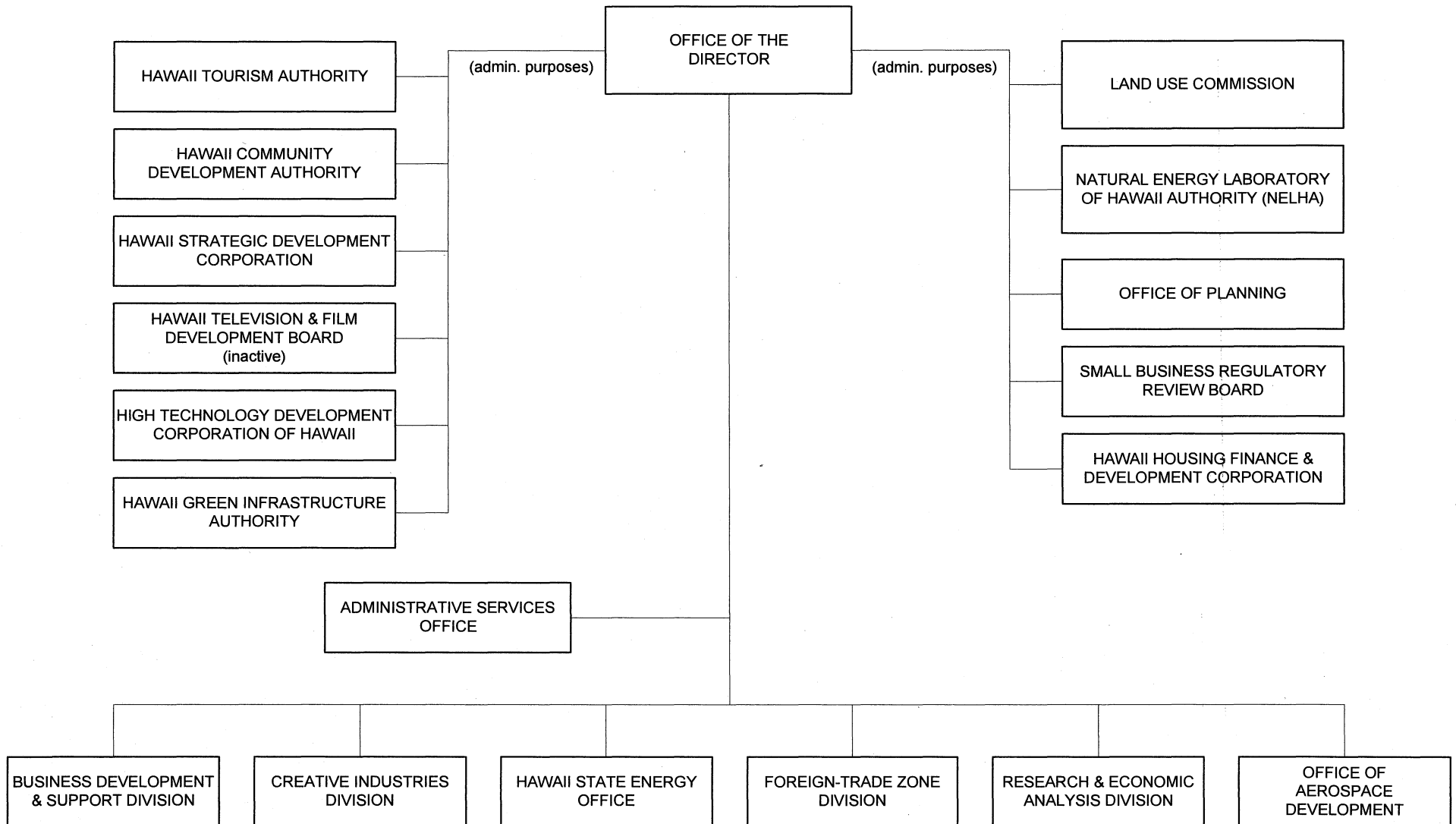




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**Department of Business, Economic  
Development and Tourism**

**STATE OF HAWAII  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM  
ORGANIZATION CHART**



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

## Department Summary

### ***Mission Statement***

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

### ***Department Goals***

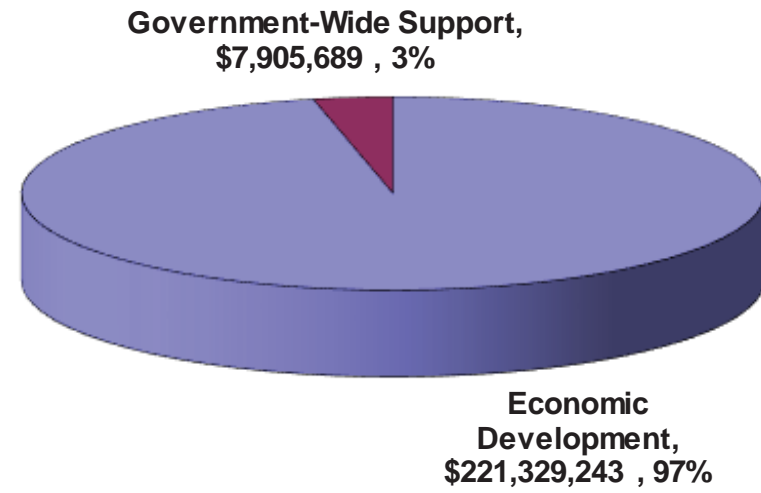
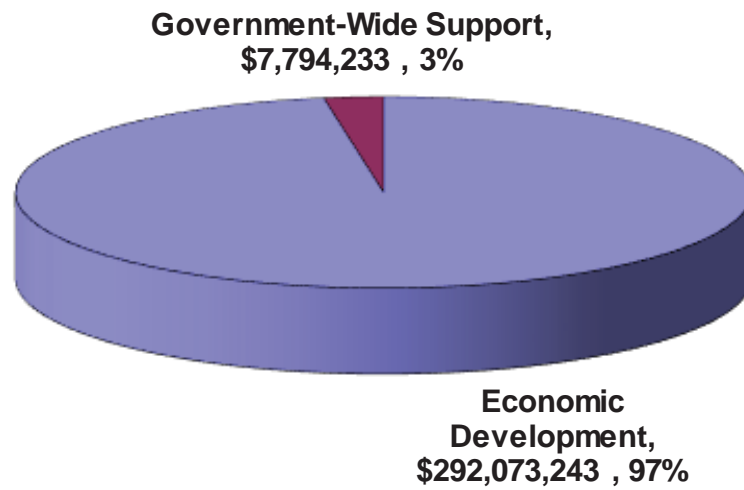
Lead efforts to facilitate structural economic adjustments to improve the competitiveness of Hawaii businesses and create the conditions to reward productivity and entrepreneurship.

### ***Significant Measures of Effectiveness***

|  | <u>FY 2018</u> | <u>FY 2019</u> |
|--|----------------|----------------|
| 1. Total Visitor Expenditures (\$ billions)          | 14.9           | 14.9           |
| 2. \$ Value of Total/Proj Sales-Trade & Export Promo | 16,000         | 17,500         |
| 3. # of Companies Asstd at HTDC Incubation Centers   | 275            | 275            |

### **FB 2017-2019 Operating Budget by Major Program Area**

| <u>FY 2018</u> | <u>FY 2019</u> |
|----------------|----------------|
|----------------|----------------|



## **DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM MAJOR FUNCTIONS**

- Meeting the Demand for Housing – Support the creation of low- and moderate- income homes for Hawaii's residents through financing of private sector developments with long-term affordability.
- Planning Dynamic Communities – Plan and develop live-work-play communities to attract and retain a workforce with the skills required for an innovation-driven and globally-competitive economy.
- Hawaii Clean Energy Initiative – Transform how Hawaii uses energy by accelerating the production of renewable and alternative energy, increasing energy efficiency and developing and adopting new technologies thereby ensuring energy security and long-term environmental quality, and benefits to residents.
- Sustaining the Visitor Industry – Develop and implement Hawaii's tourism strategic and marketing plan; managing programs and activities to sustain a healthy visitor industry through alignment of global marketing programs with Hawaii's distinctive products, natural resources, the Hawaiian host culture and multi-cultures.
- Providing Economic Data and Research – Enhance economic development in Hawaii by providing government agencies and the business community with data, analysis, and policy recommendations accessible online.
- Global Links – Increase the flow of people, products, services and ideas between Hawaii and its export markets.
- Creation of an Innovation Infrastructure – Create the infrastructure that enables Hawaii's creative and entrepreneurial talent to turn ideas into products and services.
- Improving Hawaii's Business Environment – Lead public sector efforts to bring about a business environment that is market-driven, and rewards productivity and entrepreneurship.

## **MAJOR PROGRAM AREAS**

The Department of Business, Economic Development and Tourism has programs in the following major program areas:

### **Economic Development**

|         |   |
|---------|---|
| BED 100 | Strategic Marketing & Support                 |
| BED 105 | Creative Industries Division                  |
| BED 107 | Foreign Trade Zone                            |
| BED 113 | Tourism                                       |
| BED 120 | Hawaii State Energy Office                    |
| BED 128 | Office of Aerospace                           |
| BED 138 | Hawaii Green Infrastructure Authority         |
| BED 142 | General Support for Economic Development      |
| BED 143 | High Technology Development Corporation       |
| BED 145 | Hawaii Strategic Development Corporation      |
| BED 146 | Natural Energy Laboratory of Hawaii Authority |
| BED 150 | Hawaii Community Development Authority        |

|         |  |
|---------|--|
| BED 160 | Hawaii Housing Finance and Development Corporation |
|---------|--|

### **Government-Wide Support**

|         |                                     |
|---------|-------------------------------------|
| BED 103 | Statewide Land Use Management       |
| BED 130 | Economic Planning and Research      |
| BED 144 | Statewide Planning and Coordination |

**Department of Business, Economic Development and Tourism  
(Operating Budget)**

|                           |                | Budget Base<br>FY 2018 | Budget Base<br>FY 2019 | FY 2018            | FY 2019            |
|---------------------------|----------------|------------------------|------------------------|--------------------|--------------------|
| <b>Funding Sources:</b>   | Perm Positions | 79.50                  | 79.50                  | 102.50             | 102.50             |
|                           | Temp Positions | 8.71                   | 8.71                   | 11.71              | 11.71              |
| General Funds             | \$             | 10,155,581             | 10,155,581             | 22,124,857         | 12,286,313         |
|                           | Perm Positions | 25.50                  | 25.50                  | 28.50              | 28.50              |
| Special Funds             | Temp Positions | 90.25                  | 90.25                  | 90.25              | 90.25              |
|                           | \$             | 214,308,418            | 214,308,418            | 235,160,418        | 185,312,418        |
| Federal Funds             | Perm Positions | 5.00                   | 5.00                   | 5.00               | 5.00               |
|                           | Temp Positions | 6.00                   | 6.00                   | 6.00               | 6.00               |
| Other Federal Funds       | \$             | 5,485,688              | 5,485,688              | 5,485,688          | 5,485,688          |
|                           | Perm Positions | -                      | -                      | -                  | -                  |
| Trust Funds               | Temp Positions | 9.00                   | 9.00                   | 9.00               | 9.00               |
|                           | \$             | 964,713                | 964,713                | 4,864,713          | 3,964,713          |
| Revolving Funds           | Perm Positions | -                      | -                      | -                  | -                  |
|                           | Temp Positions | -                      | -                      | -                  | -                  |
|                           | \$             | 38,000,000             | 38,000,000             | 200,000            | 200,000            |
|                           | Perm Positions | 33.00                  | 33.00                  | 33.00              | 33.00              |
|                           | Temp Positions | 46.00                  | 46.00                  | 44.00              | 44.00              |
|                           | \$             | 21,673,335             | 21,673,335             | 32,031,800         | 21,985,800         |
|                           |                | 143.00                 | 143.00                 | 169.00             | 169.00             |
|                           |                | 159.96                 | 159.96                 | 160.96             | 160.96             |
| <b>Total Requirements</b> |                | <b>290,587,735</b>     | <b>290,587,735</b>     | <b>299,867,476</b> | <b>229,234,932</b> |

**Major Adjustments in the Executive Budget Request:** (general funds unless noted)

1. Adds 1.00 temporary position and \$27,618 in FY 18 and \$55,236 in FY 19 to enfold the position and funds into the budget for the Special Action Team on Affordable Rental Housing created through Act 127/SLH 2016.
2. Adds 1.00 permanent position and \$29,868 in FY 18 and \$59,736 in FY 19 to enfold the position and funds into the budget for staff support for the Inter-Agency Council for Transit-Oriented Development created through Act 130/SLH 2016.
3. Adds 1.00 permanent position and \$50,000 in FY 18 and \$100,000 in FY 19 for an Executive Director position for the Office of Aerospace Development.
4. Adds \$10 million for a general fund infusion for the HI Growth Initiative and increases the revolving fund ceiling by \$10 million in FY 18.
5. Reduces \$38,000,000 in trust funds from both FY 18 and FY 19 to reflect the abolishment of the Rental Housing Trust Fund.
6. Adds 19.00 permanent positions and \$1,450,000 in both FY 18 and FY 19 to convert CIP project funded positions to operating funded positions.
7. Transfers \$50,000,000 in special funds in FY 18 from the Hawaii State Energy Office to the Hawaii Green Infrastructure Authority to provide ceiling for Green Energy Market Securitization (GEMS) Program loans. Reduces \$50,000,000 in special funds in FY 19 from the Hawaii State Energy Office's base budget (no authorization for FY 19 for GEMS Program loans).

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

## DEPARTMENT OF BUSINESS & ECON DEV & TOURISM

| PROGRAM EXPENDITURES       | IN DOLLARS  |             |             |             | IN THOUSANDS |            |            |            |
|----------------------------|-------------|-------------|-------------|-------------|--------------|------------|------------|------------|
|                            | FY 2015-16  | FY 2016-17  | FY 2017-18  | FY 2018-19  | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 147.00*     | 143.00*     | 169.00*     | 169.00*     | 169.0*       | 169.0*     | 169.0*     | 169.0*     |
|                            | 156.50**    | 159.96**    | 160.96**    | 160.96**    | 161.0**      | 161.0**    | 161.0**    | 161.0**    |
| PERSONAL SERVICES          | 28,299,574  | 30,531,998  | 32,370,091  | 32,683,547  | 32,628       | 32,628     | 32,628     | 32,628     |
| OTHER CURRENT EXPENSES     | 327,337,025 | 314,286,261 | 267,497,385 | 196,551,385 | 196,350      | 196,350    | 196,350    | 196,350    |
| EQUIPMENT                  |             | 2,000       |             |             |              |            |            |            |
| MOTOR VEHICLES             | 35,000      | 35,000      |             |             |              |            |            |            |
| TOTAL OPERATING COST       | 355,671,599 | 344,855,259 | 299,867,476 | 229,234,932 | 228,978      | 228,978    | 228,978    | 228,978    |
| BY MEANS OF FINANCING      |             |             |             |             |              |            |            |            |
|                            | 79.50*      | 79.50*      | 102.50*     | 102.50*     | 102.5*       | 102.5*     | 102.5*     | 102.5*     |
|                            | 5.75**      | 8.71**      | 11.71**     | 11.71**     | 11.8**       | 11.8**     | 11.8**     | 11.8**     |
| GENERAL FUND               | 10,054,705  | 13,543,802  | 22,124,857  | 12,286,313  | 12,204       | 12,204     | 12,204     | 12,204     |
|                            | 28.50*      | 25.50*      | 28.50*      | 28.50*      | 28.5*        | 28.5*      | 28.5*      | 28.5*      |
|                            | 90.75**     | 90.25**     | 90.25**     | 90.25**     | 90.2**       | 90.2**     | 90.2**     | 90.2**     |
| SPECIAL FUND               | 214,113,632 | 214,159,749 | 235,160,418 | 185,312,418 | 185,313      | 185,313    | 185,313    | 185,313    |
|                            | 5.00*       | 5.00*       | 5.00*       | 5.00*       | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
|                            | 6.00**      | 6.00**      | 6.00**      | 6.00**      | 6.0**        | 6.0**      | 6.0**      | 6.0**      |
| FEDERAL FUNDS              | 6,850,000   | 5,653,278   | 5,485,688   | 5,485,688   | 5,486        | 5,486      | 5,486      | 5,486      |
|                            | *           | *           | *           | *           | *            | *          | *          | *          |
|                            | 8.00**      | 9.00**      | 9.00**      | 9.00**      | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| OTHER FEDERAL FUNDS        | 15,989,710  | 962,987     | 4,864,713   | 3,964,713   | 3,965        | 3,965      | 3,965      | 3,965      |
|                            | *           | *           | *           | *           | *            | *          | *          | *          |
|                            | **          | **          | **          | **          | **           | **         | **         | **         |
| TRUST FUNDS                | 88,000,000  | 88,000,000  | 200,000     | 200,000     |              |            |            |            |
|                            | 34.00*      | 33.00*      | 33.00*      | 33.00*      | 33.0*        | 33.0*      | 33.0*      | 33.0*      |
|                            | 46.00**     | 46.00**     | 44.00**     | 44.00**     | 44.0**       | 44.0**     | 44.0**     | 44.0**     |
| REVOLVING FUND             | 20,663,552  | 22,535,443  | 32,031,800  | 21,985,800  | 22,010       | 22,010     | 22,010     | 22,010     |
| CAPITAL IMPROVEMENT COSTS  |             |             |             |             |              |            |            |            |
| PLANS                      | 2,380,000   | 1,982,000   | 1,000,000   | 1,000,000   |              |            |            |            |
| DESIGN                     | 1,594,000   | 3,955,000   | 350,000     | 150,000     |              |            |            |            |
| CONSTRUCTION               | 76,425,000  | 92,017,000  | 112,410,000 | 1,500,000   | 8,500        | 6,000      |            |            |
| EQUIPMENT                  |             | 4,831,000   | 340,000     |             |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES | 80,399,000  | 102,785,000 | 114,100,000 | 2,650,000   | 8,500        | 6,000      |            |            |

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

## DEPARTMENT OF BUSINESS & ECON DEV & TOURISM

| PROGRAM EXPENDITURES  | IN DOLLARS  |             |             |             | IN THOUSANDS |            |            |            |
|-----------------------|-------------|-------------|-------------|-------------|--------------|------------|------------|------------|
|                       | FY 2015-16  | FY 2016-17  | FY 2017-18  | FY 2018-19  | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| BY MEANS OF FINANCING |             |             |             |             |              |            |            |            |
| GENERAL FUND          |             | 1,450,000   |             |             |              |            |            |            |
| G.O. BONDS            | 80,399,000  | 90,885,000  | 114,100,000 | 2,650,000   | 8,500        | 6,000      |            |            |
| G.O. BONDS REPAID     |             | 6,200,000   |             |             |              |            |            |            |
| REVENUE BONDS         |             | 1,250,000   |             |             |              |            |            |            |
| FEDERAL FUNDS         |             | 3,000,000   |             |             |              |            |            |            |
| TOTAL PERM POSITIONS  | 147.00*     | 143.00*     | 169.00*     | 169.00*     | 169.0*       | 169.0*     | 169.0*     | 169.0*     |
| TOTAL TEMP POSITIONS  | 156.50**    | 159.96**    | 160.96**    | 160.96**    | 161.0**      | 161.0**    | 161.0**    | 161.0**    |
| TOTAL PROGRAM COST    | 436,070,599 | 447,640,259 | 413,967,476 | 231,884,932 | 237,478      | 234,978    | 228,978    | 228,978    |

**Department of Business, Economic Development and Tourism  
(Capital Improvements Budget)**

|                           | <u><b>FY 2018</b></u>     | <u><b>FY 2019</b></u>   |
|---------------------------|---------------------------|-------------------------|
| <b>Funding Sources:</b>   |                           |                         |
| General Obligation Bonds  | <u>127,400,000</u>        | <u>1,000,000</u>        |
| <b>Total Requirements</b> | <u><u>127,400,000</u></u> | <u><u>1,000,000</u></u> |

**Highlights of the Executive CIP Budget Request:** (general obligation bonds unless noted)

1. Adds \$50,000,000 in FY 18 for a cash infusion to the Rental Housing Revolving Fund, Statewide.
2. Adds \$50,000,000 in FY 18 for a cash infusion to the Dwelling Unit Revolving Fund, Statewide.
3. Adds \$8,400,000 in FY 18 for Low Income Housing Tax Credit loans, Statewide.
4. Adds \$3,000,000 in FY 18 for design and construction to complete the Kalaeloa Enterprise Avenue energy corridor to Midway Road, Oahu.



STATE OF HAWAII

PROGRAM ID

PROGRAM STRUCTURE NO.

PROGRAM TITLE

**REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT  
IN THOUSANDS OF DOLLARS**

REPORT B78

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DEPT OF BUSINESS &amp; ECONOMIC DEVELOPMENT

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE          | PROJECT TITLE    |                  | BUDGET PERIOD |             |             |             |             |             |             | SUCCEED<br>YEARS |             |
|-------------------|--------------------|-----|----------------|------------------|------------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|
|                   |                    |     |                | COST ELEMENT/MOF | PROJECT<br>TOTAL | PRIOR<br>YRS  | FY<br>15-16 | FY<br>16-17 | FY<br>17-18 | FY<br>18-19 | FY<br>19-20 | FY<br>20-21 |                  | FY<br>21-22 |
|                   |                    |     | PLANS          | 61,737           | 55,545           | 2,211         | 1,981       | 1,000       | 1,000       |             |             |             |                  |             |
|                   |                    |     | LAND           | 22,466           | 22,456           | 10            |             |             |             |             |             |             |                  |             |
|                   |                    |     | DESIGN         | 25,666           | 20,570           | 1,839         | 2,757       | 500         |             |             |             |             |                  |             |
|                   |                    |     | CONSTRUCTION   | 495,648          | 239,667          | 43,565        | 86,516      | 125,900     |             |             |             |             |                  |             |
|                   |                    |     | EQUIPMENT      | 16,366           | 11,105           | 430           | 4,831       |             |             |             |             |             |                  |             |
|                   |                    |     | TOTAL          | 621,883          | 349,343          | 48,055        | 96,085      | 127,400     | 1,000       |             |             |             |                  |             |
|                   |                    |     | GENERAL FUND   | 51,202           | 49,752           |               | 1,450       |             |             |             |             |             |                  |             |
|                   |                    |     | SPECIAL FUND   | 734              | 734              |               |             |             |             |             |             |             |                  |             |
|                   |                    |     | G.O. BONDS     | 561,497          | 297,857          | 48,055        | 87,185      | 127,400     | 1,000       |             |             |             |                  |             |
|                   |                    |     | REVENUE BONDS  | 1,250            |                  |               | 1,250       |             |             |             |             |             |                  |             |
|                   |                    |     | G.O. BONDS REP | 7,200            | 1,000            |               | 6,200       |             |             |             |             |             |                  |             |



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## **Operating Budget Details**

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: 01  
PROGRAM TITLE: ECONOMIC DEVELOPMENT

| PROGRAM EXPENDITURES       | IN DOLLARS  |             |             |             | IN THOUSANDS |            |            |            |
|----------------------------|-------------|-------------|-------------|-------------|--------------|------------|------------|------------|
|                            | FY 2015-16  | FY 2016-17  | FY 2017-18  | FY 2018-19  | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 109.00*     | 106.00*     | 129.00*     | 129.00*     | 129.0*       | 129.0*     | 129.0*     | 129.0*     |
|                            | 150.50**    | 152.00**    | 152.00**    | 152.00**    | 152.0**      | 152.0**    | 152.0**    | 152.0**    |
| PERSONAL SERVICES          | 24,824,852  | 26,700,991  | 28,537,873  | 28,739,873  | 28,740       | 28,740     | 28,740     | 28,740     |
| OTHER CURRENT EXPENSES     | 323,444,774 | 310,294,010 | 263,535,370 | 192,589,370 | 192,389      | 192,389    | 192,389    | 192,389    |
| MOTOR VEHICLES             | 35,000      | 35,000      |             |             |              |            |            |            |
| TOTAL OPERATING COST       | 348,304,626 | 337,030,001 | 292,073,243 | 221,329,243 | 221,129      | 221,129    | 221,129    | 221,129    |
| BY MEANS OF FINANCING      |             |             |             |             |              |            |            |            |
|                            | 46.50*      | 47.50*      | 67.50*      | 67.50*      | 67.5*        | 67.5*      | 67.5*      | 67.5*      |
|                            | 5.75**      | 6.75**      | 8.75**      | 8.75**      | 8.8**        | 8.8**      | 8.8**      | 8.8**      |
| GENERAL FUND               | 7,037,732   | 10,271,822  | 18,716,312  | 8,766,312   | 8,741        | 8,741      | 8,741      | 8,741      |
|                            | 28.50*      | 25.50*      | 28.50*      | 28.50*      | 28.5*        | 28.5*      | 28.5*      | 28.5*      |
|                            | 90.75**     | 90.25**     | 90.25**     | 90.25**     | 90.2**       | 90.2**     | 90.2**     | 90.2**     |
| SPECIAL FUND               | 214,113,632 | 214,159,749 | 235,160,418 | 185,312,418 | 185,313      | 185,313    | 185,313    | 185,313    |
|                            | *           | *           | *           | *           | *            | *          | *          | *          |
|                            | **          | **          | **          | **          | **           | **         | **         | **         |
| FEDERAL FUNDS              | 4,500,000   | 3,100,000   | 3,100,000   | 3,100,000   | 3,100        | 3,100      | 3,100      | 3,100      |
|                            | *           | *           | *           | *           | *            | *          | *          | *          |
|                            | 8.00**      | 9.00**      | 9.00**      | 9.00**      | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| OTHER FEDERAL FUNDS        | 15,989,710  | 962,987     | 4,864,713   | 3,964,713   | 3,965        | 3,965      | 3,965      | 3,965      |
|                            | *           | *           | *           | *           | *            | *          | *          | *          |
|                            | **          | **          | **          | **          | **           | **         | **         | **         |
| TRUST FUNDS                | 88,000,000  | 88,000,000  | 200,000     | 200,000     |              |            |            |            |
|                            | 34.00*      | 33.00*      | 33.00*      | 33.00*      | 33.0*        | 33.0*      | 33.0*      | 33.0*      |
|                            | 46.00**     | 46.00**     | 44.00**     | 44.00**     | 44.0**       | 44.0**     | 44.0**     | 44.0**     |
| REVOLVING FUND             | 18,663,552  | 20,535,443  | 30,031,800  | 19,985,800  | 20,010       | 20,010     | 20,010     | 20,010     |
| CAPITAL IMPROVEMENT COSTS  |             |             |             |             |              |            |            |            |
| PLANS                      | 2,380,000   | 1,482,000   |             |             |              |            |            |            |
| DESIGN                     | 1,594,000   | 3,955,000   | 350,000     | 150,000     |              |            |            |            |
| CONSTRUCTION               | 76,425,000  | 92,017,000  | 112,410,000 | 1,500,000   | 8,500        | 6,000      |            |            |
| EQUIPMENT                  |             | 4,831,000   | 340,000     |             |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES | 80,399,000  | 102,285,000 | 113,100,000 | 1,650,000   | 8,500        | 6,000      |            |            |

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: 01  
PROGRAM TITLE: ECONOMIC DEVELOPMENT

| PROGRAM EXPENDITURES  | IN DOLLARS  |             |             |             | IN THOUSANDS |            |            |            |
|-----------------------|-------------|-------------|-------------|-------------|--------------|------------|------------|------------|
|                       | FY 2015-16  | FY 2016-17  | FY 2017-18  | FY 2018-19  | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| BY MEANS OF FINANCING |             |             |             |             |              |            |            |            |
| GENERAL FUND          |             | 1,450,000   |             |             |              |            |            |            |
| G.O. BONDS            | 80,399,000  | 90,385,000  | 113,100,000 | 1,650,000   | 8,500        | 6,000      |            |            |
| G.O. BONDS REPAYED    |             | 6,200,000   |             |             |              |            |            |            |
| REVENUE BONDS         |             | 1,250,000   |             |             |              |            |            |            |
| FEDERAL FUNDS         |             | 3,000,000   |             |             |              |            |            |            |
| TOTAL PERM POSITIONS  | 109.00*     | 106.00*     | 129.00*     | 129.00*     | 129.0*       | 129.0*     | 129.0*     | 129.0*     |
| TOTAL TEMP POSITIONS  | 150.50**    | 152.00**    | 152.00**    | 152.00**    | 152.0**      | 152.0**    | 152.0**    | 152.0**    |
| TOTAL PROGRAM COST    | 428,703,626 | 439,315,001 | 405,173,243 | 222,979,243 | 229,629      | 227,129    | 221,129    | 221,129    |

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: 0101  
PROGRAM TITLE: BUSINESS DEVELOPMENT

