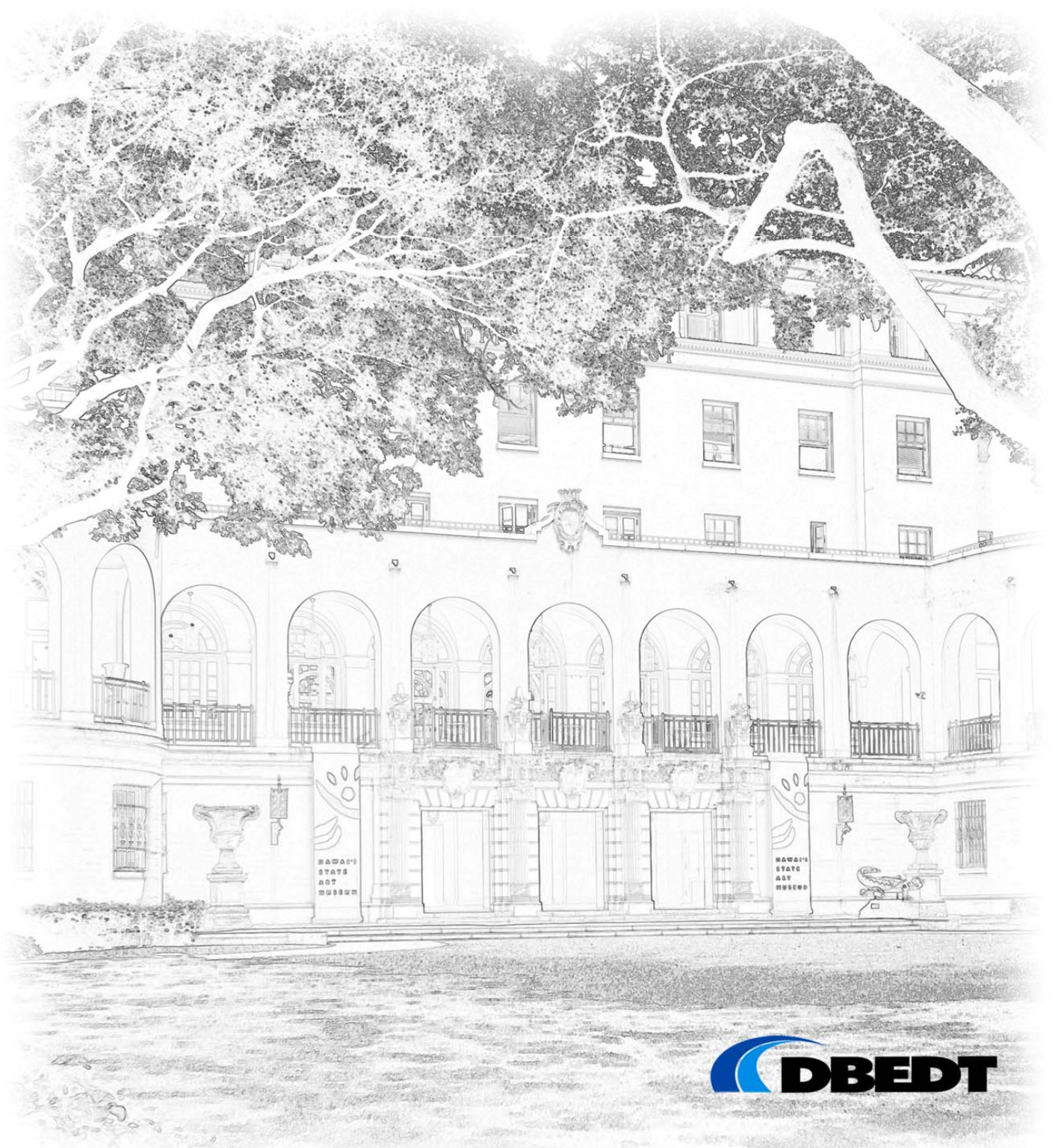




2010 Annual Report

State of Hawaii ~ Department of Business, Economic Development & Tourism





Department of Business, Economic Development & Tourism
P.O. Box 2359, Honolulu, Hawaii 96804
250 S. Hotel St., 5th Floor
808-586-2355

www.hawaii.gov/dbedt



MISSION STATEMENT

To achieve a Hawaii economy that embraces innovation and is globally competitive, dynamic and productive, providing opportunities for all Hawaii's citizens to prosper.

DBEDT's Mission is to accomplish this by serving as an advocate for business and energy development, a resource for analytic data, and a facilitator for export business.

DBEDT will also foster planned community development, create affordable workforce housing units in high-quality living environments, and work with the private sector to promote innovation sector job growth.

DIRECTOR'S STATEMENT

As Hawaii moves into a new state administration, we continue to face strict fiscal austerity and mounting challenges in business and economic development. We believe we are up to that task and have begun this "New Day" in Hawaii by focusing on key areas that can make a difference the business community.

In the immediate future, we intend to emphasize five key initiatives:

Improve Hawaii business environment. Serve as an advocate for business, a resource for analytic data, and a source for business development information. Currently, DBEDT is focused on serving the 92 percent of Hawaii business technically defined as "small business." These entrepreneurs do not have access to research, data and analytical information to help them craft business plans to cope with changes in the economy. DBEDT's role is to help them by providing these resources in an easily accessible manner – primarily web-based.



