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DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

KA ʻOIHANA HOʻOMOHALA PĀʻOIHANA, ʻIMI WAIWAI A HOʻOMĀKAʻIKAʻI

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DEPT. COMM. NO. 351

DTS: 202602111423LU

February 12, 2026

The Honorable Ronald D. Kouchi
President and Members
of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaiʻi 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaiʻi 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the 2025 DBEDT Annual Report, as required by Section 201-10, Hawaiʻi Revised Statutes.

In accordance with Section 93-16, Hawaiʻi Revised Statutes, I am also informing you that the report may be viewed electronically at:
http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/.

Sincerely,

James Kunane Tokioka
DBEDT Director

Enclosure

c: Legislative Reference Bureau



ANNUAL REPORT 2025

TO THE HAWAIʻI STATE LEGISLATURE

PREPARED PURSUANT TO HAWAIʻI REVISED STATUTES §201-10

DBEDT

STATE OF HAWAIʻI • DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

Table of Contents

DBEDT Overview **3**
Department Vision **4**
DBEDT's Integrated Approach 4
Key Structure & Responsibilities 4
Economic Framework & Strategic Vision **5**
A Message From the Director **6**
Hawai'i's Economy **7**
DBEDT Core Divisions **8**
Business Development & Support Division (BDSD) 9
Creative Industries Division (CID) 15
Foreign Trade Zone (FTZ) 21
Hawai'i Broadband Office (HiBO) 24
Military and Community Relations Office (MACRO) 25
Research & Economic Analysis Division (READ) 28
Small Business Regulatory Review Board (SBRRB) 32
DBEDT Attached Agencies **33**
Agribusiness Development Corporation (ADC) 34
Hawai'i Community Development Authority (HCDA) 36
Hawai'i Green Infrastructure Authority (HGIA) 39
Hawai'i Housing Finance & Development Corporation (HHFDC) 44
Hawai'i State Energy Office (HSEO) 47
Hawai'i Technology Development Corporation (HTDC) 53
Hawai'i Tourism Authority (HTA) 55
Natural Energy Laboratory of Hawai'i Authority (NELHA) 59
Office of Planning & Sustainable Development (OPSD) 61
OPSD – Land Use Commission (LUC) 65
Stadium Authority (SA) 67



DBEDT OVERVIEW

DBEDT's mission continues to be achieving a Hawai'i economy that embraces innovation and is globally competitive, dynamic and productive, providing opportunities for all of Hawai'i's citizens. Through our attached agencies, we also foster planned community development, create affordable workplace housing units in high-quality environments and promote innovation sector job growth.

DEPARTMENT VISION

The overall vision for the department is to expand the economy, reverse the brain drain and grow the tax base. To create an economically sustainable Hawai‘i, we remain focused on diversifying the economy by continuing to work on economic cluster strategies and supporting targeted and emerging industries. This work is also dependent on ensuring that the industries have the necessary infrastructure in place and that the associated workforce pipelines are developed.



HO‘OULU ‘ĀINA

DBEDT’S INTEGRATED APPROACH

- **Driving Hawai‘i’s Economic Diversification & Innovation:** DBEDT is one of Hawai‘i’s 19 principal departments and serves as a critical driver of the state’s economic development, uniquely positioned to lead Hawai‘i’s economic diversification and innovation efforts through a comprehensive approach.
- **Connecting and Layering Programs & Incentives**: DBEDT’s strength lies in its ability to integrate and layer programs and incentives across its agencies and divisions to maximize impact – this approach allows businesses, industries and communities to benefit from a seamless ecosystem of support.

KEY STRUCTURE & RESPONSIBILITIES

- **7 Core Divisions:** DBEDT’s divisions focus on core areas – business development, planning and international trade – ensuring a cohesive strategy for economic growth.
- **10 Attached Agencies**: Each agency specializes in strategic sectors such as tourism, agriculture, energy, creative industries, housing, entertainment and technology development – these agencies play a pivotal role in advancing targeted initiatives across the state.

ECONOMIC FRAMEWORK & STRATEGIC VISION

DBEDT's comprehensive structure allows for the strategic alignment of policies, programs and resources. By connecting these elements, DBEDT fosters innovation, supports workforce development and drives economic resilience.

WORKFORCE DEVELOPMENT: ALIGNING EDUCATION TO INDUSTRY DEMAND

Workforce availability and skill alignment are core constraints on growth. DBEDT works with the University of Hawai'i (P-20) and the Department of Education to align curriculum with industry-defined needs – ensuring public education investments translate into employment and wage growth.

INFRASTRUCTURE: LOWERING COSTS AND ENABLING COMMERCIALIZATION

Infrastructure is where government can most directly reduce the cost of doing business. DBEDT prioritizes shared, open-access facilities – innovation centers, production space, manufacturing hubs and energy infrastructure – that lower capital barriers and operating costs across industries.

REGULATORY ENVIRONMENT: REDUCING FRICTION TO GROWTH

DBEDT works with the Small Business Regulatory Review Board and partner agencies to streamline processes, reduce duplicative requirements and improve predictability. The goal is not deregulation, but regulatory efficiency – maintaining standards while reducing unnecessary time, cost and uncertainty for businesses.

CAPITAL FORMATION: TARGETED AND DISCIPLINED USE OF INCENTIVES

Tax credits and grants are coordinated to support early-stage investment and de-risk private capital, with a clear emphasis on sunset and scale-out. This disciplined approach protects the General Fund while ensuring public dollars catalyze sustainable industries rather than long-term dependency.



TARGETED APPROACH

A targeted approach connects resources and transforms public investment into engines of sustainable economic growth.



PARTNERSHIPS

Collaborative partnerships across education, industry and regulatory sectors simplify processes and foster innovation.



ECONOMIC RESILIENCE

Integrating policy, infrastructure and workforce strategies strengthens economic resilience and reduces barriers.

A MESSAGE FROM THE DIRECTOR

Aloha kākou,

The Department of Business, Economic Development and Tourism (DBEDT) remains steadfast in advancing Hawai‘i’s priorities through strategic initiatives that strengthen our economy, create quality jobs and enhance the quality of life for our residents.

In 2025, DBEDT delivered significant progress across multiple sectors:

- **Economic Growth & Workforce Development:** Created jobs, expanded trade and fostered innovation through programs in workforce training, business support, international relations, exports and the Hawai‘i Made initiative.
- **Creative Industries:** Despite global challenges, Hawai‘i’s creative economy advanced through workforce training, ecosystem development and infrastructure investments — positioning the state for long-term growth in media, design and digital innovation.
- **Agriculture:** Strengthened food security and economic resilience through statewide planning, major land acquisitions, irrigation system upgrades and expanded staffing.
- **Clean Energy & Capital Access:** Expanded inclusive financing programs like GEM$, HI-CAP and HI C-PACER, and supported climate resilience policies — bridging equity gaps and driving sustainable growth.
- **Affordable Housing:** Added hundreds of new units, advanced major developments and relaunched homebuyer assistance programs to combat outmigration and support Hawai‘i families.
- **Energy Reliability & Resilience:** Accelerated 100% Renewable Portfolio Standard targets, secured strategic partnerships, deployed grid resilience projects, launched the eHale™ rebate program, expanded electric vehicle infrastructure and built workforce pathways.
- **Innovation & Technology:** Funded accelerators and advanced aerospace and clean energy projects, strengthening Hawai‘i’s tech ecosystem.
- **Regenerative Tourism:** Elevated Hawai‘i’s global brand and advanced regenerative tourism through integrated campaigns, cultural and natural resource investments, workforce development and major festivals and events.
- **Planning & Sustainability:** Advanced coastal resilience, environmental review, geographic information system modernization, land use and TOD initiatives, secured a federal Economic Development District designation and launched a State Planning Act update — strengthening sustainable development and interagency coordination statewide.

We acknowledge the Legislature’s leadership in enacting measures that made these achievements possible. Acts such as Act 40 (Solar Hui Investment Program), Act 41 (HI C-PACER Financing Program), Act 133 (SPEED permitting initiative) and Act 296 (Condominium Loan Program), among others, provided critical tools to accelerate clean energy adoption, streamline development and improve housing affordability — demonstrating a shared commitment to building a resilient and sustainable future for Hawai‘i.

We deeply value our partnerships and look forward to continued collaboration that fosters economic diversification, sustainability and community well-being.

Mahalo nui loa,



James Kunane Tokioka
Director
Department of Business, Economic Development and Tourism

HAWAIʻI'S ECONOMY

Despite the 43-day federal government shutdown and ongoing tariff and trade policy uncertainty, Hawaiʻi's economic growth in 2025 was supported by solid visitor expenditures, lower-than-expected inflation, a healthy labor market and a stronger-than-expected national economic performance. Near term growth remains subdued, however, due to the impacts of tariffs, policy uncertainty and sluggish visitor arrivals.

Based on data from the U.S. Bureau of Economic Analysis, Hawaiʻi's real gross domestic product (GDP) grew 2.7 percent in the first three quarters of 2025 compared to the same period of 2024. Inflation, as measured by the Honolulu Consumer Price Index for Urban Consumers (CPI-U), was 2.6 percent in 2025, falling from 4.1 percent in January to 2.4 percent in November.

Hawaiʻi's labor market conditions improved. Hawaiʻi added 12,200 non-agricultural payroll jobs in 2025, an increase of 1.9 percent compared to 2024. In the fourth quarter of 2025, Hawaiʻi's non-agricultural wage and salary jobs averaged 657,800 jobs, an increase of 9,900 jobs or 1.5 percent from the same quarter of 2024. The increase in jobs in the fourth quarter of 2025 was due to job increases in the private sector, which more than offset a decline in government sector jobs. The federal government lost 3,600 jobs or 10.1 percent compared to the fourth quarter of 2024. Private sector jobs increased the most in Healthcare and Social Assistance, Food Services and Drinking Places, and Construction.

In the first three quarters of 2025, Hawaiʻi's civilian labor force grew by 8,100 or 1.2 percent from the same period of the previous year. Average civilian employment increased 10,100 people or 1.5 percent and the number of unemployed decreased 2,000 people or 10.0 percent. In the first three quarters of 2025, the average unemployment rate was 2.6 percent. As of December 2025, the state's unemployment rate (not seasonally adjusted) was 2.2 percent, the lowest rate of all states. By comparison, the U.S. unemployment rate (not seasonally adjusted) was 4.1 percent.

Visitor spending remained robust despite softening visitor arrivals. After growing in the first half of 2025, the total number of visitor arrivals decreased in the second half. The total number of visitor arrivals, including arrivals by cruise ships, was 9.6 million in 2025, 0.6 percent lower than in 2024. Visitor expenditures, however, continued to increase. In 2025, visitors spent $21.8 million, a 5.7 percent increase compared to 2024, which indicates that Hawaiʻi is attracting a higher spending visitor demographic. Visitors from the continental U.S. comprised 78.1 percent of all visitors by air in 2025. U.S. visitor arrivals were 7.9 percent higher in 2025 compared to 2019. International visitors, however, were at 61.6 percent of their 2019 levels, with Canadian market recovery at 73.0 percent and the Japanese market at 46.4 percent.

The construction sector continued to grow. In 2025, construction sector jobs increased by 1,600 (4.1% from 2024). Construction jobs (not seasonally adjusted) reached a record high of 42,200 jobs in December 2025. Total private building permit values statewide increased 3.7 percent through the first 10 months of 2025 compared to the same period last year. The $8.4 billion in government contracts awarded in 2023 and 2024 will help sustain construction, which is expected to support economic growth in the years ahead.

As a comprehensive indicator of Hawaiʻi economic activities, state general excise tax (GET) collections increased 6.2 percent in calendar year 2025. At the national level, the most recent (January 2026) Blue Chip Economic Indicators report, the consensus of 50 economic forecasting organizations, projected the U.S. economy to grow at 2.1 percent in 2026 and 2.1 percent in 2027. Most international markets are expected to have softer growth due to global uncertainty.

DBEDT estimates that Hawaiʻi's real GDP will increase by 1.6 percent in 2025, 1.5 percent in 2026, 1.7 percent in 2027, and 1.9 percent in 2028. DBEDT expects a gradual growth in visitor arrivals through the forecast period. Arrivals are forecast to reach 9.96 million or 95.9 percent of the 2019 level in 2028. These economic recovery and growth trends were reflected in DBEDT's fourth quarter 2025 forecast, released on December 5, 2025. DBEDT's first quarter 2026 forecast will be released in March 2026.



DBEDT CORE DIVISIONS

DBEDT encompasses several core divisions, each playing a vital role in advancing the state's economic growth and resilience. Together, these divisions form the backbone of DBEDT's mission to create a dynamic, innovative and globally competitive economy for Hawai'i.

BUSINESS DEVELOPMENT & SUPPORT DIVISION (BDSD)

The Business Development & Support Division (BDSD) drives industry growth and economic diversification in Hawai‘i. The Division helps businesses expand and access new markets through programs that provide financing, business advising, and opportunities in global trade and commerce. Beyond increasing business revenue, BDSD is committed to creating quality jobs for Hawai‘i’s residents, strengthening international relationships, and managing sister-state partnerships.

WORKFORCE DEVELOPMENT

Program Highlights / Progress in 2025

- Culinary Arts Workforce and Professional Development Program
  - Collaboration between the Culinary Institute of the Pacific (CIP)/Kapi‘olani Community College and the Culinary Institute of America (CIA)
  - Completed year two
- Healthcare Workforce/High School Health Care Certificate Program
  - Seven cohorts comprised of 70 high school students from 13 public high schools enrolled in the statewide program
- Healthcare Workforce/Glidepath Program
  - 56 students enrolled in the program
- Made in Hawai‘i Workforce Development Program
  - CBED supported and partnered with the Institute for Pacific Education and Culture (INPEACE) Center for Entrepreneurship to help Nave Hawaiian owned businesses
  - Assisted entrepreneurs and new businesses at the UH Food Innovation Centers, LCC’s 'Āina to Mākeke, and Wahiawā Value Added Product Development Center (WVAPDC)





A TASTE OF FRANCE / PHOTO CREDIT: CIA/CIP | GLIDEPATH PROGRAM ON MAUI / PHOTO CREDIT: HAH

Outcomes / Results

- Culinary Arts Workforce and Professional Development Program
  - 148 students enrolled in nine courses from January to September 2025
- Healthcare Workforce/High School Health Care Certificate Program
  - 68 students completed the program (98% completion rate)
  - 61 students (90%) had a successful outcome in supporting their next pathway journey (i.e. employment in healthcare or college)
  - 59 students secured local employment (87% employment rate)

- Healthcare Workforce/Glidepath Program
    - Of the 56 students enrolled, 36 students (64%) were from the neighbor islands, where healthcare workforce shortages are especially critical
- Made in Hawai‘i Workforce Development Program
    - CBED supported and partnered with the Institute for Pacific Education and Culture (INPEACE) Center for Entrepreneurship to assist nine Native Hawaiian owned business attend the Kāko‘o Hawai‘i Marketplace at the 2025 Merrie Monarch Festival (Hilo); these businesses generated $291K in revenue over the 3-day marketplace that took place April 24-26
    - DBEDT was the official government sponsor of the 2025 Made In Hawai‘i Festival, the state’s largest marketplace for made in Hawai‘i goods and created a Hawai‘i Made Pavilion and invited local businesses to attend and showcase their local products
        - 27 Hawai‘i-based entrepreneurs showcased their Hawai‘i-made products in partnership with the following organizations: Leeward Community College, WVAPDC, INPEACE, Maui Chamber of Commerce with total pavilion sales of $167,892
    - TIGS is the largest international trade show in Japan; 30 Hawai‘i-based companies participated in a DBEDT produced Hawai‘i Pavilion with projected event sales of $1.4 million
        - Winter Fancy Food Faire (FFF) is an annual trade show operated by the Specialty Food Association (SFA) and the largest specialty food and beverage show in the Western United States; the Hawai‘i Pavilion debuted with nine Hawai‘i-based companies; Leeward CC & WVAPDC participated through the Incubator Village with 10 Hawai‘i companies



WAIĀKEA JOINED THE EZ PROGRAM IN 2016 WITH ONE EMPLOYEE AND HAS GROWN TO BECOME A 139-PERSON COMPANY THAT BUILT A STATE-OF-THE-ART MANUFACTURING FACILITY IN HILO AND IN 2022, EXPANDED TO COFFEE BEVERAGES THAT CAN BE FOUND IN RETAILERS ACROSS THE STATE AND NATION / PHOTO CREDIT: WAIĀKEA

BUSINESS SUPPORT SERVICES

Program Highlights / Progress in 2025

- Enterprise Zone (EZ) Program
    - 110 companies enrolled as of October 2025
    - 48 companies filed 2024 EOY reports
- CBED Loan Portfolio grew to 20 Hawai‘i businesses
    - $370,000 deployed to 6 Hawai‘i businesses
    - One firm, Maika‘i Health, successfully paid off their CBED Loan ($50K)

- Co-produced the 4th Annual AI & Cloud Innovation Summit: Presented by Google
    - The one-day event brought together state and county leaders, educators, entrepreneurs and industry experts to explore how AI and cloud technologies are already being used across Hawai‘i
    - The event highlighted the importance of responsible innovation and offered hands-on insights into how AI can help with workforce development, securing operations and public-private collaboration
- Sea Salt Products
    - Pursuant to Act 195, SLH 2025, $300,000 was appropriated for providing education and support to local businesses regarding the United States Food and Drug Administration’s (FDA) guidance on colored sea salt in which DBEDT was made the expending agency
        - This is a continuation of the work on obtaining the FDA’s approval on the use of color additives in sea salt products through its Color Additive Petition (CAP) process originally funded by Act 303, SLH 2022, in which the Department of Agriculture was the expending agency
    - The project aims to submit Color Additive Petitions (CAP) to the FDA for Red Alaea Clay and Activated Charcoal, seeking approval for their use in naturally colored sea salt products produced by local sea salt manufacturers



REUSE HAWAI‘I OPENED A NEW REDISTRIBUTION CENTER AT STADIUM MARKETPLACE WITH THE ASSISTANCE OF A CBED LOAN

PHOTO CREDIT: REUSE HAWAI‘I

Outcomes / Results

- EZ Results in 2025 for 2024 reporting companies
    - Total jobs maintained/created: 807 jobs
    - Total county revenues: $232M
- CBED Loan Portfolio: 22 Loans to 20 Hawai‘i businesses
    - Six new loans signed in 2025: 3 Maui businesses, 1 Hawai‘i Island business, 2 O‘ahu businesses
    - 221 total jobs related to CBED maintained/created
- AI & Cloud Innovation Summit
    - Attended by 443 professionals
    - Approximately $75K in private sector sponsorships to produce the conference
- Sea Salt Products
    - Created dossiers for two color additives, Red Alaea Clay and Activated Charcoal, to be used for the pre-CAP meetings with FDA
    - Increased the awareness and knowledge of local sea salt manufacturers on the Color Additive Petition (CAP) process



4TH ANNUAL HAWAIʻI AI & CLOUD INNOVATION SUMMIT / PHOTO CREDIT: BDSD

INTERNATIONAL RELATIONS

Program Highlights / Progress in 2025

- East-West Center Capital Improvement Project (EWC CIP)
  - Initiated essential upgrades to modernize and improve the EWC's infrastructure on Oʻahu
- Osaka-Okinawa Business Mission
  - Facilitated meetings between Hawaiʻi lawmakers and Japanese companies to promote investment, export opportunities and cultural diplomacy; celebrated the 40th anniversary of the Hawaiʻi–Okinawa sister-state relationship and renewed the Clean Energy MOU
- State of Hawaiʻi Offices in Beijing and Taipei (SHOB/SHOT) Missions (Guangdong, Hainan, Taipei)
  - Strengthened trade and diplomatic ties with China and Taiwan
  - Promoted Hawaiʻi coffee and agricultural exports through the Reverse Coffee Mission
  - Increased awareness of Hawaiʻi as a destination for international students
- Food and Product Innovation Network (FPIN) Site Visits (New Zealand, Australia, Singapore)
  - Learned best practices of public and private innovation centers

