



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
CHRIS J. SADAYASU
Director

Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Tuesday, February 28, 2023
11:30 AM

State Capitol, Conference Room 308 & Via Videoconference

In consideration of
HB1508, HD1
RELATING TO NATIVE HAWAIIAN AFFAIRS.

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of HB1508, HD1, which provides funds for the purchase of services from organizations that have experience and expertise in supporting and advancing Native Hawaiian communities.

DBEDT is tasked with managing funds to provide support for the following projects: a virtual marketplace and an innovation center.

A virtual marketplace would support local artisans and businesses to adapt to e-commerce. DBEDT has an active e-commerce support program so this initiative aligns with our current efforts. Please note that the bill specifies that support would only be for one virtual marketplace.

An innovation center that is a physical co-working space and an innovation, entrepreneur and resource center providing workshops, counseling, loan assistance, and broadband access also aligns with DBEDT's mission and current programs. Please note that the bill specifies that support would only be for one innovation center.

Thank you for the opportunity to testify.

HB-1508-HD-1

Submitted on: 2/25/2023 12:16:42 PM

Testimony for FIN on 2/28/2023 11:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kenneth R. Conklin, Ph.D.	Center for Hawaiian Sovereignty Studies	Oppose	Written Testimony Only

Comments:

According to OHA's latest annual report, on June 30, 2022 OHA had assets of \$823 Million. Another bill already approved by a committee last year called for \$638 Million in arrears plus \$79 Million per year in future for OHA from ceded land revenues, exclusively for "betterment of Native Hawaiians" who comprise 20% of Hawaii's people; with no set-aside of 4 times those amounts exclusively for the other 80% of Hawaii's people who lack a drop of Hawaiian blood.

What the heck do you folks think OHA should be doing with all that money? Throughout the year OHA blows its conch shell and waves its kahilis to draw attention to its occasional announcements when they give a grant of a few million dollars to help one or another non-profit group that has "experience and expertise in supporting and advancing Native Hawaiian communities." But the total amount OHA spends to give grants to any groups, including the Hawaiian-focus charter schools and immersion schools, is a pitifully small portion of the tens of millions of dollars OHA collects each year from ceded land revenues and legislative appropriations. That's how OHA has accumulated its enormous and ever-increasing cash stash.

Gimme, gimme, gimme! Let OHA, not the taxpayers, "Appropriates funds to certain departments to improve Native Hawaiian communities and culture through various assistance services"

Furthermore, the Center for Hawaiian Sovereignty Studies takes note that the amended SD1 version of this bill fails to include the Attorney General's recommended language in "POSSIBLE STANDARDS FOR THE GRANTS IN THIS BILL" item (3):

- (3) The applicant shall comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, disability, or any other characteristic protected under applicable federal or state law.

The obvious element that is not complied with is "federal and state laws prohibiting discrimination against any person on the basis of race"

Although the intent of this bill is focused specifically on "Appropriates funds to certain departments to improve Native Hawaiian communities and culture through various assistance services", which might in itself violate non-discrimination laws by its exclusion of all other racial groups/communities; it should be noted that all contractors and service providers must be treated equally under the law regardless of race when it comes to **PROCUREMENT OF GOODS AND SERVICES** even if those goods and services are intended specifically for the benefit of one particular race.

It's long past time for this legislature to embrace the concepts of diversity, equity, and inclusiveness by providing help to all ethnic groups instead of only to a favorite one, and by ensuring that all groups are treated equally. By continuing to pass bills like this one the legislature of Hawaii seems to align itself with the Jim Crow laws of a century ago in those Southern states which had joined the Confederacy.

February 27, 2023

Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair



Working together for Kapolei

Tuesday, February 28, 2023
11:30 a.m. Conference Room 308 and via Videoconference

RE: SB 1508 HD1 Relating to Hawaiian Affairs

Dear Chair Yamashita, Vice Chair Kitagawa and members of the Committee,

My name is Kiran Polk, and I am the Executive Director of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region which includes Waipahu, `Ewa Beach, Kapolei, Nānākuli, Waianae and Mākaha. The Chamber works on behalf of its members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. We are a member-driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

The Kapolei Chamber of Commerce, **strongly supports HB 1508** which requires certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities. Specifically, **we extend our support for Section 2 (1)(B) which appropriates the sum of \$1,000,000 for an entrepreneur center that is a physical co—working space and an entrepreneur and resource center that provides workshops, counseling, loan assistance, and broadband access.** A priority of the Kapolei Chamber and the Business Revitalization Task Force of West O’ahu is to establish a West O’ahu Innovation and Entrepreneur Center.

