



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKAI

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Statement of  
**James Kunane Tokioka**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY**

Thursday, January 30, 2025  
1:00 PM  
State Capitol, Conference Room 229

In consideration of  
**SB983**  
**RELATING TO SMALL BUSINESS LOANS.**

Chair DeCoite, Vice Chair Wakai and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of **SB983** which establishes the Hawaii start-up business loan program.

This new loan program designed for start-up companies fills a market need by assisting companies with working capital and equipment needs and with establishing a business credit history.

DBEDT currently offers business loans through the Community-Based Economic Development (CBED) program. These loans tend to be for business expansion and usually range from \$50,000 to \$100,000.

Start-up companies that benefit from this start-up loan program may later apply to CBED for business expansion financing.

Accordingly, DBEDT recommends for coordination efficiency and to help companies on the continuum of growth that this new start-up program be a component of CBED's business expansion loan program and that funding for the start-up loan program be appropriated to CBED.

More importantly, DBEDT will also require the creation of a business loan officer position within the Business Support Branch (BSB). Currently, there is no loan officer at DBEDT, and existing staff is at capacity in administering loans through the CBED loan program. DBEDT requests an additional \$95,000 be included in the bill for a new position provided that it does not replace or adversely impact priorities indicated in the Executive Budget.

Thank you for the opportunity to testify.

#### OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

#### OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

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Josh Wisch  
*President & Executive Director*

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**Committee:** Senate Committee on Economic Development and Tourism  
**Bill Number:** SB 983, Relating to Small Business Loans  
**Hearing Date and Time:** January 30, 2025 at 1:00pm (Room 229)  
**Re:** Testimony of Holomua Collaborative in support

Aloha Chair DeCoite, Vice Chair Wakai, and Committee Members:

We write in support of Senate Bill 983, Relating to Small Business Loans. The purpose of SB 983 is to establish the Hawai'i Start-Up Business Loan Program to assist start-up businesses early in their development.

Holomua supports initiatives that help keep all local working families in Hawai'i by addressing issues of affordability. We are especially interested in fostering cross-sector collaboration and supporting policies that are evidence-based.

In order for Hawai'i to be affordable for local working families, we need to ensure that our local business community—including entrepreneurs looking to start new businesses—is provided with the opportunities necessary to expand and succeed in an uncertain economy. Only 21% of respondents in a recent survey of 1500 local residents agree that “Hawai'i is a good place to do business.” This statement also shows a high percentage of disagreement, with 43 percent *disagreeing* that Hawai'i is a good place to do business. A still larger portion of respondents agree that Hawai'i needs to recruit and retain critical workforce members.<sup>1</sup>

We do have good programs in place to help move the needle on these issues. For example, the Department of Business, Economic Development, and Tourism offers business loans through the Community-Based Economic Development (CBED) program. But these loans are limited to businesses that have already been in business for two years. The state does *not* currently offer loans dedicated to assisting *start-up* businesses that are less than 2 years old.

Starting a business can be a costly venture. The upfront cost for licensing and permits, legal and administrative costs, technology and software, equipment, employees, insurance, and branding can be prohibitive to an average person aspiring to start a new business in Hawai'i.

And those that do follow their dreams to start a business run into obstacles such as a lack of options for loans from commercial banks, in part *because* they are start-ups. And this creates an opportunity for the State to step in and fill this gap.

This bill proposes a program to provide state-backed loans to finance working capital, construction, or equipment to businesses less than three years old. Under the terms of the bill, the default position is that no loan shall be granted unless financial assistance

<sup>1</sup> 2024 Affordability Survey, Holomua Collective.



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is not available to the applicant. The loans will have favorable terms to businesses with limited financial history and can serve as a bridge until the businesses grow enough to qualify for commercially-backed loans.

By supporting entrepreneurs, this initiative would boost the local economy, create jobs, and foster economic diversification and resilience.

We urge you to support SB 983.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Josh Wisch', is written over a light blue horizontal line.

Josh Wisch  
President & Executive Director



1050 Bishop St. PMB 235 |

Honolulu, HI 96813

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#### **Executive Officers**

**Maile Miyashiro**, C&S Wholesale Grocer, *Chair*

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**Paul Kosasa**, ABC Stores, *Advisor*

**Derek Kurisu**, KTA Superstores, *Advisor*

**Toby Taniguchi**, KTA Superstores, *Advisor*

**Joe Carter**, Coca-Cola Bottling of Hawaii, *Advisor*

**Eddie Asato**, Pint Size Hawaii, *Advisor*

**Gary Okimoto**, Safeway, *Immediate Past Chair*

TO: Committee on Economic Development and Tourism

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: January 30, 2025

TIME: 1pm

RE: SB983 Relating to Small Business Loans

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

HFIA has proudly produced the Made in Hawaii Festival for 30 years, we know first hand the power and potential of our local small businesses. The Festival is a vital small businesses incubator that can help new businesses get their start. Unfortunately, Hawaii is an extremely challenging business climate and many small businesses do not have the support they need to thrive. Furthermore, there are many potential businesses that never take off in our state because of lack of capital and other support.

