

OFFICE OF ECONOMIC DEVELOPMENT

ANNUAL REPORT FOR FISCAL YEAR 2015-2016

I. MISSION STATEMENT

The Office of Economic Development (OED) works in partnership with the community to create economic opportunities towards the development of a healthy, stable and balanced economy of the County of Kauai.

II. DEPARTMENT GOALS

The Office of Economic Development strives to support current businesses and diversify Kauai's economy by providing opportunities for development of new businesses.

OED's goals will be achieved with collaboration of business, government and community sectors.

The objectives of this office are:

1. Assist businesses of all sizes, emerging industries and organizations in providing technical and financial support, as feasible, in an effort to provide full employment for all of Kauai's residents.
2. Utilize the Guiding Principles of the Kauai Economic Development Plan – Comprehensive Economic Development Strategy (CEDs) to help improve Kauai's economy over the next 10 years:
 - *Economic Diversification*: To strengthen selected industry clusters to minimize dependence on a single industry
 - *Economic Self-Sufficiency*: To minimize imports and promote import substitution
 - *Economic Opportunity for all*: To offer an appropriate K-20 education and adequate training opportunities to give workers choices and to promote living wages

III. PROGRAM DESCRIPTION

OED, as a government entity, interfaces with business and community leaders, as well as other government agencies and programs, to enhance Kauai's economic development opportunities. OED is responsible for providing technical and financial support, as feasible, to businesses of all sizes and emerging industries, in an effort to provide full employment for all of Kauai's residents.

OED is also responsible for collecting data and maintaining statistical information and reports, to be used as a library resource for individuals, businesses and organizations. The general public is provided access information and links to data on the County's website and limited materials, documents and publications in the OED library. In addition, publications on Federal and State grants, loans or tax incentives are also available.

To carry out the functions of OED, six sections are managed by staff specialists, under the supervision of a director, in the areas of agriculture, tourism, creative industries (film) & small business, sustainability-energy, workforce development, and through special grants to specific economic development projects. Each section's duties and responsibilities are directed toward accomplishment of the agency's overall mission. One administrative specialist, economic specialist, accountant and compliance specialist, provides support to the director and the five specialists.

ADMINISTRATION

A. Objectives

The Administrative function of OED is carried out primarily by the Director, supported by the Administration Specialist. The Director oversees the department and directly supervises nine staff members. In addition to supporting the Director, the Administration Specialist works with the Economic Development Specialist to support the five staff specialists to varying degrees.

Although the main emphasis for the Office of Economic Development is on working with businesses and the community to create and maintain job opportunities for Kauai residents, the OED Director is involved with small businesses, either through the Kauai Chamber of Commerce and/or other business organizations.

Many of the interactions with these companies come in the form of projects that involve other businesses and organizations, where a common goal is shared. It is through these interactions that other connections are made to further strengthen the Kauai business network that continues to be nurtured.

B. Highlights

As OED's Mission Statement indicates, we "work in partnership with the community to create economic opportunities..." and we are fortunate to work with many of the best organizations and citizens on Kauai. The following are some of the highlights of working with these organizations and further detailed under the "Activities" section.

PARTNERSHIPS

There are two key nouns used in OED's Mission Statement and Goals, and they are "partnership" and "collaboration". With the department itself being very small in the way of staffing, but involved with the entire economy of Kauai, it is extremely important that we utilize the talent and experience of our industry partners. In many situations, OED helps to facilitate discussion of projects and funding of feasibility studies and business plans to get a

project off the ground, and then relies on the industry partner to organize and manage it going forward.

Kauai Economic Development Board (KEDB)

For many years, OED has worked with KEDB on various projects that are part of the Kauai Economic Development Plan – Comprehensive Economic Development Strategy, otherwise referred to as CEDS.

In October of 2004, OED and the Kauai Economic Development Board unveiled the *Kauai Economic Development Plan 2005-2015 (KEDP)*, which serves as the County's CEDS. With the downturn of the Kauai, Hawai'i, U.S. and Global economies in 2008-2009, it was critical that the Kauai Economic Development Plan be updated to address the challenges that had taken place.

When the first CEDS was implemented, the Visitor Industry was not included as it was thriving, and the goal was to diversify the economy by looking at other segments. Unemployment was at an all-time low of 2.4%, besides the visitor industry, real estate and the housing market was booming where the median prices for homes and condominiums were increasing each month.

That all changed in 2009 where unemployment reached an all-time high of 10.0%, visitor arrivals fell by as much as 30% from the previous year, construction projects that were either slated to break ground or were underway, came to a standstill. As Kauai's residents were losing their jobs, consumer confidence and discretionary spending was almost non-existent.

