# BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

July 8, 2025

Committee Report No.

Honorable Chair and Members of the County Council County of Maui Wailuku, Maui, Hawaii

Chair and Members:

Your Budget, Finance, and Economic Development Committee, having met on June 17, 2025, makes reference to Bill 47 (2025), entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF HAWAI'I, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM, AND THE COUNTIES OF HAWAI'I, FOR THE HAWAI'I CREATIVE ECONOMY COLLABORATIVE."

Bill 47's purpose is to authorize the Mayor to enter into an intergovernmental agreement with the State of Hawai'i, Department of Business, Economic Development and Tourism, and Hawai'i counties for the Hawai'i Creative Economy Collaborative.

Your Committee notes the Hawai'i Creative Economy Collaborative is a statewide initiative to develop workforce, facilities, and infrastructure in support of television and film production and other performing arts.

Your Committee further notes that under Section 2.20.020, Maui County Code, the Mayor must not enter into any intergovernmental agreement that places a financial obligation on the County, unless authorized by ordinance.

The Maui County Film Commissioner informed your Committee of a significant statewide decline in television and film production, citing the loss of competitive tax credits and rising administrative costs. He said stakeholders are developing solutions for the 2026 Legislative Session to address these challenges. He also said that Maui County's creative sector has been hit hard by these setbacks, while still recovering from impacts from the August 2023 wildfires.

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Your Committee notes that the proposed intergovernmental agreement formalizes an existing working group of county film offices and the State DBEDT's Creative Industries Division. The agreement aligns marketing strategies, coordinates national and international outreach, supports infrastructure planning, and reduces promotional costs for participating counties.

The Chief of Staff said that the Council appropriated funds in the Fiscal Year 2026 Budget and no additional funding is anticipated. Your Committee notes \$395,000 is allocated for Film Production for the Maui Economic Development Board, Inc. for FY 2026, and up to \$50,000 must be for use on Molokai.

The Film Commissioner emphasized that the County's participation is voluntary. He highlighted benefits to the County, such as greater visibility, cost sharing, reduced inter-county competition, and stronger returns on investment.

The Chief of Staff added that Maui County is the last Hawai'i county to formally join the Hawai'i Creative Economy Collaborative.

Your Committee expressed concern about protecting Maui County's autonomy, given O'ahu's dominant influence, and questioned whether Maui County's local workforce and infrastructure could support increased film and television production. Still, your Committee acknowledged the importance of coordinated efforts to support the performing arts as an economic driver. In addition, your Committee emphasized preserving local control as essential to Maui County's participation. Thus, your Committee expressed support for the agreement.

Your Committee agreed to support nonsubstantive amendments to Bill 47, to: 1) remove incorrect and duplicative signature pages to ensure clarity at first reading; and 2) correct contact information for Hawai'i County and Maui County officials to maintain an accurate legislative record.

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Your Committee voted 9-0 to recommend passage of Bill 47, CD1 (2025), on first reading. Committee Chair Sugimura, Vice-Chair Kama, and members Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and U'u-Hodgins voted "aye."

Your Committee is in receipt of Bill 47, CD1 (2025), entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF HAWAI'I, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM, AND THE COUNTIES OF HAWAI'I, FOR THE HAWAI'I CREATIVE ECONOMY COLLABORATIVE," approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's nonsubstantive revisions.

Your Budget, Finance, and Economic Development Committee RECOMMENDS that Bill 47, CD1 (2025), attached, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF HAWAI'I, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM, AND THE COUNTIES OF HAWAI'I, FOR THE HAWAI'I CREATIVE ECONOMY COLLABORATIVE," be PASSED ON FIRST READING and be ORDERED TO PRINT.

This report is submitted in accordance with Rule 3 of the Rules of the Council.

YUKI SE' K. SUGIMURA, Chair

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ORDINANCE NO. \_\_\_\_\_

# BILL NO. <u>47, CD1</u> (2025)

# A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF HAWAI'I, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM, AND THE COUNTIES OF HAWAI'I, FOR THE HAWAI'I CREATIVE ECONOMY COLLABORATIVE

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. The County of Maui, the State of Hawai'i, Department of Business, Economic Development and Tourism (DBEDT), County of Kaua'i, County of Hawai'i, and the City and County of Honolulu, seek to enter into an intergovernmental agreement for the Hawai'i Creative Economy Collaborative (HCEC), as described in the Memorandum of Agreement attached as Exhibit "1."

