



DBEDT Annual Report 2022



Department of Business, Economic Development & Tourism (DBEDT)
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This report fulfills the reporting requirement for Section 201-10 of the Hawai'i Revised Statutes and Act 100, Session Laws of Hawai'i 1999.





A Message from the Department

Introduction

At the Department of Business, Economic Development, and Tourism (DBEDT), we are all working together to achieve an economy in Hawai'i that embraces innovation and is globally competitive. Through our divisions and attached agencies, we also provide opportunities for Hawai'i people by fostering planned community development, creating affordable workforce housing units in high-quality living environments, and promoting job growth in sectors that stimulate the economy.

Economic Conditions

Areas showing improvements included the declining inflation rate, continued recovery in tourism, renewed construction activities, and sustained double-digit growth of tax revenue collections. Areas of concern were the declining U.S. and world economic growth projections in the coming years, the continuation of the Ukraine War, high interest rates, labor shortages coupled with higher unemployment rates, decreasing resident population, and uncertainty of the end of the COVID-19 pandemic.

Hawai'i's Tourism Economy

The easing of COVID-19 restrictions marked the start of economic recovery with the end of the 'Safe Travels' program and mask mandate for domestic travelers. In 2022, the total visitor count reached 9,233,983, an approximate 89% recovery from the 2019 level, who spent an estimated amount of \$19.3 billion, historically the highest in nominal dollars.

Outlook

The pandemic underscored the importance of being more vigilant in preparing for unexpected situations and adapting to change. At DBEDT, we are taking steps to build a more resilient economy to bounce back faster from economic shock and recessions. The department will continue to work to diversify the economy by investing in opportunities that prioritize the well-being of Hawai'i's people, environment, and culture and collaborate with stakeholders to find solutions for key economic issues that will positively impact the state.

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DBEDT Divisions

Director's Office (DIR)

(808) 586-2355

Administrative Services Office (ASO)

(808) 586-2442

Business Development & Support Division (BDSD)

(808) 587-2750

Creative Industries Division (CID)

(808) 586-2590

Foreign-Trade Zone Division (FTZ)

(808) 586-2507

Hawai'i Broadband & Digital Equity Office (HBDEO)

(808) 587-9001

Research & Economic Analysis Division (READ)

(808) 586-2466

Small Business Regulatory Review Board (SBRRB)

(808) 798-0737

DBEDT Attached Agencies

Agribusiness Development Corporation (ADC)

(808) 586-0186

Hawai'i Community Development Authority (HCDA)

(808) 594-0300

Hawai'i Green Infrastructure Authority (HGIA)

(808) 587-3868

Hawai'i Housing Finance & Development Corporation (HHFDC)

(808) 587-0641

Hawai'i State Energy Office (HSEO)

(808) 587-3807

Hawai'i Technology Development Corporation (HTDC)

(808) 539-3806

Hawai'i Tourism Authority (HTA)

(808) 973-2255

Natural Energy Laboratory of Hawai'i Authority (NELHA)

(808) 329-7341

Office of Planning & Sustainable Development (OPSD)

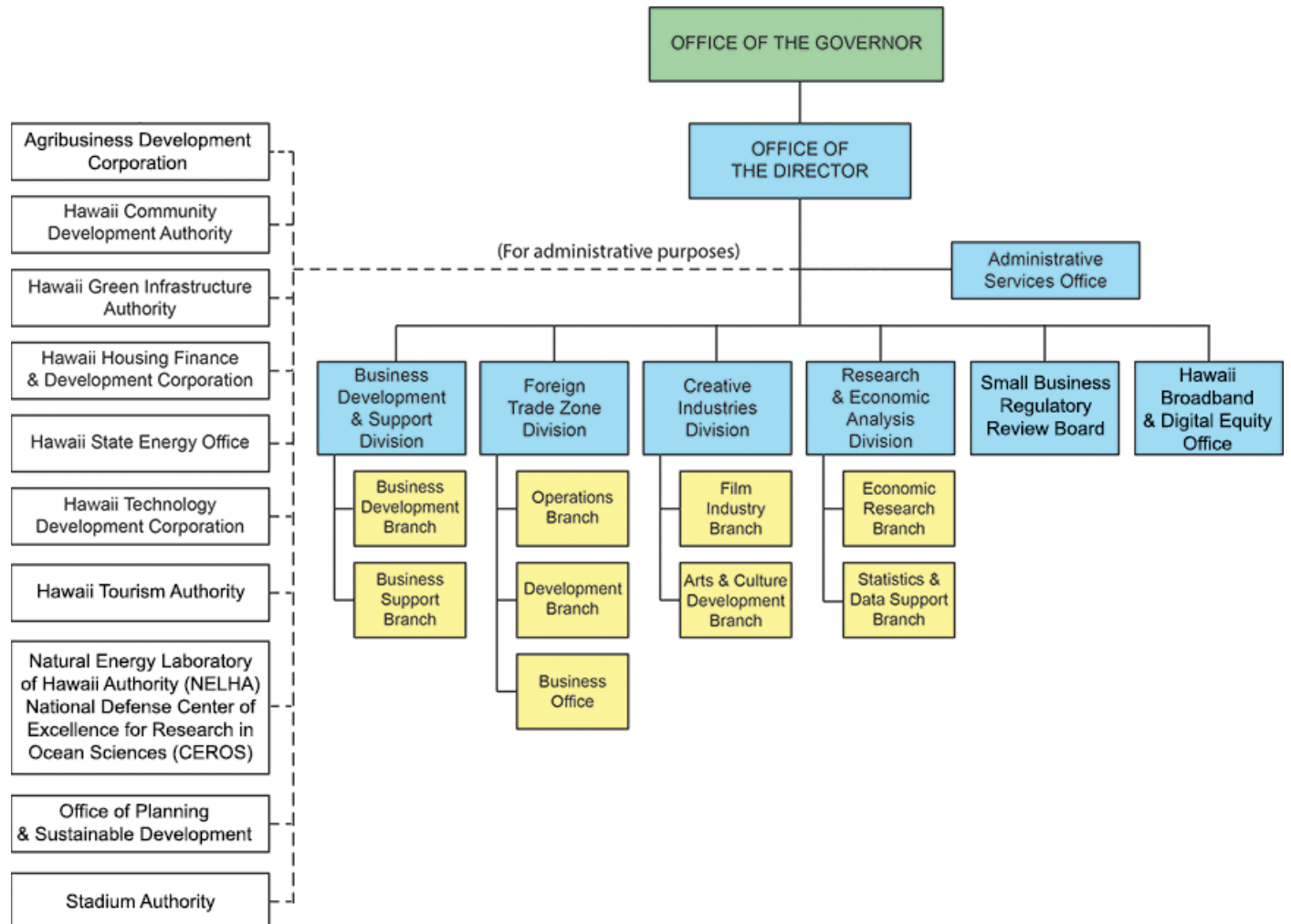
(808) 587-2846

Stadium Authority (SA)

(808) 483-2500



DBEDT Organizational Chart



DBEDT Goals, Objectives, and Policies

As mentioned in previous annual reports, DBEDT's strategy for economic development aims to balance the pursuit of economic growth with the use of genuine progress indicators (GPI). These indicators gauge not only Hawai'i's economic health but also consider the well-being of its people, culture, and environment.

The department's divisions and attached agencies work together to integrate the outlined values, strategies, and tactics. This section of the annual report defines the department's goals, objectives, action plans, and measures of success. Many of DBEDT's 16 attached agencies and divisions submit annual reports; for more details about the current focus of each program, please refer to those reports.

Hawai'i State Energy Office (HSEO)

HSEO Community Outreach and Engagement: The Clean Energy Wayfinders Pilot Program was successfully launched and continues to educate the community about Hawai'i's energy needs and goals. An outreach and community specialist was hired to coordinate the program's development and implementation. The new website and logo for HSEO have been designed to make information more accessible and provide a solid platform to enhance data availability and community engagement. A community engagement playbook has been created to provide communities and developers with the tools and resources to work together in implementing clean energy infrastructure. All materials are available for download at <https://energy.hawaii.gov>.

One-Year Goal: Continue using web-based community engagement software to solicit community feedback about their views toward large-scale renewable energy projects and increase online engagement.

Five-Year Goal: Continue to strengthen community outreach and stakeholder engagement.

Action Plan: Continue deploying new clean energy education curriculum and teacher training to Hawai'i K-12 Title I schools.

Measure of Success: Number of viewers to HSEO information platforms, comparison of community engagement feedback over time to measure the effectiveness of each approach, and feedback from educators and students on new curriculum.

Hawai'i Green Infrastructure Authority (HGIA)

Democratizing Clean Energy for Underserved Ratepayers: HGIA leverages on-bill repayments to approve loans to make clean energy accessible to previously hard-to-reach, underserved ratepayers.

One-Year Goal: Continue deploying funds to facilitate clean energy adoption for underserved ratepayers.

Five-Year Goal: Develop new products to further help underserved ratepayers, such as leveraging the on-bill repayment mechanism to service ongoing subscription fees for Community Based Renewable Energy (“CBRE”) projects, with or without GEMS financing. CBRE developers have contacted HGIA to utilize its on-bill repayment mechanism to reach underserved ratepayers while mitigating developer risks. HGIA has been working with HECO on the reprogramming required to accommodate the GEM\$ Program Charge in the CBRE portal to automate Subscribers’ onboarding of the servicing.

Action Plan: Work with CBRE developers and HECO to re-program the CBRE portal. Obtain PUC approval to finance community solar projects and utilize the GEM\$ on-bill repayment mechanism without HGIA financing. Develop processes, forms, documents, and agreements for CBRE developers and Subscribers. Begin the process of enrolling subscribers and administer service subscription fees.

Measure of Success: Jobs created, tax revenue generated, kWh produced or reduced, etc.; however, the real measurement of success will be the enrollment of underserved ratepayers currently excluded from CBRE projects.

Expand Lending Activities: HGIA applied for the U.S. Department of Agriculture (USDA)’s Rural Energy Savings Program (RESP) for a \$20 million loan under their re-lending program.

One-Year Goal: Continue to seek additional funding sources as opportunities.

Five-Year Goal: Process loans through the Rural Energy Savings Program while seeking additional sources of loan capital.

Action Plan: Identify access to capital gaps within the State and design loan products. The USDA funds will be integrated into HGIA’s existing suite of products for increased efficiency in deployment. Outreach with partners and stakeholders.

Measure of Success: Number of loans to facilitate clean energy projects, which results in additional economic and environmental impacts, all reported quarterly.

Natural Energy Laboratory of Hawai’i Authority (NELHA)

One-Year Goal: Continue discussions with national labs, University of Hawai’i, local utilities, and the private sector to formulate partnerships for new joint projects in additional PV, grid-scale energy storage demonstrations, and microgrid development.

Five-Year Goal: Develop five new renewable energy projects.

Action Plan: NELHA’s stretch goal is to provide approximately 65% of total power from renewables onsite by 2030.

Measure of Success: Reduce fossil fuel-generated energy consumption by 65% and PUC tariff designation for a demonstration microgrid.

Solar Desalination Project: NELHA successfully completed the solar desalination demonstration project using the \$2M U.S. Department of Energy Sunshot grant.

One-Year Goal: Ramp up desalination efforts.

Action Plan: Continue working closely with the contractor, USDOE, and start-up company for an offshore demonstration project.

Measure of Success: Proof of concept of new onshore technology to desalinate 133,000 gallons per day and up to 80,000 gallons per day for the offshore demonstration project.

Hawai'i Technology Development Corporation (HTDC)

HCATT operates the only operational renewable hydrogen production and dispensing station on O'ahu and, over the years, has brought more than \$40 million in federal funds into the State, matched by another \$23 million from private partners.

One-Year Goal: Secure funding to continue the program and diversify the income stream.

Five-Year Goal: Integrate the program into common renewable energy goals of the DOD and the State.

Action Plan: Continued collaboration/partnership with the Department of Defense, Hawai'i Air National Guard, State Energy Office, and U.S. Navy. Continue work under a \$30 million, 5-year cooperative agreement contract with the U.S. Air Force Research Lab.

Measure of Success: Federal funds brought into the state.

Office of Planning and Sustainable Development (OPSD)

Hawai'i 2050 Sustainability Plan: The Hawai'i 2050 Sustainability Plan uses the United Nations' 2030 Sustainability Development Goals as a framework to align the Aloha+ Challenge and other targets, policies, plans, and initiatives. The plan outlines a vision and includes 262 recommended actions across 38 strategies and eight focus areas to achieve during the "Decade of Action" from 2020-2030. The goal is to maintain the State's advancement towards an equitable, climate-resilient, and sustainable future for Hawai'i. The full plan is available to view or download at <https://hawaii2050.hawaii.gov/interactive>.

One-Year Goal: OPSD provides statewide coordination to assist the various state agencies in implementing the goals and actions in the 2020 – 2030 Update to the Hawai'i 2050 Sustainability Plan as required by HRS §226-65.

Initial actions are to distribute the update and revision of the Hawai'i 2050 Sustainability Plan to policymakers, state and county agencies, and private and non-governmental stakeholders and begin incorporating the guidance set forth in various climate change, environmental, and land use planning and reviews.

Five-Year Goal: OPSD will continue to work towards the statewide implementation of the Hawai'i 2050 Sustainability Plan. OPSD's Statewide Sustainability Branch intends to conduct a 5-year review of the Hawai'i 2050 Sustainability Plan (2020-2030) update in 2026 to ensure progress toward achieving recommended actions. This review will provide an analysis of accomplishments through the UN's "Decade of Action" to ensure the State of Hawai'i continues in its progress in achieving Hawai'i's sustainability and climate-resilient statutory targets.

Action Plan: Implementation of the Hawai'i 2050 Sustainability Plan. If provided the appropriate staffing, OPSD's Statewide Sustainability Branch intends to provide annual measurement reports identifying progress or areas that need improvement. OPSD's Statewide Sustainability Branch intends to conduct a 5-year review of the plan in 2026. OPSD anticipates beginning the planning process for the 2030-2040 decennial update in late 2028 for publication by 2030.

Measure of Success: Progress toward achieving recommended actions and the State's sustainability and climate legal and statutory targets.

Hawai'i Brownfields Cleanup Revolving Loan Fund Program: The Hawai'i Brownfields Cleanup Revolving Loan Fund Program (HBCRLF) program was seeded by a \$2 million grant from the U.S. EPA in 2005. The HBCRLF program was established by Act 173, SLH 2002, and codified as HRS §201-18(e). The HBCRLF program provides low- and no-interest loans to eligible public and private entities to clean up brownfield sites where economic or community development projects show the greatest need, exhibit long-term project viability, and demonstrate the capacity for repayment. The program currently operates under a closeout agreement with the U.S. EPA, which governs the type of brownfields activities eligible for HBCRLF funding and eligibility requirements for borrowers. In the 2021 Legislative Session, the Legislature passed Administration bill SB 1054, SD 2 (Act 234, SLH 2021), to allow HBCRLF funds to be used for grants as well as loans for cleanups and grants for brownfields site assessment activities in alignment with the EPA Closeout Agreement. Act 234 will enable greater flexibility and meet the demand for HBCRLF funds for grants to eligible parties and sites.

One-Year Goal: OPSD will prepare amendments to the HBCRLF rules to allow for grants for cleanup and brownfields site assessment activities. Once the Governor approves the rule amendments, OPSD will issue an HBCRLF grant funding opportunity notice inviting applications. Grant funding will be disbursed in FY 2022 and 2023 to selected eligible projects and recipients based on fund availability. OPSD anticipates awarding grants to at least two projects in the first year of the grant program.

Five-Year Goal: OPSD will work with DOH in overseeing the conduct and completion of brownfields cleanup activities at recipient sites until all funded activities are completed in compliance with U.S. EPA brownfields funding requirements. OPSD will operate the loan and grant program in collaboration with the DOH HEER Office and U.S. EPA to expend the balance of HBCRLF. Once all HBCRLF-funded cleanup activities have been completed and DOH has issued no further

action letters, OPSD will seek legislation to repeal HRS §201-18(e), close the special fund, and end the HBCRLF program.

Measure of Success: Cleanups and completion of brownfields site assessment activities at recipient sites that enable reuse of the sites that protect public health and safety. Closure of the HBCRLF program.

Greenhouse Gas Sequestration Task Force (GHGSTF): The GHGSTF, established by HRS §225P-4, includes State agencies, academia, county representatives, and members appointed by the President of the Senate and Speaker of the House of Representatives. OPSD plans to fulfill the requirements set forth by HRS §225P-4, to submit a report of the Greenhouse Gas Sequestration Task Force’s findings and recommendations, including any proposed legislation, to the Legislature and the climate change mitigation and adaptation commission. OPSD hosted six GHGSTF meetings in 2022 and developed recommendations to align the State’s greenhouse gas emission reduction and carbon sequestration efforts. OPSD published the GHGSTF’s major Preliminary Report to meet the requirements set forth by HRS §225P-4.

One-Year Goal: OPSD plans to continue hosting GHGSTF meetings and coordinating statewide greenhouse gas sequestration in alignment with statewide greenhouse gas emission reduction goals.

Five-Year Goal: Continue to support “carbon positive incentivization” financial subsidies for sustainable land management and regenerative farming and ranching practices and publish annual reports on the progress of the GHGSTF beginning in 2024.

Action Plan: Frequent GHGSTF meetings, major preliminary reporting by 2023, annual reporting beginning in 2024, and continued coordination and collaboration with managers of working and natural lands.

Measure of Success: Increase in sequestration of greenhouse gases through improved soil health and regenerative land management practices reflected in the carbon sink reporting in DOH’s Greenhouse Gas Emission Inventory Annual Reports.

Ocean Resources Management Plan (ORMP): The ORMP sets forth the State’s guiding principles and recommendations to achieve comprehensive and integrated ocean and coastal resources management. HRS §205A-62 charges the Coastal Zone Management (CZM) Program with the review and periodic update of the ORMP, as well as coordination of the plan’s overall implementation. The ORMP is an integrated, place-based approach to managing ocean resources on the island based on recognizing the ecological connection between the land and sea, the link between human activities and their impact on the environment, and the need for improved collaboration and stewardship in natural resources governance.

One-Year Goal: The CZM Program seeks to establish multi-agency action teams to implement ORMP focus area projects to inform decisions related to identified management gaps.

Five-Year Goal: The CZM Program will continue collaborating with state, county, and federal partners to implement projects to address management gaps, develop guidance for existing policies, and inform potential policy enhancements.

Action Plan: Collaborate with ORMP Working Group and Council on Ocean Resources to develop action teams. Specific projects and desired outcomes are identified in the ORMP.

Measure of Success: The various measures of success will be reported on the ORMP dashboard and webpage.

Environmental Review Program (ERP): Established within OPSD, ERP facilitates Hawai'i's environmental review system (HEPA); generates a bi-monthly bulletin of environmental assessments (EA) and environmental impact statements (EIS); supports the environmental review process to applicants, State and county agencies, other stakeholders, and the public; and reviews and comments on EAs and EISs. Technical and administrative support in all matters for the Environmental Advisory Council, including research and interpretation of environmental practices in support of the Council, is also provided.