Richard Lim

Advocate for renewable energy development. Actively work with Hawaii's energy development sector to increase the contribution of renewable energy and efficiency by at least 2.6 percent each year. State efforts to promote renewable sources and energy efficiency initiatives have pushed the "clean energy" agenda to 19 percent of the total electrical production picture. We are 51 percent away from the 70 percent goal and have 20 years to go: hence we need to focus on adding significant new amounts of renewable energy each year and increasing energy efficiency and conservation. The goal is achievable, but will require extensive coordination and facilitation between government agencies, the utilities and the private sector.



Encourage innovation sector job growth and an overall increase in the standard of living.

READ's Innovation Indicator's report showed that jobs earning \$50,000 and above accounted for 18.1 percent in 2006 (the national average was 18.3 percent). DBEDT's goal is to increase the rate to 19 percent through efforts such as the continued aggressive incubation program of the High Technology Development Corporation (HTDC) and by using DBEDT as a facilitator for private entrepreneurial efforts and new job creation.

Increase Exports as a percentage of GSP. DBEDT's goal is to work closely with the federal government to achieve its goal of doubling U.S. exports in five years. In Hawaii, this can be accomplished by using active business development education programs and by promoting our Foreign Trade Zone (FTZ) to reduce both the risks and costs of importing and exporting. FTZ sites across the state are already handling more than \$8 billion in merchandise a year. Of that, \$600 million exported to other countries (75 percent of all products exported from Hawaii).

Create Workforce Housing units in high-quality living environments. Fully utilize the capacity of the Hawaii Housing Finance and Development Corporation (HHFDC) to focus on this critical need. By providing state lands, expediting the permitting and approval process, and providing financing tools to facilitate the development of affordable/workforce rental and for-sale housing, the HHFDC currently has a production plan in place to deliver over 5,000 units by 2014. Since its inception in 2006, the HHFDC has assisted in the delivery of 3,289 affordable/workforce units.

DBEDT is committed to maximizing the resources available to the Hawaii business community—from federal grants and program funding to new and creative partnerships that can multiply the effectiveness of on-going efforts.

My vision for DBEDT is to align the department with the Governor's *New Day in Hawaii* plan, with a focus on energy and knowledge-based and creative industries and small business, while playing a supporting role in housing and tourism.

In terms of our general direction, I intend to pursue the following:

- Focus on key emerging growth areas within the plan where we have strong core competencies, such as energy, knowledge intensive industries and creative industries and support small business through promotion and developmental initiatives.
- Exit government participation in programs and activities that do not fit our economic development mission or where we have insufficient resources to make an impact.
- Promote outreach with the theme of "bringing government to the communities."
- Build a strong culture of respect, compliance and trust.

DBEDT believes that government spending, job creation, and business development are key to the continued recovery of Hawaii's economy. Indeed, the economy is improving. However, growth expectations should be realistic and budgetary austerity must continue to ensure a bright future.





ECONOMIC OUTLOOK

Hawaii's economic indicators were mostly positive in the fourth quarter of 2010. Visitor arrivals, visitor expenditures, civilian wage and salary jobs, private building permits, and government contracts awarded all increased in the quarter from the same quarter last year.

Hawaii's economy continues to recover in 2011 but at an accelerating rate. Economic expansion is expected to start in 2012.

The most encouraging sign that the recovery is accelerating was in tourism. The total number of visitors arriving by air to Hawaii continued the upturn experienced since the fourth quarter of 2009 by posting a 13.5 percent increase in the fourth quarter of 2010 over the same quarter of 2009.

In construction, both the value of private building permits and government contracts awarded increased. For the first time since the second quarter of 2008, construction jobs increased in the fourth quarter of 2010 compared with the same quarter of 2009.

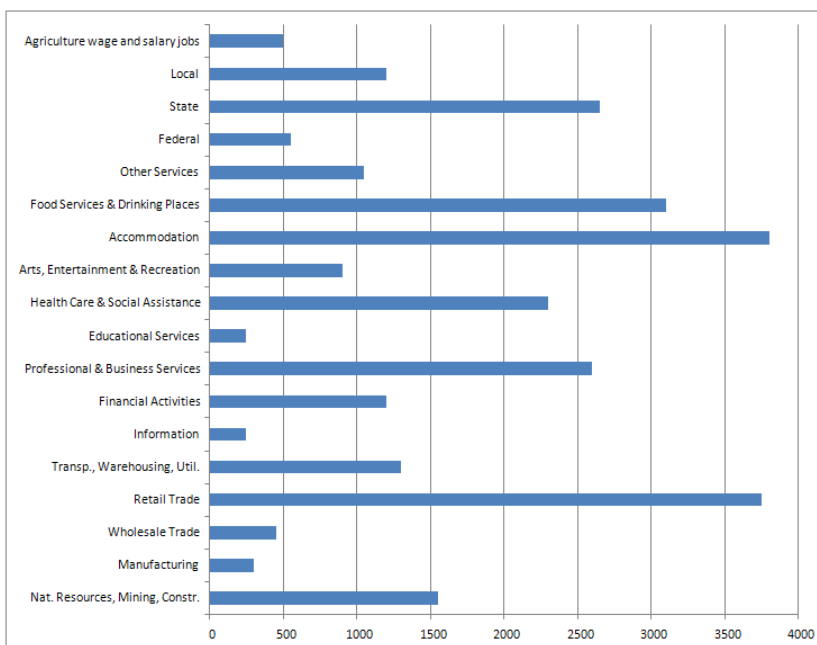
The State general fund tax revenues decreased in the third quarter of 2010 compared to the same quarter of 2009, mainly due to the payments of delayed income tax refunds.

