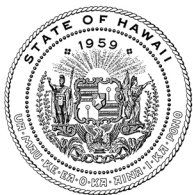


Department of Business, Economic Development & Tourism

2014 Annual Report

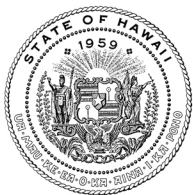


This report fulfills reporting requirements in both:

- **Section 7, Act 100-99, SLH, and**
- **Section 201-10, HRS**

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

dbedt.hawaii.gov



DIRECTOR'S STATEMENT

DBEDT's mission is to achieve a Hawaii economy that embraces innovation and is globally competitive, creating jobs and sustainable incomes for all Hawaii's citizens.

We serve as a facilitator for business development, an advocate for renewable energy development, and a resource for analytic data.



Luis P. Salaveria

Through our attached agencies, we also lead the effort to create affordable workforce housing units, foster planned community development in high-quality living environments, and promote innovation sector job growth.

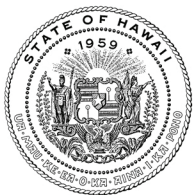
At DBEDT, we support businesses so that they can create jobs. Though resources are limited, we will focus our efforts on strategic investments that grow our economy.

We support the Governor's commitment to nurture an "innovation economy," in which entrepreneurs use technology to develop new processes and products.

In this administration, we will support modern infrastructure by expanding our broadband capacity, building innovation hubs, and fostering new and innovating companies that create a more diverse foundation for Hawaii's economy.

The HI Growth Initiative is a collaboration between DBEDT programs to support innovators in our community who need a helping hand to create revolutionary new products and services.

Increasing broadband speed and reducing costs to businesses will be a key project.



Importing petroleum sends more than \$7 billion out of State. Therefore, we must continue to reduce our dependence on it. We need locally generated fuel and electricity that can allow us to be more self-sufficient. At DBEDT, we will move aggressively toward that goal.

In 2014, The Council of Development and Finance Agencies bestowed its Excellence in Energy Finance Award on GEMS, which will provide low-cost capital to finance solar photovoltaic systems and other clean energy improvements for Hawaii's consumers who have had difficulty obtaining financing for such projects.

DBEDT's economic research specialists project that Hawaii's economic fundamentals will continue steady growth into 2015. Our labor market remains strong, with unemployment currently being the seventh lowest in the nation.

For the tourism sector, visitor arrivals set another record year in 2014 and should remain strong in 2015.

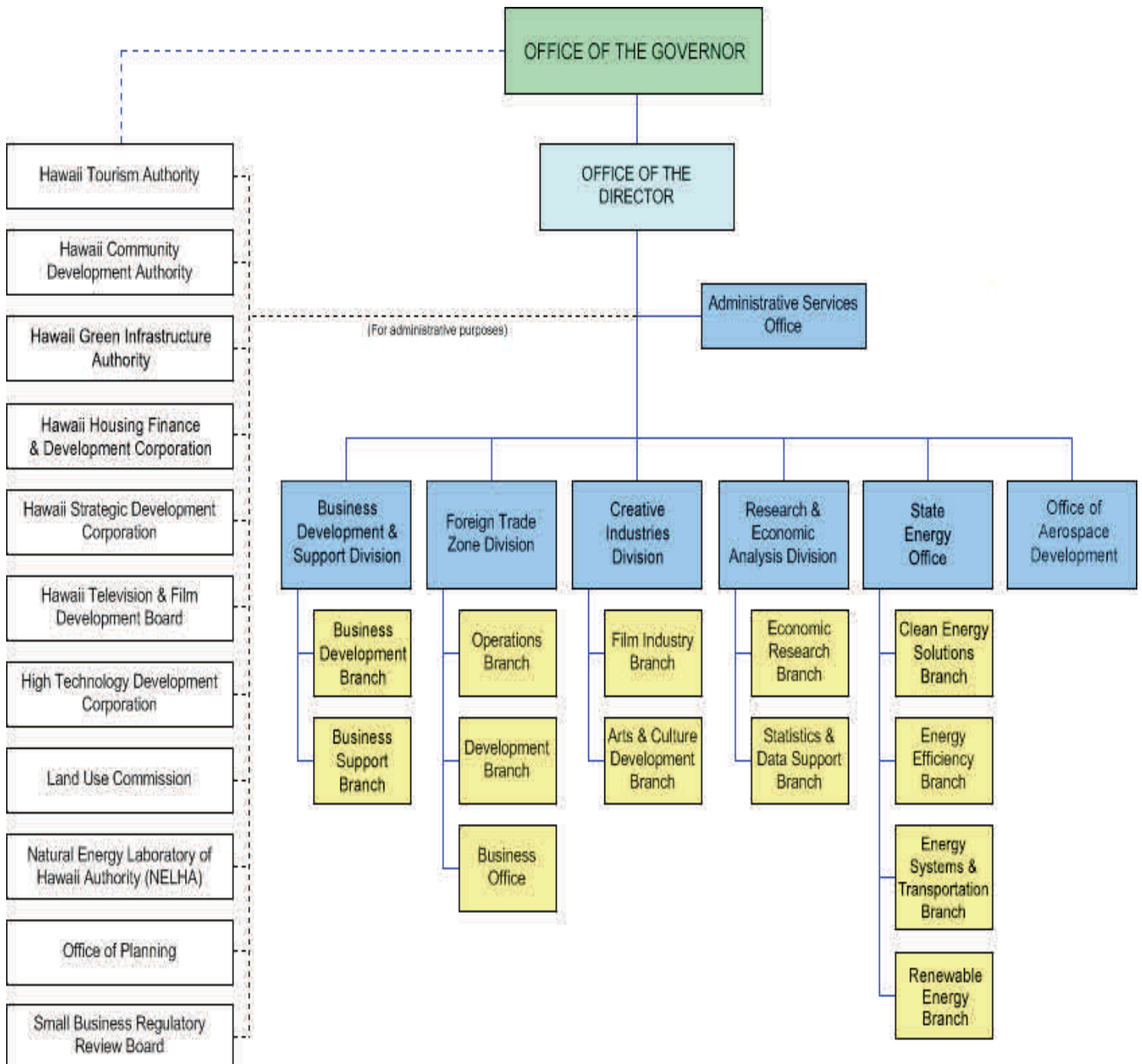
In the construction sector, the value of building permits increased 15.9 percent during the first nine months of 2014, indicating a busier year in 2015.