Outcomes / Results

- EWC CIP: Improved infrastructure to support continued safe operations and international engagement
- Osaka-Okinawa Mission: Attracted Japanese tech companies (e.g., Kansai Transmission, Mitsufuji, VFR Inc.) to Hawaiʻi; strengthened ties with JETRO and METI
- SHOB/SHOT Missions: Boosted trade awareness in China and Taiwan; laid groundwork for future educational and business partnerships; promoted sustainable agriculture
- FPIN Mission: Learned efficient, effective innovation center development operations to apply locally

INCREASING EXPORTS

Program Highlights / Progress in 2025

- Hawai‘i State Trade Expansion Program (HiSTEP)
  - Supported 120 companies through HiSTEP
  - Conducted 8 export training webinars
  - Awarded $178,000 in financial assistance to 21 companies
  - Generated $17.8 million in export sales
  - Participated in major trade shows including:
    - Natural Product Expo West (NPEW): 9 companies, $10.95M projected sales
    - FoodEX Japan: 20 companies, $3.94M projected sales
    - Tokyo International Gift Show (TIGS): 30 companies, $1.5M projected sales
    - Winter FancyFaire: Evaluated the show by observing businesses in the Incubator Village (Leeward CC’s ‘Āina to Mākeke program) and Western U.S. Agricultural Trade Association



HAWAI‘I PAVILION AT TIGS / PHOTO CREDIT: BDSD



HAWAI‘I PAVILION AT NPEW / PHOTO CREDIT: BDSD

Outcomes / Results

- Expanded market reach and trade opportunities
- Strengthened global partnerships and increased the visibility of Hawai‘i-made products
- Determined strong potential for Hawai‘i Pavilion at the 2026 Winter FancyFaire



HAWAI‘I MADE CONFERENCE VALUE-ADDED FOOD & BEVERAGE PANEL / PHOTO CREDIT: BDSD

HAWAIʻI MADE

Program Highlights / Progress in 2025

- Hawaiʻi Made Program
  - BDSD organized and produced the 3rd Annual Conference, I Ka Mākeke – Going to Market, bringing together industry leaders and government officials to share actionable insights with food manufacturers and support organizations
  - DBEDT/BDSD signed an MOA with the University of Hawaiʻi Community Design Center (UH CDC) to begin a brand refresh and logo redesign for the Hawaiʻi Made program
- Made in Hawaiʻi Festival
  - DBEDT served as the official government partner for the 31st Made in Hawaiʻi Festival, held August 15–17, 2025, at the Hawaiʻi Convention Center
  - Debuted the "Hawaiʻi Made Pavilion," featuring 27 Hawaiʻi-based entrepreneurs from all four counties, including Native Hawaiian and women-owned businesses

Outcomes / Results

- Hawaiʻi Made Program
  - The conference attracted more than 250 attendees, including manufacturers, wholesalers, retailers and support agencies
  - Promoted the Wahiawā Value-Added Product Development Center and the developing Food & Product Innovation Network
  - Engaged stakeholders from all islands and received positive feedback on the event's value
  - Post-conference, Lion Coffee (a $40M+ company) reached out to explore collaboration
  - Planning for the 4th Annual Conference in May 2026 is underway
  - UH CDC project has begun with stakeholder outreach and student involvement
- Made in Hawaiʻi Festival
  - Festival attendance peaked at 70,000 with more than 500 local businesses participating
  - Hawaiʻi Made Pavilion generated $167,892 in total sales, with an average of $3,528/day



MADE IN HAWAIʻI FESTIVAL / PHOTO CREDIT: BDSD



3 SPOONFULS OF SUGAR / PHOTO CREDIT: BDSD

CREATIVE INDUSTRIES DIVISION (CID)



ON THE SET IN MAUI, TE KOHE TUHAKA, JASON MOMOA AND SIUA IKALE‘O IN “CHIEF OF WAR” WRITTEN AND PRODUCED BY MOMOA AND THOMAS PA‘A SIBBETT, “CHIEF OF WAR” HIRED NEARLY 1,000 LOCAL RESIDENTS AND PUMPED MORE THAN $50M INTO THE STATE’S ECONOMY / PHOTO CREDIT: FIFTH SEASON, LLC

The Creative Industries Division (CID) in DBEDT focuses on the development and growth of Hawai‘i’s creative economy through four initiative areas – workforce and skills development pathways, ecosystem expansion through regional facilities and infrastructure, access to investment capital for local creative entrepreneurs to thrive, and policy strategies to spur creative and film sector economic development. Hawai‘i’s creative economy is anchored by its film and television production industry and the emerging creative content sector, performing and visual arts, cultural arts, music, publishing, design, animation, and interactive and immersive media.

Comprised of the Hawai‘i Film Office (HFO), recognized as the state’s film commission, established in 1978 and the Arts and Culture Development Branch (ACDB) was established in 2003 under CID. The two branches support the vision to create a vibrant film and media hub in the Pacific, empowering business-to-business acumen to strengthen creative entrepreneurial capacity, expand locally originated intellectual property for digital distribution globally while increasing business investment in the islands of Hawai‘i as a hub for creative, cultural and media development.

The film production workforce has experienced a dramatic downturn in film production, not just in Hawai‘i but across the U.S. Hawai‘i job counts for entertainment union workers have experienced a year of no major productions in the state. Other than reality series, the contraction of media, film and content output coupled with mergers and media company consolidations, have resulted in the worst year in Hawai‘i‘s film industry history. The

Department of Business, Economic Development and Tourism (DBEDT) is the lead state agency that promotes and expands business opportunities for the industry groups that comprise Hawai'i's creative economy. CID is comprised of the Hawai'i Film Office (HFO), responsible for the overall management of the state's offshore and local film industry development, and the Arts and Culture Development Branch (ACDB). CID is responsible for initiatives that support talent, infrastructure, policy development and investment strategies for the statewide creative industries spectrum, increasing the capacity for entrepreneurial success while maintaining Hawai'i's global reputation as a premiere location filming destination.

Through CID/DBEDT initiatives such as the Creative Lab, the agency is further strengthening Hawai'i's creative sector in film, arts, culture, music, design, literary arts, publishing, creative and interactive media – all integral components of Hawai'i's creative and innovation economy. CID/DBEDT is positioning Hawai'i to be a national and global leader in creative sector development as well as a hub for creative media and film production in the Pacific.

The most recent data from 2024 will be updated in 2026. This is the current snapshot of Hawai'i's creative industries metrics to date:

- 55,619 jobs
- 5,353 establishments
- 6.3% of the state's total civilian jobs
- $5.6 billion Gross Domestic Product (GDP) = 5.3% of State of Hawai'i total civilian GDP
- 1.1% average annual job growth rate between 2013 and 2023, compared to 0.7% for the state

HAWAI'I FILM TAX CREDIT (HRS 235-17)

Program Highlights / Progress in 2025

- As an internationally recognized production destination, Hawai'i is strategically situated to become the U.S. leader in the global creative and digital economy.
    - Hawai'i's unique multi-cultural identity supports creative arts as a form of economic diversification and revitalization, as witnessed by advancing locally originated content for export.
    - CID seeks to strengthen the state's film credit program to keep Hawai'i globally competitive and attract new production business to the state, thereby developing our workforce and increasing demand for additional infrastructure development.
    - In calendar year 2024, the Hawai'i film industry generated $206.20 million in production expenditures; this total includes both production that qualified for the state film tax credit and those that did not.
    - Using an input-output model, the industry's total economic impact was approximately $356.72 million in direct or induced activity and about $22.27 million in tax revenues generated by the initial production spend in the islands.
- Based on the 25 qualified productions received as of October 31, 2025 production expenditure for 2025 is estimated only at $91.10 million.
    - This estimated total spend will have total economic impact of $157.60 million and $9.84 million tax revenue generated from direct spend; actual numbers will be provided in the next report.

	2024 Actual	**2025 Estimate**
Total Expenditure	$206.20 million	$91.10 million
Economic Impact	$356.72 million	$156.60 million
Tax Revenue Generated from Direct Activity	$22.27 million	$9.84 million

Outcomes / Results

- 2025 was one of the most difficult years for the film industry in Hawai'i, in large part due to global changes in the entertainment industry and a mass exodus from the U.S. of large productions moving to international jurisdictions with stronger incentives.

- After the heartbreaking exit of CBS' hit show *NCIS Hawai'i* in 2024, Hawai'i suffered another hit with the loss of the John Wells show *Rescue: HI-Surf* which aired on the FOX network.
- Fortunately, John Wells, who has a longstanding relationship with the Islands and has brought numerous productions here, is intent on bringing another show to Hawai'i in 2026.

- On the bright side, the state celebrated the huge success of two major productions which were released in 2025 although produced in Hawai'i two years earlier: Disney's live action *Lilo & Stitch* and the *Chief of War* epic series on Apple TV+ in July.
  - Both shot from 2022 through 2024, but were not released until mid-2025.
  - In addition to supporting these major productions throughout the year, the Hawai'i Film Office provides critical support to many smaller local projects and independent feature films.



MAIA KEALOHA AS LILO, STITCH, AND SYDNEY AGUDONG AS NANI IN DISNEY'S LIVE-ACTION "LILO & STITCH"
THE BELOVED FILM – FOCUSED ON THE STRENGTH OF 'OHANA – SHOT IN HAWAI'I AND RELEASED IN 2025
THE PRODUCTION HIRED MORE THAN 1,000 LOCAL RESIDENTS AND SPENT MORE THAN $70M IN THE STATE
A SEQUEL IS IN THE WORKS DUE TO MORE THAN $1B AT THE BOX OFFICE / PHOTO CREDIT: DISNEY ENTERPRISES INC.

CREATIVE SKILLS & WORKFORCE DEVELOPMENT: GOOD JOBS HAWAI'I

Program Highlights / Progress in 2025

- CID continues to play a key leadership role in creative sector job and business creation through the University of Hawai'i Good Jobs Hawai'i program.
  - This federally funded initiative administered by the University of Hawai'i Community Colleges (UHCC) through a U.S. Economic Development Administration (EDA) grant, launched in 2022 to build employer-driven sector partnerships that strengthen Hawai'i's workforce in priority industries, including the creative economy.
- Through this collaboration between UHCC, the Chamber of Commerce Hawai'i, and DBEDT, the Creative Industries Sector Partnership (CISP) was formed in 2023.
  - The partnership brings together educators, employers, unions and community organizations to address workforce challenges in film, television, digital media, design and emerging fields such as esports and UX/UI.
  - CID, housed within DBEDT, provides staff leadership for the partnership and coordination across state, education and industry stakeholders.
- As the original three-year grant concluded in August 2025, Good Jobs Hawai'i entered a one-year, no-cost extension (through August 2026).
  - During this period, DBEDT and CID, working closely with the Chamber of Commerce Hawai'i, are helping guide the transition toward a public–private funding model that will sustain the partnership beyond federal support.

- Key efforts under the extension include continued progress toward the goal of 300 program participants through additional creative-sector training cohorts — such as Production Accounting and Production Assistant — and the launch of a foundational safety course at Honolulu Community College in collaboration with IATSE 665.
    - Recent wins include the placement of interns on major productions filmed in Hawai‘i, employment opportunities with local theater companies, e-sports certificate programs and internships at UH Mānoa, and educator externships through career awareness workshops that strengthen industry–classroom connections statewide.

Outcomes / Results

- As of September 2025, more than 140 employers have engaged through the partnership and growing numbers of participants are moving into internships and on-the-job employment.
- Together with its partners, DBEDT and CID are supporting the evolution of a coordinated creative workforce ecosystem that advances local talent, meets industry needs and contributes to Hawai‘i’s long-term economic diversification.

CREATIVE ECOSYSTEM DEVELOPMENT

Program Highlights / Progress in 2025

- Creative Lab Hawai‘i (CLH) was founded to increase the development of both craft and business of our local filmmakers to increase opportunities for export of creative content and products, providing Hawai‘i’s creative entrepreneurs a foundation for success.
- A report to the Legislature in response to HCR 184 identified needs and opportunities specific to Hawai‘i’s fashion and music industries in the areas of investments in infrastructure, facilities and equipment; educational and career pathways and workforce development training; access to funding and capital; export assistance; incentives and policies; and strategic partnerships for program and infrastructure development.
    - Implementation of actionable recommendations outlined in the report to the Legislature are focused on the establishment of a Creative Innovation Hub for ongoing innovation and addressing gaps in infrastructure and equipment for these sectors thus enhancing the state’s creative economy.



Outcomes / Results

- CLH programs and new partnerships with other like-minded organizations, provided filmmakers, nonprofit and community-based organizations fiscal sponsorship to increase their: 1) skills development and business acumen, 2) film festival screenings, and 3) marketing support for awards season for qualifying short and feature films created by Hawaiʻi filmmakers.
    - Industry leaders from acting, writing, producing and animation focused in areas of talent and skills development provide skills necessary to navigate the business of the media, film and music industries globally.
    - Collaborative partners included Pacific Islanders in Communications, ʻOhina Labs and Showcase, Hawaiʻi Women in Filmmaking (HWIF), International Culture and Arts Network (ICAN), Hawaiʻi International Film Festival (HIFF) Made in Hawaiʻi section and HI Film Conference, Hisako Filmmakers Labs Maui, and Story Xperiential online training programs for students and teachers in the art of storytelling through animation.
- To empower the next generation of storytellers, the division provided in-kind CreativeSpace studio and collaboration space at Entrepreneurs Sandbox on a complimentary basis to various non-profit organizations and students totaling 88 hours and $18,525 in in-kind sponsorship in FY25-26.

INFRASTRUCTURE & FACILITIES DEVELOPMENT

Program Highlights / Progress in 2025

- Creative Space/Creative Startup Offices
    - In partnership with the Foreign Trade Zone (FTZ) and the Hawaiʻi Technology Development Corporation (HTDC), CID continues to provide two creative co-working spaces to cater to local startups in several creative sectors in the emerging categories: the Homer Maxey Center second floor offices are now fully occupied by an apparel designer, non-profit music organization and a creative media producer.
        - Each location has different intentions for use depending on project duration of time and project goals – Homer Maxey Center for longer term, more business operation-oriented, and the Entrepreneurs Sandbox for shorter term, active film studio operations.
        - Each space is equipped with tools to support content creation for media, music, design and media-focused business operations.
- Stage Facilities
    - The Hawaiʻi Film Studio at Diamond Head is the only state-owned and –operated facility of its kind in the country operated by the Hawaiʻi Film Office since 1990.
        - The facility sits on 7.5 acres at the base of Diamond Head and has a 16,500 sf purpose built sound stage, a 12,500 sf stage, production offices, a mill/tech building and parking for crew and trailers.
        - Since NCIS Hawaiʻi was cancelled and vacated the studio in June 2024, the studio has been vacant except for use for 1.5 months by Chief of War.
        - The Hawaiʻi Film Office and the Creative Industries Division has had to take on additional costs of operating the facility which are normally paid for by the tenant: utilities (electrical and water) and security.
        - In FY25, the state paid approximately $115,000 for utilities and approximately $90,000 for security.
    - DBEDT has a license agreement with the U.S. Navy to manage Kalaeloa Stages, a 13.7 -acre property at Midway and Enterprise Avenue.
        - Since 2017, more than 100,000 square feet of stage space, 80,000 square feet of props, wardrobe and related storage for productions as well as an on-site construction mill has afforded the state to host multiple streaming and television series and feature productions.
    - Kalaeloa Stages remains essential for sustaining local workforce employment on various productions.

        - DBEDT–CID is in active negotiations with the Navy in partnership with HCDA and MACRO, to seek a longer-term lease to continue its use of Kalaeloa Stages Studio Campus.
        - This extension will allow DBEDT-CID to continue its recovery from the post-pandemic and industry strikes which impacted film and television production in Hawai‘i and across the continental U.S. in 2024 and 2025.
        - The state's film studio and facilities are finally beginning to receive active inquiries from major and independent studios and producers for a variety of film and series productions with anticipated start dates in late 2025 and 2026.
- Hawai‘i Film and Creative Industries Development Fund (HRS 201-113)
    - The Hawai‘i Film and Creative Industries Development Fund (HFCF) was enacted by the Legislature in SLH 2021 and expanded in SLH 2022 to allow the deposit of rental income from DBEDT-managed media facilities.
        - The fund provides much-needed capital for productions in film, media, game development and interactive media from early development through completion.
        - By increasing access to local capital resources, HRS 201-113 aims to grow the state's locally originated content industry and support the development of intellectual property (IP) for digital export.
    - An unprecedented number of 113 applicants submitted proposals through a Request for Proposal (RFP) process, for the initial Phase I Call for Submissions issued in December 2024 and remained open until March 21, 2025.
        - This will provide seed funding for short films, feature films, script development, post-production and finishing funds for locally written and produced creative projects.
        - A total of $400,000 has been committed in this first phase to strengthen and expand Hawai‘i's creative content industry in developing content for new and traditional platforms of distribution or licensing.
    - The thorough review and scoring consisted of a two-step process, first with an industry-led committee review panel, then followed by a DBEDT internal procurement selection committee scoring, reviewing and tallying the qualified applicants scores, and eventually awarding contracts to the finalists based on their aggregate high scores.
    - The overall goal of the HFCF is to grow the creative content industry in Hawai‘i, through support for locally developed, produced and completed for regional, international or global distribution on a variety of platforms.
        - This goal supports CID's mission to showcase local talent from Hawai‘i, while positioning the state as a premiere media development hub in the Pacific.

Outcomes / Results

- Digital Transformation of CID Systems
    - The launch of the Tax Credit Unit (TCU) within DBEDT/CID established a team of three dedicated staff to oversee day-to-day operations of CID and department tax credit programs.
        - Comprised of an Incentives and Exemption Manager, Accountant V FTE and a Film Development Specialist V FTE, support various roles of the management of the film tax credit program.
        - The division administrator oversees the unit and collectively the team collaborates with the Department of Taxation and DBEDT's Research and Economic Analysis Division (READ).
    - The DBEDT tax credit hub registration system was completed in Q2 FY23, with the reporting module launched in Q3 FY23.
        - Transitioning from a paper-based to a web-based filing process has significantly improved communication with productions, streamlined application submission and review workflows and enhanced report generation.
    - DBEDT has continued to enhance the tax credit hub registration system to further improve application tracking, review efficiency, and overall user experience.
        - These updates have resulted in faster turnaround times for certificate issuance to filers and more timely submissions to the Department of Taxation and the Legislature.

FOREIGN TRADE ZONE (FTZ)

The Foreign-Trade Zone No. 9 Division's (FTZ9) objective is to establish, maintain and administer general-purpose Foreign-Trade Zones and special-purpose Foreign-Trade Subzones throughout the state; provide storage and distribution services to firms engaged in the import/export of merchandise; and to lease office, warehouse and manufacturing space to firms engaged in international trade. The FTZ9 program continues to operate with only the FTZ Special Fund and without the use of the state's general fund.



STRENGTHENING HAWAIʻI'S GLOBAL TRADE HUB

Program Highlights / Progress in 2025

- Statewide Service Delivery: FTZ9 continued to provide comprehensive services to clients across Hawaiʻi, including operations at Pier 2.
- Warehouse Utilization: Successfully managed logistics at nearly 100% capacity, ensuring efficient operations.
- Financial Stability: Maintained sufficient funding through the FTZ Special Fund during a significant inflationary period, without reliance on General Tax Funds.
- Expansion Planning: Conducted planning and stakeholder meetings for the Hilo facility expansion to increase operational reach.
- Equipment Upgrade: Completed the upgrade of the warehouse forklift fleet, improving reliability and reducing maintenance costs.
- Infrastructure Modernization: Finalized the planning phase for the Pier 2 electrical system upgrade, which includes augmenting the existing photovoltaic array with a battery system to extend solar energy availability.


