

**REPORT TO THE LEGISLATURE
ON 2004 AND 2005 GOALS AND OBJECTIVES
AS REQUIRED BY ACT 100, SESSION LAWS
OF HAWAII 1999**

**DEPARTMENT OF BUSINESS, ECONOMIC
DEVELOPMENT & TOURISM**

**DIVISION, OFFICE, AND ATTACHED AGENCY GOALS,
OBJECTIVES, ACTION PLANS, AND PROCESSES TO
MEASURE/MONITOR PERFORMANCE**

**Arts, Film & Entertainment Division
Foreign-Trade Zone Division
Office of Strategic Policy Analysis
Office of Tourism Liaison
Research and Economic Analysis Division
Strategic Industries Division
Strategic Marketing & Support Division**

**Aloha Tower Development Corporation
Hawaii Community Development Authority
Hawaii Strategic Development Corporation
Hawaii Tourism Authority
High Technology Development Corporation
Land Use Commission
Natural Energy Laboratory of Hawaii Authority/
Center of Excellence for Research in Ocean Sciences
Office of Planning**

INTRODUCTION

Act 100, Session Laws of Hawaii (SLH) 1999 requires every department and agency of the State to submit an annual report to the Legislature identifying goals, objectives and an action plan. It also requires the departments and agencies to report on the process that will be used to measure the performance of its programs and services in meeting the stated goals, objectives and policies. This report has been prepared to meet the requirements of Act 100, SLH 1999.

The report describes division and attached agency goals, objectives, action plans, and processes to monitor/measure performance.

**ARTS, FILM & ENTERTAINMENT
DIVISION**

ARTS, FILM & ENTERTAINMENT DIVISION

GOALS & OBJECTIVES

To promote the growth of, and to work as a business advocate for the film, video and digital media production industry; the diverse artistic and cultural resources of Hawaii; and Hawaii-made products by supporting and implementing programs, projects, and activities that result in:

- (1) an internationally recognized and self-sustaining cinema, television and digital arts industry;
- (2) an arts and culture industry that is a vibrant and sustainable sector of Hawaii's economy; and
- (3) the development and expansion of domestic and foreign markets for Hawaii's products.

ACTION PLAN

2004 Accomplishments:

Arts & Culture Development Branch

- Worked cooperatively with the State Foundation on Culture and the Arts and over 100 "stakeholders" in downtown Honolulu to create, via proclamations by the Governor and the Mayor and a resolution from the Legislature, the Hawaii Capital Cultural District.
- Worked cooperatively with the music industry in the pursuit and award of a Grammy category for Hawaiian music, and co-sponsored the National Academy of Recording Arts & Sciences, Inc., Pacific Northwest Chapter's educational seminar, *Marketing Your Music Putting the Pieces Together, October 22, 2003*.
- Worked with WorldSound, LLC, producer of the "Aloha Live! 2004 Tour", which will visit 20 mainland cities this summer and fall, to attract significant sponsorship from HVCB and WESTAF (Western States Arts Federation which works with the National Endowment for the Arts from whom the funding is coming). This funding has allowed the tour to visit more cities, achieve greater visibility for the artists, perform in larger venues than would have been possible, and provide community outreach to underserved individuals in most cities visited.
- Gained consensus from the Hawaii Tourism Authority contractors: HVCB, HT Europe, HT Japan, and HT China, regarding the importance of using Hawaii's recording artists to promote Hawaii tourism whenever possible so that the artists have the opportunity to sell their music and to expand their markets and Hawaii receives the benefit of economic growth as well as growth of the visitor industry. In the past year, recording artists have been booked to support tourism initiatives on the mainland, in Japan and in Western Europe.
- Gained support with DBEDT management and staff to use Hawaii's arts & culture assets to open doors for trade efforts on a global scale.
- Having attended MIDEM, the world's most significant music market in Cannes France, and having traveled to Japan and China, have begun to successfully attract interest in Hawaiian music and culture which will lead to expanded international markets for Hawaiian music on the mainland, in Europe and in Japan and China. Opportunities abound in Canada as well.
- Garnered support and a willingness to work cooperatively on projects specific to Hawaii's creative economy from the State Foundation on Culture and the Arts, Enterprise Honolulu, UH Department of Humanities, Department of Agriculture and numerous private sector non-profit arts groups.

- Attracted the interest and complimentary services of the Culture + Planning Group in helping DBEDT develop funding relationships for the creation of an Economic Plan for the Creative Economy.
- Coordinated the first Hawaiian music & dance concerts in China since the 1930's.
- Supported the conceptual development of the first annual International Book and Music Fair in Honolulu to be held in 2005.
- Coordinated and produced the quarterly e-newsletter, *Hawaii Books & Music*, that highlights the latest releases in CDs and books from Hawaii and provides links to industry/company web sites.
- Sponsored the 6th Annual Governor's Exporter of the Year Awards Program on October 2, 2003 that acknowledged the achievements of successful Hawaii exporters in various categories.
- Administered contracts with The Chamber of Commerce of Hawaii to continue implementing the New Economy Transition (NET) Program that assists local businesses to participate in the information-technology revolution and to implement the Military Affairs program that assists in establishing a strong and viable partnership between the State of Hawaii, the U.S. Military Commands in Hawaii, and the local business sector.

Film Office

- Courted and attracted an NBC, ABC & Fox television series and a WB pilot to shoot on Oahu, plus numerous film projects, which are waiting in the wings. This is an unprecedented amount of television production at one time.
- Supported Chris Lee in the creation of the Academy for Creative Media. And, to assist in establishing a permanent home for the Academy, with OP wrote and received an EDA technical assistance grant to create a master plan for the Hawaii Film Studio.
- Received authority to award \$100,000 grant funding from the Hawaii Tourism Authority to local producers creating culturally based films that support visitor industry development.
- Obtained permission for three temporary exempt positions for one year, to be funded from existing operational budget, to handle the volume of work resulting from the recruitment of television series and other ongoing work thus, temporarily solving a long standing concern about inadequate staffing in the office and assuring that the current level of production will be handled appropriately.
- Awarded contract for \$7.3 million CIP renovations to Hawaii Film Studio.
- Developed/issued guidelines for filming in culturally and environmentally sensitive areas.
- Processed 619 film permits and approx. 120 annual permits for FY 04.

Tasks Planned for 2005:

Arts & Culture Development Branch

- Create an Economic Plan for the Creative Economy which will begin with economic assessment surveys of the creative economy clusters including applied design, media, performing arts, visual arts, literary arts, heritage, advocacy (i.e., non-profits), support (i.e., museums, festivals and retail), and arts education to establish a baseline of economic activity. Phase two will include a study of the role of arts and culture in Hawaii's economic competitiveness and a blueprint for investment in Hawaii's Creative Economy.
- Create a functional statewide database of creative industry businesses and sole proprietorships.

- Conceptualize, design, create, and launch a Web portal to incorporate the database, incubator, a calendar of Hawaii events worldwide, and funding opportunities for creative arts projects.
- Formalize a Media and Arts Business Incubator to service the creative community (many of the functions are already provided on an informal basis) and help Hawaii media and arts business take advantage of and sustain export opportunities.
- Expand efforts to develop export markets for arts, culture and media product sales, exhibitions and performances in Hawaii, China, Japan, Europe, Canada and the U.S. mainland.
- Support capacity building for the Hawaii Capital Cultural District so that the organization is capable of handling its own development and sustainability.

Film Office

- Oversee the renovation of the Hawaii Film Studio.
- Work with private sector in a planning effort to advance the size and scope of Hawaii's production activities in film, television, and digital media, and towards that end, update Film Industry Roadmap.
- Work with private sector, Legislature, and administration to secure appropriate level of tax credits and tax incentives to help Hawaii achieve competitiveness in the film and digital media production arena.
- Obtain additional funding for CIP needs not covered with existing funds. Also, request additional operating funds for film studio. (Current budget amount is insufficient.)
- Obtain additional funding from the State to make up for program money that is being spent on three new temporary exempt positions, and work to obtain permanent staffing at appropriate levels.

PERFORMANCE MEASURES

1. The amount of direct expenditures from film productions in Hawaii.
2. Impact on State's economy of direct expenditures from film productions.
3. Tax revenues generated by direct expenditures from film productions.
4. Amount of funding stimulated in addition to AFED budget to support arts, culture and film activities.

FOREIGN-TRADE ZONE DIVISION

FOREIGN-TRADE ZONE DIVISION

INTRODUCTION

The Foreign-Trade Zone Division of the Department of Business, Economic Development & Tourism administers the federal grant issued to Hawaii in 1965 by the Foreign-Trade Zones Board in Washington D.C. As grantee, the Foreign-Trade Zone Division is responsible for making available the benefits of the foreign-trade zone program to qualifying firms statewide. There are currently 13 sites on the islands of Oahu, Maui, and Hawaii that have received FTZ designation. Of the 13 sites, three general-purpose zones and four special-purpose subzones are active. The Foreign-Trade Zone Division is responsible for ensuring that U.S. Customs and Foreign-Trade Zones Board regulations are followed at these sites. In FY 2003, 303 companies with 1,457 employees used the FTZ program. Total merchandise handled increased 5.4 percent to reach \$3.58 billion.

GOALS AND OBJECTIVES

To increase the amount of international trading activity in Hawaii, to encourage value-added activities, stimulate capital investment and generate employment opportunities by using a federal trade development program to reduce the costs associated with international trade.

Objective 1: Establish, maintain and administer the general-purpose Foreign-Trade Zones and special-purpose Foreign-Trade Subzones throughout the state.

