

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

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Coastal Zone
Management
Program

Environmental Review
Program

Land Use Commission

Land Use Division

Special Plans Branch

State Transit-Oriented
Development

Statewide Geographic
Information System

Statewide
Sustainability Branch

Statement of
MARY ALICE EVANS
Director, Office of Planning and Sustainable Development
before the
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT,
AND TOURISM**

Friday, January 4, 2022
3:00 PM

State Capitol, Conference Room 224 & Videoconference

in consideration of
SB 3337
RELATING TO THE ECONOMY.

Chair Wakai, Vice Chair Misalucha, and Members of the Senate
Committee on Energy, Economic Development, and Tourism.

The Office of Planning and Sustainable Development (OPSD) **strongly supports** SB 3337. This measure would establish a public policy framework that addresses state goals in the areas of economic disaster mitigation, economic diversification, import substitution, and community development, and appropriates funds to the Department of Business, Economic Development, and Tourism (DBEDT) to implement specific projects that address those goals.

As the designated recipient of the Economic Development Administration's Statewide Planning Grant, OPSD's Special Plans Branch is developing the Hawaii Economic Recovery and Resilience (HIERR) Plan to coordinate statewide efforts to minimize the impacts of future economic disruptions. The HIERR Plan will build on the Comprehensive Economic Development Strategies (CEDS), which is currently undergoing a five-year update, and align to the State's economic, sustainability, and equity goals and objectives as set forth in the Hawaii State Plan and Hawaii 2050 Sustainability Plan. The HIERR Plan will focus on three interconnected goals which are intentionally directly aligned to the first three goals addressed by the public policy framework proposed in SB 3337: economic disaster mitigation, economic diversification, and import substitution.

This measure creates the opportunity to align OPSD's statewide economic planning assets with implementation through DBEDT programs and projects; and ensure consistency with the Hawaii State Plan. The proposed

public policy framework will affirm the HIERR Plan's focus, while the funding appropriated under this measure will ensure DBEDT programs and projects are prioritized and implemented consistently with the HIERR Plan. Furthermore, this measure calls for an objective evaluation of these projects, which would provide valuable input for updating and maintaining the HIERR Plan to ensure that it remains a relevant tool to guide the State's economic recovery and resilience and continues to advance the State's goals, objectives, and policies as set forth in the Hawaii State Plan.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT,
AND TOURISM
ON
SENATE BILL NO. 3337

February 4, 2022
3:00 p.m.
Room 224 and Videoconference

RELATING TO THE ECONOMY

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 3337 establishes a public policy framework that addresses State goals in the areas of economic disaster mitigation, economic diversification, import substitution, and community development; appropriates a total of \$26,060,000 in general funds to the Department of Business, Economic Development and Tourism (DBEDT) for FY 23 for various project areas; identifies capital improvement projects (CIP) authorized in the Executive Budget to be implemented by DBEDT in furtherance of these goals; and requires reports to the Legislature summarizing project outcomes and effectiveness in achieving these goals.

B&F notes that the CIPs identified in Section 4 of this measure are included as part of the Governor's FY 23 Executive Supplemental Budget for DBEDT in the amounts prescribed in S.B. No. 3337.

Finally, B&F notes that, with respect to the general fund appropriations in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires

that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



DAVID Y. IGE
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

HAWAII GREEN INFRASTRUCTURE AUTHORITY

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Testimony of
Gwen Yamamoto Lau
Executive Director
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT & TOURISM
Friday, February 4, 2022
Time: 3:00 P.M.
State Capitol, Conference Room No. 224 & Videoconference
In consideration of
SENATE BILL NO. 3337
RELATING TO THE ECONOMY

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development & Tourism:

Thank you for the opportunity to testify on Senate Bill 3337, relating to the economy. This bill proposes to establish a public policy framework and appropriates funds to implement specific projects. The Hawaii Green Infrastructure Authority (“HGIA”) **supports** this bill.

While rooftop solar has the potential to reduce the energy burden in communities of color (or under-resourced communities), it has not yet lived up to its potential due to systematic barriers including (1) lack of solar education and outreach; (2) financial challenges such as lower income and access to credit, and (3) issues related to home ownership, such as lower ownership rates or roof condition.¹ The Rocky Mountain Institute (“RMI”), a non-profit organization accelerating the clean energy transition and improving lives, has found that *Solarize Campaigns* have been effective in addressing these barriers across the country.