We enter 2015 with a renewed commitment to the economic vitality of our State.



DBEDT

S T A T E O F H A W A I I





DBEDT DIVISIONS AND BRANCHES

Business Development and Support Division

808-587-2750

Business Development Branch

808-587-2759

Business Support Branch

808-587-2772

Foreign-Trade Zone Division

808-586-2507

Creative Industries Division

Arts and Culture Development Branch

Phone: 808-587-2717

Film Industry Branch

Phone: 808-586-2570

Research & Economic Analysis Division

808-586-2466

Economic Research Branch

808-586-2475

Statistics and Data Support Branch

808-586-5830

State Energy Office

808-587-3807

Clean Energy Solutions Branch

808-586-2366

Energy Efficiency Branch

808-587-3810

Energy Systems & Transportation Branch

808-587-3809

Renewable Energy Branch

808-587-3803

Office of Aerospace Development

808-586-2399

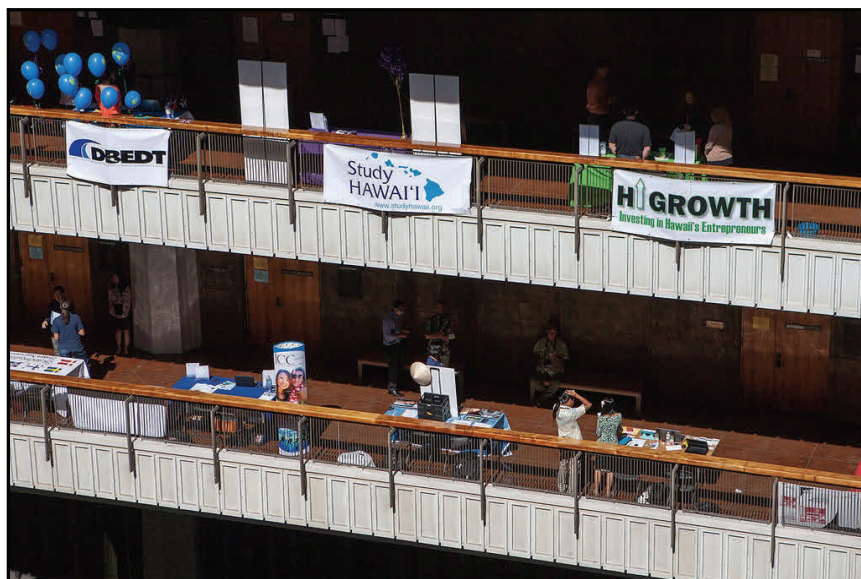


Business Development & Support Division

<http://invest.hawaii.gov/>

The Business Development & Support Division (BDSD) promotes industry development and 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 by working to increase exports of Hawaii products and services.

In the third year of a \$1 million grant from the US Small Business Administration to increase exports by participating in overseas trade shows, 75 companies from industries such as fashion, food, gifts, education, and life sciences, were featured at various DBEDT-produced Hawaii Pavilions in Japan and in major cities on the US mainland.



Entrepreneurs Day 2014 at the Capitol

The economic impact of the Division's efforts in increasing exports totaled \$15 million. The Hawaii Pavilion at the Tokyo International Gift Show itself had record participation with 52 companies representing the largest product show delegation from Hawaii.

The overseas offices in Taiwan and Beijing continued to leverage the "Hawaii Education Service Centers" established at their offices to increase the number of international students enrolling in Hawaii's colleges and universities. Partnering with the Study Hawaii Education Consortium of 18 public and private schools, we seek to attract 200 international students in the coming year that would result in an economic impact of \$11 million.



Hawaii Fashion Month

Staff of DBEDT's Taiwan Office participated in NAFSA: Association of International Educators' annual conference and trade show in San Diego. BDSD, in collaboration with Study Hawaii, led a delegation of Hawaii schools to exhibit at the Oh Study! International Education Expo in Taiwan and the China Education Expo in Beijing.



In line with the rise of incubators and accelerators, DBEDT sponsored the New Products Showcase at the Made in Hawaii Festival. Featuring over 20 new-to-exhibit companies in the Pikake Room, the exhibits displayed and sold items from the food, fashion, and culture categories, while music and entertainment were also highlighted.