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 62.00*     | 63.00*     | 63.00*     | 63.00*     | 63.0*        | 63.0*      | 63.0*      | 63.0*      |
|                            | 0.00**     | 1.00**     | 1.00**     | 1.00**     | 1.0**        | 1.0**      | 1.0**      | 1.0**      |
| PERSONAL SERVICES          | 4,493,749  | 5,117,666  | 4,931,803  | 4,931,803  | 4,932        | 4,932      | 4,932      | 4,932      |
| OTHER CURRENT EXPENSES     | 4,301,730  | 4,011,730  | 5,436,730  | 4,536,730  | 4,536        | 4,536      | 4,536      | 4,536      |
| TOTAL OPERATING COST       | 8,795,479  | 9,129,396  | 10,368,533 | 9,468,533  | 9,468        | 9,468      | 9,468      | 9,468      |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
|                            | 45.00*     | 46.00*     | 46.00*     | 46.00*     | 46.0*        | 46.0*      | 46.0*      | 46.0*      |
|                            | **         | 1.00**     | 1.00**     | 1.00**     | 1.0**        | 1.0**      | 1.0**      | 1.0**      |
| GENERAL FUND               | 4,845,809  | 5,120,965  | 4,988,062  | 4,988,062  | 4,988        | 4,988      | 4,988      | 4,988      |
|                            | 17.00*     | 17.00*     | 17.00*     | 17.00*     | 17.0*        | 17.0*      | 17.0*      | 17.0*      |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| SPECIAL FUND               | 2,127,755  | 2,186,516  | 2,658,556  | 2,658,556  | 2,658        | 2,658      | 2,658      | 2,658      |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| OTHER FEDERAL FUNDS        |            |            | 900,000    |            |              |            |            |            |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| REVOLVING FUND             | 1,821,915  | 1,821,915  | 1,821,915  | 1,821,915  | 1,822        | 1,822      | 1,822      | 1,822      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      | 375,000    | 30,000     |            |            |              |            |            |            |
| DESIGN                     | 270,000    | 35,000     |            |            |              |            |            |            |
| CONSTRUCTION               | 1,175,000  | 935,000    | 510,000    |            |              |            |            |            |
| EQUIPMENT                  |            | 800,000    | 340,000    |            |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES | 1,820,000  | 1,800,000  | 850,000    |            |              |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| G.O. BONDS                 | 1,820,000  | 800,000    | 850,000    |            |              |            |            |            |
| G.O. BONDS REPAID          |            | 1,000,000  |            |            |              |            |            |            |
| TOTAL PERM POSITIONS       | 62.00*     | 63.00*     | 63.00*     | 63.00*     | 63.0*        | 63.0*      | 63.0*      | 63.0*      |
| TOTAL TEMP POSITIONS       | **         | 1.00**     | 1.00**     | 1.00**     | 1.0**        | 1.0**      | 1.0**      | 1.0**      |
| TOTAL PROGRAM COST         | 10,615,479 | 10,929,396 | 11,218,533 | 9,468,533  | 9,468        | 9,468      | 9,468      | 9,468      |

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED100  
 PROGRAM STRUCTURE NO: 010101  
 PROGRAM TITLE: STRATEGIC MARKETING AND SUPPORT

| PROGRAM EXPENDITURES   | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                        | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST         | 10.00*     | 10.00*     | 10.00*     | 10.00*     | 10.0*        | 10.0*      | 10.0*      | 10.0*      |
|                        | 0.00**     | 0.00**     | 0.00**     | 0.00**     | 0.0**        | 0.0**      | 0.0**      | 0.0**      |
| PERSONAL SERVICES      | 750,474    | 773,955    | 793,071    | 793,071    | 793          | 793        | 793        | 793        |
| OTHER CURRENT EXPENSES | 2,829,310  | 2,419,310  | 3,194,310  | 2,494,310  | 2,494        | 2,494      | 2,494      | 2,494      |
| TOTAL OPERATING COST   | 3,579,784  | 3,193,265  | 3,987,381  | 3,287,381  | 3,287        | 3,287      | 3,287      | 3,287      |
| BY MEANS OF FINANCING  |            |            |            |            |              |            |            |            |
|                        | 10.00*     | 10.00*     | 10.00*     | 10.00*     | 10.0*        | 10.0*      | 10.0*      | 10.0*      |
|                        | **         | **         | **         | **         | **           | **         | **         | **         |
| GENERAL FUND           | 1,757,869  | 1,371,350  | 1,465,466  | 1,465,466  | 1,465        | 1,465      | 1,465      | 1,465      |
|                        | *          | *          | *          | *          | *            | *          | *          | *          |
|                        | **         | **         | **         | **         | **           | **         | **         | **         |
| OTHER FEDERAL FUNDS    |            |            | 700,000    |            |              |            |            |            |
|                        | *          | *          | *          | *          | *            | *          | *          | *          |
|                        | **         | **         | **         | **         | **           | **         | **         | **         |
| REVOLVING FUND         | 1,821,915  | 1,821,915  | 1,821,915  | 1,821,915  | 1,822        | 1,822      | 1,822      | 1,822      |
| TOTAL PERM POSITIONS   | 10.00*     | 10.00*     | 10.00*     | 10.00*     | 10.0*        | 10.0*      | 10.0*      | 10.0*      |
| TOTAL TEMP POSITIONS   | **         | **         | **         | **         | **           | **         | **         | **         |
| TOTAL PROGRAM COST     | 3,579,784  | 3,193,265  | 3,987,381  | 3,287,381  | 3,287        | 3,287      | 3,287      | 3,287      |

PROGRAM ID: **BED100**  
 PROGRAM STRUCTURE: **010101**  
 PROGRAM TITLE: **STRATEGIC MARKETING AND SUPPORT**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION        | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            |
| 2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO      | 9350          | 16000         | 16000         | 17500         | 17500         | 19000         | 19000         | 19000         |
| 3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM        | 28            | 25            | 25            | 25            | 25            | 25            | 25            | 25            |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. # OF FIRMS ENROLLED IN ENTERPRIZE ZONE PROGRAM         | 246           | 250           | 250           | 250           | 250           | 250           | 250           | 250           |
| 2. #COMM-BASED ORGS, CO-OPS & SMALL BUS ASSISTED          | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           |
| 3. # SML & MED-SIZED ENTERPRISES EXPAND/NEW TO EXPORT     | -             | 25            | 30            | 30            | 35            | 35            | 40            | 40            |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES                | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            |
| 2. OUTREACH ACTIVITIES                                    | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            |
| 3. #FIRMS ASSISTED FOR PARTIC IN ENTERPRSE ZONES          | 300           | 300           | 300           | 300           | 300           | 300           | 300           | 300           |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 1             | 1             | 2             | 2             | 2             | 16            | 16            | 16            |
| NON-REVENUE RECEIPTS                                      | 4             | 4             | 4             | 5             | 5             | 5             | 5             | 5             |
| TOTAL PROGRAM REVENUES                                    | 5             | 5             | 6             | 7             | 7             | 21            | 21            | 21            |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| GENERAL FUNDS   |               |               |               |               |               | 14            | 14            | 14            |
| ALL OTHER FUNDS   | 5             | 5             | 6             | 7             | 7             | 7             | 7             | 7             |
| TOTAL PROGRAM REVENUES                                    | 5             | 5             | 6             | 7             | 7             | 21            | 21            | 21            |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED100: STRATEGIC MARKETING AND SUPPORT**

**01 01 01**

### **A. Statement of Program Objectives**

To promote industry development and economic diversification by supporting existing and emerging industries through the attraction of new investment; increase in exports of Hawaii products and services; expansion of Hawaii's participation in global trade and commerce; and by supporting small business and community based organizations.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

\$75,000 for International Student Attraction Initiative (each year of the 2017-19 biennium):

Overseas study, especially in the Asia-Pacific Region is strong and growing. International students studying in Hawaii make a significant contribution to our economy. In the 2015/16 school year, this industry had a \$659 million impact to Hawaii's economy, generating \$43 million in state taxes and supporting 7,600 jobs. While the rest of the US is experiencing strong growth in attracting overseas students, Hawaii is lagging, although improving since DBEDT actively began promoting the industry sector. In a recent DBEDT study, the growth of the industry from 2014/15 and 2015/16 showed an increase of slightly over 2,000 more students. The market is dominated by Chinese students who want to study in the US, and this market - along with Japan, Korea -- will be the focus of our promotional, marketing & recruitment strategy. Funds will be used for the trade shows and conferences; website and marketing; and promotional activities with the Study Hawaii Consortium of Hawaii schools consisting of 30 schools dedicated to increase its enrollment of international students. Target for biennium would be to increase international students by 300 students resulting in \$1.05 million in new state taxes and support an additional 187 jobs. The \$75K will be used for collateral materials and websites in Japanese, Chinese and Korean; 3 missions to promote Hawaii as a place to study.

\$700,000 for STEP Federal Grant Ceiling Increase:

BDSD has received notification that it will be awarded a \$700,000 grant for the STEP program for FY 18.

### **C. Description of Activities Performed**

The Business Development and Support Division (BDSD) plans, organizes, and implements programs to attract new, job-creating businesses and investments, and to expand markets for Hawaii's products and professional services by: (a) opening and expanding markets for Hawaii's firms; (b) attracting investment and companies in selected industry clusters; (c) providing assistance and capacity building for firms; (d) improving the business environment; and (e) facilitating the State's sister-state relations and international relations. The Division also provides direct support to local small business through (a) enterprise zone tax incentives; (b) rural development stimulation programs; and (c) community-based economic development grants and technical assistance.

### **D. Statement of Key Policies Pursued**

BDSD's policies are based on creating new jobs and diversifying Hawaii's economic base. Towards these objectives, export promotion policies and import substitution policies are being pursued together with business and investment attraction measures. Emphasis is placed on the following strategies: (1) opening and expanding markets for Hawaii's firms reverse missions to Hawaii (buyers, media, targeted industries); operating overseas offices in targeted markets such as Beijing and Taipei; conducting conferences and events that provide business matchmaking opportunities; promoting and facilitating short-term training; participating in local, mainland and international trade shows; opening new marketing channels; international workshops and seminars; (2) providing assistance and capacity building to help companies reach the next level through workshops, technical assistance and industry education and venture acceleration; (3) improving the business environment - developing a brand to promote Hawaii as a place for business; and (4) encouraging new types of businesses and strengthening existing businesses especially in distressed areas and through incentives such as the Enterprise Zone Program and Community Based Economic Development Program.

### **E. Identification of Important Program Relationships**

SMSD partners with the four Economic Development Boards; County Economic Development Offices; the Chamber of Commerce of Hawaii



## Program Plan Narrative

### **BED100: STRATEGIC MARKETING AND SUPPORT**

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and ethnic chambers; and industry, trade and professional organizations. It also works with the U.S. Departments of Commerce and State; U.S. Customs; foreign consulates; U.S. embassies; sister-state affiliations; and the Citizenship and Immigration Service (CIS); county administrations and councils; with the State Departments of Agriculture, Labor and Industrial Relations, Commerce and Consumer Affairs, Health, Human Services, Transportation, Taxation and Hawaiian Home Lands and Office of Hawaiian Affairs; federal agencies such as the IRS, U.S. Small Business Administration, U.S. Department of Agriculture, U.S. Department of Commerce, U.S. Department of Defense, U.S. Department of Economic Development Administration, and U.S. Department of Housing and Urban Development; local financial institutions; and individual entrepreneurs and businesses. It also works with non-profits such as the Pacific Asian Affairs Council, the Confucius Center, University of Hawaii system and private colleges and universities, and the State Dept. of Education.

#### **F. Description of Major External Trends Affecting the Program**

- Reduction in force of staff by 45% and reduction of budget by more than 50% has limited division priorities to focus on legislatively mandated programs.
- Agreements between the State of Hawaii and Chinese agencies have engendered relationships for Hawaii to increase the export of services to and investments from China.
- Federal grant with the U.S. Small Business Administration has enabled the division to increase promotion of the exports from Hawaii.

#### **G. Discussion of Cost, Effectiveness, and Program Size Data**

- External trends have increased the demand for SMSD's programs to assist Hawaii businesses to expand, open new markets and take advantage of investment and business development opportunities. This is especially true for China and Japan.
- A previous U.S. Small Business Administration grant has enabled the division to increase its export promotion efforts.

#### **H. Discussion of Program Revenues**

Participation fees are collected and applied towards shared expenses incurred for marketing events and projects. The direct revenue generated by these activities accrue to the participating companies through sales, orders, partnerships, contracts and investment capital for these businesses. Division continues to seek federal, institutional and private grant sources to expand programs or initiate new ones continues.

#### **I. Summary of Analysis Performed**

The effectiveness of major strategies previously summarized are measured through: (1) number of jobs generated; (2) number of trade and investment leads serviced; (3) number of firms involved in exporting and (4) dollar increase in exports of products and services. BDSO works towards long-term relationship building and working in concert with specific industries and organizations towards common goals as evidence of successful programming. External factors interrelate so closely with most program activities that accurate independent analysis is usually not possible. Area strategic studies have produced community-approved goals, objectives and projects but do not normally include effectiveness components

#### **J. Further Considerations**

Concentration of efforts will be on those programs, projects and activities that will directly benefit existing small businesses and community based organizations - to build entrepreneurial skills, protect against business regulations, increase market and business opportunities and take advantage of available incentives. Division will also place focus on new business and investment attraction, and on building strategic and financial alliances to increase exports. International business and trade relations will be limited to China, Japan Korea; Beijing and Taiwan Offices have also been downsized.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED105**  
 PROGRAM STRUCTURE NO: **010102**  
 PROGRAM TITLE: **CREATIVE INDUSTRIES DIVISION**

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 11.00*     | 11.00*     | 11.00*     | 11.00*     | 11.0*        | 11.0*      | 11.0*      | 11.0*      |
|                            | 0.00**     | 0.00**     | 0.00**     | 0.00**     | 0.0**        | 0.0**      | 0.0**      | 0.0**      |
| PERSONAL SERVICES          | 762,697    | 785,553    | 803,076    | 803,076    | 803          | 803        | 803        | 803        |
| OTHER CURRENT EXPENSES     | 444,298    | 554,298    | 754,298    | 554,298    | 554          | 554        | 554        | 554        |
| TOTAL OPERATING COST       | 1,206,995  | 1,339,851  | 1,557,374  | 1,357,374  | 1,357        | 1,357      | 1,357      | 1,357      |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
|                            | 11.00*     | 11.00*     | 11.00*     | 11.00*     | 11.0*        | 11.0*      | 11.0*      | 11.0*      |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| GENERAL FUND               | 1,206,995  | 1,309,851  | 1,327,374  | 1,327,374  | 1,327        | 1,327      | 1,327      | 1,327      |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| SPECIAL FUND               |            | 30,000     | 30,000     | 30,000     | 30           | 30         | 30         | 30         |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| OTHER FEDERAL FUNDS        |            |            | 200,000    |            |              |            |            |            |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      | 350,000    |            |            |            |              |            |            |            |
| DESIGN                     | 150,000    | 35,000     |            |            |              |            |            |            |
| CONSTRUCTION               |            | 765,000    |            |            |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES | 500,000    | 800,000    |            |            |              |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| G.O. BONDS                 | 500,000    | 800,000    |            |            |              |            |            |            |
| TOTAL PERM POSITIONS       | 11.00*     | 11.00*     | 11.00*     | 11.00*     | 11.0*        | 11.0*      | 11.0*      | 11.0*      |
| TOTAL TEMP POSITIONS       | **         | **         | **         | **         | **           | **         | **         | **         |
| TOTAL PROGRAM COST         | 1,706,995  | 2,139,851  | 1,557,374  | 1,357,374  | 1,357        | 1,357      | 1,357      | 1,357      |

PROGRAM ID: **BED105**  
 PROGRAM STRUCTURE: **010102**  
 PROGRAM TITLE: **CREATIVE INDUSTRIES DIVISION**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. CREATIVE ECONOMY SHARE OF HAWAII GDP (BIL)             | 150           | 150           | 150           | 150           | 150           | 150           | 150           | 150           |
| 2. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII            | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200           |
| 3. # JOBS ON NEIGHBOR ISLANDS IN CREATIVE SECTORS         | 15            | 15            | 15            | 15            | 15            | 15            | 15            | 15            |
| 4. \$ AMOUNT OF DIRECT EXPEN - FILM/TV PROD (MIL)         | 25            | 25            | 25            | 25            | 25            | 25            | 25            | 25            |
| 5. \$ AMT ECONOMIC IMPACT - FILM/TV PROD (MIL)            | 135           | 135           | 135           | 135           | 135           | 135           | 135           | 135           |
| 6. \$ AMT OF TAXES GENERATED FROM FILM/TV PROD (MIL)      | 4.5           | 4.5           | 5             | 5             | 5             | 5.5           | 5.5           | 5.5           |
| 7. \$ AMT OF ESTIMATED REBATE - ACT 88/89                 | 51            | 52            | 53            | 54            | 55            | 56            | 56            | 56            |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. TOTAL \$ AMT/VALUE OF WFORCE DEV CONT - ACT 88/89      | 24            | 24            | 24            | 24            | 24            | 24            | 24            | 24            |
| 2. AMOUNT OF PARTICIPANTS - ENT DEV PROGRAMS              | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 6             |
| 3. \$ AMT OF PRODUCTION SPEND ON NEIGHBOR ISLANDS         | 35            | 35            | 45            | 45            | 45            | 45            | 45            | 45            |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. # PERMITS FOR FILM/TV/COM/INTERNET PROJ YEARLY         | 140           | 140           | 140           | 140           | 140           | 140           | 140           | 140           |
| 2. # OF CREATIVE CONTENT PROJ DEV FOR EXPORT              | 1500          | 1500          | 1500          | 1500          | 1500          | 1500          | 1500          | 1500          |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 536           | 450           | 451           | 451           | 451           | 451           | 451           | 451           |
| TOTAL PROGRAM REVENUES                                    | 536           | 450           | 451           | 451           | 451           | 451           | 451           | 451           |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| GENERAL FUNDS   | 536           | 450           | 451           | 451           | 451           | 451           | 451           | 451           |
| TOTAL PROGRAM REVENUES                                    | 536           | 450           | 451           | 451           | 451           | 451           | 451           | 451           |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED105: CREATIVE INDUSTRIES DIVISION**

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### **A. Statement of Program Objectives**

The Creative Industries Division (CID) is the State's lead agency which advocates and expands business opportunities for those sectors which comprise Hawaii's creative economy. Consisting of 49,597 entrepreneurs and businesses contributing \$3.3 billion to the State's GDP, Hawaii's creative sectors are also intrinsic to the tourism industry and development of a thriving Innovation based economy. CID's strategic focus is in the areas of talent and infrastructure development supporting film production, creative and cultural industry development to create a continuum of job opportunities from K-20 to workforce. CID's Hawaii Film Office (HFO) supports all statutory aspects of film permitting, tax credit, studio management and production attraction and servicing, while the Arts and Culture Development Branch (ACDB) develops initiatives such as Creative Lab Hawaii, which are building a thriving creative entrepreneurial ecosystem while maintaining and expanding Hawaii's role as a top destination for film, television and creative media production.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

Request \$200,000 ceiling for Economic Assistance federal grant for FY 18.

### **C. Description of Activities Performed**

CID implements programs targeting the emerging and transitioning sectors and continues to support base growth sectors, including management of the State's film program and the statutory responsibilities of film permitting, film tax incentive management and film studio management.

### **D. Statement of Key Policies Pursued**

- 1) Development of an economy which embraces innovation, is Globally competitive, dynamic and productive, and provides opportunities for all Hawaii's citizens.
- 2) Management of the statewide film permitting, film tax incentive and developing new creative media/film studio and broadband infrastructure.
- 3) Ignite opportunities for entrepreneurs and companies who have the

potential to launch products or services which are exported, building sustainable, globally relevant businesses.

### **E. Identification of Important Program Relationships**

Strategic partnerships with national organizations, federal agencies and international agencies. CID represents Hawaii on the Creative Economy Coalition (CEC) a sub-committee of the National Creativity Network (NCN), working with 24 other U.S. states to advocate for funding to support America's Creative Economy on a national level. CID partners with industry organizations including Association of Film Commissioners (AFCI), The Recording Academy (Grammys), ASCAP, BMI, Guild of Music Supervisors, The Writers Guild of America (WGA), Directors Guild of America (DGA), Producers Guild of America (PGA), Coalition of Asian Pacific's in Entertainment (CAPE), Film and Video Association of Hawaii (FAVAH), Hawaii Association of Media Arts (HAMA), all major networks (NBC, ABC, CBS), cable and direct to web broadcast networks (Netflix, Amazon, AMC), major film studios, StartUP America, America Venture Accelerator Network, Accelerators in Creative, and international organizations in broadband/photonic network distribution, including CineGrid, Disney Digital Studios, and NTT labs in Japan.

### **F. Description of Major External Trends Affecting the Program**

With the democratization of media changing the face of the film and entertainment industries, Hawaii must maintain a relevant workforce, develop multi-purpose infrastructure and provide broadband services to its citizens, as well as visiting film productions. Trends in mobile and direct to web content creation, product development and services in a rapidly shifting digital world dictate the priorities for the division in terms of initiatives, policy development and infrastructure development. CID's initiatives such as Creative Lab and GVS Transmedia Accelerator provide relevant training and investment opportunities to export creative content globally.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

Resources are necessary to support growth in the creative sectors of Hawaii's economy, advance opportunities in the export of creative products, provide infrastructure and gigahub broadband landing sites to expand growth of the creative media and film industry sectors as an

## Program Plan Narrative

### **BED105: CREATIVE INDUSTRIES DIVISION**

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economic driver for the State, as well as to take advantage of business opportunities that emerge.

Production tax credit has brought over \$1.4B in production activity to the State since 2006 and an estimated \$2.4B in economic impact.

### **H. Discussion of Program Revenues**

- 1) Hawaii Film Studio - \$50,000/mo; \$600,000 gross/year.
- 2) Film production expenditures - \$250M per year; \$437M of economic impact; estimated 2800 direct jobs.
- 3) Act 88/89 qualified productions generated \$ tax revenues.

### **I. Summary of Analysis Performed**

Creative Industries 2015 metrics (DBEDT/READ):

49,597 jobs, 3,615 businesses; represents 5.9% of the state total civilian jobs, \$3.3 billion Gross Domestic Product (GDP) = 4.2% of total State of Hawaii GDP; since 2004 to 2015, + 8.9%.

### **J. Further Considerations**

Infrastructure: CID collaboratively manages the market analysis, site recommendations and business planning for a Creative Media/Film Studio Complex with the Department of Accounting and General Services (DAGS). In addition, CID, in concert with the High Technology Development Corporation (HTDC), is developing the Creative Lab Collaboration Center at Entrepreneurs' Sandbox, Kaka'ako, to provide equipment, co-working and tools to support entrepreneurial/business start-ups in creative sectors.

Workforce: CID visioned the Creative Lab program to establish an entrepreneurial pipeline for creative content and knowledge-based/IP products. Referred to as the "Sundance Institute of the Pacific" Creative Lab is a year round mentoring program which accelerates the creative work of Hawaii's entrepreneurs for global export of their creative content products, and attract investment capital.

Capital: CID manages the Television and Digital Media Tax Credit Program. Estimated production revenues in 2014 are projected to reach \$250M, with an economic impact of \$400M. To date, the Hawaii's

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED107  
 PROGRAM STRUCTURE NO: 010103  
 PROGRAM TITLE: FOREIGN TRADE ZONE

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 17.00*     | 17.00*     | 17.00*     | 17.00*     | 17.0*        | 17.0*      | 17.0*      | 17.0*      |
|                            | 0.00**     | 0.00**     | 0.00**     | 0.00**     | 0.0**        | 0.0**      | 0.0**      | 0.0**      |
| PERSONAL SERVICES          | 1,226,303  | 1,255,064  | 1,277,104  | 1,277,104  | 1,277        | 1,277      | 1,277      | 1,277      |
| OTHER CURRENT EXPENSES     | 901,452    | 901,452    | 1,351,452  | 1,351,452  | 1,351        | 1,351      | 1,351      | 1,351      |
| TOTAL OPERATING COST       | 2,127,755  | 2,156,516  | 2,628,556  | 2,628,556  | 2,628        | 2,628      | 2,628      | 2,628      |
| BY MEANS OF FINANCING      | 17.00*     | 17.00*     | 17.00*     | 17.00*     | 17.0*        | 17.0*      | 17.0*      | 17.0*      |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| SPECIAL FUND               | 2,127,755  | 2,156,516  | 2,628,556  | 2,628,556  | 2,628        | 2,628      | 2,628      | 2,628      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      | 25,000     | 30,000     |            |            |              |            |            |            |
| DESIGN                     | 120,000    |            |            |            |              |            |            |            |
| CONSTRUCTION               | 1,175,000  | 170,000    | 510,000    |            |              |            |            |            |
| EQUIPMENT                  |            | 800,000    | 340,000    |            |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES | 1,320,000  | 1,000,000  | 850,000    |            |              |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| G.O. BONDS                 | 1,320,000  |            | 850,000    |            |              |            |            |            |
| G.O. BONDS REPAYED         |            | 1,000,000  |            |            |              |            |            |            |
| TOTAL PERM POSITIONS       | 17.00*     | 17.00*     | 17.00*     | 17.00*     | 17.0*        | 17.0*      | 17.0*      | 17.0*      |
| TOTAL TEMP POSITIONS       | **         | **         | **         | **         | **           | **         | **         | **         |
| TOTAL PROGRAM COST         | 3,447,755  | 3,156,516  | 3,478,556  | 2,628,556  | 2,628        | 2,628      | 2,628      | 2,628      |

PROGRAM ID: **BED107**  
 PROGRAM STRUCTURE: **010103**  
 PROGRAM TITLE: **FOREIGN TRADE ZONE**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)     | -44.9         | 3             | 3             | 3             | 3             | 3             | 3             | 3             |
| 2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES              | -25.0         | 3             | 3             | 3             | 3             | 3             | 3             | 3             |
| 3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL        | 12.7          | 6             | 6             | 6             | 5             | 5             | 5             | 5             |
| 4. # OF NEW FIRMS USING FTZ PROGRAM                       | 62            | 30            | 30            | 30            | 30            | 30            | 30            | 30            |
| 5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES     | -13.11        | 5             | 5             | 5             | 5             | 5             | 5             | 5             |
| 6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG     | 61.7          | 60            | 60            | 60            | 60            | 60            | 60            | 60            |
| 7. SATIS RATING BY FTZ USERS (1-5 SCALE)                  | NO DATA       | 4             | 4             | 4             | 4             | 4             | 4             | 4             |
| 8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)         | NO DATA       | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. FIRMS USING FTZ PROGRAM (NO.)                          | 407           | 250           | 250           | 250           | 250           | 250           | 250           | 250           |
| 2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE      | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           |
| 3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS         | 72            | 70            | 70            | 70            | 70            | 70            | 70            | 70            |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)     | 1434          | 1750          | 1750          | 1750          | 1750          | 1750          | 1750          | 1750          |
| 2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)                | 7028.4        | 7600          | 7600          | 7600          | 7600          | 7600          | 7600          | 7600          |
| 3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)         | 53            | 60            | 60            | 60            | 60            | 60            | 60            | 60            |
| 4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC         | NO DATA       | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION            | 0             | 75            | 75            | 75            | 75            | 75            | 75            | 75            |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             |
| CHARGES FOR CURRENT SERVICES                              | 1,969         | 1,955         | 1,955         | 1,955         | 1,955         | 1,955         | 1,955         | 1,955         |
| TOTAL PROGRAM REVENUES                                    | 1,972         | 1,958         | 1,958         | 1,958         | 1,958         | 1,958         | 1,958         | 1,958         |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| SPECIAL FUNDS   | 1,972         | 1,958         | 1,958         | 1,958         | 1,958         | 1,958         | 1,958         | 1,958         |
| TOTAL PROGRAM REVENUES                                    | 1,972         | 1,958         | 1,958         | 1,958         | 1,958         | 1,958         | 1,958         | 1,958         |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED107: FOREIGN TRADE ZONE**

**01 01 03**

### **A. Statement of Program Objectives**

To establish, maintain, and administer general-purpose Foreign-Trade Zones and special-purpose Foreign-Trade Sub-zones throughout the State, to provide storage and distribution services to firms engaged in active import and export of merchandise, and leased office, warehouse, and manufacturing space to firms engaged in international trade and to develop and foster economic development and business growth in the State.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

1. The Executive Budget reflects a request to raise the Foreign-Trade Zone's (FTZ) annual Operating Allotment by \$100,000 in special funds for both FY 18 and FY 19 to provide sufficient funds for additional expenses related to the opening of the programs new International Trade Resource Center wing. With the recent opening of the International Trade Resource Center wing of the FTZ9, Pier 2 facility, which includes 35 additional offices, co-working spaces, a conference center, common area spaces and four restrooms, additional expenses have been incurred relating to the operation of the new wing. These expenses are additional electricity, janitorial services, refuse collection and disposal, plumbing and electrician service and repairs, A/C maintenance and repair, elevator service and repair, office supplies and other facility maintenance services. Without the allotment increase the FTZ would not have the ability to sufficiently pay for these new expenses from its Special Fund Current Expense allotment, and would need to defer maintenance or other operational expenditures to pay for the increased costs. The FTZ generates additional revenues from office leases in the new International Trade Resource Center wing and thus has sufficient, increased revenues to pay for these increased operating expenses.

2. Loan repayment funding for the Trade Resource Center wing bond of \$350,000. Required debt service payments on bond for multi-purpose building. These payments covered by the incremental rental revenue generated by the new multi-purpose building. \$7,500,000 bond at 2.4% 30 years (current market rate) = \$ 350K.

### **C. Description of Activities Performed**

The FTZ Division of the Department of Business, Economic Development

and Tourism administers the federal grant for FTZ9, which includes 13 zone sites throughout the State. FTZ9 operates as a public utility to make various economic advantages available to importing and exporting firms.