One-Year Goal: Continue to publish the Environmental Notice twice a month to provide the public with environmental impact information on proposed state and county projects. Continue to provide training to state and county agencies and the public on Environmental Impact Statement Rules and provide comments on draft EA/EIS.

Five-Year Goal: Assist various stakeholders (agencies, accepting authorities, applicants, consultants, legislators, and members of the public) with the environmental review process.

Action Plan: Complete the transfer of over 7000 Environmental Assessments and Impact Statements from the Department of Health to the Office of Planning and Sustainable Development. Restore the Planner V position to implement Chapters 341 and 343.

Measure of Success:

- % of EA/EIS Published for public notification on time/as scheduled.
- % of Consults on environmental issues response to Governor/Legislature on time.
- % of Increase in readership/circulation of The Environmental Notice.
- % of Submitted environmental review documents that were critically reviewed/commented.
- # of EA/EIS reviewed.
- # of Consultations on environmental issues requested by the Governor/Legislature.
- # of Environmental education projects & workshops conducted.
- # of Subscribers to The Environmental Notice.
- # of Exemption lists reviewed/concurred by the Environmental Advisory Council.

Hawai'i Tourism Authority (HTA)

Destination Management Action Plans (DMAPs): In collaboration with the counties and state agencies, visitor industry, island visitor bureaus, and public members, HTA created the 3-year community-based tourism program centered around Destination Management Action Plans (DMAPs) to recover and rebuild tourism.

One-Year Goal: HTA will continue its work to implement DMAPs' actions based on each DMAP's timeline. Efforts include collaborating with other state departments, the counties, lawmakers, the visitor industry, and the community.

Five-Year Goal: Over the next five years, HTA plans to continue efforts to rebuild tourism in a sustainable and regenerative manner.

Action Plan:

- Work with the island visitor bureaus, counties, and other state agencies to carry out actions laid out in the DMAPs for each island.
- Increase its attention to improving and mitigating hotspot sites as identified in the DMAPs.
- Encourage and support responsible tourism by increasing the number of training sessions provided for the community and industry stakeholders.
- Reach out to lawmakers and community groups to see how HTA can help with efforts to minimize the economic, environmental, and social impacts of tourism.

Measure of Success: Milestones and measures will be based on the number of actions completed and hotspot issues addressed.

HTA's Branding Efforts: HTA's branding strategies are centered around the concept of Mālama Ku'u Home (Caring for my Beloved Home), built on this foundation, and supported by the four integral pillars of natural resources, Hawaiian culture, community, and branding. HTA works with contractors in markets who share its commitment to our message of mālama, support its direction and branding strategies, and focus on attracting high-value visitors while staying true to Hawai'i's brand.

One-Year Goal: HTA refine efforts to attract visitors aligned with its values and strategic plan to encourage visitors to responsibly participate in unique experiences that give back to Hawai'i.

Five-Year Goal: Over the next five years, HTA will expand its focus on markets and visitors that are mindful, respectful, high-spending, and have relatively low impact on the islands' communities. HTA will also continue to educate visitors on cultural etiquette, appropriate behaviors, and guidance that will assist them in being respectful and mindful while they are here in our home.

Action Plan:

- Work with partners to ensure Hawai'i's brand messaging reflects an authentic, respectful, and appropriate approach focused on Hawai'i as a unique and special place to visit.

- Develop and launch branding messages that align with the strategic plan, destination management action plans (DMAPs), and Mālama Ku‘u Home values.
- Monitor and evaluate branding messages to ensure effectiveness and adjust appropriately as warranted by research.
- Collaborate with branding partners to ensure respective markets receive the proper education and awareness training to best understand Hawai‘i as a destination.

Measure of Success: Resident sentiment, visitor satisfaction, per-person-per-day spend, and total spend. Key performance indicators (KPI) will be incorporated into each branding partner’s contract and brand marketing and management plan (BMMP) to ensure they meet the expectations set forth in those plans.

Aloha ‘Āina Program: In partnership with the Hawai‘i Community Foundation (HCF), support the implementation and administration of the Aloha ‘Āina program that awards funding to projects that work to protect, enhance, and maintain Hawai‘i’s environment.

One-Year Goal: Continue to support projects through this program.

Five-Year Goal: Over the next five years, HTA will continue to expand support for these programs to help enhance and protect our natural resources.

Action Plan:

- Continue to work with community organizations and other experts to ensure projects and activities appropriately align with the intent to protect and enhance Hawai‘i’s natural resources.
- HTA will further enhance and improve its ability to support projects and programs through collaborative partnerships.
- HTA will monitor and report on the progress of the efforts that have been supported and funded to confirm the success of these efforts.
- HTA will search for and support opportunities to connect funded programs with the Destination Management Action Plans’ actions and sub-actions as part of the ongoing implementation phase, where possible.

Measure of Success: Results from key performance indicators specific to the unique projects funded and larger program key performance indicators. HTA also measures and evaluates the success of projects under the program through site visits and contract evaluations at the close of each project.

Wellbeing of Culture

Hawai‘i Tourism Authority (HTA)

Kūkulu Ola Program: In partnership with Hawai‘i Community Foundation (HCF), the Kūkulu Ola projects address various needs and work to perpetuate the Hawaiian culture.

One-Year Goal: Continue to support projects that benefit the Hawaiian culture and community.

Five-Year Goal: Over the next five years, HTA will continue to expand support for Hawaiian programs and cultural practitioners, craftsmen, musicians, linguists, and other artists to help preserve and perpetuate the Hawaiian culture. We understand how integral Hawaiian culture is to the Hawai'i brand, and support for these programs will be critical to protecting our brand.

Action Plan: HTA will work closely with Native Hawaiian cultural practitioners and other experts to ensure that projects and activities appropriately align with the intent to preserve and perpetuate the Hawaiian culture and language.

HTA will further enhance and improve its ability to support projects and programs through collaborative partnerships.

HTA will monitor and report on the progress of the efforts that have been supported and funded to confirm and affirm the success of these efforts.

HTA will adjust its strategies to align with and support the accurate and authentic representation of the Hawaiian culture by incorporating input and feedback from our Kūkulu Ola programs.

HTA will search for and support opportunities to connect funded programs with the Destination Management Action Plans' actions and sub-actions as part of the ongoing implementation phase, where possible.

Measure of Success: HTA will track results through its various key performance indicators unique to each project funded, as well as larger program key performance indicators. HTA also measures and evaluates the success of projects under the program through site visits and contract evaluations at the close of each project.

Community Festivals and Events: HTA supports community-focused projects and programs that bring residents and visitors together in a positive way. As part of its community support, HTA will continue supporting education and prevention programs to improve safety among visitors and residents to maintain Hawai'i's reputation as a safe destination.

One-Year Goal: HTA will work to further enhance and support community-focused projects, events, and programs that support our residents while also serving as a bridge to connecting our communities with our visitors. We will work closely with our partners to ensure that funding and resources are used to improve the lives of our residents.

Five-Year Goal: Over the next five years, HTA will continue to work towards supporting community-based non-profits to implement and enhance projects that are unique to their communities. By doing so, we invest in experiences and activities residents and visitors can see and do while in Hawai'i.

Action Plan: HTA plans to continue increasing the number of capacity-building training sessions provided for funded programs and management.

HTA will further enhance and improve its ability to support projects and programs through collaborative partnerships.

HTA will monitor and report on the progress of the efforts that have been supported and funded to confirm the success of these efforts.

HTA will adjust its strategies to align with and support the initiatives identified by the community.

HTA will search for and support opportunities to connect funded programs with the Destination Management Action Plans' actions and sub-actions as part of the ongoing implementation phase, where possible.

Measure of Success: HTA will track results through its various key performance indicators unique to each project funded as well as larger program key performance indicators. HTA also measures and evaluates the success of projects under the program through site visits and contract evaluations at the close of each project.

13th Festival of the Pacific Arts and Culture (FestPAC): The Festival was supposed to be hosted by Hawai'i in June 2020 but was rescheduled to June 2024 due to the COVID-19 pandemic. The FestPAC Commission continues to hold monthly virtual meetings to organize this event.

One-Year Goal: Re-affirm commitment of all partner organizations and confirm venues for all activities; finalize fundraising plan and engage fundraiser.

Five-Year Goal: Assess the success of the Hawai'i event and share with other Pacific Island nations; create a new hybrid model for this event, combining live and virtual activities and performances.

Action Plan: Leverage partnerships with cultural and community organizations.

Measure of Success: Selection of Hawai'i to host other similar events.

Business Development & Support Division (BDSD)

International Affairs (Sister-State Relations): Hawai'i's continued prosperity is grounded in its ability to work with people from around the world and to communicate important issues between cultures. Hawai'i is a bridge between people of all nations, and DBEDT plays a critical role in forging relationships that strengthen the State's role in trade, commerce, economics, defense, education, creative industries, cultural exchange, and energy and environmental sectors in the years ahead.

One-Year Goal: Produce the Philippines-Hawai'i Sister States, Provinces, and Cities Symposium and Expo. The event was originally scheduled for 2021 but was canceled due to COVID-19 pandemic restrictions.

Two-Year Goal: Produce the Japan-Hawai'i Sister-State Convention

Five-Year Goal: Leverage sister-state relations to increase trade and investment.

Action Plan: Leverage sister-state relations to increase trade and investment.

Measure of Success: Increase in trade and investment.

Economic Growth

Hawai'i Broadband and Digital Equity Office (HBDEO)

Broadband Infrastructure Master Plan: DBEDT seeks to deploy a robust, resilient broadband infrastructure throughout the State. This plan provides a framework to upgrade Hawai'i's broadband infrastructure to allow for reasonably priced broadband access, enhanced network capacity, and speed to meet the needs of the next decade of digital expansion and improve the network's resiliency.

One-Year Goal: Obtain funding for the master plan.

Five-Year Goal: Apply plan findings for Capital Projects Fund and Broadband Equity, Access and Deployment funding.

Action Plan: See Infrastructure Master Plan solicitation.

Measure of Success: Number of projects completed.

NTIA Broadband Infrastructure Program: HBDEO submitted a grant application seeking NTIA funds to carry out a project to cover 1,205 households, 100-300 houseless individuals, and at least one anchor institution at the cost of \$20,625,422 under a combined covered-partnership unprecedented for Hawai'i. The partnership will consist of two fixed broadband providers – Hawaiian Telcom, Inc. (HTI) and Charter Communications (Spectrum) – that will expand existing Fiber To The Premise (FTTP) service networks on several islands and two wireless community networks – Banyan Networks and Sun Global – that will focus on specific geographic areas on Hawai'i.

One-Year Goal: Use funds from NTIA to carry out the program.

Five-Year Goal: Achieve project completion by 2024.

Action Plan: NTIA Broadband Infrastructure Program project proposal.

Measure of Success: Number of households covered.

Hawai'i Community Development Authority (HCDA)

District-Wide Improvement Program: Develop and execute a district-wide infrastructure improvement program for Central Kaka'ako, which is still an under-utilized industrial and

commercial area of Urban Honolulu with substandard roads, insufficient drainage systems, and overhead utility lines.

One-Year Goal: Continue to develop a comprehensive infrastructure improvement plan for Central Kakaʻako.

Five-Year Goal: Seek legislative funding to complete the plan for the district-wide improvement program for Central Kakaʻako.

Action Plan: Plan, design, and construct infrastructure improvements identified in the year one goal.

Measure of Success: Completion of the district-wide improvement program for Central Kakaʻako

Kalaeloa Infrastructure Improvements: HCDA completed the Kalaeloa Energy Corridor project in 2020. The \$13 million CIP-funded project began at the Kapolei Parkway and Fort Barrette intersection, continued along Enterprise Avenue, and ended at Midway Road, fronting the Kalaeloa Airport. The Department of Transportation Airports Division (DOT) has contracted with Hawaiian Electric Company to energize the new Enterprise Energy Corridor project.

One-Year Goal: Continue to work on improving infrastructure in Kalaeloa to support development. Work with landowners and stakeholders in identifying critical infrastructure deficiencies and prepare a plan to address the deficiencies.

Five-Year Goal: Seek CIP and other funding for infrastructure improvements.

Action Plan: Plan, design, and construct infrastructure improvements.

Measure of Success: Improved infrastructure leading to additional housing and mixed-use development.

Hawaiʻi Technology Development Corporation (HTDC)

Entrepreneurs Sandbox: The Sandbox was designed as an innovation hub for tech, entrepreneurs, and creatives with the flexibility to accommodate various projects of different dimensions and now has demonstrated the ability to quickly adjust to support our urgent community needs.

One-Year Goal: Revamp the Sandbox to positive operating cash flow.

Five-Year Goal: Begin the planning of an adjacent facility.

Action Plan: Building demand with the Sandbox reaching full capacity and fully developed and engaged with the community.

Measure of Success: Full capacity and positive cash flow.

CreativeSpace Co-Working & Studio Entrepreneurs Sandbox: CID, in partnership with Hawai'i Technology Development Corporation (HTDC), launched the CreativeSpace studio and co-working space managed by Bizgenics at the Entrepreneurs Sandbox in Kaka'ako. This purpose-built stage is earning revenues, serving the local business and creative community, and providing the infrastructure necessary to export creative content globally.

One-Year Goal: Increase export of local music and media IP.

Five-Year Goal: Launch a content platform like the Korean Creative Content Agency model (KOCCA).

Action Plan: Partner with KOCCA and regional accelerators. Create co-working hub networks between Hawai'i and Japan, Korea, and the Continental U.S.

Measure of Success: Increased revenues to local creatives.

Innovation and Manufacturing Center (IMC) in Hilo: Contractors for the Hilo project-initiated work. A project site was evaluated but determined not feasible within budget. A scaled-back version of the project is being assessed.

One-Year Goal: Assess the feasibility of the project.

Five-Year Goal: Complete construction and begin operation.

Action Plan: Create a public-private partnership by working with the community and state partners on a sustainable working model.

Secure public and private commitments for the project. Enhance opportunities for local businesses with workforce training and light manufacturing resources and help meet increasing demands as these industries grow in Hawai'i.

Measure of Success: Positive cash flow.

Maui Research and Tech Center (MRTC): The MRTC provides office space, co-working space, and workshops for the Maui tech community.

One-Year Goal: Positive cash flow. Facility at 50% capacity.

Five-Year Goal: Facility at 90% capacity.

Action Plan: Revamp the facility to cater to remote workers.

Measure of Success: Number of new tenants and supporting workshop attendance.

Kaka'ako Innovation Block Plan: The Kaka'ako Innovation Block is an innovation cluster expanding on the success of the Entrepreneurs Sandbox. The defense subcontractor sector has expressed interest in being part of this development.

One-Year Goal: Leverage partnerships and community resources to create a sustainable model to help move the industry forward. Secure additional commitments from non-state sources.

Five-Year Goal: Begin planning on other components of the block.

Action Plan: Continue activities at the Sandbox and further relationship with UH and the private sector.

Measure of Success: Non-state funds secured for the project.

First Responders Tech Campus (FRTC): The FRTC is a technology campus for first responders located at the Mililani Tech Park. Project planning and permitting is on schedule.

One-Year Goal: Project planning and permitting.

Five-Year Goal: Secure partnership with agencies and begin construction.

Action Plan: Contractor hired to plan.

Measure of Success: Federal dollars secured for the project.

Neighbor Island Creative Co-Working Sites: Develop smaller creative spaces and training/certificate programs within the Hawai'i State Library system, beginning with rural areas. The CreativeSpace Initiative (CSI) will deliver a community-based model for the growing number of digital creatives, creating a pipeline of industry-ready talent who can work remotely and locally. Each space will feature the tools necessary to create content for business, media, music, and design/fashion.

One-Year Goal: Launch one neighbor island CreativeSpace Co-working and Studio in Q2 FY23 as a Creative Lab Hawai'i sister facility to ID8/CreativeSpace at Entrepreneurs Sandbox. Begin planning the Micro CSI facility and programs for the Nanakuli Library Initiative.

Five-Year Goal: Generate income from CreativeSpace Initiative sites statewide to sustain and maintain facilities, seed fund content for export, and continue training programs.

Action Plan: Finalize MOA between Hawai'i State Library System, CID/DBEDT, and DHHL for the Nanakuli Library Micro CSI program. Issue RFP to engage a contractor for technical build-out. Launch creative skillset certification programs for Oahu, neighbor island CS hubs, and libraries. Identify benefactors and partnerships to install X LED walls and software and engage industry expertise for training the workforce in new digital technologies. Finalize long-term capital strategy to include Legislative appropriations, foundation grants, and benefactor contributions.

Measure of Success: Vibrant export of digital content, increased monetization for local creatives, artists, musicians, and designers. Increased original content and programming from Hawai'i creatives for licensing to global markets. Completed MOA with all neighbor island Public, Educational, and Governmental access organizations (PEGs). Secure private sector donors to maintain the facilities.

Manufacturing Assistance Program (MAP) Grants: HTDC's MAP grants offer Hawai'i-based manufacturers up to a 20% reimbursement (up to \$100,000) on qualified expenses and wrap-around services to help them become globally competitive.

One-Year Goal: Seek funding and grant support for Hawai'i Small Business Innovation Research (SBIR), manufacturing small businesses, and the wrap-around support services.

Five-Year Goal: Double the company investment and total match requested by the companies. Use this program to justify an increase in annual federal funds received from NIST (National Institute of Standards and Technology).

Action Plan: Revamp the MAP grant program to include support for workforce development for manufacturers to address challenges with skills gap and employee retention.

Measure of Success: Number of jobs provided by companies in the program.

Hawai'i Small Business Capital Program (HI-CAP): The American Rescue Plan Act ("ARPA") reauthorized and appropriated additional funds to all states for its State Small Business Credit Initiative (SSBCI) Program. The SSBCI program would bring approximately \$60 million in federal funding to Hawai'i to expand small businesses, startups, and entrepreneurs' access to capital. HTDC and the Hawai'i Green Infrastructure Authority (HGIA) have partnered to administer this program.

One-Year Goal: The SSBCI application is due in mid-December 2021. Approvals and funds are expected in March 2022. The direct financing and credit enhancement program is required to be established no later than June 2022. Upon the launch of these programs, HGIA will conduct stakeholder outreach to deploy funds.

Five-Year Goal: At least two-thirds of the total funds available should be deployed to eligible businesses and organizations for Hawai'i to maximize the funds received from the Federal government. SSBCI funds need not be returned to the Federal government. Repayment will establish revolving facilities to assist more small businesses even after the SSBCI program ends in seven years.

Action Plan: As part of HTDC's SSBCI team, HGIA has met with over 150 interested stakeholders, including conventional bankers, non-traditional lenders, small businesses, venture capital funds, and investors, to gather feedback in developing an SSBCI program for Hawai'i.

Upon Treasury approval, HGIA will develop the Collateral Support Program, including processes, forms, applications, documents, and agreements for banks, credit unions, and CDFIs (Community Development Financial Institutions).

For the direct financing program, HGIA will develop processes, forms, applications, documents, and agreements for applicants with catalytic projects.