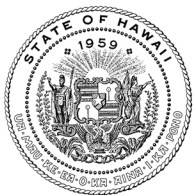
The twice-yearly Hawaii Small Business Fair co-sponsored by DBEDT again achieved success with attendance of over 300 entrepreneurs each at the Winter and Summer events. The Enterprise Zones Program continues to support over 250 companies from diverse industries. The division is currently exploring new initiatives in community-based economic development as well.



The second "Hawaii Fashion Month" was organized to coincide with "Honolulu Fashion Week." Events included fashion shows featuring local and international designers, and a trade show attended by 2,000 trade representatives. The "Governor's Fashion Awards" were presented to the rising stars of the Hawaii fashion industry.

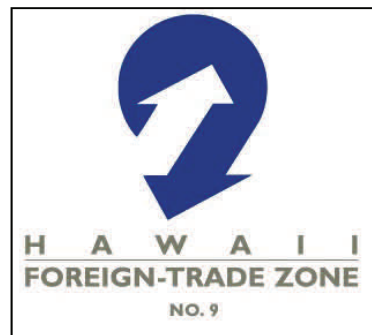
The annual BIO International Convention this year in San Diego was a huge success for Hawaii life science companies, with over 150 partnering and business development meetings during the 3-day conference, which could lead to millions of dollars in business for Hawaii in the coming year.





Foreign Trade Zone

<http://ftz9.org/>



DBEDT's Foreign-Trade Zone Division (FTZ) administers the federal grant, issued in 1965 to the State of Hawaii by the Foreign-Trade Zones Board in Washington, D.C.

Hawaii has a large and diversified Zone program with thirteen FTZ sites statewide - nine authorized general-purpose sites and four subzones. Any company that imports and exports merchandise can take advantage of the benefits of the Foreign-Trade Zone program by either working with FTZ9 to establish the company as one of Hawaii's Foreign-Trade Zone sites or utilizing FTZ9's Pier 2 shared-use facility.

The strategic goals of the FTZ Division include:

- 1) To participate in the economic development and planning efforts of the State;
- 2) To continue to respond to the changing economic and community demands, adjusting services accordingly; and
- 3) To operate without the use of the State of Hawaii General Fund.

The program's operational goals include:

- 1) Oversee the implementation of the FTZ program on a statewide basis to make the advantages of the FTZ program available to as many qualifying firms as possible.
- 2) Operate the FTZ public warehouse facility at Pier 2; provide office, exhibit, warehouse, and industrial space to qualified individual businesses.
- 3) Provide information to local, national, and international firms to explain the advantages of doing business in Hawaii under the auspices of the FTZ program.
- 4) Partner with both private and public sector entities to encourage greater participation in the FTZ program and attract new economic activity to Hawaii.
- 5) Continue operating the program in a self-sustaining manner without the use of general funds.
- 6) Implement information technology to reduce the transaction costs of complying with federal regulations.
- 7) Plan for the expansion of services and facilities to meet the needs of businesses that qualify for FTZ utilization.

The program has remained strong over the past several years. Calendar year of 2012 was the strongest year in FTZ9's history, surpassing all previous years with a record \$13.4 billion in merchandise handled by FTZs statewide. Exports from Hawaii FTZs over the past five years totaled \$3.6 billion.

In 2013, the National Association of Foreign-Trade Zones recognized Hawaii's FTZ9 program as the second in the nation for the number of firms the program services annually. It also ranked FTZ9 as 15th in the nation for its annual export volume. Hawaii's Foreign-Trade Zone program was also ranked by Global Trade Magazine as one of the nation's top 25 FTZs for 2013.



Creative Industries

<http://cid.hawaii.gov/>

Creative Industries Division (CID) is the State's lead agency focused on the development of Hawaii's creative economy. Comprised of the Hawaii Film Office (HFO) and the Arts and Culture Development Branch (ACDB), the division supports business development programs and initiatives, while acting as a business advocate for Hawaii's creative entrepreneurs in the arts, culture, music, design, fashion, literary, film, television, digital and new media sectors. CID works collaboratively with strategic industry partners and government agencies to accelerate the growth of creative and knowledge-based industries in the State.



Hawaii's creative sectors have grown 14.2 percent since 2003 and represent 48,170 entrepreneurs and companies. The sectors collectively generated \$3.4 billion in gross domestic product, representing 4.5 percent of Hawaii's total State GDP in 2013.

In addition to managing the statutory functions of film permitting, tax incentive and film studio management, the division established strategic partnerships with national industry organizations in music, cultural arts and film to leverage the State's investment in developing business opportunities for Hawaii's creative entrepreneurs. Current initiatives include the Creative Lab, an immersive incubator program designed to increase export of Hawaii's creative content, attract investment, and build the State's creative export capacity.

The State of Hawaii's film office manages the statutory programs which support film production including oversight of the one-stop film permitting system, the online e-permitting system, the Film and Television tax credit program and manages the Hawaii Film Studio, home to CBS television's series "Hawaii 5-0."

Production revenues in 2014 are projected to reach \$250 million, with an economic impact of \$400 million. To date, Hawaii's Production tax credit has brought over \$1.4 billion in production activity to the State since 2006, and an estimated \$2.4 billion in economic impact.





Research & Economic Analysis

<http://dbedt.hawaii.gov/economic/>

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 on the economy of the State.



