

Office of Economic Development FY19 Budget Presentation

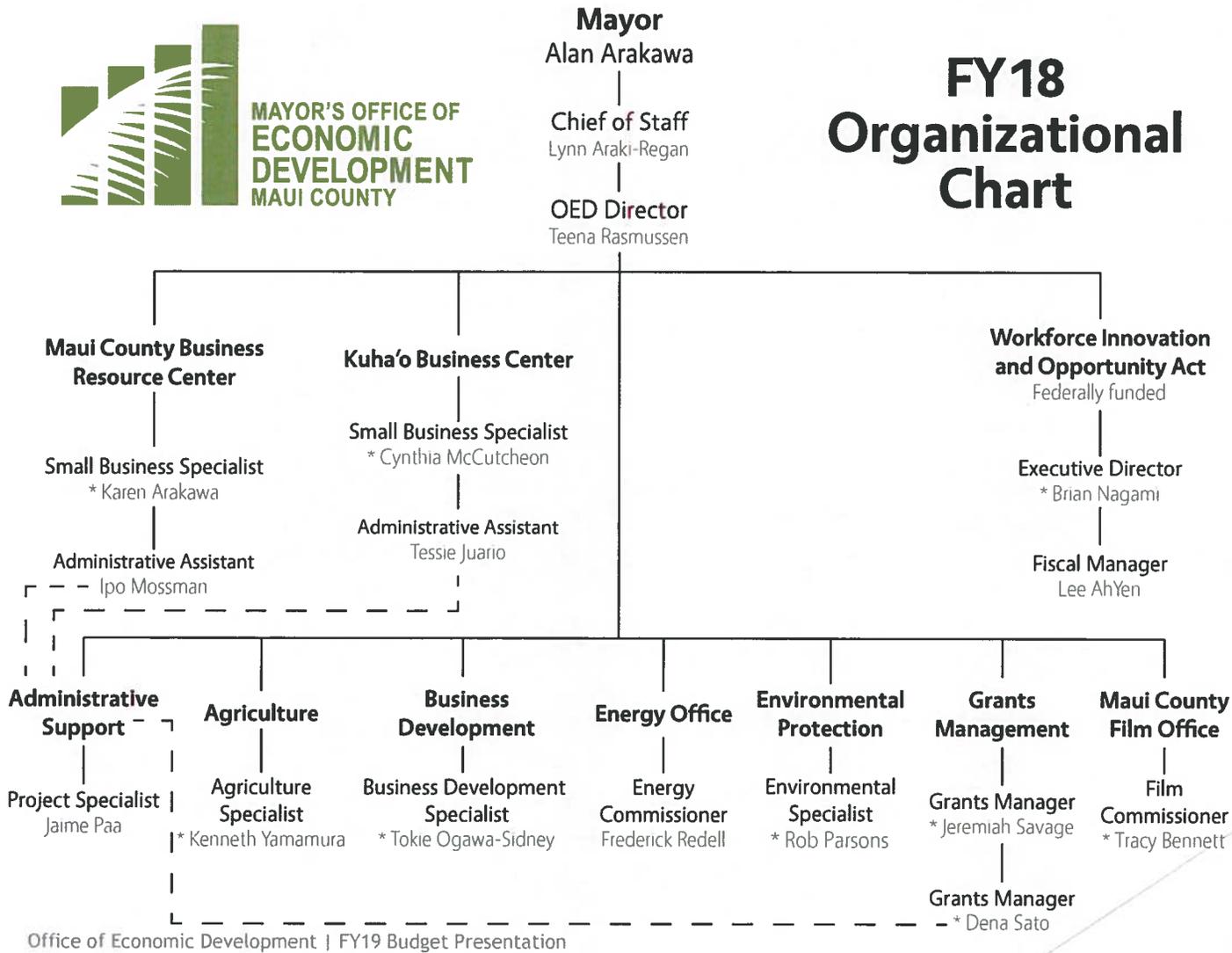
RECEIVED AT BFI MEETING ON 4/10/18
Jeremiah Savage

What We Do in OED:

Look for opportunities that will strengthen our economy and match them with resources.