HAWAII
FOREIGN-TRADE ZONE
NO. 9
BUSINESS IMPACT
#1
IN THE USA
Hawaii FTZ9 is #1 in the USA for number of companies supported by a Foreign-Trade Zone
289
COMPANIES
4,047
JOBS IN HAWAII
$10.6 Billion
IN 2024 FTZ ACTIVITY
$5.3B in merchandise received
$5.3B in merchandise forwarded
$6.0B in value-added products
$7.4B in production activity
$3.1B in distribution and warehouse activity
TOP PIER 2
IMPORT COUNTRIES
1. China
2. Japan
3. Taiwan
4. South Korea
24 countries import to Hawaii via FTZ9
58 types of merchandise imported via FTZ9
TOP 25
in USA FTZ Activity
#24 in Merchandise Received
#22 in Exports
521 Ala Moana Blvd., Suite 101, Honolulu, HI 96813
(808) 586-2515
www.ftz9.org

Outcomes / Results

- Economic Impact: FTZ9 services 290 companies utilizing Pier 2 facilities or zone benefits. These companies have generated significant capital investment and supported over 4,000 jobs statewide, marking a 33% increase over the past five years.
- Supply Chain Resilience: Amid tariff challenges and global trade disruptions, FTZ9 has become a critical resource for mitigating additional trade costs and ensuring secure supply chains. This heightened demand has kept Pier 2 warehouse operations near full capacity.
- Private Sector Engagement: FTZ9 continues efforts to identify private companies eligible to operate as FTZ distribution warehouses, though qualification under U.S. Customs regulations remains a challenge.
- Office Occupancy & Revenue Stability: The Hub of International Trade at Pier 2 maintained high office occupancy rates. To offset inflationary pressures, FTZ9 implemented rate adjustments, ensuring satisfactory revenues to sustain operations without General Tax Funds.
- Operational Efficiency: The upgraded forklift fleet enables high service levels while significantly reducing maintenance expenses.
- Electrical System Upgrade: Entered the contracting phase for Pier 2's electrical modernization project. Contracts have been awarded for the Construction Manager, Electrical Contractor and Renewable Energy Battery Provider. This upgrade will replace the outdated 1950s-era system and integrate battery storage to optimize photovoltaic output, improving efficiency and reducing costs to support the FTZ Special Fund and mission.



HAWAIʻI BROADBAND OFFICE (HiBO)

The Hawaiʻi Broadband Office (HiBO), established under Hawaiʻi Revised Statutes (HRS) Chapters 27-C and 27-D, serves as the state's coordinating agency for broadband infrastructure strategy, digital equity policy and program monitoring. Effective July 1, 2025, pursuant to Act 201 (2025), HiBO was officially transferred from the Department of Business, Economic Development and Tourism (DBEDT) to the Department of Accounting and General Services (DAGS). This move aligns broadband implementation with the state's enterprise technology, procurement and public works functions to enhance interagency coordination and operational efficiency.

HiBO's mission is to expand affordable, high-speed internet access and digital inclusion across all islands through coordinated governance, policy development, and data-driven oversight. The office plays a monitoring role in the execution of major broadband initiatives, including the Hawaiian Islands Fiber Link (HIFL) middle-mile project and the Broadband Equity, Access, and Deployment (BEAD) program. University of Hawaiʻi (UH) serves as the BEAD lead recipient and program administrator.

The office also provides supportive coordination for Connect Kākou and facilitates the Broadband Hui, a statewide coalition of public, private and community stakeholders dedicated to advancing broadband access, digital equity and innovation. Through these partnerships, HiBO ensures consistent engagement with residents, community organizations and counties to inform state broadband strategies.



BRIDGING THE DIGITAL DIVIDE

Program Highlights / Progress in 2025

- Advanced statewide broadband deployment planning aligned with Act 100 goals to expand high-speed internet access and digital equity; key milestones included:
    - Completion of broadband connectivity mapping and needs assessment to identify unserved and underserved communities.
    - Strengthened collaboration with counties, ISPs, UH (as BEAD lead), and community organizations to support broadband infrastructure deployment and digital equity program delivery.
    - Supported implementation progress of the Hawaiian Island Fiber Link (HIFL) middle-mile project and continued monitoring of BEAD planning, consistent with HiBO's monitoring role.
    - Launched or supported digital literacy and including initiatives through community partners, libraries and nonprofits, focusing on senior, low-income households and rural communities.
    - Facilitated Broadband Hui meetings to ensure continual stakeholder engagement and statewide coordination.

Outcomes / Results

- Access and Infrastructure
    - Increase availability of high-speed broadband in priority rural and underserved areas as identified in state-wide assessments.
- Digital Equity
    - Delivery of digital literacy training statewide in collaboration with libraries and nonprofits.
    - Launched device distribution for low-income households.
    - Increased adoption of affordable connectivity programs among households with financial barriers.
- Partnerships
    - Maintained strong partnerships with counties, UH and community organizations; enhanced coordination through Broadband Hui and Connect Kākou support.

MILITARY AND COMMUNITY RELATIONS OFFICE (MACRO)

The State of Hawai‘i’s Military and Community Relations Office (MACRO) was established in 2024 by the Governor and the Department of Defense (DoD) to serve as a bridge between Hawai‘i’s civilian and military communities. Its mission is to strengthen communication, collaboration and mutual understanding between federal defense partners and local stakeholders across government, business and community sectors. As part of the Department of Business, Economic Development and Tourism (DBEDT), MACRO works to ensure that military activities in Hawai‘i align with the state’s broader goals for economic resilience, environmental stewardship, cultural respect and community well-being.



REPRESENTATIVES FROM MĀLAMA MĀKUA, THE WAI‘ANAE MOKU KUPUNA COUNCIL, MACRO AND U.S. ARMY GARRISON HAWAI‘I JOINED U.S. REPRESENTATIVE JILL TOKUDA TO DEDICATE A PEACE POLE AT MĀKUA MILITARY RESERVATION IN WAI‘ANAE. INSCRIBED WITH “MAY PEACE PREVAIL ON EARTH” AND “HO‘OMALUHIA ME KA HONUA,” THE PEACE POLE STANDS AS A REMINDER THAT PEACE IS NOT ONLY THE ABSENCE OF CONFLICT BUT ALSO THE ACTIVE PURSUIT OF HARMONY, RESPECT AND CONNECTION BETWEEN THE MILITARY AND THE COMMUNITY.

Through outreach, strategic communications and interagency coordination, the office helps translate complex defense issues into accessible public dialogue, fostering trust, transparency and shared responsibility in shaping Hawai‘i’s future.

BUILDING BRIDGES & STRENGTHENING FOUNDATIONS

Program Highlights / Progress in 2025

- Strategic Framework and Operational Design: Finalized the MACRO Action Plan, derived from the Operational Design Plan developed in late 2024, to clearly define actions, assign responsibilities and establish phased implementation steps necessary to execute the strategic blueprint outlined in the Operational Design Plan
- Educational Infrastructure and Defense-Community Investment: Funded and embedded two HIDOE facility planners under the Public Schools on Military Installations (PSMI) initiative to modernize 12 schools serving both military and local students



STUDENTS FROM KAPOLEI HIGH SCHOOL VISITED PEARL HARBOR NAVAL SHIPYARD FOR A BEHIND-THE-SCENES LOOK AT HAWAIʻI'S CRITICAL TRADES, ENGINEERING AND STEM CAREERS. THE VISIT OFFERED REAL-WORLD INSIGHT INTO THE TECHNICAL SKILLS THAT SUPPORT BOTH DEFENSE READINESS AND THE STATE'S GROWING INNOVATION ECONOMY, WHILE ENCOURAGING STUDENTS TO CONSIDER FUTURE ROLES IN THESE HIGH-IMPACT FIELDS.

- Economic Impact and Infrastructure Resilience Studies: Completed Economic Impact and Critical Infrastructure studies assessing defense-related contributions to Hawai'i's economy and resilience
- Crisis Communication and Public Information Protocol: Established Hawai'i's first interagency Crisis Communication Standard Operating Procedure for coordinated messaging during military-related incidents
- Public Outreach and Strategic Communications: Implemented a comprehensive outreach framework, launching the "Bridging the Gap" podcast and cross-platform media engagement strategy
- Defense Partnership and Economic Development: Expanded the Hawai'i Defense Alliance to strengthen small business participation in defense contracts and support cybersecurity compliance (CMMC)



MACRO DEPUTY DIRECTOR JOHN GREENE MEETS WITH A HAWAIʻI-BASED VENDOR DURING THE 2025 AMERICAN LOGISTICS ASSOCIATION HAWAIʻI FOOD SHOW, A KEY PLATFORM CONNECTING LOCAL BUSINESSES WITH DEFENSE COMMISSARY AGENCY (DECA) AND MILITARY EXCHANGE BUYERS; 68 LOCAL COMPANIES SHOWCASED PRODUCTS. DECA'S NETWORK RECORDED MORE THAN $4.2 BILLION IN SALES IN FY22. FOR HAWAIʻI BUSINESSES, GAINING A FOOTHOLD IN THAT SYSTEM REPRESENTS A POWERFUL WAY TO SHOWCASE LOCAL PRODUCTS AND STRENGTHEN THE STATE'S DEFENSE-CONNECTED SMALL BUSINESS ECONOMY.

Outcomes / Results

- Strategic Framework and Operational Design
  - Formalized interagency engagement structure
  - Launched communication channels (podcasts, newsletters and social media)
  - Introduced performance metrics for accountability



ADM. SAMUEL J. PAPARO, COMMANDER OF U.S. INDO-PACIFIC COMMAND, HOSTED HAWAIʻI GOVERNOR JOSH GREEN AT USINDOPACOM HEADQUARTERS IN EARLY 2025. THE MEETING REINFORCED ONGOING COMMUNICATION AND COLLABORATION BETWEEN MILITARY AND STATE LEADERSHIP, ESSENTIAL FOR INFORMED DECISION MAKING, PUBLIC SAFETY AND COORDINATED RESPONSES TO SECURITY CHALLENGES.

- Educational Infrastructure and Defense-Community Investment
  - Strengthened collaboration between HIDOE and DoD
  - Advanced design/build readiness and prioritized safety and technology improvements
- Economic Impact and Infrastructure Resilience Studies
  - Quantified how defense spending stabilizes Hawai‘i’s economy, providing data that informs state planning and investment decisions
  - Strengthened interagency coordination for critical infrastructure
- Crisis Communication and Public Information Protocol
  - Created a unified communication framework across military, state and county agencies
  - Enhanced real-time coordination and emergency response capacity
- Public Outreach and Strategic Communications
  - 57,000 podcast listeners, 700,000+ TV impressions and 5,600 website users in three months
  - Elevated trust and visibility through transparent storytelling
- Defense Partnership and Economic Development
  - Boosted local defense contractor readiness and competitiveness
  - Improved cybersecurity posture across Hawai‘i’s defense supply chain



THE FORGE IS A NEW ADVANCED MANUFACTURING FACILITY AT SCHOFIELD BARRACKS, HAWAIʻI, THAT USES TECHNOLOGIES LIKE 3D PRINTING, PRECISION MACHINING AND RAPID PROTOTYPING TO CREATE REPLACEMENT PARTS, PROTOTYPES AND OTHER COMPONENTS FOR MILITARY EQUIPMENT. A COLLABORATION BETWEEN THE DOD’S INNOVATION CAPABILITY AND MODERNIZATION OFFICE AND U.S. INDO-PACIFIC COMMAND, THE FACILITY AIMS TO ENHANCE JOINT FORCE READINESS, RESILIENCE AND SELF-RELIANCE.

- Workforce and Policy Development
  - Strengthened partnerships among schools, industry and defense
  - Expanded MACRO’s legislative engagement and coordination capacity

RESEARCH & ECONOMIC ANALYSIS DIVISION (READ)



The Research & Economic Analysis Division (READ) interprets, supports and enhances Hawai‘i’s economic development by providing statistics, economic analysis, and short- and long-range forecasts for Hawai‘i’s economy. READ conducts research into various elements of Hawai‘i’s economy, including collecting, compiling and publishing data and statistics on many aspects of business activity, the economy and demographic characteristics of the State. It maintains a statewide statistical reporting program available online through the State of Hawai‘i Data Book, economic dashboards and data warehouses.

A team of economists and statisticians work in four branches: 1) economic research, 2) statistics & data support, 3) tourism research, and 4) labor statistics. READ products include data on tourism, labor, population, energy, and construction, as well as other research and reports to help government agencies, lawmakers, businesses, educators and the public gain a better understanding of the State’s economy.

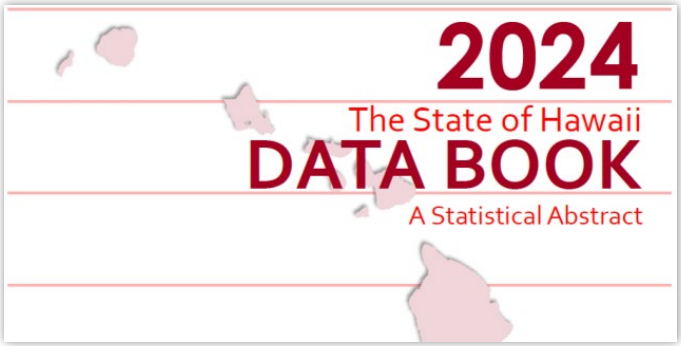
ADVANCING DATA-DRIVEN INSIGHTS FOR HAWAI‘I’S FUTURE

Program Highlights / Progress in 2025

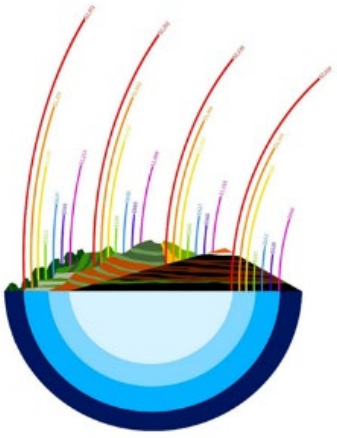
- In 2025, the Research and Economic Analysis Division (READ) produced more than 70 statistical and economic products covering diverse topics critical to Hawai‘i’s economy, workforce and communities.

These outputs included featured reports, annual publications and interactive dashboards that informed policy, planning and public understanding. Below are some featured reports:

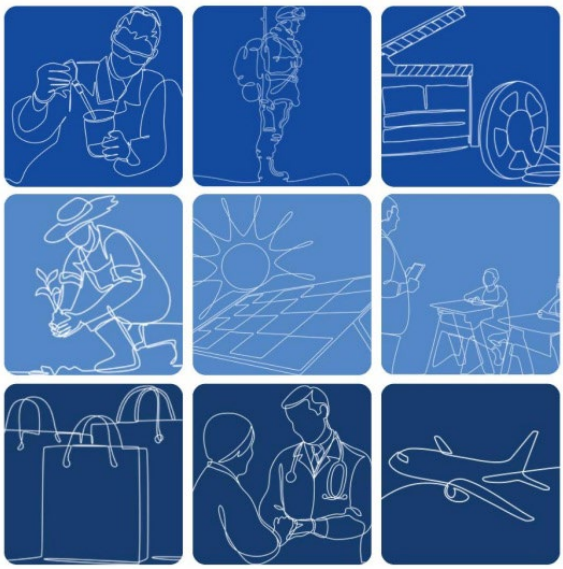
- Electricity Burdens on Hawai‘i Households: 2022 Update (January 2025) - The report page includes an interactive map of electricity burdens in 2018 and 2022 by census tract
- Hawai‘i Property Ownership: Its History and Potential Future Implications (February 2025) - This report explores the history of land ownership in Hawai‘i, including the leasehold system, and examines its implications for housing and homeownership
- A Brief on Taiwanese in Hawai‘i (February 2025) - This brief provides demographic characteristics of the Taiwanese population in Hawai‘i using 2020 Census data and the 2023 American Community Survey
- Native Hawaiians in Hawai‘i’s Tourism Sector: 2025 Update (February 2025) - Updated demographic insights on Native Hawaiians employed in the tourism sector (2019–2023) are provided with comparisons to sector-wide averages
- Top Occupations in Hawai‘i, 2016-2023 (March 2025) - This report identifies the 20 largest occupations in 2023, highlights those where growth has been fastest since 2016 and includes an analysis of growth in STEM-related fields
- Solar PV Battery Installations in Honolulu, 2024 Update (March 2025) - In 2024, 4,783 PV-plus-battery permits were issued, accounting for 90% of all PV permits
- Sports Wagering Working Group Report to the Legislature (March 2025) - This report summarizes the activities and policy recommendations of the Online Sports Wagering Working Group, led by DBEDT/READ and formed via HCR70 HD1 (2024 Legislature)
- Hog Production and Hog Harvesting in Hawai‘i (May 2025) - This report examines local hog production, pork consumption and the growing demand for hog harvesting services in Hawai‘i
- Assessing the Cost of Building Permit Delays in Honolulu: 2022–2023 (May 2025) - This report examines the increased construction costs linked to building permit delays, focusing on public projects managed by the State of Hawai‘i and the City and County of Honolulu (CCH)
- Hawai‘i’s Genuine Progress Indicator (HI GPI) Update, 2000–2023 (June 2025) - The HI GPI is an annual measure of economic welfare that reflects the costs and benefits of economic activity on the economy, society and the environment
- Trends in Honolulu Building Permits, 2005–2024 (June 2025) - This report reviews long-term trends in building permits issued in Honolulu County, with a focus on new structures and single-family homes
- Report on Hawai‘i Tax Credit for Research Activities for the 2024 Tax Year (August 2025) - This report, required by Section 235-110.91, HRS, summarizes 18 certified Qualified High Technology Businesses, their eligible research spending and credits, and high-level profiles by industry, employment and location
- State of Hawai‘i Data Book (August 2025) - Published annually since 1962, the Hawai‘i State Data Book is the most comprehensive statistical book about Hawai‘i in a single compilation – classified into 24 sections with 837 data tables, it covers a broad range of information in areas such as population, education, environment, economics, energy, real estate, construction, business enterprises, government, tourism and transportation



- 2024 Annual Visitor Research Report (August 2025) - This report provides the 2024 statistics on Hawai‘i’s visitor industry with comparison with 2023 visitor data and includes characteristics data from visitors who came to Hawai‘i by air service or by cruise ship and statistics about visitor room inventory, hotel occupancy, room rates and air seat capacity
- The Minimum Wage in Hawai‘i: 2025 Update (August 2025) - This report examines the impacts of Hawai‘i’s minimum wage law
- Occupational Employment and Wages in Hawai‘i (September 2025) - Produced in cooperation with the U.S. Department of Labor and the Bureau of Labor Statistics, this annual report is based on semi-annual surveys of 6,000 establishments throughout the state
- 2024 Employment and Payrolls in Hawai‘i (October 2025) - This annual publication details employment and wage data by industry for the state and individual counties of Hawai‘i
- 2024 Visitor Satisfaction and Activity Annual Report (October 2025) - This report summarizes trip planning and on-island experiences and surveys visitors who recently completed trips to Hawai‘i across eight markets: U.S. West, U.S. East, Japan, Canada, Oceania, China, Korea and Europe
- The Hawai‘i State Input-Output Study: 2022 Benchmark Report (October 2025) - This 2022 Benchmark Input-Output Study provides an updated and comprehensive picture of Hawai‘i's economy, capturing the inter-industry flows, final demand, value added, and tax structure as of the benchmark year
- 2025 Spring Resident Sentiment Survey (November 2025) - Resident sentiment toward Hawai‘i’s visitor industry is vital to maintaining responsible and regenerative growth in the industry and in the state’s economy overall
- Filipino Population in Hawai‘i: 2020 (November 2025) - This report provides a precise and extensive understanding of the Filipino population living in Hawai‘i in 2020, based on data from the U.S. Census Bureau’s 2020 Decennial Census
- Business Revitalization Task Force Report (November 2025) - Act 142 of Session Laws of Hawai‘i 2024 (SB2974 CD1) established a Business Revitalization Task Force within the Department of Business, Economic Development and Tourism to identify methods to improve Hawai‘i’s general economic competitiveness and business climate, including the mitigation of regulatory and tax burdens; this report summarizes the Task Force findings and presents an innovative legislative proposal to improve Hawai‘i’s business environment
- Assessing the Impacts of Hawai‘i’s Film Tax Credit in 2024 (December 2025) - This report assesses the economic impacts of The Motion Picture, Digital Media and Film Production Income Tax Cut (“the film tax credit”)
- Measuring Economic Diversification in Hawai‘i (November 2025) - This report measures Hawai‘i’s economic diversification that occurred between 2001 to 2024 period
- Self-Sufficiency Income Standard, Estimates for the State of Hawai‘i and Counties (December 2025) - Pursuant to Hawai‘i Revised Statutes, 201-3(b), this study establishes Hawai‘i’s self-sufficient family income standards for year 2024 and compares annual self-sufficient family budgets with annual poverty thresholds, annual minimum wage level and annual median family income for five family types