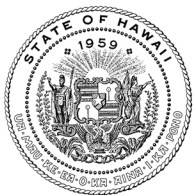
READ produces an average of 50 economic and statistical reports a year, covering all aspects related to Hawaii's economy and the population. READ and the University of Hawaii are the only agencies that conduct economic studies on a regular basis.

READ also hosts the Hawaii State Data Center that partners with the U.S. Census Bureau and publishes Hawaii data, including the decennial census, the annual American Community Survey, Economic Census, and the annual population estimates. READ's website receives an average of 800,000 hits a month.

Some of the data products and reports READ produced include:

- Daily passenger count data online and the weekly unemployment claim data with analysis.
- The Quarterly Statistical and Economic Report with analysis and forecast.
- The State of Hawaii Data Book.
- Hawaii's Monthly Economic Indicators.
- Monthly Energy Trend Data and Analysis.
- READ Quarterly Research Newsletter, highlighting recent READ products.
- Analytical/statistical reports on 2010 Census and American Community Survey data.
- Emerging Industry Benchmark Report 2012 Update.
- The 2007 State of Hawaii Input-Output Model.
- Self-sufficiency Income Standards 2009.
- A Hawaii's Creative Industries 2012 Update.
- A database for Hawaii Energy Industry Information Reporting Program (EIIRP), as established by Act 152, SLH 2010.





State Energy Office

<http://energy.hawaii.gov/>

DBEDT is growing our clean energy economy through the Hawaii Clean Energy Initiative (HCEI), the State's blueprint for energy independence.

Established in 2008, HCEI is a groundbreaking partnership between the State of Hawaii, the US Department of Energy, the military and the private sector. Through HCEI, the State plans to transform Hawaii's economy from one that is dependent on fossil fuels to a leader in renewable energy and energy efficiency within a single generation.

By 2030, Hawaii must:

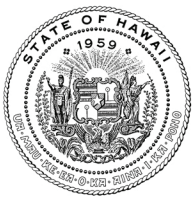
- Reduce energy consumption by 30 percent
- Increase electrical generation from renewable resources by 40 percent
- Reduce the use of petroleum for ground transportation by 70 percent

DBEDT works to make sustainability a reality for Hawaii and drives energy innovation by aligning policies among government agencies and the private sector. DBEDT also provides the framework and tools for energy developers and lines up opportunities for potential investors.

Our island State's abundance of diverse, natural resources and its unique geographic location make for an ideal proving ground for clean energy solutions in the Asia Pacific region.

As of 2013, Hawaii generated 18 percent of its energy from renewable resources, putting us ahead of our Renewable Portfolio Standards (RPS) goal of 15 percent in 2015 and giving us a jumpstart on reaching the 2020 RPS target of 25 percent. The State is looking to maximize our renewable resources to go beyond the HCEI RPS goals. Our commitment to renewable energy has put Hawaii in the national spotlight on multiple lists of top states for solar penetration and installations.





Hawaii is also a nationally recognized leader in terms of energy efficiency and conservation measures. We have ranked first in the nation in energy savings performance contracting (ESPC) two years in a row.

Through this and our Lead by Example initiative, in which the State is using efficiency measures in our own buildings, we are finding much success in the efficiency sector. As of 2013, the State has achieved a 15.7 percent reduction in energy consumption, more than half way to our Energy Efficiency Portfolio Standards (EEPS) goal of 30 percent by the year 2030. And in June 2013, DBEDT presented a bold efficiency plan to the prestigious Clinton Global Initiative America by committing a \$300 million ESPC investment over the next two fiscal years.

The clean energy sector has become a significant driver in our State's economy. Entrepreneurs, driven by passion and powered by ingenuity, are helping to secure Hawaii's energy future by developing innovative technologies that can be deployed in communities statewide. This seedbed of innovation and creativity makes Hawaii a global leader in clean energy solutions for energy independence and economic growth.



Innovation is accelerating at a rapid rate which, in turn, stimulates our economic growth. To help drive this energy revolution, DBEDT works as a catalyst by fostering bold policy solutions and providing a suite of self-help tools and roadmaps to assist energy developers and attract international investment.



DBEDT is also taking the lead in innovation, creating programs that will help make clean energy more accessible and affordable for Hawaii's families and businesses. The groundbreaking GEMS (Green Energy Market Securitization) program, passed by the 2013 State Legislature and signed by Governor Abercrombie, will open the door to those who might otherwise miss the benefits of clean energy improvements.



Office of Aerospace Development

The Hawaii Office of Aerospace Development (OAD) provides a focal point within State government to facilitate dialogue and coordination among Hawaii's government, private and academic sectors, and between State-based entities and overseas organizations, both public and private, to promote the growth and diversification of Hawaii's aerospace industry.

OAD collaborated with Oregon and Alaska in successfully bidding to become one of six national FAA test sites for unmanned aerial systems that will help certify and safely integrate these systems into the national airspace, as well as provide local companies with opportunities to develop and market new UAS technologies in the global aerospace community.

The FAA awarded OAD a Space Technology Infrastructure Management grant to conduct the environmental assessment studies required to apply for a commercial spaceport license for Hawaii and establish commercial spaceport operations at Kona International Airport that will enable spaceplanes to launch and land in Hawaii and bring both space tourism and commercial satellite deployment operations to our State.