We believe that by providing support to local small businesses and entrepreneurs this measure will help grow local businesses, grow and diversify our economy, and create more jobs for our state. We encourage the committee to pass this measure and we thank you for the opportunity to testify.



## Testimony to the Senate Committee on Economic Development and Tourism

Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair

Thursday, January 30, 2025, at 1:00PM  
Conference Room 229 & Videoconference

RE: SB983 Relating to Small Business Loans

**LATE**

Aloha e Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 983 (SB983) which establishes the Hawai'i Start-Up Business Program within the Business Development and Support Division of the Department of Business, Economic Development, and Tourism, and establishes the Hawai'i Start-Up Business Program Special Fund.

SB983 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Small Business. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

This bill helps local entrepreneurs overcome one of the biggest barriers to starting a business—access to capital. In response to economic challenges from the COVID-19 pandemic, supply chain disruptions, and inflation, it provides direct financial assistance to early-stage small businesses. Unlike existing state programs focused on business expansion, this initiative supports start-ups with loans up to \$50,000 at a low 4% interest rate, an eight-year repayment term, and potential loan forgiveness.

Administered by the Department of Business, Economic Development, and Tourism (DBEDT) with financial institutions, the program assists businesses struggling to secure traditional loans. With a \$500,000 annual allocation and funding for loan processing and staffing, it drives economic diversification, job creation, and resilience. By investing in start-ups, Hawaii fosters entrepreneurship, expands employment, and strengthens its economy. The Chamber supports this initiative as it provides crucial funding to new businesses, fueling innovation and long-term growth statewide.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 983. Thank you for the opportunity to testify.

Statement of  
Meli James and Brittany Heyd  
Cofounders  
Mana Up



SB 729, Relating to Enterprise Zones

Aloha Chair DeCoite, Vice Chair Wakai, and committee members,

We support SB 729, which expands the types of business activity which is eligible for the Enterprise Zone Program.

Mana Up is a statewide initiative that helps provide entrepreneurs in Hawai'i with the resources and tools to grow their business and scale globally. As these entrepreneurs continue to grow, they also help contribute to our expanding our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai'i.

Since its inception in 1986, the Enterprise Zone Program has been a vital tool for stimulating business activity, revitalizing communities, and creating and preserving jobs. By offering benefits such as tax incentives, fee waivers, and permitting assistance, the program has successfully supported industries essential to Hawaii's economy, including agriculture, technology, and manufacturing. However, to remain effective, the program must evolve to reflect the realities of today's business environment.

A critical gap in the current law prevents many local manufacturers from accessing the program's benefits simply because they sell directly to consumers rather than through wholesalers. This outdated requirement does not reflect modern business practices, where e-commerce, direct-to-consumer sales, and small-scale retail operations are key to survival and growth. By updating the eligibility criteria to include manufacturers who sell directly to retail, the state can provide much-needed support to local businesses, ensuring they have the resources to expand, create jobs, and contribute to a stronger, more diversified economy. We urge you to pass this legislation and help Hawaii's manufacturers thrive.

Sincerely,

Meli James | Cofounder, Mana Up  
Brittany Heyd | Cofounder, Mana Up



**HAWAI'I COMMUNITY  
FOUNDATION**



**Testimony in Support of SB 729 Relating to Small Business Loans**

From: Micah Kāne, Chief Executive Officer & President - Hawai'i Community Foundation

Re: Support for Expanding the Enterprise Zone Program

The Hawai'i Community Foundation (HCF) supports SB 729, which expands the Enterprise Zone Program to include additional activities within an enterprise zone to qualify for enterprise zone benefits, specifically:

- (1) Retail and wholesale activity by a local manufacturer made within the enterprise zone;
- (2) The processing of value-added agriculture products; and
- (3) The provision of professional services by health care professionals in health care related sectors.

HCF created the CHANGE Framework to better understand and address the most critical, complex challenges facing our community. By categorizing the needs of Hawai'i's people and places into six essential sectors, the community can identify how and where financial resources, expertise, and collective effort can make the most significant impact in improving outcomes across our state.

The "C" sector of the CHANGE Framework represents Community Centered Economy, and expanding the Enterprise Zone Program will lead to direct benefits for local businesses and consumers.

The Enterprise Zone Program was established in 1986 with the intent of creating and expanding jobs and businesses in local communities that need economic revitalization. The Program provides businesses in these designated areas with access to vital incentives, such as tax exemptions and priority permit processing. Expanding the Enterprise Zone Program to meet the modern needs of our economy and society, such as allowing manufacturers to sell directly to retail, encouraging the production of value-added agricultural products, or supporting health care professionals in struggling communities is an investment both in this economy and our people. This support will encourage investment and job creation in areas that need it most, fostering economic stability and improving the quality of life for residents. HCF strongly encourages the passage of this legislation to revitalize our communities and promote equitable economic development.