Enroll banks, credit unions, and CDFIs in the Collateral Support Program.

Approve applications (either collateral support applications or direct financing applications) and deploy funds.

Measures of Success: One measurement of success is bringing all \$60.0 million to Hawai'i. The other measurements are providing small businesses access to credit, jobs created and retained, etc.

Accelerator Program: The Accelerator programs provide funding, mentorship, and training for startup companies. HTDC funded five accelerator programs – Blue Startups, ManaUp, Purple Mai'a, Impact Hub, and XLR8HI.

One-Year Goal: Develop the next generation of accelerator programs and continue to provide financial support and mentorship for startups.

Five-Year Goal: Programs continue successfully.

Action Plan: Evaluate the existing measuring system for better indicators to evaluate program performance.

Measure of Success: Total number of activities, total attendance, number of companies through the accelerator programs, private sector engagement/dollar leveraged.

Technology Readiness User Evaluation (TRUE) Initiative: TRUE Initiative is a technology solutions-focused collaboration between local private sector business leaders, HTDC, other State departments, and local universities and colleges. The initiative seeks to tech-enable organizations and local businesses by sharing solutions to common business challenges. The goal is to help create quality jobs for sustainable living in Hawai'i and attract kama'āina looking for opportunities to return home.

One-Year Goal: Companies readily collaborating and implementing new tech projects.

Five-Year Goal: Wide adoption from many companies.

Action Plan: TRUE initiative will mostly operate independently with input and guidance from HTDC.

Measure of Success: TRUE initiative operates independently and is recognized by industry.

Small Business Innovation Research (SBIR) Grants: The SBIR grant provides matching funds and wrap-around services to assist companies in further development of new products to solve critical issues. Applicants must have received a federal SBIR grant to qualify for the State's matching grant, and the HSBIR program provides up to 50% match for companies receiving SBIR awards.

One-Year Goal: Continue funding and grant support for Hawai'i SBIR and Manufacturing small businesses and the wrap-around support services.

Five-Year Goal: Expand efforts with the University of Hawai'i to increase pipeline and with DoD through the Hawai'i Tech Bridge program.

Action Plan: Seek capital to continue the growth of the program. The Hawai'i Tech Bridge is envisioned to provide a competitive advantage for Hawai'i in commercializing technologies for DoD priorities.

Measure of Success: Number of jobs provided by companies in the program.

Foreign Trade Zone (FTZ)

Foreign-Trade Zone No. 9 at Pier 2: The FTZ9 program services 369 companies statewide, providing revenues of over \$2.2 million annually, wholly supporting the program.

One-Year Goal: Continue to provide excellent service and support to its clients. Enhance existing security systems and measures to harden port security as directed by Homeland Security.

Five-Year Goal: Continue to serve FTZ clients' high expectations by adjusting program offerings to meet their needs. Grow the FTZ Special Fund to fulfill its mission and expand services.

Action Plan: FTZ9 will develop a seminar series designed to educate current and potential clients in international commerce and how to participate by leveraging the FTZ program. FTZ9 will expand partnerships with the U.S. Commercial Services, U.S. Customs and Border Protection, Small Business Administration, Chambers of Commerce, and DBEDT sister agencies to develop and present seminars.

Measure of Success: Expansion in the number of clients and jobs the program supports and continued growth in the program's Special Fund financial position.

Alternative Site Framework Zone (ASFZ): FTZ9 is aggressively marketing the benefits of an FTZ and the ability to activate as an Alternative Site Framework Foreign-Trade Zone. The program has developed a plan to reach companies most applicable to becoming an active Foreign-Trade Zone site. FTZ9 has submitted six (6) applications, three of which have Foreign-Trade Zone Board approval and are waiting for Customs and Border Protection approval and activation.

One-Year Goal: 3 companies approved as ASF Zone locations.

Five-Year Goal: 6 companies approved as ASF Zone locations.

Action Plan: Continue to identify companies conducive to FTZ procedures and assist them in submitting an application for FTZ Board approval. These sites must also meet Customs and Border Protection security and operations guidelines and execute a Zone User Agreement with FTZ9, the Grantee. FTZ continues its work with Innovate Hawai'i and other applicable agencies to identify and open discussions with companies that could benefit from using FTZ procedures in their operations. Improve the application process and relative speed of activation.

Measures of Success: Success for this initiative will be measured in the number of potential clients engaged and how many have begun the FTZ application process.

Natural Energy Laboratory of Hawaii Authority (NELHA)

One-Year Goal: Increase revenue by 5%.

Five-Year Goal: Increase revenue by 15% with research campus expansion completion and increase operation of underutilized assets.

Action Plan: NELHA will develop additional revenue streams to distribute operating costs over a broader base of clients. NELHA will generate additional revenue to cover development costs and make necessary improvements to facilities and infrastructure. NELHA will continue to review non-performing assets and realize the revenue potential afforded.

Measure of Success: NELHA continued self-sufficiency in maintaining operations from Special Fund sources and no need to request General Funds to subsidize operations.

Hawai'i Ocean Science and Technology (HOST) Park Development and Build Out: Continue efforts to plan and complete additional infrastructure to “tee up” new areas for future development. NELHA contracted an architectural firm to plan and design the expansion of the existing research campus with a new “Innovation Village” and a new visitor center. The work will include the design development of a new office building/innovation complex and new visitor center and all associated construction documents, special entitlements, and permits.

One-Year Goal: Complete EA and entitlements process.

Five-Year Goal: Complete construction of the two new buildings.

Action Plan:

FY22 – Complete Environmental Assessment, Archaeological Inventory Survey, Traffic Impact Assessment, Biological Survey, Geotechnical survey and testing, and Drainage plan.

FY23 – Obtain permits for Special Management Area, Conservation Use District, and County of Hawai'i Building.

FY24 – Complete construction bid procurement and execute construction contract.

FY25 – Complete construction and soft opening of new buildings.

Measure of Success: Completion of project on time and on budget.

Exploratory Well for Potable Water Resources: Continued efforts for an exploratory well (CIP funds) for new potable water resources to be shared equally with HHFDC. NELHA continues to invest significant time and effort in working with CWRM staff, well development partners, HHFDC, and other stakeholders to keep the process moving forward. NELHA is also exploring alternative options, such as desalination, and requesting CIP funds to identify offshore freshwater seeps.

One-Year Goal: Work with CWRM to develop mitigation measures and monitoring metrics for CWRM approval and begin exploratory well drilling.

Five-Year Goal: Complete exploratory well, secure funding for production well, and drill production well.

Action Plan: Work closely with HHFDC in partnership in drilling well and testing freshwater quality.

Measure of Success: New high-quality source of freshwater verified.

Removal of Abandoned Deep Seawater Pipelines: Contractors proposed a new plan and restarted the survey to formulate plans and design for removing abandoned deep seawater pipelines operating equipment at 2,000 ft depth; the winter storm season made for unsafe working conditions (the COVID-19 pandemic delayed project).

One-Year Goal: Complete survey and design for removal of pipelines.

Five-Year Goal: Remove pipelines or anchor in place.

Action Plan: Complete current contracts and request CIP funds to mitigate any health and safety issues identified.

Measure of Success: Mitigate any health and safety issues associated with unsecured pipelines that could cause danger to boaters.

HATCH Aquaculture Accelerator Project:

One-Year Goal: Begin 5th year of accelerator operations.

Five-Year Goal: Continue accelerator operations and complete annual cohorts during the 4-year EDA grant period.

Action Plan: NELHA will continue to develop the strategy to establish an aquaculture proof of concept center and be identified as a place for innovation of global aquaculture technologies.

Offer additional services and facilities to support “incubation – accelerator – proof of concept” type facilities and programs and other laboratory services, especially in the field of global aquaculture innovation.

Implement grant in conjunction with HATCH.

Measure of Success: Increase in the number of companies involved in the growth of global aquaculture; increase Hawai‘i’s image and brand as an aquaculture leader; and increase revenue to NELHA. Aquaculture acceleration to become self-sustaining at the end of the new 4-year EDA grant period.

Research & Economic Analysis Division (READ)

Statistics and Data Support Branch (SDSB):

One-Year Goal: To increase the data points by 20,000.

Five-Year Goal: SDSB will develop five more data dashboards on labor, tourism, the economy, and the population. Enlarge the Economic Data Warehouse to include more detailed data on labor statistics.

Action Plan: Weekly meetings are held with the team to discuss work in progress, and each employee is assigned a project to achieve outlined goals. All projects require teamwork to ensure seamless substitution when staff is on leave. Periodic training courses are held in-house or by invited experts.

Measurement of Success: The data products and studies will be measured by media coverage, citations, website visits, and comments from the legislature, administration, and the public.

Tourism Research Branch (TRB): The TRB conducts surveys and studies to monitor the performance and economic contribution of Hawai'i's tourism industry, which is the State's largest employer. The studies include the industry's supply side, such as visitor room inventory, air seats, and cruise arrivals, and the industry's demand side, including visitor arrivals, expenditures, accommodations used, and purpose of trips. The studies also include visitor satisfaction levels and resident attitudes toward tourism in Hawai'i.

One-Year Goal: To report the daily passenger arrivals by direction of travel, monthly visitor statistics, and annual reports on all aspects of tourism.

Five-Year Goal: To conduct more area-focused studies on the economic impact of tourism, such as the North Shore, Windward Side, Waikiki, and Leeward areas of O'ahu. The program will digitize most of the surveys in the next five years.

Action Plan: Periodic meetings with contractors, weekly meetings with the research team, and monthly meetings with the Hawai'i Tourism Authority (HTA) Board to learn the new developments in the tourism area and the demand for tourism data and research.

Measurement of Success: Number of reports released, data series in the dashboard and data warehouse, website visits, and media coverage of the tourism statistics and studies.

Labor Research Branch (LRB): Partners with the U.S. Bureau of Labor Statistics (BLS), the branch conducts surveys to collect data and reports to the public on Hawai'i labor market conditions, including labor force, employment, unemployment rate, job count by industry, wages by occupation, business size by industry, and occupational injuries.

One-Year Goal: To report monthly statistics and annual report on time following the schedule of the BLS.

Five-Year Goal: To prepare research reports on the development of the labor market. Conduct training for Hawai'i data users on the use of labor statistics. Develop a dashboard and enhance the Economic Data Warehouse by including more detailed labor data.

Action Plan: Periodic meetings with the BLS. Monthly and quarterly reports to the BLS. Establish a working group to develop dashboards and a data warehouse for labor statistics. Monthly and quarterly reports to BLS.

Measurement of Success: Number of reports released, data series in the dashboard and data warehouse, number of attendees for the labor statistics training, website visits, and media coverage of the labor statistics.

Economic Research Branch (ERB): Conducted a study on the Hawai'i Genuine Progress Indicators (GPI) for Hawai'i as a more comprehensive measure of the well-being of society, including economic, social, and environmental indicators. The program developed a dashboard on the indicators and will continue estimating the indicators in future years.

One-Year Goal: Prepare five (5) reports on the current economic issues facing the state.

Five-Year Goal: Conduct 25 comprehensive studies on the economy and develop a new model for short-term and long-term economic and population projections.

Action Plan: Weekly meetings are held with the team to discuss work in progress, and each employee is assigned a project to achieve outlined goals. All projects are based on teamwork so that everyone can substitute for each other if one is on leave. Periodic training courses are held in-house or by invited experts.

Measure of Success: Number of studies produced annually, media coverage, citations, comments from the Legislature, Administration and the public, and pageviews on the report website.

Community Outreach and Education: READ participates with the State agency bond rating and sales activities, business and community events, provides training on data use, prepares documents for State financial reports and budget, and presents the economic conditions and projections for Hawai'i.

One-Year Goal: 20 community event participation.

Five-Year Goal: 100 community event participation and training.

Action Plan: Join membership with business communities and organizations. Work with local communities in event planning. Taking leadership positions in the communities. Measurement of success: Good to excellent grade in event evaluations

Hawai'i State Energy Office (HSEO)

Energy Data Analytics: The collection, analysis, and open access to quality data is critical to Hawai'i's successful transition to a decarbonized economy. HSEO continues the deployment of its HAVEN visualization platform as an engagement tool supporting the analysis and communication of information contained within complex energy data sets, highlighting energy and related sector interdependencies and scenarios.

One-Year Goal: Provision and deploy HSEO data lake. Build preliminary capabilities: begin ingesting raw data, testing partitioning schemes, ETL logic, transformations, schemas for structured tables, cataloging, and meta-data. Design, develop, and deploy a new energy data dashboard on the HSEO website.

Five-Year Goal: With a data governance framework largely in place, advanced data analytics are underway and available to the public. Explore monetization of data analytics per HRS §196-72(c)12. Dedicated funding source supports ongoing data science activities.

Action Plan: Develop a data governance framework for energy data to support measurement and evaluation of progress towards state energy goals, identify opportunities, and promote outreach and education.

Design the framework to disseminate data to the public better. Develop the energy data governance framework for Hawai'i through a federally funded Data Scientist and Fellows in partnership with HI-DSI.

Measure of Success: Common data standards and practices across Hawai'i's energy ecosystem. Accessibility of data sets.

Office of Planning and Sustainable Development (OPSD)

Navy Water System Incident GIS Support: The Statewide GIS Program provides staff support to DOH in its investigation and response to the petroleum product contamination of the groundwater at Red Hill. GIS is used to geocode and maintain data related to caller concerns and water sample results. In addition, data from the Statewide GIS Program was combined with other data to perform analysis and to create static and interactive maps for internal use. Publicly available maps will be available soon once confidential and personally identifiable information is scrubbed from the data sets.

One-Year Goal: Draft an updated Strategic Plan for the Statewide GIS Program to build on its strengths and identify areas for improvement to address the needs and concerns of the GIS stakeholders.

Five-Year Goal: Implement the Strategic Plan and review and adjust annually, as needed.

Action Plan: The Strategic Plan will set the priorities for the Program and include goals and intermediate objectives and activities. GIS staff will implement the activities and elements of the approved Strategic Plan.

Measure of Success: Specific milestones and activities of the Strategic Plan will include measurable objectives that will be tracked.

Implement Governance Framework for ArcGIS Online (AGOL) Platform: OPSD plans to work with other state agencies to implement a governance framework around the AGOL platform. This will include coordinating with ETS and agency leadership to establish AGOL liaisons in state agencies

responsible for facilitating and managing agency GIS users, and geospatial content and applications.

One-Year Goal: Obtain buy-in from agency directors and managers to recruit AGOL Liaisons within their agencies to implement governance changes in the AGOL platform. Work with agencies to identify AGOL liaisons and establish roles, responsibilities, and a communication plan.

Five-Year Goal: Establish a regular meeting schedule with AGOL liaisons and work with them to implement changes in publishing and managing users and content. In collaboration with AGOL liaisons, develop additional guidance to address future changes in the platform as they arise.

Action Plan: Work with AGOL liaisons to implement elements of consultant recommendations, revise user roles, revise publishing protocols, and empower and train AGOL liaisons. Regularly solicit feedback from the GIS community regarding issues or concerns with changes in the platform.

Measure of Success: Vetted data and applications from agencies (for content, context, and accuracy); reduced storage required for user content; and fewer inactive users.

Geoplatform Management: During FY 2023, OPSD will work with agencies to expand governance guidance and operational standards from the AGOL online platform to include desktop and server GIS platforms.

One-Year Goal: Communicate licensing and platform changes to the user community and work collaboratively with agencies to develop governance standards across the full geoplatform, extending beyond the online platform to the on-premises server and desktop environments.

Five-Year Goal: Establish a representative GIS key stakeholder Advisory Hui to provide two-way communication channels among agency users. Develop State geoplatform governance standards.

Action Plan: Work with ETS to standardize and conduct the annual GIS software inventory and negotiate GIS licensing and data hosting agreements. Work with agencies to manage and maintain server and desktop licensing and their use of the online AGOL platform. Establish a regular meeting schedule with the Advisory Hui and develop plans to address licensing and hosting requirements in advance of need.

Measure of Success: Year-to-year increase in the ArcMap and ArcGIS Pro installed user base. A smoother EA renewal process secured earlier in the year. Earlier awareness of agency licensing plans and needs by the Statewide GIS Program.

Develop Memoranda of Understanding/Agreement with Agencies Around Data Sharing and Governance: OPSD plans to develop memoranda of understanding/ memoranda of agreement (MOUs/MOAs) with State and county agencies to provide a framework for consistent and reliable data sharing and data security, as well as MOUs/MOAs with state agencies to memorialize a comprehensive governance framework around the geospatial platform.

One-year goal: Execute an MOA with the Office of Enterprise Technology Services (ETS) to establish roles and responsibilities – ETS for funding the enterprise licensing agreement and cloud hosting environment and OPSD for administering and managing the enterprise GIS platform.

Five-year goal: Execute MOUs with state and county agencies to establish regular updates of key data sets and document access and use constraints. Schedule periodic calls/meetings with ETS to discuss geoplatform concerns and issues.

Action Plan: Work with ETS' IT Governance office to develop an MOA; work with stakeholder agencies to identify data sets that can be shared in the state's geodatabase; and develop MOUs to formalize data-sharing agreements. Measure of success: An executed MOA with ETS, and an increasing number of MOUs with agencies (and a corresponding increase in shared data sets)

Establish a Distributed/Federated System of GIS Servers and Data: OPSD plans to develop a distributed/ federated geoplatform architecture (geodatabases and hubs/portals) and develop a governance plan to manage the proliferation of geospatial data and applications in a distributed fashion. The federated architecture is expected to be in the Statewide GIS Strategic Plan.

One-year goal: Develop a comprehensive plan to learn more about the requirements (hardware, software, skill sets) for establishing and maintaining a federated GIS server environment.

Five-year goal: Establish an architecture supporting multiple agencies' GIS servers federating their geodatabases in ETS' Government Private Cloud (GPC).

Action Plan: Work with Esri and ETS to design a sustainable, distributed GIS server architecture to accommodate agency on-premises server needs and establish a best practice governance framework for managing this environment. Measure of success: Proliferation of federated agency-level GIS geodatabase servers and reduction in standalone, unfederated servers and standalone file geodatabases.

Develop a Quantitative Calculation of Return on Investment (ROI) for GIS: During FY 2022, OPSD will work with state agencies to identify activities and measurable outcomes utilizing GIS resources to develop a quantifiable ROI for the state's investment in GIS tools and resources.

One-Year Goal: Gather information from agencies about regular workflows incorporating GIS and noteworthy cases that have had a measurable impact on operations. Identify outcomes and outputs of those efforts that can be highlighted as part of the communication and outreach strategy above. Work with agencies to quantify short- and long-term impacts of those efforts.

Five-Year Goal: Develop communication channels by which the GIS staff can continue to collect information from agencies about their use of GIS with quantifiable results. Action Plan: Survey GIS user community and work with established GIS agency contacts to identify suitable projects and regular workflows.

Measure of Success: Development of an annually repeatable ROI calculation to support continued investment in and further development of geospatial tools, resources, and analysis.