OAD has also established Space Act Agreements with NASA and other aerospace agencies to help advance space exploration and development programs in Hawaii, including the development of the world's first laser communications ground station (through a future \$20 million investment by NASA) to communicate with both earth-orbiting satellites and interplanetary probes.

OAD has supported innovative aerospace education and training programs, such as Challenger Center Hawaii at Barbers Point Elementary School and the national Real World Design Challenge, which are enabling local students to be mentored by aerospace professionals in developing creative solutions to "real world" aerospace problems as well as to explore a variety of possible careers in this industry.

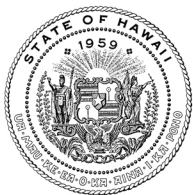
For more information, please call (808) 586-2388 or go to: aerospacehawaii.info/

Pacific International Space Center for Exploration Systems



The Pacific International Space Center for Exploration Systems, or PISCES, is a Hawaii State Government Aerospace Agency located in Hilo, Hawaii. PISCES is leveraging Hawaii's Moon/Mars-like terrain, resident aerospace expertise, and ties with NASA and other international space agencies and research centers, to develop a research program that is testing advanced robotic, renewable energy, and other critical technologies essential to enable future missions to space.

For further information, please call (808) 935-8270 or go to: pisces.hawaii.gov



DBEDT ATTACHED AGENCIES

Hawaii Tourism Authority

The Hawaii Tourism Authority (HTA) is the official agency for tourism in the State of Hawaii. Among its responsibilities, HTA is charged with setting tourism policy and direction; developing and implementing the State's tourism strategic and marketing plan; managing programs and activities to sustain a healthy visitor industry; and coordinating tourism-related research, planning, promotional and outreach activities.

One of HTA's key strategic roles is managing the promotion of Hawaii's brand, and supporting programs to help deliver on the brand promise. This work requires HTA, as the overall custodian of the Hawaii brand, to ensure the alignment of advertising and marketing programs with a true Hawaii experience.

Successful brand management is achieved by HTA coordinating with global marketing partners, visitor industry partners, including domestic and international airline carriers, travel trade members, and community stakeholders to ensure marketing and communication efforts are on target and appropriate, and aligned with Hawaii's distinctive products, activities, natural resources, Hawaiian culture and multi-cultures; in sum, the Hawaii experience.

Relating to the Hawaii experience and delivering on the Hawaii brand promise, HTA has the ability to manage, create and support the development of unique tourism experiences such as community and cultural festivals, sporting events, natural resources and community programs. HTA also directly affects the visitor experience through its support of workforce development and visitor assistance initiatives, all the while integrating the community and residents considerations and respect for the Hawaiian host culture.

For further information call: (808) 973-2255, or visit: <http://www.hawaiitourismauthority.org/>

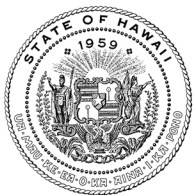
Natural Energy Laboratory of Hawaii Authority

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.

The Natural Energy Laboratory of Hawaii Authority (NELHA) promotes sustainable business development and supports economic diversification by providing resources and facilities for energy and ocean-related research, development, and commercialization. This is achieved through marketing, managing and operating facilities that support sustainable utilization of available natural resources such as cold deep seawater, warm surface seawater, and high solar potential.



For further information call: (808) 327-9585, or visit: nelha.hawaii.gov



High Technology Development Corporation

The High Technology Development Corporation (HTDC) is leading the State of Hawaii's effort to grow the technology industry sector with the objectives of diversifying the economy and creating high-wage job opportunities for the people of the State.

HTDC's functions include developing, managing, and assisting technology centers statewide; creating business opportunities for the growth of technology companies and industry; marketing and promoting Hawaii's technology assets; and providing support needed by Hawaii's technology industry. HTDC provides startup business mentoring assistance at technology innovation centers statewide, including the Manoa Innovation Center and the Maui Research & Technology Center. These sites serve as high technology company business incubation facilities to ease the transition from startup ventures to full-fledged, independent commercial enterprises. The tech incubation program also focuses on building partnerships with the private sector essential for growing the technology based economy.



**First Honolulu Mini
Makerfaire**

HTDC's incubation facilities and coordinated programs provide a wide range of support to grow technology companies. The coordinated programs include business training workshops; review with experienced mentors; access to a vetted group of service providers; and networking opportunities with like-minded CEOs. HTDC also utilizes federally funded programs synergistically.

HTDC's INNOVATE Hawaii program has received an increase in federal funding by the U.S. National Institutes of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) to improve the capabilities of Hawaii manufacturers.

HTDC accelerates product development by awarding Hawaii Small Business Innovation Research (HSBIR) grants to small businesses. The grants provide critical matching funds to bolster the research and development phase of a company's product life cycle (companies that create high-paying jobs). INNOVATE Hawaii also provides technical assistance to get the new products to market.



**Working in the
INNOVATE
Hawaii
ideation room.**

HTDC's Hawaii Center for Advanced Transportation Technologies (HCATT) continues to be recognized as a leader in developing and demonstrating market readiness for alternative energy transportation technologies. Through its \$19 million federal contract with Air Force Research Laboratory, HCATT leverages federal dollars to address the goals of the Hawaii Clean Energy Initiative while creating business opportunities for the growth of clean energy technology companies in Hawaii.



