



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

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Statement of
MARY ALICE EVANS, Interim Director

before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 22, 2024
10:00 AM
State Capitol, Conference Room 308

in consideration of
HB 1960, HD 1
**RELATING TO AN ECONOMIC DEVELOPMENT DISTRICT PLANNING
ORGANIZATION**

Chair Yamashita, Vice Chair Kitagawa, and Members of the House Committee on Finance:

The Office of Planning and Sustainable Development (OPSD) **strongly supports** HB 1960, HD 1, which restores funds for one existing position and establishes three full-time equivalent (3.0 FTE) positions and appropriates funds for OPSD's role as planning organization for a statewide Economic Development District (EDD), subject to designation by the U.S. Economic Development Administration (EDA). Designation of a statewide EDD for Hawai'i is currently under EDA review.

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

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

Thank you for the opportunity to testify on this measure.



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TO: Committee on Finance

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 22, 2024
TIME: 10am
PLACE: Room 308

RE: HB1960 HD1 Relating to an Economic Development District Planning Organization

Position: Support

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

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

HFIA is in support of this measure. As this measure notes, “designation of an area as an economic development district by the United States Economic Development Administration (EDA) offers an opportunity to advance coordinated and locally developed goals that leverage and build upon interrelated community assets, such as its workforce, infrastructure, and housing.”

Workforce development, businesses and food systems infrastructure, and housing are areas where investment can have tremendous positive impacts in or state. Creating this lasting partnership will help strengthen and diversify our state’s economic foundations now, and promote growth for the future.

We encourage you to vote yes on this measure and we thank you for the opportunity to testify.



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February 22, 2024

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 1960, HD1
RELATING TO AN ECONOMIC DEVELOPMENT DISTRICT PLANNING
ORGANIZATION

Conference Room 308 & Videoconference
10:00 AM

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 1960, HD1, which establishes and appropriates funds for temporary positions within OPSD to support the activities of a district organization for a statewide economic development district.

Hawai'i is potentially losing out on U.S. Economic Development Administration (EDA) funding because we aren't designated as an Economic Development District (EDD). Having an EDD designation would provide significant value, especially since 80% of EDA's grant funding goes to areas with an EDD. EDA funding can be applied to advance Maui's economic recovery, support the development and implementation of the updated Comprehensive Economic Development Strategy, and help establish a long-term partnership with EDA for more consistent funding.

This measure increases the chances of our state receiving the Economic Development District Designation from the EDA.

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



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Thursday, February 22, 2024, at 10AM
Conference Room 308**

RE: HB1960 HD1 Relating to an Economic Development District Planning Organization

Aloha Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") supports **HB1960 HD1**, which establishes 4 full-time equivalent (4.0 FTE) positions, appropriates moneys, and declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

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

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

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

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

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern. Thank you for the opportunity to testify.