Section 2.20.020, Maui County Code, provides, "Unless authorized by ordinance, the mayor shall not enter into any intergovernmental agreement or any amendment thereto which places a financial obligation upon the county or any department or agency thereof."

SECTION 2. Under Section 2.20.020, Maui County Code, the Council authorizes the Mayor or the Mayor's authorized representative to execute the Memorandum of Agreement and any amendments consistent with the purpose and scope of the Memorandum of Agreement that do not increase the County's financial obligation or the agreement's duration. SECTION 3. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

KRISTINA C. TOSHIKIYO Department of the Corporation Counsel County of Maui

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# EXHIBIT "1"

#### **MEMORANDUM OF AGREEMENT**

This MEMORANDUM OF AGREEMENT (MOA) is effective as of July, 15, 2024 (Effective Date), by and between, the State of Hawai'i, Department of Business Economic Development and Tourism, and its Creative Industries Division; the City & County of Honolulu, Office of Economic Revitalization; the County of Hawai'i, Office of Research and Development; the County of Maui, Office of Economic Development; and the County of Kaua'i, Office of Economic Development and their respective film offices, are aligned in mission to build a collaborative framework to advance workforce, facilities and infrastructure development to strengthen Hawai'i's creative economy.

Therefore, this agreement will set forth the: 1) areas of partnership; 2) define financial resources to execute strategic economic development and marketing initiatives; 3) formalize county and state film program data collection and reporting and 4) workforce development and career readiness to support job creation. These recitals define the parameters of the future work taken on by this working group to be known as the Hawai'i Creative Economy Collaborative (HCEC).

#### RECITALS

WHEREAS, the State of Hawai'1, Department of Business, Economic Development, and Tourism, Creative Industries Division (DBEDT/CID) is the State's lead agency focused on developing Hawai'i's creative economy, acting as a business advocate for Hawai'1's creative, film, media, arts and entertainment industries; and

WHEREAS, DBEDT/CID workforce development initiatives, and infrastructure development strategies expand the business acumen of Hawai'i's creative entrepreneurs through programs such as Creative Lab Hawai'ı (CLH) and creative sector workforce strategic pipelines for skills development with community organizations, industry and University of Hawai'i Good Jobs Hawai'ı federal grant; and

WHEREAS, the City and County of Honolulu, Office of Economic Revitalization (OER) is creating an economy for O'ahu that is more diverse, equitable, and filled with good jobs that care for our people and place;

WHEREAS, the County of Hawai'i, Office of Research and Development has a mission to imagine, invest in and collaboratively create a sustainable, equitable and thriving Hawai'i Island;

WHEREAS, the County of Maui, Office of Economic Development, works in partnership with the community to support economic recovery after the Lahaina wildfires, strengthen and diversify the economy by supporting existing businesses and assist in the attraction, development, and expansion of new businesses and events that will in turn provide new jobs for the community of Maui; WHEREAS, the County of Kaua'i, Office of Economic Development was established by and within the County of Kaua'i to work in partnership with the community to create economic opportunities towards the development of a healthy, stable, and balanced economy for the residents of the County of Kaua'i; and is responsible to provide technical and financial support, as feasible, for both large and small business establishments or existing and emerging new industries which offer full employment for Kaua'i's residents; and

WHEREAS, the parties agree that the missions of these entities would be furthered by formalizing a collaborative structure to advance 1) strategic planning to grow Hawai'i creative economy and an ecosystem of support, 2) provide skills development for the creative workforce, 3) advance community economic development strategies across all creative sectors, 4) develop facilities and infrastructure for collaborative creative business development and 5) execute a joint marketing strategy with shared financial and in-kind resources.