Business Development and Support Division (BDSD)

HiSTEP Program:

One-Year Goal: Secure \$800,000 SBA award (annual competitive grant); assist 225 companies; and achieve \$5.5 million in export sales.

Five-Year Goal: \$500,000+ grants for each 5-year period; \$20 million in export sales.

Action Plan: Tradeshows, missions, and company assistance.

Measure of Success: Increase in export sales; increase in number of Hawai'i companies exporting Hawai'i-made goods and services.

2021 Tokyo International Gift Show:

One-Year Goal: 50 companies participating and reporting two million dollars in direct and mid-term export sales.

Five-Year Goal: 70 companies reporting \$4 million in export sales.

Action Plan: Increase participation in collaboration with Hawai'i Tourism Japan and other partners.

Measure of Success: Increase in export sales.

Hankyu Hawai'i Fair

One-Year Goal: Continue building momentum after the COVID-19 pandemic by achieving 40 vendor participants and topping \$2,000,000 in sales via e-commerce and in-store purchases.

Five-Year Goal: 50 vendors topping \$2.5 million in sales.

Action Plan: Continuously improve manufacturers' product offering and sales ability and leverage the Made In Hawai'i brand in partnership with Hawai'i Tourism Japan and other partners.

Made In Hawai'i:

HiSTEP Program: BDSD is also integrating the "Made in Hawai'i" export development program, offering support to registered companies ready to expand their sales abroad. BDSD will continue strengthening the website as a hub of information and resources for Hawai'i manufacturers and retailers.

One-year Goal: 400 companies registered and listed at the end of FY 2022.

Five-year Goal: Business-to-Business (B2B) e-commerce increased online network of importers and overseas distributors.

Action Plan: Promotion to target markets of local shoppers, visitors, U.S. continent, Japan and other overseas markets.

Measure of Success: Increase in visitor traffic and sales by companies.

Hawai'i Military Alliance: The Alliance has identified these key areas of focus: Small Business Support, Workforce Development, Business Ecosystem Development, Market Development, and Resiliency.

One-year Goal: Create a formal Hawai'i Defense Alliance comprised of representatives from all identified partners. Establish working groups to address the Alliance's initiatives and an Executive Committee to oversee and guide the Alliance.

Five-year Goal: Through the efforts of the Alliance, increase the dollar amount and number of DoD contracts and sub-contracts awarded to local businesses. Establish career pathways for local workers/students to obtain high-paying jobs.

Measure of Success: \$50 million increase in defense-related procurement to local businesses.

Cybersecurity Assistance: In April 2021, DBEDT awarded a \$345,500 contract to Referentia Systems Inc. to provide educational and technical cybersecurity assistance to local businesses to maintain compliance with DoD cybersecurity requirements. This contract will focus on: *Learning and Education: Establish an online learning platform to educate local businesses about the cybersecurity requirements DoD mandates for all their contractors. * Technical Assistance: Provide in-person assistance for up to 40 local businesses that require a more in-depth review of their information systems. For those companies who handle Controlled Unclassified Information, additional steps are required to ensure their inProvide in-person assistance for up to 40 local businesses who require a more in-depth review of their information systems. For companies that handle Controlled Unclassified Information, additional steps are required to ensure their information systems are secure and any vulnerabilities within the system are identified.

One-year Goal: Improve the level of knowledge amongst the local defense industrial base regarding DoD cybersecurity requirements.

Five-year Goal: Maintain an active cybersecurity compliance program to ensure local DoD contractors continue to meet the ever-changing requirements of DoD.

Measure of Success: No local businesses that complete the learning modules or receive technical assistance are identified as non-compliant with DoD cybersecurity requirements.

Cyber Leaders: As cybersecurity is vital not only to the defense sector but also to those businesses that perform, or wish to perform, on all federal contracts, DBEDT awarded a \$250,000 contract to CyberHawaii in June 2021. This contract intends to: *Develop a corps of Cyber Leaders: Through the collection of IT firms that comprise CyberHawaii, IT professionals will be trained and interned with local companies to educate local small businesses on cybersecurity hygiene and best practices. The goal is to educate and certify at least 12 IT professionals as Cyber Leaders and to assist up to 250 local businesses.

One-year Goal: Establish a training program and certify 12 cyber leaders within the local community.

Five-year Goal: Create a viable resource for local businesses to educate them on the importance of cybersecurity for both federal contractors and non-contractors.

Measure of Success: Increase in the number of local small businesses aware of and using best practices related to cybersecurity.

BDSD Enterprise Zone (EZ): The EZ Partnership Program is a joint state-county effort intended to stimulate—via tax and other incentives—certain types of business activity, job preservation, and job creation in areas where they are most appropriate or most needed. At the end of 2020, the companies eligible to receive EZ benefits reported 1,095 new or maintained jobs statewide. There were 192 companies enrolled in the EZ Program at the end of 2020.

One-Year Goal: 225 companies enrolled at the end of 2022.

Five-Year Goal: 250 companies enrolled.

Action Plan: Market to agriculture, wholesaling, and manufacturing-related companies.

Measure of Success: Increase in jobs created and maintained in economically challenged areas of the state.

Hawai'i Tourism Authority (HTA)

Overseas Offices: Beijing and Taipei continued their work and support to DBEDT in business development programs to promote trade and investment, and sister-state relations between Hawai'i and Greater China. Offices were able to support Hawai'i Tourism Authority (HTA) while their representatives were absent during the reorganization to maintain the brand image of Hawai'i for the tourism industry in Asia.

One-Year Goal: Organize two coffee marts to introduce Hawai'i coffee to buyers from Shanghai and Kaohsiung. Establish the travel bubble agreement between Hawai'i and Taiwan.

Five-Year Goal: Maintain the operation of overseas offices and refunction offices as Education Services Center to attract more students to Hawai'i.

Action Plan: Leverage sister-state relations and the local relationship in China to increase opportunities for Hawai'i businesses through different projects.

Measure of Success: Increase export sales and increase in international students from Greater China.

Small Business Regulatory Review Board (SBRRB)

SBRRB continues to review pre- and post-public Hawai'i Administrative Rules (HAR) of State and County agencies.

One-Year Goal: Continue to meet monthly to review State and County HAR and requests from small businesses for regulatory relief.

Five-Year Goal: Strategic plans are established annually.

Action Plan: To achieve these goals, Board members must regularly review, evaluate and update its action plan.

Measure of Success: Number of small business participation in meetings. Number of pre- and post-public hearings conducted.

SBRRB Outreach: To provide information to the small business community, outreach via social media platforms – Facebook, Twitter, and Instagram, is being ramped up. SBRRB brochures are mailed monthly to dozens of Hawai'i businesses, and the distribution list of its monthly e-newsletter is being increased. In addition, the proposed NIC Hawai'i contract for the SBRRB's website entails redesigning the homepage, adding state and county department-level filtering, and updating content pages and the Mailchimp signup form.

One-Year Goal: Expand current and projected outreach activities and identify small business organizations to explore potential cooperative outreach.

Five-Year Goal: Strategic plans are established annually.

Action Plan: Continue to review and improve the Board's outreach plan, which includes weekly social media outreach, mailing brochures, and outreach efforts performed by individual board members.

Measure of Success: Outreach activities will be measured by the number of activities attended and small business organizations approached.

Creative Industries Division (CID)

Film Production: Stabilize staffing with permanent hires for statutory duties of film tax credit and film permitting. Complete digital transformation through an online tax credit filing system developed with NIC. Launch of the portal in FY22-Q3 will feature the Production Registration Form (PRF) with Hawai'i Production Report (HPR) module in Spring FY22.

Five-Year Goal: Resilient film and television production, Increased contributions to Act 228, SLH 2019 Hawai'i Film and Creative Industries Development Fund.

Action Plan: Continue partnerships with the private sector, foundations, and federal support to mitigate fiscal impacts to the program.

Measure of Success: Maintain steady offshore production and increase infrastructure capacity of stages on all islands.

Creative Lab Hawai'i & Digital Transformation Initiatives: The increased digital export of original content and music driven by the pandemic needed to pivot to an online presence and reached a

record number despite the pandemic. This signals a significant opportunity to shift focus on digital transformation for Hawai'i creatives.

One-Year Goal: Build a digital online hub to showcase original content. Workshops in legal, business, and IP creation and protection in conjunction with Senator Hirono's team in D.C. Continue to build out the pipeline of education-to-workforce opportunities in media, indigenous storytelling, VR/AR storytelling, music, and design. Build partnerships and secure funding from foundations and federal dollars.

Five-Year Goal: Increase jobs in e-commerce, export of creative IP, post-production, and licensing of original songs in mainstream film, television, streaming, and commercials.

Action Plan: MOAs and P3s developed to accelerate placement in new sectors of emerging industries.

Measure of Success: 30% to 50% increase in jobs across creative and emerging sectors.

Wellbeing of People

Office of Planning & Sustainable Development (OPSD)

The Comprehensive Economic Development Strategy (CEDS): The CEDS is a federally funded strategy-driven plan providing regional economic development throughout the State.

One-Year Goal: Complete the CEDS Update and start the Hawai'i Economic Recovery & Resilience (HIERR) Plan.

Five-Year Goal: Apply for EDA grant to support the next five-year CEDS Update, complete the HIERR Plan, and support the implementation of the focus-area actions.

Measure of Success: Enable Hawai'i's government and non-profit agencies to be eligible to apply for federal funds to support sustainable and resilient economic development programs and facilities.

LUC Stimulate the Construction Industry and Increase State Housing Inventory: The Land Use Commission (LUC) processes, reviews, and acts on petitions for housing and infrastructure projects to help stimulate the construction industry and increase the State's housing inventory. The LUC will be able to continue to meet all long- and short-term goals in the approval of petition processing.

One-Year Goal: Reduce the time for response to boundary determinations.

Five-Year Goal: Continue to streamline the process.

Action Plan: Digitize archive materials. Update and modify the LUC website.

Measure of Success: Increase in number of petitions handled annually.

LUC Affordable Housing: LUC activities focus on approving and enabling large- and medium-scale construction and housing projects to stimulate the construction industry and further the state's affordable and market-rate housing inventory.

One-Year Goal: Complete filed petitions within required time frames.

Five-Year Goal: Complete filed petitions within required time frames.

Action Plan: Work directly with petitioners to ensure a fair but expedited process.

Measure of Success: Decrease in affordable housing shortage.

State Land Use Review of Districts: The OPSD completed a draft report of the boundary review required by HRS §205-18, which calls for the "review of the classification and districting of all lands in the state." The draft report was distributed to state and county agencies and made available to the public on the OPSD website. A presentation of the review findings was made to the State Land Use Commission in November 2021. The review focuses on the consistency of the district boundaries with county plans for urban growth and on the Agricultural District, which has experienced the most changes in land use over the past few decades.

One-Year Goal: Complete and submit the final Boundary Review report to the Governor, Legislature, State Land Use Commission, counties, and the general public. Proceed with further discussion of approaches to resolving land use issues identified to the extent possible given the limitation of staff and funding.

Five-Year Goal: Collaborate with state, county, and landowners to implement actions, including legislation as deemed necessary. Initiate the boundary review in keeping with the original intent to review the land use districts every five years, subject to staff capacity or funding to undertake the review.

Action Plan: Employ GIS overlays and analyses to compare the current status of the district boundaries relative to county land use plans, resources, and developments. Consult with counties, the Land Use Commission and stakeholders in the State Land Use process in implementing report findings. Recommendations for district boundary amendments may be pursued if funding becomes available.

Measure of Success: Adoption of recommendations by state and county.

State Transit-Oriented Development (TOD): The OPSD prepared the State of Hawai'i Strategic Plan for TOD (Aug 2018), including over 65 proposed TOD projects on State and county lands Statewide. The State of Hawai'i Strategic Plan has continued to evolve with the undertaking of master plans and the addition of new projects endorsed by the TOD Council. The selection of a finance consultant has been completed.

One-Year Goal: Award the Infrastructure Finance Study and initiate project work for the TOD Pilot Areas and education on value capture options, which could include future legislative

recommendations. Use the 2020 TOD Implementation Plan report to help prioritize funding of the TOD project and regional infrastructure capital improvement project needs.

Five-Year Goal: Undertake a comprehensive review of the State TOD Strategic Plan to assess progress and objectives and revise strategies as needed for improved implementation, including a review of the role and responsibilities of the TOD Council.

Action Plan: Use the Implementation Project findings to assist and track actions needed to facilitate shared infrastructure investments and individual State agency project development.

Measure of Success: Use of the study cost information and financing strategies to guide development.

OPSD TOD CIP-funded Projects: OPSD-County contract execution is anticipated in March 2022, with the project commencing thereafter.

One-Year Goal: Participate in all projects awarded OPSD TOD CIP funds to ensure that state and county collaboration around State TOD objectives and principles are advanced in each project and that projects stay on schedule and result in impactful deliverables. Seek continued appropriations for TOD CIP funds to seed TOD projects that can help with economic revitalization and affordable housing development within mixed-use communities.

Five-Year Goal: Complete all planning work (within two years of project initiation).

Action Plan: Finalize Memoranda of Agreement and contractual and funding disbursement arrangements with lead project agencies; participate in project planning and monitor project progress and deliverables for timely completion. Share best practices among projects to expand implementing TOD principles and deepen collaborative relationships among state and county agencies.

Measure of Success: Completion of funded projects and initiation of development.

Kaka'ako Mauka Area Rule Amendment: Amend the Kaka'ako Mauka Area Rules to include Transit Oriented Development (TOD) principles to support the State's TOD goals.

One-Year Goal: Complete and adopt the Mauka Area Rule amendments, including a TOD rule overlay with zoning incentives.

Five-Year Goal: Implement the amended rules and TOD zoning incentives to encourage development in Kaka'ako.

Action Plan: Work with Kaka'ako landowners, developers, and stakeholders to plan and implement development projects utilizing zoning incentives.

Measure of Success: Success will be measured by the number of development projects and housing units (especially reserved housing units) in Kaka'ako.

Hawai'i Community Development Authority (HCDA)

HCDA Create Economic Development Through Revitalization: The 1976 State Legislature created the HCDA to plan the future development of underutilized urban areas of Hawai'i. Lawmakers determined these "community development districts" were underused and deteriorating but had the potential to provide great economic opportunities to the state once they were redeveloped.

One-Year Goal: HCDA staff will continue to review and approve development and renovation permits and manage its revenue-earning assets and lands in the districts.

Five-Year Goal: Encourage more development in the Kaka'ako and Kalaeloa districts, including affordable housing development.

Action Plan: HCDA will work closely with the landowners and developers, development permit applicants, and HCDA lessees in the community development districts.

HCDA will work with the community and HCDA consultants to amend community development district plans and rules as necessary to facilitate development in each district, especially in Kaka'ako, where HCDA will amend the Mauka Area rules described below.

Measure of Success: The measurements for achieving these goals are the number of development permits processed by the HCDA, the number of housing and mixed-use developments in each community development district, the number of affordable housing units developed, an increase in HCDA revenue from its leases, and an increase in GET and property tax revenue generated in the community development districts.

Kalaeloa Community Development District Plan: HCDA commenced the update of the Kalaeloa Community Development District (KCDD) Plan and Administrative Rules. The Kalaeloa Master Plan was adopted in 2006, and the Hawai'i Administrative Rules Title 15 Chapters 215 and 216 were adopted in 2012. The Plan and Rules govern all development activities within the estimated 3,700 acres in the KCDD, except for federally controlled parcels. Since the Kalaeloa Plan and Rules were adopted, major developments have occurred within and adjacent to the KCDD. An assessment of the current state of the KCDD and surrounding area is needed.

One-Year Goal: Continue with the update of the Plan and Administrative Rules.

Five-Year Goal: Complete the update of Plan and Administrative Rules. Implement the amended Plan and Rules.

Action Plan: Identify favorable and detrimental conditions to redevelopment in the district and develop strategies for affordable housing development. Work collaboratively with community groups and stakeholders to obtain feedback relating to development in the district.

Measure of Success: The updated Plan and Rules are adopted. Success will also be measured by the number of development projects in the district and the number of affordable housing units in the district.

HCDA Affordable Housing: The HCDA, under its Reserved Housing Program, requires at least 20 percent of the residential units in new developments to be made available at an affordable price to qualifying households. Within the Kaka’ako Community Development District (KCDD), 39 residential projects have been completed, two are under construction, and one has been permitted but has not started construction. Between these projects, 12,589 residential units are completed, under construction, or going into construction, out of which more than 1 in 3 units are designated as affordable housing units.

One-Year Goal: Complete the review of applications for the 697 reserved housing units at Ulana.

Five-Year Goal: Utilize shared equity payments to leverage affordable housing development, preferably affordable rental housing development in Kaka’ako.

Action Plan: HCDA will continue to work with the Kaka’ako community, private developers, and Hawai’i Housing Finance & Development Corporation to develop affordable housing in Kaka’ako.

Measure of Success: Success will be measured by the number of new development projects in Kaka’ako and an increase in affordable housing units in Kaka’ako.

Hawai’i’s housing finance and development Corporation (HHFDC)

HHFDC Affordable Housing: In collaboration with the private sector, HHFDC provided financing for affordable rental housing to individuals and families earning 30% to 140% of the area median income (AMI) through the following programs: Low-Income Housing Tax Credits (LIHTC

Five-year Projection: HHFDC plans to assist in the finance and development of approximately 7,563 workforce/affordable units over the next five years.

Action Plan: HHFDC will continue to work with the counties, community, private developers, Hawai’i Community Development Authority, and other state agencies to facilitate housing development statewide.

Measure of Success: Number of new development projects and affordable and workforce housing units produced or preserved statewide.

Hawai’i State Energy Office (HSEO)

One-Year Goal: Contract for services to develop training exercise workshops for SESF-12/SERT; identify and obtain funding for a second position to support energy assurance operations and training; pursue and administer BRIC, Hazard Mitigation and Homeland Security grants, Emergency Management and Cybersecurity technical assistance, and IJIA resilience funding opportunities. Represent the State’s energy assurance policies in relevant dockets to develop a complete record in support of the Hawai’i Public Utilities Commission (HPUC).

Five-Year Goal: All HSEO staff cross-trained in SERT roles and responsibilities and government continuity of operations to ensure SERT capacity and effectiveness. A portfolio of energy

resilience projects coordinated with relevant state agencies and energy stakeholders is developed for annual federal funding opportunities, including BRIC.

Action Plan: Continue to build out HSEO's SERT and expand the office-wide capability to support SESF-12 activities to prepare for effective discussion-based exercises, as well as the development and implementation of the actual exercises to provide needed feedback and input needed for updating state-level plans and developing institutionalized capacity within the HSEO and State.

Develop an Energy Common Operating Picture (COP) for both energy assurance and resilience planning and emergency response.

Advance investment in resilient energy supply infrastructure throughout Hawai'i.

BRIC, Hazard Mitigation grants, IJJA, and other energy resilience and homeland security grant opportunities were coordinated as relevant with sister agencies at the state and county levels to develop a pipeline of projects and funding.