RMI, Hawaii Energy, City & County of Honolulu’s Office of Climate Change, Sustainability & Resiliency, Council for Native Hawaiian Advancement, Makaha Learning Center, Hawaiian Electric, State Energy Office and HGIA are working with Waianae community organizations and leaders to co-create a Solarize Waianae Campaign to reduce their energy burden. The funding will provide much needed resources to implement at least **seven (7)** Solarize Campaigns in Waianae and other vulnerable communities statewide. HGIA defers to DBEDT on the other projects identified on the bill.

Thank you for this opportunity to testify in support of SB 3337.

¹ “Solarize Campaigns: Helping Communities of Color Access Rooftop Solar”, July 28, 2020, Lacey Shaver, Ryan Shea



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Friday, February 4, 2022
3:00 p.m.
Videoconference

In consideration of
SB3337
RELATING TO THE ECONOMY

Chair Wakai, Vice Chair Misalucha and Members of the Committee.

The Hawai'i Technology Development Corporation (HTDC) **supports** the intent of SB3337 that establishes a public policy framework that addresses state goals in the areas of economic disaster mitigation, economic diversification, import substitution, and community development and appropriates moneys to the Department of Business, Economic Development, and Tourism to implement specific projects that address those goals. Identifies additional projects authorized in the executive budget to be implemented by the Department of Business, Economic Development, and Tourism in furtherance of those goals and requires DBEDT to submit annual reports to the Legislature summarizing project outcomes, including an assessment of each project's effectiveness in achieving those goals.

HTDC supports initiatives aimed at promoting technology and manufacturing jobs. HTDC believes the policy framework is a better way of coordinating the many needs of the State. HTDC has been working with DBEDT and its attached agencies on the Creative Space Studio and Ocean Economy Village, as well as the State Small Business Credit Initiative, Sustainable Aviation Fuel project, Dual Use Task Force, and e-commerce and export training. HTDC looks forward to working with all stakeholders in moving Hawai'i's economy forward.

Thank you for the opportunity to offer these comments.



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DAVID Y. IGE
GOVERNOR

SUSAN TODANI
CHAIRPERSON

DEEPAK NEUPANE, P.E., AIA
EXECUTIVE DIRECTOR

Statement of
DEEPAK NEUPANE
Executive Director
Hawaii Community Development Authority
before the

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Friday, February 4, 2022
3:00 p.m.
State Capitol, Conference Room 224, & Videoconference

In consideration of
SB 3337
RELATING TO THE ECONOMY

Chair Wakai, Vice Chair Misalucha, and members of the Committee. The Hawaii Community Development Authority (HCDA), an agency attached to the Department of Business, Economic Development, and Tourism (DBEDT), **supports** SB 3337, which establishes a public policy framework that addresses state goals in the areas of economic disaster mitigation, economic diversification, import substitution, and community development, and appropriates funds to DBEDT.

The bill also identifies additional capital improvement projects, included in the executive budget, that will be implemented by DBEDT, for improvement projects within HCDA's Kakaako and Kalaeloa community development districts:

- **Kalaeloa: Saratoga Avenue electrical and communications infrastructure improvements (\$12,125,000).** This corridor will bring much needed and reliable electrical and communications infrastructure improvements to Saratoga Road from Enterprise Road to Hornet Avenue in this downtown area of Kalaeloa. The current Navy-owned electrical system is not available for hook ups to new development projects. Economic Impact: This project will bring reliable utilities to Saratoga Road that will spur community development along this "downtown" area of Kalaeloa.
- **Kakaako: Repair of Fisherman's Wharf bulkhead (\$25,000,000).** This bulkhead/dock (Dock) in the Kewalo Basin harbor has deteriorated and is unsafe for use by vessels and landside users. This necessary health and safety repair project will allow full use of the Dock. This project includes significant repairs of concrete

spalling at the beams, pile caps, and piles. Economic Impact: The repaired Dock will promote economic development by allowing fishing and recreational vessels and landside users to safely use the Dock.

Thank you for the opportunity to testify in **support** of this measure.



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY



An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism

Statement of
Gregory P. Barbour
Executive Director

Natural Energy Laboratory of Hawaii Authority
before the

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM

Friday, February 4, 2022

3:00 pm

State Capitol, Conference Room 224 & Videoconference

in consideration of

SB 3337 **RELATING TO THE ECONOMY.**

The Natural Energy Laboratory of Hawaii Authority (NELHA) strongly supports SB 3337 which provides a policy matrix to grow and accelerate economic diversification. This measure specifically identifies funds to expand infrastructure at NELHA including an ocean economy innovation village.

