

DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



ISAAC W. CHOY  
DIRECTOR OF TAXATION

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
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To: The Honorable Linda Ichiyama, Chair;  
The Honorable Stacelyn K.M. Eli, Vice Chair;  
and Members of the House Committee on Pandemic & Disaster Preparedness

The Honorable Sean Quinlan, Chair;  
The Honorable Daniel Holt, Vice Chair;  
and Members of the House Committee on Economic Development

From: Isaac W. Choy, Director  
Department of Taxation

Date: February 4, 2021

Time: 11:00 A.M.

Place: Via Video Conference, State Capitol

**Re: H.B. 1324, Relating to Commercial Property Rent Relief**

The Department of Taxation (Department) offers the following comments regarding H.B. 1324, for your consideration.

H.B. 1324 creates a commercial rent relief grant program to be funded by federal funds. Under this measure applications are submitted to and reviewed by the Department. The counties, in cooperation with the Department, are responsible for administering the grant program. The bill is effective on July 1, 2021.

The proposed grant program allows owners of property classified as commercial, hotel and resort, or industrial under county real property tax classifications to be eligible for a grant not to exceed 3% of taxable revenue derived from the property in 2019; annualized taxable revenue for tenants established before March 30, 2020 and with less than twelve months operating history; or three months of full rent, whichever is less.

The Department does not have the resources or the capacity to administer a grant program. In addition, the Department is concerned about the potential conflict between its duties administering State taxes and operating a grant program. If the measure intends for the Department to provide otherwise confidential tax information for the purpose of qualifying for the grant, the Department suggests inserting a provision that allows the sharing of confidential tax information to the agency administering the grant program.

Thank you for the opportunity to provide comments on this measure.



# TANAKA of TOKYO RESTAURANTS

February 2, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

## Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program

To Whom It May Concern,

Thank you for the opportunity to submit testimony. My name is Richard Tanaka and I am the Chairman & CEO of Tanaka of Tokyo Restaurants. We have operated three Japanese Steakhouses in Honolulu, have been in business for forty-two years, and employ over two hundred full and part time staff members. I am in support of House Bill 1324.

- Despite financial relief in 2020 and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.
- In many cases, businesses, especially restaurants, retail, and entertainment venues are facing ½ to 2/3 reduced capacity in the new normal with the same or an even higher rent caused by rent deferral. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period is causing significant decline in business revenue.
- The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.

- We believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.
- Without help, the burden of old lease rents (based on previous market conditions) during a post-coronavirus economic recovery are unbearable for small businesses.
- While the Program cannot require landowners to renegotiate leases, we believe a bi-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.
- This would become an important process to kick start the economic recovery and one of many vitals way we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Thank you,

A handwritten signature in black ink, appearing to read "Richard E. Tanaka". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard E. Tanaka  
Chairman & CEO  
Tanaka of Tokyo Restaurants Ltd.  
[RET@tanakarestaurants.com](mailto:RET@tanakarestaurants.com)

**HB-1324**

Submitted on: 2/1/2021 9:31:28 PM

Testimony for PDP on 2/4/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Becky Erickson	Blue Ginger	Support	No

Comments:

February 4, 2021

Representative Linda Ichiyama, Chair

Representative Stacelynn K.M. Eli, Vice Chair

Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair

Representative Daniel Holt, Vice Chair

Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

My name is Becky Erickson, I have been in business in Hawaii for 37 years with stores on 4 Hawaiian Islands, and I am in support of House Bill 1324. I appreciate the opportunity to submit my testimony today.

My business has been suffering since March 2020 without enough income to support our employees and pay our rent, due to the decline in visitors to Hawaii. We received PPP money which was very helpful, but not enough to sustain our business for the past 11 months. The second round of PPP (based on only 2.5 months of payroll and partial rent) may not be enough to keep our business alive until the Covid crisis is over.

Currently our combined rent and payroll is more than our income, and that doesn't even include the cost of our merchandise.

If we have to close our business it will mean 50 employees out of work and \$300,000 in lost GE taxes to the state, plus 8 more empty stores in resort areas.

I am asking that you support the Commercial Rent Relief Grant Program in order to help small businesses like mine and to help our landlords, so we both can remain in business and help Hawaii recover when visitors return to the state.

We are asking that the state use Federal money to pay landlords to cover 3 months of rent for small, local businesses. This will aid them in paying their taxes and help us keep people employed.

If small businesses can stay alive it will help the state to recover from the financial dilemma caused by the Corona Virus.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Sincerely,

Becky Erickson

Owner

Blue Ginger

[becky@blueginger.com](mailto:becky@blueginger.com)

808-446-8091

**HB-1324**

Submitted on: 2/2/2021 7:03:53 AM

Testimony for PDP on 2/4/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Charla Prado	Individual	Support	No

Comments:

**Joe's Grill Express**

**3131 N Nimitz Highway #109**

**Honolulu, HI 96819**

February 4, 2021

Representative Linda Ichiyama, Chair

Representative Stacelynn K.M. Eli, Vice Chair

Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair

Representative Daniel Holt, Vice Chair

Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

Thank you for the opportunity to submit testimony. Our names are Cris and Charla Prado, and we are in support of House Bill 1324.

- Despite financial relief in 2020 and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.
- In many cases, businesses, especially restaurants, retail, and entertainment venues are facing  $\frac{1}{2}$  to  $\frac{2}{3}$  reduced capacity in the new normal with the same or an even higher rent caused by rent deferral. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period is causing significant decline in business revenue.
- The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.
- We believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.
- Without help, the burden of old lease rents (based on previous market conditions) during a post-coronavirus economic recovery are unbearable for small businesses.
- While the Program cannot require landowners to renegotiate leases, we believe a bi-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.
- This would become an important process to kick start the economic recovery and one of many vital ways we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders. Our best wishes and prayers always for everyone.

1. you in advance for your time and consideration, we look forward to our testimony to be included in making a decision on HB 1324.

With our Best, Aloha, and Gratitude always,

Charla and Cris Prado

Leaders

Joe's Grill Express

[joesgrillexpress@gmail.com](mailto:joesgrillexpress@gmail.com)

Telephone 808-349-0904







February 4, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

Thank you for the opportunity to submit testimony. My name is Elaina Olson, and I own two fitness studios on Oahu. My business has been detrimentally affected by the pandemic, and without offering fitness classes at full capacity; I am not able to pay my commercial leases. Therefore, I am in support of House Bill 1324.

- Despite financial relief in 2020 and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.
- In many cases, businesses, especially restaurants, retail, and entertainment venues are facing  $\frac{1}{2}$  to  $\frac{2}{3}$  reduced capacity in the new normal with the same or an even higher rent caused by rent deferral. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period is causing significant decline in business revenue.
- The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.

- We believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.
- Without help, the burden of old lease rents (based on previous market conditions) during a post-coronavirus economic recovery are unbearable for small businesses.
- While the Program cannot require landowners to renegotiate leases, we believe a bi-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.
- This would become an important process to kick start the economic recovery and one of many vitals way we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Thank you,

Elaina Olson  
Owner  
The Bar Method Honolulu  
2758 S. King St.  
Honolulu, HI 96826  
Elaina.olson@barmethod.com



1050 Bishop St. PMB 235 | Honolulu, HI 96813  
P: 808-533-1292 | e: info@hawaiiifood.com

#### Executive Officers

**Joe Carter**, Coca-Cola Bottling of Hawaii, *Chair*  
**Charlie Gustafson**, Tamura Super Market, *Vice Chair*  
**Eddie Asato**, The Pint Size Corp., *Secretary/Treas.*  
**Lauren Zirbel**, HFIA, *Executive Director*  
**John Schlif**, Rainbow Sales and Marketing, *Advisor*  
**Stan Brown**, Acosta Sales & Marketing, *Advisor*  
**Paul Kosasa**, ABC Stores, *Advisor*  
**Derek Kurisu**, KTA Superstores, *Advisor*  
**Beau Oshiro**, C&S Wholesale Grocers, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*

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TO:

Committee on Pandemic and Disaster Preparedness, and Committee on Economic Development  
Rep. Linda Ichiyama and Rep. Sean Quinlan, Chair  
Rep. Stacelynn K.M. Eli and Rep. Daniel Holt, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 4, 2021

TIME: 11am

PLACE: Via Videoconference

RE: HB1324 Relating to Commercial Property Rent Relief

Position: Support

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

Hawaii's business community is facing unprecedented challenges, and the future remains uncertain. We have already seen dozens of local businesses close their doors for good, and hundreds more are under threat of having to close. Thousands of jobs have disappeared. All over our state businesses of all sizes are working tirelessly to try and meet these challenges, to keep their doors open, to continue to provide jobs, and to serve the people of Hawaii.

Establishing the Commercial Rent Relief Grant Program is an important investment in our economy. Evictions, business closures, and layoffs are outcomes that we all want to avoid. The Grant Program is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose. We believe the Program will serve as an essential catalyst for small businesses and landlords to work together to set manageable expectations for the new normal.

We thank you for the opportunity to testify.



**HB-1324**

Submitted on: 2/2/2021 12:26:36 PM

Testimony for PDP on 2/4/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Garrett W. Marrero	Maui Brewing Co.	Support	No

Comments:

Aloha, thank you for taking the time to review. I'll be short, I ask you to support this bill as ANY help to offset the costs incurred due to the Covid pandemic will go a long way in keeping small businesses alive. While we have been blessed with landlords willing to help in some locations, others are either unwilling or unable due to their debt situations. This could turn the corner a bit.

I would argue that 3% is too small, but I will simply say Mahalo for at least considering this. It is especially important as we are facing numerous bills that aim to directly hurt our businesses by raising all types of taxes and fees to shore up a budget shortfall created by the management of the crisis, not by business owners.

Mahalo for your time.

February 4, 2021

**The Honorable Linda Ichiyama, Chair**

House Committee on Housing Pandemic & Disaster Preparedness

**The Honorable Sean Quinlan, Chair**

House Committee on Economic Development

Via Videoconference

**RE: H.B. 1324 Relating to Commercial Property Rent Relief**

**HEARING: Thursday, February 4, 2021, at 11:00 a.m.**

Aloha Chair Ichiyama, Chair Quinlan, and Members of the Joint Committees,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **supports** House Bill 1324 which establishes a commercial rent relief grant program. Requires that the commercial rent relief grants be given priority for moneys received through federal funding. Appropriated funds.

Due to the devastating global COVID-19 pandemic, through no fault of their own, businesses have been severely impacted. Reduced visitor arrivals has also caused significant decline in revenue and has devastated our local economy. Unfortunately, we have seen our favorite local restaurants or local small retail stores and business have to close their doors and more are at the brink of closing or unable to pay their rent.

Rent remains one of the largest fixed costs for a business. As such, HAR believes that the commercial rent relief grant will help landlords and our local businesses who are struggling to make ends meet.

Mahalo for the opportunity to testify.



**Testimony to the House Committee on Pandemic & Disaster Preparedness and  
Committee on Economic Development  
Thursday, February 4, 2021 at 11:00 A.M.  
Via Videoconference**

**RE: HB 1324, RELATING TO COMMERCIAL PROPERTY RENT RELIEF**

Chair Ichiyama, Chair Quinlan, Vice Chair Eli, Vice Chair Holt, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 1324, which establishes a commercial rent relief grant program and requires that the commercial rent relief grants be given priority for moneys received through federal funding.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

In August, the Chamber, in partnership with UHERO and other organizations released findings to a survey<sup>1</sup> about the ongoing impacts of the COVID-19 pandemic within the business community. It was found that despite the slow reopening of the kama'aina economy, business revenue has remained significantly depressed with nearly 20% of businesses having no revenue and another 20% reported earning less than half of their baseline monthly revenue. The survey further found that nearly 51% of businesses surveyed indicated either additional cuts would be needed, or their business would not survive if the restrictions remained in place.