To promote Hawaii's technology assets, HTDC works with the Hawaii Strategic Development Corporation (HSDC) and DBEDT's Creative Industries Division on the HI Growth Initiative.

HTDC provides additional support for the industry by strengthening industry communication through a software development networking group, WetWareWednesdays.

For further information, call: (808) 539-3806, or visit: www.htdc.org/

Hawaii Strategic Development Corporation



The Hawaii Strategic Development Corporation (HSDC) is an agency of the State of Hawaii established in 1990 to promote economic development and economic diversification in Hawaii through a return-driven investment program in partnership with private capital. HSDC is governed by HRS 211F and Chapter 127 of the Hawaii Administrative Rules.

HSDC manages a comprehensive investment program that represents a bold new approach to re-invigorate State efforts to fuel an innovation economy. This program engages with the private sector to startup and grow creative and innovative businesses that can create high-wage jobs for our people.

HSDC's priority is to invest in the critical building blocks of an innovation ecosystem: entrepreneur development, research commercialization, and the mobilization of startup investment capital.

For further information, call: (808) 587-3830 or visit: hsdc.hawaii.gov.

Congresswoman Tulsi Gabbard presents the GVS Transmedia Accelerator team with an award for being named one of the top 50 growth accelerators in the US, awarded by the Small Business Administration. GVS Transmedia Accelerator is supported by the HI Growth Initiative's Launch Akamai Venture Accelerator.

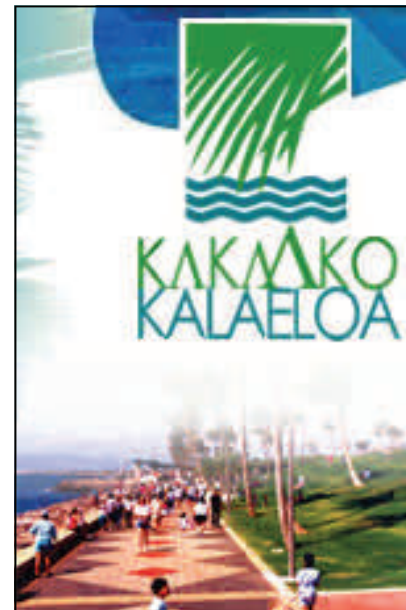




Hawaii Community Development Authority

The Hawaii Community Development Authority oversees three community development districts on Oahu: Kakaako, Kalaeloa, and Heeia.

Four new housing developments in the Kakaako Community Development District are now under construction, with an additional seven already permitted by the Authority. These, coupled with a few recently completed residential projects, will add 4,657 new units in Kakaako. Over 51 percent of these new units (2,381 units) will be reserved for qualified income households, ensuring lower priced homes that working professionals and young families can afford.



State analysts say 5,200 new housing units are needed in Hawaii each year, and the HCDA is doing its part to meet that demand.

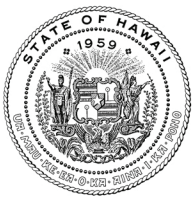
The Kalaeloa Community Development District has been instrumental in helping the State of Hawaii move closer toward its Hawaii Clean Energy Initiative of achieving 70 percent clean energy by the year 2030. Two new five-megawatt solar power plants opened in 2013: the Kalaeloa Solar 2 Farm and the Kalaeloa Renewable Energy Park. Both facilities feed into the Hawaiian Electric Company (HECO) system and generate enough energy to power an estimated 2,500 homes.

HCDA is also conducting an Environmental Assessment and Archaeological Inventory Survey for the Kalaeloa East Energy Corridor project. That project is being funded by a 2012 Hawaii State Legislature appropriation of \$3.5 million.

HCDA continues to work with the non-profit organization, Kakoo OIwi, to restore the wetlands of Heeia. The goal is to return the land to its traditional agricultural usage and reestablish the taro fields that once dominated the area.

For further information, call: (808) 594-0300, or visit: dbedt.hawaii.gov/hcda/





Office of Planning State of Hawaii

Office of Planning

Office of Planning's (OP) mission is to guide the overall growth and development of the State through a statewide comprehensive planning framework. OP prepares plans and planning studies and conducts policy analysis primarily on issues related to land, coastal, and ocean uses.

OP consists of two divisions: the Land Use Division (LUD) and the Planning Division. The Planning Division includes the Hawaii Coastal Zone Management (CZM) Program, Geographic Information System (GIS) Program, and the Special Plans Branch.

LUD prepares the State's position on quasi-judicial proceedings before the State Land Use Commission (LUC), coordinating with affected State agencies and the petitioner to assure that a petitioner's project proposal (1) is consistent with State regulatory requirements; and (2) commits to mitigation that addresses reasonably foreseeable impacts of the proposed project on State resources. The LUD ensures that the LUC's decision and orders include terms and conditions that protect the State's interest in the long-term, and promotes sustainable use of limited State resources, such as land, water, and State infrastructure facilities.