The labor market conditions also show that the economy is improving. After nine consecutive quarterly decreases in jobs from the second quarter of 2008 to the second quarter of 2010, Hawaii's jobs increased for the second time.



Dr. Eugene Tian
Acting State Economist

**Total Wage & Salary Jobs by Industry
Annual Average 2010**



The most recent data from the U.S. Bureau of Economic Analysis (BEA) shows that Hawaii's total nominal personal income in the third quarter of 2010 increased \$1,351 million or 2.5 percent from the same quarter of 2009.

According to the most recent data available, consumer prices in Honolulu increased 1.7 percent in the second half of 2010 over the same period of 2009, as measured by the Honolulu Consumer Price Index for Urban Consumers (CPI-U).

The higher Honolulu CPI-U in the second half of 2010 was primarily due to relatively large increase in the price index of Other Goods and Services (5.5 percent); followed by the index for Education and Communication (5.1 percent), and the index for Apparel (4.5 percent).



DBEDT Annual Performance Plans

DBEDT Divisions

[Foreign-Trade Zone Division](#) 

[Strategic Industries Division](#) 

[Strategic Marketing & Support Division](#) 

Administratively Attached Agencies

[Hawaii Community Development Authority](#) 

[Hawaii Housing Finance & Development Corporation](#) 

[Land Use Commission](#) 

[Natural Energy Laboratory of Hawaii Authority](#) 

[Office of Planning](#) 

If you are viewing a printed or .pdf copy of this report, go to <http://hawaii.gov/dbedt/programs/2010> to link to these reports.



2010 DBEDT Highlights

- Provided comprehensive support to the 2010 Hawaii's census. (READ)
- Conducted workshops on the U.S. Economic Census of 2010. (READ)
- Produced timely quarterly reports on tourism data, especially on visitor satisfaction, expenditures, and developing markets. (READ)
- HSDC completed the oversight of a \$5 million Follow-on Funding Program. 20 projects were funded with \$4.5 million of grants to support the commercialization of research and development projects funded by Federal grants. Of the 20 projects, 12 projects were able to generate over \$28 million in additional revenues, 8 projects reported raising or were in the process of raising \$11 million of additional capital, and 16 projects reported hiring new employees. (HSDC)
- The UPSIDE Fund, an investment fund providing seed capital to businesses commercializing technology developed at the University of Hawaii was re-launched in 2010 under the management of the University of Hawaii Foundation. The first investment was completed in December 2010 in Protekai, a new company formed to commercialize the biomedical research of UH's Angel Yanagihara whose research has discovered and patented physalia fluorescent proteins. The potential market for the proteins is approximately \$2.5 billion and growing. (HSDC)
- Produced the Asia-Pacific Clean Energy Summit and Expo at no cost to the State that attracted over 800 attendees of which 400 from out of state, resulting in \$40,000 in tax revenues to the State, and assisted 50 Hawaii firms to increase or potentially increase sales of \$1 million. (SMSD)

2010 Wave of Film and Television Production Hits Record High of \$407 Million.

In 2010, the Creative Industries Division and its Hawaii Film Office saw a historic rise in film, television and digital media productions, reaching an estimated \$407M with an economic impact of over \$630M, just when Hawaii needed it most. The activity generated over 3,300 jobs, and heralded the return of the re-boot of the iconic Hawaii-based television series "*Hawaii 5-0*".

Hawaii's reputation as a film-friendly destination, coupled with a reliable tax incentive (Act 88) a trusted professional workforce, growing acting pool and the ongoing support of government have all contributed to this rise in activity.



Hawaii 5-0 Returns to CBS

Six of the 10 Films that were shot in 2010 will be released throughout 2011 and 2012 and feature "*Hawaii for Hawaii*" including the locally written and produced comedy starring Wille K and Eric Gilliom, with cameo appearances by Willie Nelson and Mick Fleetwood shot on Maui.

Programs such as the University of Hawaii's Academy for Creative Media (ACM), the UHCC community college programs such as Kapiolani Community College's New Media Arts program, Leeward Community College's production classes showcase the promise of the emerging industries which are the cornerstones of building a thriving creative economy in Hawaii for the 21st century.



- Researched and reported on Hawaii's emerging industry portfolio - providing an increasing understanding of the opportunities, barriers and development needs of these industries. This particularly includes economic and statistical research and products to support the Hawaii clean energy initiative. (READ)
- READ accomplished all the legislative mandates and produced the daily, weekly, quarterly, and annual data products along with 46 reports. Following is a list of the data products and reports READ produced:
 - The daily passenger count data online and the weekly employment claim data with analysis.
 - Four issues of the Quarterly Statistical and Economic Report with analysis and forecast.
 - State of Hawaii Data book
 - 12 issues of Monthly Economic Indicators
 - 12 issues of Monthly Energy Trends
 - 5 issues of 2010 Census Newsletter
 - 10 analytical/summary reports on Census data
 - Four issues of the *READ Quarterly Research Newsletter*, highlighting recent READ products
 - Emerging Industry Benchmark Report 2010 Update
 - Self-sufficiency income standards 2008
 - Economic Impact of Tourism
 - County Social, Business, and Economic Trends
 - Characteristics of Hawaii's Migrants
 - Hawaii's Workforce – A Look at Characteristics by Industry
 - Hawaii's Creative Industries 2010 Update
 - Hawaii's Technology Workforce – Occupations and Projections
- FTZ received a \$3M grant from the US Department of Commerce in late April 2010. This will allow us to initiate a major expansion project to hopefully double our small business incubator space to almost 60,000 sf. Project groundbreaking is scheduled for later this year. (FTZ)
- SMSD's Community-Based Economic Development (CBED) Program was awarded \$250,000 through

