



Department of Business,  
Economic Development & Tourism



# **ENTERPRISE ZONES PARTNERSHIP**

*Report to the Governor for Calendar Years 2003-2006*

*“Helping Communities by Helping Businesses”*

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**ENTERPRISE ZONES PARTNERSHIP  
REPORT TO THE GOVERNOR  
Calendar Years (CY) 2003-2006**

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## EXECUTIVE SUMMARY

Hawai'i's Enterprise Zones (EZ) Partnership Program was established by the Legislature to help stimulate certain types of business activity such as biotechnology, information technology, and agriculture, and employment in areas where they are most needed or most appropriate. Each county can select up to six areas or *zones* that satisfy statutory income or unemployment criteria for 20-year designation by the Governor. Since 1994, **21** zones have been created statewide.

Eligible businesses that satisfy EZ hiring requirements are exempt from the Hawai'i General Excise Tax (GET) and can claim two partial personal or corporate income tax credits for up to seven consecutive years. Licensed construction and construction trade contractors are also exempt from GET on work done and paid for by EZ-enrolled businesses. The counties *may* also offer a variety of additional incentives, including incremental property tax relief, priority permit processing, or fee waivers.

The EZ Program is a significant part of the State's efforts to stimulate certain types of business and job creation. About two-thirds of mainland states have or had EZ programs, some since the early 1980s. Several studies measuring the cost per job created have concluded that EZ programs are as good or better than other job creation incentives. Other studies that attempted a cost-benefit analysis concluded that such programs can be "revenue-positive" for state governments regardless of the number of jobs created.

The designation of new zones has been the primary cause of past growth in EZ business participation. Since every county is now at or near the maximum number of zones allowed, and almost all eligible areas are included, enrollment increases due to new

zones alone will be more limited in the future. Hawai'i's current labor shortage may also make it more difficult for participating firms to satisfy EZ hiring requirements.

As a result, the Lingle administration supported legislation the past three years intended to:

- make it easier for *farmers* to qualify for EZ benefits by increasing sales rather than employment; and
- make it easier for all EZ-eligible firms to satisfy EZ hiring requirements by allowing them to count leased employees applicable to their workforce, to satisfy EZ hiring requirements.

The EZ Partnership has the potential to help encourage diversified agriculture in Hawai'i. Presently, small farmers in particular have found it difficult to satisfy the EZ hiring requirements necessary to qualify for the GET exemption and the EZ income tax credits. If they could satisfy EZ requirements, farmers would be able to lower prices charged to retail stores making them more competitive against overseas products. EZ qualification would also help them receive the income tax credits that will reduce their expenditures and make their firms more profitable.

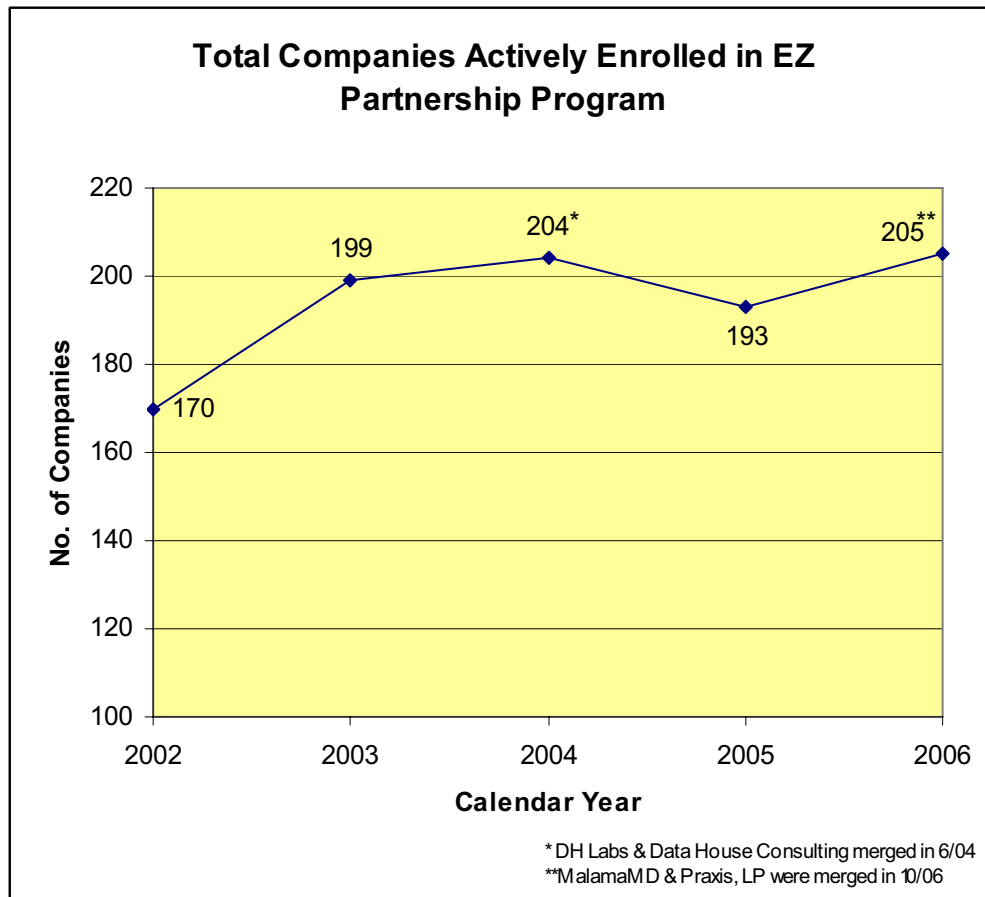
Other new initiatives to improve awareness of the EZ Partnership and its effectiveness have already been started. These include formal EZ training for representatives from each county, more county-level efforts to increase enrollment, a seminar for the Hawai'i Society of Certified Public Accountants and the Tax Committee of the Hawai'i State Bar Association, and presentations to commercial real estate brokers.

Efforts to inform existing and potential new EZ-eligible businesses are planned over the next year. These will include systematically identifying, contacting, and

working more closely with agricultural, manufacturing, wholesaling, and high tech trade and industry associations, private-sector and non-profit economic development and business support organizations, and other federal, state, and local programs providing financial and technical business assistance. Seminars for eligible businesses in zones with historically low EZ participation are also possible, and additional legislative improvements to the EZ Partnership may be considered next year as well.

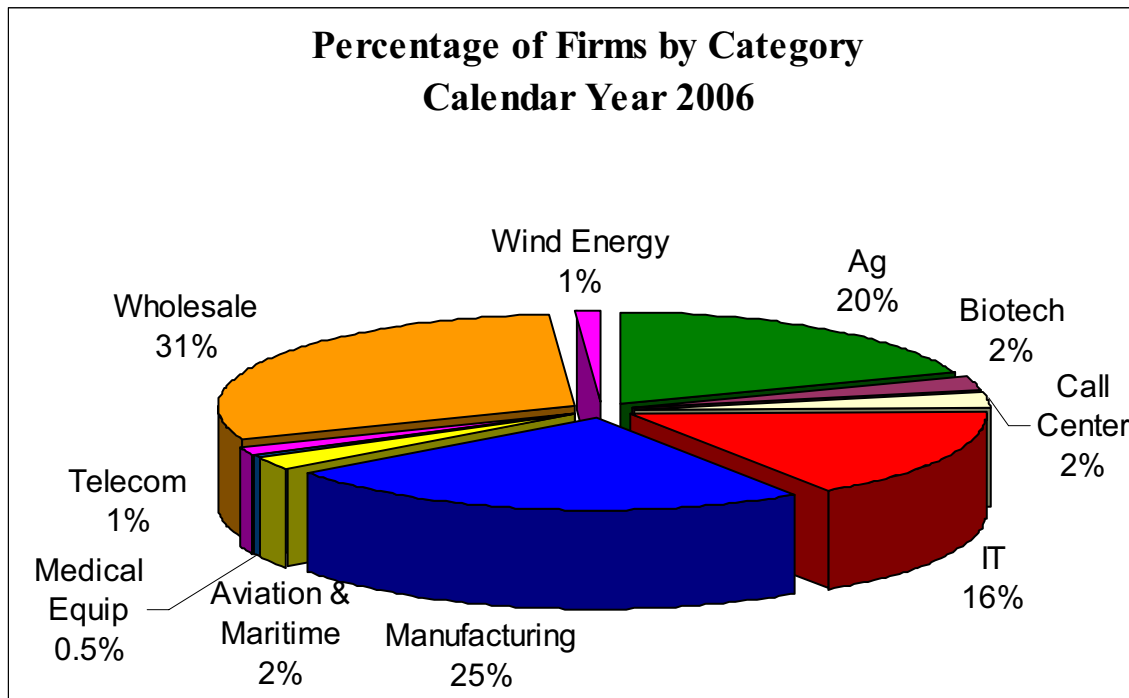
The number of firms enrolled in the EZ Program increased from 170 in 2002 to 205 by 2006 (see figure A). Six firms completed their seven years of eligibility in CY 2005 and were not included in the 2006 figures. The number of currently enrolled firms by island are: Big Island-58; O’ahu-132; Kaua’i-9; Moloka’i-1; Lana’i- 0; Maui-5.

Figure A



The majority of firms engage in manufacturing, wholesaling and agricultural production. Although companies may have listed more than one activity, (i.e. agricultural activities, manufacturing and wholesaling), preference to category classification was given to biotechnology, then to agricultural production, manufacturing, and lastly, wholesaling. Therefore, half of enrolled firms are engaged in manufacturing (24%) and wholesaling (30%). 20% of the enrolled firms are engaged in agriculture or aquaculture production activities, 16% are engaged in information technology design and production, 2% are engaged in biotechnology, 1% are in telecommunications switching and delivery, 2% are call centers, 1% are wind energy producers, 2% repair or maintain aviation or maritime equipment, and 0.5% repair or maintain assistive technology equipment used by disabled persons.

Figure B



Based on the end-of-year reports submitted by participating firms for tax year ending 2006, **61** firms were able to satisfy their EZ hiring requirements (**16** did not qualify). These firms reported a combined total of **830 new jobs in 2006** as compared to their starting base full-time employee count. This number represents the cumulative combined total of jobs created since program participation. Furthermore, jobs created in earlier years continue to be counted as “new” jobs each year as long as the firm that creates the job continues to submit an end-of-year annual report and satisfy its hiring and revenue requirements each year for the remainder of its seven consecutive years of eligibility.

The estimated average cost in State tax revenues in CY 2006 is **\$700 per job**. The estimates of tax relief per new job listed here and elsewhere in this report are based primarily on the amount of the General Excise Tax (GET) exemption for which qualifying firms were eligible. The GET exemption is by far the most substantial incentive for most firms, and the most easily measured. The estimates do not include income tax credits because this has been either non-existent or no income tax was owed or negligible for the qualifying firms. Estimates of the contractor exemption from GET are also not included for the same reason. This data is not easily measured, and few firms have used this incentive.

The cost-per-job estimates in this report also include the number of “retained” jobs as well as new jobs reported by qualifying firms. In past reports, only new jobs have been included in the annual cost per job calculation. This change makes the method used to estimate costs more consistent with the methods commonly used by other federal and state employment incentive programs.



The report covers four years (CY 2003, CY 2004, CY 2005, and CY 2006) because no annual reports were prepared for CY 2003-CY 2005 due to EZ administrative staff shortages.