1. Operates the FTZ public warehousing and manufacturing complex as efficiently and effectively as possible.
2. Provides office, exhibit, warehousing and industrial space through leases and revocable permits.
3. Provides information to local, national and international traders and manufacturers concerning the advantages of operating in Hawaii and under the auspices of the Zone program.
4. Supports the private sector in its efforts to take full advantage of the benefits offered by the FTZ program.
5. Plans for the expansion of services and facilities to meet the needs of firms which qualify for Zone utilization.

### **D. Statement of Key Policies Pursued**

1. Operate the program as a self-sustaining enterprise so that operating expenditures are covered by operating revenues.
2. Provide for the timely expansion of physical plant and facilities support.
3. Operate as a public utility making the advantages of the FTZ program available to firms regardless of size or country of registration.
4. Actively promote Hawaii and its FTZ program.
5. Promote the creation and expansion of special-purpose manufacturing activities in subzones and general-purpose zones throughout the State of Hawaii.
6. Observe and support FTZ Board guidelines to develop new business, promote the Zone concept, assist the port community in expansion, aid national export expansion, increase employment, and protect the revenue.



## Program Plan Narrative

**BED107: FOREIGN TRADE ZONE**

**01 01 03**

### **E. Identification of Important Program Relationships**

The Foreign-Trade Zones Board in Washington, D.C., has the oversight authority for all foreign-trade zone operations in Hawaii. Additionally, federal oversight comes from the Port Director for the Honolulu Customs District of the Bureau of Customs and Border Protection. Locally, the State Department of Transportation, Hawaii Community Development Authority, the High Tech Development Corporation, Small Business Administration, Hawaii Pacific University, University of Hawaii, local Chambers of Commerce, and local manufacturers are important partners in the future development of the FTZ program.

### **F. Description of Major External Trends Affecting the Program**

The development and growth of the program are dependent upon the amount of international trade that is moved through Hawaii, as well as the influences of the international, national, and local economies. Those factors that contribute to increasing the amount of international trade in Hawaii increase the relevancy and importance of the FTZ program.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

The operating costs for the budget period will increase as the Zone program enhances its marketing efforts and seeks to upgrade certain facilities and equipment. Additional costs is being incurred as the new International Trade Resource Center wing opened for business in FY 15. This will increase the availability of resources to the international trade sector of Hawaii's economy.

### **H. Discussion of Program Revenues**

Revenues generated by the program consist of fees and charges for Zone usage by firms and for services provided to the Subzone operators. The program operating costs are covered by these revenues which are held in a special fund.

### **I. Summary of Analysis Performed**

Not applicable.

### **J. Further Considerations**

Moderate growth expected as Hawaii's economy continues to improve.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED142**  
 PROGRAM STRUCTURE NO: **010104**  
 PROGRAM TITLE: **GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

| PROGRAM EXPENDITURES   | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                        | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST         | 24.00*     | 25.00*     | 25.00*     | 25.00*     | 25.0*        | 25.0*      | 25.0*      | 25.0*      |
|                        | 0.00**     | 1.00**     | 1.00**     | 1.00**     | 1.0**        | 1.0**      | 1.0**      | 1.0**      |
| PERSONAL SERVICES      | 1,754,275  | 2,303,094  | 2,058,552  | 2,058,552  | 2,059        | 2,059      | 2,059      | 2,059      |
| OTHER CURRENT EXPENSES | 126,670    | 136,670    | 136,670    | 136,670    | 137          | 137        | 137        | 137        |
| TOTAL OPERATING COST   | 1,880,945  | 2,439,764  | 2,195,222  | 2,195,222  | 2,196        | 2,196      | 2,196      | 2,196      |
| BY MEANS OF FINANCING  |            |            |            |            |              |            |            |            |
|                        | 24.00*     | 25.00*     | 25.00*     | 25.00*     | 25.0*        | 25.0*      | 25.0*      | 25.0*      |
|                        | **         | 1.00**     | 1.00**     | 1.00**     | 1.0**        | 1.0**      | 1.0**      | 1.0**      |
| GENERAL FUND           | 1,880,945  | 2,439,764  | 2,195,222  | 2,195,222  | 2,196        | 2,196      | 2,196      | 2,196      |
| TOTAL PERM POSITIONS   | 24.00*     | 25.00*     | 25.00*     | 25.00*     | 25.0*        | 25.0*      | 25.0*      | 25.0*      |
| TOTAL TEMP POSITIONS   | **         | 1.00**     | 1.00**     | 1.00**     | 1.0**        | 1.0**      | 1.0**      | 1.0**      |
| TOTAL PROGRAM COST     | 1,880,945  | 2,439,764  | 2,195,222  | 2,195,222  | 2,196        | 2,196      | 2,196      | 2,196      |

PROGRAM ID: **BED142**  
 PROGRAM STRUCTURE: **010104**  
 PROGRAM TITLE: **GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

|  | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                     |               |               |               |               |               |               |               |               |
| 1. # OF PROCUREMENT VIOLATIONS                       | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED   | 95            | 95            | 95            | 95            | 95            | 95            | 95            | 95            |
| 3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)   | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           |
| 4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE  | 98            | 98            | 98            | 98            | 98            | 98            | 98            | 98            |
| <b>PROGRAM TARGET GROUPS</b>                         |               |               |               |               |               |               |               |               |
| 1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)     | 303           | 302           | 302           | 302           | 302           | 302           | 302           | 302           |
| <b>PROGRAM ACTIVITIES</b>                            |               |               |               |               |               |               |               |               |
| 1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED        | 150           | 150           | 150           | 150           | 150           | 150           | 150           | 150           |
| 2. # OF IFBS & RFPS ADVERTISED OVER DELEGATED AMOUNT | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             |
| 3. # OF CONTRACTS EXECUTED OVER DELEGATED AMOUNT     | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            |
| 4. # OF SUMMARY WARRANT VOUCHERS PROCESSED           | 1100          | 1100          | 1100          | 1100          | 1100          | 1100          | 1100          | 1100          |
| 5. # OF FORMAL GRIEVANCES FILED ANNUALLY             | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             |
| 6. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY | 1500          | 1500          | 1500          | 1500          | 1500          | 1500          | 1500          | 1500          |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED142: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

**01 01 04**

### **A. Statement of Program Objectives**

To enhance program effectiveness and efficiency of economic development programs by formulating policies and plans, directing operations, allocating resources, providing staff support and other administrative services, and coordinating with and informing the public about programs, services, projects, and activities.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

None.

### **C. Description of Activities Performed**

The Office of the Director provides for the overall direction and coordination of statewide economic development and energy programs. It formulates and executes the economic development policies of the Governor and executive branch and executes economic development initiatives proposed and approved by the Legislature.

The Administrative Services Office provides internal management, fiscal, budgetary, contract, personnel, computer and office automation, and other miscellaneous administrative services in support of DBEDT programs and activities.

### **D. Statement of Key Policies Pursued**

The activities of this program focus on facilitating, coordinating, and expediting decision-making in statewide economic development and energy use and development.

### **E. Identification of Important Program Relationships**

Relationships are maintained with all major programs and departments of the State; planning, economic development, and energy programs at both Federal and State levels; and with the organizations, institutions, and other segments of commerce and industry.

### **F. Description of Major External Trends Affecting the Program**

There are many externalities that directly and indirectly affect program activities. These include crisis situations such as strikes, natural

disasters, or international conflicts which require immediate policy analyses and recommendations for action; national and international fiscal policies and economic conditions; the Federal budget deficit and its attendant effects on the Federal program levels and activities; and the expanding use of local and State fiscal resources in updating and expanding infrastructure systems. Additionally, unemployment, inflation, environmental, and demographic concerns affect planning for economic development and the implementation of priority directions of the Hawaii State Plan.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

None.

### **H. Discussion of Program Revenues**

None.

### **I. Summary of Analysis Performed**

None.

### **J. Further Considerations**

None.

PROGRAM ID: BED113  
 PROGRAM STRUCTURE NO: 0102  
 PROGRAM TITLE: TOURISM

## OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

| PROGRAM EXPENDITURES   | IN DOLLARS  |             |             |             | IN THOUSANDS |            |            |            |
|------------------------|-------------|-------------|-------------|-------------|--------------|------------|------------|------------|
|                        | FY 2015-16  | FY 2016-17  | FY 2017-18  | FY 2018-19  | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST         | 5.00*       | 5.00*       | 5.00*       | 5.00*       | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
|                        | 27.00**     | 27.00**     | 27.00**     | 27.00**     | 27.0**       | 27.0**     | 27.0**     | 27.0**     |
| PERSONAL SERVICES      | 3,741,302   | 3,793,735   | 3,835,979   | 3,835,979   | 3,836        | 3,836      | 3,836      | 3,836      |
| OTHER CURRENT EXPENSES | 137,533,316 | 137,533,316 | 137,533,316 | 137,533,316 | 137,533      | 137,533    | 137,533    | 137,533    |
| TOTAL OPERATING COST   | 141,274,618 | 141,327,051 | 141,369,295 | 141,369,295 | 141,369      | 141,369    | 141,369    | 141,369    |
| BY MEANS OF FINANCING  | 5.00*       | 5.00*       | 5.00*       | 5.00*       | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
|                        | 27.00**     | 27.00**     | 27.00**     | 27.00**     | 27.0**       | 27.0**     | 27.0**     | 27.0**     |
| SPECIAL FUND           | 141,274,618 | 141,327,051 | 141,369,295 | 141,369,295 | 141,369      | 141,369    | 141,369    | 141,369    |
| TOTAL PERM POSITIONS   | 5.00*       | 5.00*       | 5.00*       | 5.00*       | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
| TOTAL TEMP POSITIONS   | 27.00**     | 27.00**     | 27.00**     | 27.00**     | 27.0**       | 27.0**     | 27.0**     | 27.0**     |
| TOTAL PROGRAM COST     | 141,274,618 | 141,327,051 | 141,369,295 | 141,369,295 | 141,369      | 141,369    | 141,369    | 141,369    |

## STATE OF HAWAII

## PERFORMANCE MEASURES AND PROGRAM REVENUES

REPORT P62

PROGRAM ID: **BED113**  
 PROGRAM STRUCTURE: **0102**  
 PROGRAM TITLE: **TOURISM**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)               | 14.9          | 14.9          | 14.9          | 14.9          | 14.9          | 14.9          | 14.9          | 14.9          |
| 2. % OF RESIDENTS WHO AGREE TOURISM IS POSITIVE           | 64%           | 64%           | 75%           | 75%           | 80%           | 80%           | 80%           | 80%           |
| 3. VISITOR-RELATED GROSS DOMESTIC PRODUCT (\$MILLION)     | 12170         | 12170         | 12750         | 12750         | 13280         | 13280         | 13280         | 13280         |
| 4. % TRAVELERS CONSIDERING A TRIP TO HAWAII               |               |               |               |               |               |               |               |               |
| 5. % OF TOURISM STAKEHOLDERS RECOGNIZE HTA AS LEADER      |               |               |               |               |               |               |               |               |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. JAPANESE TRAVELERS TO THE US (MILLION)                 | 3.6           | 3.6           | 3.6           | 3.6           | 3.6           | 3.6           | 3.6           | 3.6           |
| 2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)          | 40.52         | 40.52         | 40.52         | 40.52         | 40.52         | 40.52         | 40.52         | 40.52         |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. # SPORTING EVENTS ACTUALLY FUNDED                      | 21            | 21            | 21            | 21            | 21            | 21            | 21            | 21            |
| 2. # PROD ENRICH PROJ FUNDED (INCL NAT RES & LIVING HWN   | 128           | 128           | 128           | 128           | 128           | 128           | 128           | 128           |
| 3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED      | 12            | 12            | 12            | 12            | 12            | 12            | 12            | 12            |
| 4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS       | 55            | 55            | 55            | 55            | 55            | 55            | 55            | 55            |
| 5. NUMBER OF HITS TO TOURISM RESEARCH PAGE                | 138000        | 138000        | 138000        | 138000        | 138000        | 138000        | 138000        | 138000        |
| 6. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)        | 58.3          | 58.3          | 58.3          | 58.3          | 58.3          | 58.3          | 58.3          | 58.3          |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| TAXES   | 108,500       | 108,500       | 108,500       | 108,500       | 108,500       | 108,500       | 108,500       | 108,500       |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 11,306        | 7,948         | 7,073         | 7,123         | 7,183         | 7,183         | 7,183         | 7,183         |
| CHARGES FOR CURRENT SERVICES                              | 1,650         | 24            | 24            | 24            | 24            | 24            | 24            | 24            |
| NON-REVENUE RECEIPTS                                      | 7,850         | 5,300         | 3,900         | 3,900         | 3,900         | 3,900         | 3,900         | 3,900         |
| TOTAL PROGRAM REVENUES                                    | 129,306       | 121,772       | 119,497       | 119,547       | 119,607       | 119,607       | 119,607       | 119,607       |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| SPECIAL FUNDS   | 129,306       | 121,772       | 119,497       | 119,547       | 119,607       | 119,607       | 119,607       | 119,607       |
| TOTAL PROGRAM REVENUES                                    | 129,306       | 121,772       | 119,497       | 119,547       | 119,607       | 119,607       | 119,607       | 119,607       |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED113: TOURISM**

**01 02**

### **A. Statement of Program Objectives**

The Authority serves as a critical bridge linking public and private sectors, integrating and balancing the interests of government, the visitor industry, visitors and State residents to support sustainable economic development, optimize the benefits of tourism, improve visitor experiences and contribute to a good quality of life for residents. The Authority achieves this without general fund appropriations and through reinvestment of Transient Accommodations Tax (TAT) revenue into its programs. Based upon market conditions, the Authority aims to maintain a balance between destination marketing and providing for experience elements that perpetuate our native culture, while investing in and highlighting our local communities and counties.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

The biennium budget request is to maintain current levels of funding through TAT and appropriations of funds.

### **C. Description of Activities Performed**

In 2015, the Hawaii Tourism Authority (HTA) developed the Hawai'i Tourism Authority Five-Year Strategic Plan 2016 (HTA Strategic Plan) to guide the organization in addressing issues and creating opportunities that will move Hawai'i's visitor industry forward.

The HTA Strategic Plan provided aggressive short-term and long-term goals for 2014 (8.25 million visitors, \$194.8 per-person-per-day expenditures, \$14.7 billion economic impact in direct visitor spending) and 2015 (revised and approved by the HTA Board of Directors on August 21, 2014: 8.66 million visitors, \$195.5 per-person-per-day expenditures, \$15.4 billion economic impact in direct visitor spending).

The Strategic Plan presents goals and objectives to increase economic activity, sustain the positive net benefits of tourism, grow visitor spending and be an effective organization. This includes a focus on brand sustainability through the perpetuation of our native culture, the development of new experiences and products and by offering capacity building assistance for organizations providing brand experiences.

In 2017 and forward, the HTA will continue to place emphasis on driving demand for our State as a visitor destination, through the execution of our annual Brand Management Plan, which the HTA develops using the HTA Strategic Plan as its guide. This will be accomplished through centralized efforts of the HTA and supervised functions of our global partners for the major market areas of the US, Canada, Japan, China, Hong Kong, Korea, Taiwan, Europe, Southeast Asia and Oceania (Australia and New Zealand) markets. HTA tracks performance of our global partners through systematic reviews of key performance indicators and other initiatives.

### **D. Statement of Key Policies Pursued**

1. Improve the integrity of the destination. HTA will: a) Increase community support for tourism through monitoring and proactively responding to communities' needs, while also helping to enhance residents' understanding of the value of tourism; and b) Be a better steward of the destination by increasing support for programs that protect Hawai'i's natural environment and perpetuate the native Hawaiian culture.

2. Ensure stable economic benefits. HTA will: a) Focus marketing on producing consistent arrivals, including through increased promotion of other islands beyond O'ahu and more effectively managing the Meetings, Conventions and Incentives (MCI) market; and b) Increase visitor expenditures by attracting high-spending visitors.

3. Elevate Hawai'i's value perception. HTA will: a) Maintain and improve air access to the Hawaiian islands through increased airlift, improve visitor distribution through increased interisland connectivity, and help to address other access issues; and b) Protect Hawai'i's brand to remain competitive by conducting research to identify consumer needs, developing world-class experiences, and improving visitor safety programs and workforce training.

4. Strengthen HTA's reputation. HTA will: a) Continually improve the organization's ability to lead the industry through increased training, connecting resources between government and other industries, the community and tourism, and through innovation; and b) Ensure transparency and accountability for HTA tourism marketing efforts by implementing the Brand Management Plan and evaluating program results.

## Program Plan Narrative

**BED113: TOURISM**

**01 02**

### **E. Identification of Important Program Relationships**

Essential to a successful and sustainable tourism economy is the collective effort of public and private sectors, including the HTA, Legislative and Executive Branches of State and county government, visitor industry partners, and local communities. Consistent with this vision, an overarching directive of the HTA Strategic Plan is to connect these resources for the benefit of economic development. In particular, the HTA must maintain relationships with all of the various parties in the private and public sector that have been identified and referenced in these plans, which contribute to the successful implementation of the various activities and efforts necessary to help sustain Hawai'i's tourism economy.

### **F. Description of Major External Trends Affecting the Program**

Tourism remains the number one economic engine for Hawai'i, accounting for approximately 18.9% of the State's civilian employment and 16.7% of the gross State product. Many events have impacts to tourism, both negative and positive. The worldwide economic crisis and Japan tsunami of March 2011 hurt Hawai'i's tourism economy. These events showed the vulnerability of the tourism industry to global crisis and, likewise, the importance of strategic flexibility. While the overall economy has improved, challenges and uncertainties remain in place, including the possibility of falling back into recession, epidemics from disease, U.S. and international fiscal policy, slowdown in certain Asian economies and fluctuation of oil prices.

Despite these challenges, there remains many opportunities for Hawai'i's visitor industry, starting with the execution of the HTA Strategic Plan and concentrated industry efforts to boost arrivals; distribution to the neighbor islands; upturns in various economies, including the strengthened economies of Europe and the U.S.; improving business conditions to pave the way for corporations to consider overseas travel; and continued post-event opportunity to leverage Hawai'i's hosting of the 2011 Asia-Pacific Economic Cooperation (APEC) World Leaders' Summit and 2016 International Union for Conservation of Nature World Conservation Congress which brought worldwide exposure to Hawai'i being an excellent venue for corporations and groups to hold productive and successful business meetings.

In response to these external and ever changing conditions, HTA will continue to monitor the events and trends occurring locally, nationally and globally to ensure that Hawai'i's programs and activities can respond to, better leverage and appropriately address changing conditions and opportunities.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

| Visitor Statistics   | 2016 Goals*    | 2015 Actuals   |
|--|----------------|----------------|
| Visitor Arrivals   | 8.84 million   | 8.68 million   |
| Per Person Per Day Spending                                | \$195.2        | \$192.2        |
| Total Statewide Economic Impact in Direct Visitor Spending | \$15.6 billion | \$15.1 billion |

\*Forecasts are based on DBEDT/READ (Research and Economic Analysis Division) and HTA Tourism Forecast published in the 3rd Quarter 2016 Report. The 2015 actual figures were published in the HTA 2015 Annual Research Report.

In addition to the above indicators for Hawaii's visitor industry, the HTA has revised key performance indicators for major market partners in an effort to evaluate and improve their overall efficiencies and effectiveness.

### **H. Discussion of Program Revenues**

Tourism Special Fund (TSF): Section 237D, HRS, provides that \$82 million in TAT shall be allocated to the TSF each fiscal year.

Out of \$446 million in TAT received in fiscal year 2016, HTA received \$108.5 million for the TSF and Convention Center Enterprise Special Fund, \$103 million was distributed to the counties, \$3.0 million was allocated to the Department of Land and Natural Resources, \$1.5 million was provided to the Turtle Bay Conservation Easement Fund and \$230 million was added to the general fund.



## Program Plan Narrative

**BED113: TOURISM**

**01 02**

### **I. Summary of Analysis Performed**

The following information demonstrates how tourism contributes to Hawaii's economy. In 2015, Hawaii's tourism economic sector:

- Produced 16.7% of Gross State Product;
- Accounted for approximately 158,6453 jobs or 18.9 percent of total employment for the State; and
- Contributed \$1.62 billion tax dollars (TAT and other taxes) to State government or 22.9 percent of total State tax revenue.

### **J. Further Considerations**

None.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: 0105  
PROGRAM TITLE: TECHNOLOGY

| PROGRAM EXPENDITURES       | IN DOLLARS |            |             |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|-------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18  | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 8.00*      | 5.00*      | 8.00*       | 8.00*      | 8.0*         | 8.0*       | 8.0*       | 8.0*       |
|                            | 77.50**    | 78.00**    | 78.00**     | 78.00**    | 78.0**       | 78.0**     | 78.0**     | 78.0**     |
| PERSONAL SERVICES          | 8,570,958  | 8,976,415  | 9,167,140   | 9,319,140  | 9,319        | 9,319      | 9,319      | 9,319      |
| OTHER CURRENT EXPENSES     | 86,690,510 | 73,038,041 | 109,938,041 | 39,938,041 | 39,739       | 39,739     | 39,739     | 39,739     |
| MOTOR VEHICLES             | 35,000     | 35,000     |             |            |              |            |            |            |
| TOTAL OPERATING COST       | 95,296,468 | 82,049,456 | 119,105,181 | 49,257,181 | 49,058       | 49,058     | 49,058     | 49,058     |
| BY MEANS OF FINANCING      |            |            |             |            |              |            |            |            |
|                            | 1.50*      | 1.50*      | 1.50*       | 1.50*      | 1.5*         | 1.5*       | 1.5*       | 1.5*       |
|                            | 3.75**     | 3.75**     | 5.75**      | 5.75**     | 5.8**        | 5.8**      | 5.8**      | 5.8**      |
| GENERAL FUND               | 1,287,576  | 3,625,881  | 11,273,495  | 1,273,495  | 1,273        | 1,273      | 1,273      | 1,273      |
|                            | 6.50*      | 3.50*      | 6.50*       | 6.50*      | 6.5*         | 6.5*       | 6.5*       | 6.5*       |
|                            | 63.75**    | 63.25**    | 63.25**     | 63.25**    | 63.2**       | 63.2**     | 63.2**     | 63.2**     |
| SPECIAL FUND               | 70,711,259 | 70,646,182 | 91,132,567  | 41,284,567 | 41,286       | 41,286     | 41,286     | 41,286     |
|                            | *          | *          | *           | *          | *            | *          | *          | *          |
|                            | **         | **         | **          | **         | **           | **         | **         | **         |
| FEDERAL FUNDS              | 1,500,000  |            |             |            |              |            |            |            |
|                            | *          | *          | *           | *          | *            | *          | *          | *          |
|                            | 8.00**     | 9.00**     | 9.00**      | 9.00**     | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| OTHER FEDERAL FUNDS        | 15,989,710 | 962,987    | 964,713     | 964,713    | 965          | 965        | 965        | 965        |
|                            | *          | *          | *           | *          | *            | *          | *          | *          |
|                            | **         | **         | **          | **         | **           | **         | **         | **         |
| TRUST FUNDS                |            |            | 200,000     | 200,000    |              |            |            |            |
|                            | *          | *          | *           | *          | *            | *          | *          | *          |
|                            | 2.00**     | 2.00**     | **          | **         | **           | **         | **         | **         |
| REVOLVING FUND             | 5,807,923  | 6,814,406  | 15,534,406  | 5,534,406  | 5,534        | 5,534      | 5,534      | 5,534      |
| CAPITAL IMPROVEMENT COSTS  |            |            |             |            |              |            |            |            |
| PLANS                      |            | 1,000      |             |            |              |            |            |            |
| DESIGN                     | 274,000    | 1,251,000  |             |            |              |            |            |            |
| CONSTRUCTION               | 12,250,000 | 7,222,000  |             |            |              |            |            |            |
| EQUIPMENT                  |            | 4,031,000  |             |            |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES | 12,524,000 | 12,505,000 |             |            |              |            |            |            |

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: 0105  
PROGRAM TITLE: TECHNOLOGY

| PROGRAM EXPENDITURES  | IN DOLLARS  |            |             |            | IN THOUSANDS |            |            |            |
|-----------------------|-------------|------------|-------------|------------|--------------|------------|------------|------------|
|                       | FY 2015-16  | FY 2016-17 | FY 2017-18  | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| BY MEANS OF FINANCING |             |            |             |            |              |            |            |            |
| G.O. BONDS            | 12,524,000  | 3,055,000  |             |            |              |            |            |            |
| G.O. BONDS REPAYED    |             | 5,200,000  |             |            |              |            |            |            |
| REVENUE BONDS         |             | 1,250,000  |             |            |              |            |            |            |
| FEDERAL FUNDS         |             | 3,000,000  |             |            |              |            |            |            |
| TOTAL PERM POSITIONS  | 8.00*       | 5.00*      | 8.00*       | 8.00*      | 8.0*         | 8.0*       | 8.0*       | 8.0*       |
| TOTAL TEMP POSITIONS  | 77.50**     | 78.00**    | 78.00**     | 78.00**    | 78.0**       | 78.0**     | 78.0**     | 78.0**     |
| TOTAL PROGRAM COST    | 107,820,468 | 94,554,456 | 119,105,181 | 49,257,181 | 49,058       | 49,058     | 49,058     | 49,058     |

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED120  
 PROGRAM STRUCTURE NO: 010501  
 PROGRAM TITLE: HAWAII STATE ENERGY OFFICE

| PROGRAM EXPENDITURES   | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                        | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST         | 5.00*      | 2.00*      | 5.00*      | 5.00*      | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
|                        | 31.50**    | 31.00**    | 30.00**    | 30.00**    | 30.0**       | 30.0**     | 30.0**     | 30.0**     |
| PERSONAL SERVICES      | 3,852,677  | 3,983,953  | 4,169,421  | 4,281,421  | 4,281        | 4,281      | 4,281      | 4,281      |
| OTHER CURRENT EXPENSES | 53,412,754 | 52,631,826 | 21,881,826 | 21,881,826 | 21,682       | 21,682     | 21,682     | 21,682     |
| TOTAL OPERATING COST   | 57,265,431 | 56,615,779 | 26,051,247 | 26,163,247 | 25,963       | 25,963     | 25,963     | 25,963     |
| BY MEANS OF FINANCING  |            |            |            |            |              |            |            |            |
|                        | *          | *          | *          | *          | *            | *          | *          | *          |
|                        | **         | **         | **         | **         | **           | **         | **         | **         |
| GENERAL FUND           | 222,974    | 1,200,000  |            |            |              |            |            |            |
|                        | 5.00*      | 2.00*      | 5.00*      | 5.00*      | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
|                        | 31.50**    | 31.00**    | 30.00**    | 30.00**    | 30.0**       | 30.0**     | 30.0**     | 30.0**     |
| SPECIAL FUND           | 55,542,457 | 55,415,779 | 25,851,247 | 25,963,247 | 25,963       | 25,963     | 25,963     | 25,963     |
|                        | *          | *          | *          | *          | *            | *          | *          | *          |
|                        | **         | **         | **         | **         | **           | **         | **         | **         |
| FEDERAL FUNDS          | 1,500,000  |            |            |            |              |            |            |            |
|                        | *          | *          | *          | *          | *            | *          | *          | *          |
|                        | **         | **         | **         | **         | **           | **         | **         | **         |
| TRUST FUNDS            |            |            | 200,000    | 200,000    |              |            |            |            |
| TOTAL PERM POSITIONS   | 5.00*      | 2.00*      | 5.00*      | 5.00*      | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
| TOTAL TEMP POSITIONS   | 31.50**    | 31.00**    | 30.00**    | 30.00**    | 30.0**       | 30.0**     | 30.0**     | 30.0**     |
| TOTAL PROGRAM COST     | 57,265,431 | 56,615,779 | 26,051,247 | 26,163,247 | 25,963       | 25,963     | 25,963     | 25,963     |

PROGRAM ID: **BED120**  
 PROGRAM STRUCTURE: **010501**  
 PROGRAM TITLE: **HAWAII STATE ENERGY OFFICE**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. # STATEWIDE RPS  | 21            | 25            | 27            | 29            | 30            | 32            | 34            | 36            |
| 2. # REGISTERED PASSENGER PLUG-IN EVS                     | 456           | 874           | 874           | 874           | 874           | 874           | 874           | 874           |
| 3. # BUS/ORG PARTICIPATED IN EA OUTREACH, MARKETING       | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| 4. # ENTITIES PARTICIPATED IN EE ACTIVITIES               | 1054          | 1054          | 1154          | 1154          | 1256          | 1258          | 1258          | 1258          |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. # EMERGING CLEAN ENERGY PRODUCERS                      | 40            | 40            | 40            | 40            | 40            | 40            | 40            | 40            |
| 2. # CLEAN TRANSPORTATION STAKEHOLDERS                    | NA            | 50            | 50            | 50            | 50            | 50            | 50            | 50            |
| 3. # BUS/ORG INTERESTED IN EA                             | 25            | 25            | 25            | 25            | 25            | 25            | 25            | 25            |
| 4. # ENERGY STAKEHOLDERS AND POLICY MAKERS                | NA            | 0             | 25            | 25            | 25            | 25            | 25            | 25            |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. # RE PROJECTS ASSISTED                                 | 20            | 15            | 15            | 15            | 15            | 15            | 15            | 15            |
| 2. # EV DEPLOYMENT/ADOPTION PROJECTS ASSISTED             | 48            | 24            | 24            | 24            | 24            | 24            | 24            | 24            |
| 3. # CLEAN TRANSPORTATION TACTIC IMPLEMENTATIONS          | NA            | 12            | 12            | 12            | 12            | 12            | 12            | 12            |
| 4. # ANALYSES PERFORMED IN SUPPORT OF HI CLEAN ENERGY     | NA            | 8             | 8             | 8             | 8             | 8             | 8             | 8             |
| 5. # EA ACTIVITIES DEV & SUPPORTED                        | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             |
| 6. TA TO PUBLIC & PRIVATE ENTITIES                        | 856           | 873           | 875           | 877           | 878           | 879           | 879           | 879           |
| 7. MAINTAIN AAA BOND RATING FOR GEMS BONDS                | NA            | 8             | 8             | 8             | 8             | 8             | 8             | 8             |
| 8. # ENERGY SYSTEM VISUALIZATIONS                         | NA            | 0             | 1             | 2             | 2             | 2             | 2             | 2             |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| TAXES   | 3,864         | 3,800         | 3,800         | 3,800         | 3,700         | 3,700         | 3,700         | 3,700         |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 1             | 1             |               |               |               |               |               |               |
| REVENUE FROM OTHER AGENCIES: FEDERAL                      | 681           | 603           | 300           |               |               |               |               |               |
| CHARGES FOR CURRENT SERVICES                              | 14,395        | 14,002        | 14,002        | 14,002        | 14,002        | 14,002        | 14,002        | 14,002        |
| TOTAL PROGRAM REVENUES                                    | 18,941        | 18,406        | 18,102        | 17,802        | 17,702        | 17,702        | 17,702        | 17,702        |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| SPECIAL FUNDS   | 4,404         | 4,301         | 4,100         | 3,800         | 3,700         | 3,700         | 3,700         | 3,700         |
| ALL OTHER FUNDS   | 14,537        | 14,105        | 14,002        | 14,002        | 14,002        | 14,002        | 14,002        | 14,002        |
| TOTAL PROGRAM REVENUES                                    | 18,941        | 18,406        | 18,102        | 17,802        | 17,702        | 17,702        | 17,702        | 17,702        |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED120: HAWAII STATE ENERGY OFFICE**

**01 05 01**

### **A. Statement of Program Objectives**

To coordinate and drive clean energy and energy efficiency planning, policy, and deployment as a catalyst for economic growth, innovation, and test bed investments.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

1. Add 1.00 temporary full-time equivalent (FTE) for an Energy Analyst position and special funds of \$64,000 in FY 18 and \$128,000 in FY 19.
2. Add 1.00 temporary FTE for an Energy Analyst position and special funds of \$48,000 in FY 18 and \$96,000 in FY 19.
3. Add \$200,000 in trust funds for both FY 18 and FY 19 for Volkswagen settlement administrative expenses.
4. Add \$21,000,000 in special funds for the Green Energy Market Securitization (GEMS) bond repayment fund to meet the indenture agreement requirement.
5. Add three (3.00) special funded permanent positions and reduce three (3.00) special funded temporary positions to rectify an error made in the last legislative session.
6. Reduce \$750,000 in special funds to reflect the elimination of the Renewable Energy Facility Siting Fund effective July 1, 2016.
7. Transfer \$50,000,000 in special funds for FY 18 to the Hawaii Green Infrastructure Authority (BED 138) for GEMS loan activity. There will be no GEMS ceiling in FY 19.