Since the survey, subsequent restrictions, government proclamations and orders continue to exacerbate Hawaii's economic recovery efforts, especially in the commercial rental environment. We recognize that both lessors and lessees have absorbed much of unpaid rents but that cannot last. Restaurant and bar restrictions, capacity limitations, and shortage of tourists have plagued the commercial rental community that struggle to pay rent with no customers, or revenue, coming in.

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<sup>1</sup> <https://uhero.hawaii.edu/survey-update-shows-widespread-hardship-for-local-businesses/>





# Chamber *of* Commerce HAWAII

*The Voice of Business*

HB 1324 proposed to establish a commercial real property tax grant program offering offer financial support to both struggling businesses and landlords. This program will help to serve as an essential catalyst for businesses and landlords to work together during the pandemic through the assistance of federal funding and enabling legislation.

Thank you for this opportunity to provide testimony in support of HB 1324.

Thursday, February 4, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

## **Strong Support for House Bill 1324 Relating to a Commercial Rent Relief Program**

Dear Chair Ichiyama, Chair Quinlan, Vice Chair Eli, Vice Chair Holt, and members of the Committees on Pandemic & Disaster Preparedness and Economic Development:

Thank you for the opportunity to submit testimony for House Bill 1324. I'm part of a broad group of representatives from the business community that believes this **Commercial Rent Relief Program** (the "Program") will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal. Without help, the burden of old lease rents (based on pre-COVID-19 market conditions) during a post-coronavirus economic recovery are unbearable for small businesses.

I see the impacts firsthand: my financial consulting company specializes in real estate and corporate finance, with clients that include employee-owned companies with diversified land and business holdings. And, I am personally vested in the issue as a born-and-raised local person who cares about his community and wants to alleviate the suffering caused by COVID-19.

Our group has been helping develop this Legislative Proposal since April 2020. The Program is designed to pass rent relief forward. Once the State of Hawaii receives additional funding from the federal government, House Bill 1324 proposes to carve out financial support to commercial landlords and their business tenants to provide a vital bridge so they can get to voluntary resolution and negotiate out any lingering issues. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.

Despite financial relief in 2020 and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. From October 15 to Thanksgiving 2020, there was optimism on increasing visitor arrivals; however, the nationwide surge in infections and mortality caused people to stay at home. Although January 2021 tourism numbers remain low, we're entering a phase where vaccination

could eventually become sufficiently widespread and the light at the end of the economic tunnel is apparent. House Bill 1324 creates a way to identify businesses that are being hardest hit by the ongoing pandemic and reduce the uncertainty of accumulating back rent. Key aspects of eligibility to this Program include:

- Operate in a physical commercial space.
- > 40% decline in taxable revenue between two comparative periods.
- Majority owner(s) must attest to be:
  - o (1) A Hawai'i resident(s) and business must be located in the State of Hawai'i.
  - o (2) Are not publicly traded or a national and international chain unless they are a locally-owned franchise location(s).
- Currently open or if business is unable to open due to government restrictions, owner attests they plan to re-open.

While the Program cannot require landowners to renegotiate leases, we believe a bi-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.

COVID-19 is a tremendous pandemic with no end yet in sight. Policymakers in Hawaii remain focused on lowering the number of new, daily COVID-19 cases in an effort to keep the contagion curve flat for public safety, while the economic impact of government-imposed restrictions is secondary. To better understand the economic impact, our coalition, with the expertise of DBEDT's Chief State Economist Dr. Eugene Tian, conducted the third quarterly Hawaii Commercial Rent Survey in December. The full report can be downloaded at [www.tinyurl.com/hcrs3](http://www.tinyurl.com/hcrs3). Some of the survey highlights include but are not limited to:

- Among our 1,126 respondents – most of which were restaurant and retail business owners – monthly unpaid rent was calculated at \$57 million. This back rent is piling up at a staggering pace and with the 14-day travel quarantine extended for seven months and the new travel restriction requiring a negative test in hand upon arrival, tourism-facing businesses that were fighting to survive and reopen multiple times will need some kind of lifeline to survive.
- We also surveyed the time period from January to June 2021, and the survey showed 4 in 10 businesses expect to miss between 3 to 6 months of full rent. The survey was to help determine whether current financial aid programs are enough for the universe of businesses and to diagnose the outstanding need after these various programs are accounted for. This means 40% of businesses may not be able to pay any rent for the first half of this year per their current lease agreement. This is because compared to 2019, 39% of businesses reported that they saw > 50% revenue decline in 2020, and

27% expect > 50% revenue decline in 2021. Back rent for disproportionately impacted businesses will continue to accumulate going forward.

- We then looked at new lease terms, and only 5% were able to restructure their lease. This rent restructuring allows businesses and landlords to redefine parameters and set new expectations to accommodate for ever changing market conditions. In many cases, businesses, especially restaurants and entertainment venues are facing ½ to 2/3 reduced capacity in the new normal with the same or an even higher rent caused by rent deferral. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals is causing significant decline in business revenue. This unbearable burden of back rent piling up along with an unrealistic future rent obligation is why so many businesses are closing.
- In the third survey, we learned from a new question that without government-funded commercial rent relief, 64% of businesses do not expect to survive in 2021. Despite financial relief in 2020 and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.

Small businesses employ over half of the private sector, supporting hundreds of thousands of jobs and households on Oahu. They drive innovation and are the backbone of our economy. There is an even more profound and long-term positive impact of House Bill 1324. On average, small businesses generate \$1.1 million in annual revenue. Implementing the Program, in combination with other innovative policy, if the State of Hawaii could protect over 7,000 of its eligible employer establishments from permanently closing, it would rescue 62,000 jobs and save ~\$330 million in GE and income tax revenue along with similar savings in annual unemployment insurance benefit payouts. This would allow more discretionary spending from jobs surviving to circulate in the economy.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Sincerely,

Ryan Tanaka  
President  
Island Business Management, LLC  
[ryan@ibmhawaii.com](mailto:ryan@ibmhawaii.com)



**3<sup>RD</sup>** HAWAI‘I  
COMMERCIAL  
RENT SURVEY

IBMHAWAII 

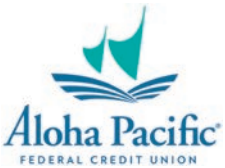
**JANUARY 2021**

# Mahalo

to our partners for making this survey possible



HAWAII EXECUTIVE  
collaborative





*Aloha,*

As we move into 2021 with cautious optimism, we can reflect on last year's economic devastation caused by COVID-19. How bad is it out there? Which areas of our economy were hit the hardest? Will people have jobs to return to? The Third Hawai'i Commercial Rent Survey answers these questions and continues to diagnose how businesses are faring with commercial rent. 1,126 Hawai'i business owners shared their feedback; as we expected, the commercial rent situation continues to worsen.

Survey findings:

- From April through December 2020, 50% of businesses did not pay rent in full.
- Only 5% of businesses have restructured their lease, and only 14% received rent reduction.
- Over half expect to miss at least one full rent payment between January and June 2021.
- More than 80% of businesses saw revenue decline in 2020, and more than 80% expect their annual revenue to decline in 2021.
- 2 in 3 businesses were significantly impacted or closed by government restrictions in 2020. Nearly the same number of businesses do not expect to survive in 2021 without government-funded commercial rent relief.

Congress' second stimulus package won't address the nine months of accumulating back rent many small businesses disproportionately suffer from. And vaccines are out now, but it won't be until mid to late 2021 that enough Americans are inoculated. Leading economists expect daily visitor arrivals and employment to recover deep into 2022 or later.

We need to keep tracking this issue so that we can provide lawmakers with hard data to back up our request for commercial rent relief. Thank you for once again taking a few minutes out of your day to fill out the survey. Also, mahalo to the contributors who helped us spotlight the need for commercial rent relief, including our partners who made this series of quarterly surveys possible. As Hawaiian scholar Mary Kawena Pukui said, *E kuahui like i ka hana. Let everybody pitch in and work together.*

Please contact me if you have any questions or concerns.