## PURPOSE

The concept underlying the Hawai'i EZ Partnership Program is neither new or original. About two-thirds of the states and several hundred municipalities have created Enterprise Zone programs since 1980. The usual purpose of enterprise zones is to reduce poverty and spur economic development by coordinating incentives for investment and job creation to clean up blighted areas. They also attempt to promote local ownership and control (community-based economic development) by providing incentives for businesses or projects that are already accepted in a community by its own citizens. Often EZ's are coordinated with other social services programs. **In order to be most effective, the most successful EZ programs also include governmental financial and administrative resources such as grants, loans, and venture capital along with staff that can undertake zone marketing efforts and provide support services for zone firms.**

The *State of Hawai'i's Enterprise Zone Partnership Program* is a collaborative relationship or *partnership* between the State, the counties, and participating businesses that encourages—via tax and other incentives—certain types of business activity, job creation, and economic diversification in areas and industries where they are most needed. Each county can select up to six areas (zones) that satisfy unemployment or income criteria for 20-year designation by the Governor as Enterprise Zones. Eligible businesses that satisfy certain hiring requirements are exempt from Hawai'i's GET and may also claim two partial state income tax credits for up to seven consecutive years. Construction and construction-trade contractors are exempt from GET on work done at

the EZ site of- and paid for by- EZ-enrolled businesses. The **counties** also contribute one or more incentives that may include, but are not limited to:

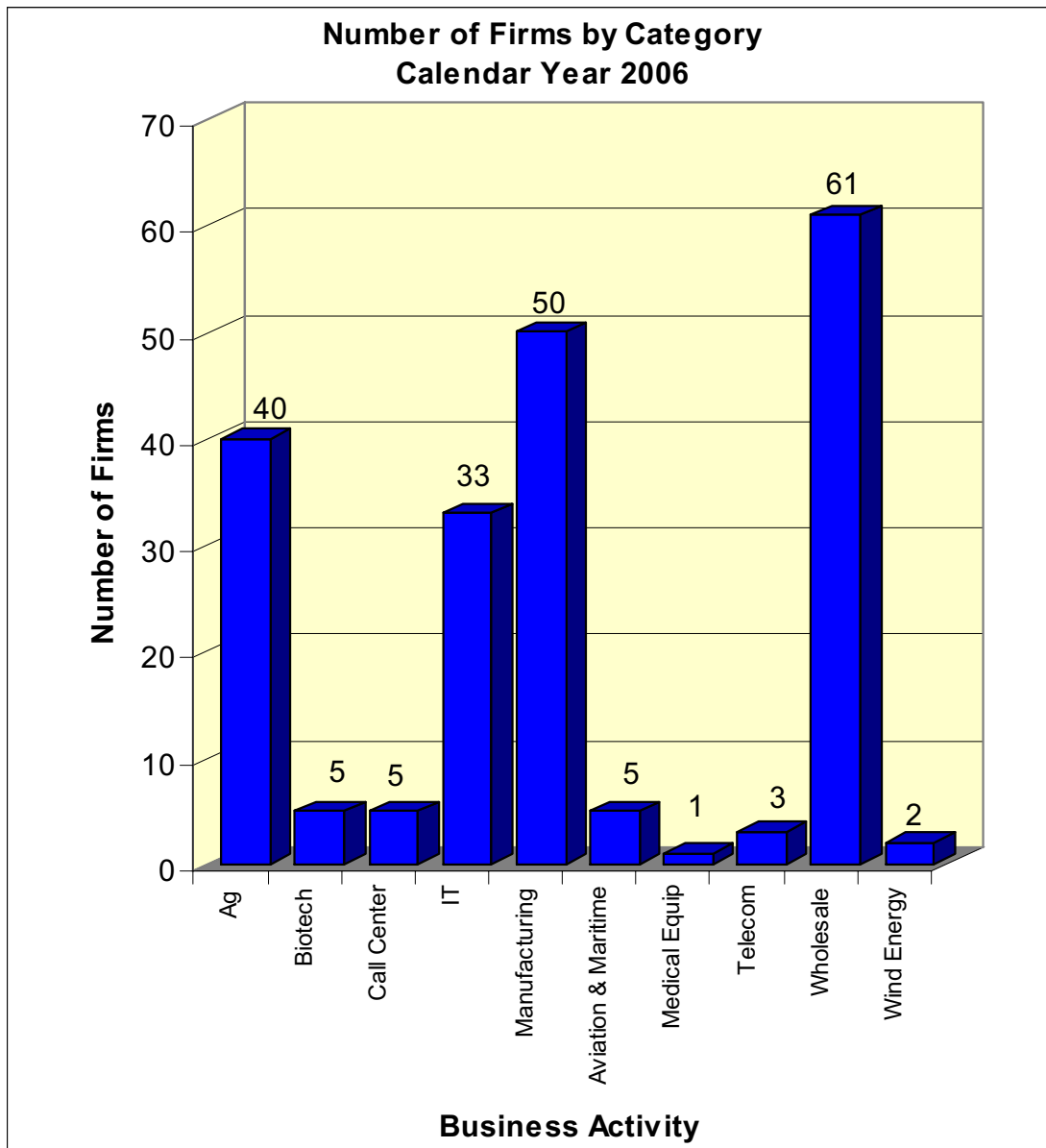
- Incremental property tax relief resulting from added value due to property improvements;
- Zoning, building fee, and permit waivers or variances;
- Priority zoning or building permit processing; and

**Eligible business activities** are related to those economic sectors actively supported by the State. They include:

- Manufacturing;
- Wholesaling;
- Agricultural production or processing;
- Aviation and maritime maintenance and repair;
- Telecommunications switching and delivery systems (not including consumer sales or services);
- Certain types of call centers (credit collection, disease management services, disaster management services, product fulfillment services, and technical support for computer hardware and software firms, but not telemarketing or sales);
- Information technology design and production (software development, imagery creation, and data compilation, but not consumer sales or services);
- Biotechnology research, development, production, or sales;
- Medical research, clinical trials, and telemedicine services;
- For-profit international business management training;
- For-profit environmental remediation technician training;

- Wind energy production; and
- Repair or maintenance of assistive technology equipment used by disabled persons.

Figure C



At present, zone designations primarily benefit existing wholesalers, diversified agricultural businesses, and light manufacturers such as food processors (especially those primarily or exclusively targeting local markets). See Appendix B for lists of enrolled businesses by island, zone, and type.

## **HISTORY OF HAWAII'S EZ PARTNERSHIP**

The program was created by Act 78 in 1986, and codified in Chapter 209E, Hawaii Revised Statutes. The enabling legislation was amended by Act 390 in 1989, to more specifically define and limit the types of businesses that would be eligible and the hiring requirements that eligible businesses must satisfy. Since most head-to-head business competition is in the small-scale retail sector, the Legislature removed almost all retail businesses from eligibility due to concerns that EZ designation could create unfair competitive advantages for retailers located in EZs.

The administrative rules for the program were completed and approved in 1990. Each county has also enacted enabling ordinances to create county incentives. But the counties did not immediately submit EZ nominations because the local economy was still strong and their unemployment rates were quite low, which reduced the need for a program intended to create jobs.

Two amendments in 1993 made it clear that agricultural producers are eligible to participate (Act 17) and to make Kaua'i County census tract #405, which includes Lihue and vicinity, eligible for designation as an enterprise zone (Act 341). Tract #405 was the only Kaua'i census tract not eligible based on 1990 census data. Additional housekeeping amendments were made in Act 91 of 1995 to allow the EZ low-income employee earning thresholds to be updated annually, instead of every ten years, and to vary according to family size.

The first three zones were designated in 1994 on the Big Island in the North Kona, Hilo-Puna, and Hamakua districts. In 1995 and 1996, the North Kona and Hilo-Puna zones were expanded and two more zones were designated on the Big Island in the

Ka'u and South Kona districts. The first zone on Kaua'i (in the Lihue area), and the first three zones on O'ahu were also created. The latter included the Haleiwa/Waialua area, Mililani Technology Park and parts of Wahiawa, and parts of Waipahu, Pearl City, and Waipio. Act 286 was passed in 1996 to enhance the EZ program's effectiveness as an economic diversification tool. This legislation made the following activities EZ-eligible:

- medical research, clinical trials, and telemedicine;
- information technology design and production;
- telecommunications switching and delivery; and
- for-profit training programs for international business managers and environmental remediation technicians.

Previously, EZ-eligible business activities were limited to manufacturing, wholesaling, and farming, as well as maintenance or repair of aircraft or waterborne vessels. These changes were intended to help increase the quality of jobs created in EZs as well as enhance the State's other economic diversification efforts.

Act 286 also eliminated completely the low-income hiring requirements, and the overall hiring requirements were slightly increased. The telecommunication, information technology, medical, and training categories were also added to the definition of eligible businesses, while eligibility in the cleaning, repair, and maintenance category was limited to aviation and maritime activities. These changes were intended to increase the quality of jobs created by enterprise zone businesses.

In 1997, Act 262 further clarified the definitions of the new eligible business categories added in 1996, and also added new incentives. These included exemption from use tax on supplies and equipment purchased out of state by EZ enrolled firms, and

the contractor GET exemption on work done at the EZ site of—and paid for by EZ enrolled firms. Act 262 also expanded the North Shore zone on O’ahu to include all agricultural lands in the Waialua district until June 30, 2002.

Also in 1997, Moloka’i became a zone, along with four new Kaua’i zones which—in combination with the Lihue zone—include all land on Kaua’i with commercial or agricultural land use zoning. The North Shore zone on O’ahu was also expanded to include most of the area between Mokule’ia and Pupukea.

In 1999, the Hamakua and Pearl City-Waipahu zones were expanded, the latter to include most of the ‘Ewa plain and Campbell Industrial Park (except for the refineries).

In 2000, Lana’i, East Maui, and North Kohala on the Big Island zones were added. Acts 118 and 160 EZ expanded business eligibility to include the following:

- biotechnology research, development, production and sales;
- repair and maintenance of assistive technology equipment used by disabled persons;
- wind energy production; and
- certain types of call centers (bill collection, product fulfillment, disaster management, and technical support for computer hardware and software companies, but not direct telemarketing or sales).

Another incentive through Act 290, provided that EZ-eligible firms could qualify for commercial bank loans with a specified state subsidy. (Note: This loan subsidy program has since been discontinued.)

In 2001, the North Shore zone on O’ahu was further expanded to include the Ko’olauloa district, and new zones were added in urban Honolulu from the airport area



through lower Kalihi, Iwilei, and downtown into the Ala Moana area and on the leeward coast of O’ahu. Five of the six Big Island zones were also expanded.

In 2002, the definition of EZ-eligible call centers was amended by Act 122 to include disease management services. The Use Tax exemption was eliminated by Act 146 because this discouraged EZ firms from purchasing supplies and equipment from local vendors. Finally, Act 146 also provided a one-time easement of the EZ hiring requirements for firms enrolled in the EZ Program prior to the terrorist attacks of September 11, 2001.

In September of 2004, the Urban Honolulu zone was expanded to include all of Kaka’ako.

Finally, in 2006 Greater Maui and East Maui zones were added to increase Maui County’s zones to five. See figure D for a summary of EZ start and end dates.

