council Ms. Pakele highlighted the extensive preparation and coaching involved in getting businesses ready for events, including inventory management and financial assessments. Ms. Pakele also noted that businesses often self-identify their readiness, but further discussions may reveal they need more preparation. Ms. Wilkinson expressed her support for Ms. Pakele's initiatives, while asking for clarification on the authority of the grant program.

Mr. Ritchie explained that the CBED program is statutory and allows for grants, loans, and technical assistance. The program primarily makes small business loans. Grants are made less frequently and usually to non-profit organizations involved in growing and supporting community-based businesses. He emphasized that grants are typically to aid in the growth of businesses.

Ms. Melton made a motion to approve the grant to INPEACE and Ms. McAluney seconded the motion. A roll call vote was taken and confirmed unanimous approval for an \$8,000 grant to INPEACE.

Public Testimony:

There was no public testimony.

NEXT MEETING:

TBA

ADJOURNMENT:

The meeting ended at 10:55 am.

Respectfully submitted,

For 

Nancy Elvira Lo, Chair

March 31, 2025

Date