

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

<http://hawaii.gov/dbedt>

The Department of Business, Economic Development and Tourism (DBEDT), established under section 26-18, HRS, and specifically provided for under chapter 201, HRS, is headed by the Director of Business, Economic Development and Tourism. DBEDT undertakes statewide business and economic development activities and energy development and management, provides economic research and analysis, plans for the use of Hawaii's ocean resources, and encourages the development and promotion of industry and international commerce through programs established by law.

Business Development and Support Division

The Business Development and Support Division (BDSB) promotes industry development and diversification in Hawaii by supporting existing and emerging industries; attracting new investment and businesses that can create more skilled, quality jobs in the State; and working to increase exports of Hawaii products and services.

BDSB provides new and existing businesses with direct loans, licensing and permit information and referral, business advocacy, and planning and coordination of programs and projects aimed at specific business sectors or economically-distressed areas (including rural areas and areas affected by natural disasters).

Strategic Industries Division / Hawaii State Energy Office

The Hawaii State Energy Office deploys clean energy infrastructure as a catalyst for economic growth, test bed investments, and energy security. The State Energy Office focuses on high impact solutions that:

- Remove barriers for greater renewable energy penetration and energy efficiency deployment;
- Align government laws, regulations, and procedures with clean energy objectives; and
- Attract Hawaii-based clean energy research, development, and deployment of innovative energy investments.

Foreign-Trade Zone Division

The Foreign-Trade Zone Division (FTZ), under chapter 212, HRS, administers the federal grant, issued in 1965 to the State of Hawaii, for the Foreign-Trade Zone program. Hawaii's Foreign-Trade Zone lies outside U.S. Customs territory for tax, duty, and quota

purposes, helping companies engaged in international trade to significantly reduce their operating costs. The FTZ program has been instrumental in retaining manufacturing activity in Hawaii, helping companies compete in export markets, and in incubating new companies that import and export merchandise. FTZ provides advice and direction to potential users of the program and operates a general-purpose zone facility at Pier 2, Honolulu Harbor. Any company that imports and exports merchandise can take advantage of the benefits of the FTZ program at the Pier 2 shared-use facility. There are currently 14 sites on the islands of Oahu, Maui, and Hawaii that have received FTZ designation. Of the 14 sites, three general-purpose zone sites and three special-purpose subzone sites are active. FTZ is responsible for ensuring that U.S. Customs and Foreign-Trade Zones Board regulations are followed at all of these sites. FTZ also provides important port services to Customs and Border Protection, U.S. Department of Homeland Security.

Creative Industries Division

The Creative Industries Division promotes the development and growth of Hawaii's creative economy, of which the primary and core sector consists of copyright-based industries, with a focus on businesses that create and design exportable products and services and depend on the protection of their intellectual property in order to market to a global community. These core businesses contribute to the State's economy with job creation and tax revenue.

This cluster is comprised of producers and service providers in film, video and digital media production, commercial and applied design firms, and a diverse range of creative (visual and performing) and cultural businesses in Hawaii. Surrounding this core sector are a great variety of arts and cultural organizations, service organizations, educational institutions, foundations, community groups, and a range of individual artisans.

Research and Economic Analysis Division

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

READ hosts the Hawaii State Data Center that partners with the U.S. Census Bureau and publishes Hawaii data, including the decennial census, the annual American Community Survey, Economic Census, and annual population estimates.

ATTACHED FOR ADMINISTRATIVE PURPOSES

Hawaii Community Development Authority

The Hawaii Community Development Authority (HCDA), established under section 206E-3(a), HRS, plans and implements the redevelopment of community development districts. HCDA supplements traditional community renewal methods by promoting and coordinating public and private sector community development. There are presently three community development districts: Kakaako Community Development District,¹ Kalaeloa Community Development District,² and Heeia Community Development District.³

Pursuant to section 206E-3(b), HRS, HCDA consists of nine voting members for each community development district established in chapter 206E, HRS. The Director of Finance, Director of DBEDT, Comptroller, and Director of Transportation, or designees, serve as ex officio, voting members. In addition: (1) a cultural expert is appointed to a four-year term by the Governor with the advice and consent of the Senate as a voting member; (2) one member is appointed to a four-year term by the Governor with the advice and consent of the Senate as a voting member, provided that this paragraph does not apply to the Kalaeloa Community Development District; and (3) the Chairperson of the Hawaiian Homes Commission, or designee, serves as an ex officio, voting member for the Kalaeloa Community Development District only. HCDA annually elects the Chairperson and Vice Chairperson from among its members.