THIS GRAPHIC, CREATED BY SOLOMON ENOS, ILLUSTRATES THE MONTHLY SELF-SUFFICIENCY BUDGET REQUIRED FOR A SINGLE ADULT WITH ONE PRESCHOOLER AND ONE SCHOOL-AGE CHILD, BY COUNTY



- Hawai‘i’s Targeted & Emerging Industries, 2024 Update Report (December 2025) - This report provides a performance review of Hawai‘i’s targeted and emerging industry portfolio for the period of 2014-2024
- Annual Report on Workforce Development Programs (December 2025) - This report provides an overview of DBEDT’s workforce development programs’ scope, employment potential and target metrics
- 2025 Visitor Plant Inventory (December 2025) - This annual report provides detailed counts of visitor accommodations by type and location across the state
- Dashboards - READ maintained 17 dashboards with subjects including economic overviews, population, tourism markets, daily passenger counts, labor market, housing markets, migration, language use, the energy and agriculture sectors, Hawai‘i rankings, area profiles, Hawai‘i’s generational economy and genuine progress indicators
  - Hawai‘i Population by Race (September 2025) - This dashboard provides an overview of Hawai‘i’s population by race and detailed data for the top seven racial groups, allowing users to explore their historical population growth and visualize geographical concentration at the census tract level through interactive maps and tables

Outcomes / Results

- READ’s work provided data-driven insights for decision-makers, supported legislative initiatives and enhanced public access to economic and social indicators through reports and interactive tools:
  - Energy & Housing: Updated electricity burden analysis and solar PV battery installation trends; examined property ownership history and future implications
  - Demographics & Workforce: Reports on Taiwanese and Filipino populations; Native Hawaiians in tourism; top occupations and wage trends; minimum wage impact
  - Economic & Industry Analysis: Hawai‘i’s Genuine Progress Indicator update; Input-Output Benchmark Study; economic diversification; film tax credit impact; international student spending
  - Tourism & Visitor Insights: Annual Visitor Research Report; Visitor Satisfaction Survey; Visitor Plant Inventory; Resident Sentiment Survey
  - Construction & Infrastructure: Building permit trends and cost impacts of delays
  - Business & Policy: Business Revitalization Task Force recommendations; sports wagering policy report
  - Annual Publications: State of Hawai‘i Data Book; Employment and Payrolls report; Workforce Development Annual Report
  - Dashboards: Maintained 17 interactive dashboards and launched 2 new ones, including Hawai‘i Population by Race



SMALL BUSINESS REGULATORY REVIEW BOARD (SBRRB)



The SBRRB was established in 1998 to assist small businesses with overburdensome rules and regulations. It is aligned with DBEDT's mission to support businesses to become economically successful and grow in Hawai'i while staying within state and county rules and regulations that govern their industries.

The SBRRB's governing statute, the Small Business Regulatory Flexibility Act (RFA) under Chapter 201M, HRS, requires 11 board members who meet monthly and review rules that have small business impact from state and county agencies before and after public hearings.

In order to optimize the RFA, Hawai'i's small business community must be aware of how the SBRRB can assist them with regulatory concerns. To assist in educating the small business community, the SBRRB diligently works on building visibility. This is being accomplished with continued increased outreach efforts to improve its awareness and effectiveness.

ENHANCING REGULATORY SUPPORT FOR HAWAI'I'S SMALL BUSINESSES

Program Highlights / Progress in 2025

- Newly Created Administrative Directive (AD) 25-04
    - Assisted the Governor's Office with updating the existing AD "Policy and Procedure for the Adoption, Amendment, or Repeal of Hawai'i Administrative Rules," which outlines the requirement that when a Hawai'i Administrative Rule affects small business a Small Business Impact Statement must be submitted to the SBRRB prior to public hearing.
- Act133, SLH 2025, SPEED (Simplified Permitting for Enhanced Economic Development)
    - SPEED was created by the State Legislature to identify actions taken, challenges encountered and legislative measures necessary to facilitate, expedite and coordinate state and intergovernmental development permit processes.
    - An SBRRB member legislatively sits on SPEED and is participating in Permitted Interaction Groups to create recommendations and a SWOT analysis for each recommendation: (1) building permits, (2) 6E compliance for State Historic Preservation District, and (3) Individual wastewater systems.

Outcomes / Results

- The goal is to have a community educated on what benefits SBRRB can provide Hawai'i small businesses.
    - Participating on the SPEED taskforce has been an excellent form of enlightenment to the community about the purview of this Board.
    - Long-term outcome encompasses the continuation of building visibility.
- Overall, enhanced visibility is expected to bring more small businesses approaching the SBRRB with regulatory issues and concerns.
    - Utilizing DBEDT's contracted public relations firm has significantly increased and improved the SBRRB's business outreach through enhanced social medial visibility and monthly newsletters.
    - The outcome is an informed community that understands the benefits the SBRRB offers to Hawai'i's small businesses, along with a strengthened relationship with the business community.



DBEDT ATTACHED AGENCIES

DBEDT spans a diverse portfolio of administratively attached agencies that collectively support Hawai‘i’s strategic economic development, housing, infrastructure, energy, technology, tourism and planning objectives.

AGRIBUSINESS DEVELOPMENT CORPORATION (ADC)

ADC continues to advance a clear strategy – securing and managing key agricultural assets that sustain Hawai‘i’s farmers, strengthen local food production and expand opportunities for value-added agriculture. By investing in land, irrigation systems and the workforce that supports them, we are laying the groundwork for a resilient and self-sufficient agricultural economy.

Our mission is twofold:

1. To enhance the economic, environmental and social well-being of Hawai‘i’s people through the local production of food and agricultural products for local consumption.

2. To foster responsible growth in commercial exports that diversifies and strengthens our state’s rural economy.

Together, these goals ensure that agriculture remains a cornerstone of Hawai‘i’s prosperity, resilience and cultural identity.

SECURING HAWAI‘I’S AGRICULTURAL FUTURE

Program Highlights / Progress in 2025

- Advancement of Major Statewide Initiatives
    - Consistent with the Board’s strategic guidance and legislative direction, ADC completed the Feasibility Study for the Food and Product Innovation Network (FPIN) and finalized Envisioning Hawai‘i’s Food and Product Innovation Network, as directed under Act 237 (2025); the Board’s emphasis on coordinated statewide planning and value-added agricultural development informed this work, which establishes the foundation for a multi-island system designed to expand processing capacity, strengthen local food systems, increase export potential and support innovation across Hawai‘i’s agricultural sector.
- Strengthening Infrastructure and Organizational Capacity
    - With the support and advocacy of the Board, the Hawai‘i State Legislature authorized five new staff positions on Kaua‘i focused on water infrastructure, property management and system operations; these positions directly advance the Board’s priority to strengthen ADC’s operational capacity and stewardship of critical agricultural assets.
- Stewardship, Producer Support and Innovation
    - In alignment with the Board’s vision for responsible land stewardship and producer-centered support, ADC continued efforts to improve agricultural land access, strengthen best management practices and foster innovation through partnerships with the Hawai‘i Department of Education and the University of Hawai‘i College of Tropical Agriculture and Human Resilience; prudent financial management, guided by Board policies and oversight, ensured that resources were aligned with strategic priorities and statewide agricultural needs.
- Commitment to Staff and Transparency
    - Professional development, supported work–life balance and encouraged innovation and collaboration across teams have been prioritized; ADC continued issuing weekly operational reports, shared internally and publicly through the ADC website, reinforcing trust with stakeholders and the broader community.



Outcomes / Results

- Strengthening Organizational Capacity:
  - ADC welcomed new staff across both Kauaʻi and Oʻahu, including five new positions on Kauaʻi – the Kauaʻi Property Manager, Kauaʻi Water Systems Manager and three Kauaʻi Water Workers.
  - These hires significantly expand ADC's ability to manage land, maintain infrastructure and deliver services efficiently statewide.
- Advancing Land and Infrastructure Projects – ADC made progress on several critical initiatives:
  - Land acquisitions to expand active agricultural use and protect key assets for long-term productivity:
    - $39M – Acquisition of 1040 acres on Kauaʻi
    - $1.4M – Acquisition of 75 acres on Kauaʻi
    - $3M – Acquisition of 45 acres on Oʻahu
  - East Kauaʻi Irrigation System improvements, ensuring water reliability for farmers and ranchers in the region.
  - Central Oʻahu Irrigation System upgrades, integrating technology and energy efficient components:
    - $9.2 in system upgrades
  - Waiāhole Water System operations, continuing ADC's stewardship of one of Hawaiʻi's most vital agricultural water resources:
    - $2.5M in siphon repair
  - Collaboration and oversight:
    - The ADC Board of Directors dedicated an extraordinary amount of time this year to reviewing land applications, meeting with applicants and culminating in the largest number of applicants approved for new agricultural licenses.
    - These efforts ensure that ADC's lands are placed in productive hands and that decision-making remains transparent, fair and aligned with the Corporation's statutory mission.

HAWAIʻI COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

The Hawaiʻi Community Development Authority (HCDA) was established in 1976 as the state's redevelopment agency to plan and implement initiatives that increase economic, social, cultural and environmental values in community development districts as established by the Legislature. HCDA plans and implements capital improvement projects to upgrade infrastructure and develop public facilities within and outside its community development districts.



ADVANCING INFRASTRUCTURE, HOUSING AND COMMUNITY DEVELOPMENT

Program Highlights / Progress in 2025

- Transit-Oriented Related Development Projects
    - University of Hawaiʻi West Oʻahu Road and Improvements: $35,000,000
        - Continue design and construction of the road and infrastructure
    - ʻIwilei-Kapālama Electrical Infrastructure Work: $25,000,000
        - Continue design and construction of the electrical improvements
    - ʻIwilei-Kapālama Infrastructure Design: $12,000,000
        - Identifying infrastructure projects

- Alternative Housing Projects
    - Plan, Design and Acquire Sites for Supportive Housing: $5,000,000
        - $5,500,000 and $29,450,000; HCDA seeking board approval to release an RFQ in January 2026
    - For Sale 99-Year Leasehold Pilot Program
        - Drafting final report on the program
- Pūlehunui Community Development District
    - Planning Assessment Report
        - Completed in February 2025
    - Infrastructure Master Plan
        - Nearing completion in November 2025
- Kalaeloa Community Development District
    - Saratoga Avenue Electrical Infrastructure Improvements: $12,125,000
        - Continue design and prepare construction bid documents
    - Navy Provided $18 Million to Begin Electrical Upgrades
        - Continue design and prepare construction bid documents
    - Infrastructure Improvement Study: $500,000
        - Draft report December 2025
    - Climate Change Impact Assessment: $1,000,000
        - Commence procurement in January 2026
    - District Wide Environmental Impact Statement: $1,000,000
        - Commence procurement in January 2026
- He‘eia Community Development District
    - He‘eia Stream Access Road, He‘eia: $1,000,000
        - Completed in August 2025



HE‘EIA STREAM ACCESS AND CLEAN UP IN 2025

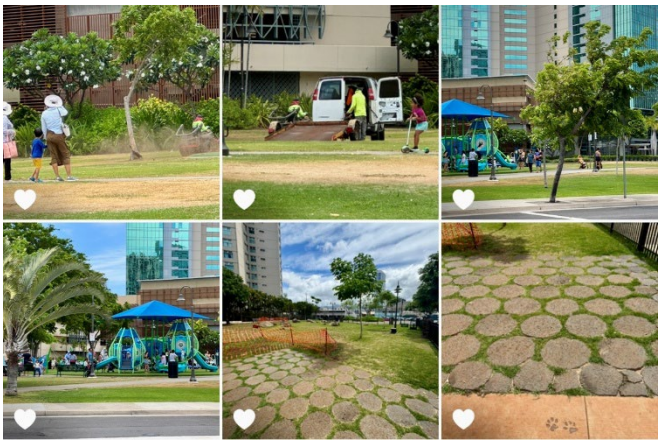
- Kaka‘ako Community Development District
  - Planning for Street Improvements for Central Kaka‘ako
    - Continue design – currently at 30%
  - New Community Facility in the Kaka‘ako Community Development District: $5,000,000
    - Acquired property in September 2025
  - Historic Ala Moana Pump Station Improvements: $2,000,000
    - Continue design and prepare construction bid documents
  - Kaka‘ako Permanent Crosswalk Improvements near Kolowalu Park: $1,000,000
    - Completed in September 2025
  - Kolowalu Park Improvements: $2,000,000 in CIP Funds
    - Completed in February 2025
  - Climate Change Impact Assessment: $1,000,000
    - Commence procurement in January 2026
  - Kaka‘ako Makai Geotechnical Assessment: $1,500,000
    - Continue planning work
  - Kaka‘ako Makai Planning: $1,000,000
    - Continue planning work



Outcomes / Results



- In 2025, HCDA advanced major projects to improve infrastructure, expand housing options and strengthen community development across the state.
- Progress continued on infrastructure projects in ‘Iwilei–Kapālama and at the University of Hawai‘i, West O‘ahu, totaling more than $70 million in improvements.
- HCDA advanced planning for a new supportive housing project, continued its due diligence on other affordable housing sites and completed the draft report for its 99-Year Leasehold Pilot Program, focused on long-term housing affordability.
- In HCDA’s community development districts new park upgrades and pedestrian safety improvements were completed in Kaka‘ako; electrical upgrades planning and design advanced with an additional $18 million in federal support from the U.S. Navy, in Kalaeloa; in He‘eia, the Stream Access Road project was completed to improve access and stewardship; and in Pūlehunui, major planning milestones were achieved with the completion of an assessment report and near-finalization of the infrastructure master plan.
- These efforts support statewide priorities in housing, economic development and sustainability, in partnership with DBEDT, the University of Hawai‘i, HHFDC, OPSD, the City and County of Honolulu, and community stakeholders.
- HCDA remains committed to advancing transit-oriented, climate-resilient and community-driven development projects that improve quality of life for Hawai‘i’s people.



HAWAIʻI GREEN INFRASTRUCTURE AUTHORITY (HGIA)

The Hawaiʻi Green Infrastructure Authority (HGIA), administratively attached to the Department of Business, Economic Development and Tourism, was established by Act 211, Session Laws of Hawaiʻi, 2013 (Chapters 196-61 through 69, HRS) to provide alternative means of financing for clean energy technologies to Hawaiʻi ratepayers not able to obtain such technologies at reasonable rates and terms. In addition, the Authority's objectives also include stimulating and attracting private investments and leveraging innovative financing tools to mitigate risks and reach new markets. HGIA's goals align with the State's 100% renewable energy generation by 2045.

Act 121, SLH 2018 created a $50 million energy efficiency revolving loan fund for state departments and agencies to lower their energy costs and set an example for sustainable energy practices.

The passage of Act 107, SLH 2021, established the Clean Energy and Energy Efficiency Loan fund, enabling HGIA to source additional loan funds from federal, state, local and non-governmental resources. It also provided HGIA the ability to implement financing programs on behalf of sister agencies and departments through Memorandum of Agreements (MOAs).

On November 30, 2022, HGIA and Hawaiʻi Technology Development Corporation (HTDC) executed an MOA to design, implement and administer three credit-related programs utilizing $40.0 million in federal funds under the State Small Business Credit Initiative. The programs, HI-CAP Collateral, CDFI and Loans, expand access to capital to eligible small businesses and nonprofits statewide.

Act 40, SLH 2024 established a Solar Hui Investment program administered by HGIA, allowing multifamily property owners, including condominium owners, to co-invest in solar + storage systems installed on ALICE (Asset Limited, Income Constrained, Employed) rooftops through an energy services agreement.

Act 41, SLH 2024, modified Act 183, SLH 2022, elevating the Commercial Property Assessed Clean Energy and Resiliency (C-PACER) program to a state-level initiative. HGIA was granted the authority to assess, collect and enforce financing assessments for C-PACER projects statewide. The HI C-PACER Financing Program launched on July 1, 2024.

Act 296, SLH 2025, established the new condominium loan program to assist condominium associations with repairs and property maintenance through low-cost financing, or refinancing previously obtained loans, to qualified condo associations. Loans through the program can be leveraged for maintenance or repairs, including (1) installing, repairing, or replacing fire sprinklers or other fire safety measures; (2) repairing or replacing pipes; (3) repairing or replacing the roof; or (4) any other qualifying improvements approved by HGIA.

The act also established a condominium loan loss reserve program, incentivizing community development financial institutions (CDFIs) to administer loans to condominium associations at competitive rates and terms for the purpose of maintenance and repairs. This program lowers the risks for CDFIs financing condominium association projects by using the condominium loan revolving fund to reimburse CDFIs in cases where losses are attributable to the program's loans.

HGIA's financing programs contribute significantly to reducing the energy burden for Hawaiʻi's most vulnerable ratepayers, advancing the state's clean energy goals as well as address the access to capital gap by facilitating private capital to support small businesses, nonprofits and condominium associations. These initiatives also create jobs, generate state tax revenue and deliver other economic development benefits.

ADVANCING ACCESS TO CAPITAL AND CLEAN ENERGY FOR ALL

Program Highlights / Progress in 2025

- Green Energy Money $aver On-Bill Program
  - As a clean energy financing authority, HGIA originates, underwrites, processes, documents, funds and services residential and commercial loans for underserved ratepayers.
  - Leveraging its Green Energy Money $aver (GEM$) On-Bill Program, HGIA offers inclusive financing for underserved ratepayers (through loans and power purchase agreements for residential and commercial ratepayers) by applying non-traditional underwriting to expand access to ratepayers who might not qualify for conventional bank or credit union financing, while mitigating lender risk.
  - Due to the program's popularity, resulting in over 1,600 applications in the pipeline, HGIA placed a moratorium on applications at the end of 2024 through April 2025 to provide staff an opportunity to clear out the backlog of applications, as well as assess the amount of loan capital available to lend.
    - During this period, HGIA also worked on developing a new Residential loan application portal.
    - On Earth Day, April 22, 2025, HGIA launched the new application portal and began accepting GEM$ applications again.
- Promoting HGIA's Financing Programs
  - HGIA presented to local, national and international stakeholders and organizations on its GEM$, HI-CAP, C-PACER and Condo Financing programs and also participated in a number of community outreach events.



