



Sen. Russell Kokubun,
Chair

Business Leadership Council Summary of Nov. 7 Meeting - Revised

Rep. Lyla Berg
Rep. Pono Chong
Ian Costa
Henry Eng
Sen. Mike Gabbard
David Goode
Marion M. Higa
Jeffrey Hunt
Dr. Karl Kim
Millie Kim
Keith Kurahashi
Brad Kurokawa
Sen. Ron Menor
Rep. Colleen Meyer
Keith Rollman
Dr. James Spencer
Jane Testa
Stacie Thorlakson
Beth Tokioka
Sen. Jill Tokuda
Michael Tresler
Pamela Tumpap
Rep. Ryan Yamane

Participants

Russell Kokubun, co-chair of the Business Leadership Council, chair of the Hawaii 2050 Sustainability Task Force
Mitch D'Olier, co-chair of the Business Leadership Council and CEO of Kaneohe Ranch
Rep. Pono Chong, Hawaii 2050 Sustainability Task Force member
Rep. Colleen Meyers, Hawaii 2050 Sustainability Task Force member
Keith Kurahashi, Hawaii 2050 Sustainability Task Force member
Robbie Alm, Senior Vice President at Hawaiian Electric Industries
David Arakawa, Executive Director of the Land Use Research Foundation
Lisa Gibson, President of the Hawaii Science and Technology Council
Rick Holasek, Chair of the Hawaii Science and Technology Council chair and Vice President at NovaSol
Laura Kodama, Director of Planning and Development at Castle & Cooke Homes Hawaii
Bob Kihune, Chair of the Economic Development Association of Hawaii (EDAH)
Paula Helfrich, EDAH staff
George Irion, Vice President at AIG Hawaii
Joel Matsunaga, Vice President at Hawaiian TelCom
Alex McGhee, Executive Vice President at Enterprise Honolulu
Murray Towill, President of the Hawaii Hotel and Lodging Association
Kathy Matayoshi, CEO of the Hawaii Business Roundtable
Mike Rota, Vice President at the UH Community College System
Rex Johnson, CEO of the Hawaii Tourism Authority
David Watumull, CEO of Cardax Pharmaceuticals
Paul Oshiro, Director of Government Relations at Alexander & Baldwin
Randy Moore, state Department of Education
Ian Kitajima, Oceanit marketing director and Hawaii Dual Use Committee member
Bill Kaneko, President and CEO of the Hawaii Institute for Public Affairs (HIPA)
Jeanne Schultz Afuvai, HIPA staff
Patrick Williams, HIPA staff
Nonie Toledo, HIPA consultant

Purpose of Meeting

This was the fourth meeting of the Business Leadership Council. It was convened by the Task Force to gather input on the draft Hawaii 2050 Sustainability Plan, particularly in regards to Goal 2: The Economy and the proposed Sustainability Council. Participants were provided with copies of the relevant portions prior to the meeting.

The discussion centered on four items: 1) affordable housing 2) living wage 3) diversified economy 4) infrastructure 5) the Sustainability Council and 6) additional comments.

1. Affordable Housing

The group agreed that a greater supply of affordable housing is one of the most critical needs of the business community and the state. Without affordable housing, residents will leave the state to work elsewhere and Hawaii will face great challenges in attracting a skilled, educated workforce. Mike Rota noted that the Baby Boom generation is retiring, yet the number of skilled younger workers is decreasing.

Murray Towill commented that none of the proposed indicators measure Hawaii's progress or lack of progress in affordable housing. He proposed measuring the number of affordable units now in the state, the number of affordable housing projects underway or projected, and the number of building permits for affordable housing.

Laura Kodama noted that while affordable housing is important, the issue of housing in Hawaii encompasses many facets, such as rentals and the pace of development.

Rex Johnson stated that other than the development of Kapolei, no real solutions have been put forward since the early 1970s. He also expressed doubt that government would be effective in solving the issue.

David Arakawa questioned if the final plan will recommend incentives for affordable housing. He also called for clarifications on the definition of smart growth and "viable" agriculture.

2. Living Wage

Wages in Hawaii for most jobs have long trailed the national average. Combined with the state's high cost of living, it is becoming increasingly difficult for many residents to earn a living wage. This is particularly discouraging for Hawaii's youth, many of whom look to work on the mainland after graduating from high school or college. The example of the nine high school students at the Hawaii 2050 Summit who said they didn't see themselves living in Hawaii at the age of 35 was particularly troubling for many members of the Business Leadership Council.

David Watumull commented that the issue of wages in Hawaii is the underlying structural problem to affordable housing – salaries aren't high enough for the homes on the market.

3. Diversified Economy

Encouraging a more diversified economy is a key strategic action in the draft Hawaii 2050 Plan and there was a consensus among participants that a diversified economy is vital for the state's future.

Lisa Gibson had previously submitted written testimony to the Task Force requesting that technology and innovation industries be given a more prominent role in the Plan as a pathway to a more diversified economy, and she again made that request.

4. Infrastructure

The physical condition of the state's roads, harbors, airports and other public facilities was called into question by many Business Leadership Council members. They encouraged the Task Force to emphatically recommend adequate funding for repair and maintenance of Hawaii's public facilities.

5. Sustainability Council

While the Business Leadership Council expressed unified support for the intent of the draft Plan and a number of strategic actions, there were many questions about the feasibility and funding of the proposed Sustainability Council. A number of members said after reading the plan that they couldn't determine if the Sustainability Council was a regulatory agency or an advisory body. David Arakawa pointed out that the wording of the Council's duties includes implementation of the Hawaii 2050 Plan, which implies regulatory powers.

David Arakawa noted that the Office of Planning (OP) should be considered as an alternative to the Sustainability Council. The OP is charged with long-term planning for the state and has a staff and budget. The OP also provides a link to the executive branch of government, which is lacking in the current Sustainability Council proposal.

Several members, including Kathy Matayoshi and Murray Towill, recommended that the Sustainability Council be advisory. Kathy Matayoshi suggested that the Council be a public-private agency, perhaps a nonprofit funded by the state. Murray recommended that the Council's resources come from the state's General Fund.

6. Additional Comments

Robbie Alm spoke about the need to redefine the term "cost" from a dollars and cents perspective into a broader viewpoint that embraces the long term future. He provided the example of locally-produced biodiesel. While that fuel is more expensive than imported biodiesel, it supports local jobs and companies and creates a multiplier effect in Hawaii's economy. Robbie also spoke of the intent of the plan – he felt Hawaii 2050 should not be an extension of what has been done for the past 50 years. It is an opportunity to do something new.

Mitch D'Olier commented that he would like to see a sustainable education system and would like to involve the P-20 Council and Good Beginnings Alliance in creating this.

Randy Moore emphasized that the final Hawaii 2050 Plan needs a sense of urgency, and many members agreed. He also stated that the government's role is to articulate a vision for our collective future and then provide the resources for the public, private and nonprofit sectors to achieve it. Alex McGhee agreed, and suggested identifying four or five goals that can be reached by 2010.

David Arakawa contended there are contradictions in the plan's policies – for example, in land use the draft plan recommends increasing agriculture, preserving open space and creating affordable housing. Arakawa said a process needs to be developed for resolving these contradictions before the final plan is unveiled. He also noted that the plan may mean additional costs for businesses, which could be passed along to consumers.