NOW, THEREFORE, in consideration of the mutual promises contained hercin, the parties agree as follows:

### I. <u>PURPOSE</u>

The purpose of this MOA is to define and execute on the following:

- <u>Shared Marketing Efforts</u>: Formalize a state and county marketing plan on an annual basis, identifying the working relationship between county OEDs and state DBEDT and its Creative Industries Division (CID) to share financial support for joint projects as determined by the parties;
- <u>Strategic Road Map</u>: Develop and execute a strategic road map for statewide economic development specific to the creative industries and film sectors;
- c. <u>Workforce Development</u>: Build upon and align projects, initiatives and policies within the statewide Comprehensive Economic Development Strategy (CEDS) to execute plans which support statewide workforce and economic development, including DBEDT and the University of Hawai'i (UH), Good Jobs Hawai'i, Good Jobs O'ahu and related state and county workforce initiatives;
- d. <u>County and State Film Office Integration</u>: In addition a county's individual marketing and operations, and in support of joint marketing and operational efforts, align county film offices and the state film office under a unified "Film Hawai'i" brand when marketing jointly, which provides shared information and services. Develop a collaborative film permitting system and align metrics reporting, and;
- e. <u>Funding Sources</u>: As funds from CID become available, whether general funds or from a special fund source such as HRS 201-113, the Hawai'i Film and Creative Industries Development Special Fund (HFCF), the state will assist counties through advancing funds for shared costs to execute these economic development activities identified herein.

## II. SCOPE OF SERVICES

- Develop short and long term strategic plan to strengthen resident jobs, entrepreneurial opportunities which comprise Hawai'i's creative economy sectors; taking into account sustainability practices and being culturally conscientous.
- Implement workforce, talent, and skills development in conjunction with government and nonprofit organizations, including Department of Labor and Industrial Relations, UH Good Jobs, O'ahu Good Jobs and DBEDT curriculum-to-career strategic plan to increase jobs and entrepreneurial growth across film, media and creative sectors;
- Develop annual budgets ahead of the start of a fiscal year to determine shared costs associated with conferences, business development activities out of state film and content markets, and related efforts for business development marketing the counties and state;
- 4) Hawai'i Creative and Media Portal Develop an online portal which integrates:
  - a) Creative and film sectors metrics and data, contacts, locations images, directory.
  - b) Listing of skilled workforce and businesses supporting the creative sectors
  - c) Directory of facilities, contacts and services on all islands.
  - d) Image database / locations library.
  - e) Online film permitting system for state and county film applications for approvals.
  - f) Related information to support county and state marekting of Hawai'i to global businesses, distribution and licensing opportunities.
- 5) Workforce Development Education-to-Jobs/Small Business Development Initiative
  - a) Work with State agencies responsible for workforce development, and economic development, including DBEDT Creative Industries Division, Career and Technical Education (CTE), Department of Education (DOE) Media and non-profit organizations to build a pipeline for current and future jobs, along with business acumen for creative entrepreneurial development
  - b) Participate in CID and UH Good Jobs Hawai'i, Chamber of Commerce, Creative Lab Hawai'i, and Industry partners to identify clusters of economic development opportunities to grow workforce on each island

### III. <u>TIME OF PERFORMANCE</u>

The term of this MOA shall commence on the Effective Date and remain in force until such time as the parties agree to terminate and / or funding is no longer available for these activities. Each party may terminate its participation in this Agreement by 30-days written notice to all parties.

## IV. OTHER TERMS AND CONDITIONS

- 1. The validity of this MOA and any of its terms or provisions, as well as the rights and duties of the parties to this MOA, shall be governed by and construed in accordance with the laws of the State of Hawai'i.
- 2. Any modifications to this MOA shall be effective only upon the execution by all parties of a written Supplemental Memorandum of Agreement.
- The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

## V. AGENCY CONTACTS

A. The contact on behalf of DBEDT/CID:

Georja Skinner, Chief Officer Department of Business Economic Development and Tourism Creative Industries Hawai'i Division Ph: (808) 586-2364 Email: georja.skinner@hawaii.gov

B. The contact on behalf of City and County of Honolulu:

Amy Asselbaye, Executive Director Office of Economic Revitalization Ph: (808) 768-6638 Email: <u>amy.asselbaye@honolulu.gov</u>

C. The contact on behalf of County of Hawai'i:

Kimo Alameda, Mayor Office of the Mayor Ph: (808) 323-4444 Email: Kimo.Alameda@hawaiicounty.gov

D. The contact on behalf of County of Maui:

Richard T. Bissen, Jr., Mayor Office of the Mayor Ph: (808) 270-7855 Email: mayors.office@mauicounty.gov E. The contact on behalf of County of Kaua'i :

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Nalani K. Ka'auwai Brun, Executive Director Office of Economic Development Ph: (808) 241-4946 Email: <u>ocd@kauai.gov</u>

INTRODUCED BY:

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Upon the request of the Mayor.