

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

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

TUESDAY, JULY 15, 2025, 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 Barr	-	Advisory Council Member (Oahu)
Roberta Melton	-	Advisory Council Member (Kauai)
Kaiana Niezman	-	Advisory Council Member (Hawaii/Hilo)
Colleen McAluney	-	Advisory Council Member (Oahu)
Teena Rasmussen	-	Advisory Council Member (Maui)
Josephine (Poni) Askew	-	OHA Representative
Dennis Ling (Ex-Officio)	-	Department of Business, Economic Development & Tourism (DBEDT)
Jason Ushijima For Dennis Ling (Ex-Officio)	-	Department of Business, Economic Development & Tourism (DBEDT)

Guests:

Eric Bowman	-	Feed the Hunger Fund (FTHF)
Michelle Agbigay	-	Hilo, Hawaii

Staff:

John Cole	-	Attorney General's Office
Timothy Tiu	-	DBEDT
Selma S. Malcolm	-	DBEDT
Ram Arnan D. Braza	-	DBEDT

Apologies:

Matthew Loke	-	Department of Agriculture (Ex-Officio)
--------------	---	----------------------------------------

CALL TO ORDER:

Mr. Ushijima called the meeting to order on Tuesday, July 15, at 10:00 a.m.
All members and guests participated via ZOOM.

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

Mr. Ushijima welcomed all present.

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

Mr. Ling announced that Mr. Ushijima is now the new program manager and Branch Chief for the Business Support Division.

Mr. Ushijima announced that both Ms. Nancy Elvira Lo and Ms. Jane Horike's terms on the council had come to an end and thanked them for their years of service. He introduced Mr. Niezman, the new CBED advisory council member representing Hawaii County. He also introduced Mr. Braza, the new Economic Development Specialist for DBEDT.

OLD BUSINESS:

Approval of Minutes of May 20, 2025:

Minutes of the May 20, 2025, meeting were distributed and reviewed by the Council. Mr. Ushijima 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.

The motion was made by Ms. Melton and seconded by Ms. McAluney to approve the Minutes of the May 20, 2025, meeting, as presented.

A roll call vote was taken with no objections.

The motion to adopt the May 20, 2025, Minutes was approved unanimously.

Mr. Ling had to leave the meeting after the approval of the May 20, 2025, meeting minutes and designated Mr. Ushijima as DBEDT's Ex-Officio in his place. Mr. Ushijima acknowledged that he will now be DBEDT's Ex-Officio.

Public Testimony:

There was no public testimony.

NEW BUSINESS:

Approval of CBED Loan of \$87,500 to TC Kokua, LLC:

Mr. Ushijima outlined that the company, TC Kokua, LLC, a Maui-based business, has applied for a DBEDT/CBED loan in partnership with Feed the Hunger Fund. He invited

Mr. Bowman, Loan Officer of Feed the Hunger Fund (FTHF), to present information about TC Kokua, LLC and owner Mr. Max Tsai to the committee.

Mr. Bowman emphasized that TC Kokua, while outside the typical focus of food and agriculture lending, plays a crucial role in local employment and community support. He stated that TC Kokua has weathered several economic disruptions, including the Covid-19 pandemic and the 2023 Lahaina fire. Mr. Tsai is also very active in his community, serving on several civic and nonprofit boards. He would like to grow his business and increase capacity with the hiring of additional employees, purchase of new equipment, and infrastructure improvements to be able to handle more clients. With the underwriting that FTHF completed, Mr. Bowman noted that the business is profitable and would be able to support the loan. He also mentioned that the business is located in Kihei which is an Enterprise Zone.

Mr. Ushijima stated that this is an extremely unique company. He emphasized that while it may not appear to be something within CBED's wheelhouse, which is typically in the agriculture, manufacturing, and wholesaling area, this company is supporting or has supported previous clients in those areas and hopes to do more. He also stated that supporting this company is within CBED's mission. Both share overarching goals there is additional alignment as TC Kokua seeks to further their workforce development and hiring efforts.

Ms. Barr asked for clarification on the breakdown of the \$6,000 for hiring and training. Mr. Bowman stated that it is for payroll during the training phase.

Ms. Rasmussen came forward in support of TC Kokua and Mr. Tsai. She stated that she has known Mr. Tsai for years and she acknowledged the tenacity of the business in enduring many major disruptions over the years. She also emphasized the importance of having a call center business like TC Kokua in Hawaii.