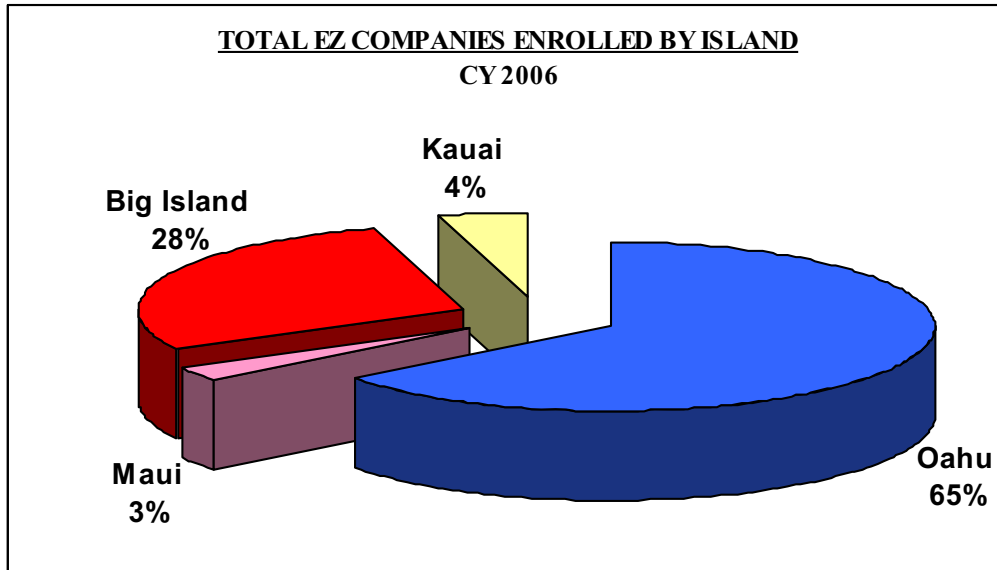
Figure D  
Start Dates and End Dates by County

Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Hawaii County</b>	Hamakua, Hilo-Puna, North Kona	Ka'u	Southern Kona				North Kohala						
<b>Oahu County</b>			Mililani, Waipahu/Pearl City, Waialua/Haleiwa, North Shore					Urban Honolulu					
<b>Kauai County</b>			Lihue	North Shore, Kapa'a, Southern, Western									
<b>Maui/Molokai/Lanai</b>				Moloka'i			Lana'i, East Maui						Greater, West Maui
<b>Year of Expiration</b>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026

To date, funds for promotion and administration of the program have come from within the existing departmental budget generally provided for administrative overhead. The costs of developing the administrative rules, procedures, forms, informational and promotional materials, and of responding to inquiries from and preparatory consultation with the counties, the business community, the State Department of Taxation (DoTAX), the State Department of Labor and Industrial Relations (DLIR), and the Legislature have come from the budget of the Department of Business, Economic Development, and Tourism (DBEDT) Strategic Marketing and Support Division (BED 100).

## PRESENT STATUS

Figure E



### **City and County of Honolulu (Island of O'ahu)**

- In October of 1996, the following areas were designated as O'ahu's first enterprise zones:
  1. Mililani Technology Park and parts of Wahiawa;
  2. The O'ahu Sugar mill site and other parts of Waipahu and Pearl City; and
  3. The Waialua Sugar mill site and other parts of Waialua and Haleiwa.
- In 1997, Act 262 temporarily expanded the North Shore zone to include all agricultural lands in the Waialua district until June 30, 2002.
- In November of 1997, further expansion of the North Shore zone boundaries was approved to include areas in Pupukea and Mokule'ia which were not included in Act 262. The expanded boundaries requested by the county will remain in effect for the remainder of the original zone's 20-year lifespan.

- In March of 1999, expansion of the Waipahu-Pearl City zone was approved to include most of Campbell Industrial Park (except the oil refineries), Barbers Point Harbor and Naval Air Station, Kapolei, and parts of Kunia and 'Ewa.
- In January of 2001, the North Shore EZ was expanded from Pupukea to Ka'a'awa. The designation of new zones in urban Honolulu (from Honolulu International Airport to Ala Moana) and on the leeward coast followed in April.
- In November of 2002, Mililani Tech Park/Wahiawa zone was expanded.
- In September 2004, the Urban Honolulu zone was expanded to include Kaka'ako.
- County incentives include a two-year rebate on increases in real property taxes resulting from new construction by EZ-eligible firms, and a waiver of all building and grading permit fees for new construction by EZ-eligible firms at their EZ sites.
- **132** O'ahu businesses were enrolled in the program as of 12/31/2006, an increase of 5 since 2005.
- **49** enrolled O'ahu firms satisfied EZ hiring requirements in CY 2006. This resulted in an increase of **785 new jobs** which cost an average of **\$744** in State tax revenues per job.
- Of significance, Del Monte ended operations in 2006 which represents a loss of 693 full-time jobs based on the 2005 end of year report. This greatly impacts the overall employment counts for O'ahu's agricultural/aquacultural businesses.
- Refer to appendix B pages 39-42 for charts on O'ahu firms for CY 2003, 2004, 2005, and 2006.

### Hawai'i County (Island of Hawai'i)

- In October of 1994, the state's first three EZs were designated in Hamakua, Hilo-Puna, and Kona.
- In May of 1995, a fourth Big Island zone was designated in Ka'u, and the Hilo-Puna and Kona zones were expanded.
- In March of 1996, further expansion of the Hilo-Puna zone and designation of a fifth zone in southern Kona were approved.
- In January of 1999, expansion of the Hamakua zone was approved.
- In April of 2000, North Kohala as designated as the Big Island's sixth zone.
- In December of 2001, all Big Island zones except Ka'u were expanded.
- Hawai'i County offers a 3-year exemption from the incremental property tax increases resulting from new construction by eligible businesses in EZs.
- **58** Hawai'i County businesses were enrolled in the program as of 12/31/2006, an increase of five since the end of 2005.
- 9 enrolled Big Island firms satisfied EZ hiring requirements in CY 2006. There was an increase of **40 new jobs** which cost an average of **\$79** in State tax revenues per job.
- Refer to appendix B pages 47-50 for charts on Big Island firms for CY 2003, 2004, 2005, and 2006.

### **Kaua'i County (Islands of Kaua'i and Ni'ihau)**

- In April of 1996, Lihue and vicinity was designated as Kaua'i's first enterprise zone.
- In February of 1997, two more zones were designated in the North Shore and Kapa'a areas.
- In April of 1997, two more zones were designated in southern and western Kaua'i.
- All land on the island zoned for industrial, commercial or agricultural activity is now included in enterprise zones.
- Kaua'i County offers fast-track permit processing to eligible businesses.
- **9** Kaua'i businesses were enrolled in the program as of 12/31/2006, a decrease of three since the end of 2005.
- One enrolled Kaua'i firm satisfied EZ hiring requirements in CY 2006. There was an increase of **5 new jobs** which cost an average of **\$68** in State tax revenues per job.
- Refer to appendix B pages 35-38 for charts on Kaua'i firms for CY 2003, 2004, 2005, and 2006.

### **Maui County (Islands of Maui, Moloka'i, Lana'i and Kaho'olawe)**

- In January of 1997, Moloka'i was designated as Maui County's first enterprise zone.
- In April of 2000, Lana'i and East Maui were designated as enterprise zones.
- The County waives business permit fees for EZ-eligible businesses.
- The County will also give priority consideration to EZs and EZ-eligible businesses when allocating federal grant monies, processing business permits, and granting zoning waivers.
- In May of 2006 West Maui and Greater Maui were added as new enterprise zones. Immediately after the addition of the EZ's, five new applications were received.
- **6** Maui County businesses are enrolled in the program as of 12/31/2006 (1 on Moloka'i and 5 on Maui).
- No enrolled firms submitted an end-of-year report for CY 2006.
- Refer to appendix B pages 43-46 for charts on Maui firms for CY 2003, 2004, 2005, and 2006.

## **FUTURE ACTIVITY**

While a maximum of six zones may be designated in each county, the maximum number need not be nominated all at once. Zones can be designated at any time until the maximum allowable number per county is reached. Existing zones can also be expanded into adjacent eligible areas. Hawai'i County is in the process of expanding two of their EZs. As zones are designated, DBEDT works in partnership with the counties to market and promote participation in each zone.

Potentially eligible businesses already in each zone have usually been identified and notified- via direct mail or other means- and intermittent efforts have been made to attract new businesses mostly via some form of print or broadcast advertising. Business applications are distributed and processed throughout the year as they are submitted. Compliance with zone location, hiring, and gross receipts requirements must be verified for each business annually before qualification for tax and other benefits is approved. Data are collected throughout the year as participating firms submit their end-of-year status reports for inclusion in an annual report to the Governor.

Future promotional efforts will target appropriate audiences and focus on the most cost-effective activities that can be sustained over time. Although reminder letters and end-of-year forms were mailed and emailed to all participating firms in January 2007, the percentage of firms that submitted 2006 end-of-year reports is below 50%.



Furthermore, based on responses from several firms that had not been submitting annual reports it is apparent that more assistance is needed. This assistance will include re-education on benefits, “how-to-file” refreshers, and one-on-one assistance with firms’ accountants or bookkeepers. Many of the smaller businesses that qualify for EZ benefits are not taking advantage of all the benefits they are entitled to.

## SUMMARY OF REQUIREMENTS AND BENEFITS

### Zone Eligibility Criteria

A nominated area must consist of all or part of one or more contiguous census tracts that meet at least one of the following criteria based on the latest U.S. Census data:

1. Twenty-five percent or more of the population of the area have incomes below 80 percent of the median family income of the county; or
2. An unemployment rate 1.5 times the state average rate based on the most recent census.

1.5 times the state average unemployment rate in the 2000 census equals 9.5%, compared to 5.25% in 1990. Based on 1990 census data, about 87 percent of Neighbor Island census tracts—as well as about 65 percent of O’ahu tracts—were eligible. Despite the increase in the unemployment criterion in 2000, the number of tracts eligible for inclusion in zones is virtually identical to 1990. This is because most eligible tracts satisfy the low-income criterion, while a few satisfy both. One tract in 2000 satisfied the unemployment criterion only. All or part of any census tract already included in a designated zone prior to the availability of the 2000 census data also will remain part of that zone even if the tract would not be eligible for inclusion based on 2000 census data. However, some ineligible tracts in 1990 are now eligible based on the 2000 census. (See Appendix C for maps of existing zones and other census tracts eligible for inclusion in zones.)

## **Business Eligibility Criteria**

In order to be eligible to participate in the program, a business located in an enterprise zone must earn at least half of its annual gross revenue in a zone from one or more of the following:

- Agricultural production or processing;
- Manufacturing;
- Wholesaling or distribution;
- Aviation or maritime repair or maintenance;
- Telecommunications switching and delivery systems (but not consumer sales or services);
- Certain types of call centers (bill collection services, disaster management services, disease management services, product fulfillment services, or technical support for computer hardware or software manufacturers, but not telemarketing or sales);
- Information technology design and production (software development, imagery creation, and data compilation, but not consumer sales or services);
- Medical research, clinical trials, and telemedicine service;
- Biotechnology research, development, production, or sales;
- Repair or maintenance of assistive technology equipment used by disabled persons;
- For-profit international business management training;
- Environmental remediation technician training; and
- Wind energy production.

Almost all other businesses are *not* eligible, including most retailers, all other professional services, and firms that build, maintain or repair real estate, such as custodial, carpentry, painting, electrical, and plumbing firms. The eligibility of some types of businesses and transactions may not always be clear-cut. If so, consultation with DBEDT may be needed to determine eligibility.

Eligible businesses (or, in the case of firms with more than one location, their zone establishment) must also derive at least 50 percent of their annual gross receipts from eligible transactions conducted within a zone. For sales of goods, this means transfer of title must take place within the zone. Eligible businesses must then satisfy one of the following hiring requirements in order to qualify for most EZ tax and other benefits. All businesses must begin EZ operations with at least one full-time employee.

1. **"New" businesses** (those which start in, or relocate to, an area after it has been designated as an enterprise zone) must increase their average annual number of full-time employees by at least 10 percent the first year. During Years 2–7, the average annual number of full-time employees can fluctuate, but the annual average must remain at or above the required Year One average. However, if the annual average during any given year is lower than the first year, a firm can still re-qualify in any of the subsequent years remaining in its seven-year cycle.
2. **"Existing" businesses** (those in an area before it has been designated as an enterprise zone) must increase their annual average number of full-time employees by at least 10 percent the first year. In Years 2–7, existing businesses need to continue to increase their average annual number of full-time employees

by at least 10 percent each year based on the number of employees at the beginning of their base year.

**The end-of-year reporting requirement ensures accountability. The requirement to increase full-time employee counts (based on the initial count of full-time employees reported on the application) and revenues from eligible activities ensures that the program is meeting economic development goals of hiring more full-time employees, and encouraging specific business activities in targeted geographical areas.** Firms which satisfy the hiring and gross receipts requirements will qualify for the following state and county incentives:

**State Incentives**

- Exemption from General Excise Tax for up to seven years.
- Non-refundable income tax credit equal to 80 percent of tax liability the first year, decreasing 10 percent each year thereafter over the next six years to 20% of tax liability the last year (see figure F), and
- Non-refundable income tax credit equal to 80 percent of the unemployment insurance premiums paid during the first year, decreasing 10 percent each year over the next six years to 20% of premiums paid the last year (see figure F).