Hawai'i has a significant comparative worldwide advantage as a large ocean state to grow a statewide Ocean Economy Regional Growth Cluster "Cluster" that expands our oceans' economic potential while preserving and safeguarding its long-term health. We recently teamed with several other DBEDT agencies, the Department of Agriculture, and the University of Hawaii to submit a proposal to the U.S. Economic Development Administration for a grant proposal to grow this sector which could have ultimately provided up to \$75 million to further

develop this cluster (See illustration on Attachment 1). Unfortunately, we were not successful in securing funds however, one key aspect of our proposal was the completion of an ocean economy innovation village hub at NELHA. As we identified in our proposal, many of the building blocks for a thriving cluster are already in place with world-class government infrastructure assets; education and R&D foundations; an increasing number of entrepreneurial ecosystems and talent development programs; and non-profit-led community improvement projects. Notably, the cluster offers good-paying job opportunities on all islands, including traditionally underserved populations. On a broader scale, growing this cluster will also improve the competitive position and balance of trade for Hawai'i and the US and help the us build global dominance in ocean innovation and conservation technologies.

We would like to point out one technical correction in the measure. Section 3, Item 2G on line 18-19 page 7 should be in Section 4 as it is a capital improvement project. In addition, the amount should be amended to \$13 million. These funds would complement the \$6.5 million we received from the Federal Emergency Management Agency as well as insurance companies for our buildings in Puna that were destroyed during the Kilauea volcanic eruption.

Thank you for the opportunity to offer these comments.

Hawai'i Ocean Economy

expand our oceans' economic potential while safeguarding its long-term health

"Inā mālama 'oe i ke kai, mālama no ke kai iā 'oe. Inā mālama 'oe i ka 'āina, mālama no ka 'āina iā oe."
If you care for the ocean, the ocean will care for you. If you care for the land, the land will care for you.



1 Align

A new approach to grow this cluster, aligning community, regional investments and an emerging entrepreneurial ecosystem.

2 Foundation

Expand and develop new Innovation Hub in Kona, with the unique and sustainable competitive advantage. Link up with other Hubs in Makapuu and Coconut Island.

World Class



3

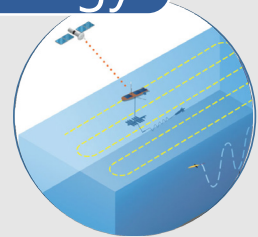
Accelerate

Accelerator programs at the Hub provide fuel to thrust cluster startups ahead.

Food Security



Ocean Technology



Ocean Conservation



Energy Security

5

Support

Ensure opportunity for everyone and build cluster strength for the long haul.



Inclusive

4

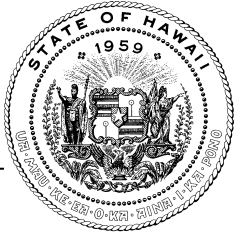
Validate

To sustain the cluster, companies must prove their solutions.

Capital
 \$56MM+ available to address capital through the SSBCI program
Complementary Project



Sustainable



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

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Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Friday, February 4, 2022
3:00 PM
State Capitol, Conference Room 224 & Videoconference

**SUPPORT
SB 3337
RELATING TO THE ECONOMY.**

Chair Wakai, Vice Chair Misalucha, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 3337, which establishes a public policy framework that addresses state goals in the areas of economic disaster mitigation, economic diversification, import substitution, and community development and appropriates moneys to the Department of Business, Economic Development, and Tourism (DBEDT) to implement specific projects that address those goals.

Act 122 in 2019 established HSEO as an agency attached to DBEDT with a mission to transition Hawai'i to a resilient, clean energy economy through the promotion of energy efficiency, renewable energy, and clean transportation. HSEO works closely with DBEDT and other state and county agencies, businesses, labor organizations, and communities to develop policies, programs, and projects to accomplish this mission. The collaboration with the Legislature and development of the policy matrix called for in the bill will assist HSEO in these efforts.

HSEO would like to offer for the Committee's consideration two items to further the purpose of import substitution as described in section 2(a)(4) in the bill:

- \$10 million to fund the Sustainable Aviation Fuel program in the Hawai'i Technology Development Corporation (HTDC) as established in [Act 180, Session Laws of Hawai'i \(SLH\) 2021](#).

- \$5 million to accelerate the state fleet transition to zero emission vehicles as set forth in [Act 74, SLH 2021](#).

The Sustainable Aviation Fuel program established in HTDC is currently unfunded. Act 180, SLH 2021, authorized HTDC to provide matching grants to any small business developing products related to sustainable aviation fuel or greenhouse gas reduction from commercial aviation operations. These grants can support business development, technology development, engineering, and research toward sustainable aviation fuel production, airborne operations fuel efficiency, ground support equipment fuel replacement and fuel efficiency, and operational improvements to reduce overall jet fuel consumption. All of these activities involve a high-skilled workforce and promote economic diversification.