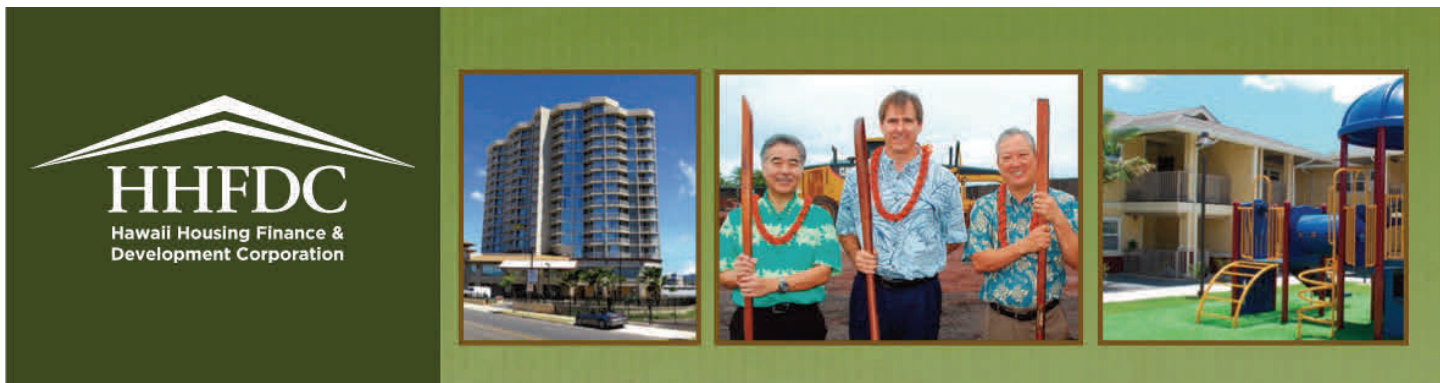
The CZM Program guides and determines acceptable activities and uses of resources for Hawaii's valuable land and water resources in the State's coastal zone.

The GIS Program supports and coordinates GIS efforts across state agencies in addition to conducting spatial analysis and mapping for projects and initiatives in OP, the Department of Business, Economic, Development and Tourism (DBEDT), and other State agencies.

The Special Plans Branch carries out the statewide planning functions of OP as established by the Hawaii State Planning Act, HRS Chapter 226; conducts statewide planning and policy studies to assist government decision makers; and administers the \$2 million Brownfield Cleanup Revolving Loan Fund (HBCRLF).

For further information, call: (808) 587-2846, or visit: planning.hawaii.gov.





Hawaii Housing Finance and Development Corporation

The mission of HHFDC is to increase and preserve the supply of workforce and affordable housing statewide by providing leadership, tools and resources to facilitate housing development. Since 2006, HHFDC has facilitated the development or preservation of 6,346 housing units. About 76 percent were rentals for households with incomes at or less than 80 percent of area median Income (AMI). Twenty-four percent were for sale to households earning 80-140 percent of AMI and market.

An additional 884 units are in the planning phase or under construction. Of these, 84 percent are targeted for renter households at or less than 80 percent of AMI, with the remaining targeted for sale to households at 80-140 percent of AMI and market.

HHFDC enters into public-private collaborations to construct or preserve workforce/affordable housing to help stimulate the economy without reliance on general funds. To facilitate and expedite the development of rental and for-sale housing, HHFDC offers a variety of financing and development tools including Low Income Housing Tax Credit, Rental Housing Trust Fund, Hula Mae Multi Family bond and Dwelling Unit Revolving Fund programs, along with expedited land use approvals under Chapter 201H, and exemptions from general excise and real property taxes.

HHFDC also aggressively seeks out development opportunities with other State and County agencies and is currently meeting with DLNR, DAGS, and the DOE on potential housing development on State lands.

Transit-oriented development along the City and County of Honolulu's rail transit line is a tremendous opportunity, and HHFDC is working with the City on possibilities for affordable housing development near planned transit stations.

HHFDC's consumer-oriented single family programs such as the Mortgage Credit Certificate (MCC) provide first-time homebuyers with tax credits against their federal income tax liability. The amount of the credit is equivalent to 20 percent of the annual interest paid on a mortgage. During FY 2014, the MCC program assisted nearly 400 homebuyers. A total of 3,180 homeowners have been assisted since the inception of the program.

For further information, call: (808) 587-0597, or visit: dbedt.hawaii.gov/hhfdc



Land Use Commission



The Land Use Commission (LUC) works with the State Legislature, County Planning Departments, interest groups and landowners to define constitutionally mandated standards and criteria for the classification of land, assisting in planned growth and 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.

The program objectives of the Land Use Commission are to process, review, and act on petitions for district boundary amendments which involve lands over 15 acres in the State Agricultural, Rural, and Urban Districts and all petitions seeking reclassification of lands in the Conservation District; review and act on applications for special permits in the Agricultural and Rural Districts which are over 15 acres; develop, in conjunction with the counties and the State Legislature, maps and boundary designations for all of the State's Important Agricultural lands; designate the same for protected status; process of private landowner petitions for designation of their lands as Important Agricultural Lands; process motions and boundary interpretation requests; and maintain, update, and disseminate official State land use district maps and land use information.

LUC operates by means of a nine-member voluntary Commission, assisted and supported by the Executive Officer, clerk, GIS specialist and two planners (five employees).

For the future, the LUC will seek ways to more quickly process land use boundary change petitions consistent with its legal mandate to determine the best uses of the land in the public interest through implementation of the State Land Use Law.

For further information, call: (808) 587-3822, or visit: luc.hawaii.gov.



Hawaii Green Infrastructure Authority

HGIA was constituted in 2014 to administer Hawaii's Green Energy Market Securitization (GEMS) Program, an innovative financing vehicle that makes clean energy improvements affordable and accessible for a broader cross-section of Hawaii consumers.