### **C. Description of Activities Performed**

Since the establishment of the Hawaii Clean Energy Initiative in 2008, the State of Hawaii has adopted a statutory and regulatory framework along with tax and other incentives to reduce energy consumption and transition from fossil fuels to indigenous renewable energy resources. In 2015, the state raised its 2020 interim renewable portfolio standard (RPS) target of 30% and set the ultimate goal of 100% renewable energy in the electricity sector by 2045, the nation's first 100% RPS statute. Hawaii State

Energy Office (HSEO) is doing its part to help the State fulfill this ambitious agenda through the following priority actions and programs:

1. Transportation and Planning - Modeling the increasingly integrated energy ecosystem where electric sector and electrification of the transportation sector create greater interdependencies and opportunities.
2. Renewable Energy - Supporting ways to tap into Hawaii's plentiful natural, clean sources of power, and building grids and interconnection infrastructure to make them accessible and affordable.
3. Energy Efficiency - Promoting the use of new and retrofit technologies in residential and commercial buildings, extending credit and expanding energy performance contracting, and supporting building code adoption.
4. Clean, Renewable Energy Policy - Supporting the proper regulatory framework to encourage entrepreneurship and innovation and to spur utilities to remove obstacles to progress.
5. Deployment and Innovation - Working with partners in Hawaii and globally to gather expertise and finance, test, implement, and refine programs that will advance the State's clean energy vision.

### **D. Statement of Key Policies Pursued**

HSEO's activities will carry out the State's energy objectives and policies for facility systems identified in Chapter 226-18, HRS. The activities are directed toward the achievement of the following: 1) dependable, efficient, and economical statewide energy systems; 2) increased energy self-sufficiency; 3) greater energy security; and reduced greenhouse gas emissions from energy supply and use. Chapters 196 and 226-18, HRS, require State energy planning and project activities in energy efficiency, renewable energy and clean energy resources to support achievement of these energy policies. Chapters 125C and 128, HRS, assign energy emergency and critical energy infrastructure protection planning and response functions to DBEDT, which HSEO conducts with industry and State Civil Defense.

## Program Plan Narrative

**BED120: HAWAII STATE ENERGY OFFICE**

**01 05 01**

### **E. Identification of Important Program Relationships**

U.S. Departments of Energy, Interior, Agriculture; Environmental Protection Agency; Hawaii Natural Energy Institute; Hawaii Energy; State Civil Defense; and Hawaiian Electric Company.

### **F. Description of Major External Trends Affecting the Program**

The major energy trends affecting the State include increasing and volatile oil prices, increased challenges to integrate additional intermittent renewable power sources, an uncertainty in clean energy incentives, and an increasing focus on Hawaii as a testbed for deployment of advanced energy technologies.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

The State, in partnership with the U.S. Department of Energy, is leading the way in relieving the State's dependence on oil by setting goals and a roadmap to achieve a 100% RPS in the electricity sector by 2045.

In alignment with the Governor's pledged energy plan priorities, HSEO must be adequately staffed to effectively plan and execute policies and programs to develop a clean energy industry in Hawaii. HSEO's staffing was reduced by 3.00 full-time equivalent (FTE) in FY 17. In order to carry out the proposed activities for supporting the HCEI objectives, HSEO is requesting that 2.00 FTE be restored.

### **H. Discussion of Program Revenues**

HSEO's primary source of funds is the Energy Security Special Fund (ESSF) which derives revenue from the Environmental Response, Energy, and Food Security Tax (EREFS Tax). Under Act 73 (2010), the ESSF receives 15 cents of the \$1.05 EREFS Tax expressly to support DBEDT staff positions and programs to support the Hawaii Clean Energy Initiative. Revenue from the tax, approximately \$3.9 million per year, is expected to cover HSEO personnel costs and limited operating costs. To carry out programmatic activities to fulfill the Energy Resources Coordinator's statutory obligations and to successfully support achievement of the State's mandatory 100% renewable energy portfolio standard, HSEO is pursuing general funds and federal funds to carry out activities and projects.

### **I. Summary of Analysis Performed**

The Hawaii Clean Energy Initiative Scenario Analysis (Booz Allen Hamilton, March 2012) estimated the net present value of capital installation required to meet or approach the State's former 70% clean energy goal by 2030 to be \$16B. With the State's recently adopted goal of 100% RPS by 2045, even greater outside investment, capital, financial and political resources will be required.

### **J. Further Considerations**

At the current 15 cent allocation of the EREFS Tax, HSEO cannot fully support the activities and projects involved in pursuing energy independence in Hawaii and the other statutory obligations of the Energy Resources Coordinator, especially in light of the analytical, regulatory, innovation and coordination efforts the HSEO has identified is necessary to achieve the State's mandatory 100% RPS. Given the effectiveness of the HSEO to support energy transformation to date, a fundamental question regarding future revenue is the depth of the commitment of the Executive and Legislative branches of State government for future resources for energy transformation intended to achieve policy objectives for energy security, reliability, affordability, self-sufficiency and environmental compliance.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED143  
 PROGRAM STRUCTURE NO: 010502  
 PROGRAM TITLE: HIGH TECHNOLOGY DEVELOPMENT CORPORATION

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 3.00*      | 3.00*      | 3.00*      | 3.00*      | 3.0*         | 3.0*       | 3.0*       | 3.0*       |
|                            | 17.00**    | 18.00**    | 19.00**    | 19.00**    | 19.0**       | 19.0**     | 19.0**     | 19.0**     |
| PERSONAL SERVICES          | 1,914,890  | 2,057,627  | 2,121,768  | 2,161,768  | 2,162        | 2,162      | 2,162      | 2,162      |
| OTHER CURRENT EXPENSES     | 20,428,972 | 5,636,729  | 5,286,729  | 5,286,729  | 5,287        | 5,287      | 5,287      | 5,287      |
| TOTAL OPERATING COST       | 22,343,862 | 7,694,356  | 7,408,497  | 7,448,497  | 7,449        | 7,449      | 7,449      | 7,449      |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
|                            | 1.50*      | 1.50*      | 1.50*      | 1.50*      | 1.5*         | 1.5*       | 1.5*       | 1.5*       |
|                            | 3.75**     | 3.75**     | 3.75**     | 3.75**     | 3.8**        | 3.8**      | 3.8**      | 3.8**      |
| GENERAL FUND               | 1,064,602  | 1,425,881  | 1,085,439  | 1,085,439  | 1,085        | 1,085      | 1,085      | 1,085      |
|                            | 1.50*      | 1.50*      | 1.50*      | 1.50*      | 1.5*         | 1.5*       | 1.5*       | 1.5*       |
|                            | 5.25**     | 5.25**     | 6.25**     | 6.25**     | 6.2**        | 6.2**      | 6.2**      | 6.2**      |
| SPECIAL FUND               | 3,789,550  | 3,805,488  | 3,858,345  | 3,898,345  | 3,899        | 3,899      | 3,899      | 3,899      |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | 8.00**     | 9.00**     | 9.00**     | 9.00**     | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| OTHER FEDERAL FUNDS        | 15,989,710 | 962,987    | 964,713    | 964,713    | 965          | 965        | 965        | 965        |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| REVOLVING FUND             | 1,500,000  | 1,500,000  | 1,500,000  | 1,500,000  | 1,500        | 1,500      | 1,500      | 1,500      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      |            | 1,000      |            |            |              |            |            |            |
| DESIGN                     |            | 1,250,000  |            |            |              |            |            |            |
| CONSTRUCTION               |            | 6,052,000  |            |            |              |            |            |            |
| EQUIPMENT                  |            | 2,000      |            |            |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES |            | 7,305,000  |            |            |              |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| G.O. BONDS                 |            | 3,055,000  |            |            |              |            |            |            |
| REVENUE BONDS              |            | 1,250,000  |            |            |              |            |            |            |
| FEDERAL FUNDS              |            | 3,000,000  |            |            |              |            |            |            |
| TOTAL PERM POSITIONS       | 3.00*      | 3.00*      | 3.00*      | 3.00*      | 3.0*         | 3.0*       | 3.0*       | 3.0*       |
| TOTAL TEMP POSITIONS       | 17.00**    | 18.00**    | 19.00**    | 19.00**    | 19.0**       | 19.0**     | 19.0**     | 19.0**     |
| TOTAL PROGRAM COST         | 22,343,862 | 14,999,356 | 7,408,497  | 7,448,497  | 7,449        | 7,449      | 7,449      | 7,449      |



PROGRAM ID: **BED143**  
 PROGRAM STRUCTURE: **010502**  
 PROGRAM TITLE: **HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS        | 250           | 250           | 275           | 275           | 300           | 300           | 300           | 300           |
| 2. MKTG:# OF INDIVIDUALS OR COMPANIES ASSISTED            | 36100         | 36100         | 36200         | 36200         | 36300         | 36300         | 36300         | 36300         |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. # OF POTENTIAL TECH-BASED COMPANIES                    | 1300          | 1300          | 1350          | 1350          | 1400          | 1400          | 1400          | 1400          |
| 2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES        | 25            | 25            | 25            | 25            | 25            | 40            | 40            | 40            |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. # OF CONTACTS AND RESPONSES                            | 57800         | 57800         | 57900         | 57900         | 58000         | 58000         | 58000         | 58000         |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 80            | 76            | 73            | 71            | 71            | 71            | 17            | 17            |
| REVENUE FROM OTHER AGENCIES: FEDERAL                      | 6,093         | 3,750         | 3,700         | 3,200         | 3,200         | 5,200         |               |               |
| CHARGES FOR CURRENT SERVICES                              | 1,110         | 1,206         | 678           | 650           | 668           | 650           | 668           | 668           |
| TOTAL PROGRAM REVENUES                                    | 7,283         | 5,032         | 4,451         | 3,921         | 3,939         | 5,921         | 685           | 685           |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| SPECIAL FUNDS   | 1,135         | 1,227         | 697           | 667           | 685           | 667           | 685           | 685           |
| ALL OTHER FUNDS   | 6,148         | 3,805         | 3,754         | 3,254         | 3,254         | 5,254         |               |               |
| TOTAL PROGRAM REVENUES                                    | 7,283         | 5,032         | 4,451         | 3,921         | 3,939         | 5,921         | 685           | 685           |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED143: HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

**01 05 02**

### **A. Statement of Program Objectives**

To develop and promote Hawaii's science and technology assets and resources to benefit the commercial sector; implement programs to support the attraction, expansion, and retention of technology companies; support firms engaged in technology research and investment, and projects that support national and State interests; utilize facilities and infrastructure in Hawaii to foster commercial technology development; and promote and provide support for businesses involved in areas, including, but not limited to: information and telecommunication technology, biotechnology, medical health care technology, renewable energy and clean tech and earth/ocean/space science technologies to develop and promote Hawaii's science and technology assets and resources to benefit the commercial sector; implement programs to support the attraction, expansion, and retention of technology companies; support firms engaged in technology research and investment, and projects that support national and State interests; utilize facilities and infrastructure in Hawaii to foster commercial technology development; and promote and provide support for businesses involved in areas including but not limited to: information and telecommunication technology, biotechnology, medical health care technology, renewable energy and clean tech and earth/ocean/space science technologies.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

Add 0.50 temporary full-time equivalent (FTE) for the HTDC Chief Operating Officer position and special funds of \$23,750 in FY 18 and \$47,500 in FY 19 to provide full-year funding for the position.

Add 0.50 temporary FTE for the Project Coordinator position and special funds of \$16,250 in FY 18 and \$32,500 in FY 19 to provide full-year funding for the position.

### **C. Description of Activities Performed**

Activities include: 1) enhance high tech development with its incubation programs, activities and tech synergy at the Manoa Innovation Center (MIC) and Maui Research & Technology Center (MRTC). The centers also offer a virtual incubation program to companies that don't want to be tenants at the centers but can benefit from its services and opportunities; 2) facilitate federal and/or Dual Use opportunities with a) the Small

Business Innovation Research (SBIR) program, the purpose of which is to expand new science, tech and agricultural-based economic development and commercialization, increase revenues to the State, and provide sustainable, high quality job opportunities, b) Hawaii Center for Advanced Transportation Technologies (HCATT) has on-going demonstration projects at Joint Base Pearl Harbor Hickam (JBPHH), and c) Innovate Hawaii is our Manufacturing Extension Partnership (MEP) program to assist small to medium size manufacturing companies become more globally competitive by improving their operation and expanding business through new product development; 3) focused marketing and organizing the industry to encourage tech sector development by a) conducting or sponsoring conferences, workshops, and networking events, b) promoting HTDC programs and seminars as part of its awareness campaign, c) administering our own the tech websites and organizing posts for or actively participating in social media outlets for the innovation sector (e.g., Facebook pages, Twitter), d) public relations, publications, editorials, and spots on tech-related television programs, e) provides the State a periodic assessment of the local technology industry, trends, policies, and support needs and f) marketing and promotion of the Governor's Hawaii Broadband Initiative (HBI); and 4) key contributor in working with DBEDT to craft coordinated policies and/or programs for the high tech sector. On-going information is provided to legislators' regarding high tech issues to facilitate sound policy making.

### **D. Statement of Key Policies Pursued**

The tech-based economic development programs and activities will focus on: a) ongoing enhancement of the entrepreneurial campus programs at the incubation centers; b) maintaining, increasing and better aligning federal and state partnerships; c) reinstating our commitment to serve statewide by increasing neighbor island partnerships; and d) providing input on tech based economic development policies.

### **E. Identification of Important Program Relationships**

Important program relationships include: the Legislature, Chambers of Commerce, Economic Development Boards, Department of Commerce NIST, U.S. Air Force and JBPHH, Small Business Administration, Maui High Performance Computing Center, Pacific International Center for High Technology Research, Hawaiian Electric Company, Small Business Development Center, Hawaii Innovation Alliance, various technical and

## Program Plan Narrative

### **BED143: HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

01 05 02

professional technology organizations, individuals providing technical advisory services to incubation program companies, other economic development associations and institutes and State entities such as the University of Hawaii, Office of Technology Transfer and Economic Development (UH OTTED), Research Corporation of the University of Hawaii (RCUH), OIMT, DCCA, East West Center, HSDC, NELHA, HCDA, FTZ, DAGS, ICSD, DOE, DHRD and Department of Taxation.

#### **F. Description of Major External Trends Affecting the Program**

1. The continued slow recovery of the local economies and resulting forecast of low State revenues has caused a significant reduction in general funds over the years. Due to its limited resources, HTDC has focused on core programs and services and have not pursued new opportunities. The slowdown has significantly impacted occupancy at MRTC, resulting in less revenues and the need to subsidize a portion of MRTC's common area maintenance expenses.
2. Expiration of the lease at MIC in 2015 and landlord's desire not to extend requires HTDC to look for an alternative facility. Cash reserves are being built up to cover the anticipated short-term revenue dip when MIC is vacated and the new center is being filled.
3. Lack of capital financing for tech start-ups and corresponding financial infrastructure and ecosystem (e.g., sufficient deal flow to command a presence of groups of Hawaii-targeted investment funds, especially beyond the seed level).
4. Many tech companies are inexperienced start-ups or university researchers that lack the business knowledge to successfully commercialize their innovations. Focused business training is needed to assist the firms in accelerating products to market.
5. Hawaii lacks the critical mass for qualified tech trained workforce.
6. Internet bandwidth needs to be upgraded and be affordable to the overall population. HTDC is now heavily involved in marketing and disseminating information on the Governor's Hawaii Broadband Initiative.
7. Research University lacking any commercialization mechanism.

#### **G. Discussion of Cost, Effectiveness, and Program Size Data**

The biennium budget requests include funding within the current appropriation for the general, special and revolving funds. There are 1,250 and 1,300 tech companies, respectively, targeted in the biennium years to be served by HTDC.

#### **H. Discussion of Program Revenues**

Program revenues are primarily generated from rents and user fees charged to tech center occupants. Other revenues include fees from conferences, parking, interest, and contracts or private sector grants. The MEP and HCATT programs receive funding from federal sources.

#### **I. Summary of Analysis Performed**

None.

#### **J. Further Considerations**

None.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

BED145  
010503  
HAWAII STRATEGIC DEVELOPMENT CORPORATION

| PROGRAM EXPENDITURES   | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                        | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST         | 0.00*      | 0.00*      | 0.00*      | 0.00*      | 0.0*         | 0.0*       | 0.0*       | 0.0*       |
|                        | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| PERSONAL SERVICES      | 236,073    | 280,000    | 188,056    | 188,056    | 188          | 188        | 188        | 188        |
| OTHER CURRENT EXPENSES | 6,680,366  | 8,642,922  | 26,642,922 | 6,642,922  | 6,643        | 6,643      | 6,643      | 6,643      |
| TOTAL OPERATING COST   | 6,916,439  | 8,922,922  | 26,830,978 | 6,830,978  | 6,831        | 6,831      | 6,831      | 6,831      |
| BY MEANS OF FINANCING  |            |            |            |            |              |            |            |            |
|                        | *          | *          | *          | *          | *            | *          | *          | *          |
|                        | **         | **         | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| GENERAL FUND           |            | 1,000,000  | 10,188,056 | 188,056    | 188          | 188        | 188        | 188        |
|                        | *          | *          | *          | *          | *            | *          | *          | *          |
|                        | **         | **         | **         | **         | **           | **         | **         | **         |
| SPECIAL FUND           | 2,608,516  | 2,608,516  | 2,608,516  | 2,608,516  | 2,609        | 2,609      | 2,609      | 2,609      |
|                        | *          | *          | *          | *          | *            | *          | *          | *          |
|                        | 2.00**     | 2.00**     | **         | **         | **           | **         | **         | **         |
| REVOLVING FUND         | 4,307,923  | 5,314,406  | 14,034,406 | 4,034,406  | 4,034        | 4,034      | 4,034      | 4,034      |
| TOTAL PERM POSITIONS   | *          | *          | *          | *          | *            | *          | *          | *          |
| TOTAL TEMP POSITIONS   | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| TOTAL PROGRAM COST     | 6,916,439  | 8,922,922  | 26,830,978 | 6,830,978  | 6,831        | 6,831      | 6,831      | 6,831      |

PROGRAM ID: **BED145**  
 PROGRAM STRUCTURE: **010503**  
 PROGRAM TITLE: **HAWAII STRATEGIC DEVELOPMENT CORPORATION**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL        | 1500000       | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB       | 1             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 3. INCREASE IN NUMBER OF COMPANIES FUNDED                 | 5             | 5             | 5             | 0             | 0             | 0             | 0             | 0             |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. ENTREPRENEURIAL START-UP COMPANIES                     | 50            | 40            | 40            | 0             | 0             | 0             | 0             | 0             |
| 2. POTENTIAL INVEST ORG, INCL HIGH NET WORTH INDIVIDS     | 20            | 20            | 20            | 20            | 20            | 20            | 20            | 20            |
| 3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS              | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP     | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF              | 3             | 3             | 3             | 3             | 0             | 0             | 0             | 0             |
| 3. ENTREPRENEURIAL TRAINING PROGRAMS                      | 1             | 1             | 1             | 1             | 0             | 0             | 0             | 0             |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 30            | 20            | 10            | 5             | 5             | 5             | 5             | 5             |
| REVENUE FROM OTHER AGENCIES: ALL OTHER                    | 200           |               | 200           | 200           | 200           | 200           | 200           | 200           |
| TOTAL PROGRAM REVENUES                                    | 230           | 20            | 210           | 205           | 205           | 205           | 205           | 205           |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| ALL OTHER FUNDS   | 230           | 20            | 210           | 205           | 205           | 205           | 205           | 205           |
| TOTAL PROGRAM REVENUES                                    | 230           | 20            | 210           | 205           | 205           | 205           | 205           | 205           |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED145: HAWAII STRATEGIC DEVELOPMENT CORPORATION**

**01 05 03**

### **A. Statement of Program Objectives**

To create funding mechanisms for investment in emerging technology companies by developing networks to organize public and private sources of capital and develop the infrastructure to support venture capital in Hawaii.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

Hawaii Strategic Development Corporation (HSDC) is requesting a \$10mm general fund infusion into its revolving fund in FY 18 and in FY 19. This will allow for the continuation of a State economic development effort called the HI Growth Initiative. The HI Growth Initiative will invest, in partnership with the private sector, in three key areas: 1) entrepreneur development; 2) commercialization of research; and 3) access to start-up capital to grow and scale businesses. A portion of the funds will be used for program management; e.g., legal work, industry networking events, and studies to measure program effectiveness.

HSDC has demonstrated that it can implement investment programs cost effectively by working closely with private sector partners in the execution of its programs and does not duplicate or compete with private sector efforts. HSDC seeks to invest where there are gaps in the private sector's ability to support innovation and commercialization. HSDC's programs achieve core State objectives of economic development, economic diversification and the creation of high wage jobs in Hawaii.

Request to convert 2.00 temporary positions from revolving funds to general funds. Reduces revolving funds in both FY 18 and FY 19 by \$286,895 and increases general funds in both FY 18 and FY 19 by 188,056.

### **C. Description of Activities Performed**

Manage a venture capital fund of funds investment program to mobilize capital for Hawaii's emerging technology companies and earn a return on capital. Organize and participate in venture capital conferences and entrepreneur focused events that help to inform Hawaii's venture capital community and network Hawaii businesses with sources of capital.

### **D. Statement of Key Policies Pursued**

HSDC's programs achieve core State objectives of economic development, economic diversification and the creation of high wage jobs in Hawaii. In particular, the HI Growth Initiative directly addresses the objectives of Section 226-10 of the State Plan to develop new sources of economic growth for the state by supporting innovative activities.

HSDC will continue to serve as a catalyst where needed to fill gaps in Hawaii's venture capital sector and support entrepreneurial development by providing programs and networking to assist companies to gain skills and capital needed to grow their businesses.

### **E. Identification of Important Program Relationships**

HSDC, the Hawaii Technology Development Corporation (HTDC) and the Natural Energy Laboratory of Hawaii Authority (NELHA) maintain seats on each others' boards and HSDC works with these agencies to promote investments in their client companies. HSDC also works with the University of Hawaii (UH) to assist in the commercialization of UH intellectual property. HSDC provides support to DBEDT's energy, science and technology, and creative industry sectors in the area of mobilizing finance. Externally, HSDC works with county economic development entities to support entrepreneurial development and to provide advice on capital raising issues for start-up companies. HSDC is networked with private sector investors and entrepreneur organizations. Finally, HSDC works closely with its investee funds and companies and potential funds and companies seeking to raise investment capital, in particular the Employees' Retirement System's Hawaii venture capital program.

### **F. Description of Major External Trends Affecting the Program**

There has been a significant increase in entrepreneurial activity in the State as evidenced by events such as Startup Weekends, university business plan competitions and the success of the venture accelerator funding program. Hawaii's institutional investors, such as Kamehameha Schools, Queens Health Systems and the UH Foundation are providing significant support to the venture community. The Hawaii corporate sector is also engaging directly with the innovation sector.

## Program Plan Narrative

**BED145: HAWAII STRATEGIC DEVELOPMENT CORPORATION**

**01 05 03**

Some successful Hawaii startups are still choosing to leave the State in order to achieve their business objectives. Hawaii has not invested in the infrastructure, workforce and capital resources needed by entrepreneurial, high growth companies to allow them to grow and scale their businesses in Hawaii. The HI Growth Initiative is one key program to address this problem, but it has received sporadic and unpredictable funding over the years.

support entrepreneurial, high growth businesses. To succeed at this effort and to compete with other states for talent and capital, Hawaii must communicate to the entrepreneur and investor communities a consistent, long-term commitment to support this sector. Continued support for a successful program like the HI Growth Initiative will communicate that commitment.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

HSDC has operated a lean organization overseeing more than \$20 million in investment funds with just two full-time employees. HSDC has consistently operated within its budget allocation and efficiently deploys capital when available.

### **H. Discussion of Program Revenues**

Program revenues are based on investment returns. Liquidity events impacting portfolio companies typically take place in the form of initial public offerings of the company's stock or the company being acquired by another firm. These events are extremely difficult to predict with any accuracy, and therefore revenue projections are highly speculative.

### **I. Summary of Analysis Performed**

HSDC worked with UHERO (The Economic Research Organization at the UH) to review the historical investment activity and economic impact of its portfolio and has concluded that economic development objectives are being met. The conclusions were published in February 2016 in a report, "The Evolution of the HI Growth Initiative."

Investment returns have not yet materialized because the program is still in deployment mode. It will take several more years for companies receiving investment to mature and return capital back to investors.