Moreover, nearly one-third of the energy consumed in Hawai'i is for jet fuel, the majority of which comes from imported crude petroleum refined in state. Advancing sustainable aviation fuels would reduce Hawai'i's reliance on imported oil, further keeping dollars at home instead of supporting hostile governments around the world and exacerbating climate change. HSEO is aware of several businesses exploring sustainable aviation fuel options for Hawai'i. Funding this program would be an important market signal that Hawai'i supports this type of innovation and energy security.

Act 74, SLH 2021, established a goal for the State to transition the State's light-duty passenger cars to 100% zero emission vehicles by 2030 and all light-duty motor vehicles by 2035. The State, through the Department of Transportation, currently has a contract in place to lease zero emission vehicles and charging/fueling infrastructure as a service. This arrangement saves the State operational and capital improvement project dollars, in turn saving taxpayers money. Further, this positions the State to lead by example in the broader transition to zero emission vehicles, reduces reliance on imported gasoline and crude oil, and improves energy security.

Appropriating monies to DBEDT for these specific projects would further align the State with becoming a resilient, clean energy, knowledge-based, zero-emission, digital

economy while putting Hawai'i on the path toward more economic prosperity by keeping local dollars home instead of being exported to import fossil fuels.

HSEO defers to the appropriate agencies on the administrative requirements in the bill.

Thank you for the opportunity to testify.



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David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

Statement of
JOHN DE FRIES

Hawai'i Tourism Authority
before the
COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM

February 4, 2022
3:00 p.m.
State Capitol
via videoconference

In consideration of
SENATE BILL NO. 3337
RELATING TO THE ECONOMY

Aloha Chair Wakai, Vice Chair Misalucha, and members of the Committee on Energy, Economic Development and Tourism.

The Hawai'i Tourism Authority (HTA) appreciates the opportunity to offer this testimony in **support** of SB3337, which establishes a public policy framework that addresses state goals in the areas of economic disaster mitigation, economic diversification, import-substitution, and community development as part of the Department of Business, Economic Development & Tourism's overall goals and objectives.

As we continue on our path to recovery, now is the time to invest in and support projects and programs that will lead to a more sustainable and resilient economy. The projects outlined in the measure such as the carrier-neutral landing infrastructure, expansion of the creative space studio, streamlining the film permitting system, and the ocean economy innovation village combined with programs such as the digital literacy training partnership, remote work opportunities and website, establishing an international affairs office, providing educational and technical cybersecurity assistance to local business, and addressing import substitution through Solarize Wai'anae will most certainly move us in the right direction.

We appreciate the opportunity to provide this testimony in **support** of SB3337. Mahalo.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
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MIKE MCCARTNEY
DIRECTOR

CHUNG I. CHANG
DEPUTY DIRECTOR

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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Friday, February 4, 2022

3:00 PM

State Capitol, Conference Room 224 & Videoconference

In consideration of

SB3337

RELATING TO THE ECONOMY.

Chair Wakai, Vice Chair Misalucha and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports SB3337 which establishes a public policy framework that addresses state goals in the areas of economic disaster mitigation, economic diversification, import substitution, and community development.

The intent of the measure is to pave a path for the legislature and DBEDT in this legislative session and to be a model for future public policy framework to better collaborate and coordinate in identifying, funding, executing, and reporting on projects that address those goals. Additionally, this framework allows elaborating on and compliments projects authorized in the state budget to be implemented by DBEDT.

This testimony for DBEDT and its divisions and testimonies provided by our attached agencies—Office of Planning and Sustainable Development (OPSD), Hawaii State Energy Office (HSEO), Hawaii Green Infrastructure Authority (HGIA), Hawaii Housing Finance and Development Corporation (HHFDC), Hawaii Technology Development Corporation (HTDC), Hawaii Community Development Authority (HCDA), Natural Energy Laboratory of Hawaii Authority (NELHA), and Hawaii Tourism Authority (HTA)—represent our collective efforts to initiate this collaboration with the legislature and provide more details of the identified projects:

Section 3. (1) – (Business Development and Support Division) \$500,000 for community-based economic development revitalization grants to provide funding for communities to hold economic development activities. Communities, especially rural communities, have been hard hit by the devastating economic impacts of the pandemic. Funding will help promote economic development activities and increase business within these distressed communities to hold events such as farmers markets, farm to table projects, visit "our town" days; town ho'olaule'a, and community expos.