SENATORS JUDE HOFSCHNEIDER AND MANNY CASTRO FROM THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS; GWEN YAMAMOTO LAU; JEFF MIKULINA, BLUE PLANET ALLIANCE; CHRIS BENJAMIN, CLIMATE HAWAI'I





HGIA PARTICIPATED IN THE 2025 PRICED INTO PARADISE EVENT TO SHARE HOW ITS PROGRAMS CAN HELP HOMEOWNERS AND RENTERS REDUCE THEIR ELECTRIC UTILITY BILLS



STEPHANIE WHALEN, PRESIDENT, HARC; SENATOR GLENN WAKAI; TED PECK, HOLUHOU ENERGY; REPRESENTATIVE NICOLE LOWEN; JENNA SEAGLE, HGIA; CHRISTINA MITRE, HOLUHOU ENERGY; REPRESENTATIVE CORY CHUN; GWEN YAMAMOTO LAU AND VALERIE KUBOTA, HGIA

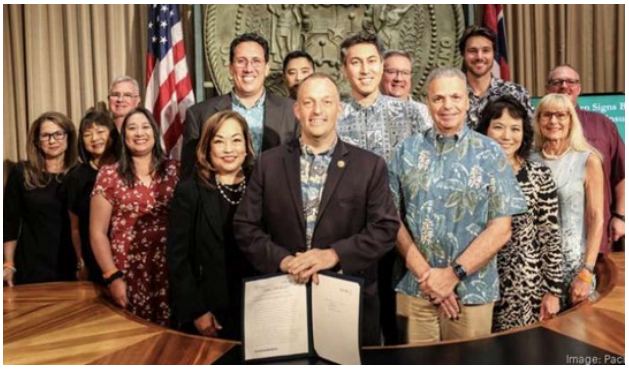
- Solar for All
    - During the year, EPA approved HGIA's final Work Plan and budget, outlining its plan for designing and implementing its SFA program to finance rooftop solar + storage for eligible single-family dwellings and subsidized multi-family rental projects, as well as community solar projects located on four islands in the state.
    - More than eighty-five percent (85.5%) of the $62.45 million in SFA funds were designated for financial assistance to leverage private capital, bridge the access to capital gap and lower the energy burden for over five thousand seven hundred (5,700) of the state's most vulnerable households.
    - In addition to low-cost, flexible, inclusive financing to facilitate solar and storage adoption for low-income families and disadvantaged communities statewide, the program also included technical assistance, capacity building, strategic communications, community outreach, workforce development and credit enhancements to increase access to capital for solar contractors serving disadvantaged communities.
    - Milestones completed included issuing and subsequently contracting four RFP engagements; drafting four easy to read and understand, comprehensive step-by-step playbooks as part of our Technical Assistance strategy to help low-income households and disadvantaged communities understand the financial and non-financial benefits of energy efficiency measures, solar PV, and energy storage systems; holding a charrette to ensure alignment of SFA-HI program goals with the stakeholders the program intends to benefit; meeting with community solar developers with plans to finance seven (7) community solar projects statewide aggregating 15.45 megawatts (MW); conducting community outreach; and accepting and processing SFA eligible residential rooftop applications.
    - On August 7, 2025, HGIA received a termination letter from the Environmental Protection Agency; although SFA funding is on hold pending litigation, HGIA continues to accept GEM$ applications utilizing general funds received by the Legislature.
- HI C-PACER Financing Program
    - Since launching the Hawai‘i Commercial Property Assessed Clean Energy and Resiliency (HI C-PACER) Financing Program at the beginning of the fiscal year under Act 41, SLH 2024, HGIA has registered fourteen Capital Providers and has been in discussions with developers and C-PACE lenders on a number of projects, including new hotel construction, adaptive reuse and wind turbines, to name a few.
    - The program provides financing for qualifying improvements, including cesspool conversions, clean energy technology, water conservation, energy efficiency and resiliency measures for commercial, leasehold, 5+ multifamily and agricultural property owners.
- Solar Hui Fund
    - HGIA began laying the foundation for the Solar Hui Fund, as mandated by Act 40, SLH 2024.
    - The Authority is currently conducting due diligence to design this program, with plans to launch in 2026.

- HI-CAP Programs
    - Under the federally funded State Small Business Credit Initiative, known as Hawai‘i’s HI-CAP Program, HGIA works with participating lenders to bridge the access to capital gap and encourage lenders to finance eligible nonprofits and small businesses by providing credit enhancements (Collateral Support Program); low-cost loan capital (CDFI Loan Pool Program) and/or direct financing in the form of participation or co-lending (Loans Program) to mitigate risk.
    - In early 2025, the HI-CAP program secured an additional $10.0 million in federal funding to support Hawai‘i’s small businesses and strengthen the state’s economy.
    - On October 24, 2025, some of HGIA’s participating lenders, technical assistance providers and small businesses were featured during the HI-Now Daily HI-CAP Takeover Show.



HI NOW DAILY HI-CAP TAKEOVER SHOW

- Condominium Loan Program
    - During the 2025 legislative session, HGIA worked with key policy makers, stakeholders in the insurance industry and condominium associations.
    - Together, we were successful in getting Act 296, SLH 2025 passed and signed into law on July 7, 2025:
        - This bill will enable HGIA to provide low-cost financing, or refinancing for previously obtained loans, to qualified condominium associations through June of 2027.
        - The bill also establishes a condominium loan loss reserve program, incentivizing community development financial institutions (CDFIs) to administer loans to condominium associations at competitive rates and terms for the purpose of maintenance and repairs.
    - Administrative Rules are currently undergoing its review process; the Authority plans to launch this program in 2026.



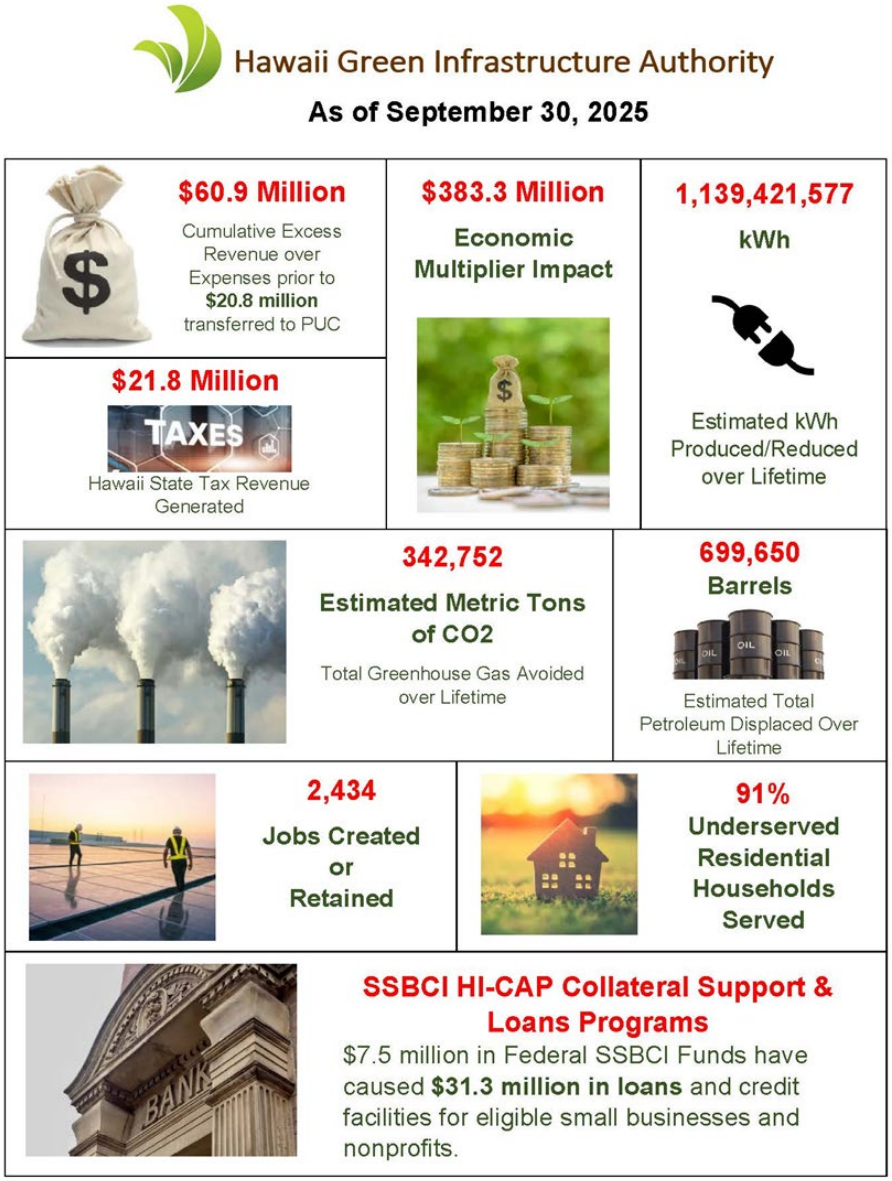
BILL SIGNING OF ACT 296, SLH 2025

- Climate Advisory Team
    - In response to the Maui wildfires, the State of Hawai‘i took a multifaceted approach to develop a solution – while addressing the immediate recovery needs, litigation settlement and the efforts to rebuild, Governor Josh Green also recognized that the State’s response must include a forward-looking agenda to proactively mitigate the unmanageable costs and potential devastation of future climate-related disasters.

- Charged with developing policy recommendations to minimize the impacts of future climate-related natural disasters and to speed recovery from the physical and financial damage they cause, Governor formed a Climate Advisory Team (CAT) to design climate disaster mitigation and recovery frameworks and recommend policies for implementation.
- HGIA's executive director was appointed to the CAT, under the leadership of Chris Benjamin, retired Alexander & Baldwin CEO.
- Through its efforts, and the efforts of policy makers, Governor's staffers, and engaged stakeholders, Act 96, SLH 2025, establishing the historic "Green Fee" was signed into law on May 26, 2025.

Outcomes / Results

- HGIA continued to close financing gaps for ALICE households, small businesses, non-profits, condominium owners and commercial entities by offering inclusive, low-cost financing.
  - The reopening of the GEM$ On-Bill applications and continued operation of HI-CAP and HI C-PACER programs ensured that clean energy and capital remained available.
- Through HI C-PACER and HI-CAP, HGIA expanded its network of CDFI partners and capital providers, demonstrating its role as a catalyst for private investment in clean energy and small business growth.



HAWAIʻI HOUSING FINANCE & DEVELOPMENT CORPORATION (HHFDC)

A healthy housing market is essential for the state's economic well-being. Through its financing and development programs, HHFDC offers a variety of solutions to help increase housing opportunities for Hawaiʻi residents, both renters and homeowners. The corporation advances this mission by providing financing, forming development partnerships, and implementing strategic policy initiatives that expand affordable rental housing, increase homeownership opportunities and redevelop underutilized State lands.

EXPANDING AFFORDABLE HOUSING STATEWIDE

Program Highlights / Progress in 2025

- Affordable Housing Projects Completed
    - Hale Nā Koa 'O Hanakahi (Hilo, Hawaiʻi)
        - Hawaiʻi's first senior affordable rental community that gives preference to U.S. military veterans and their surviving spouses, the complex is near the University of Hawaiʻi at Hilo campus.
        - The community includes 91 one-bedroom units and is available to those who are 62 and older and who earn 30% to 80% of Area Median Income (AMI); each unit features a covered lanai and the complex includes two community meeting rooms.



RENDERING COURTESY OF EAH HOUSING

- Parkway Village Lots 7 and 6 (Kapolei, Oʻahu)
  - Both Lot 7 (169 units) and Lot 6 (236 units) of the Parkway Village at Kapolei, a combined 405 units that range from studios to four-bedrooms in size, were constructed across Kapolei Parkway from a supermarket, eateries and other businesses.
  - Qualifying households must earn no more than 60% of Area Median Income (AMI), with some geared toward those earning no more than 30% AMI; a key feature is the inclusion of two, on-site preschools operated by nonprofits.



PHOTO CREDIT: HHFDC

- Kai Olino Phases 1 and 2 (ʻEleʻele, Kauaʻi)
  - Kai Olino features a two-phase affordable housing community providing a combined 75 two- and three-bedroom apartments to those earning between 30% and 60% of the Area Median Income (AMI).
  - Designed for workforce families, Kai Olino is located on a bluff overlooking Hanapēpē Bay at the Port Allen Commercial Pier.



PHOTO CREDIT: ĀHĒ GROUP

- Kaiāulu O Kūkuʻia (Lahaina, Maui)
  - The 200-unit Kaiāulu O Kūkuʻia apartment complex in Lahaina targets households earning 60% or less of Area Median Income (AMI); first priority is given to survivors of the August 2023 Maui wildfires with second priority going to other Maui families; units feature two to four bedrooms.
  - The project is part of HHFDC's Villages of Leialiʻi and a unique feature of the complex is the Bezos Academy Preschool.



PHOTO CREDIT: ANTHONY MARTINEZ PHOTOGRAPHY

Outcomes / Results

- In 2025, eight affordable housing projects with involvement from HHFDC were completed statewide, adding 899 units to Hawaiʻi's affordable housing inventory.
- Through separate Request for Proposals (RFP) processes administered by HHFDC, plans are progressing on several properties under HHFDC's purview: Pohukaina Commons (Oʻahu) is proceeding with design and permitting; Kaiāulu o Kūku'ia (Maui) completed construction; and Kahului Civic Center (Maui) obtained 201H approval and is proceeding with design.
- HHFDC certified six affordable housing projects under the Emergency Proclamations relating to Affordable Housing with 1,638 total units, thereby expediting their development.
- In response to high home mortgage loan interest rates, HHFDC relaunched its Hula Mae Mortgage Loan and the Downpayment Assistance programs, which had been dormant for more than 10 years.
  - Additionally, HHFDC's staff has contracted equity purchases for 56 designated units at four projects into the DURF (Dwelling Unit Revolving Fund) Equity Pilot Program, committing to investments in affordable units at the Park on Keʻeaumoku, Kuilei Place, Lima Ola Workforce Housing, and Kaʻulu by Gentry Housing Development.
  - These programs provide valuable assistance to first-time homebuyers and were initiated to help stem the outmigration of Hawaiʻi residents.

HAWAIʻI STATE ENERGY OFFICE (HSEO)

With the state's goal to reach 100 percent renewable energy generation by 2045, the Hawaiʻi State Energy Office (HSEO) is leading the state's charge toward a cleaner energy future. HSEO is committed to developing and deploying high-impact solutions that will maximize Hawaiʻi's renewable energy resources and improve efficiency and transportation standards. Through effective policies and innovative programs, HSEO has positioned Hawaiʻi as a leader in clean energy innovation, which will generate quality jobs, attract investment opportunities, and accelerate economic growth.

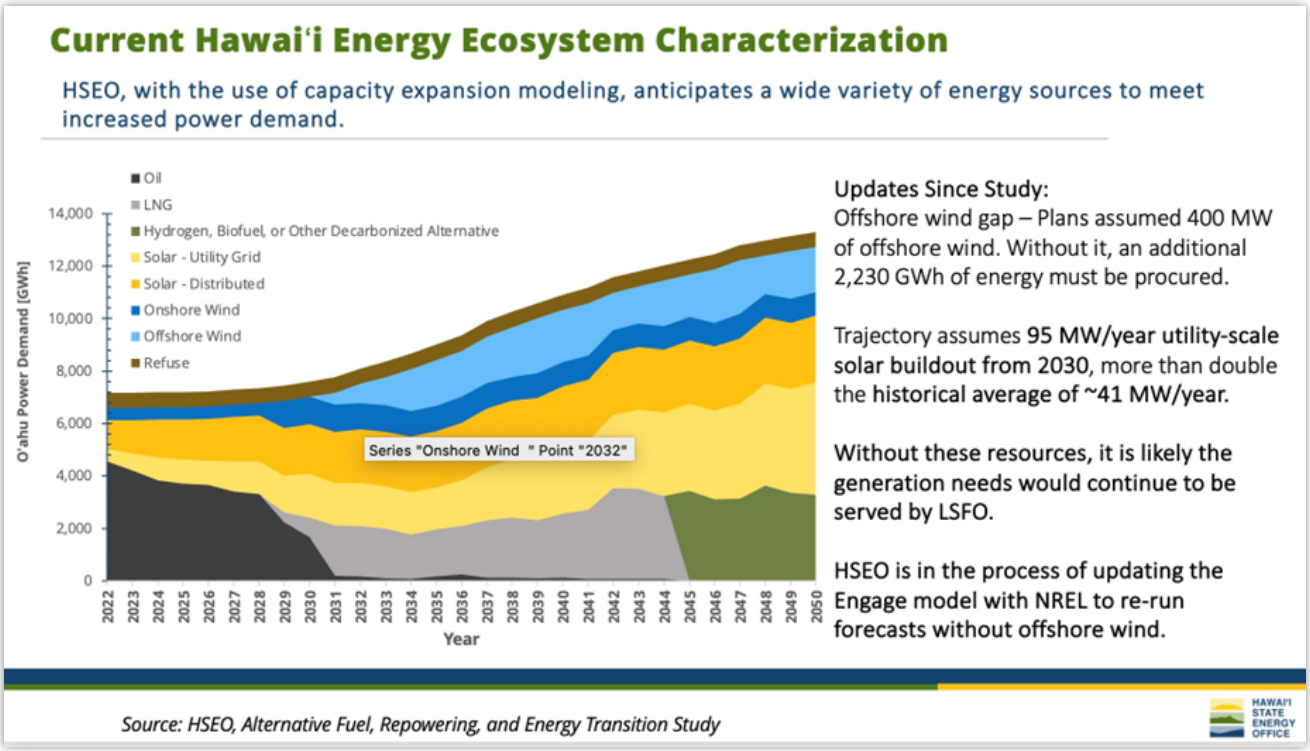
HSEO is committed to maximizing the deployment of cost-effective investments in clean energy production and management for the purpose of growing the economy while promoting Hawaiʻi's energy security. To do this, HSEO prioritizes five service areas:

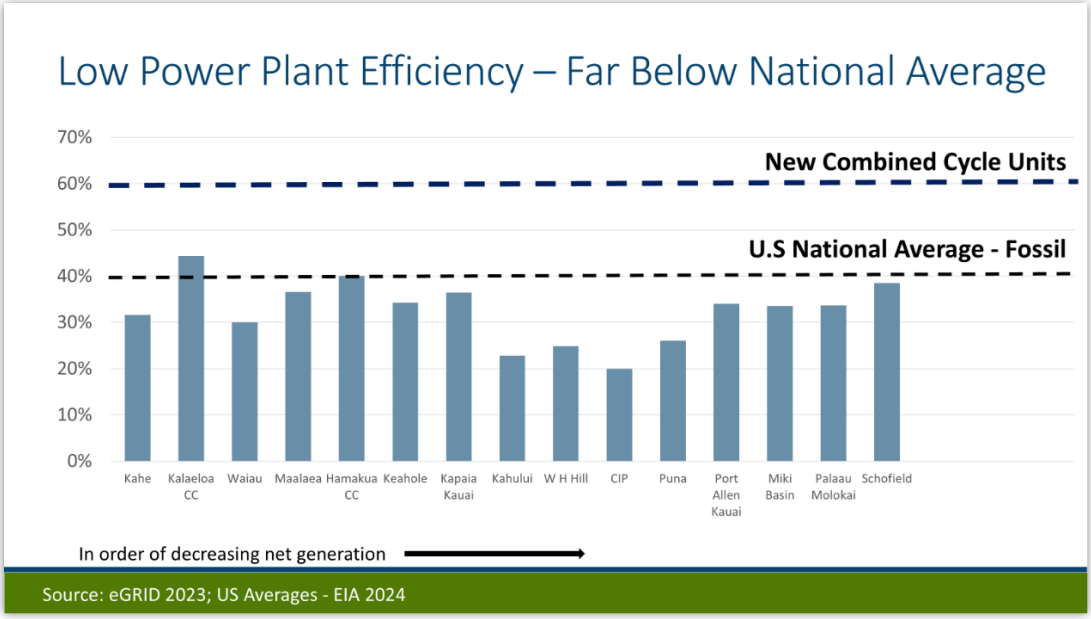
- Strategy and leadership
- Program design and implementation
- Analysis, reporting and data collection and sharing
- Regulatory support
- Education, outreach and community engagement

ENERGY RELIABILITY, RESILIENCE & RENEWABLE ENERGY POLICY, PLANNING & DEPLOYMENT

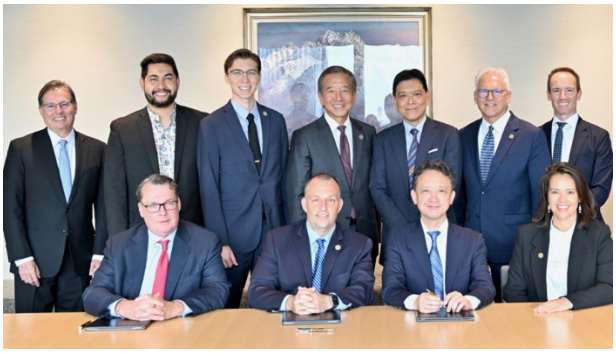
Program Highlights / Progress in 2025

- Prepared and secured adoption of Executive Order 25-01 (January 2025), accelerating 100% RPS targets and proactive means to increased renewable generation.
- Prepared and published the Alternative Fuels, Repowering and Energy Transition Study (January 2025), a strategic analysis, policy agenda and illustrative deployment plan to reduce energy costs and carbon emission and to attract capital to make essential power plant and fuel supply changes.