Measure of Success: Number of staff and stakeholders trained in the roles and responsibilities related to SESF-12

Research & Economic Analysis Division READ

International Student Attraction: The State of Hawai'i offices in Beijing and Taipei continued to support Hawai'i as a study destination. The Study Hawai'i Consortium and Hawai'i Education Service Centers in Beijing and Taipei maintained relationships with schools, students, and parents during the global pandemic.

One-Year Goal: Keep connecting students and parents through the Study Hawai'i Consortium and State of Hawai'i Overseas Offices.

Five-Year Goal: Recapture students to study in Hawai'i.

Action Plan: Rejuvenation of Study Hawai'i organization, reattract students to study in Hawai'i.

Measure of Success: Increase in international students.

Creative Industries Division (CID)

CID's Arts and Culture Development Branch (ACDB) handles business, infrastructure, access to capital (Act 228, SLH 2019), workforce development, including Creative Lab Hawai'i, and related initiatives to build a thriving creative ecosystem.

One-Year Goal: Continue expansion of collaborative initiatives, fund Act 228, SLH 2019, and launch initiatives to provide seed capital for qualified Hawai'i creative entrepreneurs with projects under \$200,000.

Five-Year Goal: Hawai'i has developed a self-sustaining ecosystem with a vibrant economic impact, and the export of original works has increased through global IP licensing.

Action Plan: Build out infrastructure. Secure partnerships with New Zealand, Japan, and Korea for business-to-business remote work opportunities for Hawai'i residents in media, VR/AR, and content creation.

Measure of Success: Pipeline of business opportunities generated from industry relationships, private sector capital raise for Act 228, SLH 2019 nets \$1 million annually beginning FY23. Metrics of export of IP includes licensing and distribution of films, online series and music licensed, and pipeline of jobs filled by residents in emerging industries.

Business Development & Support Division (BDSD)



2022 Tokyo International Gift Show (TIGS) Vendors/Participants (HiSTEP-HP)

About BDSD:

The Business Development & Support Division (BDSD) promotes economic development and diversification in Hawai'i. BDSD supports existing and emerging businesses with programs that help companies grow and be successful. Programs include business financing, export development, and tax incentives to create more high-skilled, quality jobs while increasing the export of Hawai'i products and services. Hawai'i's participation in global trade and commerce supports small businesses and community-based organizations to create a more resilient local economy.

Overview of HiSTEP Programs:

The Hawai'i State Trade Expansion Program, known as HiSTEP, assists Hawai'i small businesses looking to develop or expand their exporting capabilities. HiSTEP has three integrated components, which include the Export Readiness Program (ERP), Hawai'i Pavilions (HP), and Company Assistance Program (CA). The Export Readiness Program (HiSTEP-ERP) is a training

program that provides one-on-one advising and seminars to educate and prepare Hawai'i small businesses looking to expand or begin exporting capabilities. The Hawai'i State Trade Expansion Program – Company Assistance (HiSTEP–CA) assists Hawai'i companies with export development activities by participating in trade shows and missions. Some of the most important trade shows include, but are not limited to, GULFOOD, FOODEX Japan, Natural Products Expo West, International Food and Additives Expos (IFIA), Hankyu Hawai'i Fair, and the Tokyo International Gift Show (TIGS).

In 2022, BDSD assisted over 150 companies, resulting in a \$20 million impact in total sales with \$12 million in export sales. This generated approximately \$881,000 in state tax revenue and created over 100 jobs.

Enterprise Zone Program

Businesses that qualify for the Enterprise Zones (EZ) Partnership program receive State tax benefits for up to seven consecutive years to stimulate business activities while growing and preserving jobs in target areas. The EZ Program continues to support job creation and maintenance in economically challenged areas of the state. As reported by EZ companies, 177 companies from diverse industries participated in the program, with a total of 1,113 jobs created or maintained and \$160 million in total revenue earned.

Community-Based Economic Development (CBED)

The community-based economic development (CBED) program provides training and capacity-building opportunities to promote, support, and invest in projects that prioritize improving the quality of life for residents. In 2022, there were ten small business expansion loans for working capital and equipment purchases and two legacy, non-EDA small business loans issued by CBED. A total of \$875,000 in loans were deployed through an Economic Development Administration (EDA) fund with a 20% State match.

Sister States

DBEDT's Sister-State Program currently has 19 sister-state relationships, establishing working relationships between various foreign organizations and governments to promote Hawai'i internationally and collaborate on programs to stimulate the economy.

International student attraction into the state resulted in an economic impact of more than \$208.5 million in 2021. This directly and indirectly supported approximately 2,741 jobs, which generated \$14.7 million in state taxes.

The Defense Economy

The Department of Defense (DoD) spends billions annually in Hawai'i. Second only to tourism, this spending helps support tens of thousands of local jobs. DBEDT evaluates the

significance of this spending, promotes small business participation in the defense sector, and measures the potential economic effect/value creation derived from that investment. The total value of defense contracting/procurement in Hawai'i is approximately \$2.6 billion annually. Changes in this investment will impact the local economy.

Future Outlook

The Business Development & Support Division (BDSD) continues to support Hawai'i business activities and operations, create opportunities for local businesses to grow and compete globally, and strengthen the local economy.

Creative Industries Division (CID)



"A Hawaiian blessing for the cast & crew of CBS' NCIS= Hawai'i kicked off its second season filming the hit show at the state-owned Hawai'i Film Studio at Diamond Head. than 2,000 local residents are hired to work on the series each season." Photo: Karen Neal/CBS ©2022 CBS Broadcasting, Inc. All Rights Reserved.

About CID:

The Creative Industries Division (CID) in DBEDT is focused on the development and growth of Hawai'i's creative economy through four initiative areas: workforce and skills development pathways, ecosystem expansion through regional facilities and infrastructure, access to investment capital for local creative entrepreneurs to thrive, and policy development to spur creative sector economic development. Hawai'i's creative economy includes film production, performing and visual arts, cultural arts, music, publishing, design, architecture, animation, and interactive and immersive media. Comprised of the Hawai'i Film Office (HFO), which was established in 1978, and the Arts and Culture Development Branch (ACDB), established in 2003, the two branches support CID vision plan to increase the business-to-business, entrepreneurial capacity, and growth of the state's creative clusters, while maintaining Hawai'i as a hub for creative, cultural and media development.

CREATIVE SKILLS AND WFD: UH Good Jobs Hawai'i Initiative

CID is the designated creative sector lead for the UH Good Jobs Hawai'i (GJH) Initiative. As the final of the four sectors GJH identified as focus areas, CID is currently in the first phases of initiating the Creative Industries Sector Partnership. Sector Partnerships are a proven strategy for helping workers prepare for skills-required jobs and helping employers find skilled workers.

GJH is a coalition of businesses, educators, industry, and community partners that will help people in Hawai'i develop high-quality jobs and careers while ensuring employers meet their needs for a skilled, local workforce. The University of Hawai'i Community Colleges (UHCC) are leading the effort by offering free skills training in high-demand industries: healthcare, IT, clean energy, and creative industries. Employers from these industries have pledged to work with CID/DBEDT and the UHCC System to identify positions that need to be filled. UHCC will provide the training and support that allows individuals to be skilled and have pathways to advance in these high-demand jobs.

Creative Lab Program & Hawai'i Creative Hui

[Creative Lab Hawai'i \(CLH\)](#) was founded by CID/DBEDT in 2012 to accelerate new business and monetization opportunities for Hawai'i's creative. Each year, the CLH participants receive hands-on mentorship from industry leaders, participate in training workshops, and have access to public panels and other opportunities. This cultivation of industry expertise allows participants to expand revenue streams and business opportunities to realize their dreams of careers in creative fields. Since its inception, CLH has provided mentorship by industry leaders to over 1,800 Hawai'i residents across the islands, creating an environment for collaboration and building new business relationships with a global audience. This is one of many programs that support artists in the areas of Indigenous Storytelling, Playwriting, Screenwriting, Producing, Directing, Songwriting/Music, the Business of Acting, and previously held programs for Game Design and Design/Fashion.

CID brought together other programs and organizations in the film, media, and music sectors to collaborate and elevate opportunities to grow these sectors through the Hawai'i Creative Hui (HCH). Founding organizations include Pacific Islanders in Communications, CLH, 'Ohina Labs and Showcase, Hawai'i Women in Filmmaking, Hawai'i Filmmakers Collective, Hawai'i International Film Festival, and the Hawai'i Songwriters Festival.

The Creative Lab Music Immersive (CLMI) component focuses on Hawai'i singer-songwriters looking to advance opportunities in licensing their works for global media and entertainment content.

Over the past several years, songs from the CLMI have been placed in more than 75 national advertisements, television, and streaming shows. This includes shows such as "Grey's Anatomy," "NCIS," "Magnum, P.I.," "Nashville," "All Rise," "Heartland," NFL sports broadcasts, and more.

Under the direction of Grammy and Nā Hōkū Hanohano Award recipient Charles M. Brotman, the CLMI provides songwriters with the opportunity to co-write and produce for specific TV, advertising, and media projects working alongside world-class music supervisors, producers, songwriters, and executives. Creative Lab is building a community of music professionals who are connected to the music business abroad and are creating music in Hawai'i that reaches the U.S. continent and beyond through placements in TV shows and other media.

This strategic vision is cultivating industry know-how to compose and license original songs for global films, TV, streaming, or advertising so participants can expand revenue channels for their talents.

Hawai'i Film Tax Credit

As an internationally recognized production destination, Hawai'i is strategically situated to become the U.S. leader in the global creative digital economy. The state's unique multi-cultural identity supports creative arts as a form of economic diversification and revitalization, as witnessed by advancing locally originated content for export. CID seeks to strengthen the state's film credit program to keep Hawai'i globally competitive and attract new business to the state, thereby developing our workforce and increasing demand for additional infrastructure development.

INFRASTRUCTURE AND FACILITIES DEVELOPMENT

Creative Space/Creative Hub Initiative

In partnership with the Foreign Trade Zone (FTZ) division and the Hawai'i Technology Development Corporation, CID launched two creative co-working spaces to cater to local startups in several creative sectors in the emerging categories: the Homer Maxey International Trade Resource Center and Entrepreneurs Sandbox. These spaces are equipped with the tools to support content creation for media, music, and design.

CID is also partnering with all counties with current projects planned on the Leeward Coast, Kaua'i, Hawai'i Island, and Maui, including potential creative facilities. Projects to date include Kaua'i Creative Technology Center (KCTC), Maui Research and Tech Center (MRTC), and the new project in Kona on Queen Lili'uokalani Trust lands supporting film production and creative entrepreneurial growth. These facilities develop a network of support to provide the resources to stimulate innovation and economic growth for Creative Industries in Hawai'i.

2023 Outlook:

State and County Collaboration Framework MOA

CID and all County Offices of Economic Development have forged an alliance under a Memoranda of Agreement (MOA) to collaborate on creative, workforce, and film industry permitting systems and initiatives.

2022 INFRASTRUCTURE AND FACILITIES DEVELOPMENT

Kalaeloa Stages

In addition to the Hawai'i Film Studio facility at Diamond Head, DBEDT has a license agreement with the U.S. Navy to manage Kalaeloa Stages, a 13-acre property at Midway and Enterprise Avenues. Since 2017, 90,000 square feet of stage space, 30,000 square feet of prop, wardrobe, and related storage for productions, and an onsite mill have allowed the state to host multiple streaming and television series and feature productions.

Until a new purpose-built facility opens, this is a critical facility to keep our local workforce hired on multiple series or films. An adjacent property of 10 acres was recently added, offering a total of 23 acres to support film and television production.

Hawai'i Film and Creative Industries Development Fund (HRS 201-113)

With the passage of Act 193, SLH 2022, the Hawai'i Film and Creative Industries Development Fund was enacted by the Legislature to provide access to much-needed capital for early-stage film, media, electronic sports, and creative industries IP development. Part of the digital economy, the fund is crucial to developing a Hawai'i based creative content industry. \$843,000 from DBEDT creative and media facilities rent is transferred into the fund, and CID seeks to award up to \$300,000 annually to projects once the Hawai'i Administrative Rules are promulgated.

Digital Transformation of CID Systems

CID and HFO staff will complete two projects designed to manage data gathering and reporting of current statutory programs more efficiently. HFO leads the Standard Film Permitting System and will be completed in Q4 FY24. The DBEDT Tax Credit Hub Registration System will be completed this fall, and the Reporting module will be launched in Q3, FY24. NIC/Tyler is the contractor for both systems.

Foreign Trade Zone (FTZ)



Pier 2 Facility at Foreign Trade Zone 9

About FTZ:

FTZ9 is the 9th Foreign Trade Zone (FTZ) established in the United States. FTZ9 is a fully self-funded State of Hawai'i operation that does not use tax revenues to run operations. The Foreign-Trade Zone No. 9 Division's mission is to establish, maintain, and administer general-purpose Foreign-Trade Zones and special-purpose Foreign-Trade Subzones throughout the State. FTZs are designated areas of land in the United States located outside of U.S. Customs territory. They act as a one-stop shop for businesses, manufacturers, importers, and distributors by streamlining the process of exporting foreign imported merchandise without paying U.S. duties. This saves money that can be used to fuel economic growth and support international operations for Hawai'i businesses. There are Foreign-Trade Zones throughout Hawai'i, with locations on O'ahu, Maui, and Hawai'i Island. Hawai'i is the 9th state to implement these zones to support local economic growth. The state-of-the-art Pier 2 facility and in-house experts can help businesses throughout the importing and exporting process. This facility provides storage and distribution services to firms and leases office, warehouse, and manufacturing space to firms engaged in international trade.

Homer A. Maxey International Trade Resource Center:

The Homer A. Maxey International Trade Resource Center and conference room opened in 2014 to allow companies in the next level of international trade to participate in high-tech and media development. Approximately 35,000 square feet of existing FTZ Pier 2 warehouse space was transformed into additional office, co-working, and meeting space to expand the program's growth potential for import/export and economic development. This facility advances the State's international trade, economic development, and maritime initiatives.

Installed Photovoltaic Array:

Installing an alternative energy system large enough to satisfy all the program's daily energy use reduces FTZ9's energy costs and allows FTZ9 to be self-sufficient. With a third of the operating budget spent on energy, the photovoltaic (PV) array installation reduces costs and aligns with the Governor's 2045 clean energy initiative. It is the largest array installed in the downtown business district. FTZ intends to continue expanding the system so that the Pier 2 facility can generate and store sufficient energy to become fully self-sufficient.

Reorganize FTZ9 Under Alternative Site Framework (ASF):

The Foreign-Trade Zones Board under the U.S. Department of Commerce authorizes FTZs nationwide to reorganize their Zone Projects to take advantage of an updated way for companies to engage in the program. The new Alternative Site Framework (ASF) format streamlines activating new Zone locations by allowing the Grantee to front-load the necessary application and site designation authorization. As a result, the activation time, application size, and cost are reduced. This reorganization allows FTZ9 the flexibility to identify more businesses that take advantage of FTZ processes, allowing for the continued expansion of the program within the State, greater international trade activity, and growth in economic development. This reorganization makes the application and activation process faster and less complicated. Companies that have activated using Foreign-Trade Zone procedures may see duty savings on imported goods.

2023 Outlook:

As noted in FTZ9's 2022 annual report, FTZ9's Pier 2 facility continues to expand its capabilities to better serve businesses and solidify itself as the "go-to" place in the state to conduct international trade in Hawai'i.

Research & Economic Analysis Division (READ)



The Research & Economic Analysis Division (READ) produces and interprets economic data affecting Hawai'i. Its analyses and forecasts aid statewide economic development.

About READ:

The Research & Economic Analysis Division (READ) enhances and supports Hawai'i economic development by providing data analyses and policy recommendations on economic issues. READ is responsible for developing short-term and long-term forecasts of Hawai'i's local economy, as well as reporting on all aspects of business activity, the economy, and demographic characteristics of the State. They also maintain a statewide statistical reporting program through the State of Hawai'i Data Book, Economic Dashboards, and online Data Warehouses.

Economic Studies:

READ published 63 annual economic research reports between 2019 and 2022, all available online. The area of focus for these reports pertains to construction, housing, education, energy, labor force development, income and consumption, technology, population, and taxation. These studies provide valuable information and analysis for policymakers, government agencies, businesses, and citizens for decision-making, business planning, and career development. Many of the reports are referenced in local and national media.

Economic Data:

READ gathers data to communicate findings through publications like the annual State of Hawai'i Data Book, the Annual Visitor Research Report, the Visitor Satisfaction and Activity Report, the Resident Sentiment Study, the Hawaii Employment and Payrolls, Occupational

Employment and Payroll, Quarterly Statistical and Economic Reports, the Monthly Economic Indicators and Monthly Energy Trends, Monthly Visitor Statistics, the Weekly Unemployment Claims, the Weekly Building Permits for PV installation, and the Daily Passenger Count. There are also two data warehouses for economic and tourism data. As of December 2022, the Economic Data Warehouse consists of over 500 indicators of about half a million points with information dating back to 1940, and the Tourism Data Warehouse has about 200 indicators with over half a million data points.

User Friendly Data Presentation:

There are 14 dashboards created to visually present economic data and trends with three major components: economic conditions, national ranking, and census data. Economic conditions are updated monthly and focus on six areas of economic data. The Tourism Dashboard was re-developed in 2018 to provide a more comprehensive way to present data. Hawai'i's national ranking is determined by comparing 31 economic indicators to other states and is updated annually. The Census Tract provides demographic, social, economic, and housing data insights at Senate and House district levels. This graphic presentation of the data is accessible with one mouse click and sees an average of 35,229 page views per month on the economic data dashboard. Additional tourism research dashboards and reports prepared by READ are published on the Hawai'i Tourism Authority Website.

Future Outlook:

READ will continue to serve the community by providing the data and statistics that act as a base or guideline for decision-making and policy recommendations to benefit the resident population, visitors, government, and businesses in Hawai'i.

Small Business Regulatory Review Board (SBRRB)



SBRRB Chair Mary Albitz with SBRRB member Sanford Morioka (center) along with Vice Chair Robert Cundiff (right) and Second Vice Chair Jonathan Shick (left).

About SBRRB:

The Small Business Regulatory Review Board (SBRRB) examines and recommends any new or amended administration rules proposed by government agencies. The board holds monthly meetings and assists small businesses with adhering to current administrative rules or compliance. SBRRB holds virtual monthly meetings that are open to the public, but modifications to the 2022 State of Hawaii's Sunshine Law allow for open board meetings that are also accessible to the public. Potential concerns are addressed before the rules come to the Board, saving time. This allows Hawaii small business owners to focus on scaling up and growth rather than having to attend public hearings.

2022 Achievements and 2023 Outlook:

In 2022, there were 25 rules to be reviewed from state agencies, which is a lower than usual number due to the impacts of COVID-19. SBRRB launched a new, user-friendly website allowing department-level filtering of meetings, agendas, and reports. Along with the SBRRB's launch of its new website, it is implementing a concentrated outreach program to Hawai'i's small business community, including the neighbor islands, Chambers of Commerce, and trade organizations. An SBRRB representative attended the 2022 Hawai'i Small Business Fair at Leeward Community College to extend outreach and inform small businesses about the available resources.