Mr. Neizman asked if Mr. Tsai is going to guarantee the loan. Mr. Bowman answered yes.

Mr. Neizman asked if collections are handled in-house and if there are any problems collecting from the state. Mr. Bowman indicated that this issue did not surface and based on the balance sheet, it did not really rise to the issue of concern.

Mr. Neizman asked if there are any financial reporting requirements. Mr. Bowman indicated that they obligate borrowers to share information upon request, but they frequently do not request it unless they are doing a troubled debt restructure.

Mr. Neizman asked what the result is going to be if this loan gets approved. Mr. Bowman indicated that there were some documents that were not sent out to the committee because of their proprietary and confidential nature. Mr. Bowman added that revenue has been increasing since 2022 and the goal is to bring in more clients and get up to a million dollars in revenue by 2028.

Ms. Askew asked for the breakdown of the debt ratio. Mr. Bowman clarified if Ms. Askew was referring to the risk rating chart. Ms. Askew confirmed that that is what she was referring to. Mr. Bowman explained that a GDSC of 1.59 would mean that there is 159% cash flow between the household and the company to support the repayment of the loan.

Ms. Askew stated that Mr. Tsai may have limited liquidity and asked for clarification. She also asked what Mr. Tsai can possibly manage with his repayment obligations as it relates to the debt ratio. Mr. Bowman indicated that TC Kokua's current assets in terms of cash on hand is low. He stated that this loan would provide the liquidity but also reaffirmed that the business has 60% more right now than the loan repayment and FTHF is comfortable in terms of the cash flow of the business.

Ms. Askew asked if the applicant provided any data or operational history that validates the projection that an additional customer service agent will be able to bring in \$80,000 to \$90,000 in revenue. Mr. Bowman indicated that Mr. Tsai has a marketing plan and a short list of potential clients as he wants to bring the demand while also having the internal capacity to support that demand.

Ms. Askew asked if Mr. Tsai shared how the business development or client acquisition plan could potentially look for him, if it is particularly focused on tourism or what fields he might be interested in pursuing outside of government contracts. Mr. Bowman indicated that Mr. Tsai is definitely looking at government and he is in conversations with other agencies. He also indicated that Mr. Tsai mentioned that he is in conversations with Alaska Airlines. Mr. Bowman stated that Mr. Tsai is engaged in a long customer acquisition process with a list of clients and Mr. Tsai provided the client list, but he does not have it in front of him right now.

Ms. Barr stated that the company is actively diversifying into government, healthcare, funeral services, and senior care markets. She emphasized that those markets are going to be expanding and the need will be increasing as we all age and she finds it comforting to bring in somebody like this on with a team that can talk to us and they are in state.

Mr. Ushijima thanked Ms. Barr and asked if there were any further questions. Since there were none, he called for a vote.

A roll call vote was taken with all Council members voting unanimously.

Mr. Ushijima asked Mr. Cole if he made a mistake since he did not call for a motion and a second to vote on it.

Mr. Cole stated that a motion and a second are needed but another roll call is not necessary. He stated that Mr. Ushijima can just ask if there are any no votes or objections, and if none, then the vote is unanimous.

Mr. Ushijima called for a motion on the agenda item.

A motion was made by Ms. Rasmussen and seconded by Ms. Barr to recommend approval the DBEDT/CBED loan of \$87,500 to TC Kokua, LLC.

Mr. Ushijima asked if there were any objections to the motion. There was none.

The motion was approved unanimously.

Announcements

Mr. Ushijima said that the advisory council is getting new members and hopefully they will be able to attend the next meeting.

Mr. Ushijima said he will be presenting financial information on the current EDA and state funding which will be discussed at the next meeting in August.

Mr. Ushijima said that there will also be another loan presentation next meeting for another exciting company located on Maui.

NEXT MEETING:

August 19, 2025, at 10:00 a.m.

ADJOURNMENT:

The meeting ended at 10:44 a.m., on a motion by Ms. Melton and seconded by Ms. Rasmussen.

There were no objections and the motion was approved unanimously.

Respectfully submitted,



Jason S. Ushijima
Branch Chief, BSB-BDSD

7/17/2025
Date