Figure F

<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>State Income Tax Credit</b>	80%	70%	60%	50%	40%	30%	20%
<b>Unemp. Insurance Equivalent Tax Credit</b>	80%	70%	60%	50%	40%	30%	20%

(Note: EZ income tax credits in excess of 100 percent of an eligible firm's annual income tax liability cannot be refunded or carried forward or backward to other tax years. The GET and income tax incentives apply only to gross revenues from EZ-eligible business categories within an EZ.) Income tax liability is apportioned if some income is from ineligible activity or from activity outside of the EZ.

Construction and construction trade contractors are also *exempt from GET* on work paid for by EZ-enrolled firms. This means an EZ-eligible firm must apply to participate in the EZ program and be officially approved to do so. An EZ-enrolled firm benefits from this by negotiating with contractors to share all or part of the contractor's tax savings. (Note: EZ-eligible firms can choose to enroll before beginning operations if necessary for their contractors to claim this exemption before the EZ firm opens for business at its EZ location. But firms must report the number of full-time employees when the firm's EZ establishment becomes operational.)

### **County Incentives**

These vary by county and may include, but are not limited to:

- Incremental property tax abatement based on new construction;
- "Fast track" or priority permit processing;
- Zoning or building permit waivers or variances; or fee waivers; and
- Priority consideration for federal programs controlled by the counties such as Community Development Block Grants (CDBG), Workforce Incentive Act (WIA), and others.

### **Zone Nomination, Designation, Amendment, and Termination Process**

County zone nominations must include the following information:

1. A description of the proposed zone boundaries.

2. Maps identifying the following:
  - the proposed zone boundaries relative to the boundaries of the census tracts that will be fully or partially included in the zone;
  - land use classifications within the proposed zone;
  - publicly-held lands within the proposed zone including ceded lands; and
  - the county general plan and/or development plan classifications for areas within the proposed zone.
  
3. A description of the incentives to be offered by the county to eligible businesses within each zone. Each county may propose incentives which can be made available:
  - in one, some, or all of the county's zones;
  - to certain types of eligible businesses only; and
  - for certain time periods only.

Prior to designation by the Governor, the size and location of nominated areas will be reviewed by DBEDT for appropriateness, as will the business incentives proposed by the counties. Each zone will exist for 20 years unless earlier termination is requested by the county. Businesses in a terminated zone that have already begun their seven-year cycle of eligibility will continue to be eligible to qualify for the State EZ incentives in the remaining years of their cycle, but no new businesses will be allowed to begin participation after a zone is terminated. Counties can request an amendment of zone boundaries from the Governor at any time, and can also change their own zone incentives at any time without the Governor's approval.

### **Limiting Assumptions**

1. Although company's reports are based on their tax year, and budgeting is according to the State's fiscal year, for simplicity in data collection and reporting, information is presented based on a calendar year.
2. Some companies listed several business activities for example, agricultural production, wholesaling, and retailing. A judgment was made in selecting the primary business activity. Biotechnology was given highest preference, then agricultural production, then manufacturing, and lastly wholesaling. This decision is based on the complexity and capital requirements of the activity- the greater the capital requirements and complexity the higher the priority.
3. In order to determine the change in jobs, a sum of jobs reported at the time of application for those companies that submitted a 2006 annual report was compared against the reported number of full-time employees in 2006. Because many companies did not submit an annual report, (only 61 companies out of 205) this was the most efficient way of determining the increase in full-time positions.
4. The cost-per-job was based on companies that met the requirements for certification in 2006. Firms that did not qualify for certification, received no tax benefits, and had no impact on the State's revenues. Thus, these firms were not included in calculating the cost-per-job.
5. This report was prepared as of April 19, 2007. Thus, any end-of-year reports received after this date were not included in the content or statistics for CY 2006 Annual Report.
6. The EZ Partnership Program is a 7-year program. Companies continually enter and graduate throughout the 20-year zone designation. As a result, the annual report reflects only those firms that are currently enrolled in the EZ program. It does not include those firms and statistics that have already graduated from the program or firms that have been approved but have chosen to start their 7 years in the following calendar year.



## **APPENDICES**

- A. State and County Coordinators
- B. Firms Enrolled by County, Zone, and Type
- C. Maps of Enterprise Zones
- D. List of Firms in the Enterprise Zone Partnership

# **APPENDIX A**

## **STATE AND COUNTY COORDINATORS**

HAWAII STATE AND COUNTY ENTERPRISE ZONES COORDINATORS  
**CONTACT INFORMATION**

State of  
Hawai'i Michelle Muraoka  
Enterprise Zone Coordinator  
Department of Business, Economic Development and Tourism (DBEDT)  
State of Hawai'i  
P.O. Box 2359  
Honolulu, HI 96804  
Phone: (808) 586-2593 Fax: (808) 586-2589  
E-mail: [mmuraoka@dbedt.hawaii.gov](mailto:mmuraoka@dbedt.hawaii.gov)

Hawai'i  
County Jane Horike  
Department of Research and Development  
County of Hawai'i  
Pua'inako Town Center  
2100 Kanoelehua Avenue, Bay C-5  
Hilo, HI 96720  
Phone: (808) 981-8335 Fax: (808) 981-2096  
E-mail: [jhorike@co.hawaii.hi.us](mailto:jhorike@co.hawaii.hi.us)

Kaua'i  
County Beth Tokioka, Director  
Office of Economic Development  
County of Kaua'i  
4444 Rice Street, Suite 200  
Lihue, HI 96766  
Phone: (808) 241-6390 Fax: (808) 241-6399  
E-mail: [btokioka@kauai.gov](mailto:btokioka@kauai.gov)

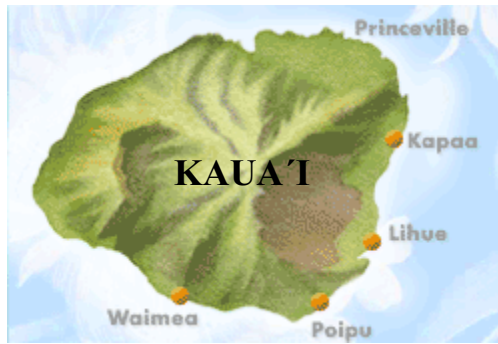
Maui County Deidre Tegarden, Economic Development Coordinator  
County of Maui  
2200 Main Street, Suite 305  
Wailuku-Maui, HI 96793  
Phone: (808) 270-7710 Fax: (808) 270-7995  
E-mail: [deidre.tegarden@mauicounty.gov](mailto:deidre.tegarden@mauicounty.gov)

Honolulu  
County Paul Kobata  
CBED Section: Office of Special Projects  
Dept. of Community Services, City and County of Honolulu  
715 S. King Street, Suite 311  
Honolulu, HI 96813  
Phone: (808) 592-2293 Fax: (808) 592-2292  
E-mail: [pkobata@honolulu.gov](mailto:pkobata@honolulu.gov)

# **APPENDIX B**

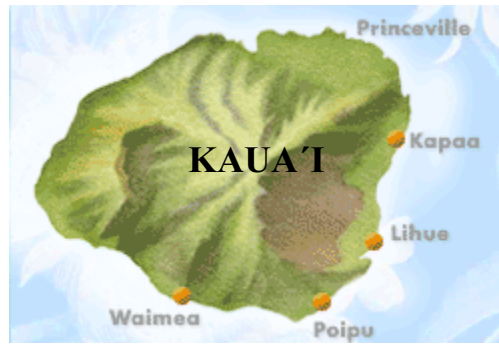
## **FIRMS ENROLLED BY COUNTY, ZONE, AND TYPE**

**FOR CALENDAR YEARS 2003, 2004, 2005, 2006**



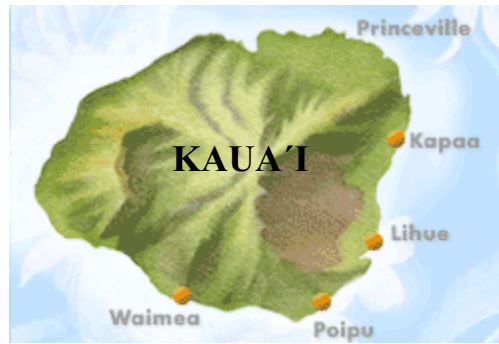
**KAUAI COUNTY- AS OF 12/31/2003**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Lihue and vicinity</b>	<b>ZONE 2: Kapa'a and vicinity</b>	<b>ZONE 3: North Shore</b>	<b>ZONE 4: South central Kaua'i</b>	<b>ZONE 5: West Kaua'i</b>	<b>Subtotal by Activity</b>
Manufacturing	1	0	2	0	1	4
Wholesaling	7	3	0	1	0	11
Agricultural/Aquacultural production or processing	2	0	1	1	0	4
Aviation or maritime repair	0	0	0	0	0	0
Telecommunications switching or delivery (including certain types of call centers)	0	0	0	0	0	0
Information technology design and production	0	3	1	1	0	5
Medical research, clinical trials, and telemedicine	0	0	0	0	0	0
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	0	0	0
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>10</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>1</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>24</b>



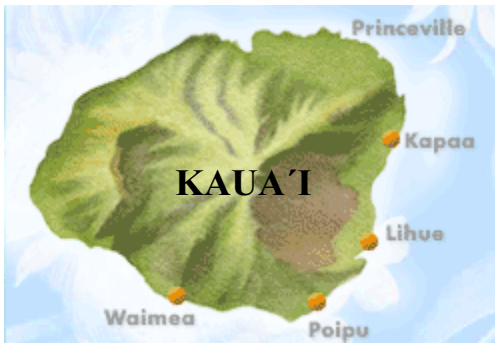
**KAUAI COUNTY- AS OF 12/31/2004**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Lihue and vicinity</b>	<b>ZONE 2: Kapa'a and vicinity</b>	<b>ZONE 3: North Shore</b>	<b>ZONE 4: South central Kaua'i</b>	<b>ZONE 5: West Kaua'i</b>	<b>Subtotal by Activity</b>
Manufacturing	1	0	1	0	1	3
Wholesaling	4	3	0	1	0	8
Agricultural/Aquacultural production or processing	2	0	1	1	0	4
Aviation or maritime repair	0	0	0	0	0	0
Telecommunications switching or delivery (including certain types of call centers)	0	0	0	0	0	0
Information technology design and production	0	3	1	1	0	5
Medical research, clinical trials, and telemedicine	0	0	0	0	0	0
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	0	0	0
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>7</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>1</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>20</b>



**KAUAI COUNTY- AS OF 12/31/2005**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Lihue and vicinity</b>	<b>ZONE 2: Kapa'a and vicinity</b>	<b>ZONE 3: North Shore</b>	<b>ZONE 4: South central Kauai</b>	<b>ZONE 5: West Kauai</b>	<b>Subtotal by Activity</b>
Manufacturing	1	0	0	0	1	2
Wholesaling	2	2	0	0	0	4
Agricultural/Aquacultural production or processing	1	0	0	1	0	2
Aviation or maritime repair	0	0	0	0	0	0
Telecommunications switching or delivery (including certain types of call centers)	0	0	0	0	0	0
Information technology design and production	0	3	1	0	0	4
Medical research, clinical trials, and telemedicine	0	0	0	0	0	0
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	0	0	0
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>12</b>