Action Plan: Promote the creation and expansion of special-purpose manufacturing activities in subzones and general-purpose zones throughout the state of Hawaii. Actively promote Hawaii and its Foreign-Trade Zone program. Observe and support FTZ Board guidelines to develop new business, promote the Zone concept, and assist the port community in expansion.

Measures:

- Number of general-purpose zones in Hawaii
- Number of special-purpose zones in Hawaii
- % increase in the value of cargo in/out of all FTZ sites in Hawaii

Objective 2: Provide storage and distribution services to firms engaged in import/export of merchandise. Lease office, exhibit, warehouse and manufacturing space to firms engaged in international trade.

Action Plan: Provide for the timely expansion of physical plant and facilities support.

Measures:

- Number of new firms using FTZ program
- % increase in value of cargo in/out of Pier 2 facility

Objective 3: Identify types of businesses that can benefit from the FTZ program and services; market FTZ benefits to qualifying firms.

Action Plan: Operate the FTZ program as a public utility and provide the benefits of the FTZ program to as many qualified firms as possible. Actively promote Hawaii and its Foreign-Trade Zone program. Observe and support FTZ Board guidelines to develop new business, promote the Zone concept, and assist the port community in expansion.

Measure:

- Advertising/marketing expenditures of Zone promotion

Objective 4: Encourage investment in Hawaii by making the benefits of the FTZ program available to qualifying firms.

Action Plan: Provide information to local, national and international traders and manufacturers concerning the advantages of operating in Hawaii and under the auspices of the Zone program. Support the private sector in its effort to take full advantage of the benefits offered by the FTZ program.

Measures:

- % of total manufacturing receipts in Hawaii attributable to firms using the FTZ program
- % increase in the value of exports from FTZ facilities
- Increase in users' employment attributable to participation in FTZ program

Objective 5: Work with public and private agencies to foster and improve programs that encourage international trade and investment in Hawaii.

Action Plan: Seek cooperative relationships with public and private economic development agencies statewide.

Measure:

- Number of partnerships formed

Objective 6: Operate the FTZ program in a self-sustaining manner.

Action Plan: Operate the FTZ program so that operating revenues cover operating expenditures.

Measure:

- Yearly special fund balance

Objective 7: Create a vibrant center for international trade at Pier 2.

Action Plan: Attract federal and state CIP funding to create an International Trade Resource Center (ITRC). The ITRC would provide all the services and facilities that an importer or exporter of merchandise would need at one location.

Measure:

- Investment amount

**OFFICE OF STRATEGIC
POLICY ANALYSIS**

OFFICE OF STRATEGIC POLICY ANALYSIS

The Office of Strategic Policy Analysis conducts policy analysis and formulation on immediate and pressing issues facing the State. The Office is involved in making recommendations on legislation and preparing legislative testimony for the Director. The Office undertakes special projects as assigned by the Director.

OFFICE OF TOURISM LIAISON

OFFICE OF TOURISM LIAISON

Goal:

To provide communications and coordination on tourism issues between the executive branch, state agencies and the visitor industry that will enhance the visitor experience and further tourism's sustainability within the state.

Objective:

- To coordinate and communicate with the visitor industry on all tourism related issues.
- To communicate and coordinate with all state agencies on tourism industry issues and assist state agencies in developing programs that will address the concerns of tourism and stimulate tourism's growth.
- To coordinate with the Hawaii Tourism Authority on all tourism issues and participate on the HTA Board of Directors.
- To actively encourage airlines to increase capacity to Hawaii

Action Plans:

1. Facilitate communications and coordination between the tourism stakeholders, the executive branch and state agencies.
2. Provide assistance in resolving concerns between tourism businesses and state agencies.
3. Work with visitor industry businesses and state agencies in determining actions plans to address the critical issues identified in the Strategic Tourism Plan.
 - a. Department of Transportation Airports, Harbors and Highway Divisions
 - b. Department of Land & Natural Resources Small Boat Harbors, Parks and Ocean Recreation Divisions
 - c. Department of Labor and Industrial Relations
 - d. Department of Health
4. Assist the executive branch in establishing policies on tourism.
5. Provide testimony to the legislature on behalf of the executive branch on bills relating to and affecting tourism
6. Encourage airlines to increase service to Hawaii
7. Represents the Governor in meetings with officials and representatives from private/public organizations, national and federal agencies and foreign countries.
8. Monitor current trends in tourism and coordinates and interfaces with individual islands on tourism related issues

Performance Measures:

1. Increased communications and coordination with tourism stakeholders, the executive branch and state agencies
2. Action plans from various agencies include solutions to the critical issues identified in the Strategic Tourism Plan
3. Policies are developed that further tourism's growth in Hawaii
4. Legislative testimony is presented in the best interest of the state and tourism industry
5. Various meetings are held to discuss issues that concern the visitor industry
6. Airlift to Hawaii increases to meet the needs of the tourism industry in its' goal to increase visitor spending

2004 Accomplishments:

1. Worked cooperatively and assisted the Hawaii Tourism Authority in developing a comprehensive State Strategic Plan for Tourism
2. Increased communications between the visitor industry, executive branch and state agencies
3. Worked cooperatively with the Sustainable Tourism study group to formulate a Sustainable Tourism Plan for Hawaii which is a part of the Strategic Plan for Tourism
4. Worked cooperatively with the island visitor bureaus, Hawaii Tourism Authority, Transportation Security Administration, Department of Transportation Airports Division in creating and implementing a summer optimization plan for our airports. The plans objective was to communicate, educate the public on the security screening processes and increase efficiency in processing passengers through our airport systems
5. Worked cooperatively with Customs and Border Protection and the Department of Transportation Airports Division to develop a plan to increase customer satisfaction and decrease wait times in the Customs and the Border Protection facility upon the implementation of the US Visit program for all international visitors.
6. Worked cooperatively with the airlines, travel wholesalers, Hawaii Tourism Authority and its' marketing contractors to communicate and educate travel sellers, media and potential visitors on the US Visit program process
7. Assisted the Department of Transportation Airports Division in developing a long range plan for Hawaii's airports and worked cooperatively with them on all airline and airport issues
8. Assisted in successfully implementing the 2004 Homeland Security Conference and the development of the 2005 Homeland Security Conference and International Women's Conference
9. Assisted various meeting planners, groups and travel sellers in obtaining letters and welcome messages and letters from the Governor
10. Garnered support and initiated discussions between various state agencies and visitor industry groups and organizations on various issues

**RESEARCH AND ECONOMIC
ANALYSIS DIVISION**

DBEDT RESEARCH & ECONOMIC ANALYSIS DIVISION (READ)

GOAL & OBJECTIVES:

Goal: Provide data, analyses and technical assistance that support economic development planning, business decisions and public policy making.

Objectives:

- Provide a range of statistics on the economy, population and other relevant categories, in convenient, accessible and comprehensible formats.
- Develop and provide statistical and analytical information and conduct special research on Hawaii's visitor industry that will aid state marketing efforts, industry planning, tourism policymaking, and facilitate sustainable tourism.
- Develop, maintain and use state-of-the-art-economic analysis tools to provide better understanding of Hawaii's economic situation, the challenges and opportunities in particular industries, analyses of economic policy options, and development of projections for future economic and population growth.
- Assist in the technical coordination of interdepartmental and inter agency efforts to better align economic development, workforce development and education policies to support Hawaii's emerging economy.

ACTION PLAN:

Accomplishments in 2004

- Compiled and Published the *State of Hawaii Data Book 2003*, containing more than 700 tables of key data widely used by government, business and residents.
- Developed and Published new, long-range, State Population and Economic Projections to 2030 to guide state, county and private sector planning efforts.
- Published monthly visitor arrival and characteristic reports, expenditure reports and created new surveys on cruise ship spending.
- Completed coordination and report development for the extensive and innovative project *Planning for Sustainable Tourism in Hawaii*.
- Produced four issues of the web-based publication, *Quarterly Statistical and Economic Report*.
- Produced four, quarterly projections and assessments of Hawaii's economy.
- Conducted five Census-related workshops.
- Published the Hawaii Inter-County Input-Output Study.
- Completed conversion of READ's economic information and statistics on the department's web site to a content management system, in which READ staff members develop and maintain the website content.

- Assisted the Hawaii Workforce Development Council in developing workforce development cluster analyses and industry-occupations cross tabulations to support improved planning for emerging industry and areas of skill shortages.
- Partnered with the University of Hawaii to secure a National Governor's Association grant Project "Pathways to Advancement" aimed at increasing the number of low income adult workers enrolling in post-secondary training and education in order to increase their skill levels and incomes.
- Updated federal statistics and prepared a brochure on the impact of the military in Hawaii for the Chamber of Commerce of Hawaii.
- Conducted economic analysis and impact studies including among others, an analysis of the Unemployment Insurance System and proposed inter-island ferry system.
- Responded to nearly 4,000 reference requests through the DBEDT Library.

Goals for 2005

- Publish the 2004 *State of Hawaii Data Book* in electronic form.
- Develop and publish the 2002 Input-Output tables for Hawaii's counties.
- Integrate new models developed in the Sustainable Tourism Project into the divisions ongoing modeling program.
- Continue to improve the quality and timeliness of tourism data and publish a report on the Tourism Satellite Account.
- Conduct four census workshops on using emerging census data.
- Complete work with our workforce development and education partners on economic development clustering and industry occupation matrix projects.
- Work with the National Governors Association Pathways team for Hawaii to formulate recommendations for improving the education-workforce pipeline for working adults and current students.
- Publish "e-reports" on the DBEDT website providing information and data for technology, defense activity and education.
- Publish four issues of the *Quarterly Statistical and Economic Report*.
- Continue to increase the information available on DBEDT website.