As of December, the board operates at full capacity with 11 members, five of which were all submitted for consideration and confirmed. The board members consist of small business owners and volunteers appointed by the Governor and confirmed by the Senate. This allows SBRRB to hear the voices of all community members and see how changes in rules will affect small business owners in ways that may not have previously been considered. The Board continues to serve the people of Hawai'i by representing and supporting small business owners through their challenges and successes.

Hawai'i Broadband & Digital Equity Office (HBDEO)



Community volunteers support the Affordable Connectivity Program (ACP) popup at the Palama Settlement in Kalihi.

About HBDEO:

The Hawai'i Broadband and Digital Equity Office (HBDEO) was established within the Department of Business, Economic Development, and Tourism (DBEDT) by Act 225 (SLH 2021). Act 231 (SLH 2022) appropriated \$360,000 and three FTE positions, with funding made available in late November 2022. Currently, all positions are filled, including the Governor Appointed Position.

Digital Equity Plan

As the office responsible for advancing federal digital equity goals and objectives, HBDEO received \$570,883 in December 2022 from the National Telecommunications and Information Administration (NTIA) to deliver the State's first Digital Equity Plan. Currently under

development, this plan will prioritize digital equity initiatives and provide a project delivery roadmap to ensure Hawai'i residents have access to appropriate levels of broadband connectivity, devices, and digital literacy training to pursue health, educational, and vocational opportunities.

In parallel, HBDEO is developing its capacity for digital equity initiative development, constituent engagement, and project delivery proportional to the \$10M+ federal funding that becomes available upon acceptance of the State Digital Equity Plan. This will ensure that HBDEO is pre-positioned to secure the human, technical, and financial resources commensurate with upcoming federal grant and State budget funding allocations for digital equity.

Affordable Connectivity Program

DBEDT was notified it would receive a federal grant of \$740,000 to conduct outreach for the Affordable Connectivity Program (ACP) – the most extensive internet affordability program in our nation's history – which will be administered by HBDEO.

The ACP provides eligible households up to \$30/month (or up to \$75/month for households on Hawaiian Home Lands) off internet bills and a one-time discount of up to \$100 off a laptop, desktop computer, or tablet.

The federal award follows the announcement from the Biden-Harris Administration that Civic Nation and the U.S. Department of Education have launched Online For All, a digital equity campaign working to close the digital divide.

The National Digital Inclusion Alliance (NDIA) defines digital equity as the condition in which all individuals and communities have the information technology capacity needed to fully participate in our society, democracy, and economy.

HBDEO Programs

Affordable Connectivity Program	Eligible households can receive up to \$30 a month towards broadband service, \$75 a month for HHL beneficiaries.
Data Analysis and Mapping	Mapping a variety of data metrics to evaluate program adoption to inform the best areas to apply digital equity programs
Digital Economy Study	Digital Economy survey and report to establish and quantify a baseline for Hawai'i's digital economy
Digital Equity for Hawaiian Homelands	Use and Adoption programs, including DHHL identified Charter Schools and Community Networks.
Digital Works Skills Grant	Digital Literacy classes in the libraries administered by Dept. of Labor and Industrial Relations, funded through Congressman Ed Case.

Broadband Hui

The Broadband Hui (BBHui) is an informal group of community stakeholders convened by Burt Lum, State Broadband Coordinator, and the County of Hawai'i. The group started in March 2020, at the beginning of the pandemic, to quickly address the severe need for Internet connectivity across the state. During the 169 consecutive meetings, BBHui drew participation from more than 500 empowered leaders from wireline and wireless carriers and providers; federal, state, and county levels of government; public and private education; and nonprofits with grassroots community initiatives from across the state and the continent.

The BBHui weekly meetings regularly attract 60-80 participants and provide updates on funding opportunities, projects, and awareness of expertise and models nationwide. Over nearly three years, the BBHui has remained an important means for linking people, needs, commitments, and resources. It fosters unprecedented synergies among Hui members who might have otherwise had to operate in silos.

Recognizing that efforts to solve the broadband needs in Hawaii will be far more effective if tackled collectively, members have benefited from the collaborative spirit and resulting partnerships offered by this weekly gathering between government, private sector, and non-profits. The BBHui has also developed working groups to focus on critical areas such as telehealth, workforce development, community networks, digital literacy, marketing and outreach, broadband mapping, Affordable Connectivity Program (ACP), and kupuna support.

Agribusiness Development Corporation (ADC)



New Sweet Potato Crop in Kalepa, Kaua'i, From 2022 ADC Annual Report

About ADC:

The Agribusiness Development Corporation (ADC) was previously administratively attached from the Department of Agriculture (DOA) and transferred to DBEDT as of July 1, 2022. ADC oversees the development/transformation of agricultural lands and infrastructure into agricultural enterprises. Through market analysis, ADC looks to develop, finance, and reimagine/grow the agricultural industry. The Agribusiness Development Corporation will continue to work with farmers, ranchers, and aquaculture groups to acquire and manage agricultural land. The selected high-value lands, water systems, and infrastructure will be used commercially and to research new crops and markets while lowering production costs.

2022 Accomplishments

To date, ADC has acquired approximately 3,371 acres of former sugar and pineapple lands in the Waialua to Wahiawā and Waipi'o area to be transformed into a multi-crop industry. In 2022, ADC selected farmers to develop farms on the remaining 1,200 acres of agricultural lands in the Wahiawā-Whitmore area. The legislature appropriated \$4 million to upgrade deep wells and irrigation systems to improve water security in the surrounding agricultural lands. There was also \$1.62 million appropriated to complete the Wahiawā Reclaimed Water Irrigation System

design plans. Additionally, ADC acquired 50 acres of agricultural land in Whitmore Village for agricultural production.

The proof-of-concept study for the Central O‘ahu Food Hub was completed, and the request to construct a high-pressure processing machine and agricultural facilities was submitted in June. The estimated 1,000 abandoned vehicles dumped on a vacant parcel were removed and awarded to farmers preparing the land for crop production. ADC partnered with the Honolulu Police Department, Dole Foods, and Council Member Tsuneyoshi to assist over 75 homeless individuals to connect or reunite them with their families and to a long-term shelter or other housing options through the Navigation for Unsheltered Persons (HONU) program.

Kaua‘i (Kalepa and Kekaha Area)

The ADC awarded a contract to Kaikor Construction Group to improve the Christian Crossing Bridge with an estimated completion date of December 2022. A contract was also awarded to Jas. W. Glover, Ltd. to improve the interior access road in Kekaha with an estimated completion date of August 2022. The legislature also appropriated \$3.5 million to ADC to modify the instream flow to stop water waste and amend interim instream flow standards in the Waimea River.

2023 Outlook:

ADC is working to ensure that agricultural production and agribusiness ventures are aligned, coherent, and match Hawai‘i's current food and other agricultural needs. Fostering the growth of agricultural enterprises across the state by providing affordable irrigation and long-term licenses or leases to tenants encourages investment in agribusinesses development, strengthening the viability of agriculture in Hawai‘i. The growth in local food production has been identified as a key element of food self-sufficiency and sustainability for Hawai‘i.

Hawai'i Community Development Authority (HCDA)



The Kaka'ako Community Development District

The Hawai'i Community Development Authority (HCDA) was established by the Hawai'i State Legislature in 1976 to supplement traditional community renewal methods by promoting and coordinating public and private sector development in underutilized urban areas of Hawai'i. Lawmakers establish "Community Development Districts" in blighted areas that have the potential to provide economic opportunities to the state once they are redeveloped.

Mission

For each community development district and transit-oriented development infrastructure improvement district, HCDA will collaborate with private enterprises, public agencies, and community stakeholders to build better communities through planning, collaboration, regulation, and infrastructure development.

Core Values

HCDA's core values are focused on the acronym **B•U•I•L•D**:

Build better communities.

Utilize our infrastructure development expertise and assessment powers.

Innovate the planning and regulatory process to improve development.

Leverage experience to foster collaboration with other agencies and stakeholders.

Develop a “yes, we can” attitude within HCDA and its partners.

Vision

HCDA’s vision is for the community development districts and infrastructure improvement projects to be thriving self-sufficient developments that enhance the communities and benefit the State.

HCDA envisions utilizing its experience and expertise in infrastructure and mixed-use development to collaborate on and/or undertake: (i) infrastructure development that supports the creation of affordable housing projects of all types and (ii) infrastructure and/or mixed-use development that supports other State goals and initiatives.

HCDA Reserved Housing Program:

The HCDA Reserved Housing Program is for Hawaii residents earning between 80-140% of the area median income (AMI), allowing eligible purchasers to buy homes below market rates. The program requires that at least 20 percent of new residential units for sale or rent are set aside for low- and moderate-income households. These units’ rental or sales prices are calculated so a household would spend no more than a third of its gross monthly income on housing expenses, making them affordable to Hawai‘i’s working families. The Reserved Housing program has a few restrictions, such as requiring homeowners to agree to live in their new condominium for a minimum period.

In Kaka‘ako, 12,320 total housing units were completed, with 4,249 affordable housing units, which consist of reserved housing, rental units, and senior housing, at the end of 2022. There are nine affordable rental housing projects with 1,370 units in Kaka‘ako and 2,406 new units pending. HCDA will continue working with developers to build affordable reserved and workforce housing for Hawai‘i residents without using tax dollars.

Kaka‘ako

In Kaka‘ako, HCDA partnered with the Department of Transportation and Victoria Ward Limited to build a pedestrian walkway over Ala Moana Boulevard.

Development permits for two new mixed-use residential commercial development projects, Ālia and Kalae, were approved, which will create 770 future homes and thousands of construction and non-construction-related jobs.

In 2022, 'A'ali'i and Kō'ula, two mixed-use residential projects, were completed and feature 1,320 new homes, 114 classified as reserved housing, and 73,000 square feet of commercial space opening soon.

Several projects are under construction, including Ulana, The Park, and Victoria Place, that combined will develop over 1,590 residential units, and 697 of them will be affordable reserved housing.

Kalaeloa

The development permit for Gentry Homes' Ka'ulu 390-unit residential project was approved in 2022. The project will create 262 multi-family flex-loft units and 128 single-family residences that are energy-efficient. Of these units, 87 will be sold to Hawai'i residents as reserved housing. Ka'ulu is the first residential community to be built since the Kalaeloa Community Development District (KCDD) was established. It is located next to the Daniel Kahikina Akaka Veteran Affairs Clinic, which will provide care to over 87,000 Hawai'i veterans upon completion. HCDA is working with the community towards the vision for Kalaeloa as a Wahi Ho'okela or center of excellence for their residents.

The construction of the \$120 million VA Clinic is on schedule and expected to open in 2024. It will provide specialized health care for 87,000 Hawai'i veterans and their families.

He'eia

In He'eia, Kāko'o Ōiwi constructed a small poi mill on HCDA land in 2021 and works with the Hawai'i Foodbank and other organizations to provide fresh, healthy food to underserved communities and individuals in the neighborhood.

A mangrove remediation project cleared acres of the invasive species, and maintenance to control it will be ongoing in 2022.

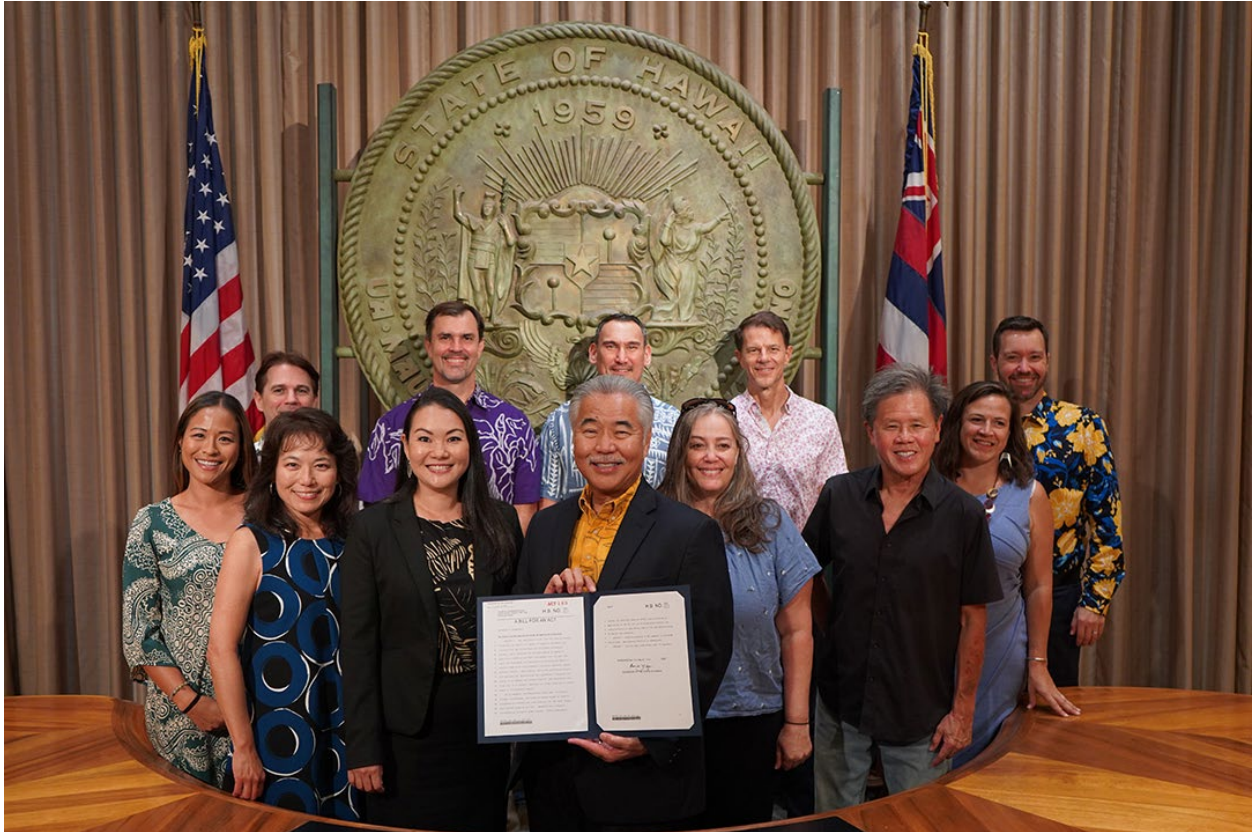
2023 Outlook:

The Legislature recently established the Pulehunui Community Development District and the Transit-Oriented Development Infrastructure Improvement Districts under HCDA.

In addition, the board has adopted a strategic plan to provide direction and vision for the next five years. This plan will utilize HCDA's strengths: community master planning, infrastructure development, project management, and asset management. The plan's main objectives are the HCDA workforce realignment, stabilization of year-over-year funding for projects, completion of the board education in programs, and development of financing strategies for Infrastructure Improvement Projects.

For more information about HCDA, visit <https://dbedt.hawaii.gov/hcda/>.

Hawai'i Green Infrastructure Authority (HGIA)



Governor Ige signed Act 183 (SLH 2022) into law authorizing Commercial Property Assessed Financing (C-PACE) in Hawai'i.

About HGIA:

The Hawai'i Green Infrastructure Authority (HGIA) was established to make clean energy improvements more accessible and affordable to reduce the energy burden for underserved ratepayers. In addition to facilitating energy equity, this initiative aligns with and advances the State's goal of achieving a 100 percent renewable energy portfolio by 2045. HGIA is tasked with the administration and governance of financing programs while ensuring the deployed capital is used to achieve program objectives.

During the year, HGIA expanded its scope from a singular focus on financing clean energy installations to increasing access to capital for small businesses and nonprofits statewide through credit enhancements and co-lending to leverage private capital from participating lenders. In addition to contributing to the State's clean energy impacts, facilitating private capital to support small businesses also creates jobs, generates state tax revenue, and provides other economic development benefits.

2022 Achievements:

New Enabling Legislation:

On May 3, 2022, the Legislature enacted, and on June 27, 2022, the Governor signed into law (SLH 2022) authorizing HGIA to design, implement, and administer Hawaii's commercial property assessed financing program for commercial property owners to finance the installation of clean energy, energy efficiency, cesspool remediation, water conservation, and resiliency measures via an innovative and risk mitigating financing mechanism pari-passu to property taxes. The Authority will work with the City and Counties to implement Hawai'i's C-PACER Financing Program.

Green Energy Money Saver On-Bill Financing Program:

The Green Energy Money Saver ("GEM\$") On-Bill Financing Program is HGIA's non-traditional financing program that expands access and affordability to underserved markets. Its innovative and risk-mitigating financing mechanism addresses market barriers, enabling more ratepayers to reduce energy costs while attracting private capital to bridge financing gaps.

HGIA received 274 applications (a 5% increase from the previous year) from low- and moderate-income homeowners and renters to install solar hot water or solar PV systems. In 2022, HGIA submitted a request to the Public Utilities Commission (PUC) to further enhance its inclusive financing program by allowing all eligible applicants access to GEM\$ financing, even those with disconnection notices. The Authority anxiously awaits the PUC's decision.

Under its GEM\$ Program, as of December 31, 2022, HGIA has generated \$16.5 million in Hawai'i tax revenues with an economic multiplier impact of \$278.5 million since its inception. Environmental impacts include producing/reducing an estimated 943,775,495 kWh of energy, displacing roughly 283,877 metric tons of CO₂, and 579,489 barrels of petroleum reduced or displaced over the system lifetime. Throughout this period, 1,361 jobs were created or retained, and 84% of its loan recipients were underserved households.

Hi-CAP Program:

On March 23, 2022, HGIA entered into a Memorandum of Agreement with sister agency, the Hawaii Technology Development Corporation (HTDC), to design, implement and administer the Federally funded HI-CAP Collateral Support Program (launched July 12, 2022), HI-CAP CDFI Loan Pool Program and HI-CAP Loans Program (both launched August 10, 2022), with approximately \$41 million (66%) of total SSBCI program funds expected by the State.

The HI-CAP Collateral Support Program is a credit enhancement program designed to assist eligible small businesses and nonprofit organizations in obtaining financing by providing cash collateral to participating lenders to enhance the collateral coverage of its borrowers.

Under its HI-CAP Collateral Support Program, as of December 31, 2022, \$1.4 million in Federal SSBCI Funds were disbursed to support \$7.5 million in loans while causing \$800,000 in additional financing and facilitating \$8.3 million in credit to small businesses.

2023 Outlook:

HGIA has broadened its scope through the passage of Act 107 (SLH 2021), which granted HGIA access to Federal loan capital and the ability to provide credit-related services to other state agencies and departments. Act 183 (SLH 2022) will further diversify HGIA revenue streams by implementing Hawaii's C-PACER financing program.

Hawaii's plan to achieve its 100% clean energy goal relies on 100% of all residential rooftops bearing solar. It is critical, from both an energy equity/justice lens as well as to achieve our state's goal, for Hawaii to facilitate rooftop solar for our underserved ratepayers. There are over 300,000 residential rooftops in Hawaii without solar and the Authority estimates its financing gap to be 25% or \$3.75 billion. With the increasing cost of energy creating an undue burden on our underserved ratepayers, and with only \$22.05 million in GEM\$ loan capital left to lend, accessing additional loan capital is becoming increasingly urgent for the Authority.