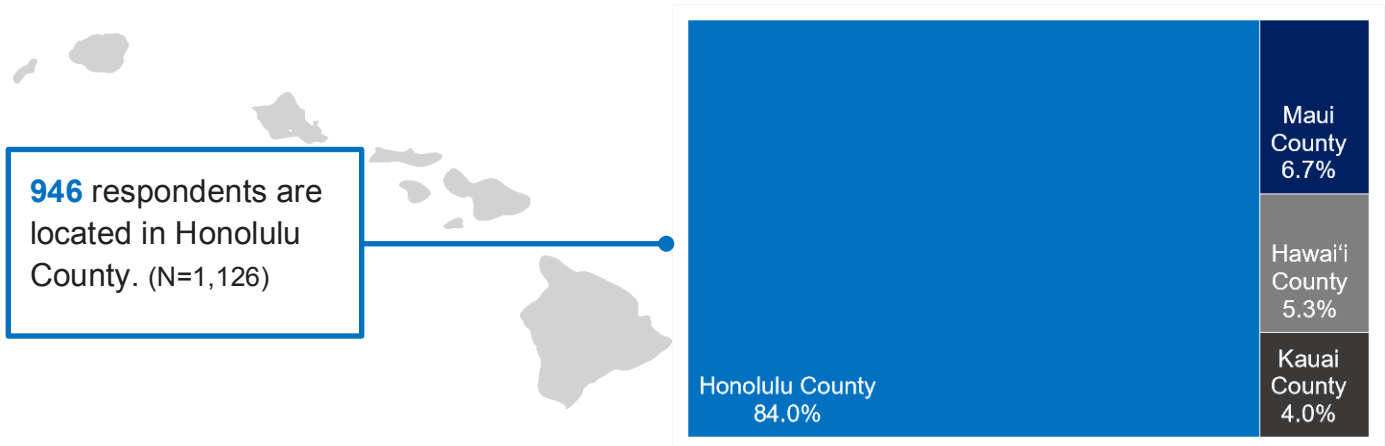
Sincerely,

Ryan Tanaka  
President  
Island Business Management, LLC  
ryan@ibmhawaii.com

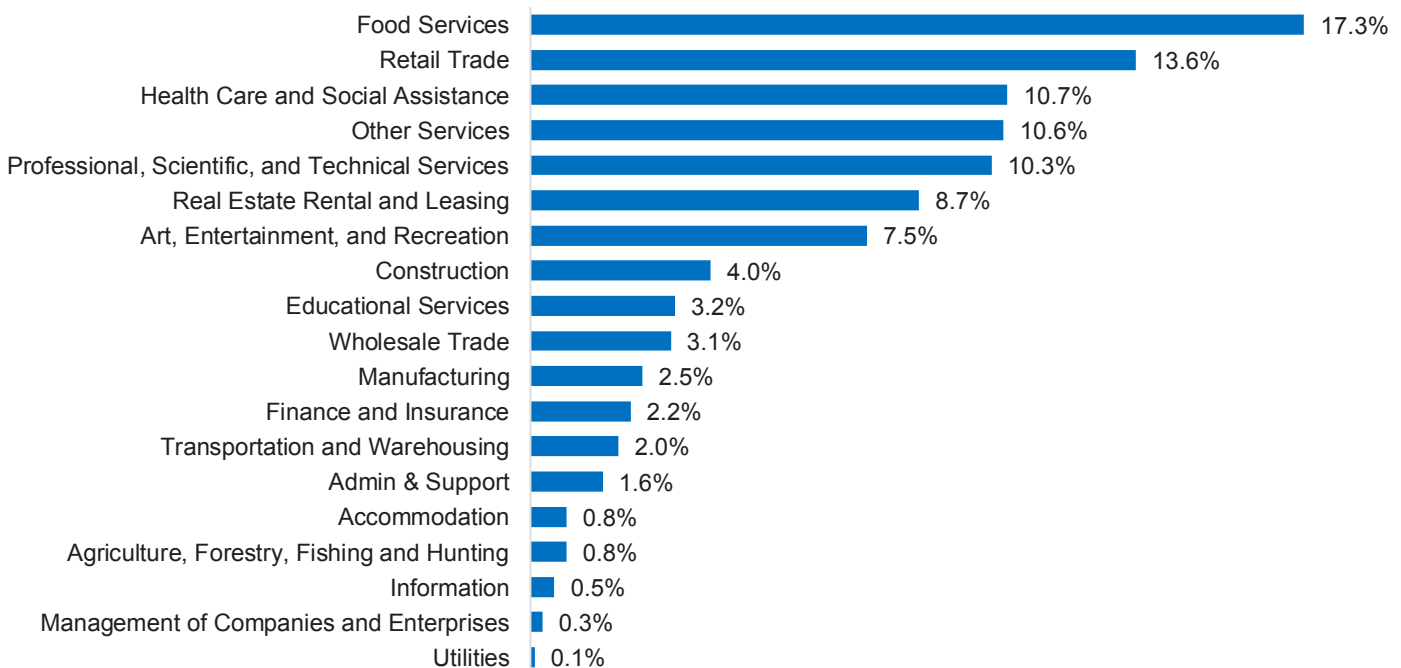


# Q4 Survey Respondents

**1,126** total business respondents over the **4** counties in Hawai'i broken down into **19** primary industries.



**30.9%** are in the Food Services and Retail Trade industries. (N=1,114)

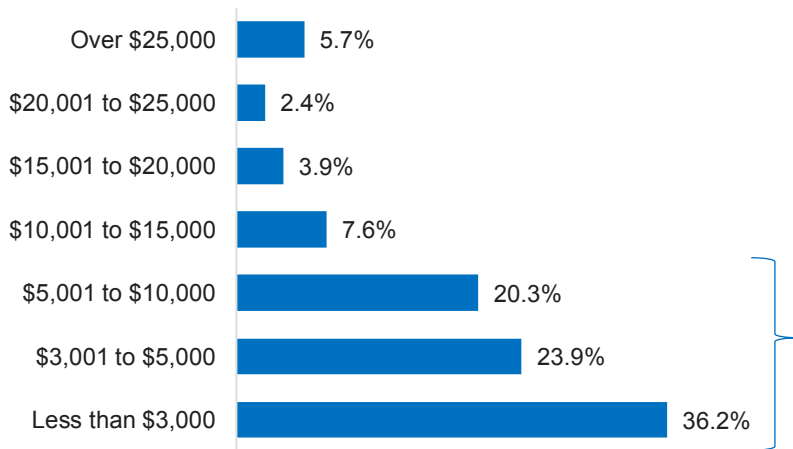


**72.3%** earned less than \$1 million in estimated annual revenue in 2019. (N=1,063)



**94.7%** employed under 50 full-time equivalent employees as of the end of 2019. (N=1,090)

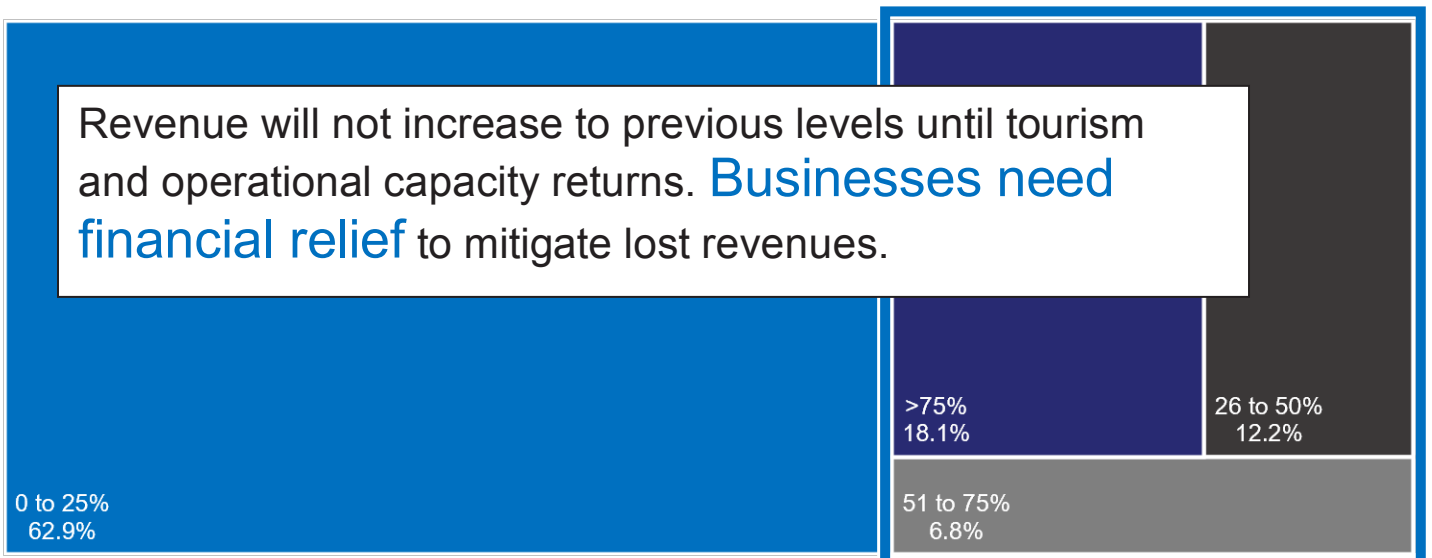
**78.8%** are tenants in buildings whose property owner is located within the State of Hawai'i. (N=1,001)



**80.4%** have monthly base-rent payments less than or equal to \$10,000. (N=965)

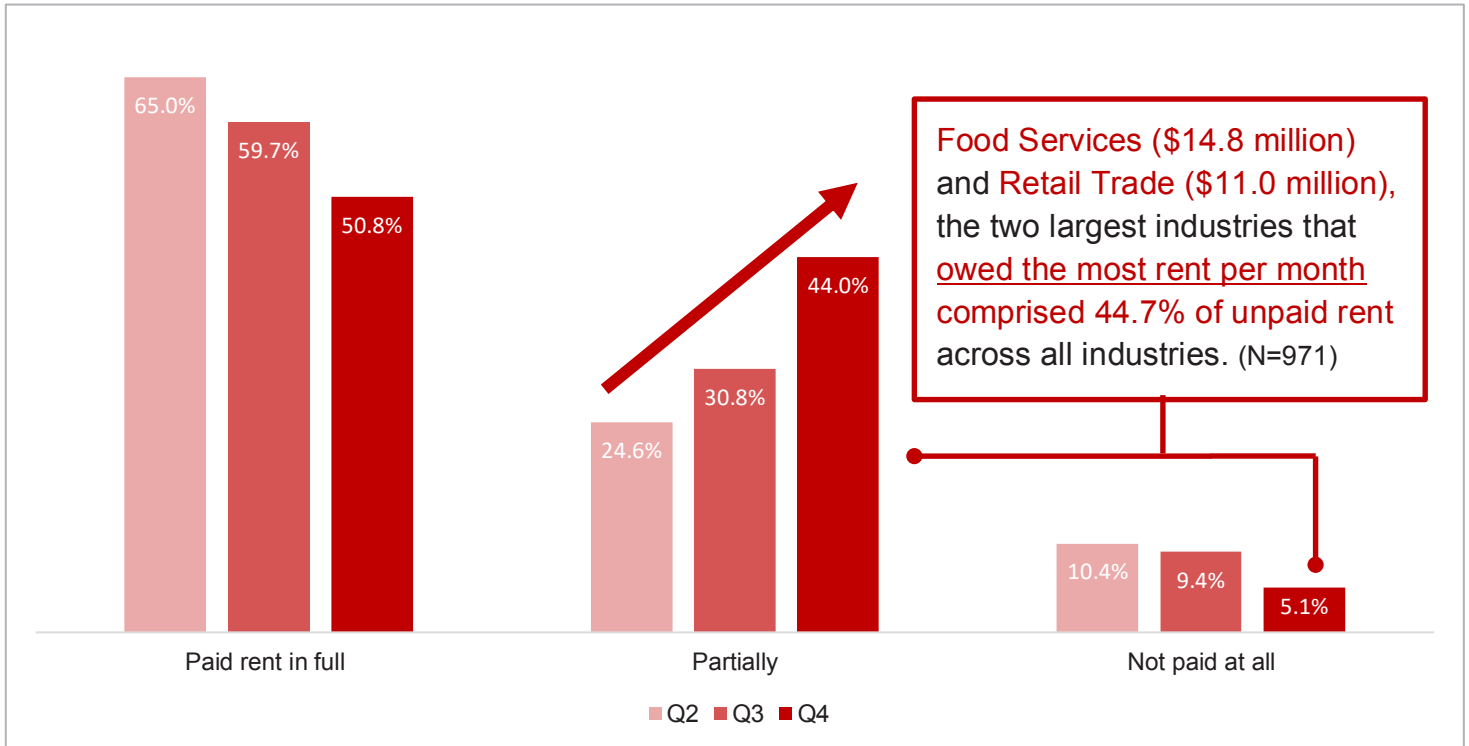
**77.4%** do not pay percentage rent above their base rent. (N=968)

**37.1%** report >25% of their revenue comes from tourism. (N=1,004)



# Q4 Rent: COVID-19 Impact & Relief

From April through December 2020, **49.1%** of businesses **did not pay rent in full**, and **5.1%** did not pay rent at all. (N=980)

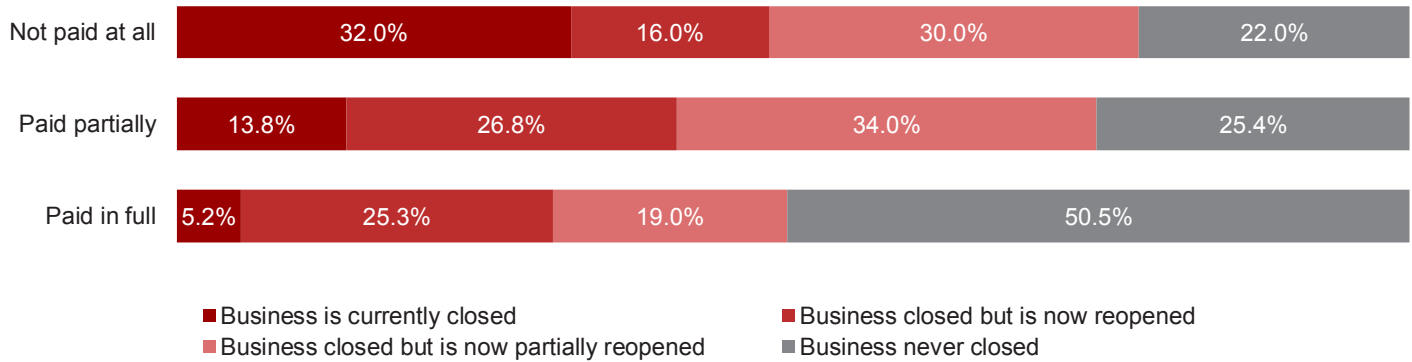


The statewide estimated total rent owed per month is **\$57 million in Q4 (vs. \$59 million in Q3)**. (N=971)