FY18 Organizational Chart



***HTA Grant
Program Monitors**

Overall Economic Development Program Performance Dashboard

Key Data	FY2017	FY2018
Leveraged consulting: number of business development partners who have participated in OED projects	13	14
Number of OED projects initiated and completed	21	25
Leveraged funds from OED line-item and proviso grants	FY2017	FY2018
Amount in County grant awards	\$9,485,275	\$10,780,862
Amount in grantee contributions	\$20,533,531	\$32,755,045
Leverage ratio	1:2	1:3

Overall Economic Development Program

- ▶ OED projects initiated and completed in FY2018:
 - ▶ Mayor's Small Business Awards Dinner
 - ▶ Made in Maui County Festival
 - ▶ Awarded the International Economic Development Council (IEDC) Gold Excellence Award for an Economic Development Program.
 - ▶ Friday Town Parties umbrella marketing campaign
 - ▶ Shop Small Maui/Small Business Saturday campaign
 - ▶ Hawaii on the Hill
 - ▶ Hawaii Small Business Conference
 - ▶ Maui Energy Conference
 - ▶ Certified Festivals & Executive Events Program
 - ▶ Molokai Small Business Conference
 - ▶ Updated "Starting a Business in Maui County" booklet

Overall Economic Development Program

- ▶ OED projects initiated and completed in FY2018:
 - ▶ Chinese New Year Event at the County Building Front Lawn
 - ▶ Submitted ordinance to Council to renew Molokai Enterprise Opportunity Zone for an additional 20 years
 - ▶ Hawaii Tourism Authority - grants monitoring
 - ▶ Workshops
 - ▶ OED Grants
 - ▶ Enterprise Zones
 - ▶ MCCC Work Furlough Business Partnership Workshop
 - ▶ Worked in partnership with Maui Visitors Bureau to create a new 10-year Tourism Strategic Plan
 - ▶ Created American Job Center partnership to collaborate and work on opening the Federally mandated American Job Center
 - ▶ Consolidated two-floor offices into new space in One Main Plaza

Transitioning Maui to Diversified Agriculture

- ▶ OED's Agriculture Specialist manages the Kula Agriculture Park and all tenant concerns and is the liaison to:
 - ▶ Maui County Farm Bureau
 - ▶ Hawaii Farmer's Union United
 - ▶ Hawaii State Department of Health/Rat Lung Disease Education and Outreach
 - ▶ College of Tropical and Human Resources/Food Safety
 - ▶ Food Safety Modernization Act Training
 - ▶ Hawaii State Department of Agriculture
 - ▶ Maui Agriculture Working Group
- ▶ OED continues to work on Kula Ag Park Expansion appropriation
- ▶ Axis Deer Mitigation Program

Key Data	FY2015	FY2016	FY2017
Number of lots leased in Kula Ag Park	31	31	31

Business Development: Creating an Entrepreneurial Eco-System



The Office of Economic Development has collaborated with 13 business development partners to create an entrepreneurial eco-system not for only our Made in Maui County Festival vendors but also for all other interested businesses.

Made in Maui County Festival Performance Dashboard



Key Data	2014	2015	2016	2017
Number of wholesale buyers, retailers & distributors (Friday)	300	338	360	550
Total number of attendees	9,400+	10,000+	11,000+	10,000+
Percentage of visitor attendees	30%	30%	35%	30%
Number of vendors	130	140	140	140
Amount made in retail sales	\$300,000+	\$416,000+	\$519,922+	\$572,963+
Total number of items sold	21,307	25,746	34,493	37,368
Number of new wholesale accounts	180	250	334	217

Shop Small Maui

► Impact

- 168 registered merchants (as of January 4, 2018)
 - List available at www.shopsmallmaui.com/participating-businesses
- 1,726 followers on social media (Facebook, Instagram, Twitter)
 - Paid boosts received up to 3,000 reaches in Maui County
- Maui News 10-page tabloid (published on Nov. 19, 2017) and Edible Magazine ad reached more than 20,000 readers



Certified Festival & Event Executive Seminar

- ▶ Six-course core curriculum presented in groups of three in February and April
- ▶ Core Curriculum Topics: Project Management, Non-Sponsorship Revenue Programs, Sponsorship & Sponsorship Service, Administration & Management, Marketing & Media Relations, Operations & Risk Management
- ▶ Through assistance from OED, program was offered at \$200/person (original price \$1845/person)
- ▶ Impact
 - ▶ **87 attendees** (compared to 31 attendees on Oahu)
 - ▶ **66 received Certified Festival & Event Associate (CFEA) Certification** (compared to 23 on Oahu)
 - ▶ **57 different companies/organizations represented**



