

Business Revitalization Task Force

5th Meeting Minutes

Meeting was held virtually via Zoom and in person at 250 South Hotel Street, Room 435,
Honolulu, Hawai'i 96813

June 5, 2025

2:00 p.m. – 3:40 a.m.

PRESENT:

State Government:

Dennis Ling, Seth Colby, Sandra Fujiyama, Ashton Stallings (Dean I. Hazama designee)

County Government:

Amy Asselbaye, Dennis Lin, Jade Rojas-Letisi (substitute for Sharon Z. Banaag)

Small Business Regulatory Board

Tessa Gomes (substitute for Garth Yamanaka)

High Technology Industry:

Patrick Sullivan

Construction Industry:

Roseann Freitas

Agriculture Industry:

Brian Miyamoto

Visitor Industry:

Sue Kanoho

Food Industry:

Lauren Zirbel

Retail Industry:

Monty Pereira, Tina Yamaki

Regional and Ethnic Chambers of Commerce:
Wendy Laros, Constancio Paranal

Chamber of Commerce Hawai'i:
Sherry Menor- McNamara

Staff Members:
Department of Business, Economic Development and Tourism (DBEDT): Joseph
Roos, Mustafa Shirzad, Oscar Carvallo Valencia

CALL TO ORDER:

Time lapse: 2:00 p.m. – 2:06 p.m.

Chair Dennis Ling, BDS-DBEDT administrator, called the meeting to order. 18 members were present.

SUMMARY:

1. Agenda Item 1: Approval of the April 10, 2025, and May 15, 2025 meeting minutes.

Time lapse: 2:06 p.m. – 2:07 p.m.

Chair Dennis Ling called for a motion to approve the April 10, 25 and May 15, 2025 meetings minutes. Brian Miyamoto moved to approve the minutes and Monty Pereira seconded. No objection vote was raised and the motion passed.

2. Agenda Item 2: Presentation of priority ranking survey results.

Time lapse: 2:19 p.m. – 2:29 p.m.

Mustafa Shirzad, Economist at DBEDT/READ, delivered a presentation on Hawai'i's economic competitiveness and business climate. The presentation examined the state's business environment, emphasizing consistently low rankings in national indices of business competitiveness and climate. He shared data on business births and closures during the COVID-19 period, along with its implications for job dynamics, the regulatory environment, and labor productivity. He also presented empirical findings on small business financing, noting that operating expenses and business expansion were the primary reasons firms sought financing. Notably, Hawai'i received the lowest amount of SBA loans as ratio of its nominal GDP among all states. The presentation concluded with insights on industry specialization, R&D expenditures, and the high costs of labor and energy in Hawai'i.

Joseph Roos, Economic Research Branch Manager at DBEDT/READ, followed with an overview of the Task Force's recommendations. He highlighted the top 10 priorities, which included tax reform, labor cost structures, and strategies for integrating housing into workforce development efforts.

3. Agenda Item 3: Discussion of task force priorities.

Time lapse: 2:30 p.m. – 03: 30 p.m.

The task force discussed strategies to improve Hawaii's business rankings, with Seth Colby proposing a legislative goal to move from 50th to 35th place by setting a target for the state to achieve. Patrick Sullivan and Sherry Menor- McNamara supported this approach, emphasizing the need for measurable metrics and benchmarks to track progress. Lauren Zirbel suggested introducing specific bills from the priority list as part of an initial blueprint, while Patrick Sullivan recommended focusing on two main goals: improving the state's GDP to match the national average growth and enhancing the business climate.

The group also discussed concerns about business costs and the impact of legislation on small businesses, with Wendy Laros and Tina Yamaki emphasizing the need for business-focused outcomes that don't burden businesses further. Seth Colby explained the value of using external rankings as a metric for improving Hawaii's business environment, while Patrick Sullivan advocated for a more aggressive goal of reaching the top 10 states for business climate and competitiveness within 5 years. Constancio Paranal raised concerns about the limitations of using rankings as the sole metric, suggesting instead a focus on specific, measurable outcomes such as small business loans, workforce certifications, and government contracts awarded to minority-owned businesses.

The group discussed the importance of considering unintended consequences before proposing legislation, with Roseann Freitas emphasizing the need to balance healthcare costs and workforce development. Thomas Chock agreed with Seth Colby and Patrick Sullivan's recommendation to focus on broader, strategic goals that the legislature can align with, rather than narrowly defined proposals. The task force agreed to review the data and potentially include additional categories in the rankings if needed.

The group also discussed regulatory burdens and permitting issues facing businesses in Hawaii. Several key areas for improvement were identified, including streamlining the permitting process, updating building codes, and reducing regulatory costs. Roseann Freitas explained that the State Building Codes Council has been on hold for years, leading to outdated codes and delays in the permitting process.

Finally, the group discussed how to proceed with ranking survey recommendations, ultimately deciding to keep the existing survey results and add a regulatory category

rather than conducting a new survey. They agreed to focus on the top 10 recommendations plus one regulatory item, with plans to vote on them at the next meeting.

4. Agenda Item 4: Schedule for future meetings.

Time lapse: 3:30 p.m. – 3: 39 p.m.

The group discussed holding their next meeting in July, after the 4th of July week, and will use a Doodle poll to coordinate schedules.

NEXT STEPS:

1. Seth Colby to draft an overarching suggestion or macro target external metric for the task force to vote on at the next meeting.
2. DBEDT/READ to send out the survey results, including the "other" category, to all task force members.
3. DBEDT/READ to create a new survey with the top 10 recommendations plus a regulatory reform option for task force members to rank.
4. DBEDT/READ to send out a Doodle poll for scheduling the next meeting after the week of July 4th.
5. Task force members to review the survey results and prepare for discussion and voting on priorities at the next meeting.
6. Task force members to consider the overarching metric and specific recommendations for discussion at the next meeting.

ADJOURNMENT:

The meeting adjourned at 3:40 p.m.