As a sustainable financing agency, HGIA seeks to leverage public funds with private capital. When these funds are repaid, the non-GEMS funds will be recycled, reinvested, and re-lent to other underserved ratepayers statewide. With an injection of flexible loan capital, HGIA can help drive down the energy cost for underserved ratepayers while reducing greenhouse gas emissions and helping Hawaii advance towards its clean energy goals.

Hawai'i Housing Finance & Development Corporation (HHFDC)



Blessing for Ha'upu View (Lihue, Kaua'i)

For the state's economy to thrive, Hawai'i must have an adequate supply of affordable and workforce housing proximate to employment centers, public transportation, and community facilities. A lack of housing negatively affects local residents' quality of life and hinders the state's economic expansion.

The Hawai'i Housing Finance & Development Corporation (HHFDC) provides financing and development resources to increase and preserve the supply of affordable and workforce housing statewide.

2022 Accomplishments:

In 2022, HHFDC assisted in delivering 1,531 housing units and managed assets totaling approximately \$1.7 billion. Since its inception in 2006, HHFDC has facilitated the development of over 13,000 affordable and workforce units statewide. HHFDC projects that it will be able to assist an additional 7,000 units over the next five years.

Fiscal Years	Rental	For Sale	Total
2023	893	3	896
2024	1,119	366	1,485
2025	1,260	0	1,260
2026	550	1,355	105
<u>2027</u>	<u>1,281</u>	<u>400</u>	<u>1,681</u>
Total	5,103	2,124	7,227

The 2022 legislative session was a banner year for affordable housing. A record \$300 million was appropriated for the Rental Housing Revolving Fund (RHRF), which will produce 2,100 rental housing units. Half of this appropriation was earmarked for Tier 2 rental projects developed for those with household incomes between 60% and 100% of the area median income (AMI). This group represents our working families and individuals who earn too much to qualify for Low-Income Housing Tax Credit (LIHTC) units but cannot afford to buy their own homes — such as teachers, firefighters, police officers, and nurses. This appropriation was instrumental in helping HHFDC keep the financing pipeline going for affordable rentals in light of the private activity bond cap constraint.

The Legislature also appropriated \$20 million for the Dwelling Unit Revolving Fund (DURF), an important funding source for infrastructure. Off-site infrastructure costs are a major barrier to affordable housing development statewide. These costs are typically paid for by private housing developers, who pass them on to homebuyers at higher prices. DURF is also used to maintain legacy infrastructure systems owned by HHFDC, such as roadways in the Villages of Kapolei and the Waiāhole Valley potable water system.

Act 305 — also known as the “Yes In My Back Yard” or YIMBY Act — requested that HHFDC establish a statewide working group on affordable housing to discuss opportunities to reduce zoning, regulatory, and statutory barriers to affordable housing development. HHFDC recognizes the critical need for collaboration and streamlining among the various state and city agencies working hard to advance affordable housing and is proud to spearhead this endeavor.

HHFDC’s Financing Programs:

During the 2022 Funding Round, and in collaboration with the private sector, HHFDC provided funds for affordable rental housing units targeting individuals and families earning between 30% and 140% of the AMI through its various state and federal financing programs:

- **Low-Income Housing Tax Credits (LIHTC).** HHFDC awarded \$30,765,541 in 9% non-volume and 4% volume-cap LIHTC credits for the construction of 1,384 units for 11 projects across all islands. LIHTC is HHFDC’s primary financing program for private developers and non-profit entities to construct or rehabilitate affordable rental units. HHFDC awards federal and state tax credits and may be used to obtain a dollar-for-dollar reduction in income tax liability for 10 years for federal tax credits and 5 years for state tax credits or may be syndicated to generate project equity. The federal LIHTC program is administered by the Internal Revenue Service. HHFDC is responsible for the administration of the state’s LIHTC program. A state LIHTC equal to 50% of the federal LIHTC is also available to qualified applicants.
- **Hula Mae Multi-Family (HMMF) Private Activity Bonds (PAB).** HHFDC requested issuing \$332,061,150 in tax-exempt bonds to assist in constructing nine projects totaling 1,250 units. The purpose of HMMF is to promote the development of new rental housing projects or the rehabilitation of existing ones by issuing PABs for interim and permanent

financing at rates below-market interest rates. HHFDC serves as the conduit issuer of the bonds. Issuance of bonds through HMMF is subject to the allocation of the private activity volume cap by the State's Director of Finance and the approval of the Governor of the State of Hawai'i.

- **Rental Housing Revolving Fund (RHRF).** HHFDC awarded \$320,464,545 in RHRF funds to 13 projects totaling 1,989 units, including Tier 2 units. RHRF provides "Equity Gap" low-interest loans to qualified owners and developers constructing affordable housing units. Funds may be used to provide a loan for the development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units.
- **Dwelling Unit Revolving Fund (DURF).** DURF provides below-market-rate, generally interim, financing primarily used for the planning, entitlement, and pre-development costs; vertical construction of on-site and off-site infrastructure; and other costs for rental and for-sale affordable housing projects.
- **HOME Investment Partnership Program (HOME)** funds supported 102 households with Tenant-Based Rental Assistance (TBRA) in the counties of Maui and Kaua'i. Although no affordable rental and homeownership activities utilizing HOME funds were completed this year, each of the State's recipients and subgrantees have projects planned or underway. Federal HOME funds may be used to assist families at or below 80% of the AMI, and at or below 50% of the AMI.

Notable Housing Projects:



Waikoloa Family Affordable Complex (Waikoloa, Hawai'i Island, 110 units)

HHFDC assisted in completing and placing 1,531 workforce and affordable housing units in service. Notable projects include the following:

- **Hā'upu View (Līhu'e, Kaua'i, 54 units).** A blessing ceremony was held for the four-story complex near public bus stops, schools, and the Kukui Grove Shopping Center. The project received HHFDC assistance through the RHRF and HMMF programs. Formerly known as Pua Loke Apartments, 50 of 54 units are rented to households earning no more than 60% of the AMI. Four are rented to households earning no more than 100% of the AMI. Five units are set aside for those who have faced or are facing homelessness. The Kaua'i Community Alliance and other nonprofits provide free wrap-around services for those in transition.
- **Pohukaina Commons Phase 1 (Kaka'ako, Oahu, 432 units).** After being selected through a competitive bid process to develop this key parcel at Pohukaina and Keawe Streets, the developer was awarded \$67.5 million in RHRF, one of three projects to be awarded through the Tier II funding round. The first phase will consist of a 30-story tower with 434 units above a 9-level parking structure. Land is set aside on the Mother Waldron side of the property for the Department of Education for what is expected to be the state's first vertically configured school. The tower is scheduled to open in 2026.
- **Hale Makana O Mo'ili'ili (Honolulu, O'ahu, 105 units).** Located at Algaroba Street and Makahiki Way across the street from the McCully-Mo'ili'ili Library, this seven-story structure replaced several smaller buildings. The project received HHFDC assistance through the RHRF, LIHTC, and HMMF programs. All studio and one-bedroom units are set aside for *kupuna* aged 55 and older. All units are set aside for individuals and couples earning no more than 60% of the AMI, with a portion aimed at individuals making no more than 30% and 50% of the AMI, respectively. On-site amenities include a computer lab and a multi-purpose room. The site is near supermarkets, parks, medical offices, and eateries. Tenants are expected to begin moving in by early 2023.
- **Waikoloa Family Affordable Complex (Waikoloa, Hawai'i Island, 110 units).** Located in the heart of the West Hawai'i resort region, the complex serves families earning no more than 60% and, in some cases, 30% of the AMI. The project received HHFDC assistance through the RHRF, LIHTC, and HMMF programs. One- and two-bedroom units are offered. Common area amenities include use of the area community center, swimming pool, and golf course. The first tenants are expected in the first half of 2023.
- **Parkway Village Lots 6 and 7 (Kapolei 405 units).** This transformative all-affordable rental project on Kapolei Parkway in the heart of downtown Kapolei will deliver 400-plus units and classroom space for two pre-kindergarten operators that will give residents priority. Built on city land, HHFDC provided \$36 million in RHRF, \$98 million in HMMF, and \$112 million in federal and state LIHTC. Renters must earn no more than 30% of the AMI to qualify for some units and no more than 60% of the AMI to be eligible for the others. The project is expected to be completed in fall 2025.

Housing Assistance Program:

In the wake of the COVID-19 pandemic, the federal government provided \$50 million to the State of Hawai'i to assist affected homeowners on the brink of foreclosure. Funds from the Homeowner Assistance Fund (HAF) Program are used to pay outstanding mortgages, property taxes, utilities, and other eligible household expenses, as well as mortgage counseling and legal aid. Priority is given to homeowners with incomes at or below 100% of the AMI and those considered socially disadvantaged and delinquent on their mortgage or other eligible household expenses.

HHFDC administers HAF for the island of O'ahu. The other three counties administer their own HAF Programs through local nonprofit organizations.

2023 Outlook:



Pohukaina Commons, Phase 1 (Kaka'ako, O'ahu) is expected to open in 2026

HHFDC will continue to collaborate with its developer partners, the Legislature, and other state, federal, and county agencies to establish a pipeline of affordable housing and develop long-term sustainable solutions for future generations in Hawai'i.

Hawai'i State Energy Office (HSEO)





The 39-megawatt solar power plant will replace some of that coal energy and reduce our dependence on oil during the transition to advance the state's goal of 100% renewable energy by 2045.

As one of the first states to mandate 100% clean electricity, Hawai'i is a leader in renewable energy. The Hawai'i State Energy Office (HSEO) supports statewide economic diversification and strives to meet the growing demands of Hawai'i's clean energy economy. With an ambitious goal of reaching a 100% clean energy and zero-emission target by 2045, HSEO works to ensure the availability and delivery of clean energy projects to aid in creating a resilient Hawai'i economy.

2022:

Since 1996, HSEO has provided technical assistance and tools to agencies that advance the pursuit of more than \$500 million in energy performance contracts, saving taxpayers an estimated \$1.2 billion in electricity costs over the lifetime of the contracts. HSEO manages a variety of resources and roadmaps online to assist energy developers in providing information such as solar resource potential, zoning, land use information, and permitting requirements to attract international investment.

Community Engagement Programs

HSEO launched two new programs to engage the community in 2022. Energize Kākou is designed to help communities and renewable energy partners work together to build energy projects that will enhance Hawai'i residents' lives and overall well-being. The Clean Energy Wayfinders share information on energy conservation and clean energy adoption with Hawai'i schools, community organizations, and households. The Clean Energy Wayfinder program employs residents in vulnerable communities and transitions them into clean energy leaders.

Workforce Development and Education Programs

HSEO is the Clean Energy sector lead for the Good Jobs Hawaii workforce development initiative launched by the University of Hawaii Community Colleges in January 2023. HSEO, in collaboration with UHCC and the Hawaii Chamber of Commerce, created a new Clean Energy Sector Partnership to convene industry and education leaders in the clean energy workforce space to identify and pursue high-impact workforce programs. HSEO serves on the clean energy career pathways advisory council for the Hawaii Department of Education and will help develop and implement a clean energy curriculum for Hawaii schools.

Renewable Energy Deployment and Energy Efficiency

Hawai'i retired the last coal plant in the state with two large fossil fuel units also planned for retirement in 2024 on O'ahu. There are 27 active large-scale renewable energy projects in various stages of regulatory review or development statewide. HSEO fosters high-impact energy-efficient programs to improve standards and building codes. HSEO is a voting member of the State Building Code Council and actively participated in drafting and adopting the updated energy building code for Hawai'i that will cut energy usage by about a third. The statewide implementation of the code will save Hawai'i an estimated \$1.4 billion over 20 years.

Clean Transportation

HSEO also facilitates the deployment of zero-emissions vehicle charging stations and infrastructure to decarbonize the transportation sector. The office partnered with the Department of Transportation to outline the steps to make charging infrastructure more accessible as part of the National Electric Vehicle Infrastructure (NEVI) formula program, which provides \$17 million in federal funds over five years. HSEO will continue to implement strategies and create solutions to reduce the energy intensity of Hawai'i's transportation system. One such effort is the Multi-modal Assessment (MMA), which identifies projects that address community needs to act as a means to reduce carbon emissions and the number of vehicle miles traveled on O'ahu.

Outlook for 2023:

HSEO will continue to work with community stakeholders to supply Hawai'i with affordable and reliable electricity while fostering community engagement.

HSEO will administer the deployment of IIJA 40101(d) formula funding. HSEO will leverage existing energy planning work to develop a framework for equitable investments across all counties. This framework will incorporate findings of a critical energy infrastructure and community lifelines inventory and risk assessment to prioritize mitigation projects. O'ahu currently houses 80% of the state population and a majority of the state's critical infrastructure. The first two years will focus on developing the framework on O'ahu and will be implemented on the rest of the islands in the following years.

Hawai'i Technology Development Corporation (HTDC)



Pacific Tech 2022, the first major in-person event post-pandemic

2022 Achievements

The Hawai'i Technology Development Corporation (HTDC) secured \$72.5 million in funding for 2022, with \$62 million in federal funds. HTDC assisted over 300 companies in creating jobs in the technology and innovation sector to retain local talent. HTDC partnered with the Hawai'i Green Infrastructure Authority (HGIA) to manage the HI-CAP program, using funds approved by the U.S. Treasury for the State Small Businesses Credit Initiative (SSBCI) as part of the American Rescue Plan Act of 2021. HI-Cap funding is set to be deployed over seven years, ending in 2030, and split into four subcategories through HI-CAP Loans, HI-CAP Collateral, HI-CAP CDFI Loan Pool, and HI-CAP Invest. Governor Ige signed the Hawai'i State Legislative Bill SB2808, which appropriates \$500,000 to support HTDC's Hi-CAP program in 2021.

HSBIR Funds

The Hawai'i Small Business Innovation Research (HSBIR) program is the longest-running state matching funds program in the nation and is administered by the HTDC. Federal research and development grants are matched and awarded to Hawai'i companies with the potential to succeed commercially while addressing agency challenges. These funds help companies scale up, hire staff, travel to meet customers, purchase equipment, build prototypes, and provide financial support to Hawai'i-based technology and manufacturing companies.

HCATT

The Hawai'i Center for Advanced Transportation Technologies (HCATT) received \$4.3 million for the operational energy and installation resilience program funding from the United States Air Force (USAF) and \$2.9 million for Military Construction funding from the National Guard Bureau. HCATT is tasked with installing and demonstrating the Pacific Energy Assurance and Renewables Laboratory (PEARL) microgrid, which is set to begin operations in late CY2023.

Pacific Tech 2022

Pacific Tech 2022, formerly known as the Small Business Innovation Research (SBIR) Conference, returned after a three-year hiatus due to the COVID-19 pandemic. There were over 200 attendees and more than 60 speakers with presentations, panel sessions, tech showcase, and one-on-one meetings. The event centered around sharing funding opportunities, showcasing avenues and programs to engage with the federal government, and connecting contractors with small businesses to pursue opportunities with the Department of Defense.

Entrepreneurs Sandbox

The Entrepreneurs Sandbox is a public-private innovation center for professionals of all ages that encourages creativity, technology, innovation, and entrepreneurship. This facility supports Hawai'i entrepreneurs and startup businesses with infrastructure, business-related programming, and other resources. In 2022, the Entrepreneurs Sandbox regained pre-COVID activity and growth with over 165 hosted industry and partner business events, attracting over 5000+ attendees. The Sandbox maintains seven corporate tenants and has individual co-working memberships, which reached its maximum capacity of 50 professionals.

HI-CAP SSBCI Program

In 2022, HTDC applied for federal funding under the State Small Business Credit Initiative (SSBCI), a \$10 billion program under the American Rescue Plan Act of 2021. The State was awarded over \$60 million in SSBCI funds, to be divided between a roughly \$40 million collateral support and lending program and a \$20 million venture capital equity investment program (HI-CAP Invest). By year-end, the HI-CAP Invest program had made a capital commitment to a venture fund managed by seasoned investment professionals that invests in Hawaii-based technology startups.

INNOVATE Hawai'i

Innovate Hawai'i (IH) is the official representative of the National Institute of Standards (NIST) Manufacturing Extension Partnership (MEP) National Network in Hawai'i. IH receives over \$800,000 in federal funds annually through a 10-year cooperative agreement with NIST MEP and aims to grow Hawai'i's technology and manufacturing industry. IH offers training programs or direct service implementation projects that help manufacturers achieve their goals and overcome challenges. IH supports the growth of manufacturing in Hawai'i and partners with Hawai'i manufacturers who want to improve their performance, efficiency, and competitiveness.

2023 Outlook

HTDC will continue to aid in diversifying the Hawai'i economy by developing infrastructure, capital, and talent in the technology sector. To support Hawai'i's 80/80 initiative of creating 80,000 technology and innovation jobs earning \$80,000 or more by 2030, HTDC will continue to focus on building the next generation of leaders in technology and innovation.

Hawai'i Tourism Authority (HTA)



The Hawai'i Tourism Authority (HTA) is the official tourism agency for the State of Hawai'i and oversees the development of sustainable tourism practices that align with the four pillars of HTA's strategic plan for 2020-2025. The pillars of natural resources, Hawaiian culture, community, and brand marketing make up the foundation to achieve a regenerative tourism model for Hawai'i.

HTA, in partnership with the counties and the respective island visitors bureaus, continues to implement the Destination Management Action Plans (DMAPs) for Kaua'i, Maui Nui (Maui, Moloka'i and Lāna'i), O'ahu and Hawai'i Island.

As defined in HTA's strategic plan, destination management includes: attracting and educating responsible visitors; advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems; and working with other responsible agencies to improve natural and cultural assets valued by both Hawai'i residents and visitors. The advancement of destination management and stewardship is continuously updated via the HTA's [Holomua](#) website.

Aloha ‘Āina and Kūkulu Ola

HTA’s Aloha ‘Āina program is focused on the value of stewardship by responsible community-based entities with the collective objective to manage, conserve, and revitalize Hawai‘i’s natural resources and environment. The HTA and the Hawai‘i Community Foundation (HCF) invested \$1,575,000 to support 31 community-based programs statewide through the Aloha ‘Āina program for the preservation of Hawai‘i’s natural resources and environment. This program is an integral part of HTA’s strategic plan, which is aligned with the State’s Aloha+ Challenge framework for natural resource management. HTA also supports the United Nations 17 Sustainable Development Goals and the UN 2030 Agenda for Sustainable Development.

The Kūkulu Ola program is part of HTA’s commitment toward Mālama Ku‘u Home (caring for my beloved home) and the four interacting pillars and provides funding support to community-based awardees that enhance, strengthen, and perpetuate the Hawaiian culture through authentic experiences for residents and visitors. HTA and HCF provided \$1,475,000 to support 30 community-based programs as part of this program.

Community Enrichment

Since 2010, HTA has invested \$15 million to support more than 1,000 community projects and events. For the 2022 Community Enrichment Program, HTA partnered with the Hawai‘i Visitors & Convention Bureau and the Island Chapters to administer the program and awarded \$2.9 million in funding to support 86 community-based projects, festivals, and events.