Hawaii Small Business Conference

- ▶ This two-day conference is an opportunity to learn and sharpen important strategies for business success. Participants learn from national and local business leaders while networking with fellow business community leaders.
- ▶ Impact from Inaugural Hawaii Small Business Conference
 - ▶ 192 attendees from 114 companies
 - ▶ 7 speakers covering topics including Building Customer-Employee Relationships, Staffing for Success, Scaling Your Business, Pivoting, Shaping a Game Plan for Growth, Networking, Social Media Trends, Innovation, Tax Strategies, Customer & Employee Engagement, and the Future of Small Business
 - ▶ 8 sponsors
 - ▶ 18 exhibitors



SAVE THE DATE
MAY 2 & 3, 2018
www.HawaiiSmall.Biz

PRESENTED BY

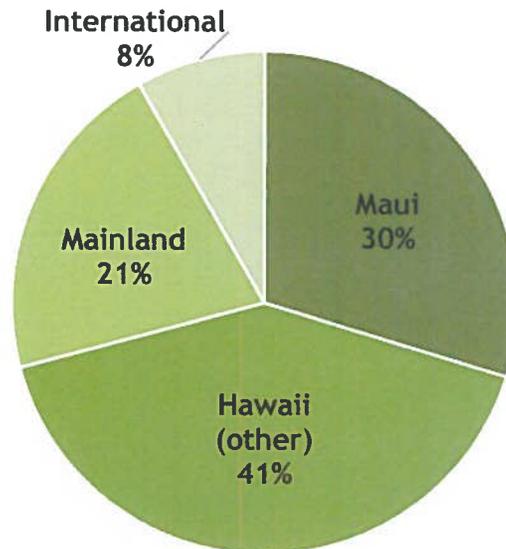
HAWAII
SMALL BUSINESS
CONFERENCE

Maui Arts & Cultural Center
Kahului, Maui, HI

Scheduled to coincide with the U.S. Small Business Administration's National Small Business Week **SBA**

Moving Our Energy Economy Forward

- ▶ 5th Annual Maui Energy Conference + Exhibition (2018)
 - ▶ The 5th Annual Maui Energy Conference was completed and brought light to the idea of decarbonization as a business opportunity as well as looking back and the HCEI over its 10 years of existence. We included an innovative concept in collaboration with the Elemental Excelerator by doing a reverse pitch that included the Maui Police Department. Co-presented with MEDB.



Attendance	
International	29
U.S. Mainland	73
Maui	104
Hawaii (other)	144
Total	350

Moving Our Energy Economy Forward

- ▶ **State Study on Utility**
 - ▶ Participated in and assisted with coordinating the community meetings on each island in Maui County. The study is lead by the state and is a more in-depth version of the study that the County had prepared resulting in the recommendation of exploring an ISO/RTO model.
- ▶ **EV Showcase Event at Queen Kaahumanu Shopping Center**
 - ▶ Sponsored and participated in an education and fun event to bring together car dealers offering EVs. Done in cooperation with MEDB and MECO.
- ▶ **Kaunoa Senior Center PV System Completion**
 - ▶ The last of the original PV systems that the County contracted was installed and placed in service at Kaunoa Senior Center. Coordinated contractor needs, utility issues, and final close out of contract.
- ▶ **Hawaii Energy Policy Forum Annual Summit/Presentations to Legislature**
 - ▶ As part of our participation in the Hawaii Energy Policy Forum, a briefing was done for the legislature on energy and sustainability in each County.

Moving Our Energy Economy Forward

- ▶ **ThinkTech Hawaii energy review of Maui County**
 - ▶ To bring attention to all things energy going on in Maui County, we collaborated with ThinkTech Hawaii and MECO to travel around Maui and Molokai and learn about energy. This was made into a two-part energy program on ThinkTech Hawaii. It featured Sempra's wind energy project, Pacific Biodiesel's crops, MECO's operations on Maui and Molokai, along with HNEI's battery energy storage project on Molokai.
- ▶ **War Memorial Audit**
 - ▶ First audit of a Maui County facility completed uncovering the potential for substantial savings through retrofitting the facility with lighting, improving air conditioning, and other initiatives.
- ▶ **Community Action and Adaptation Planning Workshop**
 - ▶ Participated in the first 4-county collaboration to advance the Mayor's agenda in signing onto the Paris Accord. The work is intended to develop the action plan to a sustainable future for the county including energy, food, transportation, etc.
- ▶ **County signing up for Demand Response**
 - ▶ After advocating for a different approach than installing diesel generators, the utility took a new approach with its Fast Demand Response program. Worked and working with all departments to subscribe County facilities to this program. There is essentially no investment required by the County and the County saves by providing grid flexibility. The estimated annual savings with 1/5th of the program subscribed is \$80,000.