PERFORMANCE MEASURES:

- Number of Requests for information, analysis and presentations.
- Number of Publications produced including electronic and Internet-based products.
- Accuracy of economic and demographic forecasts (percent from actual).
- Percent of monthly tourism reports produced within 30 days of month end.
- Percent of other time-sensitive reports issued as scheduled.
- Number of census workshops held.

STRATEGIC INDUSTRIES DIVISION

STRATEGIC INDUSTRIES DIVISION

The mission of the Strategic Industries Division (SID) is to support statewide economic efficiency, productivity, development and diversification by promoting, attracting and facilitating the sustainable development of Hawaii-based energy, environmental, ocean, and technology industries.

Key Policies -- The Foundation of The SID Program

1. The legal basis for support of Hawaii's energy program is cited in HRS Chapter 226 (Hawaii State Planning Act), Section 18, which requires the state to achieve energy self-sufficiency.

This act is supplemented by Chapter 196, and Chapter 226-18, HRS, requiring state energy planning and project activities in energy efficiency, renewable energy and clean fossil fuel energy, and Chapter 26-18(a), HRS, which provides that DBEDT: [S]hall . . . *encourage the development and promotion of industry and international commerce through programs established by law*. SID achieves these statutory policy aims through the following goals and objectives:

2. The department's authority related to ocean resource-based development is found in Chapter 201-13, HRS, which describes DBEDT's powers and duties related to marine affairs.

In addition, Sections 226-10(b)(1) and (7) of the Hawaii State Planning Act include policies for the growth of the economy in areas that have potential and increasing research and development of ocean-related activities.

SID achieves these statutory policy aims through the following goals and objectives:

Goals

- Goal 1.** Develop and market technologies and technology-based enterprises and resource-based industries, with a strong export focus.
- Goal 2.** Increase economic efficiency and productivity and competitiveness by promoting and facilitating resource conservation and efficiency.
- Goal 3.** Increase the productivity and robustness of Hawaii's economy by developing cost-competitive indigenous sources of energy.
- Goal 4.** Increase energy security for the state by developing comprehensive plans to effectively deal with energy crises.
- Goal 5.** Increase non-state funding support for technology and resource-based economic development.

Objectives & Action Plans

Objective 1. Facilitate the growth and exports of U.S. energy, environmental, ocean, and other key technologies and related services from Hawaii into Asia/Pacific markets: Double the size of the sector by 2010 using 1999 as baseline.
(Supports Goal 1.)

Action Plan

Tasks Accomplished in 2004:

- Organized the participation of UH and numerous private companies and local economic development boards at BIO 2004 to promote Hawaii's life science assets.
- Facilitated participation by three Hawaii solar companies out of a total of eight participating U.S. firms in a National Renewable Energy Laboratories' (NREL) China Business Development Mission/Renewable Energy Study Tour and Village Power Workshop in China. Federally-funded grants paid for all of the companies in-country expenses.
- Entered into a *Memorandum of Understanding* with the Shanghai Environmental Protection Bureau for cooperation in commercial and research exchange of clean energy, and environmental technologies and services.
- Sponsored and facilitated numerous business matchmaking meetings between Hawaii sustainable development firms and potential Chinese clients using "Gold Key Service" support from the U.S. Commercial Service at the U.S. Embassy in Beijing. A partnership of two Hawaii companies signed a \$1 to 2 million contract for a cultural and environmental master plan for a UN World Heritage Site in Fijian Province, China.
- Engaged in the third year of a *Platinum Key Service* (PKS) partnership agreement with the U.S. Commercial Service — China and DBEDT providing specific export project information and business development assistance to Hawaii energy, engineering, environmental and planning companies.
- Organized the participation of Hawaii companies at several ocean science and technology conference and exhibitions to promote the sale of Hawaii ocean science & technology products and services: Oceans '03 in San Diego, Oceanology International 2004 in London and PACON International '04 in Honolulu.
- Published the online *Hawaii Ocean Science & Technology Magazine & Directory* to support industry growth by showcasing research, technology developments and industry accomplishments.

Tasks Planned for 2005 and Beyond:

- Continue collaborative technology export development activities with the U.S. Commercial Service, China, and Honolulu Export Assistance Center to provide opportunities for Hawaii client firms to collaborate on export promotion activities with Federal agency counterparts, including co-organized activities for visiting environmental and energy trade delegations from the Asia-Pacific.

- In collaboration with the U.S. Commercial Service at the U.S. Embassy in Beijing, continue to provide opportunities in China's growing market for sustainable infrastructure technologies for Hawaii firms, educational institutions, and non-profit organizations under the *Platinum Key Service* agreement by learning firsthand of export opportunities surrounding the infrastructure requirements for the 2008 Beijing Summer Olympics, the Shanghai EXPO 2010, and beyond.
- Continue to support sustainable, technology-related economic development for the State by increasing access to overseas projects for Hawaii companies and by attracting Mainland companies to Hawaii through facilitation of increased exports of Hawaii energy, environmental, and other sustainable technologies and related services.
- Conduct comprehensive survey of Hawaii energy, environmental, and sustainable infrastructure firms to assess current dimensions of export readiness and needs.
- Continue program to promote growth and expansion of Hawaii's ocean science & technology industry by facilitating industry's efforts to penetrate new export markets through trade show participation and increasing customer awareness of Hawaii's research and commercial assets.
- Continue efforts to promote the development of Hawaii's life sciences industry sectors through participation in national and international conferences and exhibitions, development of collateral materials, and liaison with county economic development boards, the University of Hawaii and the private sector.
- Continue to promote export of ocean resource-based technology products and services through the development and distribution of promotional materials. Planned actions include: maintain interactive website with technical information to potential investors and directory of Hawaii firms (ongoing); and distribute complementary CD-ROM software to science press and trade show attendees (ongoing).

Objective 2. Increase state facility energy and resource efficiency through the use of energy efficiency measures and renewable energy resources.
(*Supports Goal 2.*)

Action Plan

Tasks Accomplished in 2004:

- Completed a comprehensive survey of state buildings to provide a baseline of current energy consumption and identify most promising candidate locations for energy efficient retrofits.
- Presented information on residential energy efficiency to design and building professionals, Realtors, homeowners and others through conferences, professional seminars, community presentations, informative newspaper articles, and interpretive displays.
- Continued activities of the Rebuild Hawaii Consortium, a statewide information sharing group of 200 members from federal, local, state government, utilities, non-profits, private sector. Overall impact of this program includes \$64 million investment in energy efficiency projects, \$8.4 million annual energy savings to statewide facilities, 817 jobs

created. Continued technical assistance to a variety of State and County facilities to reduce energy consumption.

Tasks Planned for 2005 and Beyond:

- Continue partnering with the private sector, other state agencies, counties, and the military to develop and integrate energy efficiency and Honolulu's energy code in their buildings and procurement.
- Continue to provide information on sustainability, energy efficiency practices, products, and technologies through technical workshops and the Rebuild America Technical Assistance Program. Planned actions include four workshops on Sustainability.
- Continue to support State agency participation in training and conferences through the Rebuild Hawaii Peer Exchange Program.

Objective 3. Reduce energy consumption in non-State residential and commercial buildings: Cut energy use 35% in new buildings; and 20% in retrofits by 2010.
(Supports Goal 2.)

Action Plan

Tasks Accomplished in 2004:

- Organized a workshop on distributed energy generation and combined heat and power to promote more efficient use of conventional fuels and use waste heat as a resource, August 24, 2004, Japanese Cultural Center of Hawaii.
- Completed numerous workshops and conferences to promote the construction of "green buildings," high efficiency technologies, sustainable practices for the visitor industry, and training for architects, engineers, and builders.

Tasks Planned for 2005 and Beyond:

- Work with the County of Honolulu to update the energy efficient building codes to comply with the national standard, ASHRAE_90.1-2004. Encourage "beyond-code" measures in residential and commercial buildings.
- Residential Buildings: Continue promotion of residential energy efficient building guidelines to encourage architects, developers, builders, consumers, lenders, realtors, suppliers, and other industry groups to design and build energy and resource efficient homes in Hawaii.
- Commercial Buildings: Promote and distribute Hawaii Energy Efficient Commercial Building Guidelines to assist architects, engineers, developers, builders, suppliers, and other industry groups design and build energy and resource efficient commercial buildings in Hawaii.
- Continue to participate with utilities, educational groups, and private sector entities conducting workshops, conferences, and exhibitions consistent with SID program goals.

- Continue to work closely with the design and construction industries by providing technical assistance to Hawaii-based businesses and institutions that provide design and construction-related services and products to Hawaii and the Asia/Pacific Region.

Objectives & Action Plans

Objective 4. Facilitate the increased use of renewable, indigenous energy resources for power generation, heat and transportation fuels: Achieve at least 20% of electricity produced by renewable energy by 2020. Meet statutory responsibilities with respect to the production and use of renewable transportation fuels such as ethanol.
(Supports Goal 3.)