### **J. Further Considerations**

Significant private sector support has been provided to HSDC's HI Growth Initiative investment efforts and maintaining the scale of recent activity will unlock more private sector resources to leverage the State's investment. Developing a vibrant innovation sector will be a long-term effort as Hawaii is behind many states in developing the ecosystem to

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED146  
 PROGRAM STRUCTURE NO: 010504  
 PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 0.00*      | 0.00*      | 0.00*      | 0.00*      | 0.0*         | 0.0*       | 0.0*       | 0.0*       |
|                            | 22.00**    | 22.00**    | 22.00**    | 22.00**    | 22.0**       | 22.0**     | 22.0**     | 22.0**     |
| PERSONAL SERVICES          | 1,930,164  | 1,975,827  | 2,008,887  | 2,008,887  | 2,009        | 2,009      | 2,009      | 2,009      |
| OTHER CURRENT EXPENSES     | 5,805,572  | 5,805,572  | 5,805,572  | 5,805,572  | 5,806        | 5,806      | 5,806      | 5,806      |
| MOTOR VEHICLES             | 35,000     | 35,000     |            |            |              |            |            |            |
| TOTAL OPERATING COST       | 7,770,736  | 7,816,399  | 7,814,459  | 7,814,459  | 7,815        | 7,815      | 7,815      | 7,815      |
| BY MEANS OF FINANCING      | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | 22.00**    | 22.00**    | 22.00**    | 22.00**    | 22.0**       | 22.0**     | 22.0**     | 22.0**     |
| SPECIAL FUND               | 7,770,736  | 7,816,399  | 7,814,459  | 7,814,459  | 7,815        | 7,815      | 7,815      | 7,815      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| DESIGN                     | 274,000    | 1,000      |            |            |              |            |            |            |
| CONSTRUCTION               | 12,250,000 | 1,170,000  |            |            |              |            |            |            |
| EQUIPMENT                  |            | 4,029,000  |            |            |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES | 12,524,000 | 5,200,000  |            |            |              |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| G.O. BONDS                 | 12,524,000 |            |            |            |              |            |            |            |
| G.O. BONDS REPAYED         |            | 5,200,000  |            |            |              |            |            |            |
| TOTAL PERM POSITIONS       | *          | *          | *          | *          | *            | *          | *          | *          |
| TOTAL TEMP POSITIONS       | 22.00**    | 22.00**    | 22.00**    | 22.00**    | 22.0**       | 22.0**     | 22.0**     | 22.0**     |
| TOTAL PROGRAM COST         | 20,294,736 | 13,016,399 | 7,814,459  | 7,814,459  | 7,815        | 7,815      | 7,815      | 7,815      |



PROGRAM ID: **BED146**  
 PROGRAM STRUCTURE: **010504**  
 PROGRAM TITLE: **NATURAL ENERGY LAB OF HAWAII AUTHORITY**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)              | 5.1           | 6.3           | 6             | 6.5           | 6.8           | 7             | 7.4           | 7.7           |
| 2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)      | 4500          | 4500          | 4500          | 4500          | 4500          | 4500          | 4500          | 4500          |
| 3. TOTAL TENANT REVENUE (\$M)                             | 60            | 65            | 68            | 71            | 71            | 71            | 71            | 71            |
| 4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)                | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            |
| 5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)               | 99.999        | 99.999        | 99.999        | 99.999        | 99.999        | 99.999        | 99.999        | 99.999        |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. COMMERCIAL TENANTS                                     | 27            | 30            | 30            | 30            | 30            | 30            | 30            | 30            |
| 2. PRE-COMMERCIAL TENANTS                                 | 9             | 10            | 12            | 13            | 13            | 13            | 13            | 13            |
| 3. RESEARCH/EDUCATION/OTHER TENANTS                       | 14            | 15            | 15            | 15            | 15            | 15            | 15            | 15            |
| 4. PUBLIC OUTREACH PARTICIPANTS                           | 6269          | 6000          | 6000          | 6000          | 6000          | 6000          | 6000          | 6000          |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)           | 425           | 440           | 460           | 480           | 480           | 480           | 480           | 480           |
| 2. TOTAL VOLUME OF SEAWATER PUMPED (MGALS)                | 30            | 150           | 150           | 150           | 150           | 150           | 150           | 150           |
| 3. TOTAL NUMBER OF NELHA TENANTS                          | 50            | 54            | 55            | 56            | 56            | 56            | 56            | 56            |
| 4. PERCENTAGE OF NELHA LAND IN USE                        | 40            | 42            | 45            | 47            | 47            | 47            | 47            | 47            |
| 5. TOTAL CUMULATIVE CIP: TENANT, STATE, FEDERAL (\$M)     | 120           | 130           | 140           | 150           | 150           | 150           | 150           | 150           |
| 6. BEACH PARK USE (# OF ATTENDEES)                        | 120000        | 120000        | 133000        | 139000        | 139000        | 139000        | 139000        | 139000        |
| 7. CEMP (# OF REGULATORY AGENCIES)                        | 7             | 7             | 7             | 7             | 7             | 7             | 7             | 7             |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 1,777         | 1,980         | 2,190         | 2,256         | 2,323         | 2,395         | 2,466         | 2,540         |
| REVENUE FROM OTHER AGENCIES: FEDERAL                      | 528           | 244           | 111           |               |               |               |               |               |
| REVENUE FROM OTHER AGENCIES: ALL OTHER                    |               | 2             |               |               |               |               |               |               |
| CHARGES FOR CURRENT SERVICES                              | 2,788         | 2,969         | 3,125         | 3,219         | 3,315         | 3,416         | 3,517         | 3,623         |
| TOTAL PROGRAM REVENUES                                    | 5,093         | 5,195         | 5,426         | 5,475         | 5,638         | 5,811         | 5,983         | 6,163         |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| SPECIAL FUNDS   | 5,093         | 5,195         | 5,426         | 5,475         | 5,638         | 5,811         | 5,983         | 6,163         |
| TOTAL PROGRAM REVENUES                                    | 5,093         | 5,195         | 5,426         | 5,475         | 5,638         | 5,811         | 5,983         | 6,163         |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED146: NATURAL ENERGY LAB OF HAWAII AUTHORITY**

**01 05 04**

### **A. Statement of Program Objectives**

The Natural Energy Laboratory of Hawaii Authority (NELHA) has seven (7) key objectives: 1) Innovation - Operate and maintain the Hawaii Ocean Science and Technology Park (HOST Park) in a manner that facilitates, attracts, and promotes new and unique uses of the ocean and clean technology energy resources; 2) Financial Resources - Maintain operational self-sufficiency by broadening revenue streams and diversifying funding sources; 3) Productivity - Increase the number of quality research and commercial clients in HOST Park while improving the cost-effective utilization of staff and facilities to increase and upgrade services; 4) Profit Requirement - Provide a positive total economic impact to the community and State through generating revenues to NELHA, commercial client revenues and non-State employment; 5) Marketing - Attract and promote ocean and energy research and commercial activities; 6) Physical Resources - Provide infrastructure and support facilities/equipment suitable for optimal operation of HOST Park and clients; and 7) Social and Cultural Responsibility - Facilitate and develop educational and information programs for ocean and energy subjects which relate to NELHA activities.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

NELHA is not requesting additional operating or CIP funds for FY 18 and FY 19.

### **C. Description of Activities Performed**

- 1) Market, manage and operate facilities.
- 2) Identify, develop and implement revenue enhancement opportunities, which support NELHA's objectives and its efforts to maintain operational self-sufficiency and sustainability.
- 3) Operate and maintain unique transmission and distribution systems for large volumes (approximately two tons per second) of deep and surface seawater and increase cost efficiency by investing in technology.
- 4) Implement an infrastructure plan for HOST Park considering full build out adequate integrated energy district, roads, telecommunications, efficient pipe line distribution systems, and greenways.

5) Operate a water quality laboratory for an environmental monitoring program that samples groundwater, near shore water and offshore water; these are required activities to maintain the Special Management Permit under which all clients are able to operate at HOST Park.

6) Provide informational and educational material and lectures to school classes (K-12 and university level), professional associations, community groups, international visitors, legislators, and the general public. Some 5,000 visitors visited HOST Park during the past fiscal year.

### **D. Statement of Key Policies Pursued**

HRS, 226-4(1): "to achieve a strong viable economy, characterized by stability, diversity, and growth" is reflected by marketing HOST Park and its unique natural resources to bring in a diversity of research projects and commercial businesses that utilize the facility and create new jobs.

HRS, 226-13: physical environment-land, air and water quality policy is enforced at HOST Park by maintaining class AA offshore waters through a water quality monitoring program and supporting other such programs in the State.

HRS, 226-18(c)(1): "Support research and development as well as promote the use of renewable energy sources" is implemented by: a) Facilitating research and development of sustainable clean technology energy sources such as OTEC (ocean thermal energy conversion), photovoltaic, biofuels, and hydrogen and other sources; b) Using deep seawater, solar heat, and other alternative energy sources to operate NELHA facilities whenever feasible, including the use of cold deep seawater for air-conditioning; and c) Offering presentations and information about renewable energy to the general public, educational entities, other individuals and businesses.

HRS, 226-103: State economic priority guidelines are carried out by: a) Providing land and support to research and commercial activities, which will strengthen a diversified and sustainable economy; and b) Encouraging businesses that provide jobs at all levels for the local residents and have minimal impact on Hawaii's environment.

## **Program Plan Narrative**

**BED146: NATURAL ENERGY LAB OF HAWAII AUTHORITY**

**01 05 04**

### **E. Identification of Important Program Relationships**

1) The private sector has been responsible for all the development of alternate and clean technology energy sources. NELHA has developed strong relationships with the public and such private sector interests to maximize resources and partner with them to result in higher achievements. Most notable, NELHA continues to work closely with the National Renewable Energy Laboratory, Sandia National Laboratory, Pacific Northwest National Laboratory, High Technology Development Corporation, Hawaii Strategic Development Corporation, State of Hawaii Energy Office, University of Hawaii and the County of Hawaii.

2) NELHA has developed strong national ties as efforts continue to develop the Hawaii Gateway Energy Center and is strongly supported by the private non-profit Friends of NELHA.

3) NELHA's ties with research and development based tenants and commercially viable tenants have furthered the commercial development and aquaculture.

### **F. Description of Major External Trends Affecting the Program**

1) The cost of electricity continues to have a significant impact on NELHA operations.

2) Worldwide focus on clean energy has increased the interest in OTEC technology and other forms of alternative energy which will assist NELHA in attracting new businesses and research to HOST Park.

3) Strong worldwide demand for desalinated drinking water from NELHA has developed into one of the State's largest export industries.

4) NELHA has developed into a world-class site for the production of algae and other marine aquaculture products and a significant portion of the State's overall aquaculture industry is based at NELHA.

5) Private sector interests have supported new projects and construction.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

NELHA continues to operate in a self-sufficient manner and receives no general fund support for its operations. NELHA has received CIP funds for public goods such as infrastructure development to benefit the overall community. A recent analysis by UHERO (The Economic Research Organization at the University of Hawaii) indicates that NELHA generates economic impact is approaching almost \$120 million annually creates over 600 jobs and over \$5M in State tax revenue.

### **H. Discussion of Program Revenues**

Revenues continue to increase and current projections show that based on current lease structure, they are continued to show healthy growth and increase over the next five years.

### **I. Summary of Analysis Performed**

NELHA recently completed updates of its master plan, strategic plan, marketing and distributed energy resources plans. These plans will continue to guide the desired growth of NELHA and increase its revenue base. In addition, NELHA contracted with UHERO to complete an economic impact study for activity in the park in 2010 and 2013. Results from the most recent economic impact study shows growth of 40 percent during the three year period.

### **J. Further Considerations**

HOST Park began in 1974 and is over 40 years old. The park is making a significant economic impact and specifically in West Hawaii. However, some of the buildings and infrastructure in the park are aging and need to be renovated and/or replaced. In addition, until recently, electricity costs continue to be a significant cost and burden on businesses located in the park. Accordingly, NELHA needs to provide office space, modernize its pumping system and stabilize electrical costs to maintain an ecosystem favorable to continued economic development. As such, NELHA considers the completion of an incubator/accelerator; automation of its seawater system; and the development of a sustainable integrated energy district in HOST Park as mission critical activities.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED138  
 PROGRAM STRUCTURE NO: 010505  
 PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY

| PROGRAM EXPENDITURES   | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                        | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST         | 0.00*      | 0.00*      | 0.00*      | 0.00*      | 0.0*         | 0.0*       | 0.0*       | 0.0*       |
|                        | 5.00**     | 5.00**     | 5.00**     | 5.00**     | 5.0**        | 5.0**      | 5.0**      | 5.0**      |
| PERSONAL SERVICES      | 637,154    | 679,008    | 679,008    | 679,008    | 679          | 679        | 679        | 679        |
| OTHER CURRENT EXPENSES | 362,846    | 320,992    | 50,320,992 | 320,992    | 321          | 321        | 321        | 321        |
| TOTAL OPERATING COST   | 1,000,000  | 1,000,000  | 51,000,000 | 1,000,000  | 1,000        | 1,000      | 1,000      | 1,000      |
| BY MEANS OF FINANCING  |            |            |            |            |              |            |            |            |
|                        | *          | *          | *          | *          | *            | *          | *          | *          |
|                        | 5.00**     | 5.00**     | 5.00**     | 5.00**     | 5.0**        | 5.0**      | 5.0**      | 5.0**      |
| SPECIAL FUND           | 1,000,000  | 1,000,000  | 51,000,000 | 1,000,000  | 1,000        | 1,000      | 1,000      | 1,000      |
| TOTAL PERM POSITIONS   | *          | *          | *          | *          | *            | *          | *          | *          |
| TOTAL TEMP POSITIONS   | 5.00**     | 5.00**     | 5.00**     | 5.00**     | 5.0**        | 5.0**      | 5.0**      | 5.0**      |
| TOTAL PROGRAM COST     | 1,000,000  | 1,000,000  | 51,000,000 | 1,000,000  | 1,000        | 1,000      | 1,000      | 1,000      |

PROGRAM ID: **BED138**  
 PROGRAM STRUCTURE: **010505**  
 PROGRAM TITLE: **HAWAII GREEN INFRASTRUCTURE AUTHORITY**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                      |               |               |               |               |               |               |               |               |
| 1. CLEAN ENERGY PRODUCTION FR PROJECTS FINANCED (MWH) | 144           | 2636          | 22086         | 24567         | 18921         | 9254          | 8659          | 8287          |
| 2. TTL GEMS CAP DEPLYD & TTL 3RD PTY CAP DEPLYD (\$K) | 386.3         | 5500          | 44500         | 49500         | 47500         | 48250         | 46900         | 46200         |
| 3. NUMBER OF RESIDENTIAL CONSUMERS FINANCED           | 12            | 50            | 514           | 514           | 293           | 89            | 48            | 27            |
| 4. NUMBER OF COMMERCIAL ENTITIES FINANCED             | 0             | 11            | 34            | 21            | 14            | 10            | 9             | 7             |
| <b>PROGRAM TARGET GROUPS</b>                          |               |               |               |               |               |               |               |               |
| 1. ENTITIES AND CUST ADPTNG CLEAN ENRGY TECHNOLOGIES  | 12            | 61            | 548           | 536           | 307           | 99            | 57            | 35            |
| <b>PROGRAM ACTIVITIES</b>                             |               |               |               |               |               |               |               |               |
| 1. TOTAL NUMBER OF BUILDINGS SERVED                   | 12            | 61            | 333           | 319           | 163           | 64            | 36            | 27            |
| 2. NUMBER OF LOANS APPROVED                           | 12            | 61            | 548           | 536           | 307           | 99            | 57            | 35            |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED138: HAWAII GREEN INFRASTRUCTURE AUTHORITY**

**01 05 05**

### **A. Statement of Program Objectives**

Deploy \$150 million in bond proceeds to provide low-interest clean energy technology loans to Hawaii customers, including those who are underserved, such as homeowners, renters and non-profit organizations. The GEMS (Green Energy Market Securitization) Program is intended to create a sustainable financing structure through market driven public-private partnerships that will open access to financing for more Hawaii customers and democratize access to clean energy.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

Transfer in \$50,000,000 in special funds for FY 18 from the Hawaii State Energy Office (BED 120) to provide funding for GEMS loan activity. Without this authorization, the Hawaii Green Infrastructure Authority (HGIA) will not be able to continue its lending programs.

### **C. Description of Activities Performed**

HGIA was established to create the GEMS Program, which provides loans to Hawaii customers for the installation of clean energy technologies - with an initial focus on solar PV (photovoltaic).

Hawaii pays an average of 34 cents per kilowatt hour which is on average 3.5 times the expense of the mainland hourly rate. This makes renewable energy such as solar as much as 100% more effective than on the mainland, with an estimated payback of 5 years versus 10 years on the mainland.

However, due to Hawaii's small isolated market which precludes selling extra electricity generation or having access to back-up power to moderate the volatility of renewable energy sources, Hawaiian Electric and the Public Utilities Commission (PUC) have placed a cap on solar installations. This significantly changed the market for solar PV with the demand for related solar loans dramatically declining over the past year.

As an alternative, the program is focusing on a variety of other green projects, including: (1) solar PV with battery storage; (2) commercial green energy projects including solar PV, energy efficiency retrofits, and other alternative renewable energy sources; (3) community solar; and (4) open solicitation where entities provide their proposals for renewable

energy projects.

### **D. Statement of Key Policies Pursued**

There are two significant policy objectives for GEMS and the HGIA. The first is to help the State of Hawaii reach its clean energy by 2030 by funding the installation of clean energy technologies. The second major policy objective is to use innovative financing and market mechanisms that leverage public dollars, rely less on rebates, and build lasting public-private partnerships so that long-term sustainable financing models can be created to support clean energy project deployment.

### **E. Identification of Important Program Relationships**

The GEMS Program is a public/private partnership dependent on a number of deployment partners, including solar developers, participating lenders, solar installers, and the electric utilities. In addition, GEMS Program activities must be approved by the PUC pursuant to law.

### **F. Description of Major External Trends Affecting the Program**

The Solar PV market faces several immediate technical challenges with many circuits being highly penetrated with intermittent renewable energy, leading to limits on utility interconnection and changes to interconnection procedures. Due to threshold percentage caps of solar energy production on many circuits, the utilities have changed the interconnection process, and may continue to change the interconnection process, leading to longer interconnection processes and longer deployment of GEMS loans. Applicant is addressing this issue to the extent possible by requesting the Commission to approve GEMS Program financing for technologies that can improve the ability for a system to interconnect to the utility grid, including by providing financing to utilities for this purpose.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

With \$150 million in bond proceeds, the GEMS Program has the ability to finance the installation of over 44 MW of solar PV equipment to assist these underserved homeowners, renters and non-profit customers.

This fund would provide low-cost financing opportunities while also reducing the risk of clean energy projects throughout Hawaii.

## Program Plan Narrative

**BED138: HAWAII GREEN INFRASTRUCTURE AUTHORITY**

**01 05 05**

### **H. Discussion of Program Revenues**

Program revenues will be generated through GEMS loans. Loan repayments will be used to pay for HGIA administrative costs, reimburse the Public Benefit Fee, and make additional GEMS Program loans.

### **I. Summary of Analysis Performed**

Renewable Funding, the GEMS Fund Manager, engaged in a robust effort to assess existing market conditions for clean energy deployment in the State of Hawaii. This analysis was designed to assess the overall status of clean energy in the State and the solar PV market in particular, since solar PV is a proven, on-demand technology with active market players and a strong associated data set. Results prove that an underserved market for solar PV does exist, especially for homeowners with lower credit scores, renters and non-profits.

### **J. Further Considerations**

None.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO: 0107

PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 2.00*      | 2.00*      | 21.00*     | 21.00*     | 21.0*        | 21.0*      | 21.0*      | 21.0*      |
|                            | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| PERSONAL SERVICES          | 541,051    | 559,705    | 2,173,358  | 2,173,358  | 2,173        | 2,173      | 2,173      | 2,173      |
| OTHER CURRENT EXPENSES     | 650,000    | 650,000    | 804,360    | 804,360    | 804          | 804        | 804        | 804        |
| TOTAL OPERATING COST       | 1,191,051  | 1,209,705  | 2,977,718  | 2,977,718  | 2,977        | 2,977      | 2,977      | 2,977      |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
|                            | *          | *          | 19.00*     | 19.00*     | 19.0*        | 19.0*      | 19.0*      | 19.0*      |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| GENERAL FUND               |            |            | 1,450,000  | 1,450,000  | 1,450        | 1,450      | 1,450      | 1,450      |
|                            | 2.00*      | 2.00*      | 2.00*      | 2.00*      | 2.0*         | 2.0*       | 2.0*       | 2.0*       |
|                            | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| REVOLVING FUND             | 1,191,051  | 1,209,705  | 1,527,718  | 1,527,718  | 1,527        | 1,527      | 1,527      | 1,527      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      | 2,005,000  | 1,450,000  |            |            |              |            |            |            |
| DESIGN                     | 1,050,000  | 500,000    | 350,000    | 150,000    |              |            |            |            |
| CONSTRUCTION               | 4,000,000  | 6,500,000  | 2,000,000  |            | 2,500        |            |            |            |
| TOTAL CAPITAL EXPENDITURES | 7,055,000  | 8,450,000  | 2,350,000  | 150,000    | 2,500        |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| GENERAL FUND               |            | 1,450,000  |            |            |              |            |            |            |
| G.O. BONDS                 | 7,055,000  | 7,000,000  | 2,350,000  | 150,000    | 2,500        |            |            |            |
| TOTAL PERM POSITIONS       | 2.00*      | 2.00*      | 21.00*     | 21.00*     | 21.0*        | 21.0*      | 21.0*      | 21.0*      |
| TOTAL TEMP POSITIONS       | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| TOTAL PROGRAM COST         | 8,246,051  | 9,659,705  | 5,327,718  | 3,127,718  | 5,477        | 2,977      | 2,977      | 2,977      |



# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

**BED150**  
**010701**  
**HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 2.00*      | 2.00*      | 21.00*     | 21.00*     | 21.0*        | 21.0*      | 21.0*      | 21.0*      |
|                            | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| PERSONAL SERVICES          | 541,051    | 559,705    | 2,173,358  | 2,173,358  | 2,173        | 2,173      | 2,173      | 2,173      |
| OTHER CURRENT EXPENSES     | 650,000    | 650,000    | 804,360    | 804,360    | 804          | 804        | 804        | 804        |
| TOTAL OPERATING COST       | 1,191,051  | 1,209,705  | 2,977,718  | 2,977,718  | 2,977        | 2,977      | 2,977      | 2,977      |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
|                            | *          | *          | 19.00*     | 19.00*     | 19.0*        | 19.0*      | 19.0*      | 19.0*      |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| GENERAL FUND               |            |            | 1,450,000  | 1,450,000  | 1,450        | 1,450      | 1,450      | 1,450      |
|                            | 2.00*      | 2.00*      | 2.00*      | 2.00*      | 2.0*         | 2.0*       | 2.0*       | 2.0*       |
|                            | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| REVOLVING FUND             | 1,191,051  | 1,209,705  | 1,527,718  | 1,527,718  | 1,527        | 1,527      | 1,527      | 1,527      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      | 2,005,000  | 1,450,000  |            |            |              |            |            |            |
| DESIGN                     | 1,050,000  | 500,000    | 350,000    | 150,000    |              |            |            |            |
| CONSTRUCTION               | 4,000,000  | 6,500,000  | 2,000,000  |            | 2,500        |            |            |            |
| TOTAL CAPITAL EXPENDITURES | 7,055,000  | 8,450,000  | 2,350,000  | 150,000    | 2,500        |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| GENERAL FUND               |            | 1,450,000  |            |            |              |            |            |            |
| G.O. BONDS                 | 7,055,000  | 7,000,000  | 2,350,000  | 150,000    | 2,500        |            |            |            |
| TOTAL PERM POSITIONS       | 2.00*      | 2.00*      | 21.00*     | 21.00*     | 21.0*        | 21.0*      | 21.0*      | 21.0*      |
| TOTAL TEMP POSITIONS       | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| TOTAL PROGRAM COST         | 8,246,051  | 9,659,705  | 5,327,718  | 3,127,718  | 5,477        | 2,977      | 2,977      | 2,977      |

PROGRAM ID: **BED150**  
 PROGRAM STRUCTURE: **010701**  
 PROGRAM TITLE: **HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)             | 150           | 370           | 538           | 538           | 350           | 350           | 350           | 350           |
| 2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)              | 964.4         | 2838.2        | 6915          | 6552          | 1407          | 1407          | 1407          | 1407          |
| 3. # OF NEW HOUSING UNITS IN KAKAAKO                      | 483           | 1949          | 632           | 838           | 987           | 987           | 987           | 987           |
| 4. # OF NEW PUBLIC FACILITIES IN KAKAAKO                  | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 5. # ACTIVELY-USED PARCELS IN KALAELOA CDD                | 87            | 90            | 90            | 95            | 100           | 105           | 105           | 105           |
| 6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)          | 8             | 8             | 10            | 10            | 20            | 20            | 20            | 20            |
| 7. # ACRES RESTORATION OF WETLANDS USES IN HEEIA          | 55            | 55            | 60            | 70            | 70            | 70            | 70            | 70            |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. # OF RESIDENTS IN KAKAAKO                              | 17482         | 24138         | 25718         | 27813         | 30280         | 30280         | 30280         | 30280         |
| 2. # OF EMPLOYEES IN KAKAAKO                              | 25330         | 25330         | 25330         | 25330         | 25330         | 25330         | 25330         | 25330         |
| 3. # OF BUSINESSES IN KAKAAKO                             | 1266          | 1266          | 1266          | 1266          | 1266          | 1266          | 1266          | 1266          |
| 4. # OF LANDUSERS WITHIN KALAELOA                         | 15            | 17            | 17            | 17            | 17            | 20            | 20            | 20            |
| 5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS        | 3700          | 4600          | 5000          | 5200          | 6000          | 6000          | 6000          | 6000          |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO                  | 115           | 175           | 125           | 125           | 125           | 125           | 125           | 125           |
| 2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO         | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)               | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN         | 59            | 60            | 60            | 60            | 60            | 60            | 60            | 60            |
| 5. NEW PLANNING IN KALAELOA (\$M)                         | 20            | 21.5          | 20            | 20            | 25            | 25            | 25            | 25            |
| 6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA     | 3             | 4             | 0             | 0             | 0             | 0             | 0             | 0             |
| 7. # PROJS FACILITATED & COMPLETED IN KALAELOA            | 2             | 21.5          | 2             | 2             | 2             | 2             | 2             | 2             |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 1,138         | 1,094         | 202           | 653           | 653           | 653           | 653           | 653           |
| REVENUE FROM OTHER AGENCIES: ALL OTHER                    | 97            | 97            | 98            | 98            | 98            | 98            | 98            | 98            |
| CHARGES FOR CURRENT SERVICES                              | 441           | 441           | 277           | 441           | 424           | 408           | 408           | 408           |
| NON-REVENUE RECEIPTS                                      | 100           | 100           |               |               |               |               |               |               |
| TOTAL PROGRAM REVENUES                                    | 1,776         | 1,732         | 577           | 1,192         | 1,175         | 1,159         | 1,159         | 1,159         |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| ALL OTHER FUNDS   | 1,776         | 1,732         | 577           | 1,192         | 1,175         | 1,159         | 1,159         | 1,159         |
| TOTAL PROGRAM REVENUES                                    | 1,776         | 1,732         | 577           | 1,192         | 1,175         | 1,159         | 1,159         | 1,159         |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED150: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

**01 07 01**

### **A. Statement of Program Objectives**

To revitalize urban areas in the State which are in need of timely redevelopment through the creation of mixed use districts for residential, commercial and light industrial development that help to address the economic and social needs of the people of the State of Hawaii by encouraging the desired private investment through: 1) the planning and implementation of infrastructure improvements; 2) the development of public facilities; and 3) the establishment of planning guidelines and parameters that encourage mixed use development.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

CIP request for \$3,000,000 in General Obligation Bonds in FY 18 to complete the design and construction of the Kalaeloa Enterprise Avenue Energy Corridor at Midway Road, Kalaeloa, Oahu.

Operating requests include:

Add \$154,360 in revolving funds for both FY 18 and FY 19 to cover legal and maintenance expenses for Kakaako.

Add \$81,000 in revolving funds for both FY 18 and FY 19 to cover increased fringe benefit costs for Kakaako.

Add \$73,000 in revolving funds for both FY 18 and FY 19 to cover increased fringe benefit costs for Kalaeloa.

Add 19.00 permanent positions and \$1,450,000 in general funds for both FY 18 and FY 19 to convert CIP project positions to operating budget positions.

### **C. Description of Activities Performed**

For legislatively designated Community Development Districts, HCDA is mandated to develop community development plans which include, but are not limited to, community development guidance policies, district-wide infrastructure improvement programs and community development rules. HCDA must implement a Community Development District Plan after the Governor approves it and funding is provided by the Legislature. Major activities during the plan implementation stage include: (a) planning and

regulatory functions in the administration of the plan and rules; (b) infrastructure systems improvements under the district-wide improvement program; (c) development and maintenance of public facilities (parks, parking garages, etc.); and (d) development and maintenance of State lands.

Currently, HCDA is in the plan implementation stage of the 600+ acre Kakaako Community Development District, and in the planning stage of the 3,698-acre Kalaeloa Community Development District and the He'eia Community Development District.

### **D. Statement of Key Policies Pursued**

HCDA's objectives and activities are guided by policies stated in: (1) Chapter 206E, HRS, which establishes HCDA and provides it with its objectives and mandates; and (2) Chapter 206E, HRS, which states the objectives, powers, and responsibilities of HCDA, establishes the Kakaako, Kalaeloa and He'eia Community Development Districts, respectively, and sets specific development guidelines for each District.

Direction for HCDA's activities is also provided by Chapter 226, HRS, particularly Section 226-52(a)(2), which requires that State programs conform to the priority guidelines of the Hawaii State Plan.

### **E. Identification of Important Program Relationships**

HCDA has important program relationships with State and County agencies that are involved in activities relating to infrastructure systems improvements, redevelopment of Kalaeloa and the Honolulu waterfront area. In addition, important relationships exist with the U.S. Navy with regard to the redevelopment of Kalaeloa. HCDA coordinates with the appropriate Federal, State or County agency when a program relationship exists.

Because of the comprehensive nature of HCDA's economic and recreational development objectives, its activities support each of DBEDT's strategic objectives: 1) development of the urban core and of workforce housing; 2) workforce development; 3) energy for tomorrow; 4) export of goods and services; 5) creation of an "innovation infrastructure"; and 6) improve Hawaii's small business environment.

## Program Plan Narrative

**BED150: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

**01 07 01**

### **F. Description of Major External Trends Affecting the Program**

The major external trend affecting the program is the condition of the economy in general and that of the real estate industry in particular. An integral part of HCDA's implementation of its development programs is the participation of the private sector, which is greatly influenced by macro-economic conditions. Another major impact is the market demand for industrial, commercial and residential floor space on Oahu generally and in Kakaako and Kalaeloa specifically.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

With new construction volume resulting from infrastructure improvements, public facilities development projects, and continuation of private sector development projects, the related tax revenues to the State of Hawaii generated from HCDA improvement district program should exceed program costs in the long run. The increase in land values due to infrastructure improvements and new developments benefits the City and County of Honolulu through increased property taxes. In terms of State and Functional Plan objectives, the returns are in the functional areas of optimal land use, increased construction and economic activity, new housing units, new public facilities, and improved business and residential community areas.