**KAUAI COUNTY- AS OF 12/31/2006**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Lihue and vicinity</b>	<b>ZONE 2: Kapa'a and vicinity</b>	<b>ZONE 3: North Shore</b>	<b>ZONE 4: South central Kauai</b>	<b>ZONE 5: West Kauai</b>	<b>Subtotal by Activity</b>
Manufacturing	1	0	0	0	0	1
Wholesaling	2	1	0	0	0	3
Agricultural/Aquacultural production or processing	1	1	0	0	0	2
Aviation or maritime repair	0	0	0	0	0	0
Telecommunications switching or delivery (including certain types of call centers)	0	0	0	0	0	0
Information technology design and production	0	2	1	0	0	3
Medical research, clinical trials, and telemedicine	0	0	0	0	0	0
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	0	0	0
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>9</b>





**HONOLULU COUNTY- AS OF 12/31/2003**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Parts of Waipio, Waipahu, Ewa, Kunia, and Campbell Industrial Park, and all of Kapolei</b>	<b>ZONE 2: Mililani Tech Park and parts of Wahiawa</b>	<b>ZONE 3: North Shore/ Ko'olauloa (from Mokule'ia to Ka'a'awa)</b>	<b>ZONE 4: Urban Honolulu</b>	<b>ZONE 5: Leeward Coast</b>	<b>Subtotal by Activity</b>
Manufacturing	14	0	5	14	0	33
Wholesaling	5	0	0	29	0	34
Agricultural/Aquacultural production or processing	4	1	10	1	0	16
Aviation or maritime repair	1	0	1	2	0	4
Telecommunications switching or delivery (including certain types of call centers)	1	0	0	5	0	6
Information technology design and production	3	0	1	20	0	24
Medical research, clinical trials, and telemedicine	0	0	1	0	0	1
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	1	0	1
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>28</b>	<b>1</b>	<b>18</b>	<b>72</b>	<b>0</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>119</b>



**HONOLULU COUNTY- AS OF 12/31/2004**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Parts of Waipio, Waipahu, 'Ewa, Kunia, and Campbell Industrial Park, and all of Kapolei</b>	<b>ZONE 2: Mililani Tech Park and parts of Wahiawa</b>	<b>ZONE 3: North Shore/ Ko'olauloa (from Mokule'ia to Ka'a'awa)</b>	<b>ZONE 4: Urban Honolulu</b>	<b>ZONE 5: Leeward Coast</b>	<b>Subtotal by Activity</b>
Manufacturing	14	0	5	17	0	36
Wholesaling	6	0	0	28	0	34
Agricultural/Aquacultural production or processing	4	1	11	1	0	17
Aviation or maritime repair	2	0	1	2	0	5
Telecommunications switching or delivery (including certain types of call centers)	1	0	0	5	0	6
Information technology design and production	3	0	1	23	0	27
Medical research, clinical trials, and telemedicine	0	0	1	1	0	2
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	1	0	1
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>30</b>	<b>1</b>	<b>19</b>	<b>78</b>	<b>0</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>128</b>



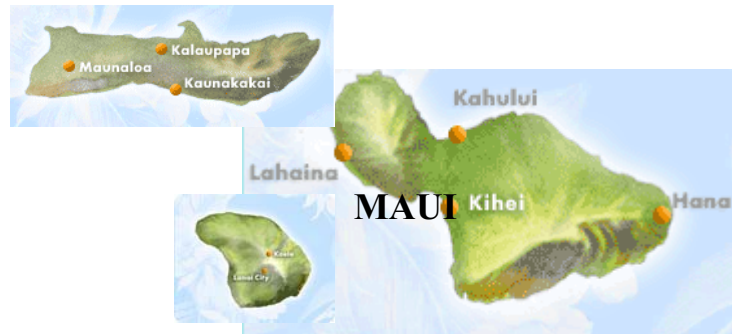
**HONOLULU COUNTY- AS OF 12/31/2005**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Parts of Waipio, Waipahu, 'Ewa, Kunia, and Campbell Industrial Park, and all of Kapolei</b>	<b>ZONE 2: Mililani Tech Park and parts of Wahiawa</b>	<b>ZONE 3: North Shore/ Ko'olauloa (from Mokule'ia to Ka'a'awa)</b>	<b>ZONE 4: Urban Honolulu</b>	<b>ZONE 5: Leeward Coast</b>	<b>Subtotal by Activity</b>
Manufacturing	17	0	2	18	0	37
Wholesaling	8	0	0	28	0	36
Agricultural/Aquacultural production or processing	4	0	9	0	0	13
Aviation or maritime repair	2	0	0	2	0	4
Telecommunications switching or delivery (including certain types of call centers)	1	0	0	5	0	6
Information technology design and production	4	1	1	23	0	29
Medical research, clinical trials, and telemedicine	0	0	0	1	0	1
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	1	0	1
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>36</b>	<b>1</b>	<b>12</b>	<b>78</b>	<b>0</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>127</b>



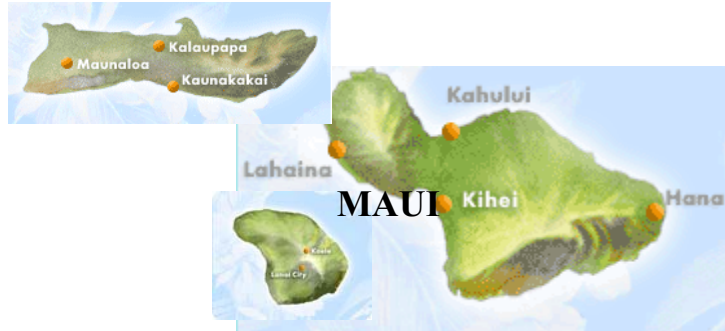
**HONOLULU COUNTY- AS OF 12/31/2006**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Parts of Waipio, Waipahu, 'Ewa, Kunia, and Campbell Industrial Park, and all of Kapolei</b>	<b>ZONE 2: Mililani Tech Park and parts of Wahiawa</b>	<b>ZONE 3: North Shore/ Ko'olauloa (from Mokule'ia to Ka'a'awa)</b>	<b>ZONE 4: Urban Honolulu</b>	<b>ZONE 5: Leeward Coast</b>	<b>Subtotal by Activity</b>
Manufacturing	17	0	2	19	0	38
Wholesaling	11	0	0	29	0	40
Agricultural/Aquacultural production or processing	4	0	7	1	0	12
Aviation or maritime repair	2	0	0	3	0	5
Telecommunications switching or delivery (including certain types of call centers)	2	0	0	5	0	7
Information technology design and production	4	1	1	22	0	28
Medical research, clinical trials, and telemedicine	0	0	0	1	0	1
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	1	0	1
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>40</b>	<b>1</b>	<b>10</b>	<b>81</b>	<b>0</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>132</b>



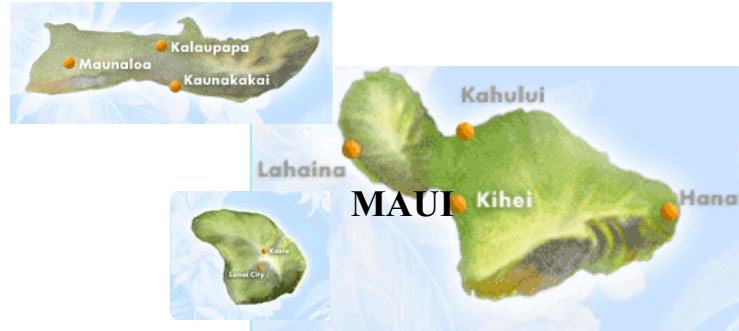
**MAUI COUNTY- AS OF 12/31/2003**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Moloka'i</b>	<b>ZONE 2: Lana'i</b>	<b>ZONE 3: East Maui</b>	<b>ZONE 4: Greater Maui</b>	<b>ZONE 5: West Maui</b>	<b>Subtotal by Activity</b>
Manufacturing	1	0	0	N/A	N/A	0
Wholesaling	0	0	0	N/A	N/A	1
Agricultural/Aquacultural production or processing	5	0	0	N/A	N/A	5
Aviation or maritime repair	0	0	0	N/A	N/A	0
Telecommunications switching or delivery (including certain types of call centers)	0	0	0	N/A	N/A	0
Information technology design and production	0	0	0	N/A	N/A	0
Medical research, clinical trials, and telemedicine	0	0	0	N/A	N/A	0
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	N/A	N/A	0
For-profit training programs for international business management or environmental technician training	0	0	0	N/A	N/A	0
<b>SUBTOTAL BY ZONE</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>N/A</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>6</b>



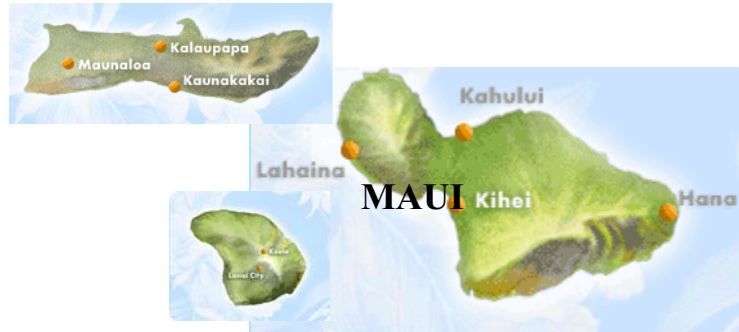
**MAUI COUNTY- AS OF 12/31/2004**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Moloka'i</b>	<b>ZONE 2: Lana'i</b>	<b>ZONE 3: East Maui</b>	<b>ZONE 4: Greater Maui</b>	<b>ZONE 5: West Maui</b>	<b>Subtotal by Activity</b>
Manufacturing	1	0	0	N/A	N/A	0
Wholesaling	0	0	0	N/A	N/A	1
Agricultural/Aquacultural production or processing	5	0	0	N/A	N/A	5
Aviation or maritime repair	0	0	0	N/A	N/A	0
Telecommunications switching or delivery (including certain types of call centers)	0	0	0	N/A	N/A	0
Information technology design and production	0	0	0	N/A	N/A	0
Medical research, clinical trials, and telemedicine	0	0	0	N/A	N/A	0
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	N/A	N/A	0
For-profit training programs for international business management or environmental technician training	0	0	0	N/A	N/A	0
<b>SUBTOTAL BY ZONE</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>N/A</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>6</b>



**MAUI COUNTY- AS OF 12/31/2005**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Moloka'i</b>	<b>ZONE 2: Lana'i</b>	<b>ZONE 3: East Maui</b>	<b>ZONE 4: Greater Maui</b>	<b>ZONE 5: West Maui</b>	<b>Subtotal by Activity</b>
Manufacturing	0	0	0	N/A	N/A	0
Wholesaling	0	0	0	N/A	N/A	0
Agricultural/Aquacultural production or processing	1	0	0	N/A	N/A	1
Aviation or maritime repair	0	0	0	N/A	N/A	0
Telecommunications switching or delivery (including certain types of call centers)	0	0	0	N/A	N/A	0
Information technology design and production	0	0	0	N/A	N/A	0
Medical research, clinical trials, and telemedicine	0	0	0	N/A	N/A	0
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	N/A	N/A	0
For-profit training programs for international business management or environmental technician training	0	0	0	N/A	N/A	0
<b>SUBTOTAL BY ZONE</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>N/A</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>1</b>



**MAUI COUNTY- AS OF 12/31/2006**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Moloka'i</b>	<b>ZONE 2: Lana'i</b>	<b>ZONE 3: East Maui</b>	<b>ZONE 4: Greater Maui</b>	<b>ZONE 5: West Maui</b>	<b>Subtotal by Activity</b>
Manufacturing	0	0	0	3	0	3
Wholesaling	0	0	0	0	0	0
Agricultural/Aquacultural production or processing	1	0	0	2	0	3
Aviation or maritime repair	0	0	0	0	0	0
Telecommunications switching or delivery (including certain types of call centers)	0	0	0	0	0	0
Information technology design and production	0	0	0	0	0	0
Medical research, clinical trials, and telemedicine	0	0	0	0	0	0
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	0	0	0
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	
<b>TOTAL ENROLLED FIRMS</b>						<b>6</b>