Three additional members, referred to as county members, are selected by the Governor from a list of ten prospective appointees recommended by the local governing body of the county in which each designated district is situated. Of the three members appointed as county members, two members represent small businesses and are designated as the small business representatives on the Board, whose purpose, among other things, is to vote on matters before the board that affect small businesses. The small business representatives may vote on any matter concerning any district under the Board's jurisdiction other than matters concerning the Heeia Community Development District. One of the county members is a resident of the designated district; provided that the county member who is a resident of the Kalaeloa Community Development District is a resident of the Ewa zone or the Waianae zone. The county members may only vote on issues not related to the Heeia Community Development District.

Three additional voting members are appointed to four-year terms by the Governor with the advice and consent of the Senate to represent the Heeia Community Development District. They may vote only on issues related to the Heeia Community Development District, and they are residents of the Heeia Community Development District or the Koolauapoko District.

If an additional district is designated by the Legislature, the Governor appoints three county members for each additional designated district.

¹ See chapter 206E, part II, HRS.

² See chapter 206E, part VII, HRS.

³ See chapter 206E, part VIII, HRS.

Hawaii Housing Finance and Development Corporation

The Hawaii Housing Finance and Development Corporation (HHFDC), established under section 201H-2, HRS, is the primary agency charged with overseeing affordable housing finance and development in Hawaii. HHFDC coordinates the finance, development, and management of housing and the delivery of housing and housing services to the State. The Corporation also provides overall administration for development, construction, and technical assistance to projects to increase housing opportunities for low- and moderate-income households and elderly and special needs groups. HHFDC administers various housing financing programs, including the issuance of tax-exempt and taxable bonds, to finance mortgages and the construction or acquisition of rental housing projects.

Board. Under section 201H-3, HRS, HHFDC is headed by a Board of Directors consisting of nine members, of whom six are public members appointed to four-year terms by the Governor with the advice and consent of the Senate. At least four of the public members must have knowledge and expertise in public or private financing and development of affordable housing. Public members are appointed from each of the counties. At least one public member represents community advocates for low-income housing, affiliated with private nonprofit organizations that serve the residents of low-income housing. The Director of DBEDT and the Director of Finance, or designees, and a representative of the Governor's Office are ex officio, voting members. The Board selects a Chairperson and Vice Chairperson from among its members, provided that the Chairperson is a public member.

Hawaii Strategic Development Corporation

The Hawaii Strategic Development Corporation (HSDC), established under section 211F-2, HRS, encourages economic development and diversification in Hawaii through innovative actions in cooperation with private enterprises. HSDC establishes programs to stimulate private capital investment in Hawaii toward investments that promote the welfare of citizens in this State, economic growth, employment, and economic diversification. The Corporation may use public funds to provide incentives to private investment activity, by co-investing public funds in private financial organizations to increase the impact of the public investment, while utilizing the investment acumen of the private sector, and by using public funds to reduce the risks of private investments. HSDC has the flexibility to provide various types of financial assistance. When providing financial assistance, the Corporation must make provision for the recovery of its expenditures, to the extent possible.

Board. Under section 211F-3, HRS, the governing body of HSDC is a Board of Directors consisting of twelve members who are appointed to four-year terms by the Governor with the advice and consent of the Senate as follows: three members are appointed directly by the Governor, three are appointed from a list of nominees from the general public submitted by the President of the Senate, and three are appointed from a similar list submitted by the Speaker of the House of Representatives. Members are selected on the basis of their knowledge, skill, and experience in the scientific, business, or financial fields. The Director of DBEDT, a member from the Board of the High Technology Development Corporation appointed by the Governor,

and a member from the Board of the Natural Energy Laboratory of Hawaii Authority appointed by the Governor, or designees, serve as ex officio, voting members. Not more than two of the six members of the Board appointed from the lists of nominees submitted by the President of the Senate and the Speaker of the House of Representatives, during their term of office on the Board, may be employees of the State.