Action Plan

Tasks Accomplished in 2004:

- Completed Phase 1A of the Hawaii Hydrogen Power Park Project with the installation and testing of the hydrogen production and storage systems at the Hawaii Fuel Cell Test Facility, and design and permitting of Phase 2 of the project to be located at Kapolei Hale.
- Monitored advances in ocean wave technology and provided advice regarding a proposed demonstration by HECO and EPRI.
- Supported construction and program development for the USDOE funded Hawaii Gateway Energy Resource Center at NELHA in Kona, Hawaii. Participated in the Renewable Hydrogen Consortium being formed with the University of Hawaii, national labs, Sentech, and other partners to support the mission of the Center.
- Provided technical assistance via the *Pacific Regional Biomass Energy Program* to promote biodiesel, landfill gas, and biomass resource assessments.
- Supported efforts to enact Act 95, SLH 2004, establishing a renewable portfolio standard for the state that requires Hawaii electric utilities to obtain 20 % of their energy from renewable sources by 2020.
- Completed a cost and performance estimate study for renewable energy projects in the State of Hawaii.
- Completed updated wind resource maps for individual counties in the state, in conjunction with the National Renewable Energy Laboratory and HECO.

Tasks Planned for 2005 and Beyond:

- Continue private-public sector partnership development to strengthen hydrogen programs and to attract funding for projects throughout the state including participation in the proposed federally funded Hawaii Hydrogen Center for Development and Deployment of Distributed Energy Systems, and Phase 2 of the Hawaii Hydrogen Power Park project, to be lead by the University of Hawaii's Hawaii Natural Energy Institute.
- Continue to actively participate in all form utilities' IRPs in 2005 with the objective to promote state policies encouraging renewable energy and energy efficiency as priorities.

- Carry out statutory responsibilities with respect to the ethanol content requirement, HRS Section 486J-10, which requires the department of business, economic development, and tourism to adopt rules in accordance with chapter 91 to require that gasoline sold in the State for use in motor vehicles contain ten per cent ethanol by volume.
- Undertake activities to encourage and foster greater use of renewable energy to meet or exceed RPS.
- Pursue increased use of distributed energy resources and combined heat and power to gain greater efficiency in the use of fossil fuels.
- Acquire and administer Federal funds for renewable energy applications, assessments, information, and technology transfer through contracts and support of partnerships with the County of Kauai (ongoing); County of Hawaii (ongoing); County of Maui (ongoing); City and County of Honolulu (ongoing); Honolulu Clean Cities Program (ongoing); State Civil Defense (ongoing); National Oceanic and Atmospheric Administration; and the DOE's state energy efficiency and renewable energy programs.

Objective 5. Develop comprehensive energy plans, and maintain a strong energy emergency response capability by keeping contingency plans current and coordinating efforts of the energy delivery stakeholders.
(Supports Goals 2 through 4.)

Action Plan

Tasks Accomplished in 2004:

- Initiated update of the State Energy Emergency Preparedness Program and Plans to address current energy security needs, and incorporate Federal and State policy and planning initiatives for critical infrastructure protection and Homeland Security.
- SID coordinated the participation of Hawaii's energy sector in the annual State Civil Defense hurricane exercise, Makani Pahili 2004.
- Organized quarterly meetings and chaired the Hawaii Energy Council, the public-private energy emergency coordinating organization.
- Collaborated with the U.S. Department of Energy-Office of Energy Assurance, and U.S. Department of Homeland Security to conduct a roundtable discussion session for the 2004 Asia-Pacific Homeland Security Summit & Exposition on Critical Infrastructure Protection – Infrastructure Sector, and Inter-Organizational Interdependencies.

Tasks Planned for 2005 and Beyond:

- Complete a comprehensive update of the State of Hawaii energy emergency preparedness program and plans.
- Continue to conduct quarterly meetings of the Hawaii Energy Council.
- Maintain staff proficiency to prepare and evaluate comprehensive energy plans and policies.
- Plan for energy emergency exercise both at a local and regional (states) level.
- Continue ongoing energy statistical and data support functions for all energy program activities, especially essential energy emergency preparedness activities.

- Continue to conduct supplemental and additional technical, market, and policy analysis related to the issue of petroleum industry regulation and price controls.

Objective 6. Develop non-state funding sources and obtain at least 25% of SID's annual budget from other than State funds; e.g., federal grants, etc.
(*Supports Goal 5.*)

Action Plan

Tasks Accomplished in 2004:

- In FY2004, SID successfully obtained seven (7) competitive grants totaling \$334,460. This figure represents 8.34% of SID's annual budget. Extramural funding was received primarily from the US Department of Energy, US Environmental Protection Agency, and other federal sources.

Tasks Planned for 2005 and Beyond:

- In each FY SID will continue to apply for and receive competitively awarded federal grants to supplement its state funding, finding ways to leverage state tax dollars.

Process for Measuring/Monitoring Performance

SID measures and monitors performance through an approved set of metrics that are reported to the Governor and Legislature through the Department of Budget and Finance.

Measures of Effectiveness:

1. Number of qualified trade leads generated.
2. Number of businesses and organizations and individuals participating in outreach, market and industry development activities.
3. Decline in energy use per capita or per unit of economic output.
4. Ratio of external:State matching support of cooperative projects.

Target Groups:

1. Businesses and organizations statewide with interests in energy, environmental, ocean, life sciences, aerospace and recyclable resource-based products and services.
2. Energy consumers statewide.
3. Energy producers statewide.

Program Activities:

1. Number of business and promotion activities developed and supported.
2. Number of industry/market development assessments conducted.
3. Number of industry outreach projects developed and implemented.
4. Number of energy efficiency and renewable energy projects developed and implemented.

**STRATEGIC MARKETING &
SUPPORT DIVISION**

STRATEGIC MARKETING & SUPPORT DIVISION

GOALS & OBJECTIVES

To promote industry development and economic diversification by supporting 1) existing and emerging industries through the attraction of new investment; increase in exports of Hawaii products and services; expansion of Hawaii's participating in global trade and commerce and 2) new and existing businesses through licensing and permit information and referral, business advocacy, planning and coordination of programs and projects aimed at specific business sectors or economically-distressed areas, including rural areas and areas affected by natural disaster.

ACTION PLAN

Strategies

1. Expand markets for Hawaii's firms in the domestic and international arenas.
2. Attract investment and companies in selected clusters to Hawaii.
3. Facilitate communication and networking.
4. Provide assistance and capacity building to help industries reach the next level.
5. Work with industries to improve their business environment.
6. Increase the number of small businesses via a one-stop center for small business interested in starting, expanding or locating their business in the state with their licensing requirements.
7. Work with the executive branch to resolve regulatory issues and provides testimony to the legislature on bill affecting small business; provide administrative, logistical and technical assistance to the Small Business Regulatory Review Board.
8. Provide training and capacity building opportunities and investments, in the form of grants and low-interest loans, in community economic development projects that result in measurable economic impact.
9. Stimulate business activity and job creating via the tax incentives of the Enterprise Zone program in areas selected by the counties and approved by the Governor.
10. Administer two loan programs to stimulate economic development and small business growth, as well as to assist depressed areas and communities affected by natural disasters.

Tasks Accomplished in 2004:

1. Organized Hawaii's participation at the largest biotechnology event in the world, which this year attracted almost 17,000 people. Hawaii's delegation consisted of 54 people representing 30 organizations and programs from the private sector, state agencies and the University of Hawaii. A Hawaii Life Sciences Industry Forum and reception attracted 275 attendees. A breakfast seminar for Japanese delegates was held, with approximately 40 participants. Some significant

- outcomes included a potential Asia Pacific Sector Meeting in Hawaii in September 2005, research collaboration between UH and Diversa Corp., clinical trial agreements for a Hawaii firm, company relocation visits by several firms, and a proposal for joint research and commercial operation at NELHA by an Israeli firm.
2. Organized Hawaii's participation at one of the largest and most prestigious biotechnology events in Japan that attracted approximately 25,000 attendees. The State/DBEDT and the University of Hawaii partnered in the USA pavilion. Hawaii's delegation includes 15 people representing 12 organizations. This is the State's first significant effort to penetrate the life sciences/biotech industry in Japan.
 3. Served as the Department's lead organization of the 2nd Asia-Pacific Homeland Security Summit conference brought together government and business leaders from the Asia Pacific region for presentations and discussions of best practices, and new ideas and innovative approaches in support of anti-terrorism strategies. Includes an exhibition in which companies feature the latest products and technologies for homeland security. Also, organized and presented the "ASEAN Promise to Profits: Doing Business in ASEAN – Is the Time Right?" seminar with the US-ASEAN Business Council as a supplemental event to the Homeland Security Summit.
 4. Planned, organized and executed the Hawaii Experience At Xintiandi, Shanghai, July 24-31, 2004. An integrated promotion of Hawaii's music, culture, products and services. Twenty-four Hawaii firms and organizations participated in activities that included seminars, one-on-one business matchmaking (over 150 meetings took place), a trade show/exposition, concerts, and business networking functions.
 5. In its continuing efforts to export Hawaii's specialized services, the Integrated Development Group (IDG)--a public-private partnership coalesced by DBEDT--conducted a two day seminar on tourism development in Taipei, Taiwan, June 28-29, 2004. Ten speakers from Hawaii made presentations to an audience of approximately 100 tourism planners, policy makers and promoters. This effort has thus far resulted in two contracts for Hawaii firms, with more in various stages of discussion.
 6. The Integrated Development Group also signed a Memorandum of Understanding with the Geely Holding Group, China's tenth largest private (Hong Kong listed) firm, to master plan the Fragrant Bay Resort, in Ling Shui, Hainan. The Hainan government has expressed a strong interest in establishing this as a "benchmark" project to set standards for future development in Hainan. Representatives of Geely will be visiting Hawaii at the end of August, to begin work on this project that could result in several years of work for Hawaii firms.
 7. Provided \$161,700 in community economic development "seed grants" to 15 community-based organizations.
 8. CBED helped facilitate the sale of Kona coffee to the White House. Kona Pacific Farmers Cooperative is the Hawaii supplier of Kona coffee to the White House.
 9. CBED facilitated the signing of a Memorandum of Understanding between Hawaii farmers and Puerto Rican farmers on Friday, April 2, 2004. This

