



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2024**

ON THE FOLLOWING MEASURE:

H.B. NO. 1960, RELATING TO AN ECONOMIC DEVELOPMENT DISTRICT PLANNING ORGANIZATION.

BEFORE THE:

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

DATE: Wednesday, February 7, 2024 **TIME:** 10:30 a.m.

LOCATION: State Capitol, Room 423 and Videoconference

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Alison S. Kato or Bryan C. Yee, Deputy Attorneys General

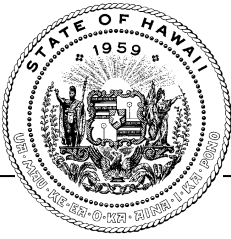
Chair Holt and Members of the Committee:

The Department of the Attorney General provides the following technical comment on this bill.

The purpose of this bill is to establish and appropriate moneys for temporary positions to support the Office of Planning and Sustainable Development's activities as the designated Hawaii Economic Development District Planning Organization.

In section 1 of this bill on page 3, lines 11-12, there is a reference to "title 13, section 304," of the Code of Federal Regulations. The correct term, however, is "part," not "section." We recommend making the following correction: "pursuant to title 13, [section] part 304, Code of Federal Regulations."

Thank you for the opportunity to offer comments.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
INTERIM DIRECTOR

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Statement of
MARY ALICE EVANS, Interim Director

before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

Wednesday, February 7, 2024

10:30 AM

State Capitol, Conference Room 423

in consideration of

HB 1960

**RELATING TO AN ECONOMIC DEVELOPMENT DISTRICT PLANNING
ORGANIZATION**

Chair Holt, Vice Chair Lamosao, and Members of the House Committee on Economic Development:

The Office of Planning and Sustainable Development (OPSD) **strongly supports** HB 1960, which establishes four full-time equivalent (4.0 FTE) positions and appropriates funds for OPSD's role as planning organization for a statewide Economic Development District (EDD), subject to designation by the U.S. Economic Development Administration (EDA). Designation of a statewide EDD for Hawai'i is currently under EDA review.

The establishment of a statewide EDD is a key objective identified in the 2023 Hawai'i State Comprehensive Economic Development Strategy (CEDS), a critical document to unlock access to federal funding under the EDA's Public Works and Economic Adjustment Assistance programs. Importantly, an EDD designation will further increase project eligibility and access to EDA funds, which is especially important for supporting long-term economic recovery from recent disasters—such as the devastating wildfires and COVID-19 pandemic.

The positions and funding proposed in this measure are essential to secure EDA designation as an EDD, which requires adequate professional staffing to carry out the duties of an EDD planning organization under 13 CFR §304. Such a designation will maximize Hawai'i's access to federal resources for economic development.

Thank you for the opportunity to testify on this measure.

OFFICE OF ECONOMIC DEVELOPMENT
NALANI K. KAAUWAI BRUN, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of
Nalani K. Brun
Office of Economic Development Director, County of Kauai

Before the
House Committee on Economic Development
February 7, 2024 at 10:30 AM
Conference Room 423 & Via Videoconference

in consideration of
House Bill 1960
Relating to an Economic Development District Planning Organization

Honorable Chair Holt, Honorable Vice Chair Lamosao, and Members of the House Committee on Economic Development:

The County of Kauai writes in **strong support** of HB1960, which establishes positions and appropriates funds for the Office of Planning & Sustainable Development (OPSD) to carry out the role of planning organization for a statewide Economic Development District (EDD).

The County of Kauai is eager to participate in a statewide Economic Development District and expressed our support to the U.S. Economic Development Administration (EDA) for their review and consideration of the designation request submitted by OPSD last year. A statewide EDD designation will not only increase the eligibility of projects located in Kauai County for EDA funding; it will also provide the persistent capacity for continuous engagement and coordination between the counties to individually and collectively advance projects toward Hawaii's desired and shared economic future.