Foreign Trade Zone Adds Solar Panels

FTZ has completed procurement and is in final negotiations with a firm for a 550 kWh solar PV project for the roof of its warehouse complex. We hope to have the project complete later this year. It is projected to supply approximately 75 percent of our power needs and provide significant savings for our energy costs which currently accounts for about 15 percent of current total expenditures.





an American Recovery and Reinvestment Act (ARRA) grant via the Department of Housing and Human Services' (DHHS) *Strengthening Communities Fund* program. The purpose of this grant is to assist nonprofit organizations in addressing the broad economic recovery issues present in their communities, including helping low-income individuals secure and retain employment, earn higher wages, obtain better-quality jobs, and gain greater access to state and federal benefits and tax credits. The CBED project targeted 200 nonprofit organizations on the Leeward Coast of Oahu and provide them with free training and technical assistance in the areas of Board Governance, fund development, financial management, proposal writing and strategic planning. (SMSD)

- The State of Hawaii's Beijing office successfully worked with Chinese U-Tour (large travel agency in China) and the US Embassy by securing Dongfang Yueda KIA Corp. to select Honolulu for its annual conference. The Beijing Office was involved in assisting U-Tour to select Hawaii as the destination for the meeting, arranging U-Tour's site tours in Honolulu, and facilitating visa interviews for the 550 member group. With support of the US Embassy, for the first time in history, interviews were arranged within 10 days time so that this conference could take place in Honolulu. The economic impact of this group is estimated at \$500,000+. (SMSD)
- Created the Database for Hawaii Energy Industry Information Reporting Program (EIIRP) as established by Act 152, SLH 2010. (READ)
- The State Land Use Commission redesignated 271 acres of land in Kona from the Agricultural District to the Urban District to accommodate the proposed Kamakana Villages affordable housing smart growth community being proposed by Forest City Hawaii and the Hawaii Housing Finance and Development Corporation. Approximately 2,330 residential units, plus commercial and recreational uses, will be included in the project and at least 1,165 of the residential units must be targeted toward affordable housing markets. (LUC)
- The Office of Planning in partnership with the Kauai Economic Development Board, Maui Economic Development Board; Hawaii Island Economic Development Board; Office of Economic Development, City and County of Honolulu; Enterprise Honolulu and the Economic Development Alliance of Hawaii completed the Hawaii Statewide Comprehensive Economic Development Strategy 2010 (CEDS). The strategy identifies key industry clusters and recommends projects to support key industry clusters to increase Hawaii's economic competitiveness. (Office of Planning)
- Working in conjunction with local land trusts and other government agencies, the Office of Planning through its Coastal Zone Management Program successfully applied for \$1.25 million in federal funds for the acquisition of the Lapakahi Marine Life Conservation Extension, Hawaii. As a result, this coastal area with valuable ecological and aquatic resources will be protected. (Office of Planning)
- The State Land Use Commission redesignated 215 acres of land in East Honolulu from the Urban District to the Conservation District; thus ensuring that this portion of the Ka Iwi Scenic Shoreline in Hawaii Kai makai of Kalaniana'ole Highway will remain free from any development pressure. This action was in response to a petition to redesignate the land filed by the State Office of Planning and was strongly supported by community and conservation groups. (LUC)
- Contracted with Dept. of Health to manage and disburse \$600,000 in environmental grants benefiting the Leeward Coast. (SMSD)