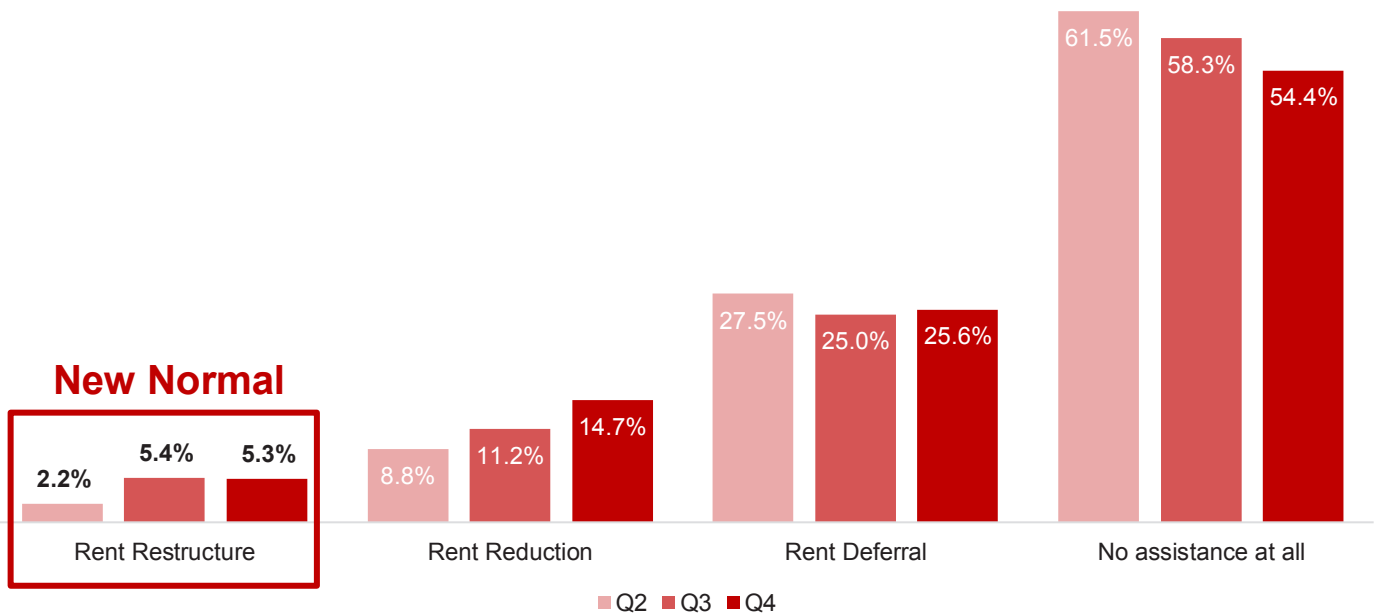
- **\$46 million** in partially unpaid rent (assuming 50% of rent was paid).
- **\$11 million** in fully unpaid rent.



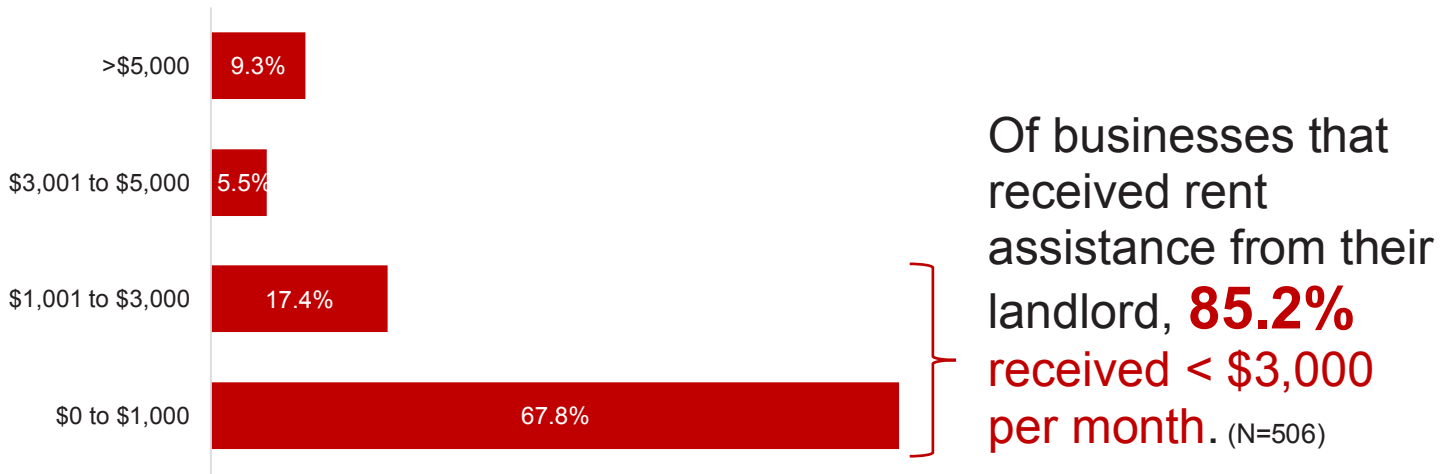
**32.0%** that have not paid rent at all are currently closed. (N=978)



**54.4%** have not received any rental assistance at all from their landlord. Rent deferral was the most common form of rental assistance over rent reduction and rent restructure. (N=1,059)



Only **5.3%** of rental agreements have been restructured as businesses enter the **new normal**. (N=1,059)



**Businesses expected to miss at least one full rent payment between January to June 2021:**

**2** in **3**  
Entertainment  


**6** in **10**  
Retail  


**2** in **3**  
Restaurants  


**Current Business Assistance**

**83.5%** received financial support from PPP and/or the Small Business Administration relief programs. (N=951)

**74.3%** received assistance from their counties' grant programs to small businesses. (N=950)

**18.6%** received loan deferrals from their bank. (N=944)

# Q4 Impact of COVID-19 on Revenue & Operations

COVID-19 continues to impact Hawai'i's economy as **61.2%** of businesses closed due to the pandemic, and as **36.3%** of businesses remain closed or have only partially reopened. (N=1,013)

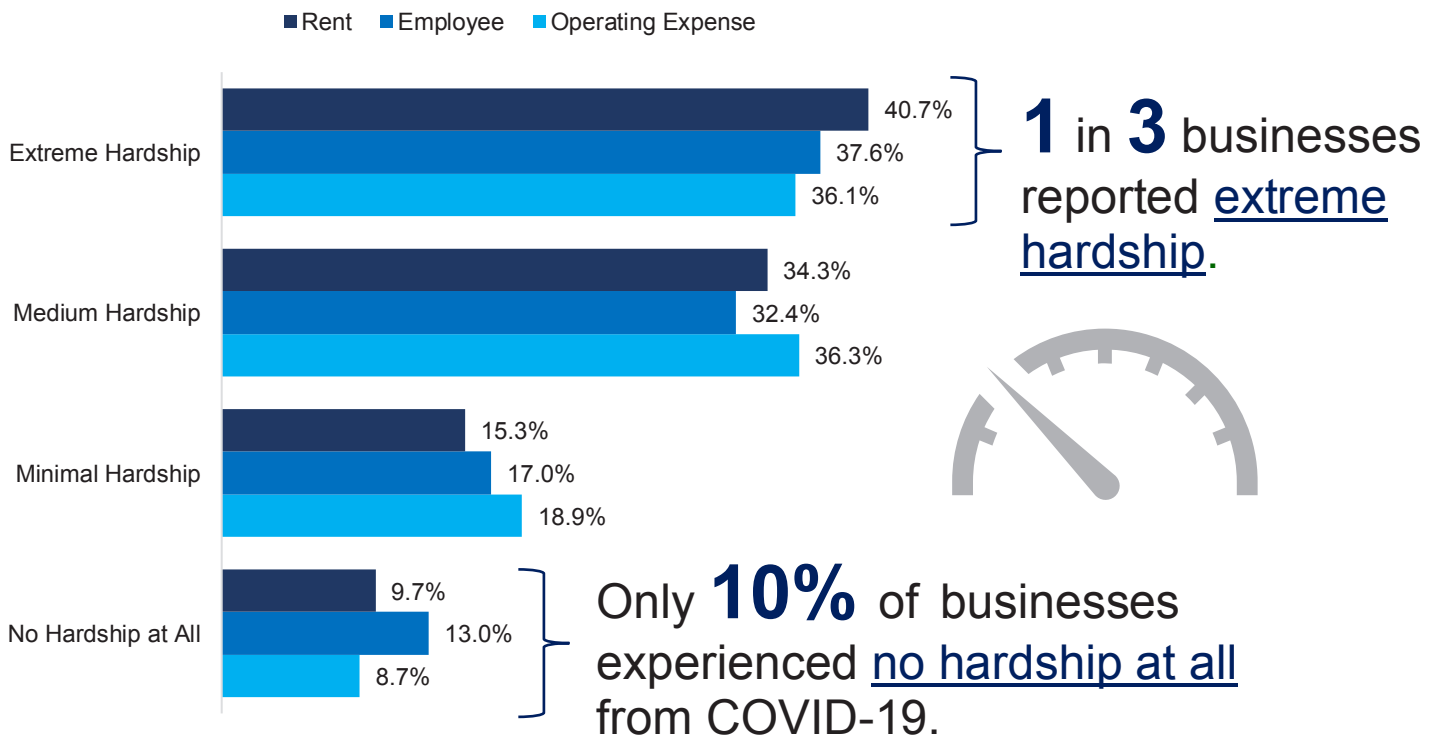
**38.8%** did not close.