The West O’ahu Innovation and Entrepreneur Center is a partnership between the Council for Native Hawaiian Advancement (CNHA) and the Kapolei Chamber of Commerce (KCC) to create a co-working space and Innovation Center.

The Wai’anae Coast in West O’ahu, has the largest resident population of Native Hawaiians in the world and a higher rate of poverty than the rest of Honolulu County. Nevertheless, there is incredible growth in West O’ahu. According to the 2020 Census, the West O’ahu Council District grew 20.7 % since the last census (2010). The region expects 80,000 new housing units by 2025. This includes homes, businesses, and infrastructure. Yet, most residents still commute an average of two hours each day into town for work. During the pandemic, despite economic turmoil, the region continued to experience economic growth and housing development. **CNHA’s online marketplace Pop-Up Mākeke, serves over 400 businesses with millions of dollars in revenue since its inception. Hundreds of the businesses in the Mākeke are from the west side. Even though we are a burgeoning community – we lack the most critical infrastructure, connectivity, and business resources.**

1001 Kamokila Boulevard, Campbell Building Suite 250, Kapolei, Hawaii 96707

The Innovation Center itself is an innovation because **currently, there are no co-working spaces anywhere in West O`ahu**. Our vision is that the Center will be a place where small and micro business entrepreneurs will access free or discounted co-working space, where ideas, networking and innovation can flourish. Business professionals can nurture industry using Center resources including Wi-Fi, “BIZ Workshops” (business training), counseling services, mentoring, inspirational “BIZ Talks” (an innovation), computers, office machines and networking opportunities. **It will be a collaborative space, a meeting space, and even an event space, something that is also a rare commodity in West O`ahu. It is a unique approach to deliver long-term economic recovery, growth, and resilience to the Native Hawaiian community.**

The West O`ahu Innovation and Entrepreneur Center **will be a public and private partnership**. Monetary contributions are also being sought from private foundations and donors in addition to public funding and grants. The intention is to lease space in a location in the Kapolei area that is already built and has basic infrastructure already in place. The improvements would likely include electrical installations, internet cables, cabinetry and/or the installation of a kitchenette or bathroom. In-kind donations could include furniture, computer equipment, printers, Wi-Fi service, website maintenance and social media management.

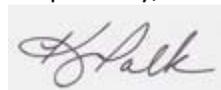
The Innovation Center will utilize all funds received to stabilize operations during the first two years. If funds are available, the Center would like to subsidize memberships or offer discounted memberships to underserved community members.

After the initial two-year period, a professional management company (like the Hub Networking, BoxJelly or Regus) would be hired to manage the day-to-day operations of the Center. The partnership between CNHA, the KCC and the management company would be responsible for ensuring that the Center becomes self-sustaining and profitable.

By leveraging the expertise of our established business community to encourage networking and sharing and providing the physical space and tools to get started, we are creating an environment that supports and inspires our citizens in our Native Hawaiian and West O`ahu community to achieve success. **Overall, the West O`ahu Innovation and Entrepreneur Center will aid businesses to innovate, stabilize and expand as we navigate through the pandemic and beyond.**

Thank you for this opportunity to provide testimony.

Respectfully,



Kiran Polk
Executive Director
Kapolei Chamber of Commerce



HB1508 HD1
RELATING TO NATIVE HAWAIIAN AFFAIRS
House Committee on Finance

February 28, 2023

11:30 AM

Room 308 &
Videoconference

The Council for Native Hawaiian Advancement (CNHA), a member-based 501(c)(3) non-profit organization with a mission to enhance the cultural, economic, political, and community development of Native Hawaiians, **STRONGLY SUPPORTS** HB1508 HD1, which proposes much-needed additional state grant funding to support the Native Hawaiian community.