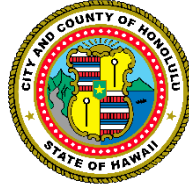
Per 13 CFR §304.2, an EDD's planning organization must have adequate staffing to be eligible for EDA designation. The resources provided by HB1960 will ensure that OPSD has the necessary staff capacity to carry out the duties of the planning organization for a statewide EDD and render Hawaii eligible for EDA designation and the aforementioned benefits of an EDD.

Mahalo for your consideration and the opportunity to testify on this measure.

OFFICE OF ECONOMIC REVITALIZATION
KE KE'ENA HO'OMOHALA WAIWAI
CITY AND COUNTY OF HONOLULU

711 Kapi'olani Boulevard, FLOOR 12 • HONOLULU, HAWAII 96813
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RICK BLANGIARDI
MAYOR
MEIA



AMY ASSELBAYE
EXECUTIVE DIRECTOR
PO'O HO'OKO

KYMBERLY SPARLIN
DEPUTY DIRECTOR
HOPE PO'O

WEDNESDAY, FEBRUARY 7, 2024

STATE OF HAWAII
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

TESTIMONY ON HOUSE BILL 1960
A BILL RELATING TO AN ECONOMIC DEVELOPMENT DISTRICT PLANNING
ORGANIZATION

BY
AMY ASSELBAYE
EXECUTIVE DIRECTOR
OFFICE OF ECONOMIC REVITALIZATION

Dear Chair Holt, Vice Chair Lamosao, and Committee Members:

The Office of Economic Revitalization (OER) **strongly supports** HB1960, which establishes positions and appropriates funds for DBEDT's Office of Planning & Sustainable Development (OPSD) to become the planning organization for a statewide Economic Development District (EDD).

OER eagerly anticipates the establishment of a statewide Economic Development District to increase the eligibility of the City and County of Honolulu's grant applications to the U.S. Economic Development Administration (EDA). A statewide EDD designation will also provide the capacity for continuous engagement and coordination between the State and counties to individually and collectively advance projects toward Hawaii's shared economic future.

OER has reviewed the EDD application and expressed support to the U.S. EDA for the expeditious consideration of OPSD's request submitted last year. In its review, the U.S. EDA will consider whether OPSD has the necessary staff capacity to carry out the planning duties for an effective EDD. Your support is needed to ensure a favorable decision, thus enhancing economic development cooperation capabilities and more funding opportunities from the federal government.

Mahalo for your consideration and support for HB1960, which is an important next step for a more collaborative, inclusive, and sustainable economic future for the people of Hawaii.



Chamber of Commerce HAWAII

The Voice of Business

Testimony to the House Committee on Economic Development
Wednesday, February 7, 2024, at 10:30AM
Conference Room 423

RE: HB1960 Relating to an Economic Development District Planning Organization

Chair Holt, Vice Chair Lamosao, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports HB1960**, which establishes 4 full-time equivalent (4.0 FTE) positions, appropriates moneys, and declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

This measure will help to significantly increase the chances of our state receiving the Economic Development District (EDD) Designation from the U.S. Economic Development Administration, a designation which would provide support in areas our state sorely needs. There is much value to having an EDD Designation, critically because 80% of EDA's grant funding goes to areas with an EDD. EDA funding can be applied to expedite Maui's economic recovery.

Moreover, EDD receive annual funding from EDA to support the development and implementation of the updated Comprehensive Economic Development Strategy (CEDS), which was recently updated to include the pillars of Equity; Climate Resilience; Workforce Development; and Broadband, with the goal of achieving more economic development implementation projects focused on bolstering these key areas. The Designation helps to establish a long-term partnership with EDA, preventing "one-and-done" funding. To further emphasize the importance of the designation, areas with the designation were reported to recover more quickly from COVID-19 than areas that did not have this designation (Argonne National Laboratory, initial Effective Framework Analysis, 2022).

Furthermore, there are higher levels of EDA investment inside of EDD areas per capita than areas outside of EDDs. Between 2010 and 2019, more than 78 percent of EDA grants and 73 percent of total project investment went to areas covered by an EDD, while only 52 percent of the population live in areas with an EDD. Per capita, the number of EDA grants and amount of total project cost invested in EDD areas is more than three times the number of grants and investments outside of EDD areas. (Urban Institute, upcoming EDA Geography Brief, 2023).