**24.9%** closed but have now reopened.

**25.7%** closed but have now partially reopened.

**10.7%** closed and remain closed.

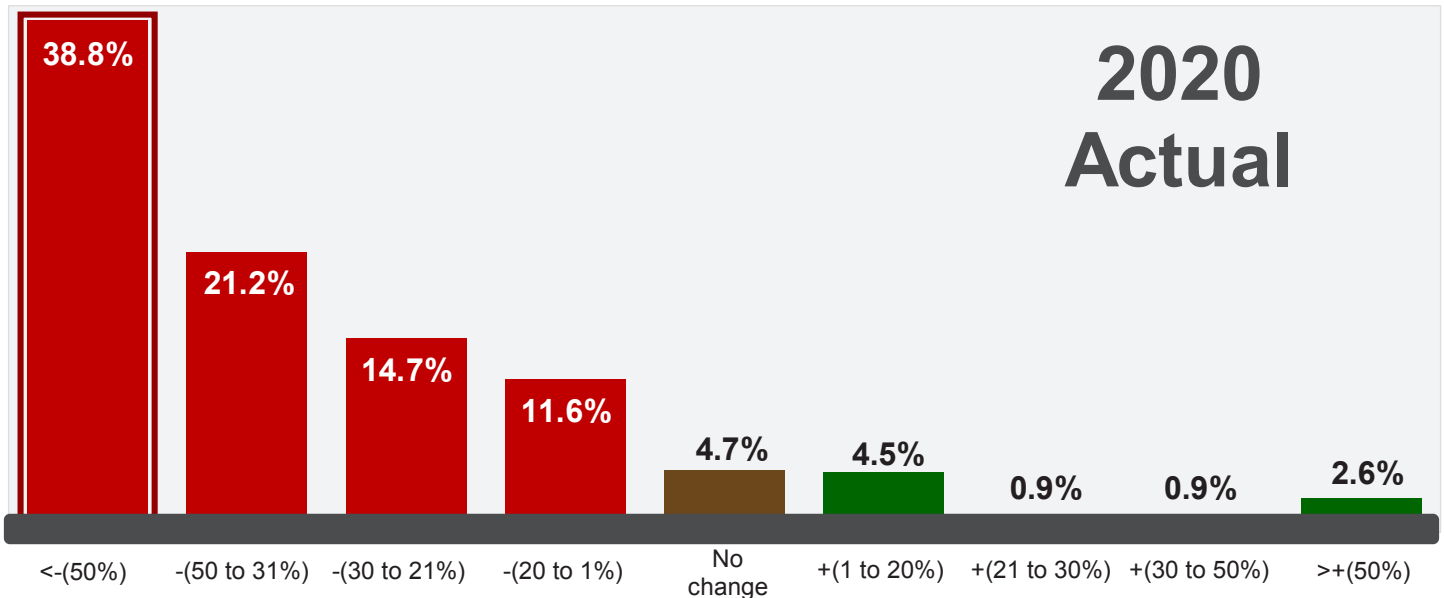
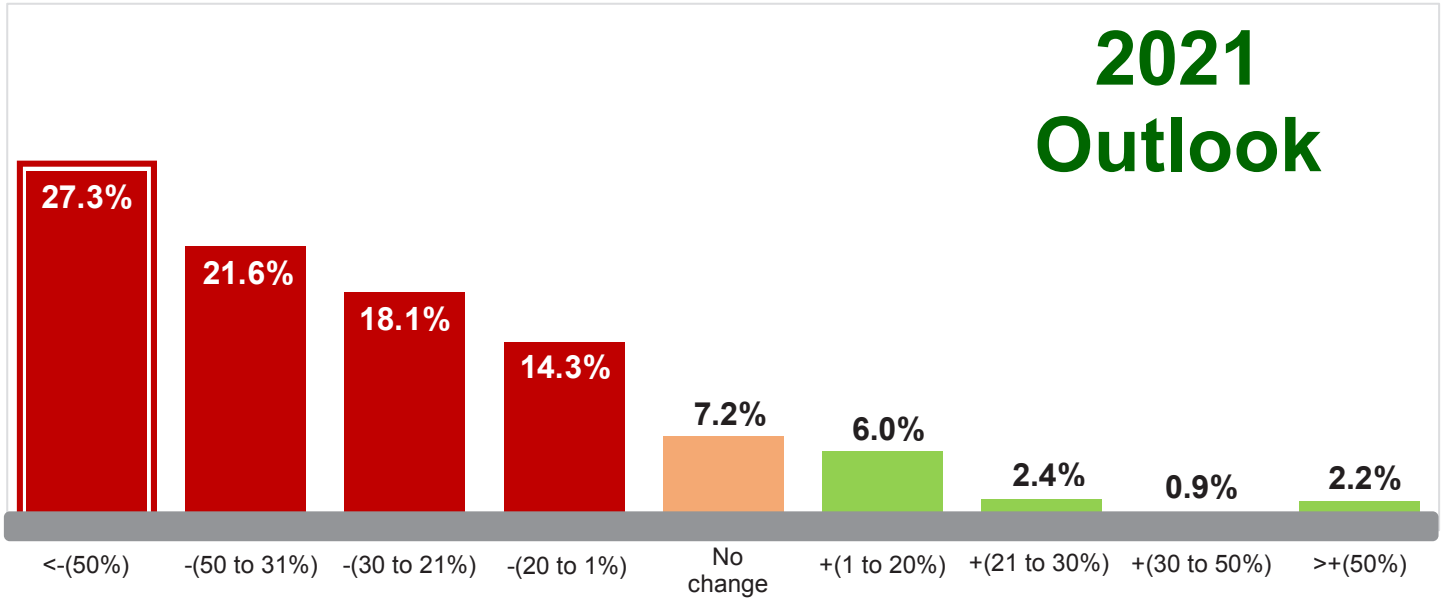
Majority of businesses reported some degree of hardship imposed by COVID-19 on their ability to pay rent (**90.3%**), employees (**87.0%**), and operating expenses (**91.3%**).



**No Hardship at All** = 100% able to pay; **Minimal Hardship** = greater than 90% probability of being able to pay; **Medium Hardship** = 75-89% probability of being able to pay; **Extreme Hardship** = less than 75% probability of being able to pay

# Q4 Business Outlook: New Normal

**81.3%** expect their annual revenue to **decline** in 2021 (N=851) vs. **86.4%** of businesses saw revenue **decline** in 2020. (N=1,017)



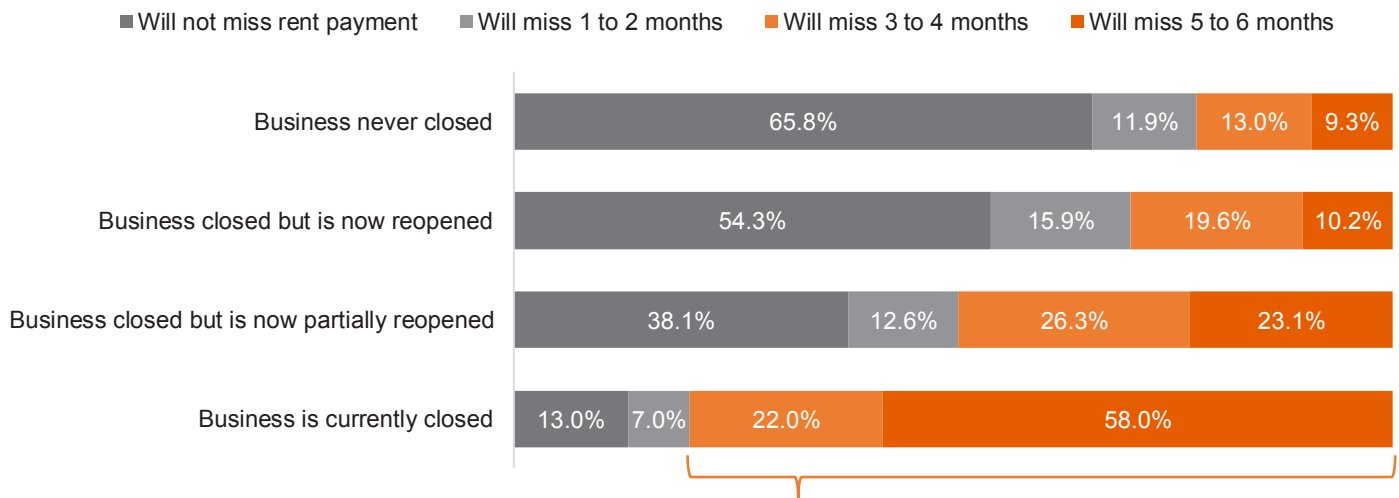
**27.3%** expect revenue to **decline > 50%** in 2021 (N=851) vs. **38.8%** of businesses saw revenue **decline of > 50%** in 2020. (N=1,017)

# Q4 Rent Outlook: New Normal

Comparing results between the three Hawai'i Commercial Rent Surveys illustrates the **increasing need for commercial rent assistance**. More businesses expect to miss increased amounts of commercial rent and for longer periods, including businesses previously able to pay rent. The percentage of businesses expecting to miss commercial rent payments increased significantly for all categories.

The approval of COVID-19 vaccines in December with plans for accelerated distribution to the general public in 2021 has improved economic forecasts. However, the recovery is expected to be slow and gradual until the latter part of 2021. Significant improvement of business conditions and commercial rent assistance can't come soon enough for those currently behind and expecting to miss more rent payments. Businesses have permanently closed their doors and laid off employees in 2020 due to the **commercial rent burden compounded with the realities of doing business in the new normal**.

**Over half (50.2%)** of businesses expect to miss at least one full rent payment between January and June 2021. (N=942)



**8 in 10** businesses that are currently closed **expect to miss at least 3 to 6 months of full rent payments** between January and June 2021. (N=946)



**4 in 10** businesses expect to miss 3 to 6 months of full rent payments between January and June 2021. (N=942)

**4 of 19** primary industries expect half of their businesses to miss 3 to 6 months of full rent payments between January and June 2021. (N=942)



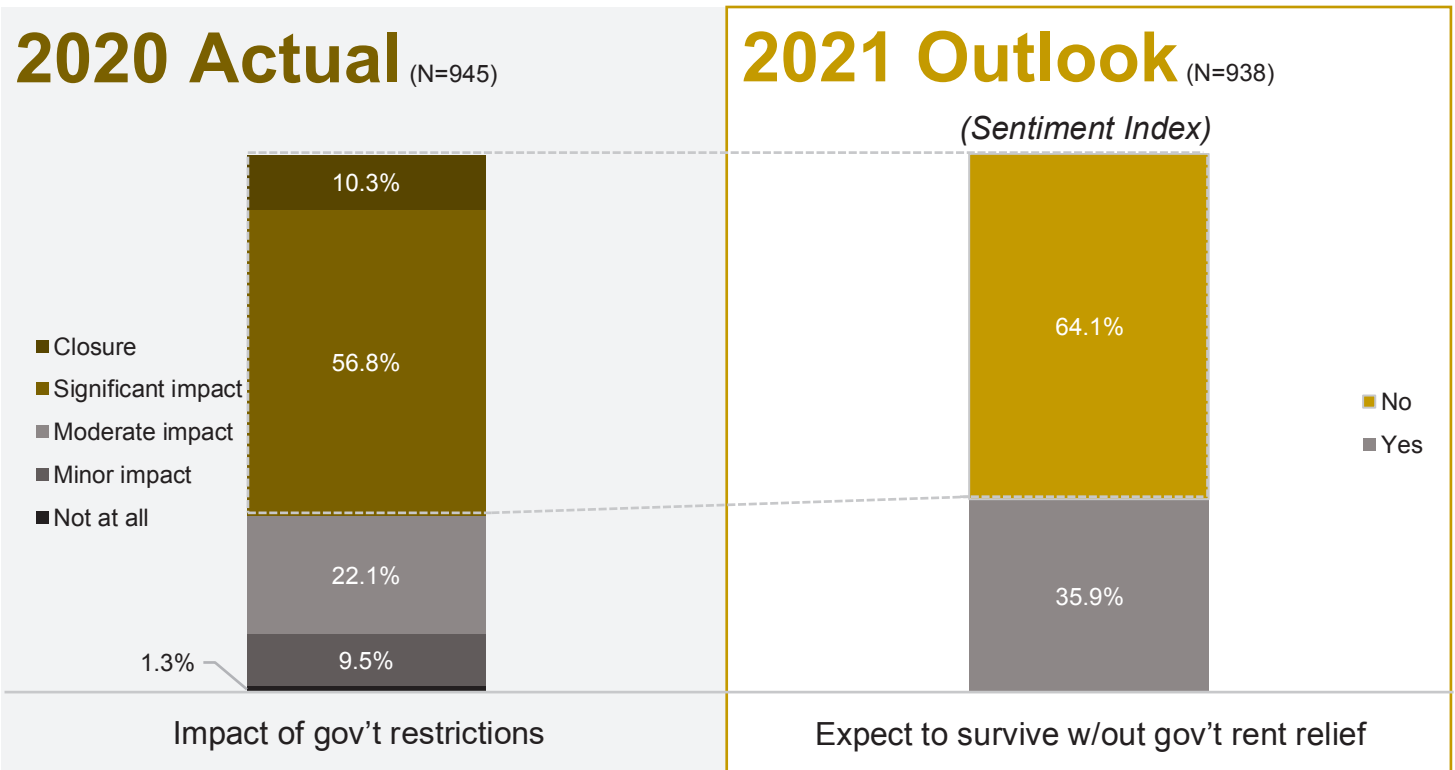
\*Other Services includes (Utilities, Management of Companies, Information, Agriculture, Accommodation, Admin & Support of Companies, Finance & Insurance)