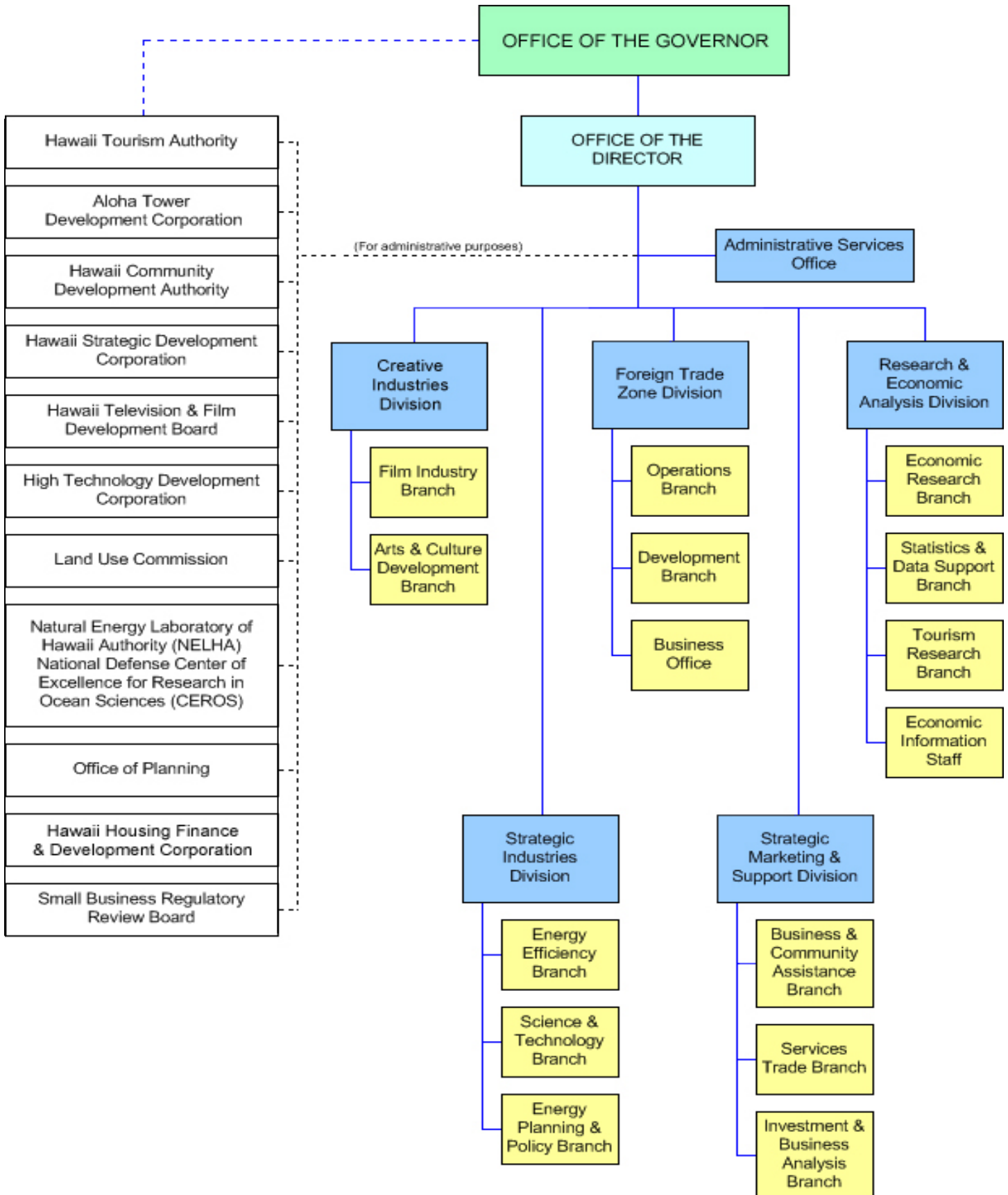
- The Hawaii Housing Finance and Development Corporation successfully obtained and utilized \$77 million in federal funds that will result in 1,081 additional workforce/affordable units, 11,196 direct jobs and 1,729 indirect jobs to help invest in the health and wealth of working families in Hawaii.
- The Hawaii Housing Finance and Development Corporation is also assisting the state's efforts to reduce our dependency on fossil fuels by encouraging energy and water efficient development as a step towards providing a cleaner, more sustainable and secure energy future for generations to come. Future Master-Planned communities incorporate design concepts to encourage walking, bicycling, carpooling and mass transit options to transportation.
- The Hawaii Housing Finance and Development Corporation's single-family programs focus on helping lower, moderate and middle income families build financial assets by making home ownership more attainable. As of June 30, 2010, the Hula-Mae Single Family Program has assisted 10,025 Hawaii homebuyers with below-market rate mortgages and the Mortgage Credit Certificate Program has assisted 1,692 Hawaii families with federal tax credits.(HHFDC)
- Worked with the University of Hawaii to support the 2010 Real World Design Challenge (RWDC) competition, a "hands-on" STEM education program enabling high school teams to mentor with aerospace professionals to design solutions to "real world" challenges in aerospace . (SID)
- Presented the State's position on matters before the Land Use Commission including but not limited to the first Important Agricultural Land Designations of Kauai and Maui, Waimanalo Gulch Sanitary Landfill Special Permit and District Boundary Amendment, Ho'opili and Kulima petitions. (Office of Planning)
- Implemented the Ocean Resources Management Plan and staffed the ORMP Policy and Working Groups. (Office of Planning)
- Jointly with the Department of Accounting and General Services, completed the Master Plan for Film and Digital Media. (Office of Planning in cooperation with Creative Industries Division)
- Conducted Watershed Summit and completed Watershed Prioritization Study. (Office of Planning)
- Submitted petition to reclassify the Ka Iwi State Scenic Shoreline from the Urban to Conservation District. (Office of Planning).
- The Small Business Regulatory Review Board reviewed and made recommendations on 64 sets of new and amended County and State rules, both pre- and post-public hearing, for their impact upon small business. (SMSD)
- HTDC, Enterprise Honolulu, Invencor and GKM Newport organized the inaugural Hawaii Venture Capital Summit. The theme of the event was "How to Raise Follow-on Funding in Regional Markets." Hawaii along with other regional communities suffers from a scarcity of follow on venture capital to allow start-up companies to continue their growth. (HTDC)



- Issued new reports of Quality of Life Indicators and the Sustainable Wage. (READ)
- HTDC participated and sponsored the inaugural Hawaii Science & Technology Council (HiSciTech) “Technology Industry Update” held at the State Legislature. This new format where companies showed their technologies directly to House and Senate was very effective. If a representative, senator or a staff representative attended it was counted with the following results, 90% of the House and 48% of the Senate was represented. (HTDC)
- Hawaii has become the first state to require solar water heaters on all new residential buildings effective 2010. (SID)
- The State of Hawaii’s Lead by Example (LBE) program focuses on improving data collection and reducing electricity consumption and cost. State government’s energy consumption dropped 5.8 percent from 2008 to 2009. As a result of the Lead by Example program, State agencies consumed 661 million kWh of electricity in Fiscal Year 2009. This represents a 5.8 percent drop from Fiscal Year 2008 (saving \$10 million), and a 2.5 percent drop from the baseline year Fiscal Year 2005. This is the first time since the Lead by Example initiative started that consumption has gone below the Fiscal Year 2005 baseline numbers. (SID)



Solar water heating on a Hawaii Public Housing development (above). Wind farm on the island of Maui (far left).