Section 3. (2) (A) – (Broadband Office) \$1,000,000 for carrier-neutral cable landing infrastructure to develop pre-construction specifications for the design and engineering of carrier-neutral cable landing infrastructure on the islands of Oahu, Hawaii, Maui, and Kauai. In collaboration with University of Hawaii (UH), the goal is to complete 10 pre-construction engineering and design projects. The \$1,000,000 will enable DBEDT to be the first four projects, and with \$1,500,000 from ARPA that the governor announced, UH will be able to procure the remaining six projects.

Section 3. (2) (B) – (Broadband Office) \$1,000,000 for digital literacy training in partnership with state libraries and Hawaii Literacy. This project is a collaboration amongst DBEDT, the libraries, Workforce Development Division (WDD), Hawaii Literacy, and community partners. This project was originally developed as the Workforce Resilience Initiative with federal funding. Since federal funding is unlikely at this point, state support is needed for this project.

Section 3. (2) (C) – (Remote Work) \$500,000 for Instant Teams Phase 2. We have entered initial discussions with Instant Teams on the viability of creating a Hawaii based Instant Teams project that would work with the DBEDT effort to expand traded professional services outside of the State of Hawaii. This would leverage the Business Development Representative positions in Instant Teams to create remote Business Development Representative to expand business solutions for Instant Teams with the intent of creating more remote work positions for the residents of Hawaii.

Phase 2 tasks includes:

1. Streamlining and improving the recruitment and screening process by finding a work around the video interview and increasing the frequency of the start dates to strengthen the needs of Hawaii's applicants.
2. Leveraging the current Hawaii based Business Development Representatives to work with the Instant Teams Hawaii Business Development Support Division to serve as a sales engine to increase the export of professional services.
3. Expanding the employment opportunities beyond Customer Service Representatives and Business Development Professionals to include Data Analytics and Reporting and Software Engineering and Implementation Specialists.

Section 3. (2) (D) – (Remote Work) \$300,000 for Remote Work website Business resource build out. The initial Hawaii Remote Work project was designed to create opportunities for Hawaii's residents to obtain employment in the immediate aftermath (2020 and early 2021) that followed the safer at home and stay at home orders which shuttered many of Hawaii's businesses. Mid 2021 DBEDT began refocusing this initiative to address the issues Hawaii's labor force issues associated COVID-19 and the numerous variant which appear to have changed many worker priorities resulting in a significant labor shortage. This labor shortage phenomena termed the "Great Resignation" on the national level and later labeled "Great Reshuffle." In response to Hawaii's labor shortage, the Hawaii Remote Work Project will expand its focus to provide additional support to Hawaii's businesses.

Phase 2 tasks includes:

1. Improving digital upskilling opportunities for Hawaii's incumbent labor force by integrating the website with LinkedIn Learning micro-certifications and learning paths.
2. Providing virtual remote work certifications through existing virtual solutions. Identifying market valued, portable online remote work certifications. (ie. CertiProf)
3. Further integration with the DLIR WDD workforce development digital literacy and digital work readiness programs.

Section 3. (2) (E) – (Creative Industries Division) \$1,310,000 to expand creative space studios statewide, to include digital certification training in new media technologies at Entrepreneurs Sandbox location. Aligns with digital transformation and our need to improve broadband fiber, software, and technology required for CID/UH workforce training for local residents and students in the LED/game engine jobs which have been in demand. Our partners are UH Innovation Office and Good Jobs program. UH Manoa ACM is a partner in the training, and we are in discussion with WDD and DLIR.

Section 3. (2) (F) – (Creative Industries Division) \$150,000 for creative hub portal and application development to market Hawaii's creatives to drive business and entrepreneurial opportunities for regional and global export of local intellectual property. \$50,000 for a digital film permitting system and \$100,000 to build an online hub for all creative sectors including film component. Creating a robust database and directory of the 13 sectors of Hawaii's creative economy are critical.

Section 3. (2) (G) – (NELHA) Ocean economy innovation village details to be provided in NELHA testimony.

Section 3. (2) (H) – (BDSD) \$400,000 to establish an office of international affairs. The Legislature passed statute in 2017 establishing within DBEDT, the Office of International Affairs (HRS 201-17). However, due to lack of funding, the Office was never implemented. This funding aims to establish the Office with the goal to promote and strengthen relations with other countries in areas of commerce, economy, culture and the arts; exports, foreign direct investments, international student attraction and educational exchanges; sports exchanges and other goodwill activities. This Office will also oversee sister state relations, the state's foreign offices in Beijing and Taipei, and protocol matters.