- partnership enhances outreach and expands sales outlets for agricultural commodities produced by minority farmers.
10. More than 50 new and existing businesses were enrolled in the EZ Program in FY2004.
 11. DBEDT/EZ Program provided training for all four county EZ coordinators.
 12. Worked with county coordinators to initiate pro-active marketing of the EZ program in their respective counties.
 13. Coordinated small business workshops offered to Air Force, Army, Navy and Marine Corps military and civilian employees. For the first time, all branches of the military had access to small business workshops regardless of where they were stationed or their branch of service. This allowed active and retired military and civilian personnel access to year-round workshops conducted by the Business Action Center, Small Business Administration, Department of Taxation and Internal Revenue Service.
 14. Served on the planning committee of the Small Business Fair. In its fourth year, Hawaii's small business resource programs were able to showcase their services at Kapiolani Community College to 500 attendees. The Fair offered 30 informative business-related workshops geared to new and existing small businesses.
 15. Introduced the "Small Business Bill of Rights" to legislature
 16. Developed a CD outline and formed a "Speaker's Bureau" within the SBRRB to make presentation to small business organizations.
 17. Launched the SBRRB's website - www.hawaii.gov/dbedt/sbrrb to facilitate outreach and information dissemination to small business.
 18. Rolled out the Disaster Commercial/Personal Loan Program with an emergency appropriation passed (Act 67, SLH 2004) making \$1.0 million available for loan assistance.
 19. Worked with financial institutions, businesses and individuals on loan assistance after the Governor issued a disaster proclamation resulting from the rains and floods of December 7, 2003, through March 1, 2004.

Tasks Planned for 2005:

1. Organize Hawaii's participation at Bio 2005, an expected 20,000 biotechnology and life sciences professionals and top leaders from organizations from around the world will come together to highlight the future of biotechnology at the BIO 2005 Annual International Convention in Philadelphia, Pennsylvania, June 19–June 22. The State plans to have an even stronger presence than last year, as discussions are occurring with BIO to include a Hawaii life science industry leader as a speaker or panelist.
2. Organize Hawaii's participation at the SPIE Optical Science & Technology International Conference & Exhibition; The SPIE Annual Meeting is the industry's longest running event for innovations in optical components, systems and instruments. This meeting draws top-ranking physicists, optical engineers, applied scientists, engineers, and product developers. Over 5,000 attendees are expected. Hawaii participated in 2003 and made a significant impact in promoting our optical technology and astronomy sectors.

3. Organize Hawaii's business and investment/ product and services promotion efforts at Aichi World Expo. The Expo will run from March – September 2005. Approximately 14 million are expected to attend over the 6-month period. The State will organize two Hawaii Festival weekends, one in May and one in August, which will feature Hawaiian musical performances and exhibitions of Hawaii visitor-related companies; visitor attractions; fresh produce and manufactured products; Hawaiian apparel and lifestyle products; and surf and resort products.
4. Organize a investment promotion mission to Greater China that will showcase critical sectors of Hawaii's economy, is planned for late 2004 or early 2005. Hawaii firms in tourism, agriculture, aquaculture, construction, life sciences, information technology, and others will be featured in a series of half-day, industry-focused investment promotion seminars.
5. In partnership with the World Tourism Organization, conduct a series of tourism development workshops and mini-missions are being planned in Vietnam and China. This is an on-going effort by the Integrated Development Group to export Hawaii's specialized services to areas that are rapidly expanding their tourism and hospitality sectors.
6. In partnership with the University of Hawaii, Hawaii Pacific University, Brigham Young University Hawaii, and private sector firms, DBEDT will organize a series of events to promote Hawaii as a center for professional, vocational and executive education. Among these is an effort to establish a public-private partnership to deliver distance learning to China and other parts of Asia.
7. Provide more "one-on-one" technical assistance help to build community-based organizational capacity and assist in "taking those organizations to the next level" of community economic development.
8. Develop improved communication networks to "get the word out" about successful community economic development in Hawaii and the State's efforts to support those community initiatives.
9. Increase the number of requests for financial and technical assistance being received by the program through more proactive outreach & dissemination of information.
10. Work with county coordinators to recommend the identification of new zones or expanded zones in their respective counties;
11. Provide updated and better marketing materials for the EZ Program to coordinators and the general business community and increase outreach to qualified businesses to increase enrollment.
12. Launch first phase of Hawaii Business Express in October 2004. As a member of the planning committee comprised of representatives from DBEDT, DCCA, DoTAX, DLIR and the Internal Revenue Service, Hawaii Business Express will be Hawaii's online one-stop business licensing site. People will be able to input their business information once and complete their business licensing requirements online. Future phases will incorporate maintenance features for existing businesses including required periodic and annual filings. Administrative support and hosting is provided by Hawaii Information Consortium.
13. Increase awareness of services currently provided by the Business Action Center including licensing, referral and outreach all four counties. Work closely with the counties' office of economic development to provide more comprehensive

- business assistance to neighbor island entrepreneurs. Improve business outreach opportunities statewide by consistently teaming with staff from the Small Business Administration, Department of Taxation and Internal Revenue Service.
14. Update and rewrite Administrative Directive 99-02, revisit and update Chapter 201M to present to legislature and conduct workshops to State agencies to discuss the rule review process.
 15. Pursuant to Act 229 that allows for loans to businesses threatened by military base realignment and closure, will work closely with businesses whose revenues have declined due to the deployment of troops.
 16. Along with the Attorney General's office, resolve and reduce delinquent loans.

PERFORMANCE MEASURES

1. Investment and trade generated by business development and promotional activities (\$M).
2. Number of trade and investment leads generated.
3. Level of client satisfaction of services provided and impact upon business development based on direct evaluation surveys after each major project. (On a score of 1-10, 10 being the highest)
4. Number of jobs generated by community-based organizations.
5. Number of new firms enrolled in the enterprise zone program.
6. Number of jobs generated by enterprise zone businesses.
7. Number of BAC clients assisted by phone and in person.
8. Number of BAC license applications processed.

Target Groups:

1. Number of Hawaii firms and organizations in targeted industries engaged in out-of-state business or seeking partnerships or investment opportunities.
2. Number of eligible non-profit community-based organizations and cooperatives.
3. Number of small businesses requesting regulatory relief or legislation.
4. Number of attendees at BAC outreach engagements.

Program Activities:

1. Number of international business development activities.
2. Number of national business development activities
3. Number of out-of-state firms and organizations assisted to locate or invest in Hawaii.
4. Number of locally focused educational and promotional events and business development activities.
5. Number of print and electronic publications and marketing collateral.
6. Number of investment and trade consultations.
7. Number of firms provided information or assistance for participation in enterprise zones.
8. Number of BAC outreach engagements.
9. Number of CBED applications (grants and/or loans) received and reviewed.
10. Number of new and amended rules reviewed by Business Advocate and SBRRB.

**ALOHA TOWER DEVELOPMENT
CORPORATION**

ALOHA TOWER DEVELOPMENT CORPORATION

The Aloha Tower Development Corporation was mandated to redevelop an area of land surrounding the Aloha Tower in order to strengthen the international economic base of the community in trade activities, to enhance the beautification of the waterfront; in conjunction with the Department of Transportation, to better serve modern maritime uses; and to provide for public access and use of the waterfront property. The objective of the corporation is to enhance and strengthen Hawaii's economy by facilitating and providing redevelopment opportunities in the Aloha Tower Complex for private capital investments as well as through the formation of public-private partnerships, and to encourage redevelopment to take place in an orderly and incremental fashion.

**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

Mission and Goals

To stimulate the economic development of specific community districts by planning and implementing community development programs and facilitating capital investment. Currently, HCDA is in the planning stage for the 3,698-acre Kalaeloa Community Development District (Kalaeloa), and the plan implementation stage of the 670-acre Kakaako Community Development District (Kakaako).

Objective 1:

Plan and implement capital improvement projects to upgrade infrastructure and develop public facilities to meet Hawaii's economic and recreational needs.

Action Plan:

To bring Kakaako to developable standards, major infrastructure improvements are targeted to primary and central roadways such as South Street, Cooke Street, Halekauwila Street, Queen Street and Kamakee Street in the Kakaako Mauka Area and Ilalo Street in the Kakaako Waterfront Area. Improvements to various segments of these projects have been completed or are ongoing. As work on these primary roadways is completed in the 2002-2006 timeframe, secondary and access roadways that are needed to support major redevelopment projects will be targeted.

In Kalaeloa, HCDA is working to complete parcel conveyances from the Navy to the various local entities to which property has been designated. HCDA has secured a federal grant and matching state funds, which it will use to undertake economic development planning for Kalaeloa. Geotechnical studies will be required to determine how to address drainage needs in Kalaeloa. Given the cost of upgrading infrastructure throughout the 3,698-acre Kalaeloa district, initial infrastructure improvements will be targeted to the downtown area where most near-term development will be concentrated. HCDA has also recommended immediate rezoning for the downtown and airport parcels, to accommodate pending development, as contrasted with rezoning of the entire district.

Performance Measures:

1. New private development in Kakaako (\$M).
2. New building floor space in Kakaako (1,000 s.f.).

3. Number of actively-used parcels within Kalaeloa.
4. New private development in Kalaeloa (\$M).

Objective 2:

Implement long-term planning initiatives to support development in a mixed-use community.