**HAWAII COUNTY- AS OF 12/31/2003**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Hilo-Puna</b>	<b>ZONE 2: Hamakua</b>	<b>ZONE 3: North Kona</b>	<b>ZONE 4: South Kona</b>	<b>ZONE 5: Ka'u</b>	<b>ZONE 6: North Kohala</b>	<b>Subtotal by Activity</b>
Manufacturing	6	2	4	1	1	1	15
Wholesaling	3	0	4	1	0	0	8
Agricultural/Aquacultural production or processing	6	5	4	3	1	2	21
Aviation, maritime, or automotive repair	0	1	0	0	0	0	1
Telecommunications switching or delivery (including certain types of call centers)	1	0	0	0	0	0	1
Information technology design and production	1	0	0	0	0	0	1
Medical research, clinical trials, and telemedicine	0	1	2	0	0	0	3
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	0	0	0	0
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0	0
Wind energy production	0	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>17</b>	<b>9</b>	<b>14</b>	<b>5</b>	<b>2</b>	<b>3</b>	
<b>TOTAL ENROLLED FIRMS</b>							<b>50</b>



**HAWAII COUNTY- AS OF 12/31/2004**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Hilo-Puna</b>	<b>ZONE 2: Hamakua</b>	<b>ZONE 3: North Kona</b>	<b>ZONE 4: South Kona</b>	<b>ZONE 5: Ka'u</b>	<b>ZONE 6: North Kohala</b>	<b>Subtotal by Activity</b>
Manufacturing	7	2	6	1	1	1	18
Wholesaling	3	0	4	1	0	0	8
Agricultural/Aquacultural production or processing	8	4	3	2	0	2	19
Aviation or maritime repair	0	0	0	0	0	0	0
Telecommunications switching or delivery (including certain types of call centers)	1	0	0	0	0	0	1
Information technology design and production	1	0	0	0	0	0	1
Medical research, clinical trials, and telemedicine	0	1	2	0	0	0	3
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	0	0	0	0
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0	0
Wind energy production	0	0	0	0	0	0	0
<b>SUBTOTAL BY ZONE</b>	<b>20</b>	<b>7</b>	<b>15</b>	<b>4</b>	<b>1</b>	<b>3</b>	
<b>TOTAL ENROLLED FIRMS</b>							<b>50</b>



**HAWAII COUNTY- AS OF 12/31/2005**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Hilo- Puna</b>	<b>ZONE 2: Hamakua</b>	<b>ZONE 3: North Kona</b>	<b>ZONE 4: South Kona</b>	<b>ZONE 5: Ka'u</b>	<b>ZONE 6: North Kohala</b>	<b>Subtotal by Activity</b>
Manufacturing	6	2	6	1	0	1	16
Wholesaling	2	0	4	1	0	0	7
Agricultural/Aquacultural production or processing	9	5	4	3	0	1	22
Aviation or maritime repair	0	0	0	0	0	0	0
Telecommunications switching or delivery (including certain types of call centers)	1	0	0	0	0	0	1
Information technology design and production	2	0	0	0	0	0	2
Medical research, clinical trials, and telemedicine	0	1	3	0	0	0	4
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	0	0	0	0
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0	0
Wind energy production	0	0	0	0	0	1	1
<b>SUBTOTAL BY ZONE</b>	<b>20</b>	<b>8</b>	<b>17</b>	<b>5</b>	<b>0</b>	<b>3</b>	
<b>TOTAL ENROLLED FIRMS</b>							<b>53</b>

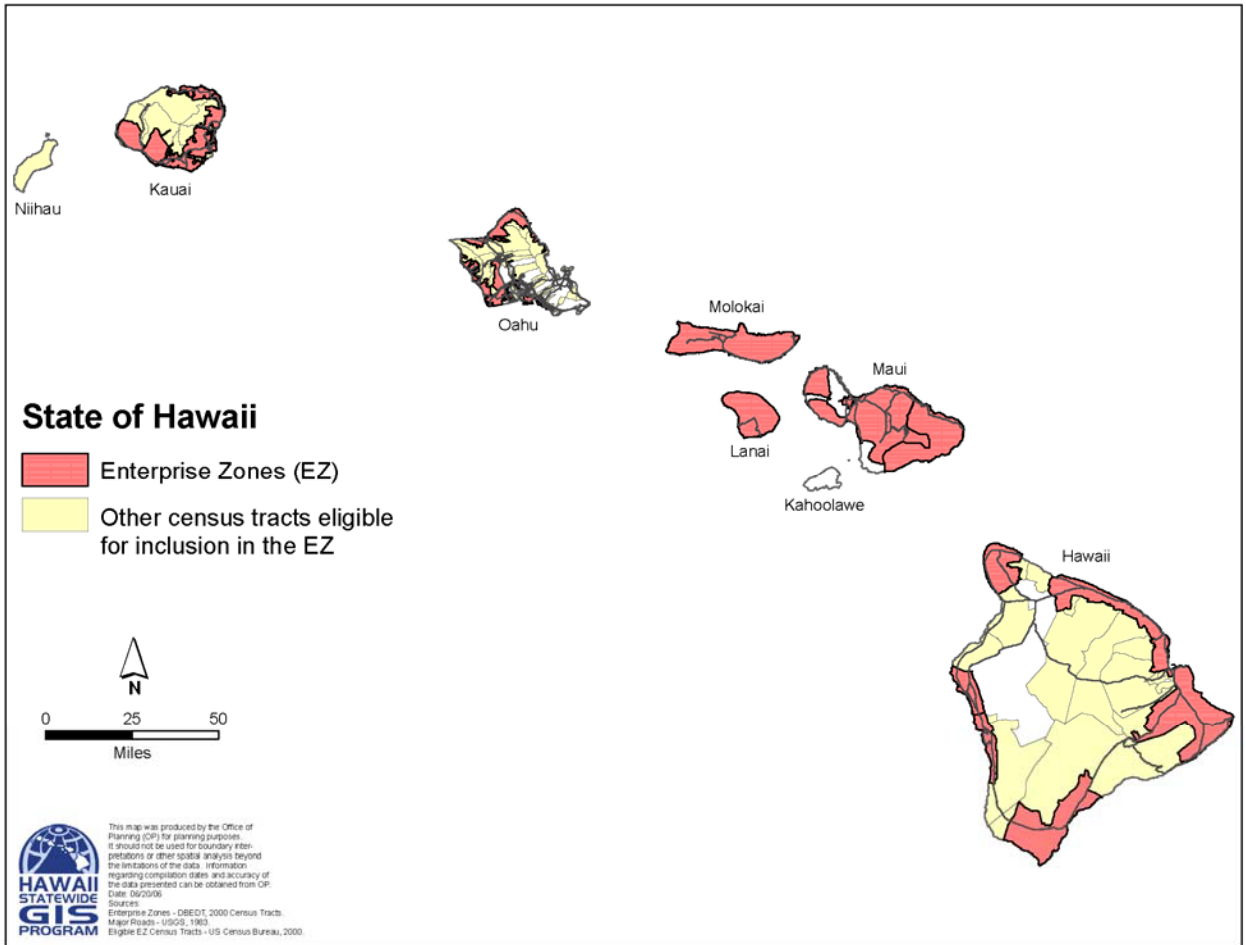


**HAWAII COUNTY- AS OF 12/31/2006**

<b>BUSINESSES ENROLLED IN ENTERPRISE ZONES PROGRAM BY TYPE AND ZONE</b>	<b>ZONE 1: Hilo- Puna</b>	<b>ZONE 2: Hamakua</b>	<b>ZONE 3: North Kona</b>	<b>ZONE 4: South Kona</b>	<b>ZONE 5: Ka 'u</b>	<b>ZONE 6: North Kohala</b>	<b>Subtotal by Activity</b>
Manufacturing	6	3	6	1	0	1	17
Wholesaling	2	0	4	1	0	0	7
Agricultural/Aquacultural production or processing	10	5	6	3	0	1	25
Aviation or maritime repair	0	0	0	0	0	0	0
Telecommunications switching or delivery (including certain types of call centers)	1	0	0	0	0	0	1
Information technology design and production	2	0	0	0	0	0	2
Medical research, clinical trials, and telemedicine	0	1	3	0	0	0	4
Repair and maintenance of assistive technology equipment used by disabled persons	0	0	0	0	0	0	0
For-profit training programs for international business management or environmental technician training	0	0	0	0	0	0	0
Wind energy production	0	0	0	0	1	1	2
<b>SUBTOTAL BY ZONE</b>	<b>21</b>	<b>9</b>	<b>19</b>	<b>5</b>	<b>1</b>	<b>3</b>	
<b>TOTAL ENROLLED FIRMS</b>							<b>58</b>

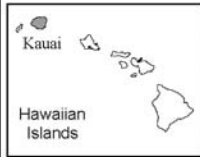
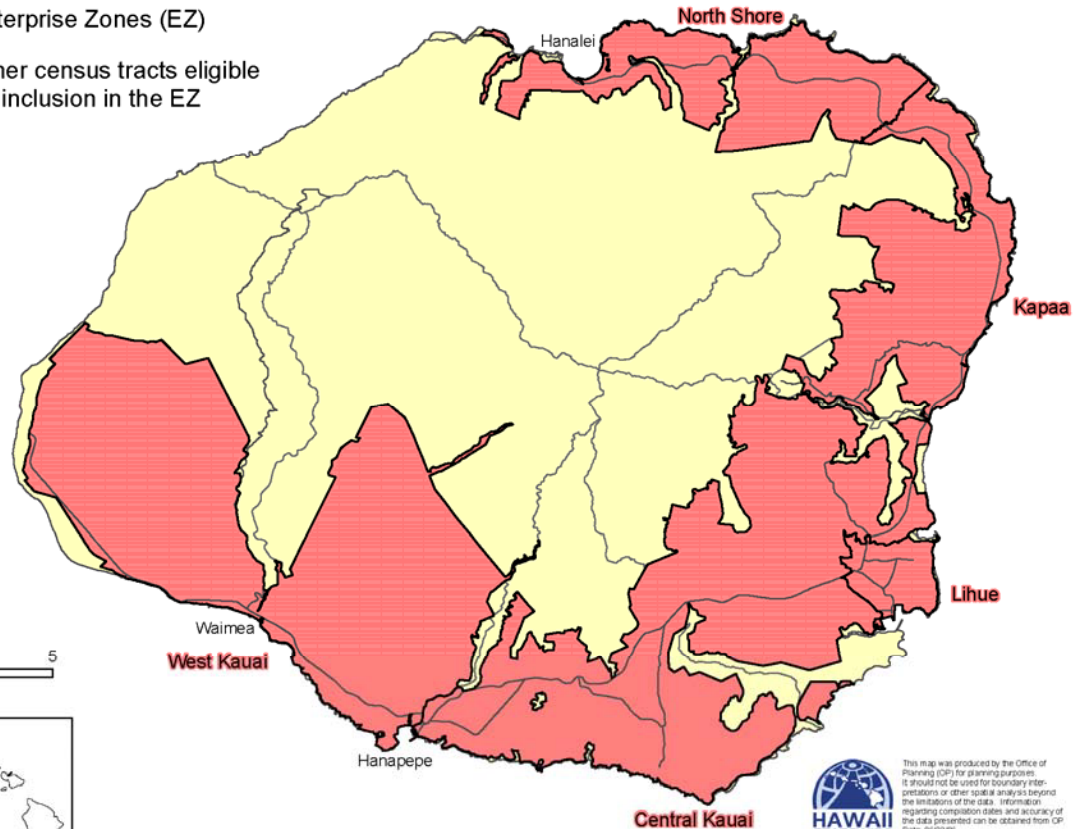
# **APPENDIX C**