The updated CEDS would have to address these concerns that weren't prevalent the first time around and emphasize the diversification of Kauai's economy so we don't continue to rely heavily on the visitor industry.

KEDB's strategic plan calls for its focus on the High Tech, Food & Agriculture and Renewable Energy industry clusters. OED worked closely with KEDB staff to coordinate efforts and maximize implementation efforts between the two agencies. The KEDB staff member has been actively coordinating activities of the committees assigned to these industry clusters and CEDS-related projects

Kauai Planning & Action Alliance (KPAA)

Like KEDB, KPAA has also been a strategic partner with OED. Led by Diane Zachary, KPAA provides a forum for the community on issues that matter most to Kauai. They serve as a neutral convener and facilitator, bringing together and guiding action teams and committees to develop and implement solutions to Kauai's priority issues.

KPAA's emphasis is also on collaboration. As a nonprofit 501(c)(3) membership organization, they encourage community groups, nonprofits, government agencies and businesses opportunities to work collaboratively. KPAA's work is guided by the input of their members and the community vision in the Kauai General Plan 2000.

KPAA goals focus on planning for Kauai's sustainability, supporting and transforming education through youth development and using community indicators to help guide decision making.

Small Business

As the backbone of the U.S. Economy, small businesses are our entrepreneurs, risk-takers and job creators. OED supports the various Chamber of Commerce and business organizations, which in turn, supports small business throughout the island of Kauai.

The Chamber of Commerce networking events help to connect so many people and projects so we can be more efficient with the limited resources we have on Kauai.

Kauai Chamber of Commerce

Kauai Native Hawaiian Chamber of Commerce

Kauai Filipino Chamber of Commerce

Mayor's Crime Task Force

Crime touches every person on the island and the business community is especially affected. Business owners and other community organizations want to be informed and involved in trying to solve the crime situation on the island. Business and organization representatives meet once a month with Kauai Police Department, the County Prosecuting Attorney's office, the Kauai Visitors Bureau, the Hotel Security Association and others to find solutions to an ever-increasing crime situation.

Agriculture

The OED Director is involved with various agriculture programs that include, but are not limited to the Tropical Fruit & Flower Industry, County's Sunshine Markets, Kauai Cattlemen's Association and Kauai Grown Programs, which are detailed in the Agriculture section of this annual report.

The director is also a member of the KEDB – Food & Ag Committee and coordinates the Mayor's Kauai Agriculture Advisory Committee each month.

MAYOR'S HOLO HOLO 2020 PROGRAM

OED Director, along with several economic development specialists are involved with several of the Mayor's initiatives that were first introduced to the public during Mayor Carvalho's 2010 Inaugural Address. During his address, the Mayor presented his Holo Holo 2020 Vision and took the audience on a journey around the island of Kauai and listed the various initiatives he would like to pursue. There were 38 initiatives that the Mayor shared and involved every department within the Mayor's Administration. The Office of Economic Development was responsible for 18 of the 38 projects.

Six years later, many of the original initiatives have given birth to additional initiatives, to where there are now 62 initiatives and OED is responsible for 29 of them.

A detailed update of each initiative is provided at the end of this Annual Report.

C. Activities

KEDB (Kauai Economic Development Board)

With the approval of the County Council, OED provided a grant to KEDB to provide oversight of the implementation of the Kauai Economic Development Plan – Comprehensive Economic Development Strategy (CEDS). CEDS is a document required by the U.S. Economic Development Administration (EDA) for a community to access grant funding for eligible projects.

Kauai Economic Development Plan – CEDS Implementation & Update

The Comprehensive Economic Development Strategy (CEDS) plan is a strategy-driven plan for regional economic development. A CEDS is the result of a regionally-owned planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region. It is a key component in establishing and maintaining a robust economic ecosystem by helping to build regional capacity (through hard and soft infrastructure) that contributes to individuals, organizations, local governments, institutes of learning, and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve economic development in the region. Regions must update their CEDS at least every five years to qualify for EDA assistance under its Public Works and Economic Adjustment Assistance programs. In addition, a CEDS is a prerequisite for designation by EDA as an Economic Development District (EDD).

The CEDS contributes to effective economic development in America’s communities and regions through a locally-based, regionally-driven economic development planning process. Economic development planning, as implemented through the CEDS, is not only a cornerstone of the EDA programs, but successfully serves as a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration. The CEDS provides the capacity-building foundation by which the public sector, working in conjunction with other economic actors (individuals, firms, industries), creates an environment for regional economic prosperity.