Previous CIP appropriations and future requests are typically based on the construction of infrastructure systems improvements in segments, the construction of public facilities and the development, planning and construction of infrastructure improvements systematically. The objective is to continuously maintain construction activity and complete the necessary district-wide improvements in a timely manner.

### **H. Discussion of Program Revenues**

Act 15, SLH 2012, signed into law on April 11, 2012, conveyed about 25 acres of lands controlled and managed by the HCDA to the Office of Hawaiian Affairs. The law took effect on July 1, 2012. As a result of the conveyance, the HCDA's revenue sources have been permanently reduced. In the recent fiscal years, the HCDA collected between approximately \$1.2 to \$1.7 million revenue (on cash basis) from these lands.

Direct program revenues, whose use is restricted by statute and case law, include: (a) fees in lieu of public facilities dedication fees and reserved housing fees received from private developers; (b) improvement district property assessments received from property owners who benefit from infrastructure systems improvements made; (c) lease rents collected on HCDA-managed lands/facilities; and (d) permit and other fees charged to offset some of the administrative processing costs. Non-cash receipts include land dedicated by private developers for public facilities. Other potential revenue sources would be a yet-to-be-established business improvement district program, and Federal programs.

### **I. Summary of Analysis Performed**

Not applicable.

### **J. Further Considerations**

None.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED160  
 PROGRAM STRUCTURE NO: 0108  
 PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

| PROGRAM EXPENDITURES       | IN DOLLARS  |             |             |            | IN THOUSANDS |            |            |            |
|----------------------------|-------------|-------------|-------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16  | FY 2016-17  | FY 2017-18  | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 32.00*      | 31.00*      | 31.00*      | 31.00*     | 31.0*        | 31.0*      | 31.0*      | 31.0*      |
|                            | 42.00**     | 42.00**     | 42.00**     | 42.00**    | 42.0**       | 42.0**     | 42.0**     | 42.0**     |
| PERSONAL SERVICES          | 7,307,409   | 8,078,043   | 8,199,387   | 8,199,387  | 8,200        | 8,200      | 8,200      | 8,200      |
| OTHER CURRENT EXPENSES     | 93,535,254  | 94,061,374  | 9,073,374   | 9,027,374  | 9,027        | 9,027      | 9,027      | 9,027      |
| TOTAL OPERATING COST       | 100,842,663 | 102,139,417 | 17,272,761  | 17,226,761 | 17,227       | 17,227     | 17,227     | 17,227     |
| BY MEANS OF FINANCING      |             |             |             |            |              |            |            |            |
|                            | *           | *           | *           | *          | *            | *          | *          | *          |
|                            | **          | **          | **          | **         | **           | **         | **         | **         |
| GENERAL FUND               |             | 350,000     | 25,000      | 25,000     |              |            |            |            |
|                            | *           | *           | *           | *          | *            | *          | *          | *          |
|                            | **          | **          | **          | **         | **           | **         | **         | **         |
| FEDERAL FUNDS              | 3,000,000   | 3,100,000   | 3,100,000   | 3,100,000  | 3,100        | 3,100      | 3,100      | 3,100      |
|                            | *           | *           | *           | *          | *            | *          | *          | *          |
|                            | **          | **          | **          | **         | **           | **         | **         | **         |
| OTHER FEDERAL FUNDS        |             |             | 3,000,000   | 3,000,000  | 3,000        | 3,000      | 3,000      | 3,000      |
|                            | *           | *           | *           | *          | *            | *          | *          | *          |
|                            | **          | **          | **          | **         | **           | **         | **         | **         |
| TRUST FUNDS                | 88,000,000  | 88,000,000  |             |            |              |            |            |            |
|                            | 32.00*      | 31.00*      | 31.00*      | 31.00*     | 31.0*        | 31.0*      | 31.0*      | 31.0*      |
|                            | 42.00**     | 42.00**     | 42.00**     | 42.00**    | 42.0**       | 42.0**     | 42.0**     | 42.0**     |
| REVOLVING FUND             | 9,842,663   | 10,689,417  | 11,147,761  | 11,101,761 | 11,127       | 11,127     | 11,127     | 11,127     |
| CAPITAL IMPROVEMENT COSTS  |             |             |             |            |              |            |            |            |
| PLANS                      |             | 1,000       |             |            |              |            |            |            |
| DESIGN                     |             | 2,169,000   |             |            |              |            |            |            |
| CONSTRUCTION               | 59,000,000  | 77,360,000  | 109,900,000 | 1,500,000  | 6,000        | 6,000      |            |            |
| TOTAL CAPITAL EXPENDITURES | 59,000,000  | 79,530,000  | 109,900,000 | 1,500,000  | 6,000        | 6,000      |            |            |
| BY MEANS OF FINANCING      |             |             |             |            |              |            |            |            |
| G.O. BONDS                 | 59,000,000  | 79,530,000  | 109,900,000 | 1,500,000  | 6,000        | 6,000      |            |            |
| TOTAL PERM POSITIONS       | 32.00*      | 31.00*      | 31.00*      | 31.00*     | 31.0*        | 31.0*      | 31.0*      | 31.0*      |
| TOTAL TEMP POSITIONS       | 42.00**     | 42.00**     | 42.00**     | 42.00**    | 42.0**       | 42.0**     | 42.0**     | 42.0**     |
| TOTAL PROGRAM COST         | 159,842,663 | 181,669,417 | 127,172,761 | 18,726,761 | 23,227       | 23,227     | 17,227     | 17,227     |

PROGRAM ID: **BED160**  
 PROGRAM STRUCTURE: **0108**  
 PROGRAM TITLE: **HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. # OF HOMEBUYERS ASSISTED                               | 814           | 600           | 783           | 625           | 643           | 450           | 450           | 450           |
| 2. # OF NEW RENTAL UNITS                                  | 713           | 407           | 470           | 448           | 628           | 587           | 280           | 150           |
| 3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV      | 470           | 150           | 150           | 150           | 150           | 150           | 150           | 150           |
| 4. # OF LEASE RENTS RENEGOTIATED                          | 8             | 73            | 2             | 1             | 1             | 1             | 1             | 1             |
| 5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE     | 5             | 0             | 2             | 2             | 2             | 2             | 2             | 2             |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD          | 2200          | 2200          | 2200          | 2200          | 2200          | 2200          | 2200          | 2200          |
| 2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT          | 0             |               |               | 0             |               |               |               |               |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE     | 1447          | 459           | 250           | 250           | 250           | 250           | 250           | 250           |
| 2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING      | 751           | 300           | 150           | 150           | 150           | 150           | 150           | 150           |
| 3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)                   | 39.1          | 20            | 20            | 20            | 20            | 20            | 20            | 20            |
| 4. FACILITATE DEVELOPMENT OF REAL PROPERTY                | 1069          | 62            | 180           | 200           | 200           | 200           | 200           | 200           |
| 5. ASSIST FIRST-TIME HOMEBUYERS                           | 814           | 600           | 783           | 625           | 643           | 450           | 450           | 450           |
| 6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO       | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION          | 8             | 8             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| TAXES   | 32,000        | 30,000        | 30,000        | 30,000        | 30,000        | 30,000        | 30,000        | 30,000        |
| REVENUES FROM THE USE OF MONEY AND PROPERTY               | 27,690        | 29,596        | 29,571        | 29,851        | 29,556        | 30,130        | 30,112        | 30,112        |
| REVENUE FROM OTHER AGENCIES: FEDERAL                      | 1,650         | 1,800         | 1,800         | 2,051         | 1,050         | 500           |               |               |
| CHARGES FOR CURRENT SERVICES                              | 6,714         | 6,739         | 6,557         | 6,634         | 6,648         | 6,282         | 6,282         | 6,282         |
| NON-REVENUE RECEIPTS                                      | 59,859        | 156,828       | 108,540       | 74,571        | 79,706        | 81,763        | 81,763        | 81,763        |
| TOTAL PROGRAM REVENUES                                    | 127,913       | 224,963       | 176,468       | 143,107       | 146,960       | 148,675       | 148,157       | 148,157       |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| SPECIAL FUNDS   | 1,650         | 1,800         | 1,800         | 2,051         | 1,050         | 500           |               |               |
| ALL OTHER FUNDS   | 126,263       | 223,163       | 174,668       | 141,056       | 145,910       | 148,175       | 148,157       | 148,157       |
| TOTAL PROGRAM REVENUES                                    | 127,913       | 224,963       | 176,468       | 143,107       | 146,960       | 148,675       | 148,157       | 148,157       |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED160: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

**01 08**

### **A. Statement of Program Objectives**

To support economic growth by increasing the supply of workforce and affordable housing and preserving the existing inventory of affordable housing.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

The Fiscal Biennium 2018-2019 CIP budget includes the following requests:

1. Dwelling Unit Revolving Fund Infusion, Statewide - \$50,000,000 for FY 18.
2. Low-income Housing Tax Credit (LIHTC) Program, Statewide - \$8,400,000 for FY 18.
3. Rental Housing Revolving Fund Infusion - \$ 50,000,000 for FY 18.
4. Alder Street project - \$15,000,000 for FY 18.

Operating Requests include:

1. New telephone system - \$ 94,000 in revolving funds for FY 18.
2. Transit-Oriented Development (TOD) operational expense funding - \$25,000 in general funds for both FY 18 and FY 19.
3. Housing Development operational expense increase funding - \$57,000 in revolving funds for both FY 18 and FY 19.
4. Reduction of the Rental Housing Trust Fund (RHTF) ceiling by \$38,000,000, as funds are now placed into the RHRF.
5. Add \$3,000,000 federal grant ceiling for new National Housing Trust grant for both FY 18 and FY 19.
6. Request revolving funds of \$108,000 in FY 18 and \$148,000 in FY 19 to cover increased rental costs.
7. Request revolving funds of \$78,000 in FY 18 and \$86,000 in FY 19 to cover increased costs for Housing Finance.
8. Correct Legislative error in permanent full-time equivalent (FTE) count.

### **C. Description of Activities Performed**

The Hawaii Housing Finance and Development Corporation (HHFDC) is mandated to facilitate the development of affordable for-sale and rental housing under the policies, direction, and oversight of a nine-member Board of Directors. The HHFDC works with private and public partners to

increase the supply of permanent, affordable housing, as well as preserve the existing inventory of rental housing using its financing and development tools.

### **D. Statement of Key Policies Pursued**

The HHFDC is a functional plan preparing agency for the housing functional plan. The HHFDC's activities directly support the Hawaii State Plan's Objectives and Policies for Socio-Cultural Advancement - Housing (Section 226-19, HRS) and Priority Guidelines for Affordable Housing (Section 226-106, HRS).

The HHFDC's specific objectives and activities are guided by Chapter 201H, HRS, which established the HHFDC.

### **E. Identification of Important Program Relationships**

The HHFDC has important program relationships with State, County, and Federal agencies involved in affordable housing financing and development, including the Hawaii Public Housing Authority, the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, the County housing agencies and Planning Departments, the U.S. Department of Housing and Urban Development, and the U.S. Department of Agriculture, Rural Development. The HHFDC and these agencies work together to coordinate activities and resources to promote affordable housing statewide.

### **F. Description of Major External Trends Affecting the Program**

The HHFDC's production and efficacy is dependent on the state of the real estate market and the construction industry, the condition of the financial markets, and the economy in general. The demand for affordable housing, as well as the capacity to increase supply statewide, is dependent on these external factors.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

HHFDC's program effectiveness improved over prior years.

HHFDC sought available competitive federal grant opportunities made available under various federal programs. This year, HHFDC was awarded a new \$3,000,000 National Housing Trust Fund grant. HHFDC

## Program Plan Narrative

**BED160: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

**01 08**

has partnered with the Counties and with nonprofit organizations to bring in federal funds available for housing assistance to the State.

### **H. Discussion of Program Revenues**

Revenues generated from the Housing Development program activities include application fees, interim interest on Dwelling Unit Revolving Fund construction loans, administrative fees and fees related to the disposition of land or affordable units developed under the program. Revenues are collected from the sale of the leased fee interest, deferred sales prices, the Shared Appreciation Equity Program, and administrative fees from various programs.

The Hula Mae Single Family Program and the Hawaii Rental Housing System Revenue Bond Program produce revenues pledged to the repayment of the bonds issued to fund the program.

Revenues generated from the Mortgage Credit Certificate Program and Low Income Housing Tax Credit Program reflects applicable fees charged to applicants. Revenues from the Rental Assistance Revolving Fund primarily reflect interim construction loan payments which are used to make additional loans.

Finally, the Rental Housing Trust Fund obtains revenues generated by a share of the conveyance tax proceeds.

### **I. Summary of Analysis Performed**

Not applicable.

### **J. Further Considerations**

None.



# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED128  
 PROGRAM STRUCTURE NO: 0109  
 PROGRAM TITLE: OFFICE OF AEROSPACE

| PROGRAM EXPENDITURES   | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                        | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST         | 0.00*      | 0.00*      | 1.00*      | 1.00*      | 1.0*         | 1.0*       | 1.0*       | 1.0*       |
|                        | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| PERSONAL SERVICES      | 170,383    | 175,427    | 230,206    | 280,206    | 280          | 280        | 280        | 280        |
| OTHER CURRENT EXPENSES | 733,964    | 999,549    | 749,549    | 749,549    | 750          | 750        | 750        | 750        |
| TOTAL OPERATING COST   | 904,347    | 1,174,976  | 979,755    | 1,029,755  | 1,030        | 1,030      | 1,030      | 1,030      |
| BY MEANS OF FINANCING  |            |            |            |            |              |            |            |            |
|                        | *          | *          | 1.00*      | 1.00*      | 1.0*         | 1.0*       | 1.0*       | 1.0*       |
|                        | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| GENERAL FUND           | 904,347    | 1,174,976  | 979,755    | 1,029,755  | 1,030        | 1,030      | 1,030      | 1,030      |
| TOTAL PERM POSITIONS   | *          | *          | 1.00*      | 1.00*      | 1.0*         | 1.0*       | 1.0*       | 1.0*       |
| TOTAL TEMP POSITIONS   | 2.00**     | 2.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| TOTAL PROGRAM COST     | 904,347    | 1,174,976  | 979,755    | 1,029,755  | 1,030        | 1,030      | 1,030      | 1,030      |

PROGRAM ID: BED128  
 PROGRAM STRUCTURE: 0109  
 PROGRAM TITLE: OFFICE OF AEROSPACE

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>MEASURES OF EFFECTIVENESS</u>                      |               |               |               |               |               |               |               |               |
| 1. EXTRAMURAL (FEDERAL/PRIVATE) FUNDING GENERATED     | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| 2. FEDERAL COOPERATIVE AGREEMENTS INAUGURATED         | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             |
| 3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED   | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             |
| 4. INTERNATIONAL ALLIANCES INITIATED/MAINTAINED       | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             |
| <u>PROGRAM TARGET GROUPS</u>                          |               |               |               |               |               |               |               |               |
| 1. HAWAII-BASED AEROSPACE COMPANIES/CORPORATIONS      | 75            | 75            | 75            | 75            | 75            | 75            | 75            | 75            |
| 2. HAWAII-BASED EDUCATIONAL AND RESEARCH INSTITUTIONS | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             |
| 3. OVERSEAS AEROSPACE AGENCIES/COMPANIES/CORPORATIONS | 25            | 25            | 25            | 25            | 25            | 25            | 25            | 25            |
| 4. OVERSEAS EDUCATION AND RESEARCH AGENCIES/INSTITUTI | 25            | 25            | 25            | 25            | 25            | 25            | 25            | 25            |
| <u>PROGRAM ACTIVITIES</u>                             |               |               |               |               |               |               |               |               |
| 1. PACIFIC INTERNATIONAL SPACE ALLIANCE (ANNUAL MEETI | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             |
| 2. PISCES* FUNDING GENERATED THROUGH STATE LEGISLATUR | 3.0           | 3.0           | 3.0           | 3.0           | 3.0           | 3.0           | 3.0           | 3.0           |
| 3. COMMERCIAL SPACE TRANSPORTATION (FAA GRANT APPLICA | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             |
| 4. NEXT-GENERATION AVIATION (UAS/OTHER ALLIANCES/APPL | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             |
| 5. REAL WORLD DESIGN CHALLENGE (NUMBER OF TEAMS COORD | 15            | 15            | 15            | 15            | 15            | 15            | 15            | 15            |
| 6. HAWAII AEROSPACE ADVISORY COMMITTEE MEETINGS       | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             |
| 7. COMMUNITY OUTREACH (MEETINGS ATTENDED/PRESENTATION | 25            | 25            | 25            | 25            | 25            | 25            | 25            | 25            |
| 8. PUBLICATIONS (INFORMATIONAL MATERIALS/REPORTS/WEBS | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED128: OFFICE OF AEROSPACE**

**01 09**

### **A. Statement of Program Objectives**

To provide a focal point within State government to facilitate dialog and coordination among Hawaii's government, private and academic sectors, and between State-based entities and overseas organizations, both public and private, to promote the growth and diversification of Hawaii's aerospace industry

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

Executive Budget request: Add 1.00 permanent Office of Aerospace Development (OAD) Director position and general funds of \$50,000 in FY 18 and \$100,000 in FY 19.

### **C. Description of Activities Performed**

OAD's primary activities are to: (1) identify and promote opportunities for expanding and diversifying aerospace-related industries in Hawaii, (e.g., aviation and aeronautics, commercial space launch, environmental monitoring and remote sensing, satellite communications, space-based applications of dual-use technologies, robotic and human space exploration); (2) catalyze partnerships among local universities and businesses that can (i) improve the relevance and quality of university training to support the growth and diversification of Hawaii's aerospace industry; (ii) identify entrepreneurial opportunities for commercializing innovative spinoffs from basic research; and (iii) facilitate technology transfer from universities to the private sector; (3) promote innovative education and workforce development programs that will enhance public awareness of Hawaii's aerospace potential and enable local citizens to pursue employment in the State's aerospace industry; (4) leverage aerospace and related technological capabilities in Hawaii's government, academic and private sectors to enhance the State's ability to procure both federal and private research and development grants to increase the State's competitiveness in national and global aerospace markets; (5) establish alliances with the National Aeronautics and Space Administration (NASA) and other federal and State space agencies and institutions that can support both Hawaii-based aerospace development and the United States space program, as well as enable international dialog and exchange toward the design, development and implementation of multinational space initiatives that can enhance both opportunities and benefits for space exploration and development; (6) monitor national and

global trends in the aerospace industry and recommend programs and policies that can support aerospace industry development statewide; (7) facilitate the development and utilization of publications, exhibits and other marketing materials that highlight the current capabilities and future potential of Hawaii's aerospace industry; and (8) serve as a central point of contact for State government that can respond to both local and out-of-state inquiries concerning Hawaii's aerospace-related interests and activities.

### **D. Statement of Key Policies Pursued**

OAD'S activities will carry out the State's aerospace objectives and policies as set forth in Chapter 201-72, HRS, which directs the OAD to oversee, supervise, and direct the planning, evaluation and coordination of space-related activities in Hawaii, as well as to identify and promote opportunities for expanding and diversifying aerospace-related industries statewide.

### **E. Identification of Important Program Relationships**

OAD works closely with the Hawaii State Legislature, the University of Hawaii, the Department of Education, other State agencies, local businesses, national and international aerospace organizations, NASA, the Federal Aviation Administration (FAA), and the national Aerospace States Association and Aerospace Industries Association toward establishing both public-private and multinational partnerships that can advance its operational goals and priorities.

### **F. Description of Major External Trends Affecting the Program**

Hawaii's strategic mid-Pacific location, Moon/Mars-like terrain, resident expertise covering a broad range of aerospace-related technologies, and long-standing ties with space-faring nations throughout Asia and the Pacific, clearly afford strategic assets and capabilities that can be leveraged to realize humankind's full potential in space, and in so doing enable our State to engage as both a major contributor to and beneficiary of the global space enterprise. For the past half century, Hawaii has played a seminal role in developing our national space program - beginning with astronaut training for the Apollo lunar missions and the development of world-class observatories on the Big Island. The University of Hawaii, the U.S. military, and numerous companies

## Program Plan Narrative

**BED128: OFFICE OF AEROSPACE**

**01 09**

statewide have pioneered nationally-funded programs in planetary geosciences, satellite communications, space-based remote sensing and environmental monitoring, deep-space surveillance, and other areas employing aerospace-related technologies. The University of Hawaii is applying its resident expertise in adaptive optics and remote sensing toward the development of advanced sensor technologies for spaced-based observations of our planet. Local companies such as Oceanit, Raytheon Solipsys, NovaSol and Trex Enterprises are also leading national efforts to develop new sensors for atmospheric monitoring, land and coastal resource assessment, and both optical communications and electro-optical tracking. Major aerospace corporations such as Boeing, Lockheed Martin, Northrop Grumman, Raytheon and BAE Systems, already established in Hawaii, are looking to expand their operations in the islands as a bridge to Asian and Pacific markets - especially in the development and delivery of advanced systems for aviation maintenance and training, air traffic control, satellite communications, and deep space tracking and reconnaissance. Finally, Hawaii's unique geography and technological assets are ideally suited to support the commercial launch of next-generation aircraft, including spaceplanes, to carry small satellites, experimental payloads and tourists to space; the monitoring, management and mitigation of both man-made and natural disasters Pacific-wide; and the development of space-based power systems to capture sunlight as a renewable energy resource for both interplanetary spacecraft and earth-based applications.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

OAD has been subjected to severe reductions in funding due to departmental restrictions in the past Fiscal Biennium. These limited resources notwithstanding, OAD has been able to obtain federal awards (e.g., FAA \$250k and NASA \$100k grants) to support an environmental assessment and other studies required for a commercial spaceport license for the State and to support initial development of an infrastructure-based plan to advance sustainable space exploration beyond low-Earth orbit, including the design of analog test facilities in Hawaii that can demonstrate and validate innovative technologies and integrated systems to support both robotic and human space missions.

### **H. Discussion of Program Revenues**

Extramural funding for OAD is primarily generated through grants from NASA, FAA, and other federal agencies interested in leveraging Hawaii's strategic location, resources and capabilities to advance aeronautics and space exploration programs. The development of new initiatives, such as the Pacific International Space Center for Exploration Systems (PISCES), Hawaii's selection as one of six national test sites for Unmanned Aerial Systems (UAS), and efforts to obtain a commercial spaceport license for the State (to bring space tourism and other commercial space transportation programs to Hawaii) will create jobs, attract capital, and enable workforce development.

### **I. Summary of Analysis Performed**

Not applicable.

### **J. Further Considerations**

Aerospace is a growth industry that won't be exported once it matures. It flourishes here because of where we are and what we have - a strategic mid-Pacific location, unique geological assets, resident expertise in space science and technology, and strong international ties throughout the Asia-Pacific community.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: 11  
PROGRAM TITLE: GOVERNMENT-WIDE SUPPORT

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 38.00*     | 37.00*     | 40.00*     | 40.00*     | 40.0*        | 40.0*      | 40.0*      | 40.0*      |
|                            | 6.00**     | 7.96**     | 8.96**     | 8.96**     | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| PERSONAL SERVICES          | 3,474,722  | 3,831,007  | 3,832,218  | 3,943,674  | 3,888        | 3,888      | 3,888      | 3,888      |
| OTHER CURRENT EXPENSES     | 3,892,251  | 3,992,251  | 3,962,015  | 3,962,015  | 3,961        | 3,961      | 3,961      | 3,961      |
| EQUIPMENT                  |            | 2,000      |            |            |              |            |            |            |
| TOTAL OPERATING COST       | 7,366,973  | 7,825,258  | 7,794,233  | 7,905,689  | 7,849        | 7,849      | 7,849      | 7,849      |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
|                            | 33.00*     | 32.00*     | 35.00*     | 35.00*     | 35.0*        | 35.0*      | 35.0*      | 35.0*      |
|                            | **         | 1.96**     | 2.96**     | 2.96**     | 3.0**        | 3.0**      | 3.0**      | 3.0**      |
| GENERAL FUND               | 3,016,973  | 3,271,980  | 3,408,545  | 3,520,001  | 3,463        | 3,463      | 3,463      | 3,463      |
|                            | 5.00*      | 5.00*      | 5.00*      | 5.00*      | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
|                            | 6.00**     | 6.00**     | 6.00**     | 6.00**     | 6.0**        | 6.0**      | 6.0**      | 6.0**      |
| FEDERAL FUNDS              | 2,350,000  | 2,553,278  | 2,385,688  | 2,385,688  | 2,386        | 2,386      | 2,386      | 2,386      |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| REVOLVING FUND             | 2,000,000  | 2,000,000  | 2,000,000  | 2,000,000  | 2,000        | 2,000      | 2,000      | 2,000      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| G.O. BONDS                 |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| TOTAL PERM POSITIONS       | 38.00*     | 37.00*     | 40.00*     | 40.00*     | 40.0*        | 40.0*      | 40.0*      | 40.0*      |
| TOTAL TEMP POSITIONS       | 6.00**     | 7.96**     | 8.96**     | 8.96**     | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| TOTAL PROGRAM COST         | 7,366,973  | 8,325,258  | 8,794,233  | 8,905,689  | 7,849        | 7,849      | 7,849      | 7,849      |

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: 1101  
PROGRAM TITLE: EXEC DIRECTN, COORD, & POLICY DEVELOPMENT

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 38.00*     | 37.00*     | 40.00*     | 40.00*     | 40.0*        | 40.0*      | 40.0*      | 40.0*      |
|                            | 6.00**     | 7.96**     | 8.96**     | 8.96**     | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| PERSONAL SERVICES          | 3,474,722  | 3,831,007  | 3,832,218  | 3,943,674  | 3,888        | 3,888      | 3,888      | 3,888      |
| OTHER CURRENT EXPENSES     | 3,892,251  | 3,992,251  | 3,962,015  | 3,962,015  | 3,961        | 3,961      | 3,961      | 3,961      |
| EQUIPMENT                  |            | 2,000      |            |            |              |            |            |            |
| TOTAL OPERATING COST       | 7,366,973  | 7,825,258  | 7,794,233  | 7,905,689  | 7,849        | 7,849      | 7,849      | 7,849      |
| BY MEANS OF FINANCING      | 33.00*     | 32.00*     | 35.00*     | 35.00*     | 35.0*        | 35.0*      | 35.0*      | 35.0*      |
|                            | **         | 1.96**     | 2.96**     | 2.96**     | 3.0**        | 3.0**      | 3.0**      | 3.0**      |
| GENERAL FUND               | 3,016,973  | 3,271,980  | 3,408,545  | 3,520,001  | 3,463        | 3,463      | 3,463      | 3,463      |
|                            | 5.00*      | 5.00*      | 5.00*      | 5.00*      | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
|                            | 6.00**     | 6.00**     | 6.00**     | 6.00**     | 6.0**        | 6.0**      | 6.0**      | 6.0**      |
| FEDERAL FUNDS              | 2,350,000  | 2,553,278  | 2,385,688  | 2,385,688  | 2,386        | 2,386      | 2,386      | 2,386      |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| REVOLVING FUND             | 2,000,000  | 2,000,000  | 2,000,000  | 2,000,000  | 2,000        | 2,000      | 2,000      | 2,000      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| G.O. BONDS                 |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| TOTAL PERM POSITIONS       | 38.00*     | 37.00*     | 40.00*     | 40.00*     | 40.0*        | 40.0*      | 40.0*      | 40.0*      |
| TOTAL TEMP POSITIONS       | 6.00**     | 7.96**     | 8.96**     | 8.96**     | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| TOTAL PROGRAM COST         | 7,366,973  | 8,325,258  | 8,794,233  | 8,905,689  | 7,849        | 7,849      | 7,849      | 7,849      |

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO: 110103  
PROGRAM TITLE: POLICY DEVELOPMENT & COORDINATION

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 38.00*     | 37.00*     | 40.00*     | 40.00*     | 40.0*        | 40.0*      | 40.0*      | 40.0*      |
|                            | 6.00**     | 7.96**     | 8.96**     | 8.96**     | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| PERSONAL SERVICES          | 3,474,722  | 3,831,007  | 3,832,218  | 3,943,674  | 3,888        | 3,888      | 3,888      | 3,888      |
| OTHER CURRENT EXPENSES     | 3,892,251  | 3,992,251  | 3,962,015  | 3,962,015  | 3,961        | 3,961      | 3,961      | 3,961      |
| EQUIPMENT                  |            | 2,000      |            |            |              |            |            |            |
| TOTAL OPERATING COST       | 7,366,973  | 7,825,258  | 7,794,233  | 7,905,689  | 7,849        | 7,849      | 7,849      | 7,849      |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
|                            | 33.00*     | 32.00*     | 35.00*     | 35.00*     | 35.0*        | 35.0*      | 35.0*      | 35.0*      |
|                            | **         | 1.96**     | 2.96**     | 2.96**     | 3.0**        | 3.0**      | 3.0**      | 3.0**      |
| GENERAL FUND               | 3,016,973  | 3,271,980  | 3,408,545  | 3,520,001  | 3,463        | 3,463      | 3,463      | 3,463      |
|                            | 5.00*      | 5.00*      | 5.00*      | 5.00*      | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
|                            | 6.00**     | 6.00**     | 6.00**     | 6.00**     | 6.0**        | 6.0**      | 6.0**      | 6.0**      |
| FEDERAL FUNDS              | 2,350,000  | 2,553,278  | 2,385,688  | 2,385,688  | 2,386        | 2,386      | 2,386      | 2,386      |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| REVOLVING FUND             | 2,000,000  | 2,000,000  | 2,000,000  | 2,000,000  | 2,000        | 2,000      | 2,000      | 2,000      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| G.O. BONDS                 |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| TOTAL PERM POSITIONS       | 38.00*     | 37.00*     | 40.00*     | 40.00*     | 40.0*        | 40.0*      | 40.0*      | 40.0*      |
| TOTAL TEMP POSITIONS       | 6.00**     | 7.96**     | 8.96**     | 8.96**     | 9.0**        | 9.0**      | 9.0**      | 9.0**      |
| TOTAL PROGRAM COST         | 7,366,973  | 8,325,258  | 8,794,233  | 8,905,689  | 7,849        | 7,849      | 7,849      | 7,849      |