Action Plan:

To foster a well-balanced and successful living and working environment in Kakaako, HCDA works towards ensuring that its community planning efforts are responsive to the many interests involved. One of the agency's aims is to create an outstanding physical neighborhood that will be known for its environmental excellence and an active pedestrian-oriented public realm.

The State of Hawaii owns the majority of Kakaako waterfront lands. The HCDA's aim is to transform the waterfront lands into a contemporary urban village; a walkable and self-contained community that will accommodate the lifestyles of workers in the growing industries that represent Hawaii's economic future.

While private company is in the process of renovating existing residential development at Kalaeloa, HCDA is focused on the creation of a mixed-use community through the construction of commercial facilities, which will provide jobs for local residents, and public facilities, which will provide services and recreation for local residents and visitors.

Performance Measures:

1. Number of new housing units in Kakaako.
2. Number of new public facilities in Kakaako.
3. Number of actively-used parcels in Kalaeloa.
4. New private development in Kalaeloa (\$M).

**HAWAII STRATEGIC
DEVELOPMENT CORPORATION**

HAWAII STRATEGIC DEVELOPMENT CORPORATION

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

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

HAWAII TOURISM AUTHORITY

HAWAII TOURISM AUTHORITY (HTA)

Mission Statement

The HTA's tourism strategic plan, *Ke Kumu: Strategic Directions for Hawaii's Visitor Industry*, identifies eight broad initiatives that make up the framework under which HTA develops and implements its tactical programs and activities throughout the year. And though implementation of the plan may be creative and flexible from year-to-year, the HTA's mission remains constant:

"To strategically manage the growth of Hawaii's visitor industry in a manner consistent with our economic goal, cultural values, preservation of natural resources, and community interests."

Goals and Objectives

HTA's primary goal is to achieve managed growth of Hawaii's tourism industry by increasing visitor expenditures – a combination of spending per day, length of stay, and visitor arrivals. Visitor expenditures provide a benchmark for a strong and sustainable visitor industry that provides benefits to the State and its people. It is also useful for measuring the performance of HTA program areas like leisure and business marketing. In addition, HTA also develops planning targets for visitor days and arrivals as a means of monitoring industry performance.

Measurement

| Indicators | CY 2004 Targets | CY 2004 Actual (as of July 2004) |
|----------------------|-------------------------------|-------------------------------------|
| Visitor Expenditures | \$10.45 billion* | \$5.98 billion |
| Visitor Days | 65,132,913 visitor days* | 37,108,409 |
| Visitor Arrivals | 6,677,441 | 4,032,800 |
| TAT collections | % increase from previous year | +9% ** |

*Revised in August 2004 due to methodology revision for calculating 2003 visitor days.

**Information as of June 2004.

Besides the industry measures of performance, HTA also measures the performance of its programs that are based on the initiatives listed in *Ke Kumu*. Information on HTA's primary program areas in CY 2004 listed below.

Leisure Marketing.

Goal: Promote Hawaii as a preferred destination for leisure travelers by increasing promotional presence and brand identity to more globally competitive levels that optimize performance in each Major Market Area.

Measurement

- Visitor Expenditures (see above chart)
- Visitor Days (see above chart)

Business Marketing.

Goal: Promote Hawaii as a preferred destination for business tourism by increasing promotional presence and brand identity on a global basis.

Measurement

Corporate Meetings and Incentives

| Indicators | 2004 Goal | Y-T-D May |
|------------------------|-----------|-----------|
| Leads | 1,000 | 413 |
| Room nights (Leads) | 660,000 | 342,081 |
| Bookings | 270 | 104 |
| Room nights (Bookings) | 168,000 | 63,097 |

Hawaii Convention Center (HCC)

| Indicators | 2004 Goal | Y-T-D June |
|----------------|-----------|------------|
| Bookings | 34 | 35 |
| Delegate Count | 122,500 | 123,415 |
| Room Nights | 178,000 | 192,330 |

Tourism Product Enrichment and Diversification

Goal: Diversify and enrich Hawaii's tourism product by developing new and enhancing existing community-based tourism events, experiences and projects related to the niches of agriculture, culture, education, health & wellness, nature, and technology to complement Hawaii's traditional resort product and assist in overall economic diversification.

Measures of Performance

| Indicators | CY 2004 Targets | CY 2004 Actual (as of July 2004) |
|--|-----------------|----------------------------------|
| Minimum leverage of Major Festivals funds at 2:1 | 2:1 | 8:1 |
| 40 Product Enrichment Program activities at 1:1 match with HTA funds | 40 | 105 |

Currently, the HTA is working on a long range tourism plan –*Hawaii Tourism Strategic Plan: 2005-2015 (State TSP)*, which includes some of the same measures indicated above, but also incorporates new ones. This plan is expected to be finalized in October 2004, and implementation to occur in CY 2005. Once that plan is completed, the HTA will update its own agency plan with specific goals, actions, and performance measures, consistent with the framework of the *State TSP*. As such, it should be noted that this report provides information for CY 2004 only.

**HIGH TECHNOLOGY
DEVELOPMENT CORPORATION**

HIGH TECHNOLOGY DEVELOPMENT CORPORATION

2004 Goals and Objectives

- (1) Develop, manage, and enhance technology incubation and commercialization programs;
- (2) Facilitate federal opportunities including dual use technology development;
- (3) Market and promote Hawaii's technology assets; and
- (4) Provide support needed by Hawaii's technology industry.

Action Plan: Tasks Accomplished in 2004

- (1) Receipt of \$300,000 EDA federal grant to provide incubation services.
- (2) Execution of a partnership agreement with University of Hawaii at Hilo to provide incubation services at the Hawaii Innovation Center at Hilo.
- (3) Development of Professional Service Providers program to assist start-up technology companies.
- (4) Execution of an agreement with Kauai Economic Development Board to provide Virtual Incubation Program services at their Lihue office.
- (5) Implementation of workshops and other incubation services at the Maui Research and Technology Center.
- (6) DOD funding of \$2.5M appropriated for Hawaii Center for Advanced Transportation Technologies (HCATT) in FY 04 to continue development and evaluation of alternative fuel vehicle technologies at the National Demonstration Center at Hickam Air Force Base, with a concentration on fuel cell vehicles and hydrogen infrastructure.
- (7) Small Business Innovation Research (SBIR) conference offered to technology-based local small businesses.
- (8) China Technology Tour offered in conjunction with China-Hawaii Investment Program.
- (9) Receipt of \$437,066 Federal Grant/Cooperative Agreement for the Manufacturing Extension Partnership (MEP) program to provide business consulting services to small businesses.

Performance Measures

- (1) Number of technology companies incubated or assisted by HTDC programs.
- (2) Number of jobs created by incubator companies and assistance programs.
- (3) Biennially through HTDC survey, the status of the technology industry in Hawaii.

2005 Goals and Objectives

- (1) Enhance high tech incubation programs;
- (2) Facilitate federal and dual use opportunities;
- (3) Focus marketing and promotion narrowly;
- (4) Provide support to technology companies; and
- (5) Improve Hawaii's business climate for high tech.

Action Plan

- (1) Provide incubation and innovation program services for biotech research and development industry and develop wet lab space adjacent to the University's new John A. Burns School of Medicine (JABSOM) and proposed Cancer Research Institute.
- (2) Continue HTDC Virtual Incubation Program and federal funded Manufacturing Extension Program (MEP) in all counties.
- (3) Provide new research and development space at MRTC and continue collaboration with University of Hawaii to expand the Maui High Performance Supercomputing Center and the University Alliance Research Center program within HTDC Innovation Centers on Oahu and Maui.
- (4) Continue to promote SBIR and STTR programs within the university and its research institutes and support workshops and events to provide opportunities for local technology-based companies.
- (5) Continue to expand HTDC State Tech Web Portal (www.HiTechHawaii.com) developing national and international links, providing resources on Act 221, tech conferences, workshops and networking events, tech job opportunities, Hawaii Tech Companies Directory, and information on starting a new business in Hawaii.
- (6) Participate in efforts to support the development of infrastructure required for high tech companies to operate in Hawaii.
- (7) Participate in efforts that enhance Hawaii's education systems and workforce to enable high tech companies to attract and recruit top-notch workforce.
- (8) DOD funding of \$3.4M appropriated for Hawaii Center for Advanced Transportation Technologies (HCATT) in FY 05 to continue development and evaluation of alternative fuel vehicle technologies at the National Demonstration Center at Hickam Air Force Base, with a continuing focus on fuel cell vehicles and hydrogen infrastructure.

Performance Measures

- (1) Number of technology companies incubated or assisted by HTDC programs.
- (2) Number of jobs created by incubator companies and assistance programs.
- (3) Biennially through HTDC survey, the status of the technology industry in Hawaii.

LAND USE COMMISSION

STATE LAND USE COMMISSION

GOALS AND OBJECTIVES

The objectives of the Land Use Commission (LUC) are to: administer the State Land Use Law within the parameters specified in statute and administrative rule; ensure the due process rights of parties before the Commission are maintained; and maintain or enhance the efficiency of its processes. Operationally, the LUC will continue to process, review and act on district boundary amendment petitions and special permit applications in accordance with statutory timeframes. Staff also continues to accommodate a stream of requests for boundary interpretations, maps and information.