**1 in 4** businesses in the remaining 15 industries expect to miss 3 to 6 months of full rent payments between January and June 2021. (N=942)



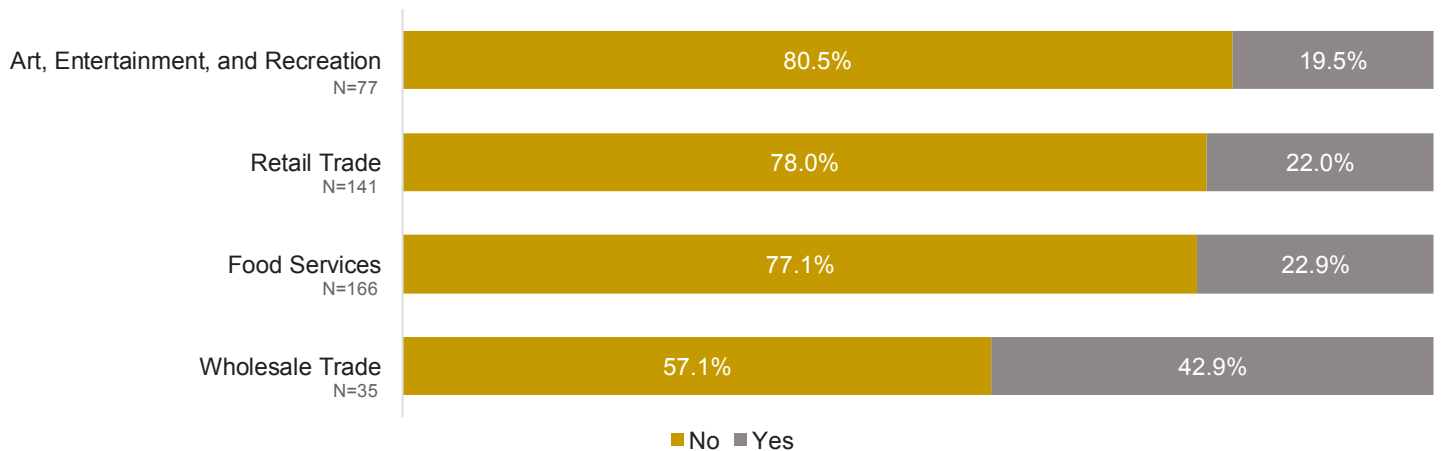
# Q4 Survivability Outlook: New Normal

**2** in **3** businesses were significantly impacted or closed due to government restrictions in 2020. Nearly the same number of businesses do not expect to survive in 2021 without government commercial rent relief.



Within the 4 most impacted industries, **3** in **4** do not expect to survive in 2021 without government commercial rent relief.

These 4 industries employ > 1/3 of our state's workforce. (N=938)



# Conclusion

Businesses used government stimulus funds to finance a portion of their expenses in 2020 but the amount and timing of financial support was too little, too late and many businesses have already closed their doors permanently. Businesses limping into Q4 2020 have started to see revenues increase, but are still significantly burdened by accumulating debt and expenses resulting from severe government restrictions considerably reducing generating capability.

**Businesses have not been able to pay rent, continue to add to their rent burden, and expect to miss further rent payments in 2021.** As tourism remains below pre-COVID-19 levels over the next three to five years<sup>1</sup> and with safety regulations affecting business capacity and service, businesses already operating with thin margins continue to struggle to break even before adding deferred payments of accumulating back rent.

**Commercial Rent relief will be necessary for many businesses to survive,** and lease restructuring would allow landlords and tenants to redefine lease terms that reflect market conditions in the new normal. Financial aid for commercial landowners would help incentivize them to do so.



<sup>1</sup> "UHERO Annual Hawai'i forecast with global outlook: Mainland COVID-19 surge means a bleak winter, but vaccines promise 2021 growth" UHERO, December 11, 2020





Eggs 'n Things Hawaii Inc. DBA Eggs 'n Things  
339 Saratoga Road,  
Honolulu, HI 96815  
www.eggsnthings.com

February 4, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

Thank you for the opportunity to submit testimony. I am **STRONGLY IN SUPPORT** of House Bill 1324.

My name is Yuka Nawano, and I have been the owner of restaurant Eggs 'n Things since 2008. We have 4 locations on Oahu. Due to the Stay at Home orders, travel restrictions and reduced capacity resulting from the decisions made by our government leaders in reaction to the COVID-19, our 2020 annual sales have decreased by 90% compared to 2019. Although our sales dropped significantly, the rent obligations remain the same, making it extremely difficult to hang on as day goes by.

The minimal financial relief in 2020 and even the second round of PPP are just not enough for many of us to survive in 2021, without additional government-funded commercial rent relief.

Needless to say, the Hawaii economy is heavily reliant on tourism and without the international visitors, it is impossible for businesses, especially restaurants and the rest of the hospitality/service industry to stay afloat and recover carrying on the heavy burden of rents, which are based on pre-COVID19 market conditions.

This is why we/I believe the Commercial Rent Relief Grant Program (the "Program") will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.

The Program is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose. We believe a by-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending the leases in a sustainable manner.

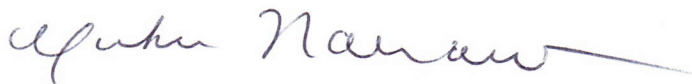
Almost a year into this Pandemic, more and more businesses have closed it's doors permanently, and it is frightening and heartbreaking to see the State, especially places like Waikiki so empty, so quiet, with growing number of homeless people in front of all these closed businesses and vacant commercial properties.

Eggs 'n Things has been around since 1974, founded by local couple late Jerry and Jan Fukunaga. I fell in love with the restaurant and this Island during my first trip to Hawaii 30 years ago. When the founder decided to retire, I promised them that I would do everything I can to carry on the legacy, to continue "Serving Quality Food in the Spirit of Aloha ". We have done and are doing everything we possibly can to keep this promise, staying afloat while complying with all the restricted operations and safety protocols. However, not knowing how much longer we must endure until the current restrictions are lifted, enabling international tourism to resume and for our economy to start recovering, it has come to a point where we just cannot get through this without more assistance from the city and state.

I sincerely hope that our desperate plea for help is heard, and this House Bill 1324 to Establish a Commercial Rent Relief Grant Program is approved, and business owners could somehow survive so that the employees who have been furloughed and the visitors /customers would still have all these places to come back to.

Thank you again for the opportunity to submit testimony and for all your efforts to serve the people of Hawaii as our elected leaders. Please stay safe.

Sincerely,

A handwritten signature in black ink that reads "Yuka Nawano". The signature is fluid and cursive, with a long horizontal line extending to the right.

Yuka Nawano

President & CEO / Eggs 'n Things Hawaii Inc.

[yucanfbih@gmail.com](mailto:yucanfbih@gmail.com)

Oahu Coffee & Sodaworks, Inc.  
Dbá Morning Brew Café'  
600 Kailua Road Suite 120  
Kailua, HI 96734  
Morning Brew Kaka'ako  
685 Auahi Street Suite 113  
Honolulu, HI 96813

February 4, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

Thank you for the opportunity to submit testimony. My name is Peter Anderson, I'm the owner of Morning Brew Kailua and Morning Brew Kaka'ako. I am in total support of House Bill 1324.

We were in the midst of celebrating our 25<sup>th</sup> anniversary in March at our Kailua location when the Covid pandemic reached our island shores and forced the inevitable shut down. In less than a month's time our revenue dropped by nearly 90%!

Despite some financial relief in 2020, and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest hit businesses, many of which are the backbone of our local economy, could result in the loss of thousands of jobs and adversely affect tax revenue for many years.

In many cases, businesses, especially restaurants, retail, and entertainment venues are facing ½ to 2/3 reduced capacity in the new normal with the same or even higher rent caused by rent **deferral**. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period is continuing to cause significant decline in business revenue.

The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.

We believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.

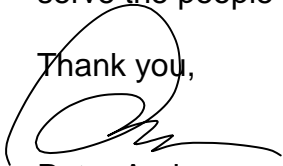
Without help, the burden of old lease rents (based on previous market conditions) during a post-coronavirus economic recovery are unbearable for small businesses.

While the Program cannot require landowners to renegotiate leases, we believe a bi-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.

This would become an important process to kick start the economic recovery and one of many vital ways we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Thank you,



Peter Anderson  
Owner  
Morning Brew Cafe  
Pca555@live.com  
808-392-3192  
520 Lunalilo Home Road #329  
Honolulu, HI 96825



February 4, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
-Committee on Pandemic & Disaster Preparedness (PDP)  
Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
-Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

Thank you for the opportunity to submit testimony. My name is John Tasato and I am in support of House Bill 1324.

Despite financial relief in 2020 and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.

In many cases, businesses, especially restaurants, retail, and entertainment venues are facing ½ to 2/3 reduced capacity in the new normal with the same or an even higher rent caused by rent deferral. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period is causing significant decline in business revenue.

The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.

We believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.

Without help, the burden of old lease rents (based on previous market conditions) during a post-coronavirus economic recovery are unbearable for small businesses.

While the Program cannot require landowners to renegotiate leases, we believe a by-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.





WUB HAWAII • OKINAWAN CHAMBER OF COMMERCE

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This would become an important process to kick start the economic recovery and one of many vitals way we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets. Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Thank you,

John Tasato

Vice President, WUB Network, Advisor WUB Hawaii  
Okinawa Chamber of Commerce Hawaii

Email: [Jtasato@gmail.com](mailto:Jtasato@gmail.com)

Phone: (808) 398-3343



COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION  
HAWAII CHAPTER

February 3, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

RE: **HB 1324- Establish a Commercial rent Relief Grant Program**  
**Hearing date: Thursday, February 4, 2021 at 11:00AM**

Aloha Chair Ichiyama, and members of the committees,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii to provide **SUPPORT** on HB 1324. NAIOP Hawaii is the local chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders and other professionals. NAIOP Hawaii strongly supports the development of housing for Hawaii residents at all levels of income, especially affordable housing projects.

SB 1324 establishes a Commercial Rent Relief Grant Program (the "Program") and requires that the commercial rent relief grants be given priority for moneys received through federal funding. The grant program is designed for owners of property classified as commercial, hotel and resort, or industrial to be eligible for a grant not to exceed three per cent (3%) of taxable revenue for commercial tenants derived from the property in 2019. Further, owners of hotel and resort classified property shall only be eligible for a grant proportionate to the portion of the property that is leased to tenants operating a commercial business on the subject property. Any money from the Program would be paid directly to landowners to ensure the money is used for its intended purpose.

Hawaii commercial businesses are in dire need of additional financial relief. Despite financial support in 2020 including a second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. Many businesses are still struggling with the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period causing significant decline in business revenue. The impact of losing these hardest hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years to come.