DBEDT DIVISIONS AND BRANCHES

Strategic Marketing & Support Division

The Strategic Marketing & Support Division (SMSD), promotes industry development and economic diversification in Hawaii by supporting existing and emerging industries, attracting new investment and businesses that can create more skilled, quality jobs in the state, and work to increase exports of Hawaii products and services. Business support provides new and existing businesses direct loans, licensing and permit information and referral, business advocacy, planning and coordination of programs and projects aimed at specific business sectors or economically-distressed areas (including rural areas and areas affected by natural disaster).

For further information, please call (808) 587-2784 or visit: [Strategic Marketing & Support Division](#)

SMSD Branch Directory:

Services Trade Branch

Phone: (808) 587-2750

Fax: (808) 586-2589

Investment & Business Analysis Branch

Phone: (808) 587-2783

Fax: (808) 587-2787

[Business and Community Assistance Branch](#)

Phone: (808) 586-2582

Fax: (808) 586-2589

Foreign-Trade Zone Division

The Foreign-Trade Zone Division (FTZ) administers the federal grant issued to Hawaii in 1965 by the Foreign-Trade Zones Board in Washington D.C. FTZ's mission is to increase the amount of international trading activity in Hawaii, to encourage value-added activities, stimulate capital investment and generate employment opportunities by using the federal trade development program to reduce the costs associated with international trade. There are currently 13 sites on the islands of Oahu, Maui, and Hawaii that have received FTZ designation. Of the 13 sites, three general-purpose zones and four special-purpose subzones are active. The Foreign-Trade Zone Division is responsible for ensuring that U.S. Customs and Foreign-Trade Zones Board regulations are followed at these sites.

For further information, visit: [Foreign-Trade Zone Division](#)

Hawaii Foreign-Trade Zone

521 Ala Moana Blvd.

Suite 201, Pier 2

Honolulu, Hawaii 96813

(808) 586-2507 Office

(808) 586-2512 Fax

Strategic Industries Division

Strategic Industries Division's (SID) mission is to support statewide economic efficiency, productivity, development and diversification by promoting, attracting and facilitating the development of Hawaii Technology-based industries which engage in the sustainable development of Hawaii's energy, environmental, ocean, recyclable, and technological resources.

For further information, call: 587-3807 or visit: [Strategic Industries Division](#)

SID Branch Directory:

Energy Efficiency Branch

Phone: (808) 587-3808



Fax: (808) 586-3820
Energy Planning & Policy Branch
Phone: (808) 587-3801
Fax: (808) 587-3839
Science & Technology Branch
Phone: (808) 587-2690
Fax: (808) 586-27253677

Creative Industries Division

As the state's lead agency which serves as a business and industry advocate for the advancement of Hawaii's creative economy, the Creative Industries Division (CID) oversees programs and forges strategic partnerships to accelerate the growth of Hawaii's film, television, video, digital media, new technologies, music, arts and culture based industries, by supporting and implementing projects and activities which result in: (1) Hawaii being an internationally recognized and self-sustaining film, television, digital and new media hub; and (2) development of a worldwide reputation for the depth and diversity of Hawaii's arts and cultural sectors, further positioning the state as a global leader in a creative and innovation-based economy. As part of its commitment to creative industry strategic partnership development, CID is committed to forging relationships with mainstream music industry organizations nationally to advance awareness of the diversity of Hawaii's composers, songwriters and performers.

For more information, call (808) 586-2590 or visit: [Creative Industries Division](#)

Creative Industries Branch Directory:

[Arts and Culture Development Branch](#)

Phone: (808) 587-2717

Fax: (808) 587-3388

[Film Industry Branch](#)

Phone: (808) 586-2570

Fax: (808) 586-2572

Research & Economic Analysis Division

The Research & Economic Analysis Division (READ), works to enhance and contribute to the economic development of the State by providing analyses and policy recommendations on economic issues. READ provides economic forecasts that contribute to long-term statewide planning and infrastructure needs assessment, and also conducts and reports on basic research into the economy of the state. These functions are conducted by collecting compiling, interpreting and publishing data and statistics on all aspects of business activity, the economy and demographic characteristics of the State. READ also developed and maintains a statewide statistical reporting system.

For further information: [Research & Economic Analysis Division](#)

READ Branch Directory:

Statistics & Data Support Branch

Phone: (808) 586-2481

Economic Research Branch

Phone: (808) 586-2478

Economic Information Staff

Phone: (808) 586-2480



ATTACHED AGENCIES

Hawaii Tourism Authority

The Hawaii Tourism Authority (HTA) is the lead tourism agency responsible for creating a vision and developing a long-range plan for tourism for the State of Hawaii. The HTA is composed of a thirteen-member board of directors to oversee the Tourism Special Fund, create a vision for tourism, and administer tourism development from a statewide perspective.

The HTA's tourism strategic plan, titled *Ke Kumu*, provides a framework for bringing together the common goals for the good of Hawaii and its people, and also serves to guide the HTA in fulfilling its leadership role as steward of Hawaii's tourism industry. Seven initiatives are identified to achieve HTA's overall goal of increased visitor expenditures - a combination of spending per day, length-of-stay, and visitor arrivals.

Tourism funds will be expended according to a plan with specific goals and measures of accountability that will help the agency achieve its mission - To manage the strategic growth of Hawaii's visitor industry in a manner consistent with the economic goals, cultural values, preservation of natural resources, and community interests of the people of Hawaii.