## **MAPS OF ENTERPRISE ZONES**



# Kauai Enterprise Zones

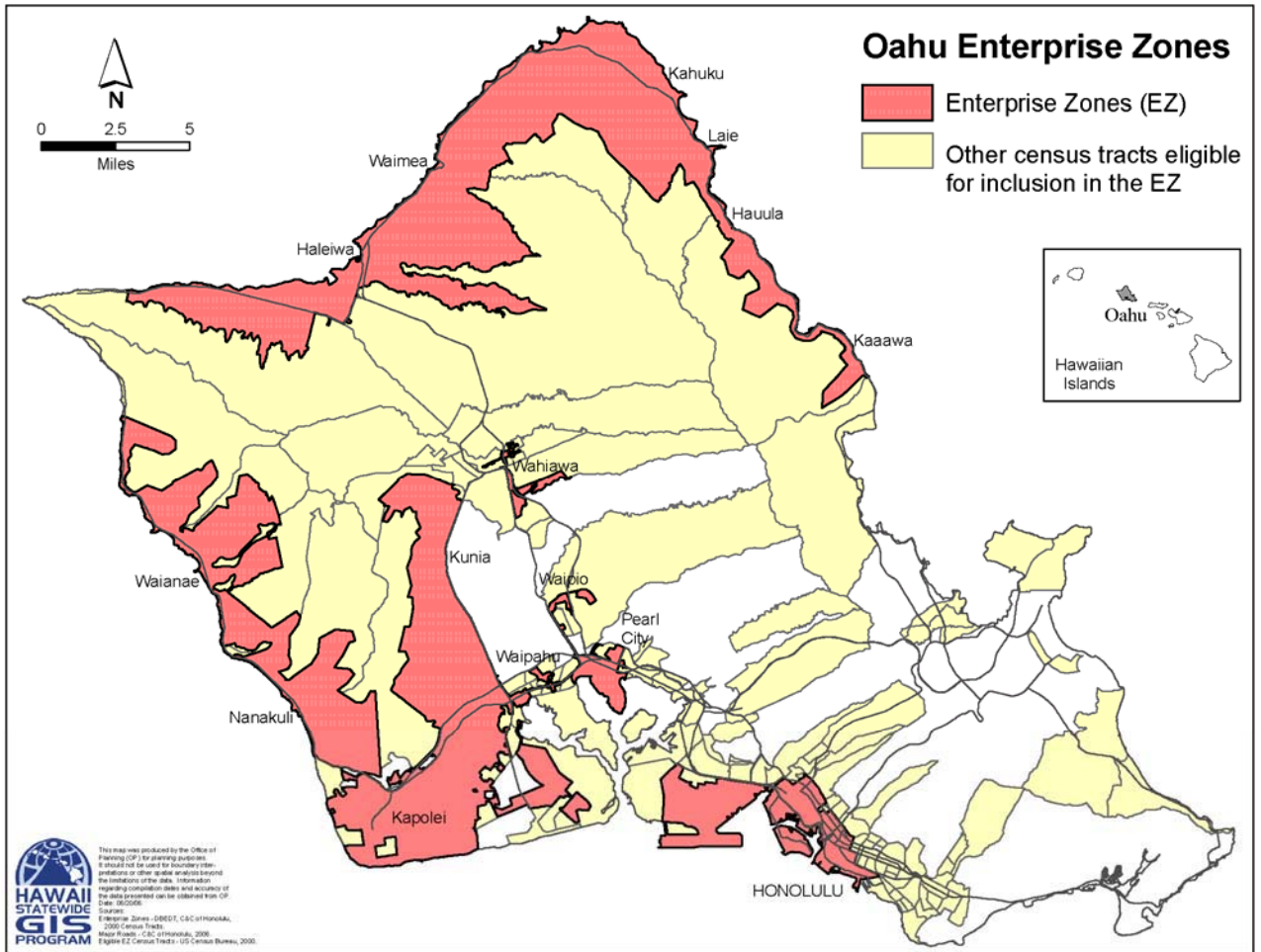
- Enterprise Zones (EZ)
- Other census tracts eligible for inclusion in the EZ



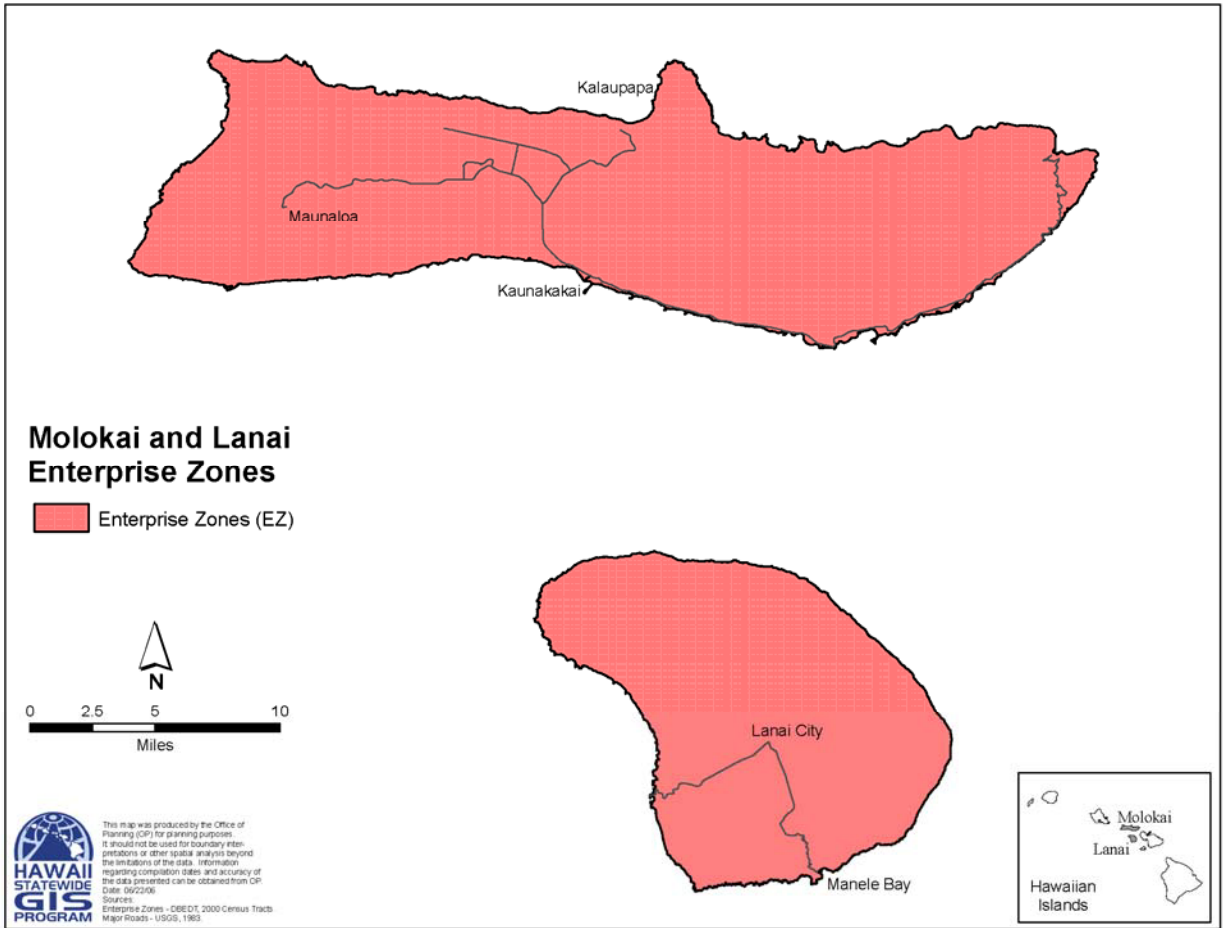
This map was produced by the Office of Planning (OP) for planning purposes. It should not be used for boundary interpretations or other spatial analysis beyond the limitations of the data. Information regarding completion dates and accuracy of the data presented can be obtained from OP. Date: 06/22/06.

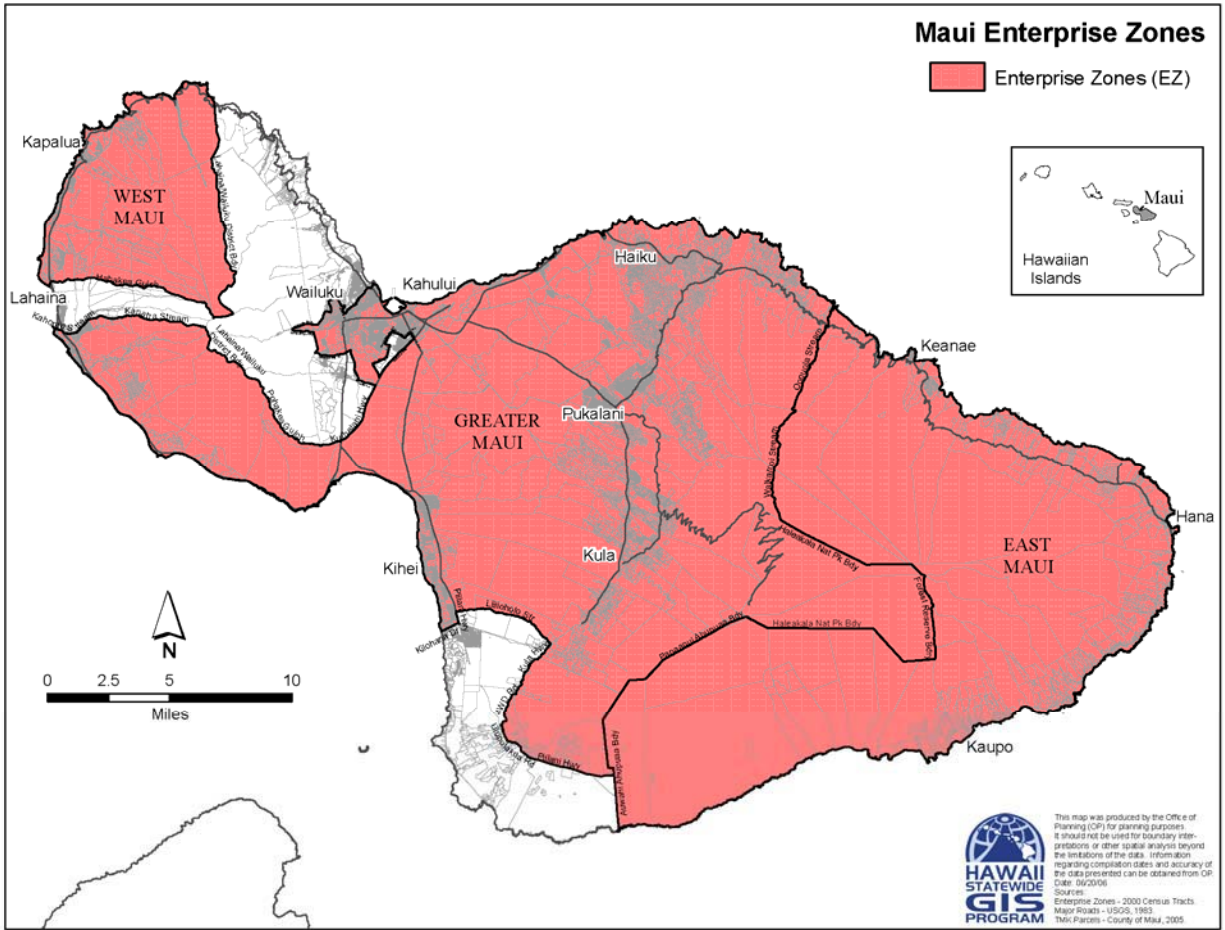
Sources:  
 Enterprise Zones - OBEOT, 2000 Census Tracts  
 Major Roads - USGS, 1983  
 Eligible EZ Census Tracts - US Census Bureau, 2000.