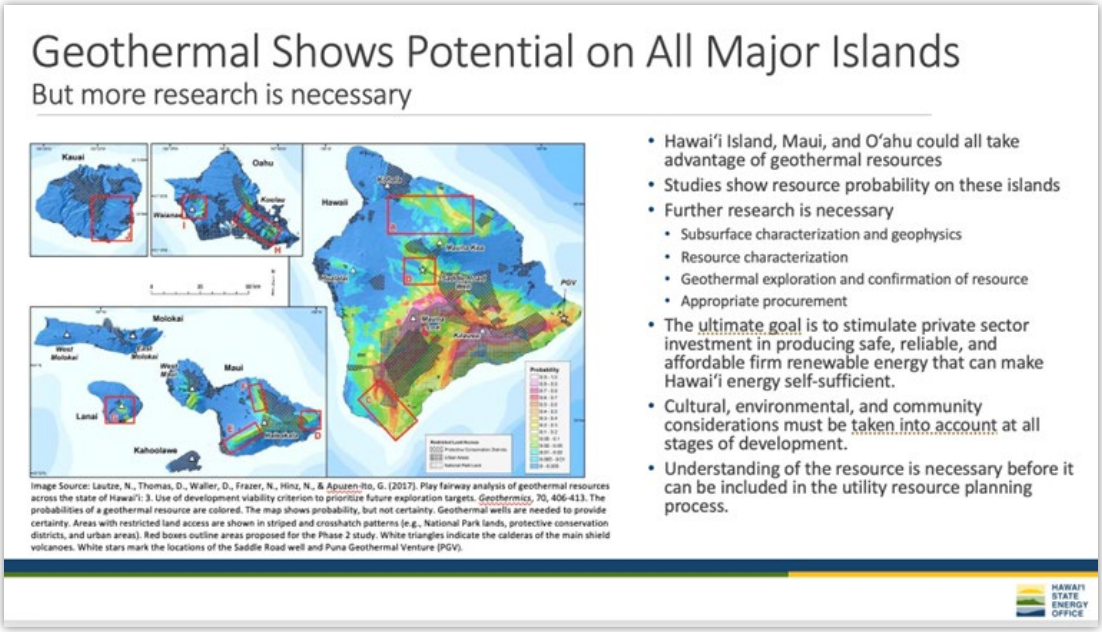


- Executed JERA Japan-Hawai‘i Strategic Partnering Agreement (October 2025) and supported the Governor in forging a strategic alliance with Japan’s largest electricity power generator and largest global utility buyer of LNG for power generation, for the purpose of carrying out the findings of the Alternative Fuels Study.



SIGNING OF STRATEGIC PARTNERING AGREEMENT (SPA) WITH JERA INC. IN TOKYO ON OCTOBER 6, 2025

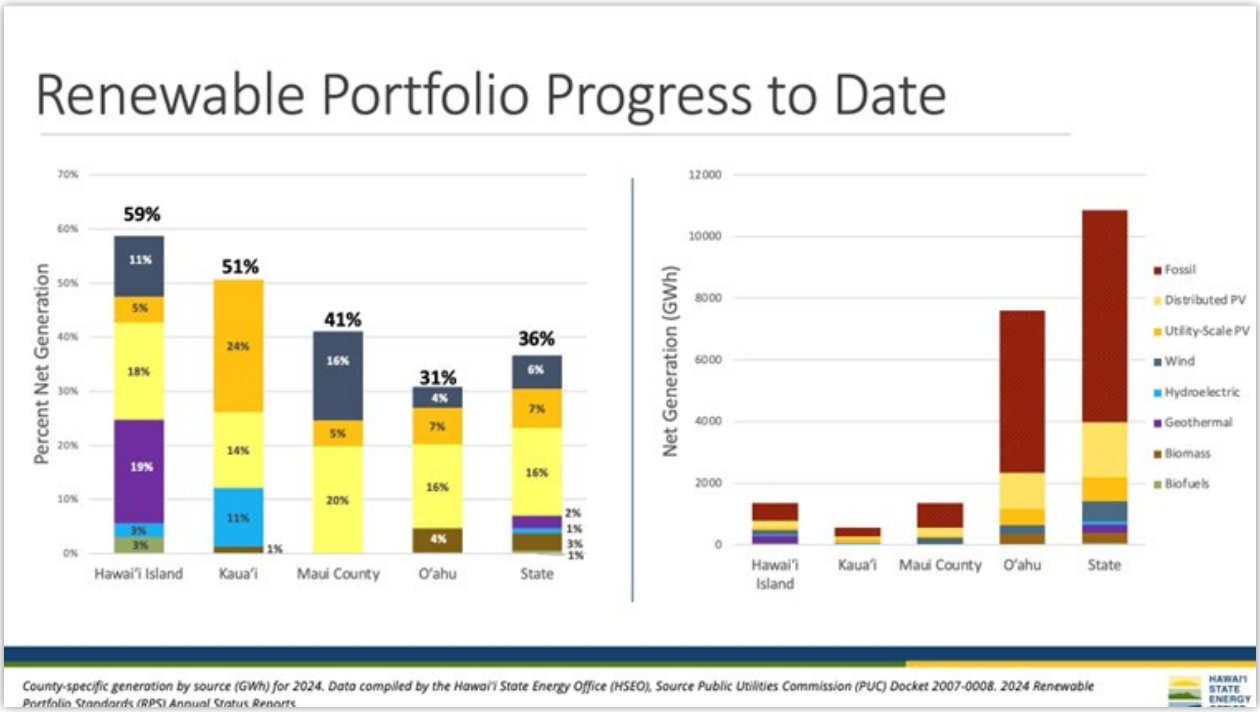
- Commenced geothermal resource characterization and related project management on Maui.



- Negotiated and secured adoption of the five-year extension to the Hawai‘i Okinawa Clean Energy Memorandum of Cooperation (October 2025).
- Convened working groups for biofuels, nuclear and geothermal energy pursuant to HR193/SR82 (2024), SCR 136 and HCR 58.
- Updated the Hawai‘i State Energy Security Plan and launched the Hawai‘i Energy Task Force (HETF) in partnership with Hawai‘i Emergency Management Agency (HiEMA) and all major fuel, power and gas providers, unifying government and energy industry stakeholders around a shared mission to safeguard Hawai‘i’s energy systems and community lifelines.
- Commenced implementation of two Grid Resilience Innovative Partnership (GRIP) awards (~$19M federal funds) with partner Kaua‘i Island Utility Cooperative (KIUC) on grid-forming technologies that will enable KIUC to achieve extremely high rates of renewable penetration.
- Commenced a statewide energy system risk assessment to identify specific energy resiliency and/or mitigation projects for the islands of Maui, Hawai‘i and Kaua‘i.
- Contracted a multi-year engagement with UH Mānoa Laboratory for Advanced Visualizations and Applications (LAVA) lab to enhance existing visualizations, including HAVEN, and develop new visualization platforms to analyze and communicate state energy priorities.
- Commenced statewide community outreach with Pa‘akai Communications, UH Sea Grant, and island partners to foster dialogue on power generation and identify viable energy transition pathways.
- Broadened outreach and engagement as Regional Partner for the National Renewable Energy Laboratory (NREL) Energy Technology Innovation Partnership Program (ETIPP).

Outcomes / Results

- Established a viable pathway to maximize distributed energy resources (DER) on O‘ahu by 2035 (adding 50,000 rooftop solar and battery installations).
- Established a viable pathway to achieve a 100% RPS on neighbor islands by 2035.
- Established a viable pathway to reduce fuel imports and eliminate oil price volatility.
- Established a viable pathway to reduce carbon impact by more than 40%.
- Secured commitment by JERA Inc to evaluate a $2 billion energy infrastructure investment to carry out the Alternative Fuels, Repowering and Energy Transition Study’s recommended power plant and fuels infrastructure.
- Commenced geothermal resource characterization on Maui and convened the Geothermal Working Group.
- Updated the State Energy Security Plan and submitted it to the U.S. Department of Energy, satisfying compliance requirements in accordance with Section 366 of the Energy Policy and Conservation Act.
- Launched the Hawai‘i Energy Task Force (ETF) with HiEMA and all major energy providers in the state, with quarterly convenings to provide input to the Energy Coordination Strategy (ECS) and the Statewide Catastrophic Hurricane Plan.
- Partnered with the Hawai‘i Office of Homeland Security to develop a scope for technical assistance from Idaho National Lab to bring cybersecurity trainings, analyses and programs to Hawai‘i.
- Delivered Biofuels Working Group Report (December 2025).
- Convened an internal working group to develop the multi-year training and exercise plan for SESF-12/SERT; and provided SESF-12 representation at state, federal, and industry-level training and exercise events.
- Hosted the Hawai‘i Okinawa 16th Annual Clean Energy Task Force Meeting (August 2025).
- Hosted 15+ Alaska legislators for an Energy Policy Tour (November 2025).
- Contracted a second cohort of data scientist student fellows and projects to refactor HAVEN, develop curated data sets utilizing vehicle registration and AMI data, and code utility energy rates for assessing the impact of rate design and tariffs.
- Contracted a multi-year engagement with UH Mānoa LAVA lab to enhance HAVEN visualizations and develop new visualization platforms to analyze and communicate state energy priorities.
- Secured, developed and maintained energy models and hardware to populate and run energy system analytical tools to mitigate the impact of all hazard events and develop a statewide EV charging road map.



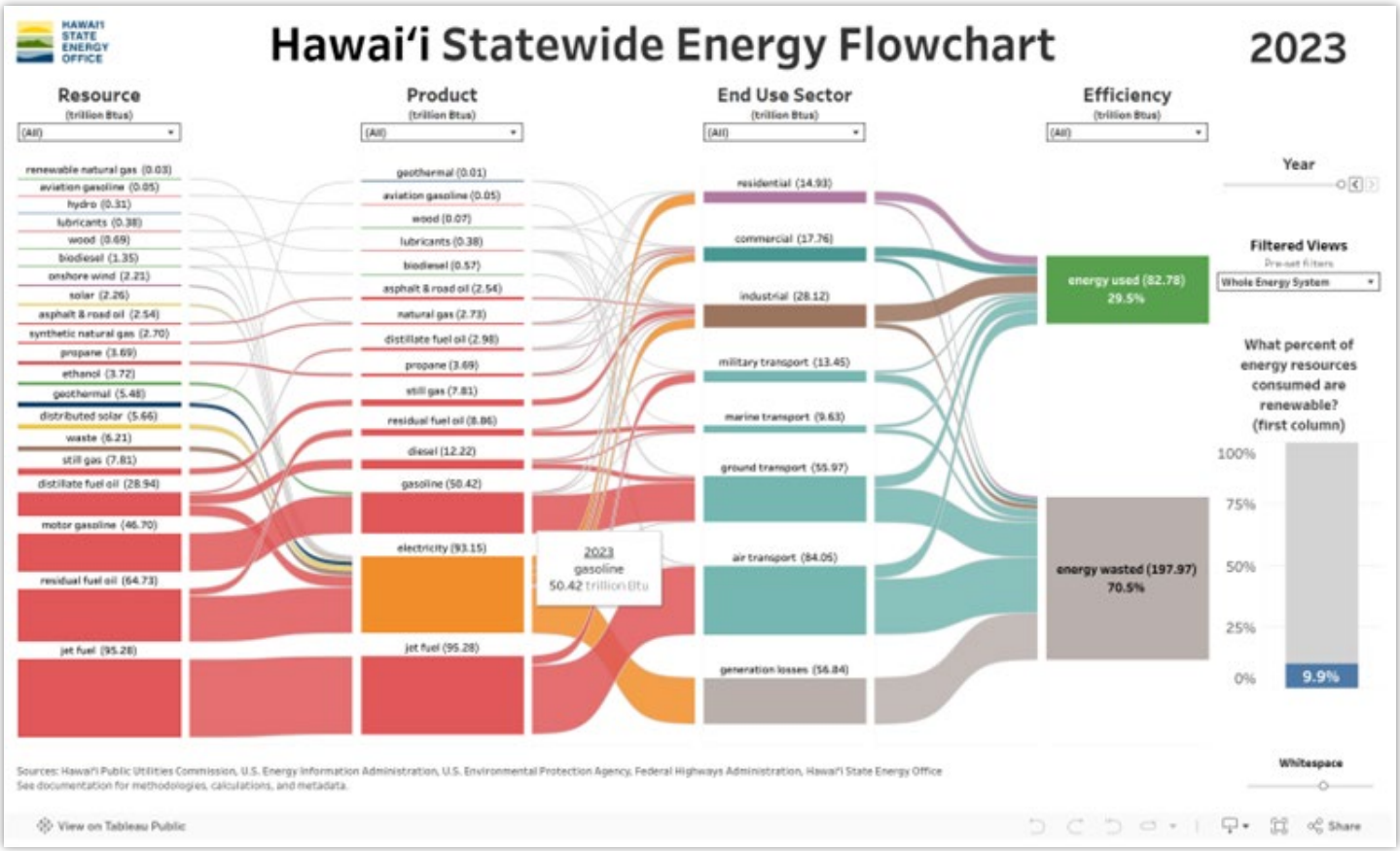
ENERGY EFFICIENCY

Program Highlights / Progress in 2025

- Designed eHale™, the $68 million HEAR and HOMES electrification and appliance rebate program.
- Collaborated with the Governor's Housing Office on a policy and work plan to reinstate the State Building Code Council and promulgate the adoption of IRCC 2024 with Hawai'i amendments.
- Launched a State Facilities Benchmarking Project to evaluate energy use in state buildings, identify cost-effective efficiency measures, and provide support for ENERGY STAR® certification of selected facilities.

Outcomes / Results

- Onboarded the program implementor and developed the brand creative for the $68 million eHale™ Energy Saver home electrification and appliance rebate program, securing DOE approval for Consumer Protection, Outreach and Engagement, and Data Privacy and Security plans.
- Led the state's effort to join the Nation Building Performance Standard (BPS) Coalition – a nationwide cohort of states and jurisdictions collaborating on developing innovative BPS policies suited for their specific energy efficiency goals.
- Assisted the Governor's Office in reconvening the State Building Code Council (SBCC).
- Awarded 45 Hawai'i Green Business Awards and launched a new category for brewers and distillers, resulting in 38.8 million gallons of water saved, 6.5 million kWh of electricity saved, 22.7 tons of green waste diverted, 12,372 tons of waste recycled,119,110 therms of gas saved, 6,725 metric tons of CO2 equivalent for electricity kWh reduced and 945 metric tons of CO2 equivalent for gas reduced.
- Reviewed and processed 1,235 solar water heater variance requests and responded to 174 related inquiries, and issued Renewable Fuels Tax Credit compliance certificates under HRS section 235-110.32.
- Partnered with the counties, Hawai'i Energy, and the AIA Honolulu to conduct energy code and energy modeling training for design and engineering, building industry and code professionals.
- Completed facility data analysis and formulated agency-specific energy investment options for the final six facilities selected for the State Facilities Benchmarking assessment.
- Supported the reconvened Hawai'i Energy Policy Forum (HEPF), joining 30+ energy stakeholders on the steering committee and three sub-committees.
- Participated in HECO's IGP RFP Stakeholder Working Group.
- Updated the Energy Projects Directory.



CLEAN TRANSPORTATION

Program Highlights / Progress in 2025

- Secured a $4.5M competitive award to expand HSEO's Diesel Replacement Rebate and supported the purchase of 12 transit e-buses with over $3 million in VW Settlement funds.
- Developed a workplace charging pilot project on Oʻahu in collaboration with DAGS.
- Commenced development of a statewide EV charging roadmap.
- Sustained more than $150 million in congressionally awarded federal funds.

Outcomes / Results

- Joined National BPS and Affordable Clean Cars Coalition.
- Convened the EV End-of-Life Battery Working Group.
- Consulted with the shipping industry to ensure EVs would continue to be shipped to Hawaiʻi.
- Completed US Climate Alliance Grant to fund and assess fleet EV exemption process rulemaking.
- Launched a workplace charging pilot on Oʻahu.

COMMUNITY OUTREACH & WORKFORCE DEVELOPMENT

Program Highlights / Progress in 2025

- Capacity Building with Community Organizations
    - HSEO, Paʻakai Communications and Hawaiʻi Sea Grant are collaborating on a multi-year community engagement project focused on energy and resilience issues statewide.
    - Engagement runs through December 2026.

- 2025 Clean Energy Wayfinders
    - Five Wayfinders in 2025 served as HSEO's community extension on Kauaʻi, Oʻahu, Molokaʻi, Maui, and Hawaiʻi Island, focusing on reducing energy burdens for low- and middle-income residents.
    - In 2025, they led or attended 70 events, engaged 2,300+ individuals and recruited 15 Hawaiʻi Green Business Program awardees.
- Outreach and Education Visualization Tools
    - HAVEN was showcased at 27 events, reaching an estimated 1,150 participants and is now HSEO's primary tool for energy education and stakeholder engagement.
    - HAVEN fosters informed conversations about energy goals, policies and projects, giving communities a collaborative voice in Hawaiʻi's clean energy future.
- Keiki-to-Career Pathways
    - HSEO partners with HIDOE and schools to advance Career & Technical Education (CTE) programs, including the Energy Pathway, connecting students and educators with energy sector careers.
    - HSEO served on the HIDOE CTE Advisory Council, supported curriculum development and conducted two educator externships with 25 teachers from Oʻahu and Hawaiʻi Island.
- Clean Energy Sector Partnership/Good Jobs Hawaiʻi
    - HSEO serves as the Clean Energy and Skilled Trades Sector lead under Good Jobs Hawaiʻi, establishing the Clean Energy Sector Partnership (CESP) to build a skilled workforce through collaboration with employers, educators and community organizations.
    - 174 trainees participated; 84 completed training; 17 secured employment or wage gains at $34–$37.50/hour; CESP convened three times with 186 attendees; Steering Committee met three times with 30 attendees.
- Training
    - Workforce Training: HSEO secured a $1.19M U.S. Department of Energy grant in 2025 to train residential energy contractors for efficiency upgrades and home retrofits aligned with Hawaiʻi's eHale™ rebate program.
    - Training for Residential Energy Contractors (TREC): HSEO's statewide initiative is running through 2027 and provides contractors and energy professionals with industry-recognized training and certifications to improve home energy efficiency and resilience in Hawaiʻi.

Outcomes / Results

- Assisted four ongoing ETIPP projects with community engagement, data collection and knowledge sharing; conducted outreach for Cohort 5 applications, engaged over 200 community members and held 50+ events; coauthored the Waiʻanae Strategic Energy Plan and reviewed the Molokaʻi CERAP 2.0.
- Expanded the Clean Energy Wayfinders program in partnership with Paʻakai Communications and UH Sea Grant; dialogued with communities on Oʻahu, Maui and Hawaiʻi Island on energy transition pathways and developed a matrix of community priorities; produced a statewide and eight regional workplans, developed and published over 10 educational fact sheets.
- Involved the Cohort 3 Clean Energy Wayfinders in 42 community events, reaching more than 1,750 people; conducted 4 professional development courses for the Wayfinders in partnership with Hawaiʻi Sea Grant.
- Procured six new Hawaiʻi Advanced Visualization Energy Nexus (HAVEN) tools; continued development of HAVEN data and interface in partnership with the University of Hawaiʻi Laboratory for Advanced Visualization & Applications (LAVA).
- Under Good Jobs Hawaiʻi, registered 174 trainees, trained 84 registrants and finalized 17 energy sector job placements at an average wage of $34-$37.50/hour.
- Secured $1.2 million from the U.S. Department of Energy for the Training for Residential Energy Contractors training grant focused on the installation of residential energy efficiency technologies and home retrofits and conditionally secured $900,000 from USDOE for Hawaiʻi Energy Auditor Training (HEAT) grant.
- Convened three meetings of the Clean Energy Sector Partnership and three Steering Committee meetings, conducted two Educator Externships and supported the Department of Education Energy Pathway and curriculum development.