For further information call: (808) 973-2255, or visit: [Hawaii Tourism Authority](#)

Natural Energy Laboratory of Hawaii Authority

The mission of NELHA is to participate in the development and diversification of the economy of Hawaii by providing resources and facilities for energy and ocean related research, education, and commercial activities in an environmentally sound and culturally sensitive manner. This is achieved through managing, operating, marketing and leasing that provide sites and resources for the development of research and commercial businesses and technologies that utilize the natural resources available such as cold deep seawater, warm surface seawater, and high solar energy. Facilities are located at Keahole Point in Kona and in Puna, both on the Island of Hawaii.

NELHA at Keahole Point is the only location in the world, which consistently pumps large quantities of warm and cold seawater ashore for use in aquaculture, marine biotechnology, and other related technologies. NELHA serves as the laboratory for research and development, as an incubator facility for developing innovative, new technologies and businesses, and as a base for commercial operations that utilize or are related to the use of the cold and warm seawater and other resources available.

For further information, call: (808) 329-7341, or visit: [Natural Energy Laboratory of Hawaii Authority](#)

Hawaii Strategic Development Corporation

The Hawaii Strategic Development Authority's (HSDC) mission is to develop a sustainable venture capital industry in Hawaii which will stimulate the growth of viable new businesses. HSDC works to diversify the state's economy by commercializing emerging technologies and providing skilled employment opportunities for citizenry.

Near-term objectives are to develop venture capital investment funds in Hawaii which will attract external sources of private investment; to establish a fund of funds to raise capital for Hawaii venture funds, to expand the business infrastructure supporting the venture industry and the growth of emerging companies; and to assist entrepreneurial development through focused conferences and seminars.



For further information, call: (808) 587-3830

High Technology Development Corporation

The High Technology Development Corporation (HTDC) works to facilitate the growth and development of the commercial high technology industry in Hawaii. HTDC's functions include developing, managing, and assisting technology centers statewide; create business opportunities for the growth of technology companies and industry; market and promote Hawaii's technology assets; and provide support needed by Hawaii's technology industry.

HTDC assists in developing, managing, and operating technology centers statewide, including the Manoa Innovation Center, Maui Research & Technology Center and the West Kauai Technology and Visitor Center. These sites serve as high technology company incubation facilities to ease the transition from start up ventures to full fledged, independent commercial enterprises.

For further information, call: (808) 539-3806, or visit: [High Technology Development Corporation](#)

Hawaii Housing Finance and Development Corporation

The mission of the Hawaii Housing Finance and Development Corporation is to increase and preserve the supply of workforce and affordable housing statewide by providing leadership, tools,

and resources to facilitate housing development. The HHFDC currently has a production plan in place to deliver over 5,000 units over the next five years. As of June 30, 2010, the HHFDC has assisted in the delivery of 3,289 affordable/workforce housing units.

To stimulate and expedite the development of workforce/affordable housing, including rental and ownership opportunities, the HHFDC offers a variety of tools including financing, expedited land use approvals under Chapter 201H, and exemptions from general excise and real property taxes.

The HHFDC also works to heighten awareness of housing needs for lower-income, moderate-income and gap-group households, particularly with those groups that can have an impact on the production of such housing including the Legislature and the Administration, federal, state, county and community officials, and the business community.

For further information, call: (808) 587-0597, or visit: [Hawaii Housing Finance and Development Corporation](#)

Hawaii Community Development Authority

The Hawaii Community Development Authority (HCDA) works to stimulate the economic development of specific community districts by planning and implementing community development programs and facilitating capital investments. HCDA's main objectives are: 1) plan and implement capital improvement projects to upgrade infrastructure and develop public facilities to meet Hawaii's economic and recreational needs, and 2) implement long term planning initiatives to support residential development in a mixed-use community.

For further information, call: (808) 594-0300, or visit: [Hawaii Community Development Authority](#)

Office of Planning

The Office of Planning works to maintain an overall framework to guide the development of the State through a continuous process of comprehensive, long-range, and strategic planning to meet the physical, economic, and social needs of Hawaii's people, and provide for the wise use of Hawaii's



resources in a coordinated, efficient, and economical manner - including the conservation of natural, environmental, recreational, scenic, historic, and other limited and irreplaceable resources which are required for future generations.

The Office of Planning's 3 main objectives are: 1) fix responsibility and accountability to successfully carry out statewide programs, policies and priorities; 2) improve the efficiency and effectiveness of the operations of the executive branch; and 3) Ensure comprehensive planning and coordination to enhance the quality of life of the people of Hawaii.

For further information, call: (808) 587-2846, or visit: [Office of Planning](#)

Land Use Commission

The Land Use Commission works with the State Legislature, County Planning Departments, interest groups and landowners to define constitutionally mandated standards and criteria for protecting important agricultural lands in the State of Hawaii. The Commission also engages the county planning departments in enhancing and clarifying the special permit process in the Agricultural Land Use District.

For further information, call: (808) 587-3822, or visit: [Land Use Commission](#)

Small Business Regulatory Review Board

The Small Business Regulatory Review Board is the watchdog for small business within the Hawaii state government. Based on comments from small businesses, the board recommends to the Hawaiian legislature and state agencies that they review and modify overly burdensome regulations. The board also evaluates state agencies' responsiveness to small business, and reports these findings to the legislature.

National Defense Center of Excellence for Research in Ocean Sciences

In 1993, the CEROS Program was created under a initial \$5 million grant provided by the Defense Advanced Research Projects Agency (DARPA). CEROS solicits and supports innovative technologies for national maritime military applications and sustained technology-based economic development in Hawai'i through annual competitive solicitations. Since 1993, the CEROS program has supported 256 advanced ocean technology development projects for over \$100 million. The CEROS program has supported the creation of over 135 technology-based jobs in Hawaii.