Hawaii Tourism Authority

The Hawaii Tourism Authority (HTA), established under section 201B-2(a), HRS, is Hawaii's state tourism agency. Among its duties, under section 201B-3, HRS, are to develop, coordinate, and implement state policies and directions for tourism and related activities, taking into account the economic, social, and physical impacts of tourism on the State and its natural resources infrastructure. HTA supports the efforts of other state and county departments or agencies to manage, improve, and protect Hawaii's natural environment and areas frequented by visitors.

Board. Under section 201B-2(b), HRS, HTA is headed by a Board of Directors consisting of twelve members who are appointed to four-year terms by the Governor with the advice and consent of the Senate. One member is appointed from each of the counties, and the remaining members are appointed at large. Three members are appointed by the Governor from a list of three names submitted for each appointment by the President of the Senate, and three members are similarly appointed from a list of three names submitted by the Speaker of the House of Representatives. At least six members must have knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions, and at least one must have knowledge, experience, and expertise in the area of Hawaiian cultural practices. No more than three members may represent, be employed by, or be under contract to any sector of the industry represented on the Board.

High Technology Development Corporation

The High Technology Development Corporation (HTDC) is governed by chapter 206M, part I, HRS. Established under section 206M-2(a), HRS, its duties include but are not limited to: (1) developing and encouraging industrial parks as high technology innovation centers and developing or assisting with the development of projects within or outside of industrial parks, including participating with the private sector in such development; (2) providing financial and other support and services to Hawaii-based high technology companies; (3) collecting and analyzing information on the state of commercial high technology activity in Hawaii; (4) promoting and marketing Hawaii as a site for commercial high technology activity; and (5) providing advice on policy and planning for technology-based economic development.

Board. Under section 206M-2(b), HRS, the governing body of HTDC consists of a Board of Directors with eleven voting members. Seven of the members are appointed to four-year terms by the Governor with the advice and consent of the Senate, of whom six are from the general public and selected on the basis of their knowledge, interest, and proven expertise in, but

not limited to, one or more of the following fields: finance, commerce and trade, corporate management, marketing, economics, engineering, and telecommunications, and other high technology fields. The seventh appointed member is selected from the faculty of the University of Hawaii. The Director of DBEDT, Director of Finance, an appointed member from the Board of the Hawaii Strategic Development Corporation, and an appointed member from the Board of the Natural Energy Laboratory of Hawaii Authority, or designees, serve as ex officio, voting members.

High Technology Innovation Corporation

Chapter 206M, part IV, HRS, relating to the High Technology Innovation Corporation, was repealed June 30, 2013, pursuant to Act 240, SLH 2012, sections 6 and 8.

Land Use Commission

The Land Use Commission (LUC), established under section 205-1, HRS, consists of nine members who are appointed to four-year terms by the Governor with the advice and consent of the Senate. One member is appointed from each of the counties and the remainder are appointed at large, provided that one member has substantial experience or expertise in traditional Hawaiian land usage and knowledge of cultural land practices.

There are four major land use districts in which all lands in the State are placed: urban, rural, agricultural, and conservation. LUC groups contiguous land areas suitable for inclusion in one of these four major districts and sets standards for determining the boundaries of each district. LUC: (1) processes, reviews, and acts on petitions for district boundary amendments that involve lands over fifteen acres in agricultural, rural, and urban districts and all petitions for reclassification of lands in conservation districts; (2) reviews and acts on applications for special permits in agricultural and rural districts over fifteen acres; (3) processes motions and boundary interpretation requests; and (4) maintains, updates, and disseminates official state land use district maps and land use information.

Natural Energy Laboratory of Hawaii Authority

The Natural Energy Laboratory of Hawaii Authority (NELHA), established under section 227D-2(a), HRS, facilitates research, development, and commercialization of natural energy resources and ocean-related research, technology, and industry in Hawaii and engages in retail, commercial, or tourism activities that financially support that research, development, and commercialization at a research and technology park in Hawaii.