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

BED144  
11010302  
STATEWIDE PLANNING & COORDINATION

| PROGRAM EXPENDITURES       | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|----------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                            | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST             | 19.00*     | 18.00*     | 19.00*     | 19.00*     | 19.0*        | 19.0*      | 19.0*      | 19.0*      |
|                            | 6.00**     | 7.00**     | 8.00**     | 8.00**     | 8.0**        | 8.0**      | 8.0**      | 8.0**      |
| PERSONAL SERVICES          | 2,102,007  | 2,402,250  | 2,317,632  | 2,375,118  | 2,376        | 2,376      | 2,376      | 2,376      |
| OTHER CURRENT EXPENSES     | 3,553,939  | 3,553,939  | 3,623,703  | 3,623,703  | 3,623        | 3,623      | 3,623      | 3,623      |
| TOTAL OPERATING COST       | 5,655,946  | 5,956,189  | 5,941,335  | 5,998,821  | 5,999        | 5,999      | 5,999      | 5,999      |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
|                            | 14.00*     | 13.00*     | 14.00*     | 14.00*     | 14.0*        | 14.0*      | 14.0*      | 14.0*      |
|                            | **         | 1.00**     | 2.00**     | 2.00**     | 2.0**        | 2.0**      | 2.0**      | 2.0**      |
| GENERAL FUND               | 1,305,946  | 1,402,911  | 1,555,647  | 1,613,133  | 1,613        | 1,613      | 1,613      | 1,613      |
|                            | 5.00*      | 5.00*      | 5.00*      | 5.00*      | 5.0*         | 5.0*       | 5.0*       | 5.0*       |
|                            | 6.00**     | 6.00**     | 6.00**     | 6.00**     | 6.0**        | 6.0**      | 6.0**      | 6.0**      |
| FEDERAL FUNDS              | 2,350,000  | 2,553,278  | 2,385,688  | 2,385,688  | 2,386        | 2,386      | 2,386      | 2,386      |
|                            | *          | *          | *          | *          | *            | *          | *          | *          |
|                            | **         | **         | **         | **         | **           | **         | **         | **         |
| REVOLVING FUND             | 2,000,000  | 2,000,000  | 2,000,000  | 2,000,000  | 2,000        | 2,000      | 2,000      | 2,000      |
| CAPITAL IMPROVEMENT COSTS  |            |            |            |            |              |            |            |            |
| PLANS                      |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| TOTAL CAPITAL EXPENDITURES |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| BY MEANS OF FINANCING      |            |            |            |            |              |            |            |            |
| G.O. BONDS                 |            | 500,000    | 1,000,000  | 1,000,000  |              |            |            |            |
| TOTAL PERM POSITIONS       | 19.00*     | 18.00*     | 19.00*     | 19.00*     | 19.0*        | 19.0*      | 19.0*      | 19.0*      |
| TOTAL TEMP POSITIONS       | 6.00**     | 7.00**     | 8.00**     | 8.00**     | 8.0**        | 8.0**      | 8.0**      | 8.0**      |
| TOTAL PROGRAM COST         | 5,655,946  | 6,456,189  | 6,941,335  | 6,998,821  | 5,999        | 5,999      | 5,999      | 5,999      |



PROGRAM ID: **BED144**  
 PROGRAM STRUCTURE: **11010302**  
 PROGRAM TITLE: **STATEWIDE PLANNING AND COORDINATION**

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. # OF PLANS/STUDIES PREPARED IN TIMELY MANNER           | 3             | 3             | 4             | 4             | 4             | 4             | 4             | 4             |
| 2. #LUC DECISIONS UPHLDG OP POS AS %TOT LUC DECSNS        | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| 3. # ACRES INVOLVED IN LUC DECISIONS SPRTG OP POSTN       | 600           | 600           | 600           | 600           | 600           | 600           | 600           | 600           |
| 4. # RVIWS OF FED ACTIV PROPSD/CONDUCTD IN CZM AREA       | 35            | 35            | 35            | 35            | 35            | 35            | 35            | 35            |
| 5. #STATE/CNTY PROGS AIMG TO ATTN OBJ OF CZM PROG         | 11            | 11            | 11            | 11            | 11            | 11            | 11            | 11            |
| 6. #AGENCIES PARTICPTING IN STATE GIS USER GROUP          | 15            | 15            | 15            | 15            | 15            | 15            | 15            | 15            |
| 7. # OF STATE AGENCIES CONTRIB DATA                       | 12            | 15            | 15            | 15            | 15            | 15            | 15            | 15            |
| 8. # OF USER ACCOUNTS IN STATEWIDE GIS SYSTEMS            | 300           | 462           | 500           | 550           | 600           | 600           | 600           | 600           |
| 9. # OF GIS SOFTWARE LICENSES DISTRIBUTED                 | 250           | 309           | 335           | 350           | 360           | 360           | 360           | 360           |
| 10. # OF GIS SERVICE REQUESTS COMPLETED                   | 55            | 55            | 65            | 75            | 80            | 80            | 80            | 80            |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. STATE RESIDENT POPULATION (THOUSANDS)                  | 1420          | 1441          | 1418          | 1418          | 1418          | 14618         | 1418          | 1418          |
| 2. NO. OF APPLICANTS FOR FEDERAL PERMITS & LICENSES       | 55            | 55            | 55            | 55            | 55            | 55            | 55            | 55            |
| 3. NO. OF APPLICANTS FOR LAND USE REVIEWS                 | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 6             |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. # SPECIAL PLANS/PLNNG REPORTS DEVELOPED/REVIEWED       | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             |
| 2. # OF COUNTY ZONING & PLAN AMENDMTS REVWED              | 25            | 25            | 25            | 25            | 25            | 25            | 25            | 25            |
| 3. # LU BOUNDARY AMDT PETITIONS, OTH LUC ITEMS REVWD      | 7             | 7             | 7             | 7             | 7             | 7             | 7             | 7             |
| 4. # SPEC PERMITS, EA/EIS, OTHER REVIEWS                  | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 6             |
| 5. NUMBER OF FEDERAL CONSISTENCY REVIEWS                  | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90            |
| 6. STATE PERMITS/APPROVALS REVIEWED BY CZM PROGRAM        | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            |
| 7. # OF NEW DATA LAYERS IN STATE GIS DB                   | 12            | 15            | 15            | 15            | 15            | 15            | 10            | 10            |
| 8. # OF UPDATED LAYERS IN STATE GIS DB                    | 40            | 50            | 50            | 50            | 50            | 50            | 50            | 50            |
| 9. % DATA LAYERS COMPLIANT W/FED STDs                     | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
| 10. # GIS SUPPRT CALLS & PUBLC/PRIV INQUIRIES RESOLVD     | 149           | 224           | 300           | 350           | 400           | 400           | 400           | 400           |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| REVENUE FROM OTHER AGENCIES: FEDERAL                      | 2,167         | 2,419         | 2,200         | 2,200         | 2,200         | 2,200         | 2,200         | 2,200         |
| TOTAL PROGRAM REVENUES                                    | 2,167         | 2,419         | 2,200         | 2,200         | 2,200         | 2,200         | 2,200         | 2,200         |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| SPECIAL FUNDS   | 2,167         | 2,419         | 2,200         | 2,200         | 2,200         | 2,200         | 2,200         | 2,200         |
| TOTAL PROGRAM REVENUES                                    | 2,167         | 2,419         | 2,200         | 2,200         | 2,200         | 2,200         | 2,200         | 2,200         |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED144: STATEWIDE PLANNING & COORDINATION**

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### **A. Statement of Program Objectives**

The statutory purpose of the Office of Planning (OP) is to assist the Governor and the Director of the Department of Business, Economic Development, and Tourism in (1) maintaining an overall framework to guide the development of the State of Hawaii through a continuous process of comprehensive, long-range, and strategic planning to meet the physical, economic, and social needs of Hawaii's people; and (2) providing for the wise use of Hawaii's resources in a coordinated, efficient, and economical manner, including the conservation of those natural, environmental, recreational, scenic, historic, and other limited and irreplaceable resources which are required for future generations. See Hawaii Revised Statutes (HRS), Section 225M-1.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

The FY 17-19 budget request includes the following:

1. Add 1.00 temporary Planner V position and general funds of \$27,618 in FY 18 and \$55,236 in FY 19 for the Special Action Team on Affordable Rental Housing.
2. Add \$44,764 in general funds for both FY 18 and FY 19 to support the Special Action Team on Affordable Rental Housing.
3. Add 1.00 permanent Transit-Oriented Development (TOD) Planner VI position and general funds of \$29,868 in FY 18 and \$59,736 in FY 19 to support the Hawaii Interagency Council for TOD.
4. Add \$25,000 in general funds for both FY 18 and FY 19 to support the Hawaii Interagency Council for TOD.
5. Add \$1,000,000 in General Obligation Bonds for both FY 18 and FY 19 to support State TOD.

### **C. Description of Activities Performed**

The statutory purpose of OP is carried out through eight statutorily defined activities: State comprehensive planning and program coordination; Strategic planning; Planning coordination and cooperation; Statewide planning and geographic information system (GIS); Land use

planning; Coastal and ocean policy management; Regional planning and studies; and Regional, national, and international planning. See HRS, Section 225M-2.

Ongoing regulatory activities include: (1) reviewing and issuing of special management area permits for projects within the Hawaii community development districts; (2) reviewing and issuing of Coastal Zone Management (CZM) Act federal consistency determinations for certain federal actions and activities; (3) developing and presenting the position of the State in all boundary change petitions and proceedings before the Land Use Commission and (4) coordinating and advancing smart growth and development in the State. Other planning and policy related activities pursued by OP are based on administration priorities and availability of staff and funding (e.g., federal grant opportunities).

### **D. Statement of Key Policies Pursued**

1. State Planning, HRS, Chapter 225M. The purpose of this law is to "(1) Fix responsibility and accountability to successfully carry out statewide planning programs, policies, and priorities; (2) Improve the efficiency and effectiveness of the operations of the executive branch; and (3) Ensure comprehensive planning and coordination to enhance the quality of life of the people of Hawaii." See HRS, Section 225M-1.

2. Hawaii State Plan, HRS, Chapter 226. The purpose of this law is to "set forth the Hawaii state plan that shall serve as a guide for the future long-range development of the State; identify the goals, objectives, policies, and priorities for the State; provide a basis for determining priorities and allocating limited resources...; improve coordination of federal, state, and county plans, policies, programs, projects, and regulatory activities; and to establish a system for plan formulation and program coordination to provide for an integration of all major state, and county activities." See HRS, Section 226-1.

3. State Land Use Law, HRS, Chapter 205. The purpose of this law is to "preserve, protect and encourage the development of the lands in the State for those uses to which they are best suited for the public welfare [.] See L. 1961, c 187, Section 1.

4. Hawaii Coastal Zone Management Act, HRS, Chapter 205A. The purpose of this law is to "provide for the effective management, beneficial

## Program Plan Narrative

### **BED144: STATEWIDE PLANNING & COORDINATION**

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use, protection, and development of the coastal zone." See L 1977, c 188, Section 1.

5. Act 127, SLH 2016, establishes a temporary Special Action Team on Affordable Rental Housing within the OP. The Special Action Team on Affordable Rental Housing shall recommend actions to achieve the affordable rental housing goal set forth in the Act.

6. Act 130, SLH 2016, Smart Growth and Transit-Oriented Development, establishes policies and mechanisms to coordinate TOD planning and development among State agencies. The Act designates OP as the lead agency for TOD planning in the State and establishes an interagency council for TOD.

#### **E. Identification of Important Program Relationships**

OP works closely with many federal, State and county agencies in the development of policies, preparation of plans and studies and in implementation activities.

#### **F. Description of Major External Trends Affecting the Program**

Among the many externalities that directly and indirectly impinge on program activities are national and international economic conditions and the state's fiscal and economic condition. These conditions affect land demand for resort, commercial, industrial, residential and agricultural uses and coastal and ocean activities which have potential impacts on natural, cultural, historic, recreational and other resources. Federal policies and regulations and court decisions also impact program activities.

#### **G. Discussion of Cost, Effectiveness, and Program Size Data**

OP has continued to focus on its core statutory functions, federally-funded programs and priority project areas of the administration and legislature.

OP produces planning and policy studies, position papers, and reports in order to provide quality information to decision-makers. The National Oceanic and Atmospheric Administration (NOAA) has continued to increase requirements for the receipt of federal CZM funds. OP is

challenged by staff and resource constraints but works diligently to maintain its productivity and efficiency.

#### **H. Discussion of Program Revenues**

Federal funds are received on an annual basis to manage Hawaii's coastal resources. OP has successfully pursued federal grant funding and will continue to do so where the federal funding opportunities align with our mission, statutory responsibilities, and capacity.

#### **I. Summary of Analysis Performed**

1. The Planner V position and funds and other current expenses are needed to support the Special Action Team on Affordable Rental Housing. Current support funding ends June 30, 2017.

2. The TOD Planner VI position and funds and other current expenses are necessary to support the Hawaii Interagency TOD Council.

3. CIP funds of \$1,000,000 in FY 18 and FY 19 are critical to implementing Act 130, SLH 2016, and to support State TOD.

#### **J. Further Considerations**

None.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BED103**  
 PROGRAM STRUCTURE NO: **11010303**  
 PROGRAM TITLE: **STATEWIDE LAND USE MANAGEMENT**

| PROGRAM EXPENDITURES   | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                        | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST         | 6.00*      | 6.00*      | 7.00*      | 7.00*      | 7.0*         | 7.0*       | 7.0*       | 7.0*       |
|                        | 0.00**     | 0.00**     | 0.00**     | 0.00**     | 0.0**        | 0.0**      | 0.0**      | 0.0**      |
| PERSONAL SERVICES      | 410,991    | 422,419    | 457,363    | 482,749    | 483          | 483        | 483        | 483        |
| OTHER CURRENT EXPENSES | 172,167    | 172,167    | 172,167    | 172,167    | 172          | 172        | 172        | 172        |
| TOTAL OPERATING COST   | 583,158    | 594,586    | 629,530    | 654,916    | 655          | 655        | 655        | 655        |
| BY MEANS OF FINANCING  |            |            |            |            |              |            |            |            |
|                        | 6.00*      | 6.00*      | 7.00*      | 7.00*      | 7.0*         | 7.0*       | 7.0*       | 7.0*       |
|                        | **         | **         | **         | **         | **           | **         | **         | **         |
| GENERAL FUND           | 583,158    | 594,586    | 629,530    | 654,916    | 655          | 655        | 655        | 655        |
| TOTAL PERM POSITIONS   | 6.00*      | 6.00*      | 7.00*      | 7.00*      | 7.0*         | 7.0*       | 7.0*       | 7.0*       |
| TOTAL TEMP POSITIONS   | **         | **         | **         | **         | **           | **         | **         | **         |
| TOTAL PROGRAM COST     | 583,158    | 594,586    | 629,530    | 654,916    | 655          | 655        | 655        | 655        |

PROGRAM ID: BED103  
 PROGRAM STRUCTURE: 11010303  
 PROGRAM TITLE: STATEWIDE LAND USE MANAGEMENT

|   | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                          |               |               |               |               |               |               |               |               |
| 1. NUMBER OF BOUNDARY AMENDMENT PETITIONS AND SPECIAL     | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 6             |
| 2. NUMBER OF ACCEPTED BOUNDARY AMENDMENT PETITIONS AN     | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            |
| 3. NUMBER OF ACRES REVIEWED FOR RECLASSIFICATION          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          | 3000          |
| 4. NUMBER OF ACRES REVIEWED FOR SPECIAL PERMIT            | 250           | 250           | 250           | 250           | 250           | 250           | 250           | 250           |
| 5. NUMBER OF INDIVIDUALS, BUSINESSES OR ORGANIZATIONS     | 600           | 600           | 600           | 600           | 600           | 600           | 600           | 600           |
| 6. 6. NUMBER OF CONTESTED PROGRAM DECISIONS PROCESSED     | 2             | 2             | 2             | 2             | 2             | 2             | 2             | 2             |
| 7. NUMBER OF MOTIONS PROCESSED                            | 20            | 20            | 20            | 20            | 20            | 20            | 20            | 20            |
| 8. NUMBER OF DRAFT EIS RESPONSES ISSUED                   | 20            | 20            | 20            | 20            | 20            | 20            | 20            | 20            |
| <b>PROGRAM TARGET GROUPS</b>                              |               |               |               |               |               |               |               |               |
| 1. NUMBER OF APPLICANTS FOR LAND USE REVIEW               | 40            | 40            | 40            | 40            | 40            | 40            | 40            | 40            |
| 2. INDIVIDUALS OR BUSINESSES/ORGANIZATIONS INTERESTED     | 1300          | 1300          | 1300          | 1300          | 1300          | 1300          | 1300          | 1300          |
| <b>PROGRAM ACTIVITIES</b>                                 |               |               |               |               |               |               |               |               |
| 1. LAND USE DISTRICT BOUNDARY AMENDMENT PETITIONS PRO     | 6             | 6             | 6             | 6             | 6             | 6             | 6             | 6             |
| 2. SPECIAL PERMIT APPLICATIONS PROCESSED                  | 150           | 150           | 150           | 150           | 150           | 150           | 150           | 150           |
| 3. LAND USE DISTRICT BOUNDARY INTERPRETATIONS PROCESS     | 1400          | 1400          | 1400          | 1400          | 1400          | 1400          | 1400          | 1400          |
| <b>PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| CHARGES FOR CURRENT SERVICES                              | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             |
| TOTAL PROGRAM REVENUES                                    | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             |
| <b>PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)</b> |               |               |               |               |               |               |               |               |
| GENERAL FUNDS   | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             |
| TOTAL PROGRAM REVENUES                                    | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED103: STATEWIDE LAND USE MANAGEMENT**

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### **A. Statement of Program Objectives**

To preserve, protect, and encourage the development and preservation of lands in the State for those uses to which they are best suited in the interest of public health and welfare of the people of the State of Hawaii through the implementation of the State Land Use Law, Chapter 205, Hawaii Revised Statutes (HRS), as amended.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

Add one (1.00) permanent Planner position and general funds of \$25,386 in FY 18 and \$50,772 in FY 19.

### **C. Description of Activities Performed**

The major activities of the Land Use Commission (LUC) include: (1) processing and deciding on district boundary amendment petitions which involve lands over 15 acres in the State Agricultural, Rural and Urban Districts, and all district boundary amendment petitions of lands in the Conservation District; (2) processing special permit applications for lands in the Agricultural or Rural Districts which are over 15 acres; (3) processing boundary interpretation requests; (4) monitoring of past LUC approvals; (5) maintaining, updating and disseminating official State land use district boundary maps and land use statistics; and (6) providing public information.

### **D. Statement of Key Policies Pursued**

The State Land Use Law, Chapter 205, HRS, as amended, and Chapter 15-15, Hawaii Administrative Rules (HAR), provide statutory and administrative rules and guidelines for the LUC's consideration and decision on district boundary amendment petitions and special permit applications. Chapter 205, HRS, also requires that any decision by the LUC shall comply with the goals, objectives, policies, and priorities of the Hawaii State Plan, Chapter 226, HRS, as amended. Other policy guidelines are found in Chapter 205A, HRS, Coastal Zone Management.

### **E. Identification of Important Program Relationships**

During its review process for district boundary amendment petitions, the LUC is required to consider the extent to which the proposed reclassification conforms to the applicable goals, objectives, and policies

of the Hawaii State Plan and relates to the applicable priority guidelines and adopted functional plans, all of which are presently administered by the Office of Planning. The LUC is also bound by rules to consider, the relevant objectives, policies and guidelines of the Coastal Zone Management Program, and the General Plan of the respective county in which the land is located.

### **F. Description of Major External Trends Affecting the Program**

Major external trends affecting the program include: (1) general economic conditions on a local and national scale; (2) population and tourism growth; (3) commercial and industrial development; and (4) federal programs and policies. Recent upticks in the economy have had a significant impact on the program workload.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

The effectiveness of the program is measured by (1) the number of acres reviewed for reclassification; (2) the number of acres reviewed for special permit; (3) the number of boundary amendment petitions and special permit applications reviewed and processed within administrative rules guidelines; (4) the number of public persons and entities assisted by providing data and boundary interpretations; and (5) the number of program decisions, EIS applications and motions processed. Program effectiveness may also be measured by the timeliness and efficiency in which the LUC processes district boundary amendment petitions and special permit applications according to statutory requirements. As the LUC, while operating on a restricted budget, has consistently approved on a timely basis, a significant amount of acreage statewide for various needed uses while protecting the State's long term planning goals and interest in land use, the program can therefore be considered highly cost-effective. The LUC will continue to review its procedures and operations to remain as cost-effective as possible over the upcoming budget period to comply with its statutory mandate. External variances in land use pressures brought on by the resurgent economy are trending to significant neighbor island activity. This will require additional response costs impacting on budget requirements that cannot be mitigated programmatically. In addition, pressures to enforce LUC decisions and conditions has become paramount given the impacts on agricultural lands and public infrastructure that occur from urban growth. Enforcement has not been possible in recent years due to budget restrictions.

## Program Plan Narrative

**BED103: STATEWIDE LAND USE MANAGEMENT**

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### **H. Discussion of Program Revenues**

State receipts generated by this program include: (1) \$5000 filing fee for district boundary amendment petitions; (2) \$1000 fees for motions to amend; and (3) a \$50 filing fee for intervention petitions pursuant to Section 205-45.1, HRS, and Sections 15-15-49 and 15-15-52, HAR, respectively. All fees collected are deposited to the general fund.

### **I. Summary of Analysis Performed**

None.

### **J. Further Considerations**

None.

# OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: BED130  
 PROGRAM STRUCTURE NO: 11010304  
 PROGRAM TITLE: ECONOMIC PLANNING & RESEARCH

| PROGRAM EXPENDITURES   | IN DOLLARS |            |            |            | IN THOUSANDS |            |            |            |
|------------------------|------------|------------|------------|------------|--------------|------------|------------|------------|
|                        | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20   | FY 2020-21 | FY 2021-22 | FY 2022-23 |
| OPERATING COST         | 13.00*     | 13.00*     | 14.00*     | 14.00*     | 14.0*        | 14.0*      | 14.0*      | 14.0*      |
|                        | 0.00**     | 0.96**     | 0.96**     | 0.96**     | 1.0**        | 1.0**      | 1.0**      | 1.0**      |
| PERSONAL SERVICES      | 961,724    | 1,006,338  | 1,057,223  | 1,085,807  | 1,029        | 1,029      | 1,029      | 1,029      |
| OTHER CURRENT EXPENSES | 166,145    | 266,145    | 166,145    | 166,145    | 166          | 166        | 166        | 166        |
| EQUIPMENT              |            | 2,000      |            |            |              |            |            |            |
| TOTAL OPERATING COST   | 1,127,869  | 1,274,483  | 1,223,368  | 1,251,952  | 1,195        | 1,195      | 1,195      | 1,195      |
| BY MEANS OF FINANCING  |            |            |            |            |              |            |            |            |
|                        | 13.00*     | 13.00*     | 14.00*     | 14.00*     | 14.0*        | 14.0*      | 14.0*      | 14.0*      |
|                        | **         | 0.96**     | 0.96**     | 0.96**     | 1.0**        | 1.0**      | 1.0**      | 1.0**      |
| GENERAL FUND           | 1,127,869  | 1,274,483  | 1,223,368  | 1,251,952  | 1,195        | 1,195      | 1,195      | 1,195      |
| TOTAL PERM POSITIONS   | 13.00*     | 13.00*     | 14.00*     | 14.00*     | 14.0*        | 14.0*      | 14.0*      | 14.0*      |
| TOTAL TEMP POSITIONS   | **         | 0.96**     | 0.96**     | 0.96**     | 1.0**        | 1.0**      | 1.0**      | 1.0**      |
| TOTAL PROGRAM COST     | 1,127,869  | 1,274,483  | 1,223,368  | 1,251,952  | 1,195        | 1,195      | 1,195      | 1,195      |



PROGRAM ID: **BED130**  
 PROGRAM STRUCTURE: **11010304**  
 PROGRAM TITLE: **ECONOMIC PLANNING AND RESEARCH**

|  | FY<br>2015-16 | FY<br>2016-17 | FY<br>2017-18 | FY<br>2018-19 | FY<br>2019-20 | FY<br>2020-21 | FY<br>2021-22 | FY<br>2022-23 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>MEASURES OF EFFECTIVENESS</b>                     |               |               |               |               |               |               |               |               |
| 1. PROG. OUTPUTS CITED IN MAJOR MEDIA (AVE.MONTHLY#) | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 10            |
| 2. ACCURACY OF ECON FORECASTS (% ERROR)              | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 5             |
| <b>PROGRAM TARGET GROUPS</b>                         |               |               |               |               |               |               |               |               |
| 1. VISITS TO PROGRAM WEBSITE (AVE PER MONTH, THOUS.) | 15            | 15            | 15.5          | 15.5          | 16            | 16            | 16            | 16            |
| <b>PROGRAM ACTIVITIES</b>                            |               |               |               |               |               |               |               |               |
| 1. DATA SERIES MAINTAINED ON-LINE (X 100)            | 50            | 50            | 52            | 53            | 55            | 55            | 55            | 55            |
| 2. OTHER ECONOMIC AND STATISTICAL REPORTS ISSUED (#) | 40            | 40            | 42            | 43            | 45            | 45            | 45            | 45            |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

## Program Plan Narrative

**BED130: ECONOMIC PLANNING & RESEARCH**

**11 01 03 04**

### **A. Statement of Program Objectives**

To enhance and contribute to the economic development of the State by providing plans, analyses and policy recommendations on economic issues; conducting and reporting on basic research into the economy of the State, collecting, compiling, interpreting and publishing data and statistics on all aspects of business activity, the economy and demographic characteristics of the State; and developing and maintaining a statewide statistical reporting system.

### **B. Description of Request and Compliance with Section 37-68(1)(A)(B)**

The program is requesting funding for 1.00 Economist V (SR 24) position and general funds of \$28,584 in FY 18 and \$57,168 in FY 19. The position will conduct economic studies as requested by the legislature and other government agencies. This includes studies to measure the progress of Hawaii's innovation, economic diversification, clean energy initiative, and industry structural changes in Hawaii.

### **C. Description of Activities Performed**

Compiles and publishes Hawaii's Innovation Indicators report to measure the performance and progress of Hawaii's innovation and comparison with national trends.

Prepares the Emerging Industries report required by Section 201-19(b), HRS. This report analyzes Hawaii's sources of growth and identifies key industries and clusters driving growth and diversification.

Compiles and publishes Self-Sufficiency Income Standard report as required by Section 201-3(b), HRS. This report establishes Hawaii's self-sufficient family income standards and compares self-sufficient family budgets with poverty thresholds, minimum wage level, median family income, and estimates for actual incomes for five family types.

Collects and maintains a database for Hawaii's Energy Industry Information Reporting Program (EIIRP) as required by Section 201-13.8, HRS.

Maintains the automated data warehouse site to greatly expand access to data relevant for government and business decision making.

Compiles and publishes the State of Hawaii Data Book containing 800 tables of key data widely used by government, business and residents.

Develops and publishes long-range, State Population and Economic Projections and the State and county Input-Output models to guide State, county and private-sector planning efforts.

Compiles and publishes daily passenger count and weekly unemployment initial claim data. Collects passenger data from all the airlines carrying passengers to Hawaii on monthly basis.

Produces the web-based publications, Quarterly Statistical and Economic Report, Monthly Economic Indicators, and Monthly Energy Trends.

Conducts Census-related workshops to enhance businesses' ability to mine census data for marketing and business development purposes.

Conducts economic analyses and impact studies.

Responds to about 2,000 annual requests for information and other inquiries to the department.

### **D. Statement of Key Policies Pursued**

Pursues research support for the development of emerging and growth industries and the transition of Hawaii's economy under the State's innovation initiative.

Provides policy makers with economic data, plans and alternatives to facilitate strategic economic development decision making. This includes basic research to develop functional models of Hawaii's economic activity. Provides ongoing and special analyses of economic and business issues affecting the State.

Develops and provide accurate, complete statistics to assist decision making by the Administration, Legislature, and the business community.