Our Environment Is Our Economy

- ▶ **Ongoing Environmental Protection Review and Monitoring**
 - ▶ Range of grants includes invasive species control and education, watershed restoration and outreach, coastal property management and restoration, ocean health, seabird response and recovery, environmental education through student film-making, native plant cultivation, and more.
- ▶ The Maui Conservation Alliance is a collaboration of 14 environmental protection, watershed and conservation partners, plus County, State and Federal agencies. This has created awareness and synergy and non-duplication of effort.
- ▶ OED's Environmental Coordinator continues to serve on the Hawaii Environmental Council and provides perspective on the environmental health of our state. He also undertook a major re-write of the Hawaii Administrative Rules governing HRS Chapter 343 (environmental review, EA and EIS) and chaired the Annual Report Committee.

Our Environment Is Our Economy

- ▶ **Urban Sustainability Directors Network (USDN) Annual Meeting**
 - ▶ Representatives from each of the four Hawaii counties, including OED's Environmental Coordinator, attended the USDN annual meeting in San Diego, along with some 250 sustainability managers from the US and Canada. USDN membership includes a robust network of online resources, conference calls, webinars and planning strategies.
- ▶ **6th International Marine Debris Conference**
 - ▶ Nearly 30 representatives from Hawaii, including OED's Environmental Coordinator, attended the conference held in San Diego, with more than 700 attendees from 50 countries in all. The conference highlighted Hawaii Marine Debris efforts with the backdrop of plastic proliferation as a global issue of grave concern.

Moving our Film Industry Forward

► Productions

- **30+ commercials** shot in Maui County, including Toyota, Chase Bank, Hydroflask, Clorox, Subway, etc.
- **12 print ads**, including big-budget Tommy Bahama worldwide catalog
- **Several mainstream television episodes**, including History Channel's "Booze Traveler," National Geographic's "Wild Hawaii," HGTV's "Beachfront Bargain Hunt" and "Hawaii Life," ABC's "Dr.Oz," Food Network's "Diners, Drive-Ins and Dives."
- **Two feature films:** Zombie/horror movie *The Resort*; Maui-filmed *Kuleana* released in theaters statewide

Moving our Film Industry Forward

▶ Coming Up

- ▶ *Triple Frontier* Netflix movie starring Ben Affleck; filming Haleakala April '18; \$6M budget
- ▶ *The Heart That Roared* film starring Al Pacino; filming Maui Fall '18; \$11M budget
- ▶ “Surf Break Hotel” comedy web series; filming August '18; \$500k budget
- ▶ “American Housewife” ABC comedy, 1 episode; to film late '18; \$4M budget
- ▶ Maui-filmed feature *Inquisitor* opening May '18; \$350k budget
- ▶ “Magnum PI” CBS comedy reboot; \$2M budget; filming July '18

Moving our Film Industry Forward

▶ Trade Shows and Events Attended

- ▶ Association of Film Commissioners International (AFCI) Cineposium, Los Angeles, CA
- ▶ American Film Market (AFM), Los Angeles, CA
- ▶ Association of Independent Commercial Producers (AICP) Awards, Minneapolis, MN
- ▶ Focus International Locations Show, London, England
- ▶ AFCI Locations Trade Show, Burbank, CA
- ▶ AICP Week & Awards, New York, NY
- ▶ Sundance Film Festival, Park City, Utah
- ▶ SXSW Festival & Conference, Austin, TX

Film Office Performance Dashboard

Key Data	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Money spent on productions in-county	Under \$1,500,000	\$1,700,000	\$3,787,000	\$15,101,000	\$5,500,000	\$6,750,000
Active crew members	66	111	170	210	220	230
IATSE Local 655 members registered on Maui	20	30	41	47	49	48
Number of productions filed for County permits	21	39	27	47	44	46

Seeking Economic Benefits Through OED Grants

- ▶ Currently managing **130** grants
 - ▶ Process approximately **700-800** payments each year
 - ▶ Grant applications can be submitted anytime throughout the fiscal year up to February
- ▶ Gave out **\$10,800,000** million in grants in FY2017
 - ▶ These organizations brought in an additional **\$33,000,000**, giving OED an approximate **1 to 3 leverage ratio** for County funding.
 - ▶ All grantees requesting funding for more than one year are required to create a performance dashboard for their event or project.