ACTION PLAN

Besides performance of its statutory responsibilities, the Commission will be undertaking a number of significant initiatives. These initiatives include:

- Continuing to work with the State Legislature, county planning departments, interest groups and landowners to define constitutionally mandated standards and criteria for protecting important agricultural lands (IAL) in the State of Hawaii;
- Engaging the county planning departments in enhancing and clarifying the definitions and permissible activities in the State Land Use Agricultural and Rural Districts;
- Updating and maintaining data warehouses (both narrative and GIS) within the county planning departments and the LUC with respect to storage and retrieval of land use data;
- Web enabling the LUC database; and
- Exploring the feasibility of partnerships with other state and county agencies to develop and integrate new coastal mapping resources.

PERFORMANCE MEASURES

Measures of effectiveness include: the submittal to the State Legislature of IAL or other land use reform legislation; the development of statewide data warehouse and mapping protocols by the LUC and the county planning departments; publication of the LUC database at the LUC website; and convening discussions amongst state and county agencies relative to the development and integration of new coastal mapping resources.

**NATURAL ENERGY LABORATORY
OF HAWAII AUTHORITY**

NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY (NELHA)

NELHA MISSION AND GOALS

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

NELHA OBJECTIVES

NELHA at Keahole Point serves as the only location in the world, where large quantities of warm surface and cold deep seawater are consistently pumped ashore for use in aquaculture, marine biotechnology, energy, and other related technologies. NELHA serves as the laboratory for research and development, as an incubator facility for developing innovative, new technologies and businesses, and as a base for commercial operations that utilize and/or are related to the use of the natural and logistical resources available including deep ocean water. While NELHA continues to be recognized as the world leader in research on Ocean Thermal Energy Conversion (OTEC) with OTEC receiving renewed interest as a viable and sustainable source of energy, NELHA is also aggressively moving into other areas of energy research and development.

In Fiscal Year 2004, thirty-two (32) projects in various stages of research, demonstration, or commercialization were active. These projects include commercial aquaculture and research in alternate energy, aquaculture, marine biotechnology, and agriculture, as well as, education and public outreach.

The total capital investment for infrastructure at NELHA currently exceeds \$130 million. Of this total, the State provided approximately \$60 million, the Federal Government provided approximately \$14 million, and the balance in excess of \$55 million has been invested by private sector sources.

There are approximately two hundred and fifty (250) employees at Keahole Point with twenty (20) being employees of NELHA (i.e., State of Hawaii). Three (03) more State employees work for the National Defense Center of Excellence for Research in the Ocean Sciences (CEROS), an affiliated program of NELHA. Tenants employ the balance. An estimated additional one hundred (100) private sector jobs have been created as a result of current construction activity at the site.

Current and proposed construction activities support NELHA's efforts to increase the number of new tenants locating at NELHA, increase the number of current NELHA tenant expanding activities, increase revenues, increase the amount of land in use at NELHA, diversify economic development opportunities, and to increase the amount of cumulative State, Federal and Private Sector capital improvement investment at NELHA facilities.

NELHA ACTION PLAN

NELHA continues to work closely with Legislature and others to ensure that NELHA's transition to self-sufficiency and related objectives are met successfully. NELHA conducted a Strategic Planning and Visioning Session for its Board and Senior Staff members in June 2003. From the efforts undertaken at this session, a comprehensive plan for growth, action, revenue enhancement and future self-sufficiency was developed for implementation. Subsequent growth and changing dynamics at NELHA including the departure of the NELHA Executive Director in September 2004 have led to current efforts being undertaken by the NELHA Board of Directors to revisit NELHA's mission, master planning, goals and objectives. In its review of overall operational and organization needs, NELHA is currently drafting a proposed reorganization.

In all planning and review, the NELHA Board and staff are cognizant of the role that NELHA has in the broader context and consideration is given to issues that impact the community including and not limited to, traffic, import and export infrastructure, support services, workforce availability, workforce development, and public acceptance. Considerable efforts are undertaken in public outreach for both receiving and disseminating information. An example of review in a broader context includes NELHA's success in securing \$500,000 through Congressional appropriation to design, plan, and engineer a connector road between NELHA and the Kona International Airport. NELHA is working with both federal and state agencies to implement this project as part of the State Transportation Improvement Projects (STIP) program.

In FY 2005, construction will commence on desalination and bottling facilities for Deep Sea International and Savers, Inc. The NELHA Board of Directors and Staff are also preparing a request for proposals (RFP) for an updated master plan to address issues including and not limited to, land use and resource management; infrastructure needs; and identification of opportunities for revenue enhancement and leveraging of resources with adjacent landholders.

Existing and emerging projects at NELHA include facilities for premium abalone production, specialty agar production, shrimp and finfish operations, desalination of deep seawater and bottling for boutique beverages, health supplements, and beauty products, and the federally funded NELHA Gateway facility for energy research, education, and outreach. Marketing opportunities to attract additional tenants abound in addition to the direct benefits (increased tenant numbers, revenues, capital improvement investments) derived from these projects.

Recent outreach efforts by NELHA staff include a presentation made by the NELHA Gateway Project Manager at the inaugural Energy Ocean 2004 conference held in Florida. Enthusiasm over the Gateway Energy Center has resulted in sponsors of the conference requesting support to host Energy Ocean 2005 on the Big Island of Hawaii with NELHA as a featured site. Over two hundred and fifty (250) participants from sixteen (16) nations attended Energy Ocean 2004, such

that the opportunity to host a similar conference on the Big Island supports the local economy and NELHA's efforts to support and develop technology/environment – based tourism.

Similar presentations have garnered invitations for the Gateway Manager to speak about NELHA at upcoming conferences hosted by the Secretary of the U.S. Department of Interior and the Environmental Protection Agency Pacific Islands Office. The latter conferences support NELHA's efforts to strengthen Hawaii's relationship with the respective federal agencies as well as, to showcase Hawaii's successes in public, private, and academic sectors which in turn, allows for the development of opportunities for Hawaii in economic development, energy technologies, and other arenas; and explore market opportunities with Asia and Pacific Island nations.

Outreach efforts are enhanced by the NELHA Gateway Ambassador program funded through a grant for rural development offers training for individuals interested in serving as ambassadors/docents and as a partner for ongoing outreach to students (K-12 and post secondary), residents, business and scientific communities, and international visitors. The Ambassadors have expanded NELHA's outreach efforts from its previous once a week public presentation format to twice-weekly presentations for which fees collected support the Friends Of NELHA Foundation. The Foundation is dedicated to supporting NELHA's ongoing education and outreach efforts and the Ambassadors hope to add more presentations and expanded programs to the schedule.

PROCESSES TO MEASURE/MONITOR NELHA'S PERFORMANCE

In recognition of NELHA's mission to assist in developing and diversifying Hawaii's economy, measures of effectiveness have been identified. These statistics include the change in number of tenants, the number of current tenants expanding, the amount of tenant gross sales, revenues to NELHA, amount of investment at NELHA, number of individuals served through outreach and interface activities, number of jobs created as well as, number and dollars related to CEROS projects funded and completed. Environmental considerations and effectiveness are also evaluated by water quality laboratory performance standards. The NELHA Cultural Advisory Council comprised of leaders in the local Hawaiian community support NELHA's efforts to honor the host culture.

NELHA continues to successfully assist in diversifying and strengthening Hawaii's economy. For example, in FY 2004, Koyo USA, Inc. began commercial deep seawater desalination and bottling at NELHA. In addition to land lease revenues, NELHA is poised to receive revenues through a royalty program that has been established for use by Koyo and other desalination/bottling companies, of the NELHA logo bearing "100% Hawaii Deep Seawater" slogan. Currently, five (5) more companies engaged in desalination and bottling of deep sea water are in various stages of planning, design, engineering, and/or construction of facilities at NELHA.

Since 1998, NELHA sought and received \$4 million in Congressional appropriations through the U.S. Department of Energy for design, planning, engineering, architecture, and Phase I construction for the "Hawaii Gateway Energy Center at NELHA". Construction on the center began in mid-December 2003 with completion scheduled in September 2004 and grand opening

slated for October 22, 2004. The facility offers NELHA and the State of Hawaii, the opportunity to generate revenues by serving as a proving ground for sustainable energy and participating in efforts to deploy new technologies into the marketplace. In addition to construction funds, NELHA has received \$1.5 million to support work in energy programs including and not limited to, the development and deployment of distributed energy systems.

As part of NELHA's State funded project to install new 55" pipelines to deliver deep cold and surface warm seawater to the HOST Park, the underwater deployment of the pipelines was completed in FY 2002. Construction of the on-land distribution systems began in FY 2003, and is scheduled for completion in FY2005.

Effectiveness of water quality laboratory performance continues to be maintained as was effectively demonstrated as NELHA staff met all Environmental Protection Agency (EPA) Performance Evaluation standards in FY 2004.

CEROS solicits and supports innovative technologies for national maritime military applications and sustained technology-based economic development in Hawaii. CEROS develops and demonstrates state-of-the-art ocean technologies to address Department of Defense requirements and build residual benefit for the State as demonstrated by contracts of \$65.7 million awarded between FY 1993 and 2004.

As part of future annual reporting as required under Act 100, SLH 1999, NELHA will continue to assess, update and report on its progress in achieving goals, objectives and action plan statements.

OFFICE OF PLANNING

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OVERALL GOAL

To guide the development of the State through comprehensive, long-range and strategic planning to meet the physical, economic, and social needs of Hawaii's people and provide for the use and conservation of Hawaii's resources.