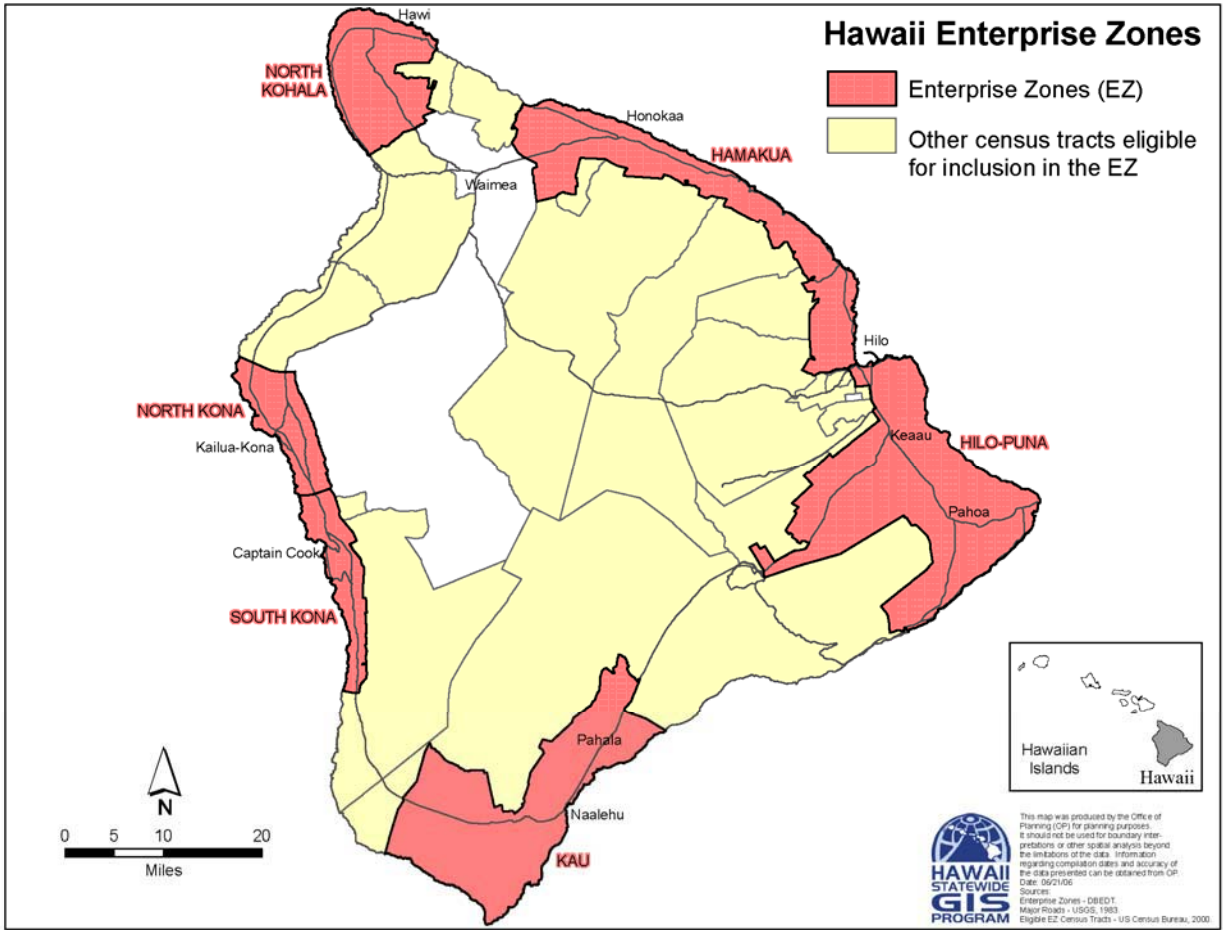
**HAWAII STATEWIDE GIS PROGRAM**











# **APPENDIX D**

## **LIST OF ENROLLED FIRMS IN THE EZ BY COUNTY**

**FOR CY 2006**

## **FIRMS CURRENTLY ENROLLED IN THE EZ PARTNERSHIP CY 2006**

### **KAU'AI COUNTY**

Fresh Island Fish Company, Inc.-Kauai  
Hawaiian Homestead Technology, Inc.  
Island Heritage (Kauai)  
Kapaa Banana Company, Inc.  
Kauai Chocolate Company, Inc.  
Kauai Growers Exchange, Inc.  
Mid Pacific Communications, Inc.  
Soft Majik Corporation  
T. Esaki Farm, Inc.

### **HONOLULU COUNTY**

ABBA Wheelchairs, LLC  
Admor Distributors Corp.  
Admor HVAC Products, Inc.  
AEOS Systems, LLC  
Aloha Automotive Distributing, Inc.  
Aloha Bottling Co., LLC C/O Aloha Shoyu Co., Ltd.  
Aloha Gourmet Products, Inc.  
Aloun Farms, Inc.  
American Healthways Services, Inc.  
Anamizu Farms  
Ariel Truss Hawaii, Inc.  
Associated Producers Corp.  
Axean Group  
Axean Pacific, Inc.  
Bel Air Distributors, Inc.  
Booklines Hawaii, Ltd.  
Brandy Signs, Inc.  
Bureau of Medical Economics  
Covance (Radiant Research)  
Creative Packaging LLC  
CTA Development, LLC  
Custom Company, The  
Daga Restaurant Ware  
Datahouse Consulting, Inc.  
Del Monte Fresh Produce (Hawaii) Inc.  
Digital Mediums LLC  
DLB Aire Ltd.  
Environmental Waste Mgmt. Sys., Inc.  
First Commercial Kitchen, LLC  
Five-O Marketing Services, Inc.  
Fuji Photo Film Hawaii, Inc.  
Gannett Hawaii Publishing LLC  
Ham Produce & Seafood, Inc.  
Hande Corporation  
Hawaii Business Group Inc dba Wing Coffee Co.  
Hawaii Candy, Inc.  
Hawaii Diesel Production Company  
Hawaii Fish Company  
Hawaii Food Service Alliance, LLC

### **HONOLULU COUNTY cont.**

Hawaii Impulse Systems, Inc.  
Hawaii Livestock Cooperative  
Hawaii Oahu Suisan, Inc.  
Hawaii Supply LLC  
Hawaiian Earth Products, Ltd.  
Healthcare Directive Partners LLC  
Hoike Networks, Inc.  
Hoike Services, Inc. dba Hoike Technology  
Hoku Scientific, Inc.  
Honolulu Wood Treating, Ltd.  
ICH Group LLC dba Sushi Chef  
Innovative Housing Solutions, LLC  
International Data Services dba Asset Recovery  
International Design Sources, Inc.  
Island Heritage  
Island Heritage (Hawaii)  
Island Home Building Materials  
Island Pacific Distributors, Inc.  
Island Sewing, Inc.  
Jade Food Products, Inc.  
Kahuku Farmers, Inc.  
Kalaka Nui, Inc.  
Kamiya Enterprises dba Kahua Beef  
King Food Service, Inc.  
King Photo Service, Inc.  
Kona Irrigation Supply, Ltd. (Oahu)  
KTM Services, Inc.  
Land Breeze, Inc.  
Leeward Wholesale Nursery  
Matsuda Fukuyama Farms, Inc.  
May's Wonder Gardens Hawaii  
Mid-Pacific Telecom. Corp.  
Mikoshi Trading Hawaii, Inc.  
MIS Support Systems  
Mountain Apple Co., Inc.  
Mulvadi Corporation  
Natural Stone LLC  
New Dimension Controls, Inc.  
Norman Wright Mechanical Equip. Corp.  
Norpac Fisheries, Inc.  
Oils of Aloha  
Pacific Biodiesel, Inc.  
Pacific Cup, Inc.  
Pacific Gloves & Service, LLC  
Pacific Learning Services, Inc.  
Pacific Ocean Producers, LLC  
Pacific Shipyards International, LLC  
Palama Holdings, LLC  
PaperSource Hawaii, Inc.  
Parallel 21, Inc.

**HONOLULU COUNTY cont.**

Patisserie, Inc., The  
PC Enterprises, Inc.  
PCLender.com, Inc.  
Pearson Dental Supplies, Inc.  
Penethon LLC (FireFly)  
Phoenician, LLC The  
Pier 18 Marine Service LLC  
Plumbing Source, Inc., The  
Pono Ventures Inc. dba AR Recovery Solutions of Hawaii  
Premium, Inc.  
Print Proz, Inc.  
Profitability of Hawaii, Inc.  
Purdy Co., Ltd. dba Island Princess/Maui's Best  
Quality Homes of the Pacific  
R & R Services, Inc.  
Referentia Systems, Inc  
Roberto's Healthcare Supplies, Inc.  
Rocky Mountain Prestress  
Salon Essentials  
Shakanet, Inc.  
Sinaloa Hawaiian Tortillas, Inc.  
Six D, Inc.  
Straube's Aircraft Services Hawaii, LLC  
Sugar Mill Incubator LLC  
Superior Truss, LLC  
SystemMetrics Corporation  
Systems Concepts Inc. (MIS Support)  
Takeno Group LLC  
TeamPraxis, LLC (Malama MD, LLC)  
Total Building Products, LLC  
Total Resource Management, Inc.  
Triple F Distributing (Oahu)  
Tri-West, Ltd.  
Ultimate Innovations, LLC  
United Fishing Agency  
UTS Maritime Services, LLC  
Ventura Technology Enterprises, Ltd.  
Waialua Soda Works, Inc.  
Wholesale Unlimited, Inc.  
Window World, Inc.  
Wisdom Industries, Inc.  
Wong's Meat Market, Ltd.  
Y. Hata & Co. Ltd.

**MAUI COUNTY**

Aloha Glass Recycling, Inc.  
Amakua Holdings Inc.  
Aumakua Holdings Inc.  
Fresh Island Fish Company, Inc.-Oahu  
Hawaiian Herbal Blessings, Inc.  
Lavender Farm dba Alii Kula Lavender  
Molokai Sea Farms

**HAWAII COUNTY**

Agrinom LLC  
Aloha Green Group LLC

**HAWAII COUNTY cont.**

Big Island Abalone Corporation  
Black Pearls, Inc.  
Buddha's Sanctuary  
Cabinet Shop, The  
Datz & Katibah, Inc. dba Natural Pacific  
Deep Seawater International, Inc.  
Designer Meats, Inc.  
Donna's Cookies, Inc.  
Earl T. Nakashima  
Fresh Island Fish Company, Inc.-Big Isle  
Greenwell Farms, Inc.  
Hamakua Energy Partners, LP  
Hamakua Heritage Farm, Inc.  
Hamakua Organics  
Hawaii Beef Producers  
Hawaii Pride LLC  
Hawi Renewable Development, LLC  
Hilo Orchid Farm Hawaii, Inc.  
Kona Bay Marine Resources  
Kona Blue Water Farms, LLC  
Kona Irrigation Supply, Ltd. (Big Isle)  
Kona Joe Coffee, LLC  
Kona Kulana Farms  
Kona Pacific Farmers Coop.  
Konaco Specialties, Inc. dba Mac Pie  
Koyo USA Corp.  
Kukaiiau Ranch, LLC  
La Petite France, Inc.  
Lamme Enterprises LLC  
Lone Palm, Inc.  
Maebo Noodle Factory, Inc.  
Maka'ala Hawaii, Inc. dba Hilo Coffee Mill  
Malika Orchids, Inc. dba The Orchid Works  
Mauna Kea Banana Company, Inc.  
Mera Pharmaceuticals (fka Aquasearch, Inc.)  
Moana Technologies, Inc.  
Mountain View Orchids, Inc.  
Nursery Solutions, Inc.  
O'Keefe & Sons, LLC  
Pacific Floral Exchange, Inc.  
Pahoa Exotic Flowers, LLC  
Penncro Associates  
Plant It Hawaii, Inc.  
Puueo Poi Factory, Ltd.  
Rad Cubed Corporation  
RRDD Produce, Inc.  
Sansei Chips, Inc.  
Saver Holdings  
Standard Bakery, Inc.  
Tamosh, LLC  
Tawhiri Power LLC  
Triple F Distributing, Inc.(Hawaii)  
Universal Realm Enterprises, Inc. dba Wisdom Source  
Volcano Island Honey Company  
Y. Hata & Co. Ltd. (Hilo)