Board. Under section 227D-2(b), HRS, the governing body of NELHA is a Board of Directors with thirteen voting members. Three members from the general public are appointed to four-year terms by the Governor with the advice and consent of the Senate; one of these members is a resident of the County of Hawaii. The members are selected on the basis of their

knowledge, interest, and proven expertise in, but not limited to, one or more of the following fields: finance, commerce and trade, corporate management, marketing, economics, engineering, energy management, real estate development, property management, aquaculture, and ocean science. The Chairperson and Secretary of the Research Advisory Committee⁴ serve on the Board. The Director of DBEDT, Chairperson of the Board of Land and Natural Resources, President of the University of Hawaii, Mayor of the County of Hawaii, an appointed member from the Board of the High Technology Development Corporation, and an appointed member from the Board of the Hawaii Strategic Development Corporation, or designees, serve as ex officio, voting members. The tenants of NELHA elect two members to the Board from among NELHA tenants.

Office of Planning

The Office of Planning (OP), established under section 225M-2, HRS, gathers, analyzes, and provides information to the Governor to assist in the analysis and formulation of state policies and strategies. OP provides direction and cohesion in the allocation of resources and effectuation of state activities and programs and addresses current or emerging issues and opportunities. It works in close coordination with county, state, and federal government agencies, the University of Hawaii, and community stakeholders.

OP's statutory authority derives from the following HRS provisions:

- Chapter 205, Land Use Commission (LUC);
- Chapter 205A, Coastal Zone Management (CZM);
- Chapter 225M, State Planning; and
- Chapter 226, Hawaii State Planning Act, where OP is specifically provided for under section 226-53.

OP is divided into the Land Use Division and the Planning Division.

In the Land Use Division, OP is required to appear before the LUC to represent the State's interests. Land use matters that involve OP with LUC include:

- Petitions for district boundary amendments involving land areas greater than 15 acres, under section 205-4, HRS;
- Special permits, under section 205-6, HRS; and
- Identification of important agricultural lands, under chapter 205, part III, HRS.

⁴ Section 227D-4, HRS, requires NELHA to appoint a Research Advisory Committee to obtain expert and specialized counsel and advice on matters relating to scientific research. Members of the Research Advisory Committee elect the Chairperson and Secretary of the Committee.

The Planning Division includes:

- the Coastal Zone Management (CZM) Program, under chapter 205A, HRS;
- the Geographic Information System (GIS), under section 225M-2(b)(4), HRS; and
- the Special Plans Branch, which carries out OP functions under the Hawaii State Planning Act under chapter 226, HRS.

Small Business Regulatory Review Board

The Small Business Regulatory Review Board, established under section 201M-5, HRS, consists of nine members who are appointed to four-year terms by the Governor with the advice and consent of the Senate as follows: three are appointed from a list of nominees submitted by the President of the Senate; three are appointed from a list of nominees submitted by the Speaker of the House of Representatives; two are appointed by the Governor; and the Director of DBEDT, or designee, serves as an ex officio, voting member. The appointments reflect representation of a variety of businesses in the State. No more than two members are representatives from the same type of business, and there is at least one representative from each county. Except for the ex officio member, all members are either a current or former owner or officer of a business and are not an officer or employee of the federal, state, or county government. The Board reviews any proposed new or amended rule or considers any request from small business owners to review any rule adopted by a state agency and recommends to the agency or the Legislature the need for a rule change or legislation. For requests regarding county ordinances, the Board may recommend appropriate action to the county council or mayor.

Community-Based Economic Development Advisory Council

The Community-Based Economic Development Advisory Council, established under section 210D-5, HRS, consists of twelve members. The Director of DBEDT, Chairperson of the Board of Agriculture, and Chairperson of the Office of Hawaiian Affairs, or designees, are ex officio, voting members. The remaining nine members are appointed to four-year terms by the Governor with the advice and consent of the Senate. There is at least one member from each county, and at least one member is a representative of the financial community. The Council reviews all requests for financial assistance to assess whether the proposed community-based economic development activity or enterprise is likely to achieve the purposes of community-based development under chapter 210D, HRS. The Council makes recommendations to DBEDT regarding the appropriateness of the proposed activity or enterprise, and DBEDT has final authority to approve or disapprove the application for financial assistance.