OBJECTIVES

1. To administer a State land use program that reflects public policies and concerns and presents guidance and recommendations before the Land Use Commission (LUC) as bases for land use decisions affecting the development and growth of the State pursuant to Chapter 205, HRS.
2. To assure that the lands of the State are developed to those uses to which they are best suited for the public welfare while ensuring that important agricultural and natural resources are protected and the socio-economic needs of residents are met.
3. To conduct statewide planning activities to promote the orderly future growth and development of the State pursuant to Chapter 225M, HRS.
4. To administer a comprehensive system of public planning on a Statewide basis to enhance the overall effectiveness of the Hawaii State Planning Act, Chapter 226, HRS.
5. To carry out lead agency responsibilities for the Hawaii Coastal Zone Management program as specified in Chapter 205A, HRS.
6. To administer the Statewide Planning and Geographic Information System program under Chapter 225M, HRS.
7. To administer the Brownfield Cleanup Revolving Loan Fund and Brownfield site assessment program.

FY04 ACCOMPLISHMENTS

Land Use Planning/Regulation: The Office of Planning (OP) continues to represent the State's case before the LUC and meet all statutory deadlines to ensure that petitions are reviewed and decided upon in a timely manner. The LUC has upheld all of OP's positions on boundary amendment petitions. There has been a significant increase in petitions, special permits, and land use proposals submitted in FY04 reflecting the upturn in the economy, lower interest rates, and increased confidence in investment in real estate.

Important Agricultural Lands Policy: OP provided staff support and participated as a member of the Agriculture Working Group (AWG) and its four sub-committees which met at least monthly from February 2003 to December 2003. The AWG proposed legislation to identify important agricultural lands and provide incentives for agriculture

for consideration by the 2004 State Legislature. OP provided testimony during the session. However, the legislation did not pass.

Community and Economic Diversification Planning: OP received a \$100,000 economic adjustment/economic diversification grant from the federal Economic Development Administration (EDA) following 9/11. OP is preparing a comprehensive economic development strategy which is required for receipt of funds under certain EDA programs. A kickoff meeting was held in January 2004. The sub-grantees (the Neighbor Island Economic Development Boards and Enterprise Honolulu) have conducted focus group meetings and public meetings. The plan is scheduled to be completed November 2004.

Master Plan for Film and Digital Media Center: In partnership with DBEDT's Arts, Film and Entertainment Division, OP submitted a pre-application to EDA for a planning grant to master plan a film and digital media center. OP was invited to submit a formal application which was filed together with the Department of Accounting and General Services as co-applicant for a \$160,000 grant.

Brownfields Cleanup Revolving Loan Fund: Work plan developed and approved by EPA. Draft rules have been submitted for Attorney General review. OP has developed a memorandum of agreement (MOA) with DOH and County coalition members to formalize program roles and responsibilities. MOA is being circulated for approval by the members (County Council approval is pending).

Brownfields Site Assessment: OP was awarded \$400,000 from EPA for community-wide assessments of hazardous materials and petroleum sites.

Honolulu Power Plant Initiative: OP staffed a working group to identify sites to relocate the Honolulu Power Plant in order to redevelop the Honolulu Waterfront.

Special Projects: Participates in Oahu Metropolitan Planning Organization Technical Advisory and Oahu Regional Transportation Plan Task Force meetings, Humpback Whale National Marine Sanctuary Advisory committee, the Natural Area Reserves Commission, and provided staff support to DLNR/DOA Task Force to transfer DLNR agricultural leases to DOA.

Policy/Legislation: Prepared testimony on approximately 44 bills and resolutions pertaining to agricultural lands, incentives for agriculture, land use, shoreline certification and setbacks, coastal issues, and other topics.

Planning and Geographic Information System: Data acquisition and partnership projects include membership in the Pacific Islands IKONOS Data Purchase Consortium and purchase of Quickbird satellite and LIDAR imagery. The acquisition of the Quickbird satellite imagery provides a higher resolution for more detailed land analysis. The LIDAR acquisition will be used for a number of applications including the development of flood hazard and tsunami inundation zone maps. Co-sponsored the

annual Geographic Information Systems (GIS) Conference. Participated in GIS Day, an event for school children.

Coastal Hazard Initiative: Funding and staff support has resulted in the completion of the following work products--County of Kauai Multi-Hazard Mitigation Strategy, County of Kauai Risk and Vulnerability Assessment and Mitigation Workbook, State Lava Flow Hazard Mitigation Plan, County of Hawaii Natural Hazards Mitigation Plan, Earthquake Loss Estimation Data Products, Third Party Review Code Amendment Proposal, and outreach and educational materials. Participated in organizing and/or sponsoring Tsunami Response Workshops, Federal Hazard Mitigation Partners in the Pacific Islands, Second Tsunami Symposium, and Cities on Volcanoes 3 Conference.

Cumulative and Secondary Impacts: Conducted the Waianae Ecological Characterization and initiated preparation of the Waianae Ahupuaa Management Plan.

Ocean Resources Management: Began preparation and organization for the December 2004 Summit to Sea Conference as part of the update of the Ocean Resources Management Plan.

Nonpoint Source Pollution Control: Continued to work to meet NOAA and EPA conditions placed on Hawaii's nonpoint source pollution control plan to bring about full approval.

Coral Reef Initiative: Administered community-based grants under the Coral Reef Initiative.

Federal Consistency, Special Management Area (SMA) Permits and Shoreline Setback Variances (SSV): Conducted approximately 100 Federal Consistency reviews. Reviewed and approved SMA's and SSV's in Kakaako.

Outreach and Education: Developed coastal zone management related outreach and education materials; participated in informational fairs such as Kauai Family Ocean Fair and Earth Day Hawaii Community College; sponsored workshops and conferences such as Dive into Education and DOE Student Watershed Symposium; supported Ohia Productions Beneath the Ocean Blue Tour for school children; and participated in Get the Drift and Bag It.

Monitoring and Compliance: Monitored the actions of State, County and federal agencies that affect Hawaii's coastal zone. Initiated a study on SMA permit implementation.

Marine and Coastal Zone Management Advocacy Group (MACZAC): Provided staff support to MACZAC and its committees. In particular, the issue of shoreline certification was examined.

Grant Administration: Administer Coastal Zone Management grants, including grants to the Counties to administer SMA permits and SSV's.

2005 ACTION PLAN

1. Continue to present the State's position before the LUC on boundary amendments, special permits, declaratory rulings, and other matters in a timely manner. Anticipate that the office will review and present positions on ten action items before the Land Use Commission involving 1,581 acres.
2. Provide research and analysis on land use policy and land use related issues and develop legislation as necessary. Provide legislative testimony.
3. Complete the Comprehensive Economic Development Strategy and submit to the Governor and EDA.
4. Conduct master planning for the Film and Digital Media Center if grant application is approved.
5. Conduct public hearing on Brownfield Cleanup Revolving Loan Fund administrative rules and adopt rules.
6. Complete coalition cooperative agreements between DBEDT, DOH, City and County of Honolulu, and County of Maui for Clean-up Revolving Loan Fund.
7. Complete memorandum of agreement with DOH for site assessment services.
8. Create site assessment property inventory.
9. Conduct outreach and marketing of site assessment and clean-up programs.
10. Make site assessment grants and clean-up loans to promote redevelopment of Brownfield sites.
11. Measure effectiveness of Brownfields program.
12. Conduct workshops and training as necessary.
13. Complete report on alternatives for relocation of the Honolulu Power Plant (Honolulu Power Plant Initiative).
14. Conduct Hawaii Congress of Planning Officials and Hawaii Chapter of the American Planning Association 2004 International Planning Conference (September 2004).
15. Continue to add data layers to the Planning and Geographic Information System.
16. Continue efforts to establish inter-organizational partnerships to develop new databases.
17. Continue to maintain a GIS website to facilitate public access to information about the program.
18. Create GIS applications that are publicly available via the Internet.
19. Seek federal funds to support the development of spatial databases essential to homeland security.
20. Staff the Board on Geographic Names.
21. Implement State and County hazard mitigation plans through specific projects in cooperation with the Statewide Hazard Mitigation Forum.
22. Complete the Waianae Ecological Characterization and Waianae Ahupuaa Management Plan. Develop and implement an Ahupuaa/Watershed management model and program to address cumulative and secondary impacts.

23. Conduct the Hawaii Summit to Sea Conference, December 2004, and follow-up activities to update the Ocean Resources Management Plan.
24. Continue to work toward full approval of the nonpoint source pollution control plan.
25. Continue to participate in workshops, conferences, and informational fairs to promote greater awareness of coastal and ocean resources. Prepare educational materials.
26. Review federal activities, federal permits, and federal funding for consistency with the Coastal Zone Management Program.
27. Review and process Special Management Area permits for designated Community Development Districts.
28. Review and monitor activities to assure consistency with the CZM law. Complete study on SMA permit implementation.
29. Continue to administratively support the CZM citizens advisory body--MACZAC and its subcommittees.
30. Continue grants administration.

MONITORING AND PERFORMANCE MEASURES

OP monitors its performance through reports to the Legislature as part of the budget process. Performance measures include:

1. The number of planning reports developed or reviewed.
2. LUC decisions upholding OP positions as a percentage of total LUC decisions.
3. Number of acres involved in LUC decisions supporting OP position.
4. Number of State position statements prepared for land use boundary change petitions.
5. Number of land use boundary amendment petitions, special permits, declaratory rulings, and other LUC action items reviewed.
6. Number of Federal Consistency Reviews.
7. State permits reviewed by the Coastal Zone Management Program.

OP is required to submit periodic performance reports for federally funded programs and projects including the Coastal Zone Management Program, Comprehensive Economic Development Strategy, Brownfields Cleanup Revolving Loan Fund, and Brownfields Site Assessment grant.

NOAA conducts a program evaluation of the Hawaii Coastal Zone Management Program every three years.