TITLE GUARANTY  
HAWAII

**LATE**

January 30, 2025

**Testimony in support of SB 729, Relating to Small Business Loans**

Aloha Chair DeCoite, Vice Chair Wakai, and Committee Members,

We write in support of SB 729, Relating to Enterprise Zones, which modernizes the Enterprise Zone Program to reflect today's economic realities. This bill expands program eligibility to:

- (1) Local manufacturers engaging in retail and wholesale activities within an enterprise zone;
- (2) Businesses involved in processing value-added agricultural products;
- (3) Health care professionals offering essential services.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'āina family since 1896 and we are proud to employ over 250 residents who work in our branches across the state.

The Enterprise Zone Program was originally designed to create jobs and stimulate economic development in areas that need it most. However, outdated restrictions prevent many qualified businesses from benefiting, particularly local manufacturers who sell directly to retail customers. By updating the program, we can better support small businesses, strengthen Hawai'i's agricultural sector, and improve health care access in underserved communities. These changes will not only generate jobs but also ensure a more resilient and diversified economy.

Small businesses are the backbone of Hawai'i's economy, yet many face unnecessary hurdles that limit their ability to grow. The exclusion of direct-to-retail manufacturers from enterprise zone benefits is a clear example of how outdated policies can stifle economic progress. By passing SB 729, we can remove these barriers and allow businesses to adapt to modern market trends. This will not only help individual businesses succeed but will also contribute to a stronger, more self-sufficient Hawai'i. We respectfully urge the passage of SB 729 to help local businesses and communities thrive.

Sincerely,

Mike B. Pietsch  
President and Chief Operating Officer  
Title Guaranty of Hawai'i



Title and Escrow is our business. Hawaii is our home.





**BUILDBETTER.LIVEBETTER.®**

**LATE**

**January 30, 2025**

**Committee:** Senate Committee on Economic Development and Tourism  
**Bill Number:** SB 729, Relating to Enterprise Zones  
**Hearing Date and Time:** January 30, 2025, 1:00pm  
**Re:** Testimony of HPM Building Supply in Support

Dear Chair DeCoite, Vice Chair Wakai, and Committee Members:

I would like to submit this testimony in support of SB 729, Relating to Enterprise Zones. The purpose of SB 729 is to expand the eligibility for the Enterprise Zone Program to include direct to consumer manufacturer sales, the processing of value-added agricultural products, and the provision of professional services by health care professionals in health care related sectors.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawai'i and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities.

Hawai'i's economy is at a crossroads. As the cost of living continues to rise and businesses face mounting challenges, we must take action to support the industries that keep our local economy diverse and sustainable. By modernizing the Enterprise Zone Program, we provide businesses with the incentives that will help them expand, create jobs, and invest in their communities. SB 729 will help ensure that economic opportunity is available in all regions of the state, not just in urban centers.

In Hawai'i's competitive market, where costs can be extremely high, it's vital that we offer the support needed for businesses to launch and expand successfully. This support could create a significant positive impact, generating jobs and helping to strengthen the local economy from the ground up.

We ask that you support SB 729.

Sincerely,

Jason Fujimoto  
Chairman & CEO



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# TORI RICHARD

**LATE**

January 30, 2025

Aloha Chair DeCoite, Vice Chair Wakai, and members of the Committee,

We write in support SB 729 and the expansion of the Enterprise Zone Program.

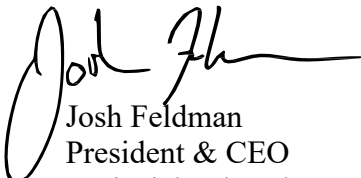
Tori Richard has manufactured in Honolulu for nearly 70 years, and we continue to proudly do so today. As a long-time medium-sized Hawai'i employer, we recognize the struggles facing new and expanding businesses.

Since it started in 1986, the Enterprise Zone Program has been important in helping local economies grow by giving businesses tax breaks and quicker approvals for permits. However, as businesses change, the program needs to change too. Nowadays, many manufacturers sell their products directly to consumers instead of through wholesalers, but they still miss out on these benefits. This new legislation is a smart way to promote job growth, support businesses, and help communities that need an economic boost.

Hawai'i has its own economic challenges, including high living and business costs. By expanding the Enterprise Zone Program to fit modern business practices, we can help small businesses thrive, keep and hire new employees, and strengthen the local economy. Without these updates, local manufacturers will continue missing opportunities to help them expand and flourish due to outdated limitations that don't match today's market. SB 729 is an important step to keep Hawai'i competitive and make sure economic opportunities are available throughout our state.

Please support this bill to help local businesses thrive in Hawai'i.

Sincerely,



Josh Feldman  
President & CEO  
Tori Richard, Ltd.

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