Mālama Hawai‘i

HTA’s brand marketing goal is to strengthen tourism’s contributions by taking the lead in protecting and enhancing Hawai‘i’s globally competitive brand in a way that is coordinated, authentic, and market-appropriate; is focused on Hawai‘i’s unique culture and natural environment; and supports Hawai‘i’s economy by effectively attracting mindful high-value travelers.

Mālama Hawai‘i, a program that encourages more responsible tourism by building awareness of voluntourism activities and educating visitors on appropriate behaviors and safety precautions, continued in 2022. This program also includes campaigns and travel tips to promote a genuine Hawai‘i experience that is safe and responsible while giving visitors a more meaningful and enriching travel experience.

HTA contracts marketing organizations worldwide – collectively known as its Global Marketing Team (GMT) – to inspire mindful travel and support regenerative tourism for the Hawaiian Islands.

New Board Members

The Hawai'i Tourism Authority welcomed the appointment of five new members to serve on the Board of Directors with terms starting July 1, 2022, and expiring on June 30, 2026. The five additions to its Board of Directors include hospitality and community leader Kimberly Leimomi Agas, social entrepreneur Mahina Paishon Duarte, Kaua'i community affairs specialist Stephanie Iona, Hawai'i Island agriculturist James McCully, and Maui hotelier and government relations veteran Michael White.

2023 Outlook

HTA recognizes the importance of managing Hawai'i tourism in a manner consistent with economic goals, cultural values, and the preservation of natural resources while meeting the needs of the community and visitors of Hawai'i. The HTA will continue to support programs and initiatives that will ensure that the visitor industry is sustained in a manner that is consistent with these principles.

Natural Energy Laboratory of Hawai'i Authority (NELHA)



The Natural Energy Laboratory of Hawai'i Authority (NELHA) is a self-sufficient State of Hawai'i agency that oversees the Hawaii Ocean Science and Technology Park (HOST Park), an 870-acre green economic development park in Kailua-Kona on the island of Hawai'i.

NELHA's mission is to develop and diversify the Hawai'i economy by providing resources and facilities for energy and ocean-related research, education, and commercial activities in an environmentally sound and culturally sensitive manner.

HOST Park

A unique outdoor demonstration site for emerging renewable energy, aquaculture, and other ocean-based sustainable technologies, HOST Park provides access to various natural resources, including deep sea water, pristine surface seawater, and solar insolation. The tech park is a globally recognized leader in ocean technology, innovation, and sustainable development, with over 55 green and blue businesses and organizations on-site. It is a vibrant hub for cutting-edge research, education, and commercialization. With unparalleled resources that can't be found elsewhere, including an impressive 3-pipeline system that delivers surface

and deep seawater on demand, HOST Park generates over \$100 million annually and creates over 600 jobs statewide.

Aquaculture Incubator and Accelerator Program

NELHA received an additional \$3 million grant from the Economic Development Administration to extend its aquaculture accelerator for four more years until 2026. In addition, working with the Hawaii Technology Development Corporation, NELHA secured an additional \$5 million for a second “follow-on” venture fund, bringing the total to almost \$20 million for the two venture funds. Each year, the accelerator program accepts applications from early fall to December. The 14-week program culminates in the final event, where fledging companies pitch their businesses to potential investors and partners. The accelerator provides global mentorship, training, investor networking, cash investment, and research and development facilities.

NELHA also had several new HOST park tenants in 2022, with sustainability projects supporting economic diversification. Terraformation Inc., in concert with Arizona State University, focuses on a “Ridge-to-Reef” to reduce upland erosion through forest restoration and developing a coral nursery. In addition, Heimdal Inc. is a company developing ocean-based direct-air-capture technology to produce hydrogen and mineralize CO to form sand.

Major Goals and Key Projects

FISCAL YEAR 2022

July 1, 2021 through June 30, 2022

Achieve the key goals listed below by continuing efforts to secure agreements for significant future revenue growth that will provide the resources necessary for implementing additional new projects and provide a catalyst for future growth.

Increase special fund balance to maintain operational self-sufficiency.

Continue to mitigate negative impacts caused by the pandemic on the health of NELHA staff and closely monitor impacts on our clients.

Continue to align and support Federal, State and County efforts to accelerate sustainable economic recovery from the pandemic and with a focus on food security, energy security, ocean technology and ocean conservation.

OVERALL RESULTS:

We continued to make significant progress in FY 2022 with a small staff of 15 at NELHA.

From a financial perspective, NELHA managed a total of approximately \$15.6M in projects. Of this \$5.3M is Special Funds, \$5.0M is Federal Grants, and \$5.3M in previously funded CIP projects.

Despite the pandemic, we successfully pumped 8 billion gallons of seawater without interruption to the over 50 businesses at HOST Park during the year.

We saw the number of new businesses continue to grow and only 1 business was forced to close.

With adequate safety precautions and sanitary gear, we were able to maintain a 40-hour work schedule with all staff reporting to work at HOST Park daily during FY 2022.

\$15.6M

NELHA's BUDGET

\$5.3M Special Funds

\$5.0M Federal Grants

\$5.3M CIP Projects

8B

GALLONS DELIVERED

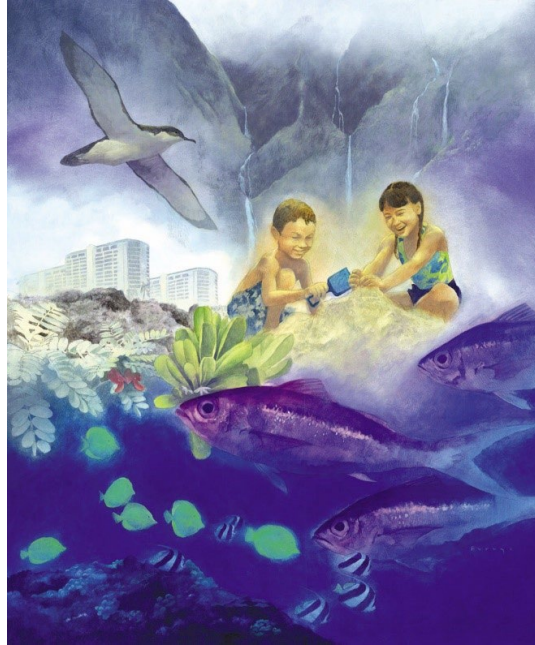
50+

BUSINESSES SERVED

2023 Outlook

NELHA will continue to serve as an outdoor demonstration site and 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 cold and warm seawater and other available resources. A recent trend in increased new development is expected to continue for several years, and economic impact is also likely to increase significantly. NELHA saw a surge in construction, new leases, and leases approved in principle over the past several years, accounting for almost ten percent of the total land at HOST Park. Given that this surge occurred during the pandemic and times of economic uncertainty, the sectors targeted by NELHA are somewhat resilient to those issues and can stand up to economic weaknesses.

Office of Planning & Sustainable Development (OPSD)



About OPSD:

The Office of Planning and Sustainable Development (OPSD) assists the Governor and the DBEDT Director with analyzing and formulating state policies and strategies. OPSD provides guidance in allocating resources and aligning state activities and programs. The Office is also responsible for evaluating and communicating potential or current opportunities and weaknesses of the proposed activities and programs.

Land Use Division:

The Land Use Division develops and presents the position of the State in all boundary change petitions, Special Permits, Important Agricultural Land designations, and other proceedings before the State Land Use Commission. This involves consultation with affected state agencies regarding a proposed project's impacts and developing mitigation recommendations regarding state resources. The Land Use Division also assists state agencies in developing and submitting petitions for land use district boundary amendments. The Division also conducts periodic reviews of the classification and districting of all lands in the state as specified in Chapter 205, HRS. OPSD's Land Use Division is also tasked with preserving, protecting, and encouraging the development of state lands in ways that prioritize general welfare. As such, the Division takes on specific special projects. For example, it will study the Land Study Bureau (LSB) soil productivity rating system. It will also oversee the preparation of an Infrastructure Implementation Master Plan to support development around the Skyline Rail East Kapolei area stations.

Coastal Zone Management:

The State Coastal Zone Management (CZM) program actively manages the use and development of the coastal zone to balance development needs and protect the natural resources. The CZM program works collaboratively with state and county agencies, its public advisory body - the Marine and Coastal Zone Advocacy Council - and the public to address emerging concern issues through implementing the Hawai'i Ocean Resources Management Plan. The Plan serves as the Program's guiding document to engage and problem-solve to identify pathways for policy changes to improve the three (3) focus areas: (i) coastal hazards, (ii) reduction of land-based pollution, and (iii) marine ecosystems.

Environmental Review Program

The Environmental Review Program (ERP) manages the Hawai'i Environmental Review Process (HEPA) and announces the availability of environmental assessments and environmental impact statements for public review and comment in its twice-monthly publication, *The Environmental Notice*. The Environmental Advisory Council (EAC) is a fifteen-member board that acts as a liaison between OPSD and the public to facilitate discussions and matters regarding ecology and environmental quality and recommend HEPA rule changes. The board meets monthly with recordings, outreach activities, reports, and other resources available online. The EAC annual report may be viewed at https://files.hawaii.gov/dbedt/erp/EC_Reports/EAC-Annual-Report-2022.pdf.

GIS Program

The statewide geographic information systems (GIS) program establishes, promotes, and coordinates the use of GIS technologies among Hawai'i government agencies.

In 2022, the GIS Program continued collaborative data gathering and mapping efforts with health and emergency management professionals in the State's ongoing response to the coronavirus pandemic. Similarly, the GIS Program continued working with Broadband Hui partners to support efforts to improve digital equity and digital literacy in Hawai'i.

In 2022, the State's cloud-based mapping and analysis platform included over 1,000 users from almost all cabinet-level departments and the Legislature. Users have developed dozens of public-facing maps and applications, and many have utilized the platform's data, tools, and resources in their regular workflows.

The State's GIS Open Data Portal, with over 400 data layers, almost 100 new or updated in 2022, received over 25 million views in 2022. The authoritative data comes from State, county, and federal agencies and is collected and curated by the GIS Program.

Special Plans Branch/CEDS

OPSD's Special Plans Branch improves the effectiveness and coordination to guide future state development of Hawai'i's resources. The Special Plans Branch conducts statewide planning and policy studies to assist government decision-makers. OPSD is also responsible for providing a five-year update of the Hawai'i Comprehensive Economic Development Strategy (CEDS) report. This report required by the U.S. Department of Commerce - Economic Development Administration (EDA) for government agencies and nonprofits to apply for grants to run projects

in public works, economic adjustment, and disaster recovery while advancing the Hawai'i Economic Recovery and Resilience Plan/Project (HIERR). HIERR is an ongoing planning process designed to learn from the COVID-19 pandemic and develop long-term resiliency. This comprehensive, strategy-driven plan provides the insight and structure for regional economic development to drive resiliency and prosperity. The previous State and county CEDS reports are available online, with the completion of the 2022 CEDS report currently in progress.

Statewide Sustainability Branch

OPSD's Statewide Sustainability Branch was established in 2020 to assist the OPSD and the State in meeting statewide statutory targets for Hawai'i's sustainable development and climate resilience. The branch is mandated to serve as the State's coordination program for statewide sustainability and climate adaptation planning.

The Statewide Sustainability Branch is responsible for developing, organizing, and promoting policies and programs that assist in meeting Hawai'i's numerous sustainability and climate policies and goals, and identifying, evaluating, and recommending proposed legislation, regulatory changes, or policy modifications to the governor, legislature, government agencies, private entities, and other bodies to encourage activities that best sustain, protect, and enhance the quality of the environment, economy, and community for the present and future benefit of the people of Hawai'i.

This Statewide Sustainability Branch, on behalf of OPSD, published the State of Hawai'i's official combined climate and sustainability strategic action plan in 2021, the Hawai'i 2050 Sustainability Plan, a nationally recognized sustainability and climate plan recommending over 262 actions and eight focus areas for the State to prioritize within the 2020-2030 Decade of Climate Action.

Statewide Transit-Oriented Development (TOD)

OPSD coordinates and advances smart growth and TOD planning in the State. It also staffs the Hawai'i Interagency Council for Transit-Oriented Development (TOD Council). The purpose of the TOD Council is to coordinate and facilitate State agency TOD planning and collaboration between the State and the counties on smart growth and TOD initiatives. The TOD Council's primary responsibilities are to develop and implement a State strategic plan for TOD, including mixed-use and affordable and rental housing projects; facilitate funding for TOD programs and projects; monitor TOD implementation and recommend needed policy and statutory changes; and review Capital Improvement Project requests for TOD on State lands. Since 2016, OPSD has received annual CIP appropriations from the State Legislature for State TOD planning grants to State and County agencies. The TOD planning grants are used for plans, feasibility and cost studies, and coordination of TOD projects, TOD public infrastructure requirements, and related environmental review documents for TOD projects in the State TOD Strategic Plan.

2023 Outlook:

OPSD will continue to coordinate and oversee the responsible stewardship of State-owned lands, encourage more housing development for local families, and work closely with stakeholders to fund projects that will create economic resiliency.

OPSD - Land Use Commission (LUC)



About LUC:

The Land Use Commission (LUC) is a nine-member volunteer commission with one representative from each county, a cultural practitioner, and four at-large members. The Commission members serve 4-year terms with a maximum of two terms or eight years. There is only one new commissioner this year from Hawai'i County (Nancy Carr-Smith). The staff consists of the Executive Officer, Chief Clerk, two planner 5s, one planner 4, a drafting tech, and a secretary.

The LUC's program objectives are to process, review, and act on petitions for housing and infrastructure projects, stimulate the construction industry, and increase the state housing inventory. The primary way this is accomplished is through district boundary amendments involving 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; process motions and boundary interpretation request; and maintain, update, and disseminate official State Land Use district maps and land use information.

2022 Activities:

In the current fiscal year, the LUC has sought to positively impact the housing shortage and stimulate economic activity by meeting all projected goals and promptly processing all petitions for district boundary amendments, special permits, Important Agricultural Land designations, and Motions to Amend. Most Petitions and Motions were decided on and concluded within four (4) months of being deemed complete for hearing.

1. **Petition Processing:** The LUC will be able to continue to meet all long- and short-term goals in approving these matters. The LUC has also met all its projected goals regarding Boundary Interpretations, Special Permits and Important Agricultural Lands petitions, allowing counties to process and issue construction permits for over 1200 small projects. The estimated economic impact of the LUC this fiscal year was:
 - Minimum Direct Development Investment of over \$750 million;
 - Post Development Economic Activity exceeding \$200 million;
 - 1,570 direct construction jobs exceeding \$600 million in wages;
 - Offsite and Post development economic activity exceeding \$350 million;
 - 400 acres of Industrial lands approved for construction; and
 - 200 hotel rooms approved.
2. **Strategic Program Improvement:** The LUC is engaged in an ongoing improvement strategy to impact the affordable housing crisis and improve its public outreach by:
 - Reducing the time for response to boundary determinations;
 - Continuing to streamline the process by regular rule amendments and updates; and
 - Digitizing archive materials and updating and modifying the LUC website.
3. **Important Agricultural Land Designation:** Pursuant to recently enacted legislation, private parties and the counties may submit petitions for various lands to be designated as “Important Agricultural Lands.” Counties may submit large-scale proposals for designation. This activity is currently on hold pending the resolution of a challenge to the Supreme Court with regard to the process.
4. **Special Permit Applications:** Various infrastructure projects such as the expansion of the Honouliuli wastewater treatment plant, relocation of the Waimanalo Gulch Land Fill, and continued operation of various public and private landfills and quarrying operations to supply materials for road building and construction. Over 484 new acres of commercial and industrial lands were approved.
5. **Affordable Housing:** LUC activities are focused on approving and enabling large- and medium-scale construction and housing projects to stimulate the construction industry and further the state’s inventory of affordable and market-rate housing. Over 1150 affordable homes and 4,800 market-rate homes were approved this past fiscal year. Regardless, the LUC has approved an estimated 45,000 to 65,000 units that have yet to be built. Efforts are underway to move those projects forward through status reviews and amendment of project requirements.
6. **Energy Projects:** The LUC also approves Solar Projects on class A-, B-, and C-rated lands. Over 65 Megawatts of power were approved this year.
7. **Enforcement of District Boundary Amendment Compliance:** To further stimulate housing development, the LUC has embarked on a campaign to discourage speculation

and encourage actual development. The Order to Show Cause process requires developers to show that stagnant projects are in development. If development is not contemplated, the LUC has the option of reverting the property to its agricultural designation. The LUC has scheduled four hearings this year under this process. Three have resulted in the re-animation of project development; the other is still pending.

Stadium Authority (SA)



Conceptual rendering for the New Aloha Stadium Entertainment District (NASED)

The Stadium Authority was transferred to DBEDT as an attached agency in 2022 from the Department of Accounting and General Services (DAGS). The Stadium Authority board oversees Aloha Stadium operations and is tasked with developing the New Aloha Stadium Entertainment District (NASED). The Stadium Authority seeks to transform the 98-acre site into a gathering place for people to live, work, play, and thrive.

Mission

The mission of the Stadium Authority is to meet the challenge of providing a first-class arena where the dreams of Hawai'i's youth can be realized through participation in sporting and other special events, where the spirit of achievement can be nourished by the thrill of competition, and where families can gather to share their cultural diversity with pride and a feeling of aloha.

2022 Updates and Achievements

The Stadium Authority closed the stadium bowl to the public in late 2021 due to structural concerns and high maintenance costs. In early 2022, stadium management went through a workforce restructuring plan that resulted in a limited operations model to maximize the use of the parking lot facilities and the continuation of the Swap Meet & Marketplace.

The Programmatic Environmental Impact Statement (PEIS) was published and accepted by Governor Ige on September 23, 2022. The 60-day judicial challenge period was completed on November 22, 2022, with no challenges. Completion of this process provides essential due diligence for the future development of the district.

2023 Outlook

The NASED project underwent significant changes in late 2022/early 2023. The Administration's desire for a less complicated process led to the cancellation of the two active procurements (one for the stadium and one for the surrounding real estate). Due diligence is currently in progress on a new procurement process that will allow the State to engage with one private developer to design-build-operate and maintain the new stadium in exchange for development rights to the remainder of the site. This new approach aims to ensure the State is not obligated for any further funding (beyond what has already been appropriated) related to the stadium or its long-term life cycle maintenance. Given this novel approach, the Stadium Authority and DAGS, as the procurement entity, have undergone a due diligence process on the new procurement approach for NASED, including a market-sounding report published on September 7, 2023. Although the report showed there is interest in the project, it also identified several items requiring additional diligence. The Stadium Authority and DAGS will complete this work in late 2023 as they prepare to issue Part 1 of the new Request for Proposals (RFP) before the end of 2023. The stadium will continue to engage stakeholders in this public-private partnership by providing updates to neighborhood boards, community organizations, Hawaiian Electric (HECO), the City & County of Honolulu, and the University of Hawai'i.



Department of Business, Economic Development & Tourism

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