For further information, please call (808) 327-4310 or visit www.ceros.org.





Department of Business, Economic Development & Tourism
Statement of Operating Appropriations, Expenditures, and Encumbrances
For the Period July 1, 2009 - June 30, 2010

General Funds	Adjusted		Expenditures &	
	Appropriations	Restrictions	Encumbrances	Balance
BED 100 Strategic Marketing & Support				
Strategic Marketing and Support Division	1,202,655	152,740	1,047,769	2,146
BED 103 Statewide Land Use Management				
Land Use Commission	506,202	103,351	389,684	13,167
BED 105 Creative Industries				
Creative Industries Division	1,000,391	129,066	865,841	5,484
BED 120 Strategic Industries				
Strategic Industries Division	307,504	-	307,233	271
BED 130 Economic Planning & Research				
Research and Economic Analysis Division	1,125,445	190,028	927,246	8,171
BED 142 General Support for Econ. Development				
Office of the Director & Admin. Services Office	1,874,560	124,763	1,748,452	1,345
BED 143 High Technology Development Corp.				
High Technology Development Corporation	816,948	114,600	700,426	1,922
BED 144 Statewide Planning & Coordination				
Office of Planning	<u>1,557,671</u>	<u>208,156</u>	<u>1,341,734</u>	<u>7,781</u>
Total General Funds	<u>8,391,376</u>	<u>1,022,704</u>	<u>7,328,385</u>	<u>40,287 (1)</u>

Notes:

(1) Represents the unrestricted general fund balances that lapsed at June 30.



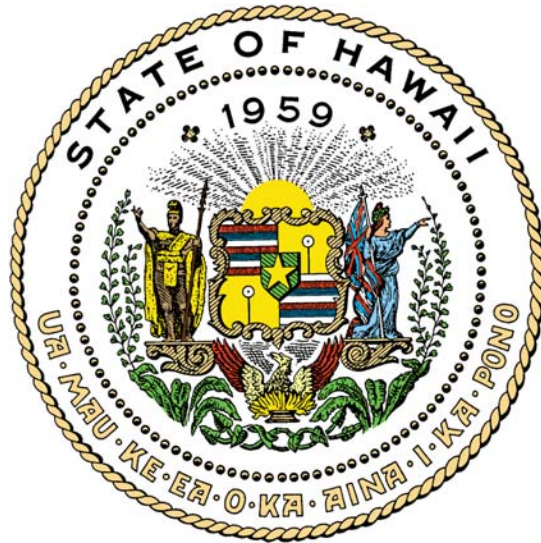
Special & Revolving Funds	Adjusted		Expenditures &	
	<u>Appropriations</u>	<u>Restrictions</u>	<u>Encumbrances</u>	<u>Balance</u>
BED 107 Foreign Trade				
Foreign Trade Zone Special Fund	2,147,501		1,557,971	589,530
BED 113 Tourism				
Tourism Special Fund	84,180,691		69,922,929	14,257,762
Convention Center Enterprise Special Fund	<u>54,028,007 -</u>		<u>49,626,698</u>	<u>4,401,309</u>
BED 113 Total	138,208,698 -		119,549,627	18,659,071
BED 120 Strategic Industries				
Energy Security Special Fund	-		-	-
Renewable Energy Facility Siting Special Fund	<u>1,000,000 -</u>		-	<u>1,000,000</u>
BED 120 Total	1,000,000 -		-	1,000,000
BED 143 High Technology Development Corp.				
High Technology Special Fund	3,827,732		599,959	3,227,773
BED 145 Hawaii Strategic Development Corporation				
Hawaii Strategic Development Revolving Fund	4,272,728		155,198	4,117,530
Hydrogen Investment Capital Special Fund	<u>2,609,375</u>	==		<u>2,609,375</u>
BED 145 Total	6,882,103		155,198	6,726,905



Special & Revolving Funds	Adjusted	Expenditures &		Balance
	<u>Appropriations</u>	<u>Restrictions</u>	<u>Encumbrances</u>	
BED 146 Natural Energy Laboratory of HI Authority				
Natural Energy Laboratory of HI Authority Special Fund	6,413,710		3,649,691	2,764,019
BED 150 Hawaii Community Development Authority (2)				
HI Community Development Authority Revolving Fund	691,863		628,433	63,430
Kalaeloa Community Dev. District Revolving Fund	<u>394,955</u>		<u>248,037</u>	<u>146,918</u>
BED 150 Total	1,086,818		876,470	210,348 (3)
BED 151 Aloha Tower Development Corp.				
Aloha Tower Special Fund	<u>2,528,940</u>		<u>2,433,243</u>	<u>95,697</u> (4)
Total Special & Revolving Funds	<u>162,095,502</u>		<u>128,822,159</u>	<u>33,273,343</u>
Total Funds (5)	<u>170,486,878</u>	<u>1,022,704</u>	<u>136,150,544</u>	<u>33,313,630</u>

Notes:

- (2) Reflects the appropriated portion of the HCDA Revolving Funds.
- (3) Represents the special fund unexpended appropriation balance at June 30.
- (4) Includes Act 17, SLH 2010 appropriation for ATDC's Settlement Claim.
- (5) Statement does not include DBEDT's loan revolving funds, the High Technology Revolving Fund, the Brownfield Cleanup Revolving Fund, and the appropriations of the Hawaii Housing Finance & Development Corporation. Also excludes federal, trust, and capital improvement appropriations.



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