Grant Program Performance Dashboard

Key Data	FY2016	FY2017	FY2018
Number of OED grants workshops offered annually to the public	3	2	4
Percent of grantees that meet reporting deadlines	80%	87%	90%
Average days from completed application submitted to grant being executed	103	61	50

OED is contracted by HTA to monitor Maui grants for their Kukulua Ola, Aloha Aina, and Community Enrichments Programs

HTA Program Monitoring	Grants Monitored	Total Funding
Kukulua Ola	6	\$211,000
Aloha Aina	10	\$409,000
Community Enrichment Program	19	\$282,500

Maui County Business Resource Center/ Kuha‘o Business Center (Moloka‘i) Performance Dashboard

Fiscal Year 2018 Statistics (July 2017-April 2018)

Key Data	MCBRC	Kuha‘o
# of workshops offered	69	11
# of workshop participants	498	178
# of clients served	4725	519

Kuha‘o Business Center (Moloka‘i)

- ▶ 2017 Molokai Business Conference
 - ▶ 69 registrants
 - ▶ 26 speakers
- ▶ 2017 Made in Maui County Festival - Molokai Vendors
 - ▶ 16 product vendors
 - ▶ \$57,491 gross sales
 - ▶ 90 new business leads
 - ▶ 21 new wholesale accounts
 - ▶ 5 internship students who participated in the MIMCF Internship Program
- ▶ Small Business Revitalization Grants
 - ▶ Grants varying in size from **\$1,398** to **\$5,000** and totaling **\$18,000** were awarded to 5 Molokai small businesses through the grant program. These funds have provided needed equipment, enhancements, etc. to grow or make the business more profitable. (Fiscal agent: Lokahi Pacific)

Maui County Business Resource Center

A One-Stop Shop for Entrepreneurial Resources

- ▶ **Mayor's Small Business Awards**
 - ▶ Annual awards dinner co-presented with the Maui Chamber of Commerce
 - ▶ 20 nominations in 5 categories
 - ▶ Young Business Person of the Year, Outstanding Non-Profit, Exceptional Small Business (10 and fewer), Exceptional Small Business (11-35), Lifetime Achievement Award
- ▶ **Business Development Strategic Alliance Team**
 - ▶ Alliance formed in 2011 as a way to collaborate and leverage each organization's work with entrepreneurs and small business owners in Maui County.
 - ▶ Organizations represented include UH Maui College, Maui Economic Opportunity Business Development Center, Maui Chamber of Commerce, Maui Economic Development Board, Lanai Chamber of Commerce, Lokahi Pacific, Small Business Development Center and the University of Hawaii's College of Tropical Agriculture and Human Resources (CTAHR).
- ▶ **SCORE of Maui County**
 - ▶ As of October 1, 2017, SCORE of Maui County has been officially designated as one of the 300 chapters located in the United States. The SCORE of Maui County chapter is the second chapter formed in the State of Hawaii and is located at MCBRC with 12 SCORE volunteers.

Workforce Innovation & Opportunity Act (WIOA)

Federal Funding Levels by Program Year (PY)						
Programs	PY2012	PY2013	PY2014	PY2015	PY2016	PY2017
LAC	\$93,108	\$69,831	\$69,334	\$64,307	\$58,409	\$53,902
AP	\$299,971	\$224,978	\$224,727	\$187,611	\$182,339	\$159,613
DWP	\$236,984	\$177,738	\$172,063	\$184,697	\$151,808	\$148,087
YP	\$301,026	\$225,770	\$227,229	\$206,479	\$191,553	\$177,431
Total	\$931,089	\$698,317	\$693,353	\$643,094	\$584,109	\$539,033

LAC - Local Administrative Cost pool • AP - Adult Program • DWP - Dislocated Worker Program • YP - Youth Program

- ▶ As unemployment drops, so does WIOA funding.