HAWAIʻI TECHNOLOGY DEVELOPMENT CORPORATION (HTDC)

HTDC is the state's lead agency for technology-based economic development. Our mission is to catalyze Hawaiʻi's technology and innovation ecosystem as a field catalyst, aligning efforts across public, private, academic and community partners to build sustainable economic growth. Programs include SBIR/HSBIR matching grants, INNOVATE Hawaiʻi (MAP & MEP), accelerator support, capital investment (HI-CAP), technical assistance, collaborative workspaces and the strategic initiatives in aerospace, ocean and clean energy.

DRIVING INNOVATION AND IMPACT

Program Highlights / Progress in 2025

- Innovation Support: 7 accelerator awards; 261 companies trained; 1,646 jobs created; $50.7M follow-on funding raised



MANA UP, COHORT 10 – JUNE 2025

- HSBIR (Hawaiʻi Small Business Innovation Research): 19 total awards; $9.14M federal funds leveraged; 149 projected jobs, 89 high wage (> $80K)
- HI-CAP: $30M deployed to 65+ businesses, leveraging $75M in capital; supported four local venture capital funds
- MAP (Manufacturing Assistance Program): 34 manufacturers awarded ($1M total); $12.4M in company investment; 17 first-time awardees
- INNOVATE Hawaiʻi: Ranked among top-performing national centers (98/100 federal score)
- Aerospace: Began strategic planning for Hawaiʻi Aerospace Port; partnerships on UAS (unmanned aircraft systems), hydrogen aircraft, sea gliders and space launch
- Energy: HCATT (Hawaiʻi Center for Advanced Transportation Technologies) advanced PEARL microgrid ($1.67M contract awarded, cooperative agreement extended to 2027)
- SSBCI (State Small Business Credit Initiative) Technical Assistance (TA): $2.4M across SSBCI and SBOP technical assistance services; serving small, SEDI (socially and economically disadvantaged individuals) and socially disadvantaged businesses

Outcomes / Results

- 7 organizations based on O‘ahu, Maui, Kaua‘i and Hawai‘i Island were awarded funding for the Accelerator & Small Business Training Program opportunity; the programs cover various focus areas such as CPG (consumer packaged goods), Dual-Use, AgTech, AI, Aerospace, Travel/Tourism, Tech, SaaS (Software as a Service)/Gaming, Sustainability and general Small Business Support
- 33 new high-wage jobs (Phase I SBIR); this is from the HSBIR (Hawai‘i Small Business Innovation Research) Program Phase I impact metrics; 56 new high-wage jobs (Phase II/III SBIR); this is also from the HSBIR Program, Phase II/III impact metrics
- Through the MAP program funding, HTDC received 59 applications and 58% of applicants were awarded funding; this demonstrates the strong demand for this program



DIALING IN ACCURACY – OPTIMIZING LIQUID FILL RATES FOR QUALITY AND CONSISTENCY

- The SSBCI Technical Assistance Program continues to support small, very small and Socially and Economically Disadvantaged Individual (SEDI)-owned businesses; a total of $227,240 was deployed from Tranche 1, and Tranche 2 is currently being disbursed
- HTDC/HCATT’s PEARL Microgrid project at Joint Base Pearl Harbor-Hickam continues to strengthen Hawai‘i’s renewable energy infrastructure by expanding the microgrid’s capacity and enabling the integration of additional renewable energy technologies
- Workforce Training: Achieved 80% completion in the textile/apparel pilot program and 100% skill improvement; this is from INNOVATE Hawai‘i’s textile and apparel workforce pilot program for women in transition

HAWAIʻI TOURISM AUTHORITY (HTA)

The HTA serves as the official tourism agency for the State of Hawaiʻi, tasked with responsibly managing the Hawaiian Islands' iconic brand. HTA's role spans marketing the Islands, preserving Hawaiian culture, protecting the natural environment, and strengthening local communities. Through its stewardship of tourism, HTA aims to improve both the visitor experience and the quality of life for Hawaiʻi's residents. Central to this mission is the development of sustainable and regenerative tourism practices, guided by HTA's 2020-2025 Strategic Plan.

BRAND MARKETING

Program Highlights / Progress in 2025

- U.S. Major Market Area
  - Hawaiʻi Tourism USA's (HTUSA) campaign, "The People. The Place. The Hawaiian Islands," continued to elevate the voices of Hawaiʻi through an integrated mix of paid, earned, and social media designed to inspire mindful travel.
  - Public relations supported several high impact television productions to promote travel to Maui.
  - The Travel Trade team delivered an exceptional year of destination education with 12,656 travel advisors participating in training that resulted in 7,933 completed certification courses.
- Canada Major Market Area
  - HTCAN's Aloha Canada Trade Mission engaged travel advisors and media in Vancouver, Toronto and Calgary with island updates, trade partner participation and authentic cultural experiences to inspire travel to Hawaiʻi.
  - HTCAN targets snowbirds as an ideal audience for long-term visits to Hawaiʻi, with Maui being a favorite destination.
  - HTCAN hosted a media FAM to Oʻahu and Maui for four journalists, resulting in more than 10 articles in top-tier publications showcasing Hawaiʻi's culture, history and modern experiences.
- Japan Major Market Area
  - To support the recovery of the Japan market, Hawaiʻi Tourism Japan (HTJ) continued its integrated "Yappari Hawaiʻi" campaign, highlighted by a family-themed promotional video distributed across major digital and print vehicles and other ways to reach prospective Japan visitors when they are not at home, including JAL and ANA flights.
  - HTJ, in partnership with Okinakalani Inc., successfully organized the HAWAIʻI EXPO 2025 × Ke Au Hou Festival at the Yoyogi National Second Gymnasium from May 10–11, 2025.
  - To support local businesses and promote Hawaiʻi-made products, HTJ organized a familiarization (FAM) tour, bringing Japanese buyers and branding professionals to the Made in Maui County Festival and arranging vendor meetings with the Maui Chamber of Commerce.
- Korea Major Market Area
  - To tap into the rising demand for travel focused credit cards among Korean consumers, Hawaiʻi Tourism Korea (HTK) partnered with leading card issuers to drive higher travel spending.
  - HTK partnered with Asiana Airlines from April to May 2025 to promote the airline's upcoming daily Honolulu service starting June 2025.
  - HTK promoted Hawaiʻi to affluent, experience-focused Korean travelers through three YouTube collaborations with celebrities and athletes.
- China Major Market Area
  - Hawaiʻi Tourism China (HTC) continued to strengthen Hawaiʻi's digital presence across key social media platforms, including WeChat, Weibo, RED and Douyin.
  - HTC successfully carried out the 2025 China Travel Mission from April 23–27, 2025, which included participation in programs in Shanghai and in the Macau International Travel Expo (MITE).
  - As part of a partnership with the U.S. Embassy Beijing Commercial Section, HTC supported The Best of U.S. 2025 Travel & Tourism Roadshow in Chengdu and Fuzhou in April and July 2025.

- Europe Major Market Area
    - Hawai‘i’s first European Mission in five years engaged 386 high-value travel trade and media professionals across Frankfurt, Zurich, Manchester and London, targeting decision-makers who shape premium, culturally authentic travel experiences.
    - The Mālama Hawai‘i Digital Consumer Campaign targeted affluent and socially and environmentally conscious travelers in the UK and Germany, seeking regenerative travel and voluntourism experiences.
    - “The People. The Place. The Hawaiian Islands.” campaign (March–July 2025) targeted high value, mindful travelers age 35–65 in the UK, Germany and Switzerland who are seeking wellness, balance and authentic cultural experiences.
- Oceania Major Market Area
    - The Month of Lei roadshow event took place from May 5-9, celebrating the spirit of aloha across Australia and New Zealand.
    - In April 2025, a cooperative campaign between HTO and Qantas Hotels & Holidays delivered strong commercial impact, leveraging the expansive base of Qantas Frequent Flyer (QFF) audience to drive high value visitation to Hawai‘i.
    - To celebrate the launch of Qantas’ new direct Melbourne–Honolulu service on May 1, 2025, HTO partnered with Meet Hawai‘i, Qantas and Melbourne Airport for a vibrant airport activation featuring hula and live Hawaiian music.
- Global Meetings, Conventions and Incentives (MCI)
    - Achieved 158% of citywide tentative room night goal and retained 110,000+ room nights, representing $370M in future economic impact.
    - FAM tours converted $38M in confirmed group business and added $58M in active pipeline opportunities.
    - International initiatives generated $90M in economic impact and strengthened Hawai‘i’s presence through partnerships and education programs in Japan, Korea and Australia–NZ.
- Cruise
    - The cruise industry has the potential to bring visitors to the Hawaiian Islands during off-peak seasons and is a good source of first-time visitors.
    - Efforts were made to ensure that cruise visitors received important safety messages about Rainbow Falls and Boiling Pots on Hawai‘i Island through collaboration with cruise line destination teams and onboard leaders.
    - A partnership with Maui Ocean Center (MOC) established a new community shuttle service linking Kahului Cruise Terminal with Mā‘alaea Harbor to support local businesses.

DESTINATION STEWARDSHIP

Program Highlights / Progress in 2025

- Natural Resources Initiative
    - HTA reinvested $500,000 into 16 community-based projects through the Kahu ‘Āina program, supporting conservation and revitalization of Hawai‘i’s natural resources.
    - HTA advanced sustainability by aligning with Hawai‘i Green Growth’s Aloha+ Challenge, promoting Qurator certification for eco-conscious businesses and fostering practices like waste reduction, water conservation and renewable energy use.
    - HTA provided strategic input to the Hawai‘i Climate Change Mitigation and Adaptation Commission, ensuring tourism’s role in shaping the Climate Action Pathway and embedding climate resilience into long-term planning.
- Hawaiian Culture Initiative
    - The Ma‘ema‘e Cultural Resource Database connects 50 cultural practitioners and organizations statewide, with 47 lodging entities offering onsite cultural programs; the Ma‘ema‘e Toolkit page saw 2,141 visits from January–May 2025.

    - Through the Kūkulu Ola program, HTA invested in 21 nonprofit organizations, events and cultural practitioners from January–June 2025 to promote responsible resource management and cultural preservation.
    - HTA continues to reinforce Native Hawaiian values in tourism through cultural programs and community partnerships.
- Visitor Experiences Initiative
    - VEPAM (Visitor Education & Post-Arrival Marketing) promoted responsible travel through airport and digital platforms, integrated ‘Umeke-funded events, highlighted Qurator-certified businesses and launched the “Travel 808” campaign; the Visitor Assistance Program aided 2,067 visitors statewide with $384K in combined support from HTA and partners.
    - HTA invested in 55 community-based events and eight major festivals, including the Pan Pacific Festival and Honolulu Festival, to enrich visitor experiences and strengthen Hawai‘i’s global brand.
    - HTA supported cultural programs like Ho‘okipa Malihini, Kāhea Greetings, and progress on the Waikīkī Historic Trail AR project; maintained 23 mineral-only sunscreen dispensers on Maui and Lāna‘i; expanded Qurator certification to 83 businesses; and advanced Smart Tourism App development for FY26.
- Technical Assistance and Capacity Building
    - In partnership with Kilohana Collective, HTA hosted seven workshops with 311 participants to help startups, small businesses and nonprofits become market-ready and operational in the tourism industry.
    - Through the Community Regenerative Tourism Collaborative, HTA conducted four workshops, supported 15 organizations, developed 15 plans and provided funds to enhance agritourism, cultural tourism and niche visitor experiences.
    - The Community Stewardship Tourism Collaborative delivered technical assistance to 9 organizations, held 4 workshops and allocated funds to improve or mitigate impacts at high-traffic sites.





- Tourism Workforce Development
    - HTA supported ClimbHi’s LEI Program, engaging 1,100+ high school students in hands-on visitor industry experiences; connected students to seasonal jobs through Work Wise; and awarded seven Ho‘oilina Scholarships for travel industry studies at UH Mānoa.
    - Hosted regenerative tourism workshops for educators and advanced discussions at the Hawai‘i Tourism Conference, which drew 650 participants to focus on sustainability and community benefits.
    - Progressed plans for a Native Hawaiian Cultural Education Program and partnered with Kilohana Collective to develop a Tour Guide Certification curriculum with 12 core components; implementation funding targeted for FY26.



- Sports
    - HTA supported major events like the WSL (World Surf League) Hawaiian Island Pro series, LPGA’s Lotte Championship and PGA Tour’s Aloha Swing, boosting Hawai‘i’s global visibility and attracting domestic and international visitors.
    - Collaborations with the Los Angeles Rams revitalized Maui post-wildfires through community initiatives, while partnerships with the Big West Conference and UH promoted local athletes and positioned them as ambassadors for Hawai‘i.
    - HTA introduced a competitive sports proposal scorecard to elevate event quality, support local talent and strengthen Hawai‘i’s reputation as a premier sports destination.

HAWAIʻI CONVENTION CENTER (HCC)

Program Highlights / Progress in 2025

- HCC achieved a $3.2M savings-to-budget ratio in FY25, reflecting disciplined management and a commitment to enhancing guest experiences.
- A major rooftop terrace renovation begins January 2026, modernizing facilities, improving event quality and creating new revenue opportunities while continuing to host events during construction.
- HCC is evolving beyond sports to include craft fairs, graduations and cultural festivals, reinforcing its role as a community hub and proactive event organizer.



2025 HAWAIʻI TOURISM CONFERENCE

ADVANCING REGENERATIVE TOURISM AND COMMUNITY IMPACT

Outcomes / Results

- Resident sentiment continues to improve – nearly 70% view tourism as positive, an increase from the previous year and higher than comparable destinations.
- Visitor satisfaction remains strong, with Hawaiʻi maintaining its position as a top-tier global destination; a majority of visitors express willingness to return, reinforcing Hawaiʻi's brand strength.
- Preliminary FY2025 results show $21.2 billion in spending — a 2.5% increase over the prior year; these gains reflect HTA's strategy to attract high-value travelers who contribute economically and support Hawaiʻi's communities.
- Marketing initiatives were enhanced, which promote respectful travel both before and after visitors arrive in the Hawaiian Islands, including increased resources dedicated to visitor education.
- HTA will continue to work closely with the Legislature, state and county agencies, the visitor industry and community partners to implement initiatives that advance Hawaiʻi's tourism industry sustainably and responsibly, ensuring it remains a source of pride and prosperity.

NATURAL ENERGY LABORATORY OF HAWAIʻI AUTHORITY (NELHA)

The Natural Energy Laboratory of Hawaiʻi Authority (NELHA) is a state agency that oversees HOST Park, an 870-acre tech park that is a center for clean energy, ocean science and sustainable technologies. The park is home to more than 50+ startups, commercial businesses and research projects that demonstrate the viability of deep ocean water use and renewable energy to develop sustainable and economic opportunities for Hawaiʻi.



KOA ARFF VISIT HOST PARK TO EDUCATE NELHA FOR THE GREAT SHAKEOUT!

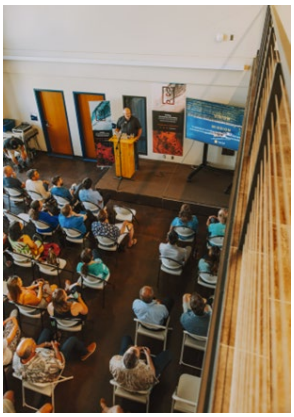


NELHA WORKS ON THE SUBMERSIBLE 77 HP PUMP BY KEĀHOLE POINT

BUILDING THE BLUE ECONOMY

Program Highlights / Progress in 2025

- Water Quality: Implemented seawater flushing procedures and schedule.
- Cultural Hui: Engaged with lineal descendants to bridge knowledge gaps and educate NELHA staff and public.
- School Tours: Welcomed K-12 and college students to HOST (Hawaiʻi Ocean Science and Technology) Park.
- Community Outreach: Conducted large 50th anniversary community event and implemented a new Talk Story series opened to the public to learn about HOST Park and the blue economy.
- New Tenants: Secured nine additional tenants, most notably Captura, Inc., Kona Sablefish Company, and Sea Dragon Energy Inc.; Captura is a marine carbon capture demonstration project that produces CO2 for aquaculture companies in HOST park to offset the current import of CO2, and whose technology aims to address climate issues; Kona Sablefish is targeted to produce a cold-water fish that is prized in Hawaiʻi and sell it locally; Sea Dragon is implementing a jet fuel R&D project using marine CO2 and H2 to address energy security.
- Support Existing Companies: Continued to support the HOST Park ecosystem and its clients; an example is ensuring the survival of an established and well-known commercial company, Big Island Abalone, saving 10 jobs and promoting local sales of abalone.
- Neighborly Relations: Connected with Department of Transportation Airports (KOA) to build egress road and to cultivate partnerships, including KOA's Airport Rescue and Firefighting (ARFF).
- New Executive Director: Hired a new Executive Director in February 2025.
- Business Support: HATCH Accelerator and Blue Venture Program (supported by U.S. Department of Commerce Economic Development Administration) raised $9M follow on fund and ran two accelerator cohorts as well as an ideation workshop with 50 Hawaiʻi participants to develop Hawaiʻi entrepreneurship in technologies that benefit aquaculture.




HATCH ACCELERATOR COHORT | CONNECTING WITH THE PUBLIC ABOUT HAWAIIAN MONK SEAL CONSERVATION AT KE KAI OLA

Outcomes / Results

- Water Quality: Routine pipeline flushing appears to have contributed to decreased mortality for aquaculture hatchery larval runs; significant additional 3rd party testing has shown no toxicity in NELHA's pipelines.
- Cultural Work: Creation of a plan to administer Hoʻonā Preserve to resolve public protest, including violent clashes; continued engagement with Pā Pāʻaiea cultural group; worked with contractor(s) to research and record oral history from prominent Hawaiian leaders and reconstruct the park before the 1801 lava flow.
- School Tours: More than 800+ students have visited HOST Park this year alone, at 1500 + students since the start of the program back in November 2023.
- Community Outreach: Talk Story series has garnered community interest, averaging about 50 people per talk story.
- Future Tenants/Projects: The availability of freshwater is the biggest constraint for further park development; working closely with CWRM (Commission on Water Resource Management) and stakeholders to produce an Adaptive Management Plan to address West Hawaiʻi water challenges.
- Special Projects: Completed an undersea freshwater survey, which aims to find and document alternative sources of fresh or brackish water; data is currently being analyzed.
- Planning: Hired Contractor and started process for Master Plan and EIS (Environmental Impact Statement) Update; also started procurement of professional services for offshore programmatic EIS.
- Pipeline Infrastructure: Retrieval of a 273 ft breakaway ocean 16" pipeline, a large ocean safety hazard, within two days; repaired five waterline breaks and addressed two water hammer events; maintained 99.9% uptime in seawater delivery and no significant detrimental impact on tenant operations.
- Maintenance: Produced a plan to address deferred maintenance; currently actively seeking funding.
- Public Safety: Completed design, plan and estimate for removal of offshore pipelines owned, installed, operated and abandoned by Ocean Farms, a bankrupt company; seeking $10M to complete the removal.





WATER QUALITY LAB MANAGER PAM MADDEN SPEAKS TO STUDENTS | SHORELINE RECOVERY OF 270 FT BREAKAWAY OCEAN 16" PIPELINE

OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT (OPSD)

The Office of Planning and Sustainable Development (OPSD) is an attached agency to DBEDT for administrative purposes. Administrative support from DBEDT helps OPSD to deliver its six programs identified below. Each program has distinct statutory requirements that intersect with activities conducted by all sister state agencies.