Section 3. (2) (I) – (BDSD) \$500,000 for a cyber leaders programs to provide educational and technical cybersecurity assistance to local businesses to maintain

compliance with cybersecurity requirements. Develop a cadre of students, individuals and professionals with accredited certifications prioritized by employers in cybersecurity and IT intelligence to help businesses better compete for federal/military contracts that have cybersecurity requirements. Includes the matching of employers with prospective hires for jobs, contracts, internships, apprenticeships; as well as matching subject matter experts willing to serve in adjunct teaching roles and mentors with academic institutions in need of additional expertise. Also includes support for the establishment and management of internships/intern pools and match-making with prospective employers.

Section 3. (3) – (HGIA) Solarize Hawaii testimony to be provided by HGIA.

Section 4. (HCDA) Saratoga Avenue and Fisherman's Wharf projects testimony to be provided by HCDA.

Additionally, HSEO submits testimony to add \$10,000,000 for aviation fuel program and \$5,000,000 for zero emission vehicles to this measure. Details are provided in the HSEO testimony.

DBEDT believes that to be an effective facilitative catalyst, the state needs to work with the counties, businesses, investors, labor unions, and the community to achieve economic prosperity. Through the intent of this bill, we are hopeful that we will all come to alignment as we forge ahead to emerging, knowledge-based, zero emission, digital, and global economy.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM

February 4, 2022 at 3:00 p.m.
State Capitol, Room 224

In consideration of
S.B. 3337
RELATING TO THE ECONOMY.

HHFDC **supports** S.B. 3337 which establishes a public policy framework that addresses state goals in the areas of economic disaster mitigation, economic diversification, import substitution, and community development.

HHFDC supports DBEDT's efforts to diversify the economy. We will continue to efficiently utilize our financing and development programs to maximize housing production, as increasing the availability of affordable housing is critical to the state's long-term economic growth.

Thank you for the opportunity to provide written comments on this bill.

SB-3337

Submitted on: 2/2/2022 10:14:44 AM

Testimony for EET on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Richard Jones Jr	Testifying for Blue Ocean Mariculture	Support	No

Comments:

Blue Ocean Mariculture strongly supports SB 3337 which provides a policy matrix to grow and accelerate economic diversification. This measure specifically identifies funds to expand infrastructure at NELHA including an ocean economy innovation village. As a growing NELHA-based company that currently employs over 50 people, with aspirations to expand our business here in Hawaii, we see an important need to accelerate investment in the development of experienced practitioners who will lead efforts to address food self-sufficiency and economic prosperity for local communities. The Innovation village will address these needs and then some, plus it will secure Hawaii's role in developing innovative solutions to ocean-related issues. Thank you for the opportunity to offer these comments.

SB-3337

Submitted on: 2/2/2022 11:14:31 AM

Testimony for EET on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Neil Anthony Sims	Testifying for Ocean Era, Inc.	Support	No

Comments:

As a long-time tenant at NELHA (31 years), who has worked with a range of start-up aquaculture companies, I have witnessed NELHA’s phenomenal power to attract talented marine scientists and entrepreneurs from around the world, to coalesce, attract investment, and work on solutions for some of the most pressing challenges facing Hawaii – food security, economic diversification, and environmental sustainability. However, there is a constraint to further growth at NELHA: we are now at maximum capacity in the Research Compound and Incubator space. This limits the potential for new companies to relocate to NELHA.

The ocean economy innovation village that is proposed through this legislation would address that shortcoming, and enable NELHA to continue to grow as a global leader in ocean science, aquaculture, energy and conservation. It would also provide increased opportunities for local companies to bootstrap their projects, test their ideas, and provide a basis for attracting additional investment. Job creation, food security, innovation, economic diversification, and ecological sand-boxing are all well served through this bill.

Thank you, and aloha, Neil

Statement of:
Gerald R. Cysewski
Chief Executive Officer
Cyanotech Corporation

Senate Committee on Energy, Economic Development and Tourism

Friday, February 4, 2022; 3:00 pm
State Capitol, Conference Room 224 & Videoconference

Support for SB 3337
Relation to the Economy

Cyanotech Corporation strongly supports SB 3337 which provides a policy to grow and accelerate economic diversification in Hawaii. Specifically, this measure provides funding to expand the infrastructure at the Natural Energy Laboratory of Hawaii Authority (NELHA) including an Ocean Economy Innovation Village.

NELHA is recognized as a world-class ocean research and commercial development center and is a very well managed state-agency. Commercial activities at NELHA already make a substantial contribution the economy of West Hawaii and the State. Development of an Ocean Economy Innovation Village will further expand NELHA's capability, maintain NELHA's ocean research completeness, lead to further commercial development and diversify Hawaii's economy.

Thank you for your consideration.



Before the Senate Committee on Energy, Economic Development and Tourism
Friday, Feb. 4, 2022 at 3:00p.m.