As it stands, missing the opportunity for this designation would exacerbate Hawaii's underrepresentation on the federal stage and inhibit the state from being eligible to receive available federal funds. The Chamber encourages the committee to consider examples of how other regions have leveraged EDDs to their advantage to benefit their communities and recommends [NADO's website](#), where a collection of EDD case studies are held, as a place to start.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members



Chamber *of* Commerce HAWAII

The Voice of Business

and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

HB-1960

Submitted on: 2/6/2024 7:44:18 PM

Testimony for ECD on 2/7/2024 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara De Lucca	Hispanic Chamber of Commerce Hawaii	Support	Written Testimony Only

Comments:

The Hispanic Chamber of Commerce Hawaii supports HB1960, a legislative proposal that aims to create four full-time equivalent (FTE) positions, allocate funds, and acknowledges that this funding will surpass the state's general fund spending limit for the fiscal year 2024-2025. This initiative is a strategic move to enhance our state's likelihood of securing the Economic Development District (EDD) Designation from the U.S. Economic Development Administration. Achieving the EDD Designation is crucial as it would unlock essential support in critical areas needed by our state. The importance of this designation lies in the fact that 80% of the grants from the Economic Development Administration are awarded to regions with an EDD status. Access to these funds is vital for accelerating the economic recovery efforts in Maui and other parts of the state.

HB-1960

Submitted on: 2/7/2024 6:14:58 AM

Testimony for ECD on 2/7/2024 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacqui Hoover	Hawaii Island Economic Development Board (HIEDB)	Support	Written Testimony Only

Comments:

My name is Jacqui Hoover and I have the privilege of serving as the Executive Director and COO of the Hawaii Island Economic Development Board, Inc. (HIEDB) a private, member-based 501(c)3 incorporated in Hawaii in 1984 committed to help strengthen and diversify the economy of Hawaii Island in collaboration with government and private sectors,

HIEDB has had the privilege of developing the initial Comprehensive Economic Development Strategy (CEDS) for Hawaii County in 2005 and subsequent updates for both Hawaii County and the State of Hawaii in 2010, 2016, and 2023. As the vehicle to qualify for and secure federal funding through the U.S. Economic Development Administration, the CEDS serves as a roadmap for economic development.

The establishment of Hawaii as an Economic Development District (EDD) with funded resources and personnel ensures the CEDS can be implemented in a cohesive manner that best serves Hawaii including access to federal funding that can be further leveraged to secure other public and equally importantly, complementary private sector resources.

HIEDB is committed to supporting the Hawaii State Office of Planning and Sustainability and others in efforts to increase and maximize opportunities to strengthen and diversify Hawaii's economy in a resilient and sustainable manner.

Mahalo for this opportunity to speak in staunch support of HB1960.

HB-1960

Submitted on: 2/7/2024 6:43:22 AM

Testimony for ECD on 2/7/2024 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacqui Hoover	Hawaii Leeward Planning Conference (HLPC)	Support	Written Testimony Only

Comments:

Hawaii Leeward Planning Conference (HLPC) was incorporated December 30, 1974, as a private, member-based 501(c)3 when forward looking business people saw the need for an organization which would work with government to promote sound planning decisions for West Hawai'i. In the intervening years, in recognition of changes to socioeconomics, communities, communications, technology, and policy making, HLPC has maintained its original name while broadening its scope to all of Hawai'i Island. HLPC is dedicated to working with government agencies and private sector entities to assist in making decisions, and to alert and inform its members and public on issues relating to Hawaii Island/Hawaii County and their interests. HLPC initiatives include and are not limited to, agriculture; land use; infrastructure; housing; natural resources; workforce and economic development.

HLPC is very supportive of HB 1960 and efforts to establish Hawaii as an Economic Development District (EDD) including the funding of positions within the Hawaii State Office of Planning and Sustainable Development (OPSD) for the purpose of conducting “the activities of the district organization, including developing, managing, and supporting effective multi-level partnerships to promote intra—district cooperation, self—help, and public investment, to restore and sustain economic resilience and prosperity; carrying out economic development planning, coordination, and advisory functions to facilitate implementation of the comprehensive economic development strategy; and assisting community and economic development organizations across the State to, access United States Economic Development Administration funding.”