CNHA worked with its members to help develop this collection of grant program proposals. Our goal was to empower Native Hawaiian and local communities through the investment in our state's economy and unique heritage, with an eye towards setting critical foundations that can sustain and build upon hard-fought progress. We greatly appreciate the Legislature's willingness to consider new buckets of state grant funding that would supplement existing state funding opportunities for Native Hawaiian organizations with demonstrated track records of success.

Proposed Grant Programs

1. Virtual Marketplace that supports local artisans and businesses to adapt to e-commerce

In April 2020, CNHA launched the **Pop-Up Mākeke**, a virtual marketplace supporting local artisans impacted by the global pandemic that shut down vital revenue streams from brick-and-mortar stores and community events. The success of the Pop-Up Mākeke demonstrates the need for a centralized e-commerce hub that leverages small business resources and creates new opportunities for Hawai'i's small businesses to thrive in an ever changing global market. The pandemic has shifted how consumers shop and as a result has caused many businesses needing to reimagine their business model to a more web-centric approach.

The Pop-Up Makeke will leverage data analytics to provide to artisans their sale history and market trends for them to make better business oriented decisions.

This request would allow Pop-Up Mākeke to provide increased support for Hawaii-based artisans to remain sustainable and thrive in a post-pandemic economy.

This request for funds would cover:

- Kūhana Management
- Pop-Up Mākeke Management
- Sector-expert consultants including branding and marketing consultants, and business development specialists
- Consignment support for participating businesses in Pop-Up Mākeke

CNHA will facilitate incubator courses to micro- and small-retail businesses to adapt to e-commerce. The course will include personalized assistance to each businesses needs from e-commerce, marketing, and logistics experts. Businesses that complete the incubation course will be allowed to participate in the Pop-Up Makeke to introduce their products to a global market as they prepare their own online presence.

Course syllabus will include:

- What does it mean for your products to represent Hawaii?
- How to effectively market your business online?
- How to leverage resources to scale your business? (i.e. wholesale model, capacity building, resources to capital)

2. Physical co-working space and an innovation, entrepreneur, and resource center that provides workshops, counseling, loan assistance, and broadband access

The **West O'ahu Innovation Center** will serve as a physical co-working space, entrepreneur, and resource center. It will be an innovative entrepreneur center for the underserved-community of West O'ahu, providing collaborative, meeting and event space; offering business workshops and counseling; engaging 'Big Business' mentors for small and micro-business entrepreneurs; and delivering loan assistance and broadband access.

The facility will also feature CNHA's Hawaiian Trades Academy Technology Center and Classroom. By establishing these resources on the west side, small businesses will have the tools and support needed to start, grow and thrive.

This request for funding would cover the cost to retrofit an existing 10,000 sq ft facility to house the West O'ahu Innovation Center.

3. Repatriation and reburials of Native Hawaiians nationally and internationally

This request would support the establishment of a program that addresses Native Hawaiian-specific historic preservation needs. This request would fund a program would:

- Conduct repatriations and reburials nationally and internationally under federal and international legal frameworks, as well as curate sacred objects that have been repatriated; Repatriations have been coordinated from multiple museums in Germany, Poland, France, England, New Zealand and North America. Small teams of culturally trained repatriation experts will be sent to each country to bring home human remains and artifacts. The entirety of the travel budget will be used for this activity and includes Air, Ground, Lodging, Freight, and per diem.
- Create and purchase reburial material for 3000+ Mōkapu Iwi Kūpuna; Kapa and boxes will need to be made or purchased for each kupuna. Items will be sourced from throughout the State of Hawai'i from traditional kapa makers, weavers, and wood workers.
- Assess the establishment of a Native Hawaiian Historic Preservation Office that will include national and international repatriation and reburial efforts and possible management of the burial sites program.
- FTEs would be responsible for overall coordination of first three bullets, which involves multiple stakeholders, cultural practitioners, museum outreach, travel logistics and reporting. Contract services will go to secure repatriation expertise and established relationships with institutions.

Further budget details can be provided for all programs.

In closing, CNHA urges the Committee to pass HB1508 HD1. Mahalo nui loa for the opportunity to provide testimony on this measure.

Respectfully,

J. Kūhiō Lewis, CEO
Council for Native Hawaiian Advancement