Testimony providing comments on SB3337: Relating to the Economy

Chair Wakai, Vice Chair Misalucha, and Members of the Committees:

Thank you for the opportunity to provide comments on Senate Bill 3337. Our testimony is focused on the Solarize portion of this bill. Hawai'i Energy supports the intent of the portion of the bill to provide \$2,500,000 in funding for the Solarize campaigns. Solarize O'ahu's mission is to support efforts to (1) reduce high energy burden for area residents and (2) empower the community to provide their own responsive solutions. The communications and outreach campaign aims to educate and enroll interested households in getting rooftop solar at discounted rates through a community bulk purchase strategy.

Hawai'i Energy works to empower island families and businesses on behalf of the Hawai'i Public Utilities Commission (PUC) to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future. Energy efficiency is the cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient.

One of Hawai'i Energy's core pillars is Accessibility & Affordability, which carves out specific resources to address energy-related equity issues faced by many Hawai'i residents and businesses. This work involves partnering with government and community-based organizations to introduce, educate and implement energy efficient and clean energy information as well as offer programs for vulnerable populations who have high energy burden and low access to or participation in clean energy programs.

One of the projects we're involved with is Solarize O'ahu, an initiative to expand access to rooftop solar and energy efficiency to those who have been left behind in our transition to a renewable energy economy. These have primarily been low- to moderate-income households and Native Hawaiian families. The program's first targeted campaign is in Waianae on O'ahu and involves Hawai'i Energy, the City & County of Honolulu's Office of Climate Change, Sustainability & Resiliency (OCCSR), the Hawai'i Green Infrastructure Authority (HGIA)'s GEMS program, and community organizations and leaders.

Solarize campaigns are a great way to lower the cost and educational barriers to renewable energy technologies by increasing affordability through leveraging economies of scale. Not only will it decrease energy burden for LMI households, the campaigns will increase green jobs and diversify our economy. We recommend the bill be amended to name **Solarize O'ahu** and identify the targeted areas as "Waianae and other vulnerable communities statewide."

We appreciate the efforts made by the State Legislature, DBEDT, and various stakeholders to support Solarize O'ahu through this funding. Thank you for the opportunity to provide comments on SB3337.

Sincerely,
Stephany Vaioleti
Community Engagement Navigator
Hawai'i Energy

February 3, 2022

Senate Committee on Energy, Economic Development and Tourism
Hearing Date: Friday, February 4, 2022, 3:00pm

**Honorable Senators Glenn Wakai, Chair; Bennette E. Misalucha, Vice Chair; and
Members of the Senate Committee on Energy, Economic Development and Tourism**

**Subject: SB 3337, Relating to The Economy
TESTIMONY IN SUPPORT**

Aloha Chair Wakai, Vice Chair Misalucha, and Committee Members:

Ocean Networks, Inc. (“ONI”) agrees with the position that Hawaii must take steps to align with the emerging knowledge based, zero-emission, digital economy to achieve economic prosperity. As such we support this bill.

ONI is in strong support of the proposed \$1,000,000 appropriation for carrier-neutral cable landing infrastructure to develop pre-construction specification for the design and engineering of carrier neutral cable landing infrastructure on the islands of Oahu, Hawaii, Maui, and Kauai, referenced in Section 3 item 2 (A) in the Bill. These funds are vital to lay the groundwork needed to build a new network that will provide enhanced and diverse digital connectivity throughout the State of Hawaii. This new network will be an integral part of a backbone that will support digital literacy, equity, and infrastructure for the digital economy.

Thank you for this opportunity to submit testimony. Please feel free to contact me if you have any questions.

Sincerely,



Clifford Miyake
VP, Business Development
Ocean Networks, Inc.

SB-3337

Submitted on: 2/3/2022 11:13:53 AM

Testimony for EET on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
sam wilburn	Testifying for Sea Salts of Hawaii	Support	No

Comments:

I am pleased support the NELHA appropriation in SB 3337 for an Ocean Economy Innovation Village. This development will accelerate investments in an Ocean Economy growth cluster to expand our oceans' economic potential while preserving and safeguarding its long-term health.

We are one of Hawaii's leading ocean related companies and have worked together with NELHA over the years. We believe this development can add significant value in growing Hawaii's ocean cluster and dovetails nicely with our efforts.

NELHA is well positioned to help our state become more resilient to withstand future economic disruptions.