Mahalo for the opportunity to speak in support of HB 1960.

Jacqui Hoover, President and COO Hawaii Leeward Planning Conference

February 7, 2024
10:30 a.m.
Room 423

Senate Committee on Economic Development
Senator Holt, Chair
Senator Lamosao, Vice Chair

Aloha Chair Holt, Vice Chair Lamosao, and Members of the Committee,

I am a local business owner at Ho`onui LLC and I strongly stand with the Chamber of Commerce Hawai`i to support HB1960 that will establish 4 full-time equivalent (4.0 FTE) positions, appropriate moneys, and declare that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

The measure will significantly increase the chances of our state receiving the Economic Development District (EDD) Designation from the U.S. Economic Development Administration (EDA), which would provide support in areas of great need to our state. Having an EDD designation would provide significant value, especially since 80% of EDA's grant funding goes to areas with an EDD. EDA funding can be applied to advance Maui's economic recovery, support the development and implementation of the updated Comprehensive Economic Development Strategy, and will help to establish a long-term partnership with EDA for more consistent funding. Of note, areas inside of EDD receive higher levels of EDA investment per capita than areas outside of EDDs. (Urban Institute, upcoming EDA Geography Brief, 2023)

We don't want to miss this opportunity for this designation, which will help mitigate Hawaii's underrepresentation and increase its eligibility to receive available federal funding. Please consider examples of how other regions have leveraged EDDs to their advantage to benefit their communities and recommends [NADO's website](#), where a collection of EDD case studies are held, as a place to start.

Mahalo for your consideration,

Karen (Chang) Barr
Ho`onui LLC Founder and Small and Mobile Food Business Consultant



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Executive Officers

Gary Okimoto, Safeway Hawaii, *Chair*
Maile Miyashiro, C&S Wholesale Grocer, *Vice Chair*
Kit Okimoto, Okimoto Corp., *Secretary/Treas.*
Lauren Zirbel, HFIA, *Executive Director*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Advisor*
Eddie Asato, Pint Size Hawaii, *Immediate Past Chair*

TO: Committee on Economic Development

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 7, 2024
TIME: 10:30am
PLACE: Room 423

RE: HB1957 Relating to Research

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Dear Chair Holt, Vice Chair Lamosao, and Members of the Committee,

HFIA is in support of this measure. This measure supports our small businesses in their efforts to innovate and grow. Increasing the amount of tax credits that these businesses can certify each year is an investment in companies that are making progress and finding ways to drive their industries forward.

We believe this measure will encourage business growth, innovation, and economic diversification for our state. We encourage the committee to vote yes and we thank you for the opportunity to testify.

Island Plastic Bags



TO: Chair Daniel Holt; Vice Chair Rachele F. Lamosao; and Committee

FROM: Adrian Hong, President of Island Plastic Bags, Inc.

RE: HB 1960 RELATING TO AN ECONOMIC DEVELOPMENT DISTRICT PLANNING ORGANIZATION

POSITION: STRONG SUPPORT

Thank you for the opportunity to submit testimony in strong support of HB 1960. My name is Adrian Hong and I am the president of Island Plastic Bags Inc. (IPB), a second-generation, family business in Halawa Valley that manufactures plastic trash liners and sells compostable cutlery, paper bags, and Colgate-Palmolive products.

IPB supports this bill as this measure will help to significantly increase the chances of our state receiving the Economic Development District (EDD) Designation from the U.S. Economic Development Administration. The State of Hawaii needs all the federal funds it can get to meet the state's pressing issues.

Thank you for the opportunity to provide testimony in support of HB 1960. Should you have any questions or comments about my testimony you can contact me by email at ahong@islandplasticbags.com or by phone at 808-484-4046.

Sincerely,

Adrian K. Hong, CPA

President

Island Plastic Bags, Inc.

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