Thanks to the EDA, a 10-year 2005-2015 CEDS Plan was created for the County of Kauai, as well as Maui County, Hawaii County, and the County of O’ahu. For Kauai, the CEDS plan serves as an economic development “road map” and is intended to guide all stakeholders who have an influence on Kauai’s economic future.

At the mid-point, in 2009, EDA funded an update of the Plan. Through the Office of State Planning, the Kauai Economic Development Board (KEDB) was contracted to conduct an update and create the Kauai CEDS 2010-2015 plan. The County of Kauai Office of Economic Development (OED) contributed additional funds to ensure that the plan addressed capacity issues within industry clusters. In September 2009, KEDB and OED launched a joint planning process with the formation of the Kauai CEDS Committee that met three times over a five month period to provide guidance and to review the CEDS update. The Committee agreed that the six industry clusters were still relevant and should be pursued to help diversify and strengthen Kauai’s economy.

The CEDS *Plan* identifies six emerging clusters on Kauai. These clusters include:

- Science & Technology
- Sustainable Technologies & Practices (Renewable Energy)
- Food & Agriculture
- Culture & Arts
- Health & Wellness
- Sports & Recreation

In 2015, with EDA funding, again KEDB and OED partnered in updating the CEDS document to comply with EDA’s 5 year update guideline and produced the 2016-2020 Kauai Comprehensive Economic Development Strategy (CEDS) Report. Olomana Loomis ISC was retained to analyze cluster industry data, facilitate cluster meetings, and to write the 2016-

2020 CEDS Report. Currently, a Final Draft is due to the State Economic Development Alliance of Hawaii (EDAH) office by September 19, 2016, and Public Comment period will take place from September 19th through October 14th. The Final Report will be submitted by each of the four counties on October 31, 2016.

- **CEDS Food & Ag – Business Plan Competition**

KEDB will launch its 2nd Annual Ag Business Plan Competition with its corporate sponsor Kauai Coffee. Like the inaugural event, this competition is to encourage farmers to become more business savvy and understand the finances of farming. By entering the competition, they will be able to experience training on how to put a business plan together and the research it takes to understand and find a niche that sets them apart from other farmers.

The bulk of the County funds will go towards convening a planning committee, collaborate with Kauai Community College and other community partners. Planning the competition program will include developing a timeline to ensure the necessary tasks are completed in order for the program to commence.

- **CEDS Project – Kauai Creative Technology Center**

What began several years ago as a feasibility study for a Digital Media Center has evolved into the vision of a Creative Technology Center which incorporates Kauai’s music and performing arts industry with digital media.

This past year, the consultant for the project, Alan Tang of Olomana Loomis LLC, and Susan Tai-Kaneko, CEO & President of the Kauai Economic Development Board (KEDB) worked on the Pre-construction and Fundraising of the project.

Work was done between the consultant and KEDB on pre-construction criteria, that included securing a lease agreement for the facility. Work was also conducted on fundraising needs – including presentations with the consultant to potential donors, that include, but are not limited to the State Legislature Ways and Means Committee Chairs, Finance Committee Chairs for a Grant-In-Aid. Other possible donors include the Economic Development Administration (EDA), along with other \ private, individual, foundation and corporate donors

KPAA (Kauai Planning & Action Alliance)

KPAA has facilitated several OED CEDS-related projects during the last 8 years. Many of those projects focused on the Culture & Arts, Health & Wellness and Sports & Recreation industry clusters.

- **CEDS Project – Keiki to Career**

Launched in 2012, Keiki to Career Kauai networks education, health, human service and youth programs, families, and businesses to create a holistic, integrated system of supports from cradle to career so young people are “ready to learn and ready for life.” It is designed to ensure readiness at each key transition point in a young person’s life – such as entry to Kindergarten, middle school, high school, college or work. The initiative is informed by the Ready by 21 framework which encourages building leadership throughout the community and aligning goals, services and metrics around a shared vision and mission.

The initial focus areas identified in the Keiki to Career 3-Year Navigation Plan include: Birth to Grade 3, Resilience and Life Skills, Parent, 'Ohana and Community Engagement and High School to Postsecondary Opportunities.