Sam Wilburn & Sandra Gibson

Sea Salts of Hawaii-Kona Salt Farm

LATE

SB-3337

Submitted on: 2/4/2022 11:37:53 AM

Testimony for EET on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Danielle Irwin	Testifying for Makaha Cultural Learning Center	Support	No

Comments:

Testimony- HB 2409

February 4, 2022

Submitted by Danielle Irwin, President of Makaha Cultural Learning Center

RE: SB 33347 #6 in section 2(a) (4) of this Act

Aloha mai kakou,

My name is Danielle Irwin, President of the Makaha Cultural Learning Center and a life-long resident of the Waianae Coast Community. I support SB 33347, specifically #6 in section 2(a) (4) of this Act.

Passing this bill, will give vulnerable communities such as Waianae, access to \$2.5 million of alternate deployable funding for solar systems, putting energy independence and tangible monthly savings within reach. Additionally, passing this act would reduce the burden on our aging grid infrastructure, move Hawaii closer to its clean energy goals and provide training and employment opportunities through MLC programs, for Native Hawaiians, young adults, and at-risk youth.

My motivation to "Solarize Waianae" is both personal and logical. Solarize Waianae's mission is to get solar on the rooftops of Hawaii's most vulnerable who cannot qualify for traditional solar financing. As a life-long Waianae resident, I am all too familiar with the economic struggle that plagues so much of our community. I grew up in a two-income household; my parents owned a modest home on Lahaina street. We had "just too much" to qualify for public assistance, but there was never enough to keep the refrigerator stocked, make mortgage payments and pay for quality childcare. In my circumstances, a savings of \$100 per month on our energy bill would have created financial margin for extracurricular activities, responsible adult supervision after school, or a consistent food supply. This is the opportunity Solarize Hawaii will give to families like mine.

In summary, I enthusiastically support SB 33347 and implore the committee to approve this measure. Mahalo, for this opportunity to share my written testimony.

Danielle Irwin,
President, Makaha Cultural Learning Center

SB-3337

Submitted on: 2/3/2022 9:34:57 AM

Testimony for EET on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sandie Wong	Individual	Support	Yes

Comments:

I support this Bill. Specifically, I am in strong support of the proposed appropriation for carrier-neutral landing infrastructure to develop pre-construction specifications for the design and engineering of carrier neutral cable landing infrastructure on the islands of Oahu, Hawaii, Maui, and Kauai, referenced in Section 3, 2(A). This appropriation is vital to lay the groundwork needed to build a new network to provide enhanced and diverse digital connectivity for Hawaii. Thank you.

SB-3337

Submitted on: 2/3/2022 11:24:00 AM

Testimony for EET on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dennis Boyd	Individual	Support	No

Comments:

I strongly support SB 3337 which provides a policy matrix to grow and accelerate economic diversification and which specifically identifies funding for infrastructure expansion at the Natural Energy Lab of Hawaii for an ocean economy innovation village. Many of the building blocks for a thriving ocean economy sector are present at NELHA, which is a world class ocean economy nexus, and the addition of additional funding for an innovation hub cements that status and takes the state to the next level in ocean economy innovation.

SB-3337

Submitted on: 2/4/2022 9:27:31 AM

Testimony for EET on 2/4/2022 3:00:00 PM



Submitted By	Organization	Testifier Position	Remote Testimony Requested
Darius Kila	Individual	Support	No

Comments:

Chair Wakai, Vice Chair Misalucha, and Members of the Committee on Energy, Economic Development & Tourism:

Thank you for the opportunity to testify on Senate Bill 3337, relating to the economy. This bill proposes to establish a public policy framework and appropriates funds to implement specific projects.

The Rocky Mountain Institute (“RMI”), a non-profit organization accelerating the clean energy transition and improving lives, has found that Solarize Campaigns have been effective in addressing these barriers across the country.

RMI, Hawaii Energy, City & County of Honolulu’s Office of Climate Change, Sustainability & Resiliency, Council for Native Hawaiian Advancement, Makaha Learning Center, Hawaiian Electric, State Energy Office and HGIA are working with folks in the Wai’anae community organizations and leaders to co-create a Solarize Waianae Campaign to reduce their energy burden.

I’ve been working closely with these different groups to see this project come into fruition. I serve on the Nanakuli-Ma’ili Neighborhood Board and my testimony is my own and not reflective of the board, but seeing what this could do to benefit my community brings me excitement. We know that solar panels are beneficial to homes and homeowners alike, but there are barriers to owning panels as we know the cost is high. My community also wants to see solar panels utilized in their households and not on land, which is scarce in our community and Hawai’i alike. They’ve voiced strong opposition to solar farms because they wanna see these panels on rooftops working for them and their greater communities around them. I know funding initiatives like this will make solar accessible and attainable for all.

Thank you for this opportunity to testify in support of SB 3337.