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic &  
Disaster Preparedness (PDP)  
February 3, 2021  
Page 2

NAIOP believes the Program will serve as an essential catalyst for small businesses and landlords to work together as we begin to recover from the impacts of COVID-19. While the Program cannot require landowners to renegotiate leases, we believe it will encourage the landlord-tenant dialogue resulting in landowners being more inclined to set new and reasonable expectations going forward and to start renegotiating or amending leases in a reasonable manner. Without help, the burden of old lease rents during a post-coronavirus economic recovery are unbearable for small businesses.

SB 1324 would allow for the Program to serve as an important step in kick starting Hawaii's economic recovery. The Program will enable our state to emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Mahalo for your consideration,



Catherine Camp, President  
NAIOP Hawaii



# THE AKAMAI FOUNDATION

1164 BISHOP STREET SUITE 613 | HONOLULU | HAWAII 96813

February 4, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

## **Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

Thank you for the opportunity to submit testimony. My name is Johnny Chankhamany and I am President of the AKAMAI Foundation. I am in support of House Bill 1324.

- Despite financial relief in 2020 and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.
- In many cases, businesses, especially restaurants, retail, and entertainment venues are facing  $\frac{1}{2}$  to  $\frac{2}{3}$  reduced capacity in the new normal with the same or an even higher rent caused by rent deferral. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period is causing significant decline in business revenue.
- The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.
- We believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.
- Without help, the burden of old lease rents (based on previous market conditions) during a post-coronavirus economic recovery are unbearable for small businesses.



# THE AKAMAI FOUNDATION

1164 BISHOP STREET SUITE 613 | HONOLULU | HAWAII 96813

- While the Program cannot require landowners to renegotiate leases, we believe a bi-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.
- This would become an important process to kick start the economic recovery and one of many vitals way we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Thank you,

Johnny Chankhamany  
President  
AKAMAI Foundation  
[jc@akamaifoundation.org](mailto:jc@akamaifoundation.org)  
808-662-3240

**HB-1324**

Submitted on: 2/3/2021 10:09:41 AM

Testimony for PDP on 2/4/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Blair Suzuki	Suzuki Properties, LLC	Support	No

Comments:

Mahalo for allowing me to submit testimony on HB1324 relating to commercial property rent relief. I am in STONG SUPPORT of HB1324.

I have worked with Ryan Tanaka and members of the business community to assess the impact of the Covid-19 pandemic on our commercial business community for the last 10 months. We have done 3 surveys of the business community and each continues to highlight the struggles that businesses are facing to pay rent. No relief has come from the federal government, State of Hawaii, or at the county level to help with this. Out of the billions and billions of dollars allocated to help with Covid-19 economic impacts, none has reached the business community in the form of commercial rent relief.

There is a clear need for this money. Businesses are struggling and will continue to close unless you pass this bill. Please take action where the federal govt and counties have failed to do so. The business community relies on it.

Mahalo,

Blair Suzuki

Owner, Suzuki Properties, LLC



February 3, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

Aloha Chair Ichiyama and members of the committees,

Thank you for the opportunity to submit testimony. My name is Brian Wong and I am the Chief Operating Officer for MW Group, Ltd. This letter is in in **SUPPORT** of House Bill 1324.

We have all heard and seen first-hand the devastation caused by the pandemic to our business community. The combination of the pandemic and the resulting government shutdown mandates have crippled Hawaii's economy, particularly restaurants, bars, retail stores and gyms. Landlords and Tenants enter into lease arrangement based on the premise that they are partners. For the past year, we have strived to find ways to help support our tenants as best we can, however there is only so much we can do. Landlord and Tenants both need financial assistance for this partnership to work.

The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.

We believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal. This would become an important process to kick start the economic recovery and one of many vitals way we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Thank you,

Brian Wong  
Chief Operating Officer  
MW Group, Ltd.  
bwong@mwgroup.com  
Phone Number 808-275-5328



LATE

TESTIMONY OF TINA YAMAKI, PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
February 4, 2021

Re: HB 1324 Relating to Commercial Property Rent Relief

Good morning Chair Ichiyana and Chair Quinlan and members of the House Committee on Pandemic & Disaster Preparedness and House Committee on Economic Development. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains and everyone in between.

We **STRONGLY SUPPORT** HB 1324 Relating to Commercial Property Rent Relief. This measure establishes a commercial rent relief grant program. Requires that the commercial rent relief grants be given priority for moneys received through federal funding, and appropriated funds.

The retail industry has been one of the hardest hit during the pandemic. Since the pandemic, those retailers who were deemed non-essential were forced to close their businesses for months due to government orders. Those on Oahu were forced to close their businesses a second time with no income from online sales unless they were fulfilling the orders from home. Retailers have also had to endure an almost 50% rate increase in interisland shipping. Many stores who rely directly on the visitors are not opening until the customer base returns - if they can hold on that long. They have also reduced their staff, taken pay-cuts and more to survive.

While many took advantage of the 1<sup>st</sup> round of PPP loans hoping that they will be able to turn it into a grant, they are finding that it is difficult to change the loan to a grant. As a result, they are not applying for the 2<sup>nd</sup> round of PPP financing. Many retailers are unable take on more debt. For some they have already used up their life savings as well as their children's college funds and some have even sold their home. For many their sales are down 70% or more compared to 2019. Those local retailers who made more than \$5 million in 2019 were not able to access local government grants.

The 3<sup>rd</sup> Commercial Lease Rent survey from data collected between December 1 and 31, 2020 revealed:

- One in 10 Hawaii businesses permanently closed over the course of the pandemic, and 67 percent were impacted significantly by government restrictions.
- From April through December 2020, 50 percent of businesses did not pay their rent in full.
- Three in 10 businesses expected to miss three full rent payments between October and December 2020, and more than half expected to miss at least one full rent payment between January and June 2021.
- Tourism accounts for at least one-quarter of the overall revenue of 37 percent of Hawaii businesses.
- 86 percent of businesses saw their annual revenue decrease in 2020, and 82 percent expect a decrease in 2021 as well.

Retailers like many businesses are struggling to survive and to keep their employees employed. This measure would help so many local businesses in need.

Mahalo again for this opportunity to testify.



LATE

**HB-1324**

Submitted on: 2/3/2021 5:01:35 PM

Testimony for PDP on 2/4/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nicole Nakano	BOMA Hawaii	Support	No

Comments:

Aloha Chair Ichiyama, Vice Chair Eli, Chair Quinlan, Vice Chair Holt and members of the committees,

BOMA Hawaii supports HB1324 which establishes a commercial rent relief grant program and requires that the commercial rent relief grants be given priority for moneys received through federal funding.

Mahalo fo rthe opportunity to testify.

LATE



111 Hekili St. #109  
Kailua, HI 96734

February 4, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

My name is Joy Bitonio, I am a new small business owner with firsthand experience of the extreme hardship that the COVID-19 operational limitations have had on our small business community. My business recently made it's one-year anniversary on January 6th and we need your help to celebrate many more. We continue to experience ongoing financial need to sustainably operate under the current and post-pandemic economic climate. I am in support of House Bill 1324.

- Despite financial relief in 2020 and even with the second round of PPP for those eligible, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest-hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.
- In many cases, businesses, especially fitness/wellness, restaurants, retail, and entertainment venues are facing ½ to 2/3 reduced capacity in the new normal with the same or an even higher rent caused by rent deferral. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period is causing significant decline in business revenue.
- The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business

tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.

- I believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.
- Without help, the burden of old lease rents (based on previous market conditions) during a post-coronavirus economic recovery are unbearable for small businesses. This doesn't even take into consideration annual rent increases and the inflated pro-rata property tax passed on to tenants in 2021.
- While the Program cannot require landowners to renegotiate leases, I believe a bi-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.
- This would become an important process to kick start the economic recovery and one of many vital ways we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Mahalo for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Thank you,



Joy Bitonio  
Founder/Owner  
KOMO Studio  
aloha@komohawaii.com

**HB-1324**

Submitted on: 2/2/2021 11:13:27 AM

Testimony for PDP on 2/4/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ruston Utu	Individual	Support	No

## Comments:

Covid-19 has impacted a lot more than we could ever imagine. I think this would really help those who were extremely affected especially our local small businesses. Small businesses here on the island have become favorite local spots for many and it is sad to see them close down because they can't seem to keep up with the rent. With this rent relief it would really help keep small business afloat for a lot longer.

Wednesday, February 3, 2021

***DYLAN ARMSTRONG, ind. capacity***

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Aloha mai kākou, especially to Chair Ichiyama, Vice Chair Eli and all the assorted members of the Committee on Pandemic and Disaster Preparedness:

**RE: House Bill 1324**

I appreciate the intent of this bill, and wanted to provide supporting individual testimony.

So many of our small businesses are enduring unprecedented hardship. The economic shock created during the global pandemic is an existential crisis. Many businesses will not survive; this measure, H.B. 1324, can help.

In that vein, many organizations statewide have advocated for small business aid through commercial rent relief. On October 7, 2020, the Mānoa Neighborhood Board No. 7 joined several other neighborhood boards in adopting a resolution in favor of commercial property rent-relief. I am citing two of the key clauses in the resolution. The first seeks to “[discourage] repossessions, garnishments, default judgments, concessions of judgments, administrative offsets, or negative credit reporting for non-payments due to COVID-19.” Another seeks a “temporary moratorium on commercial, small business evictions and/or foreclosures if a non-payment is due to COVID-19.” These ideas reflect popular support for small business that is relevant to the passage of this measure, H.B. 1324. Though it is distinct from rent forgiveness, the purpose of H.B. 1324 is a grant program which is a complementary tactic for helping commercial property tenants, seeking the same outcome.

A disaster can be defined as an event-based disruption to society, one that exceeds the society’s organized resources to respond and recover. On the private-sector side, businesses have not been able to absorb the shock without many going out of business, shuttering operations, or adversely changing employee hours and benefits, and so on. H.B. 1324 is a state solution to fill the gap between available resources and needs. I believe that it could help make a difference for our imperiled small businesses.

Thank you for your consideration.

Sincerely yours,  
Dylan Armstrong, individual capacity.