GEMS was created with the recognition that while the State has seen early success in clean energy development, existing financing programs might not serve the entire spectrum of Hawaii's communities.

GEMS uses a market-based financing mechanism to make \$150 million low-cost capital available for clean energy loans that might not otherwise be provided by traditional lenders.

The ability of GEMS to tap a huge pool of institutional bond investors allows the program to reduce financing costs for clean energy installations by minimizing overhead expenses and taking advantage of economies of scale. Consumers who borrow from GEMS to make clean energy investments will see electricity bill savings on day one, with no money down.



For further information visit: <http://energy.hawaii.gov/>.

Small Business Regulatory Review Board

The Small Business Regulatory Review Board's mission is to provide an opportunity for small businesses to comment on proposed State and County rules which could impact their operations. Based on those comments, the board may recommend to the State Legislature or relevant State agencies that they amend overly burdensome regulations. The board also evaluates State agencies' responsiveness to small business concerns and reports these findings to the legislature.

For further information, please call (808) 586-2594 or go to: dbedt.hawaii.gov/sbrrb/



Department of Business, Economic Development & Tourism
Statement of Operating Appropriations, Expenditures, and Encumbrances
For the Period July 1, 2013 - June 30, 2014

<u>General Funds</u>	<u>Adjusted Appropriations</u>	<u>Expenditures & Encumbrances</u>	<u>Balance</u>
<u>BED 100 Business Development & Support</u> Business Development & Support Division	1,268,627	1,217,385	51,242
<u>BED 103 Statewide Land Use Management</u> Land Use Commission	542,288	509,191	33,097
<u>BED 105 Creative Industries</u> Creative Industries Division	1,673,112	1,671,402	1,710
<u>BED 128 Office of Aerospace</u> Office of Aerospace	811,361	807,708	3,653
<u>BED 130 Economic Planning & Research</u> Research and Economic Analysis Division	1,013,987	936,135	77,852
<u>BED 142 General Support for Econ. Development</u> Office of the Director & Admin. Services Office	1,749,641	1,616,102	133,539
<u>BED 143 High Technology Development Corp.</u> High Technology Development Corporation	1,040,760	1,039,360	1,400
<u>BED 144 Statewide Planning & Coordination</u> Office of Planning	<u>1,303,046</u>	<u>1,207,397</u>	<u>95,649</u>
Total General Funds	<u>9,402,822</u>	<u>9,004,680</u>	<u>398,142 (1)</u>



<u>Special & Revolving Funds</u>	<u>Adjusted Appropriations</u>	<u>Expenditures & Encumbrances</u>	<u>Balance</u>
<u>BED 107 Foreign Trade</u>			
Foreign Trade Zone Special Fund	2,087,868	1,731,389	356,479
<u>BED 113 Tourism</u>			
Tourism Special Fund	87,212,404	72,235,998	14,976,406
Convention Center Enterprise Special Fund	<u>54,015,985</u>	<u>43,566,744</u>	<u>10,449,241</u>
BED 113 Total	141,228,389	115,802,742	25,425,647
<u>BED 120 Environmental & Energy Development</u>			
Energy Security Special Fund	4,996,398	4,561,907	434,491
Renewable Energy Facility Siting Special Fund	<u>750,000</u>	<u>-</u>	<u>750,000</u>
BED 120 Total	5,746,398	4,561,907	1,184,491
<u>BED 143 High Technology Development Corp.</u>			
High Technology Special Fund	3,767,631	1,824,059	1,943,572
<u>BED 145 Hawaii Strategic Development Corporation</u>			
Hawaii Strategic Development Revolving Fund	4,300,781	1,309,899	2,990,882
Hydrogen Investment Capital Special Fund	<u>2,608,516</u>	<u>42</u>	<u>2,608,474</u>
BED 145 Total	6,909,297	1,309,941	5,599,356
<u>BED 146 Natural Energy Laboratory of HI Authority</u>			
Natural Energy Laboratory of HI Auth. Special Fund	7,707,696	5,032,535	2,675,161
<u>BED 150 Hawaii Community Development Authority</u>			
HI Community Development Auth. Revolving Fund	705,807	705,688	119 (2)
Kalaeloa Community Dev. District Revolving Fund	<u>394,955</u>	<u>285,303</u>	<u>109,652 (2)</u>
BED 150 Total	1,100,762	990,991	109,771
Total Special & Revolving Funds	<u>168,548,041</u>	<u>131,253,564</u>	<u>37,294,477 (3)</u>
Total Funds (4)	<u>177,950,863</u>	<u>140,258,244</u>	<u>37,692,619</u>

Notes:

- (1) Represents the general fund balances that lapsed at June 30.
- (2) Reflects the appropriated portion of the HCDA Revolving Funds.
- (3) Represents the special fund unexpended appropriation balance at June 30.
- (4) Statement does not include DBEDT's loan revolving funds, the High Technology Revolving Fund, the Brownfield Cleanup Revolving Fund, the Hawaii Green Infrastructure Special Fund, the Hawaii Green Infrastructure Bond Fund, and the appropriations of the Hawaii Housing Finance & Development Corporation. Also excludes federal, trust, and capital improvement appropriations.

<http://dbedt.hawaii.gov>