Aerospace Advisory Committee

The Aerospace Advisory Committee, established under section 201-72.5, HRS, is composed of fifteen members who are appointed to four-year terms by the Governor with the advice and consent of the Senate. Of the fifteen members:

(1) Three are representatives of the aerospace industry. One member is appointed from a list of nominees submitted by the President of the Senate, and one member is appointed from a list of nominees submitted by the Speaker of the House of Representatives;

(2) Three are representatives of the aerospace industry in this State. One member is appointed from a list of nominees submitted by the President of the Senate, and one member is appointed from a list of nominees submitted by the Speaker of the House of Representatives;

(3) One is a representative of investment banking;

(4) Four represent the economic development boards of Kauai, Oahu, Maui, and Hawaii and are appointed, respectively, from a list of nominees submitted by each of those economic development boards;

(5) Three represent the University of Hawaii at Manoa, University of Hawaii at Hilo, and University of Hawaii community college system, and are appointed, one each, from a list of nominees submitted by those entities; and

(6) One member, not appointed under paragraphs (1) through (5) above, who serves as Chairperson, must have experience, knowledge, and expertise in space-related activities and development in the global and state aerospace industry.

The Committee advises and assists the Legislature and state agencies in monitoring, assessing, and promoting aerospace development statewide by: (1) tracking state, national, and global trends and priorities in aerospace development; (2) assisting in identifying and promoting opportunities to expand and diversify aerospace development and aerospace-related industries in the State; (3) supporting the Office of Aerospace Development established under section 201-72, HRS,⁵ in networking with national and international aerospace agencies, institutions, and organizations to develop public-private partnerships to support the growth of aerospace development and aerospace-related industries in the State; (4) recommending innovative scientific, educational, and economic strategies and government and education policies to promote the growth and diversification of the aerospace industry in the State; and (5) appointing temporary working groups, as deemed appropriate in the Committee's discretion, to assist the Office of Aerospace Development in research and analysis activities required to complete any report to be submitted to the Legislature and the Governor by the Office of Aerospace Development.

⁵ The Office of Aerospace Development was established by Act 149, SLH 2007, section 2, and codified in chapter 201, part V, HRS. Act 149, SLH 2007, section 1, states, "The purpose of this Act is to position Hawaii to be nationally and globally competitive and recognized in aerospace development."

Pacific International Space Center for Exploration Systems

The Pacific International Space Center for Exploration Systems is established under section 201-76, HRS. Pursuant to section 201-79, HRS, among the duties of the Executive Director of the Space Center, who is appointed by the Director of DBEDT, are to: direct the planning, evaluation, and coordination of space-related activities, and identify and promote opportunities for expanding and diversifying aerospace-related industries in the State pertaining to the Space Center; promote innovative educational and workforce development programs that will enhance public awareness of the Space Center and enable residents to pursue employment in Hawaii's aerospace industry; and pursue projects in the aerospace sector that can be leveraged for improvements to the State's broadband and alternative energy capabilities.

Board. The Board of Directors of the Space Center, established under section 201-77, HRS, consists of ten members as follows: (1) the Executive Director of the Space Center as an ex officio, voting member; (2) Director of DBEDT, or designee; (3) President of the University of Hawaii, or designee; (4) six members from government, industry, and academia, both national and international, with appropriate professional interests and backgrounds; and (5) an invited representative from the National Aeronautics and Space Administration as an ex officio, nonvoting member. Of the six members under (4) who are appointed to four-year terms by the Governor with the advice and consent of the Senate, two are appointed from a list of nominees submitted by the President of the Senate, two from a list of nominees submitted by the Speaker of the House of Representatives, and two are appointed by the Governor. The Board selects a Chairperson from among its members.

Hawaii Sister-State Committee

The Hawaii Sister-State Committee, established under section 229-2, HRS, consists of five members who are appointed to four-year terms by the Governor with the advice and consent of the Senate. The Governor appoints one member from each of five lists of nominees submitted by: the Speaker of the House of Representatives, President of the Senate, a Native Hawaiian cultural organization, East-West Center, and Hawaii State Association of Counties. A Chair and Vice Chair are appointed by the members from among themselves. The Committee advises the Governor and the Legislature on matters relating to sister-state or province relations and relations, in general, between the State and the states or provinces of foreign countries.

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