**MĀNOA NEIGHBORHOOD BOARD NO. 7**

c/o NEIGHBORHOOD COMMISSION ◊ 925 DILLINGHAM BLVD, STE 160 ◊ HONOLULU, HAWAI'I, 96817  
PHONE (808) 768-3710 ◊ FAX (808) 768-3711 ◊ INTERNET <http://www.honolulu.gov/nco>

**RESOLUTION URGING ALL BRANCHES OF GOVERNMENT IN  
THE STATE OF HAWAI'I AND THE CITY & COUNTY OF HONOLULU TO ENGAGE IN  
EMERGENCY MEASURES TO PROTECT COMMERCIAL, SMALL BUSINESS TENANTS**

**WHEREAS**, small businesses of 50 employees or less comprise 90% of all businesses in Hawai'i, making us dependent on the success of our small, local businesses; and

**WHEREAS**, the COVID-19 pandemic has severely affected Hawai'i's economy, with numerous small businesses either significantly reducing or closing operations; and

**WHEREAS**, this pandemic's volatility threatens future business shutdowns; and

**WHEREAS**, a July 2020 survey on Commercial (Small) Business Rent conducted by the Department of Business and Economic Development and Tourism (DBEDT Study) and other organizations found that the businesses most heavily affected by the pandemic were food services and bars, retail, lodgings, arts, entertainment, and recreation; and

**WHEREAS**, according the DBEDT Study, 44% of respondents indicated they have not paid any rent at all from April–June 2020, and are currently closed; and

**WHEREAS**, the DBEDT Study further reported instances of small landlords granting rent reductions, forgiveness and/or opportunities for rent restructuring; however, a study conducted by commercial (including small business) real estate company Cushman & Wakefield ChaneyBrooks, found that Hawai'i's seven largest landlords provided no rent forgiveness or rent reductions for the month of April; and

**WHEREAS**, according to a survey of local businesses conducted by the Kaimukī Business and Professional Association (KBPA), several businesses did renegotiate and reduce their rent obligations to 15% or less of their gross income; and

**WHEREAS**, the economic fallout of the pandemic has sparked a national dialogue on ways to protect commercial, small business tenants, including temporary moratoriums on debt; and

**WHEREAS**, several jurisdictions across our nation have taken measures to protect commercial, small business tenants, including enacting and ordering moratoriums on foreclosures, evictions, repossessions, utility disconnects, garnishments, default judgments, concessions of judgments, administrative offsets, and negative credit reporting; and

**WHEREAS**, California, Oregon, and Washington created a "Western States Pact" to coordinate economic reopening while mitigating COVID-19's effects on public health, including measures from all three branches of these governments to aid small business in its commercial, small business, lease obligations, such as executive orders and proclamations by governors and mayors, ordinances by legislative bodies, and policies and rules by Judiciary administrators; now therefore, and

**BE IT RESOLVED** the Mānoa Neighborhood Board No. 7 finds that the swift, severe, economic disruption owing to this pandemic, must be met with not only aid, but emergency measures to keep small businesses financially solvent during the pandemic and viable in recovery; and

**BE IT FURTHER RESOLVED** that these emergency measures to be considered include:

1. A temporary moratorium on commercial, small business evictions and/or foreclosures if a non-payment is due to COVID-19;
2. Discouraging the use of security deposits to pay for unpaid rent, and requiring tenants to replenish that security deposit if applied towards rent;
3. Discouraging fees and interest for non-payments due to COVID-19 hardships;
4. Allowing commercial, small business tenants affected by COVID-19 to renegotiate their leases, or terminate if no agreement is reached after 30 days of good faith negotiation;
5. Mandating emergency rent caps for COVID-distressed businesses, at no more than 15% of the tenant's gross income, unless pre-pandemic rent is lower; limiting the final maximum rent due based on the public occupancy mandated by government orders (if the business space occupancy is reduced to 50% of normal capacity, rent should not be more than 50% the pre-pandemic lease rate; total rent forgiveness in the event of a lock-down unless the tenant is liable for paying the landlord's operating expenses and property taxes);
6. Discouraging repossessions, garnishments, default judgments, concessions of judgments, administrative offsets, or negative credit reporting for non-payments due to COVID-19;
7. Discouraging landlords from exercising the "Personal Guarantee" provisions of leases to hold non-tenants liable;
8. Relieving landlords of certain property tax obligations that drive tenant rents;
9. Allowing appropriate emergency measures to be applied retroactively; and

**BE IT FURTHER RESOLVED** that copies of this resolution be transmitted to the Governor, the Hawai'i State Legislature, the Chief Justice of the Judiciary of the State of Hawai'i; and the Mayor and City Council of the City and County of Honolulu.

*The Mānoa Neighborhood Board No. 7 ADOPTED this resolution at its Wednesday, October 7, 2020 Regular Meeting, by a vote of 12 in favor, 0 opposed, 0 abstaining.*

Submitted by:



**DYLAN P. ARMSTRONG, CHAIR**  
[dylan.p.armstrong@gmail.com](mailto:dylan.p.armstrong@gmail.com)

**Michael I. Tanaka, CPA  
775 Kinalau Place #1709  
Honolulu, Hawaii 96813**

February 3, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

Thank you for the opportunity to submit testimony. I am a principal in a local CPA firm that provides assurance, tax and consulting services to a number of small businesses in Hawaii. I am in support of House Bill 1324.

- Many of our small business clients continue to suffer and struggle during this difficult time, and many may not survive without government-funded commercial rent relief. The impact of losing these hardest hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.
- The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.
- I believe the Program will serve as an essential catalyst for small businesses and landlords to work together in sustaining both parties during this difficult time.
- This would become an important process to kick start the economic recovery and one of many vitals way we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.



Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Tanaka". The signature is fluid and cursive, with the first name "Michael" and last name "Tanaka" clearly distinguishable.

Michael I. Tanaka, CPA  
Email: [mitanaka808@gmail.com](mailto:mitanaka808@gmail.com)

Student at University of Hawaii at Manoa  
Son of local Maui restaurant “Jawz Fish Tacos”



Thursday, February 4, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

### **Strong Support for House Bill 1324 Relating to a Commercial Rent Relief Program**

Dear Chair Ichiyama, Chair Quinlan, Vice Chair Eli, Vice Chair Holt, and members of the Committees on Pandemic & Disaster Preparedness and Economic Development:

Thank you for the opportunity to submit my personal testimony. My name is Devon Baldwin, I am a student at UH Manoa and the son of a small business owner. I believe that a commercial rent relief program is essential to keep Hawaii afloat.

My father has owned his restaurant since 2004, over 17 years. He has 2 lunch trucks as well as a small counter in a food court. In this specific case his businesses was COVID friendly and was encouraged to open as soon as possible. Even though he could open, there was simply no market. Without tourists, he was forced to partially close, re-opening for the winter season. He was able to scrape by until now with over 7 ½ months of back rent. With this relief bill he quotes that this would be a “tremendous weight off my shoulders, I do not know how I could come up with such a large sum of money.” Keep in mind this is a 17-year-old business that may be forced to close its doors.

Although this case is specific to my father’s businesses, it is the same for many. Local business owners are being forced to close doors. Small businesses employ a large percentage of locals living in Hawaii, many living here for generations such as my family. Hawaii is a place they call home but may not be an option anymore.

Despite the financial relief that was introduced in 2020, businesses most affected by COVID-19 will not survive 2021 without additional government-funded commercial rent relief. If we let the market decide who survives and provide no assistance, the end result will be a deteriorated economy with tens of thousands of jobs lost. This will have a trickle down effect on government taxes generated by Hawaii. Hawaii’s economy would take years to recover.

Student at University of Hawaii at Manoa  
Son of local Maui restaurant “Jawz Fish Tacos”



Rent deferral is a short term solution to a long term problem and has ended up hurting our local businesses. If we do not assist our small businesses until they can re-open, (once more vaccines are rolled out) Hawaii will be a shell of what it once was.

I believe that 3 months of full rent is not a long term solution to this complex problem however, it is a start to provide relief to the businesses owners. This will be the catalyst to repair the relationship between landowners and tenants. I believe that landowners will be open to talking about restructuring or reductions once this bill rolls out with support from the local government. I understand that land owners have their own financial burdens, however, a tenant paying partial rent is better than no tenant at all.

I believe that this bill will be the starting point for economic recovery for businesses in Hawaii. We will emerge from the pandemic better than before with new innovations and added entrepreneurs. Small businesses are essential to Hawaii and without them, the economy will continue to spiral down resulting in significantly less tax revenue for the government and state. We need to support our local businesses until we are able to safely reopen Hawaii's economy and show that Hawaii is a safe travel destination. Whether this is Summer 2021 or Winter 2021, we need to continue to support these businesses.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Sincerely,

*Devon Baldwin*

Devon Baldwin  
Student  
Devonab@hawaii.edu  
(858) 212-2660  
2419 St. Louis Dr.  
Honolulu HI, 96816

LATE

**Paul D. Yee**  
**148 Kaai St.**  
**Honolulu, HI 96821**

February 4, 2021

Representative Linda Ichiyama, Chair  
Representative Stacelynn K.M. Eli, Vice Chair  
Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair  
Representative Daniel Holt, Vice Chair  
Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

Thank you for the opportunity to submit testimony. My name is Paul D. Yee. I am in support of House Bill 1324.

- To assist in minimizing the effects of this shutdown for health and safety of our community, we need economic relief.
- This will help our commercial renters be able to survive this pandemic storm.
- Despite financial relief in 2020 and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.
- In many cases, businesses, especially restaurants, retail, and entertainment venues are facing ½ to 2/3 reduced capacity in the new normal with the same or an even higher rent caused by rent deferral. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period is causing significant decline in business revenue.
- The Commercial Rent Relief Grant Program (the "Program") is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. Money would be paid directly to landowners to ensure the money is used for its intended purpose.
- We believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.
- Without help, the burden of old lease rents (based on previous market conditions) during a post-coronavirus economic recovery are unbearable for small businesses.

- While the Program cannot require landowners to renegotiate leases, we believe a bi-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.
- This would become an important process to kick start the economic recovery and one of many vitals way we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Thank you,

*Paul D. Yee*

Paul D. Yee  
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Cushman Wakefield ChaneyBrooks  
pyee@chaneybrooks.com  
Phone: 808-544-1808  
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LATE

**HB-1324**

Submitted on: 2/3/2021 12:48:11 PM

Testimony for PDP on 2/4/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Greg Maples	Individual	Support	No

Comments:

February 4, 2021

Representative Linda Ichiyama, Chair

Representative Stacelynn K.M. Eli, Vice Chair

Committee on Pandemic & Disaster Preparedness (PDP)

Representative Sean Quinlan, Chair

Representative Daniel Holt, Vice Chair

Committee on Economic Development (ECD)

**Re: House Bill 1324 to Establish a Commercial Rent Relief Grant Program**

To Whom It May Concern,

Thank you for the opportunity to submit testimony. My name is Greg Maples and I am the Chairman of the Hawaii Restaurant Association. I am in support of House Bill 1324.

- Despite financial relief in 2020 and even with the second round of PPP, businesses hardest hit by COVID-19 will not survive in 2021 without additional government-funded commercial rent relief. The impact of losing these hardest-hit businesses could result in the loss of thousands of jobs and keep tax revenue low for many years.
- In many cases, businesses, especially restaurants, retail, and entertainment venues are facing ½ to 2/3 reduced capacity in the new normal with the same or an even higher rent caused by rent deferral. Even if business capacity is not a factor, the deteriorating economic climate due to job losses and reduced visitor arrivals for an extended period is causing a significant decline in business revenue.
- The Commercial Rent Relief Grant Program (the “Program”) is designed to pass rent relief forward. Using federal money, the State would allow eligible business tenants to qualify for the lesser of 3% of 2019 taxable revenue or three months of full rent. The money would be paid directly to landowners to ensure the money is used for its intended purpose.
- We believe the Program will serve as an essential catalyst for small businesses and landlords to work together as we migrate into the new normal.
- Without help, the burden of old lease rents (based on previous market conditions) during a post-coronavirus economic recovery is unbearable for small businesses.
- While the Program cannot require landowners to renegotiate leases, we believe a bi-product of the goodwill developed from the landlord-tenant dialogue is that landowners will be more inclined to set new and reasonable expectations going forward and to start renegotiating or at least amending leases in a sustainable manner.
- This would become an important process to kick start the economic recovery and one of many vital way we can emerge out of the pandemic together, protect the banking system, preserve jobs, generate tax revenue, and sustain government budgets.

Thank you again for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Thank you,

**Gregory W Maples**

Greg Maples

Chairman Hawaii Restaurant Association

[gregmaples@me.com](mailto:gregmaples@me.com)

Cell: 615-293-1004