Represented organizations include:

Aloha Mana Enterprises	Big Brothers Big Sisters
Kauai Child & Family Services	Déjà vu Surf
County of Kauai, Office of the Mayor	Hawai'i Family Hui
County of Kauai, Office of Economic Development	
Complex Area Hale 'Opio Kauai, Inc.	Kauai County Council
Hawai'i Department of Education, Kauai	Kahuna Valley
Hawai'i Department of Education, Board of Education	
Kauai Hawai'i Health Systems Corporation	Hawai'i Department of Health
Kauai Native Hawaiian Chamber of Commerce	Kauai Chamber of Commerce
Kauai Community College	Kauai Families First
Kauai Independent Daycare Services (KIDS School)	
Kauai Early Learning Practitioners	Kupu A'e/Leadership Challenge
Law Office of Nancy J. Budd	Leadership Kauai
Lihu'e Public Library	Malama Kauai
Kauai Parenting from the Heart/Sacred Birthing School	
People Attentive to Children (PATCH)	Malama Pono
Planned Parenthood of Hawai'i	Visitor Aloha Society of Kauai
Kauai Queen Lili'uokalani Children's Center	Waimea High School PTSA

Kauai Planning & Action Alliance serves as the backbone organization for Keiki to Career.

The Keiki to Career Program is a snapshot of Kauai young people from birth to workforce entry. It is intended to offer guidance to Keiki to Career community partners and other service providers and policymakers looking to identify areas of common focus and need. The Keiki to Career project is far-reaching and involves various organizations within our community that include, but are not limited to the Department of Education, several non-profit service and community-assistance organizations.

The 2014 Kauai Youth Report selected twenty-six indicators for this report based on available county-level data that enable comparison with the state and the nation - as well as those that offer the ability to compare current Kauai rates with recent historical rates for our island.

The purpose of this report is to inform decision-making in the key areas of policy and program design and evaluate efforts to improve outcomes for Kauai youth. It is intended to give a snapshot of key indicators using available data that is timely and relevant. To encourage further exploration, live web links have been provided to original data sources, where possible. These links will also be posted to the Keiki to Career outcomes page, along with additional related indicators and other timely information as it becomes available.

Kauai Made Program

OED is responsible for the coordination of the Kauai Made program, which supports local product makers and the retailers who sell the products. After 10 years in existence, the program boasts more than 134+ member companies and has documented more than 100 new connections between the product makers in the program and the retailers who are now carrying more of their products. Each October, the Kauai Made Wholesale Tradeshaw is held, with approximately 30 vendors participating and promoting their products to wholesale buyers from Kauai and throughout the State attending. This October, will host the 10th annual tradeshaw in coordination with the Kauai Grown Program added a touch of both local programs. 2016 marks the 10th year anniversary of the Kauai Made Program.

Kauai Chamber of Commerce / Kauai Native Hawaiian Chamber of Commerce

Kauai's small business community plays a major role in Kauai's economy. Business leaders like Mark Periello and Dirk Soma respectively have been instrumental in not only networking Kauai's community with positive messages of confidence and the need to support local businesses, they have also provided so many opportunities for Kauai's small businesses to promote their products and services.

Mayor's Crime Task Force

A task force consists of the Kauai Police Department, Office of the Prosecuting Attorney, the Kauai Visitors Bureau, the Visitor Aloha Society of Kauai, Kauai Chamber of Commerce, Filipino Chamber of Commerce, North Shore Business Council, Kapaa Business Association, the Lihue Business Association, Poipu Beach Resort Association, Hawaii Hotel & Lodging Association – Kauai Chapter, Hawaii Visitor Industry Security Association – Kauai Chapter, West Kauai Professional & Business Association, Grove Farm and several small business owners.

The goal of the MCTF is to be an organization that assists businesses and residents, to provide information from the Kauai Police Department on their efforts to prevent and fight crime, as well as receive information and concerns from community members.

The MCTF continues to engage other partners in its effort to lobby the State Legislature to pass a "Live Video" Testimony Bill which was introduced during the 2014 State Legislative session and advanced further through several committees before being defeated at the close of the 2016 session.

Many incidents of crime on Kauai target visitors to our island. Visitors are unaware of the potential loss of their personal property and have lowered their guard since they don't feel as threatened because they are on vacation on Kauai. Perpetrators prey on visitors because they have assets that they covet, but also are less likely to return to Kauai to testify should the incident go to court. The "live video" testimony would provide a means for visitors from outside of Hawaii to provide crucial testimony that would help to convict the perpetrator of the crime.

Although the bill did not pass again, the MCTF continues its resolve to lobby the Kauai community, as well as other law enforcement agencies in the other three counties to support this important bill.

D. Program Measures – Accomplishments / Evaluation

Most of the program accomplishments and evaluation takes place in each of the six sectors overseen by the Director and OED specialists. These accomplishments are noted in each section of the Annual Report.