- Coastal Zone Management Program (CZM): CZM provides for the effective management, beneficial use, protection, and development of the coastal zone.
- Environmental Review Program (ERP): ERP facilitates Hawai'i's environmental review process (commonly known as HEPA), pursuant to Chapter 343, Hawai'i Revised Statutes (HRS).
- Statewide Geographic Information Systems Program (GIS): GIS leads a multi-agency effort to establish, promote, and coordinate the use of geographic information systems technology among Hawai'i State Government agencies, and to compile geospatial data into a comprehensive statewide geodatabase available to all State agencies for geospatial analyses.
- Land Use Division: LUD is responsible for preserving, protecting, and encouraging the development of land for its best uses, ensuring public welfare. It plays a crucial role in the State Land Use Commission, representing the State's interests in matters related to district boundary amendments and special permits.
    - Transportation Oriented-Development Program (TOD): OPSD serves as the lead agency in coordinating and advancing smart growth and transit-oriented development initiatives. The program encourages State and county agencies to leverage public lands for much-needed affordable housing and mixed-use development around transit and mobility hubs.
- Special Plans Branch (SPB): SPB carries out OPSD's responsibilities under Chapter 226, HRS, by facilitating strategic and long-range planning and coordination on issues of statewide concern.
- Statewide Sustainability Program (SSP): SSP establishes broad work plans for state initiatives that promote sustainability, including developing programmatic priorities and budgets, conducting program analyses, making sustainable policy recommendations, and preparing sustainability or initiative reports.

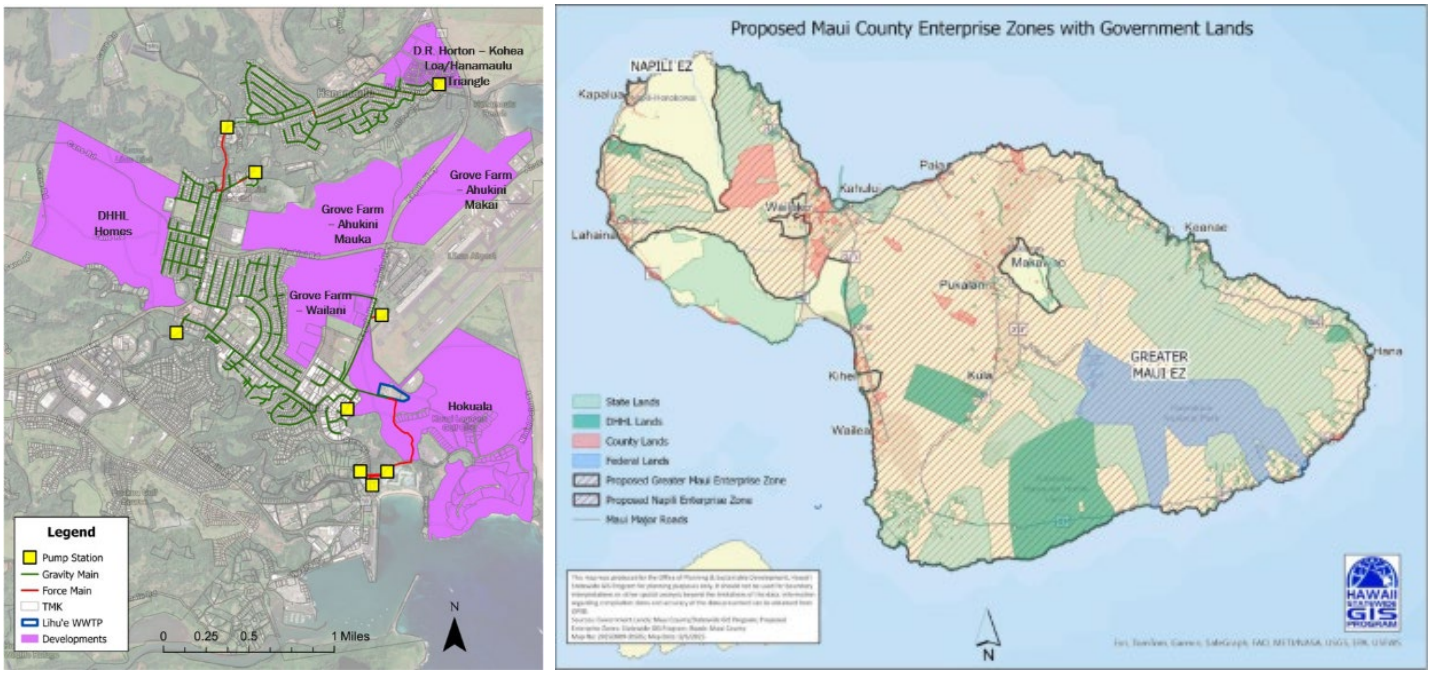
BUILDING PARTNERSHIPS FOR A SUSTAINABLE HAWAI'I

Program Highlights / Progress in 2025

- CZM - 2025 Ocean Resources Management Plan (ORMP) Evaluation & Refresh: The ORMP Network reached the midpoint of its 10-year implementation phase, advancing coastal resilience, marine protection and climate adaptation through coordinated, mauka-to-makai management.
    - The 2025 ORMP Evaluation & Refresh highlights progress, emerging issues and strategies to strengthen collaboration and sustain integrated resource management through 2030.
- CZM - NOAA Section 309 Assessment & Strategy 2026-2030: The CZM Program completed its NOAA Section 309 Assessment and Strategy for 2026–2030, using a two-phase approach to identify and target high-priority enhancement areas.
    - This approved strategy ensures the Program's continued eligibility for Section 309 funding to advance coastal management priorities statewide.
- LUD – PRO Housing: The LUD/TOD program was approved by the Department of Housing and Urban Development to start on PRO Housing projects which includes removing barriers to housing:
    - These projects will allow the State and Counties to invest in housing enabling infrastructure, support transit-oriented development and build capacity to preserve and expand the housing stock.
    - These projects will help implement recommendations contained in the 2023 TOD Infrastructure Financing Strategy study, including the creation of an infrastructure financing mechanism, funding infrastructure projects and studies to overcome regulatory barriers to housing production.

- LUD – Simplifying Permitting for Enhanced Economic Development (SPEED): The LUD/TOD program is tasked with implementing Act 133 (SLH 2025) to streamline the permitting process.
    - There will be various permitted interaction groups created that will produce recommendations on department or agency policy changes, county ordinance changes, or statewide legislative changes that may allow for more efficient workflow.
- LUD – The LUD program continues to play a central role in reviewing and commenting on a variety of petitions, reports and legislation to ensure land use aligns with state planning objectives including the Hawai‘i State Planning Act and other guidance documents.
- TOD – The TOD program provides annual CIP Planning Grants to State and county agencies to advance the delivery of transit-oriented development projects that promote compact development, co-location and mixed-use facilities, including affordable housing, within communities served by transit.
- TOD – The TOD Program and the Hawai‘i Interagency Council on Transit-Oriented Development (TOD Council) provide a forum for information sharing, consultation and collaboration among State, county and federal agencies.
    - Through these efforts, members are introduced to TOD-supportive policies, regulations, resources and financing mechanisms that help address barriers and serve as models for successful statewide TOD implementation.
- ERP – The ERP continues to announce the availability of various environmental review documents, such as environmental assessments (EAs) and more rigorous environmental impact statements (EISs) by publishing The Environmental Notice twice each month.
    - Trainings, guidance, advice and an online library are also provided to the numerous stakeholders in the environmental review process.
- SPB – Statewide Economic Development District: SPB secured designation by the U.S. Economic Development Administration (EDA) for a statewide economic development district (EDD), known as the Hawai‘i Regional Economic Stewardship and Advancement (HIRESA) EDD.
    - This designation broadens funding eligibility for economic development projects across the state.
    - SPB also secured a planning grant to facilitate statewide coordination and collaboration on economic development initiatives and provide technical assistance to help organizations serving economically distressed communities secure funding to strengthen economic prosperity in those regions.
- SPB – U.S. Department of Defense Project Pipeline: In support of DBEDT's Military and Community Relations Office (MACRO), SPB developed and conducted a repeatable planning process to generate and advance projects of mutual benefit to national security and local community interests.
    - This effort engaged 32 military, state, county and community stakeholders and generated more than 100 project ideas across 12 focus areas.
    - Action plans were developed, laying out the steps to advance 11 priority projects.
- SPB – State Planning Act Phase II Update: SPB initiated work to update the Hawai‘i State Planning Act (HRS 226) pursuant to Act 36, SLH 2024.
    - Key milestones include hiring a coordinator to provide administrative and technical support for the legislatively established Task Force, convening the Task Force in May 2025, conducting background policy research, interviewing county planning departments and contracting with UH’s Department of Urban and Regional Planning for additional support.
    - SPB presented a draft two-year work plan to the Task Force at its second meeting in October 2025 and anticipates formal approval by year’s end.
    - A legislative progress report will be submitted ahead of the 2026 session.
- GIS – Statewide Enterprise Zone Eligibility: At the request of BDSD, GIS calculated eligibility of each Hawai‘i census tract (using 2020 census tracts and poverty and unemployment figures from the American Community Survey data tables) for potential inclusion in the Enterprise Zone.
    - This eligibility data is used by the counties, with the assistance of BDSD and GIS, to designate new Enterprise Zones, usually (but not always) upon expiration of existing zones; eligibility data is calculated every 10 years, after the decennial census.

- GIS – Maui County Enterprise Zones: At the request of BDSD, GIS assisted Maui County with the reconfiguration and redesignation of expiring Enterprise Zones using eligibility data developed above, as well as other relevant data layers such as county and state zoning, location of government lands, etc.
    - The new zones will expire 20 years from the date of official designation.
- GIS – Management of enterprise geoplatform: Management of the geoplatform changed radically in CY 2025 under a newly-signed and more complex Enterprise Agreement (EA).
    - GIS worked with ETS to identify GIS Leads at each agency who took on added responsibility for providing information about new, current and future users in order to comply with the terms of the new agreement.
    - Working with these GIS Leads, GIS was able to successfully transition to the new EA under a more distributed management paradigm.
    - This decentralization was the first step in a larger effort to move administrative control of the geoplatform to ETS under its IT Consolidation Plan.
- GIS – ETS' IT Consolidation Plan: GIS participated in general discussions and Focus Group edits of the draft report that will be submitted to the Legislature prior to the 2026 Legislative Session.
    - GIS also contributed a GIS-specific section that proposes ETS' responsibility for administrative functions related to the management of the enterprise GIS platform, while retaining GIS subject-matter functions in the GIS Program.
    - This has the potential to relieve GIS from time- and labor-intensive administrative tasks that distract from its core mission of coordinating and collaborating with its partners, and maintaining the statewide geodatabase.



[LEFT] BY ADVANCING WASTEWATER DEVELOPMENT THROUGH THE STATE TOD CIP PLANNING GRANTS, IT WILL UNLOCK A NUMBER OF HOUSING PROJECTS AROUND LĪHU'E | [RIGHT] PROPOSED ENTERPRISE ZONES ON THE ISLAND OF MAUI SHOWING GOVERNMENT-OWNED LANDS

Outcomes / Results

- CZM - APA Award for *Managed Retreat Analysis: Policy & Funding Opportunities and Challenges*.
- LUD/TOD - Awarded two planning projects to plan for future growth in Līhu'e, Kaua'i and Hilo, Hawai'i.
- LUD/TOD - SPEED will have a report of all the recommendations from the permitted interaction group by December 2025.
- TOD – Earlier delivery of "shovel ready" infrastructure and affordable housing through infill development.

- TOD – Potential use of alternative financing mechanisms.
- ERP – Balanced land use decision-making is supported by an objective environmental disclosure process.
- SPB – Opened eligibility for federal funding for economic development initiatives across the state, whereas projects only in certain regions meeting the EDA's economic distress criteria were previously eligible.
- SPB – Executed an intergovernmental agreement establishing the HIRESA EDD governing body, creating a lasting forum for state–county coordination on economic planning and implementation.
- SPB – Secured resources to launch a program to align state, county and community efforts and provide technical assistance to organizations on economic development initiatives.
- SPB – Cultivated an initial pipeline and primed stakeholder interest in projects that benefit both defense and community interests; developed a repeatable process and tools to implement future planning cycles.
- SPB – Designed and initiated a process to generate recommendations for modernizing the Hawai'i State Planning Act and improving the coordination and effectiveness of the statewide planning system.
- GIS – Potential Enterprise Zones have been submitted to the Maui County Council for its approval in early November.
- GIS – Updated statewide census tract data is available for other counties to use to identify new Enterprise Zones.
- GIS – The shifted responsibilities to the GIS Leads at agencies has worked well in spite of some early hiccups; regular meetings with this group will begin later in CY 2026 (a meeting with a subset of this group to discuss some enterprise-wide standards and reporting requirements has already taken place); state users are able to utilize the state's geoplatform with no loss in functionality or productivity.
- GIS – The final draft of ETS' IT Consolidation Plan is expected by early December; GIS' concerns and proposals for edits have been well-received and will hopefully be included in the plan; the plan includes proposals for a number of new FTEs, including at least one for administration of the geoplatform.





[LEFT] CZM WORKDAY WITH WAI'ANAE MOUNTAINS WATERSHED PARTNERSHIP | [RIGHT] ERP STAFF PARTICIPATED IN A WELL-ATTENDED FORUM AT THE 2025 HAWAI'I CONGRESS OF PLANNING OFFICIALS ORGANIZED BY THE ENVIRONMENTAL ADVISORY COUNCIL

OPSD – LAND USE COMMISSION (LUC)



The State Land Use Law (Chapter 205, Hawai‘i Revised Statutes) was adopted in 1961, establishing a framework of land use management and regulation in which all lands in the State of Hawai‘i are classified into one of four land use districts. To administer the Land Use Law, the State Legislature established the Land Use Commission (LUC) (Komikina Ho‘ohana ‘Āina).

The Commission is composed of nine members who are appointed by the Governor and confirmed by the State Senate. One member is appointed from each of the four counties and five members are appointed at large. The Commissioners are non-paid volunteers who represent a cross-section of the community.

The LUC has worked to address the housing shortage and stimulate economic activity by promptly meeting its projected goals and processing all petitions for district boundary amendments, special permits, Important Agricultural Land designations, and Motions to Amend. Most Petitions and Motions were decided on and concluded within four (4) months of being deemed complete for hearing.

ADVANCING LAND USE

Program Highlights / Progress in 2025

- Petition Processing
    - The LUC continues to meet long- and short-term goals in approving petitions.
    - The LUC has also met its projected goals with regard to boundary interpretations, special permits and important agricultural lands petitions, allowing the counties to process and issue construction permits.
- Strategic Program Improvement
    - The LUC is engaged in an ongoing improvement strategy to address the affordable housing crisis and improve public outreach by:
        - Reducing the time for response to boundary determinations.
        - Continuing to streamline the process by regular rule amendments and updates.
        - Digitizing archive materials and updating and modifying the LUC website.

- Important Agricultural Land Designation
    - Pursuant to recently enacted legislation, private parties and the counties may submit petitions for various lands to be designated as “Important Agricultural Lands”.
    - Counties may submit large-scale proposals for designation; this activity is currently on hold pending the resolution of a challenge to the Supreme Court with regard to the process.
- Energy Projects
    - The LUC is also responsible for approving Solar Projects on class A, B and C-rated lands.

Outcomes / Results

- Special Permit Applications
    - Various infrastructure projects in the State Agricultural District, such as expanding the Honouliuli wastewater treatment plant, relocation of the Waimānalo Gulch Land Fill, continued operation of various public and private landfills and quarrying operations to supply materials for road building and construction.
    - This included working with federal, State and the County of Maui on location of temporary landfill siting for Maui wildfire debris.
    - More than 120 acres of industrial lands were approved.
- Affordable Housing
    - LUC activities are focused on the approval and enabling of large and medium-scale construction and housing projects to stimulate the construction industry and increase the state inventory of affordable and market-rate housing.
    - More than 1,200 affordable homes and a commensurate number of market rate homes were stimulated into production as a result of Land Use Commission efforts over the past year.
    - The LUC has approved an estimated 45,000 to 65,000 units that have not yet been built; efforts are underway to move those projects forward through status reviews and amendment of project requirements.
- Enforcement of District Boundary Amendment Compliance
    - The LUC has scheduled four status report hearings in the past year; all of them have resulted in reanimation of project development.

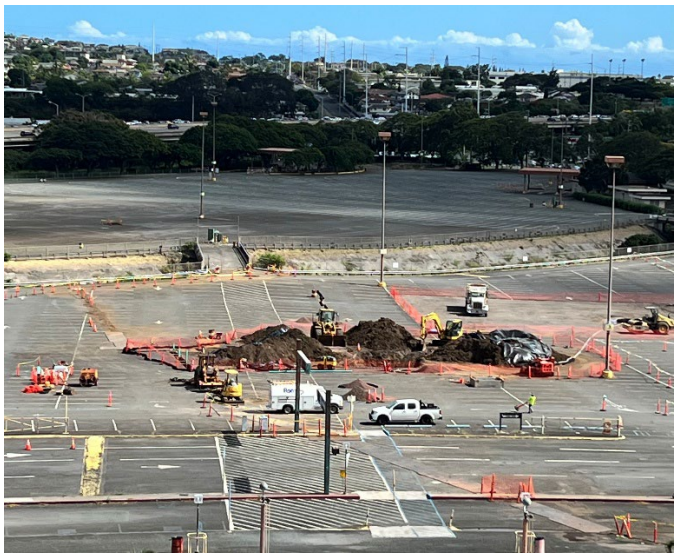


STADIUM AUTHORITY (SA)

The Stadium Authority, administratively attached to the Department of Business, Economic Development and Tourism (DBEDT), is responsible for the management, redevelopment and long-term operation of the Aloha Stadium site in Hālawa. The Authority's mission is to provide a first-class arena where Hawai'i's community gathers for sports, entertainment and cultural experiences.

The Authority is leading the New Aloha Stadium Entertainment District (NASED) Project — a mixed-use, community-centric development that will combine a new state-of-the-art stadium with residential, commercial and public spaces.





UPPER LOT RESURFACING | UNDERGROUND WORK

CELEBRATING HAWAI'I'S CULTURE, BUILDING HAWAI'I'S FUTURE

Program Highlights / Progress in 2025

- Reissued the NASED Project procurement under a single integrated project approach to design, build, operate and maintain the new stadium while developing the surrounding district and real estate.
- Shortlisted Priority Listed Offerors in early 2024; received a full proposal from Aloha Hālawa District Partners (AHDP) in July 2024.
- Entered the Diligence and Discussions Phase (Nov 2024–Aug 2025), with all contracts to be executed by November 30, 2025.
- Continued active use of the land surrounding the stadium parcel — including concerts (8,000–12,000 attendees), and the Aloha Stadium Swap Meet & Marketplace — achieving over 85% of pre-closure revenues.
- Advanced Swap Meet relocation plans to the Upper Hālawa Parking Lot (UHPL), including $3M in site work for utilities, restrooms, restriping and signage.





ALOHA STADIUM SWAP MEET – HO‘OKIPA HALE + NEW RESTROOMS

Outcomes / Results

- Maintained strong community engagement and public transparency through NASED newsletters, community information briefings and reports to the Neighborhood Boards and Association.
- Progressed major state priorities: public-private partnership implementation, infrastructure readiness and planning for the economic revitalization of the Hālawa Transit Orient Development (TOD) area.
- Sustained vendor and event activity despite stadium closure and transition to the new swap meet location.



CONCEPTUAL RENDERING COURTESY OF ALOHA HĀLAWA DISTRICT PARTNERS



CONCEPTUAL RENDERING COURTESY OF ALOHA HĀLAWA DISTRICT PARTNERS



STATE OF HAWAIʻI • DEPARTMENT OF BUSINESS,
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