

Small Business Regulatory Review Board

MINUTES OF REGULAR MEETING

August 20, 2014

Conference Room 436 - No. 1 Capitol District Building, Honolulu, Hawaii

I. **CALL TO ORDER:** Chair Borge called the meeting to order at 9:29 a.m. with a quorum present.

MEMBERS PRESENT:

- Anthony Borge
- Craig Takamine
- Barbara Bennett
- Kyoko Kimura
- Harris Nakamoto
- Milton Kwock

ABSENT MEMBERS:

- None

STAFF: DBEDT
Dori Palcovich

Office of the Attorney General
Margaret Ahn

II. APPROVAL OF JULY 16, 2014 MINUTES

Second Vice Chair Bennett made a motion to accept the July 16, 2014 minutes, as presented. Vice Chair Takamine seconded the motion, and the Board members unanimously agreed.

III. NEW BUSINESS

- A. Discussion and Action on the Amendments of Hawaii Administrative Rules Title 10 Chapter 4 Section 3, "General Lease: extension of term," promulgated by the Department of Hawaiian Home Lands (DHHL)

Ms. Dre Kalihi, Policy Analyst from DHHL, explained that the rule proposal establishes guidelines for the evaluation and approval of requests for extensions of certain general leases of Hawaiian home lands; this is required under Section 228 of the Hawaiian Homes Commission Act. The guidelines only allow for extensions of certain general leases under certain conditions and each request must include the proposed terms of the lease and prospective payments.

Ms. Kalihi stated that the ability to grant extensions for general leases beyond the current 65-year term limit is a tremendous asset to the Hawaiian home lands trust. Beneficiary consultations were conducted and every potential applicant was explained the details of the proposed lease terms. There are about 10,000 Hawaiian homesteads in the State of Hawaii with approximately 350 to 400 non-Hawaiian homesteads. It was noted that there is quite a bit of pasture land on the Island of Kauai, specifically in Anahola, however, there have been no requests, to date, regarding general lease inquiries on these lands. The "green energy"

initiative was rejected by the Commission, but it is a separate issue from the general leases. Chair Borge finds that the rule amendments are positive for small businesses, especially when a business is looking to borrow money, as it will provide for a trickling-down effect for a business to carry-on its business in a timely fashion.

Mr. Kwock made a motion to send the proposal to public hearing. Mr. Nakamoto seconded the motion, and the Board members unanimously agreed.

IV. ADMINISTRATIVE MATTERS

A. Current Update from Investigative Task Force regarding the possibility of transferring this Board to another suitable State Department

Task force member Bennett stated that the first task force meeting was held in June. It focused on what has occurred to date including the communications with various business organizations and legislators in order to determine the level of outside support this Board may have. Task force member Borge discussed the Senate bill, heard in the 2014 legislature, that initially proposed to repeal this Board, but ended without approval, to revamp the Board with proposed funding and a full-time staff professional; as a follow-up to this bill, Chair Borge is attempting to schedule a meeting with Senator Baker, who initiated the bill. The task force will address whether this Board may be better aligned with another State agency, such as the Department of Commerce and Consumer Affairs, and will delve into how this Board may be better effective and beneficial to the small business community.

Chair Borge met with the Hawaii Chamber of Commerce, which is supportive of this Board. The Chamber printed a short article about this Board in its last monthly e-newsletter. Mr. Nakamoto belongs to the Retail Merchants of Hawaii Organization and would be willing to create an awareness of this Board to this organization and others. Chair Borge has reached out to other organizations, as well, such as the Restaurant Association to spread the word about this Board and also to attempt to help fill the current three vacant board positions. Chair Borge added that the Hawaii State Procurement Office has asked to meet with him to discuss the procurement process and rules that relate to small business.

In regards to Ms. Bennett's question as to whether this task force could allow for more members, Deputy Attorney Ahn stated that if more members were included, which would be less than a quorum (or four), it would be best to disband this task force and then create a new one at an upcoming board meeting. In regards to outreach, it was recommended that DBEDT staff provide the members with the information that was created for this Board by the previously hired public relations firm to assist the Board with its outreach efforts.

V. NEXT MEETING – The next board meeting is scheduled for Tuesday, September 30, 2014, rather than September 17th. It will be held at 250 South Hotel Street, Honolulu, HI, Room 436.

VI. ADJOURNMENT – Mr. Kwock made a motion to adjourn the meeting and Ms. Kimura seconded the motion; the meeting adjourned at 10:43 a.m.