OED Special Requests of the Council Budget Committee

1. **Please return the Ag position and the Agriculture Grants program back to OED from DEM**

OED is responsible by ordinance to manage the Kula Ag Park. The ordinance under Definitions defines "OFFICE" as the Office of Economic Development. The ordinance gives no other options.

Secondly, the Office of Economic Development is referred to in Section 12, 13, 14, & 36 in the 31 farm leases for the Kula Ag Park. The founders of the Kula Ag Park assigned management of the Park to OED from the time the Ag Park opened in 1984. They understood that farming is one of the pillars of our economy and that OED was the right government entity to assist with the farmer's success. OED's Ag Specialist is **critical** for our ability to manage the Kula Ag Park as we are required to by county ordinance.

There is **no** such thing as food security if we do not have **financially viable farms**. That is why all of the efforts in OED with our agriculture grants and programs are aimed at helping farmers be **successful financially**. Through our staff and our business development partners, we provide training, mentoring, promotion of ag and value added products, business consultation, tradeshow opportunities, information about programs and grants, technical assistance for value added product manufacturers, and export opportunities. We believe agriculture advocacy is part of our mission.

We work closely with the Hawaii Farmers Union United, the Maui County Farm Bureau, CTAHR, the 4H groups, the School Garden Network, Maui Nui Botanical Garden and others. These groups know that OED is always watching out for their best interests. Our OED staff members also assist at Ag Fest and do outreach throughout the ag community. We **continue** to build bridges between the organic farmers and the conventional farmers—our mantra being that we need more farmers of all types. **All are important**. Today both groups are participating in Ag Fest together, something that is only a recent development.

2. Please pass our salary budget as proposed.

In January of 2017 OED streamlined its operations and reduced its office by two positions. This resulted in a salary savings to our overall department budget.

With the reorganization we divided up our contractual work for Hawaii Tourism Authority to monitor their three grants programs for their Maui County projects. We divided the work amongst multiple OED staff members. We took the HTA contract revenue and added a portion of it to those staff members that took on extra work. This work represented significant weekend time since most of the events are on weekends. OED staff members do not get paid OT.

During the FY2018 budget process, not only were those salary changes deleted, our full-time grants manager was also cut to ¼ time salary. These were cuts to salaries that each of those employees was already being paid for the previous 6 months.

OED has no ability to carry out our work with a ¼ position grants manager. We actively manage 130 grants and process 700-800 payments per year. In addition we monitor 39 HTA grant projects.

We have been able to save some salary money by a staff member taking maternity leave and savings from a vacancy on Molokai that took 4 months to fill. I as the director of OED am prepared to furlough myself if necessary to make sure we do not run out of salary funds. But, this is not a beneficial way to run a department.

We have very high quality staff members who add far more value to this county than their salary costs the county. I am humbly asking you to please pass the salary provision as presented.

Agriculture Opportunity Grants Proposal

(Refer to DEM Budget)

Proposed \$500,000

This fund is being established to give a boost to established farms, train new farmers, and provide some hard-to-get funding for new farms. We are proposing a competitive grant program to disburse the funds. This program will be available to our farmers who operate within the County of Maui.

We are proposing the following breakdown:

\$100,000 for the HFUU Farm Apprentice Program to start their new farmer immersion program (this would be in addition to HFUU's current line item)

