

VOICE OF BUSINESS



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AS COVID-19 RESTRICTIONS LIFT, GOOD NEWS FOR LOCAL BUSINESSES AS WE MOVE TO TIER 3

This past month has ushered in several positive developments for the business community. On March 11, modifications were made to O'ahu's Tier 3 plan, allowing more opportunity for businesses to increase capacity, and giving the green light to bars and low-risk venues to operate again. This news comes as the state continues to increase its distribution of vaccines, now bolstered by the single shot Johnson and Johnson Vaccine recently receiving FDA emergency authorization.

With all the advances that have been made to stem the spread of COVID-19 in our community, we are hopeful that inter-island travel restrictions will be lifted soon giving our neighbor island businesses a desperately needed lifeline of economic activity. This will also give us all a chance to visit our loved ones who we might not have seen in many months.

In another important step to help our economic recovery, on March 2, Governor



Sherry Menor-McNamara
President & CEO

Ige signed HB 1278 HD 1 into Act 1, which will provide a lifeline to many local businesses to stay afloat during this critical period. The act will save employers on their unemployment insurance tax with \$950 in savings per average employee in 2021, and \$880 in savings per average employee in 2022.

While businesses will face a slight increase from last year, Act 1 prevented a significant jump that would have surely pushed some businesses pass the tipping point. We extend our thanks to the Governor, Department of Labor and Industrial Relations, and the Legislature especially

Reps. Onishi and Luke and Senators Tani-guchi and Dela Cruz for taking swift action on this issue.

While this relief is a much-needed lifeline, our local business community will need many more lifelines to survive the challenges and get back on track towards economic recovery. Some bills that are being considered will add more costs, which is why the Chamber is actively tracking and advocating on more than 80 bills that could potentially impact business, including the pending minimum wage increase.

We are also advocating on the national level and put together a coalition letter with other state chambers asking Congress to support States that had to take out unemployment insurance loans. Many of these states will be faced with taking out more loans as we and others go through a tough economic recovery phase. Businesses cannot continue to be faced with this burden for the next few years.

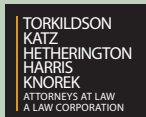
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The Chamber is a great resource to me as I seek to build our community by providing educational benefits and scholarships. The past year has been a tough one, especially since forming genuine relationships

is such an important part of building our personal and professional growth. As a member of the Young Professionals program, I have been greatly impressed with the professional development opportunities that have been provided and the amazing local professionals who have volunteered their time to talk story and give valuable guidance. The chamber has gone above and beyond with continuing to create opportunities to connect within our community as well as adapting to our virtual environment in meaningful ways. I am extremely grateful for the Chamber and the opportunity it has allowed me to build my network and promote the value of education in our community.

Sarah Folker
University Development Counselor
Grand Canyon University



Ask the Expert

Bart W. Howk
Director, Real Estate and Business Transactions



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Director, Real Estate and Business Transactions

Q: Why should a business engage counsel to review a new lease?

A: Companies often believe that once they've negotiated terms for a lease (e.g., rent and duration), they should simply sign the landlord's boiler-plate lease form. Why engage counsel to review legalese when the landlord won't change the form anyway?

The truth is, this "legalese" is often negotiable. And it can end up being critical for a company, especially given the high rent costs in Hawaii (think COVID-19).

Commercial leases are usually drafted in favor of the landlord. This isn't going to change anytime soon. But beyond that, surprisingly inappropriate terms can sometimes be buried deep in a lease. For example, we once discovered provisions in a lease making the tenant responsible for hazardous materials which existed before the lease commenced. Landlords will often remove unconscionable terms like this when a tenant points them out.

Landlords are also not immune to miscommunication and mistakes. For example, a landlord may not accurately explain the terms you negotiated to its attorney, or the attorney may misinterpret the letter of intent, or may simply forget to add an important negotiated term. Having your own counsel review will help reduce the risk of inaccurate or missing terms.

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- Hawaii Building Maintenance
- Island Energy Services
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- The Resort Group



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Molly Willson
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UPCOMING EVENT

CENTRAL PACIFIC BANK

FocusOn,
Presented by Central Pacific Bank: Operating During a Crisis

April 14, 2021, 9:00-10:00 a.m.

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