

Small Business Regulatory Review Board

MEETING MINUTES

September 18, 2025

- I. **CALL TO ORDER:** Chair Shick called the meeting to order at 10:01 a.m., with a quorum present.

MEMBERS PRESENT:

- Jonathan Shick, Chair
- Sanford Morioka, Vice Chair
- Mary Albitz, Second Vice Chair
- Nikki Ige
- Dr. Jennifer Salisbury
- Leelen Park
- Tessa Gomes

ABSENT MEMBERS:

- James (Kimo) Lee
- David Sikkink

STAFF: DBEDT

Dori Palcovich
Jet'aime Ariola

Office of the Attorney General

Alison Kato

II. **APPROVAL of AUGUST 21, 2025 MINUTES**

Mr. Park motioned to approve the August 21, 2025 meeting minutes, as presented. Second Vice Chair Albitz seconded the motion and the Board members unanimously agreed.

III. Summary from Honorable House Representative Greggor Ilagan of "Simplifying Permitting for Enhanced Economic Development (SPEED) Task Force"

Establishes the SPEED Task Force to identify actions taken, challenges encountered, and legislative measures necessary to facilitate, expediate, and coordinate State and intergovernmental development permit processes; and appropriates funds.

Honorable House Representative Greggor Ilagan presented the Board with the purpose of the legislatively-created SPEED task force; his presentation entailed what the public will expect from the SPEED task force. The first task force meeting was held on September 11, 2025 and its mission is to have an integrated statewide permitting format.

There are 20,000 permits issued each year throughout the neighbor islands. To create a statewide process, the first step is to understand what types of permits are processed. Currently, there are 40 different types of permits, along with various approvals and regulatory processes. As such, the following three key areas will be the task force's priority: 1) building permits; 2) historic preservation compliance; and 3) individual wastewater system permits.

The task force's last step is to keep those in mind who use the permitting process: new homeowners, family businesses, and residential and commercial developers. According to UHERO, based on the Washington Index, Hawaii tops out of all the 50 states in the most burdensome housing regulations and permitting processes categories.

In 2022 and 2023, \$258.7 million was the estimated cost in Honolulu for permitting delays. Delays are caused by regulatory complexity, staff shortages, poor communication and political will. Both permit applicants and the government must work together to educate applicants on how to be "permit ready," equip government with digital tools and staff support, and set expectations and benchmarks on both sides.

There are over 30 members on the task force, of which this Board's member Dr. Jennifer Salisbury is one. To find the SPEED task force website, go to Representative Ilagan's government webpage at repilagan@capitol.hawaii.gov, then to stf@capitol.hawaii.gov.

IV. NEW BUSINESS

A. Discussion and Action on the Small Business Statement After Public Hearing and Proposed Amendments to HAR Title 15 Chapter 217 Kakaako Mauka Area Rules, promulgated by Hawaii Community Authority (HCDA) / Department of Business, Economic Development, and Tourism (DBEDT)

Discussion leader Ms. Gomes stated that these pre-public hearing rules are the result of the inadvertent changes that have come up after the rules were adopted earlier this year. Mr. Ryan Tam, Director of Planning at HCDA briefly discussed what HCDA's mission is, and that the subject rules focus on the Kakaako area.

The amendments modify provisions of the Kakaako Community Development District Mauka Area Rules to reduce the maximum allowable density in the Central Kakaako Neighborhood Zone from a floor ratio of 3.5 down to 1.5. This modification is intended to help small business industrial users retain eligibility for property tax incentives established by the City and County of Honolulu within transit-oriented development areas.

The amendments would also enable qualifying property owners and businesses in the Central Kakaako Neighborhood District to remain eligible for property tax exemptions under Ordinance 16-21. This change will enable the continuation of a 50% property tax exemption for eligible properties while reducing the overall tax revenues and also enabling industrial business feasibility.

Dr. Salisbury motioned to send the proposed amended rules to public hearing. Ms. Gomes seconded the motion, and the Board members unanimously agreed.

B. Discussion and Action on the Small Business Impact Statement and Proposed Amendments to Title 8 Chapter 101, Rules Governing the Manufacture and Sale of Intoxicating Liquor of the County of Maui, and Chapter 102, Rules Governing the Administrative Practices and Procedures of the Liquor Commission and Liquor Control Adjudication Board of the County of Maui, promulgated by the Department of Liquor Control, County of Maui

Discussion leader and Second Vice Chair Albitz explained that this rule proposal is to match exactly what the State's regulations are. Although the negative small business impact results in increasing fines, these fines have already been implemented by the State.

Mr. Layne Silva, Director of County of Maui's Department of Liquor Control, explained that the Hawaii Revised Statutes (HRS) were revised to increase the maximum penalty, increasing the maximum allowable fine to the sum of \$5,000 from \$2,000. Instead of identifying a monetary value in the rules, the rule revision states that the Liquor Commission will comply with the HRS.

Second Vice Chair Albitz motioned to send the proposed amended rules to public hearing. Ms. Ige seconded the motion, and the Board members unanimously agreed.

V. ADMINISTRATIVE MATTERS

A. Update on the Board's Upcoming Advocacy Activities and Programs in accordance with the Board's Powers under Section 201M-5, Hawaii Revised Statutes (HRS)

1. Business Revitalization Taskforce's most recent meeting pursuant to Act 142 (Sessions Law Hawaii 2024, Senate Bill 2974 Relating to Economic Development, and Tourism establish a task force in order to identify methods to improve Hawaii's general economic competitiveness and business climate, including the mitigations of regulatory tax burdens

Ms. Gomes attended last week's task force's meeting that discussed putting together a business competitive Act and task force proposal. A bill will be created with some lofty goals for Hawaii to become a more "business friendly" state. The next meeting is scheduled for October 23rd.

2. Becker Communications, Inc., regarding the Board's Small Business Outreach

Ms. Ariola stated that at the last meeting with Becker, it was brought to DBEDT's attention that some of its divisions and agencies have experienced "zoom bombings" during online meetings where inappropriate videos, audio and conversations by outside parties are hacking into the system and controlling the meetings. The host no longer has control of the meetings, and are unable to mute or shut down the interference.

Due to these interferences, it was recommended by DBEDT's communication officer to find other options to host the Board's meetings rather than through the normal Zoom platform. Ms. Gomes mentioned that this same occurrence happened during one of the Business Revitalization Task Force's meetings. Subsequently, the agency in charge of this task force, READ, created a Zoom Webinar. In such a situation, no one from the public can converse in the meeting unless given permission.

3. Presentation to Industry Associations

Dr. Salisbury and Second Vice Chair Albitz have a meeting scheduled for September 29th with the County of Mayor's chief of staff to discuss: 1) implementing a meeting for this Board on Maui; 2) making sure that the County knows that Dr. Salisbury is a liaison for this Board along with Ms. Albitz; and 3) reviewing this Board's involvement with the SPEED taskforce.

Dr. Salisbury will create a budget request for her to attend various venues for the Board's outreach efforts, along with SPEED's outreach efforts, and send it to both DBEDT staff, Chair Shick and House Representative Ilagan for review.

4. Staff's Small Business Outreach

Nothing was discussed.

VI. NEXT MEETING – Thursday, October 16, 2025 at 10:00 a.m., via Zoom and in Conference room 436 at No. 1 Capitol District Building, 250 S. Hotel Street, Honolulu, HI 96813.

VII. ADJOURNMENT – Second Vice Chair Albitz motioned to adjourn the meeting and Dr. Salisbury seconded the motion; the meeting adjourned at 11:20 a.m.