## Program Plan Narrative

**BED130: ECONOMIC PLANNING & RESEARCH**

**11 01 03 04**

### **E. Identification of Important Program Relationships**

The program maintains important relationships with decision makers in the State Administration, Legislature, private industry, and Federal agencies in order to provide the highest quality information and economic analysis support in meeting the State's economic development goals.

### **F. Description of Major External Trends Affecting the Program**

Over the last several years, the program's priorities have centered on assisting the Administration, Legislature, counties and various boards and commissions to address the need for economic transformation in Hawaii's economy. As the economy moves into a cyclical weak period, the program is monitoring the economic environment closely and provides affected sectors and relevant State agencies with information and briefings on the situation and prospects for the near future. The program also works closely with the U.S. Census Bureau on the data collection, estimation, and interpretation for Hawaii such as the decennial census, the annual American Community Survey, and the annual population estimates.

### **G. Discussion of Cost, Effectiveness, and Program Size Data**

Reductions-in-force and the cut in other current expenditures forced the program to close the business library and impacted the ability to fund more than necessary operating expenses of general funded activities. Consequently, all hard copy printing of reports and the engaging of outside, supplemental research services, have been severely limited. The program has sought to address this challenge by electronic dissemination of information and development of the automated data warehouse project. The program continues to seek ways to economize, including careful consideration of research priorities, staff development to permit all research needs to be performed in house, and elimination of numerous subscriptions and publications.

Measures of Effectiveness are stable due in part to electronic publishing.

### **H. Discussion of Program Revenues**

None.

### **I. Summary of Analysis Performed**

No major program changes are planned.

### **J. Further Considerations**

Not applicable.



## **Capital Budget Details**

STATE OF HAWAII

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

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PROGRAM ID

BED-105

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PROGRAM STRUCTURE NO. 010102

PROGRAM TITLE

CREATIVE INDUSTRIES DIVISION

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE            | PROJECT TITLE                           |              | BUDGET PERIOD                |       |       |       |       |       |       |       | SUCCEED<br>YEARS |
|-------------------|--------------------|-----|------------------|---|--------------|------------------------------|-------|-------|-------|-------|-------|-------|-------|------------------|
|                   |                    |     |                  |   |              | FY                           | FY    | FY    | FY    | FY    | FY    | FY    | FY    |                  |
|                   |                    |     | COST ELEMENT/MOF | PROJECT<br>TOTAL                        | PRIOR<br>YRS | 15-16                        | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 |                  |
| CID005            |                    |     | RENOVATION       | HAWAII FILM STUDIO, VARIOUS SITE        |              | IMPROVEMENTS, PHASE 3A, OAHU |       |       |       |       |       |       |       |                  |
|                   |                    |     | DESIGN           | 35                                      |              |                              | 35    |       |       |       |       |       |       |                  |
|                   |                    |     | CONSTRUCTION     | 765                                     |              |                              | 765   |       |       |       |       |       |       |                  |
|                   |                    |     | TOTAL            | 800                                     |              |                              | 800   |       |       |       |       |       |       |                  |
|                   |                    |     | G.O. BONDS       | 800                                     |              |                              | 800   |       |       |       |       |       |       |                  |
| P16001            |                    |     | NEW              | KAUAI ECONOMIC DEVELOPMENT BOARD, KAUAI |              |                              |       |       |       |       |       |       |       |                  |
|                   |                    |     | PLANS            | 250                                     |              | 250                          |       |       |       |       |       |       |       |                  |
|                   |                    |     | CONSTRUCTION     | 250                                     |              | 250                          |       |       |       |       |       |       |       |                  |
|                   |                    |     | TOTAL            | 500                                     |              | 500                          |       |       |       |       |       |       |       |                  |
|                   |                    |     | G.O. BONDS       | 500                                     |              | 500                          |       |       |       |       |       |       |       |                  |
| PROGRAM TOTALS    |                    |     |                  |   |              |                              |       |       |       |       |       |       |       |                  |
|                   |                    |     | PLANS            | 1,250                                   | 1,000        | 250                          |       |       |       |       |       |       |       |                  |
|                   |                    |     | DESIGN           | 840                                     | 805          |                              | 35    |       |       |       |       |       |       |                  |
|                   |                    |     | CONSTRUCTION     | 5,395                                   | 4,380        | 250                          | 765   |       |       |       |       |       |       |                  |
|                   |                    |     | TOTAL            | 7,485                                   | 6,185        | 500                          | 800   |       |       |       |       |       |       |                  |
|                   |                    |     | G.O. BONDS       | 7,485                                   | 6,185        | 500                          | 800   |       |       |       |       |       |       |                  |

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PROGRAM ID

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PROGRAM STRUCTURE NO. 010103

PROGRAM TITLE

FOREIGN TRADE ZONE

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE            | PROJECT TITLE  |              | BUDGET PERIOD |       |       |       |       |       |       |       | SUCCEED<br>YEARS |
|-------------------|--------------------|-----|------------------|--|--------------|---------------|-------|-------|-------|-------|-------|-------|-------|------------------|
|                   |                    |     |                  |  |              | FY            | FY    | FY    | FY    | FY    | FY    | FY    | FY    |                  |
|                   |                    |     | COST ELEMENT/MOF | PROJECT<br>TOTAL                                     | PRIOR<br>YRS | 15-16         | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 |                  |
| FTZ017            |                    |     | REPLACEMENT      | FTZ ELEVATOR REPLACEMENT, OAHU                       |              |               |       |       |       |       |       |       |       |                  |
|                   |                    |     | CONSTRUCTION     | 510  |              | 510           |       |       |       |       |       |       |       |                  |
|                   |                    |     | EQUIPMENT        | 340  |              | 340           |       |       |       |       |       |       |       |                  |
|                   |                    |     | TOTAL            | 850  |              | 850           |       |       |       |       |       |       |       |                  |
|                   |                    |     | G.O. BONDS       | 850  |              | 850           |       |       |       |       |       |       |       |                  |
| FTZ018            |                    |     | REPLACEMENT      | FACILITY IMPROVEMENT AND ADA RETROFIT, FTZ, OAHU     |              |               |       |       |       |       |       |       |       |                  |
|                   |                    |     | PLANS            | 25   |              | 25            |       |       |       |       |       |       |       |                  |
|                   |                    |     | DESIGN           | 120  |              | 120           |       |       |       |       |       |       |       |                  |
|                   |                    |     | CONSTRUCTION     | 1,175  |              | 1,175         |       |       |       |       |       |       |       |                  |
|                   |                    |     | TOTAL            | 1,320  |              | 1,320         |       |       |       |       |       |       |       |                  |
|                   |                    |     | G.O. BONDS       | 1,320  |              | 1,320         |       |       |       |       |       |       |       |                  |
| FTZ019            |                    |     | REPLACEMENT      | FOREIGN-TRADE ZONE CHILLER REPLACEMENT PROJECT, OAHU |              |               |       |       |       |       |       |       |       |                  |
|                   |                    |     | PLANS            | 30   |              | 30            |       |       |       |       |       |       |       |                  |
|                   |                    |     | CONSTRUCTION     | 170  |              | 170           |       |       |       |       |       |       |       |                  |
|                   |                    |     | EQUIPMENT        | 800  |              | 800           |       |       |       |       |       |       |       |                  |
|                   |                    |     | TOTAL            | 1,000  |              | 1,000         |       |       |       |       |       |       |       |                  |
|                   |                    |     | G.O. BONDS REP   | 1,000  |              | 1,000         |       |       |       |       |       |       |       |                  |
| PROGRAM TOTALS    |                    |     |                  |  |              |               |       |       |       |       |       |       |       |                  |
|                   |                    |     | PLANS            | 85   | 30           | 25            | 30    |       |       |       |       |       |       |                  |
|                   |                    |     | DESIGN           | 240  | 120          | 120           |       |       |       |       |       |       |       |                  |
|                   |                    |     | CONSTRUCTION     | 3,905  | 2,050        | 1,685         | 170   |       |       |       |       |       |       |                  |
|                   |                    |     | EQUIPMENT        | 1,140  |              | 340           | 800   |       |       |       |       |       |       |                  |
|                   |                    |     | TOTAL            | 5,370  | 2,200        | 2,170         | 1,000 |       |       |       |       |       |       |                  |
|                   |                    |     | G.O. BONDS       | 4,370  | 2,200        | 2,170         |       |       |       |       |       |       |       |                  |
|                   |                    |     | G.O. BONDS REP   | 1,000  |              |               | 1,000 |       |       |       |       |       |       |                  |

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PROGRAM ID

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PROGRAM STRUCTURE NO. 010104

PROGRAM TITLE

GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE      | PROJECT TITLE    |                  | BUDGET PERIOD |             |             |             |             |             |             | SUCCEED<br>YEARS |             |             |
|-------------------|--------------------|-----|------------|------------------|------------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|-------------|
|                   |                    |     |            | COST ELEMENT/MOF | PROJECT<br>TOTAL | PRIOR<br>YRS  | FY<br>15-16 | FY<br>16-17 | FY<br>17-18 | FY<br>18-19 | FY<br>19-20 | FY<br>20-21 |                  | FY<br>21-22 | FY<br>22-23 |
|                   |                    |     |            |                  |                  |               |             |             |             |             |             |             |                  |             |             |
| PROGRAM TOTALS    |                    |     |            |                  |                  |               |             |             |             |             |             |             |                  |             |             |
|                   |                    |     | PLANS      |                  | 2,200            | 2,200         |             |             |             |             |             |             |                  |             |             |
|                   |                    |     | TOTAL      |                  | 2,200            | 2,200         |             |             |             |             |             |             |                  |             |             |
|                   |                    |     | G.O. BONDS |                  | 2,200            | 2,200         |             |             |             |             |             |             |                  |             |             |

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PROGRAM ID

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PROGRAM STRUCTURE NO.

010502

PROGRAM TITLE

HIGH TECHNOLOGY DEVELOPMENT CORPORATION

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE         | PROJECT TITLE   |                  | BUDGET PERIOD |             |             |             |             |             |             | SUCCEED<br>YEARS |             |
|-------------------|--------------------|-----|---------------|---|------------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|
|                   |                    |     |               | COST ELEMENT/MOF  | PROJECT<br>TOTAL | PRIOR<br>YRS  | FY<br>15-16 | FY<br>16-17 | FY<br>17-18 | FY<br>18-19 | FY<br>19-20 | FY<br>20-21 |                  | FY<br>21-22 |
| P17006            |                    |     | NEW           | HYDROGEN FUEL STATION, OAHU                               |                  |               |             |             |             |             |             |             |                  |             |
|                   |                    |     | PLANS         |   | 1                |               |             | 1           |             |             |             |             |                  |             |
|                   |                    |     | DESIGN        |   | 1,249            |               |             | 1,249       |             |             |             |             |                  |             |
|                   |                    |     | TOTAL         |   | 1,250            |               |             | 1,250       |             |             |             |             |                  |             |
|                   |                    |     | REVENUE BONDS |   | 1,250            |               |             | 1,250       |             |             |             |             |                  |             |
| P17007            |                    |     | NEW           | WHITMORE ECONOMIC DEVELOPMENT GROUP, OAHU                 |                  |               |             |             |             |             |             |             |                  |             |
|                   |                    |     | CONSTRUCTION  |   | 54               |               |             | 54          |             |             |             |             |                  |             |
|                   |                    |     | EQUIPMENT     |   | 1                |               |             | 1           |             |             |             |             |                  |             |
|                   |                    |     | TOTAL         |   | 55               |               |             | 55          |             |             |             |             |                  |             |
|                   |                    |     | G.O. BONDS    |   | 55               |               |             | 55          |             |             |             |             |                  |             |
| TE0014            |                    |     | NEW           | ENTREPRENEUR'S SANDBOX-KAKAAKO COLLABORATION CENTER, OAHU |                  |               |             |             |             |             |             |             |                  |             |
|                   |                    |     | DESIGN        |   | 1                |               |             | 1           |             |             |             |             |                  |             |
|                   |                    |     | CONSTRUCTION  |   | 5,998            |               |             | 5,998       |             |             |             |             |                  |             |
|                   |                    |     | EQUIPMENT     |   | 1                |               |             | 1           |             |             |             |             |                  |             |
|                   |                    |     | TOTAL         |   | 6,000            |               |             | 6,000       |             |             |             |             |                  |             |
|                   |                    |     | G.O. BONDS    |   | 6,000            |               |             | 6,000       |             |             |             |             |                  |             |
| PROGRAM TOTALS    |                    |     |               |   |                  |               |             |             |             |             |             |             |                  |             |
|                   |                    |     | PLANS         |   | 526              | 525           |             | 1           |             |             |             |             |                  |             |
|                   |                    |     | DESIGN        |   | 3,819            | 2,569         |             | 1,250       |             |             |             |             |                  |             |
|                   |                    |     | CONSTRUCTION  |   | 6,252            | 200           |             | 6,052       |             |             |             |             |                  |             |
|                   |                    |     | EQUIPMENT     |   | 442              | 440           |             | 2           |             |             |             |             |                  |             |
|                   |                    |     | TOTAL         |   | 11,039           | 3,734         |             | 7,305       |             |             |             |             |                  |             |
|                   |                    |     | SPECIAL FUND  |   | 734              | 734           |             |             |             |             |             |             |                  |             |
|                   |                    |     | REVENUE BONDS |   | 1,250            |               |             | 1,250       |             |             |             |             |                  |             |
|                   |                    |     | G.O. BONDS    |   | 9,055            | 3,000         |             | 6,055       |             |             |             |             |                  |             |



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PROGRAM ID

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PROGRAM STRUCTURE NO. 010504

PROGRAM TITLE

NATURAL ENERGY LAB OF HAWAII AUTHORITY

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE            | PROJECT TITLE  |              | BUDGET PERIOD |             |             |             |             |             |             |             | SUCCEED<br>YEARS |
|-------------------|--------------------|-----|------------------|--|--------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
|                   |                    |     |                  |  |              | FY<br>15-16   | FY<br>16-17 | FY<br>17-18 | FY<br>18-19 | FY<br>19-20 | FY<br>20-21 | FY<br>21-22 | FY<br>22-23 |                  |
|                   |                    |     | COST ELEMENT/MOF | PROJECT<br>TOTAL                                     | PRIOR<br>YRS |               |             |             |             |             |             |             |             |                  |
| NELHA4            |                    |     | RENOVATION       | IMPROVEMENTS TO THE RESEARCH CAMPUS, HAWAII          |              |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION     | 330  |              | 330           |             |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL            | 330  |              | 330           |             |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS       | 330  |              | 330           |             |             |             |             |             |             |             |                  |
| NELHA5            |                    |     | REPLACEMENT      | IMPROVEMENTS AND UPGRADES TO SEAWATER SYSTEM, HAWAII |              |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | DESIGN           | 1  |              | 1             |             |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION     | 1,170  |              | 1,170         |             |             |             |             |             |             |             |                  |
|                   |                    |     | EQUIPMENT        | 4,029  |              | 4,029         |             |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL            | 5,200  |              | 5,200         |             |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS REP   | 5,200  |              | 5,200         |             |             |             |             |             |             |             |                  |
| PROGRAM TOTALS    |                    |     |                  |  |              |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | PLANS            | 478  | 478          |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | DESIGN           | 2,447  | 2,446        |               | 1           |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION     | 36,297   | 34,797       | 330           | 1,170       |             |             |             |             |             |             |                  |
|                   |                    |     | EQUIPMENT        | 14,694   | 10,665       |               | 4,029       |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL            | 53,916   | 48,386       | 330           | 5,200       |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS       | 47,716   | 47,386       | 330           |             |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS REP   | 6,200  | 1,000        |               | 5,200       |             |             |             |             |             |             |                  |

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PROGRAM ID

BED-150

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PROGRAM STRUCTURE NO. 010701

PROGRAM TITLE

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE            | PROJECT TITLE  |              | BUDGET PERIOD |             |             |             |             |             |             |             | SUCCEED<br>YEARS |
|-------------------|--------------------|-----|------------------|--|--------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
|                   |                    |     |                  |  |              | FY<br>15-16   | FY<br>16-17 | FY<br>17-18 | FY<br>18-19 | FY<br>19-20 | FY<br>20-21 | FY<br>21-22 | FY<br>22-23 |                  |
|                   |                    |     | COST ELEMENT/MOF | PROJECT<br>TOTAL   | PRIOR<br>YRS |               |             |             |             |             |             |             |             |                  |
| KA013             |                    |     | NEW              | HAWAII COMMUNITY DEVELOPMENT AUTHORITY, OAHU                                   |              |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | PLANS            | 80   |              | 80            |             |             |             |             |             |             |             |                  |
|                   |                    |     | LAND             | 10   |              | 10            |             |             |             |             |             |             |             |                  |
|                   |                    |     | DESIGN           | 20   |              | 20            |             |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION     | 1,300  |              | 1,300         |             |             |             |             |             |             |             |                  |
|                   |                    |     | EQUIPMENT        | 90   |              | 90            |             |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL            | 1,500  |              | 1,500         |             |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS       | 1,500  |              | 1,500         |             |             |             |             |             |             |             |                  |
| KLO8A             |                    |     | NEW              | KALAELOA ENERGY CORRIDOR, KALAELOA, OAHU                                       |              |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | DESIGN           | 500  |              | 500           |             |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION     | 2,500  |              | 2,500         |             |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL            | 3,000  |              | 3,000         |             |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS       | 3,000  |              | 3,000         |             |             |             |             |             |             |             |                  |
| KLO8B             | 6                  |     | NEW              | KALAELOA ENTERPRISE AVENUE ENERGY CORRIDOR TO MIDWAY ROAD, KALAELOA, OAHU      |              |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | PLANS            | 1  | 1            |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | DESIGN           | 1,349  | 349          | 500           | 500         |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION     | 11,650   | 6,650        | 2,500         | 2,500       |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL            | 13,000   | 7,000        | 3,000         | 3,000       |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS       | 13,000   | 7,000        | 3,000         | 3,000       |             |             |             |             |             |             |                  |
| HCD001            | 1                  |     | OTHER            | HAWAII COMMUNITY DEVELOPMENT AUTHORITY'S COMMUNITY DEVELOPMENT DISTRICTS, OAHU |              |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | PLANS            | 54,615   | 51,310       | 1,855         | 1,450       |             |             |             |             |             |             |                  |
|                   |                    |     | LAND             | 22,456   | 22,456       |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | DESIGN           | 12,532   | 12,532       |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION     | 69,708   | 69,708       |               |             |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL            | 159,311  | 156,006      | 1,855         | 1,450       |             |             |             |             |             |             |                  |
|                   |                    |     | GENERAL FUND     | 51,202   | 49,752       |               | 1,450       |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS       | 108,109  | 106,254      | 1,855         |             |             |             |             |             |             |             |                  |

STATE OF HAWAII

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

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PROGRAM ID

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PROGRAM STRUCTURE NO. 010701

PROGRAM TITLE

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE        | PROJECT TITLE    |                  | BUDGET PERIOD |             |             |             |             |             | SUCCEED<br>YEARS |             |
|-------------------|--------------------|-----|--------------|------------------|------------------|---------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|
|                   |                    |     |              | COST ELEMENT/MOF | PROJECT<br>TOTAL | PRIOR<br>YRS  | FY<br>15-16 | FY<br>16-17 | FY<br>17-18 | FY<br>18-19 | FY<br>19-20 |                  | FY<br>20-21 |
| PROGRAM TOTALS    |                    |     |              |                  |                  |               |             |             |             |             |             |                  |             |
|                   |                    |     | PLANS        | 54,697           | 51,312           | 1,935         | 1,450       |             |             |             |             |                  |             |
|                   |                    |     | LAND         | 22,466           | 22,456           | 10            |             |             |             |             |             |                  |             |
|                   |                    |     | DESIGN       | 15,400           | 13,880           | 20            | 1,000       | 500         |             |             |             |                  |             |
|                   |                    |     | CONSTRUCTION | 92,158           | 83,358           | 1,300         | 5,000       | 2,500       |             |             |             |                  |             |
|                   |                    |     | EQUIPMENT    | 90               |                  | 90            |             |             |             |             |             |                  |             |
|                   |                    |     | TOTAL        | 184,811          | 171,006          | 3,355         | 7,450       | 3,000       |             |             |             |                  |             |
|                   |                    |     | GENERAL FUND | 51,202           | 49,752           |               | 1,450       |             |             |             |             |                  |             |
|                   |                    |     | G.O. BONDS   | 133,609          | 121,254          | 3,355         | 6,000       | 3,000       |             |             |             |                  |             |

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PROGRAM ID

BED-160

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PROGRAM STRUCTURE NO. 0108

PROGRAM TITLE

HAWAII HOUSING FINANCE AND DEVELOPMENT C

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE<br>COST ELEMENT/MOF | PROJECT TITLE                                     |  | PROJECT<br>TOTAL | PRIOR<br>YRS | FY<br>15-16 | FY<br>16-17 | BUDGET PERIOD |  | FY<br>17-18 | FY<br>18-19 | FY<br>19-20 | FY<br>20-21 | FY<br>21-22 | FY<br>22-23 | SUCCEED<br>YEARS |
|-------------------|--------------------|-----|---------------------------|---|--|------------------|--------------|-------------|-------------|---------------|--|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
|                   |                    |     |                           |   |  |                  |              |             |             |               |  |             |             |             |             |             |             |                  |
| HFDC04            | 12                 |     | NEW                       | 902 ALDER STREET, HONOLULU, OAHU                  |  |                  |              |             |             |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | PLANS                     | 1   |  |                  |              | 1           |             |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | DESIGN                    | 1,699   |  |                  |              | 1,699       |             |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION              | 15,000  |  |                  |              |             |             | 15,000        |  |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL                     | 16,700  |  |                  |              | 1,700       |             | 15,000        |  |             |             |             |             |             |             |                  |
| HFDC05            | 3                  |     | OTHER                     | DWELLING UNIT REVOLVING FUND INFUSION, STATEWIDE  |  |                  |              |             |             |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION              | 119,000   |  | 44,000           |              |             | 25,000      | 50,000        |  |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL                     | 119,000   |  | 44,000           |              |             | 25,000      | 50,000        |  |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS                | 119,000   |  | 44,000           |              |             | 25,000      | 50,000        |  |             |             |             |             |             |             |                  |
| HFDC07            |                    |     | OTHER                     | MAIAHOLE WATER SYSTEM IMPROVEMENTS, OAHU          |  |                  |              |             |             |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | DESIGN                    | 1,220   |  | 750              |              |             | 470         |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION              | 13,080  |  | 7,050            |              |             | 6,030       |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL                     | 14,300  |  | 7,800            |              |             | 6,500       |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS                | 14,300  |  | 7,800            |              |             | 6,500       |               |  |             |             |             |             |             |             |                  |
| HFDC09            | 2                  |     | NEW                       | RENTAL HOUSING REVOLVING FUND INFUSION, STATEWIDE |  |                  |              |             |             |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION              | 86,600  |  |                  |              |             | 36,600      | 50,000        |  |             |             |             |             |             |             |                  |
|                   |                    |     | TOTAL                     | 86,600  |  |                  |              |             | 36,600      | 50,000        |  |             |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS                | 86,600  |  |                  |              |             | 36,600      | 50,000        |  |             |             |             |             |             |             |                  |

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# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

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PROGRAM STRUCTURE NO.

0108

PROGRAM TITLE

HAWAII HOUSING FINANCE AND DEVELOPMENT C

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE        | PROJECT TITLE                                  |                  |              |             |             | BUDGET PERIOD |             |             |             |             | SUCCEED<br>YEARS |
|-------------------|--------------------|-----|--------------|--|------------------|--------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|------------------|
|                   |                    |     |              | COST ELEMENT/MOF                               | PROJECT<br>TOTAL | PRIOR<br>YRS | FY<br>15-16 | FY<br>16-17 | FY<br>17-18   | FY<br>18-19 | FY<br>19-20 | FY<br>20-21 | FY<br>21-22 |                  |
| P11003            | 4                  |     | OTHER        | LOW INCOME HOUSING TAX CREDIT LOANS, STATEWIDE |                  |              |             |             |               |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION |  | 27,462           | 14,832       |             | 4,230       | 8,400         |             |             |             |             |                  |
|                   |                    |     | TOTAL        |  | 27,462           | 14,832       |             | 4,230       | 8,400         |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS   |  | 27,462           | 14,832       |             | 4,230       | 8,400         |             |             |             |             |                  |
| P15010            |                    |     | NEW          | HALE MAHAOLU, MAUI                             |                  |              |             |             |               |             |             |             |             |                  |
|                   |                    |     | DESIGN       |  | 1                |              |             | 1           |               |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION |  | 5,499            | 4,000        |             | 1,499       |               |             |             |             |             |                  |
|                   |                    |     | TOTAL        |  | 5,500            | 4,000        |             | 1,500       |               |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS   |  | 5,500            | 4,000        |             | 1,500       |               |             |             |             |             |                  |
| P16007            | 6                  |     | OTHER        | RENTAL HOUSING TRUST FUND INFUSION, STATEWIDE  |                  |              |             |             |               |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION |  | 85,000           | 45,000       | 40,000      |             |               |             |             |             |             |                  |
|                   |                    |     | TOTAL        |  | 85,000           | 45,000       | 40,000      |             |               |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS   |  | 85,000           | 45,000       | 40,000      |             |               |             |             |             |             |                  |
| PROGRAM TOTALS    |                    |     |              |  |                  |              |             |             |               |             |             |             |             |                  |
|                   |                    |     | PLANS        |  | 1                |              | 1           |             |               |             |             |             |             |                  |
|                   |                    |     | DESIGN       |  | 2,920            | 750          | 1,699       | 471         |               |             |             |             |             |                  |
|                   |                    |     | CONSTRUCTION |  | 351,641          | 114,882      | 40,000      | 73,359      | 123,400       |             |             |             |             |                  |
|                   |                    |     | TOTAL        |  | 354,562          | 115,632      | 41,700      | 73,830      | 123,400       |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS   |  | 354,562          | 115,632      | 41,700      | 73,830      | 123,400       |             |             |             |             |                  |

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REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT  
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PROGRAM STRUCTURE NO. 0109

PROGRAM TITLE OFFICE OF AEROSPACE

| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE | PROJECT TITLE    |                  | BUDGET PERIOD |             |             |             |             |             |             |             | SUCCEED<br>YEARS |             |
|-------------------|--------------------|-----|-------|------------------|------------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|
|                   |                    |     |       | COST ELEMENT/MOF | PROJECT<br>TOTAL | PRIOR<br>YRS  | FY<br>15-16 | FY<br>16-17 | FY<br>17-18 | FY<br>18-19 | FY<br>19-20 | FY<br>20-21 | FY<br>21-22 |                  | FY<br>22-23 |
|                   |                    |     |       |                  |                  |               |             |             |             |             |             |             |             |                  |             |
|                   |                    |     |       |                  |                  |               |             |             |             |             |             |             |             |                  |             |
| PROGRAM TOTALS    |                    |     |       |                  |                  |               |             |             |             |             |             |             |             |                  |             |
| TOTAL             |                    |     |       |                  |                  |               |             |             |             |             |             |             |             |                  |             |

STATE OF HAWAII

PROGRAM ID

PROGRAM STRUCTURE NO.

PROGRAM TITLE

BED-144

11010302

STATEWIDE PLANNING &amp; COORDINATION

# REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT IN THOUSANDS OF DOLLARS

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| PROJECT<br>NUMBER | PRIORITY<br>NUMBER | LOC | SCOPE            | PROJECT TITLE  |  | PROJECT<br>TOTAL | PRIOR<br>YRS | BUDGET PERIOD |  | FY<br>17-18 | FY<br>18-19 | FY<br>19-20 | FY<br>20-21 | FY<br>21-22 | FY<br>22-23 | SUCCEED<br>YEARS |
|-------------------|--------------------|-----|------------------|--|--|------------------|--------------|---------------|--|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
|                   |                    |     |                  |  |  |                  |              |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | COST ELEMENT/MOF |  |  |                  |              |               |  |             |             |             |             |             |             |                  |
| OPTOD2            | 0007               |     | NEW              | STATE AGENCY TRANSIT-ORIENTED DEVELOPMENT, STATEWIDE |  |                  |              |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | PLANS            |  |  | 2,000            |              |               |  | 1,000       | 1,000       |             |             |             |             |                  |
|                   |                    |     | TOTAL            |  |  | 2,000            |              |               |  | 1,000       | 1,000       |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS       |  |  | 2,000            |              |               |  | 1,000       | 1,000       |             |             |             |             |                  |
| 000001            |                    |     | NEW              | STATE AGENCY TRANSIT-ORIENTED DEVELOPMENT, OAHU      |  |                  |              |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | PLANS            |  |  | 500              |              |               |  | 500         |             |             |             |             |             |                  |
|                   |                    |     | TOTAL            |  |  | 500              |              |               |  | 500         |             |             |             |             |             |                  |
|                   |                    |     | G.O. BONDS       |  |  | 500              |              |               |  | 500         |             |             |             |             |             |                  |
|                   |                    |     | PROGRAM TOTALS   |  |  |                  |              |               |  |             |             |             |             |             |             |                  |
|                   |                    |     | PLANS            |  |  | 2,500            |              |               |  | 500         | 1,000       | 1,000       |             |             |             |                  |
|                   |                    |     | TOTAL            |  |  | 2,500            |              |               |  | 500         | 1,000       | 1,000       |             |             |             |                  |
|                   |                    |     | G.O. BONDS       |  |  | 2,500            |              |               |  | 500         | 1,000       | 1,000       |             |             |             |                  |