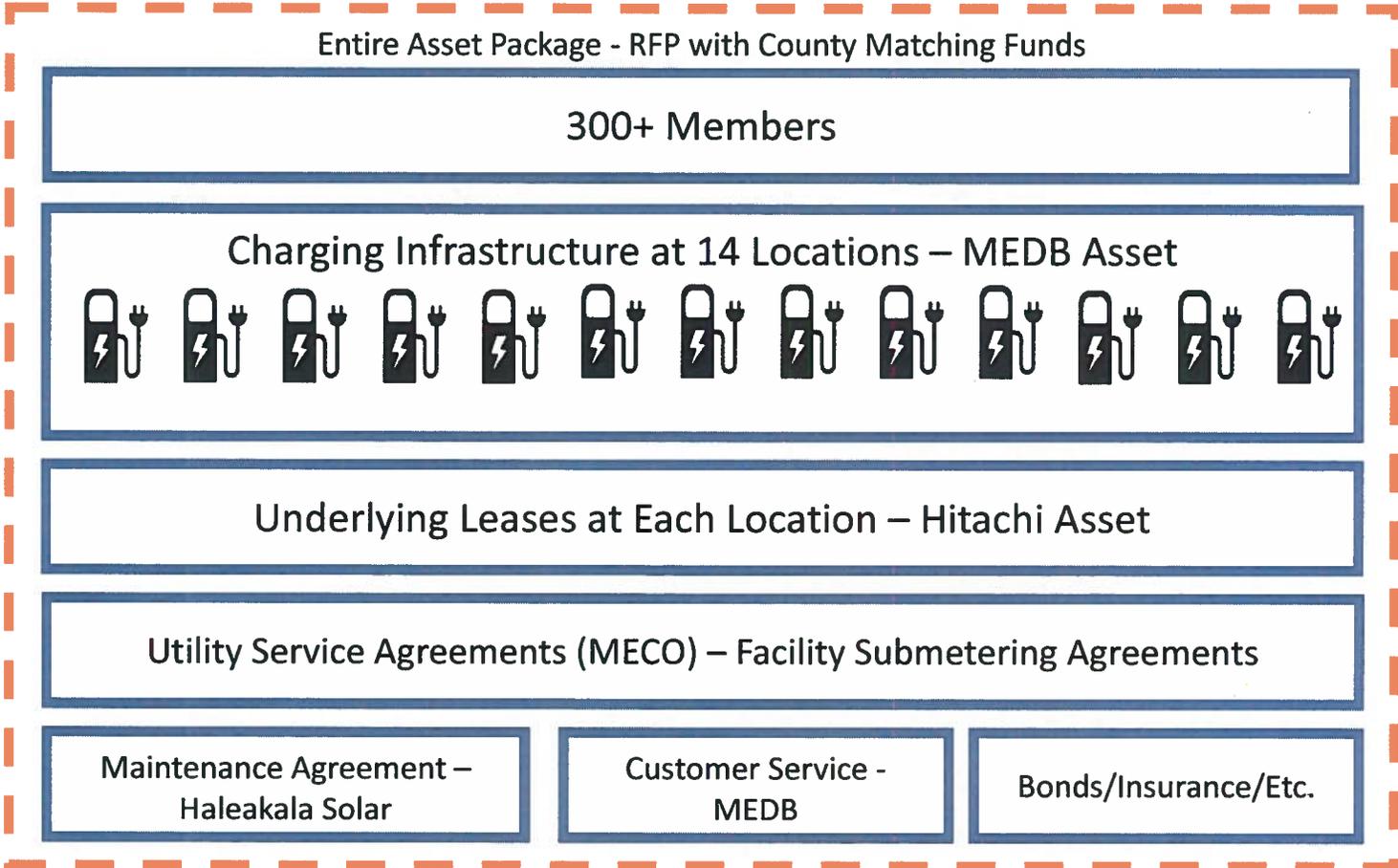
\$100,000 for new farmers who have between 1 & 3 years of experience.

Funds would be provided on a 70/30 cash match for equipment, deer fencing, Food Safety modernization, building renovation, or other support for the farm. The fund will not cover regular operating costs or labor. Grant funds will be given out in a competitive process and will be capped at \$15,000 per farm. (Farmer Match \$4500.)

\$300,000 for experienced farmers who have more than 3 years of experience.

Funds would be provided on a 70/30 cash match for equipment, deer fencing, Food Safety modernization, building renovation or other support for the farm. The fund will not cover regular operating costs or labor. Grant funds will be given out in a competitive process and will be capped at \$20,000 per farm. (Farmer Match \$6000.)

Save the JumpSmart Maui Asset



JumpSmart Maui project asset was originally assembled for the purpose of an experiment. It now needs to become a commercial system that can expand and become viable.

The purpose of the grant is to incentivize a new owner to upgrade the system to be commercial and universal.

Asset will be packaged in collaboration with Hitachi and MEDB, an RFP issued, and matching funding provided (subject to approvals) to the new owner for specific commitments.

We are working with other entities in Hawaii and are seeking additional matching funds beyond the County's.

Without a new owner, the system may not stay in service and the asset will be lost and the whole system removed.

This asset is one-of-a-kind in Hawaii and represents 43 of the 44 fast chargers on Maui.