E. Budget (General Fund)

Description	FY 2016 Appropriation	FY 2015 Appropriation
Equivalent Personnel (E/P)	3	3
Salaries, Wages & Benefits	\$358,369	\$344,085
Operations	\$341,424	\$489,033
Equipment	\$0	\$0
Program Total	\$699,793	\$833,118

AGRICULTURE

A. Objectives

Agriculture

With the retirement of the Agriculture Specialist, the Director of the Office of Economic Development oversees the Agriculture Sector and is involved with several Agriculture-related organizations and projects by overseeing the Mayor's Kauai Agriculture Advisory Committee (KAAC), the County's Sunshine Markets, Kauai EBT (Electronic Benefits Transfer formerly Food Stamps) and Kauai Grown Programs.

In Fiscal Year (FY) 2016 County Council approved the funding for the following Agriculture-related initiatives:

- \$50,000 – Islandwide Ag Park System (Kilauea Community Ag Center)
- \$15,000 - Sunshine Market Program
- \$ 500 – Kauai Agriculture Advisory Committee
- \$20,000 - Kauai Cattlemen's Association
- \$50,000 - Kauai Invasive Species
- \$50,000 - Kauai EBT Program
- \$ 5,000 - Tropical Flower
- \$ 7,000 - Livestock (KCA) Kalepa Holding Pen
- \$15,000 - Ditch Irrigation (EKWUC)
- \$ 6,000 - Grading Permit (EWKSWCD)
- \$ 2,500 - Garden Island RC&D
- \$20,000 - Kauai Grown

B. Highlights

The County of Kauai, through the Office of Economic Development, continues to support the Agriculture Industry on Kauai with its own Kilauea Community Agriculture Center (formerly Ag Park). The agriculture community center is a hybrid of a traditional agricultural park and as the new suggests, is a community center focused around agricultural activities. Not only will this be a rallying point for the Kilauea and North Shore communities, but it will also address several needs of the community such as public restrooms, a large gathering place lawn for the Sunshine Farmer's Market and other community events. It is a great way to get the community to experience agriculture from a different perspective. The goal is to encourage the younger generation to appreciate agriculture, growing your own food and being in harmony with the environment.

OED also supports farmers and ranchers with its involvement with the Kauai County Farm Bureau, Kauai Cattlemen's Association, Garden Island RC&D, East Kauai Water Users Co-op, Kauai Tropical Fruit & Flowers Association, State of Hawaii – Department of Agriculture, State of Hawaii – Agri-Business Development Corporation, USDA – NRCS and University of Hawaii CTHAR to name a few.

In order to diversify Kauai's economy, the County needs to work closely with the State of Hawaii – Department of Agriculture and large landowners to try and provide long term, affordable leases. Preservation and maintenance of old, deteriorating irrigation systems built by the sugar plantations over 100 years ago is also important in ensuring the agriculture industry survives on Kauai. As they say, "No Water, No Agriculture".

C. Activities

Islandwide Ag Park System – Kilauea Community Ag Center (KCAC)

This project started 40 years ago, in 1976 where a group of concerned citizens and farmers from the Kilauea community rallied around the Seacliff Plantation development and supported several conditions imposed by the Kauai Planning Department in order for the development to be approved. One of those conditions included a 75-acre agricultural park. From 1976 to 2006, Seacliff Plantation developers and the Planning Department addressed many, many issues that most people lost count....except for the faithful community who expected the developers and the County of Kauai to fulfill their kuleana (responsibility) and make good on 30 years of promises.

In 2006, the Seacliff Plantation developer signed over title of the 75-acre property to the County of Kauai. Since 2006 another 10 years have passed and much credit is owed to the late Mayor Bryan Baptiste, current Mayor Bernard P. Carvalho, Jr., along with former Office of Economic Development Director, Beth Tokioka who seized the opportunity and immediately worked with the Kilauea community in creating the Kilauea Ag Park Master Plan.

In 2014, after much input from the Kilauea community, Mayor Carvalho created a stewardship agreement with a non-profit Malama Kauai, which was later transferred to a new non-profit, 'Aina Ho'okupu O Kilauea (AHOK) which is comprised of the original Kilauea farmers who sought the Ag Park in 1976 and a new generation of farmers. Leading the charge is well-respected Kalihiwai resident, Yoshito "Yosh" L'Hote who has been selected as the project director.





With this fiscal year's funding, AHOK was able to start Phase I of the project by clearing and cleaning of the first 10 acres, along with the swale or "banana patch" area of the 75 acres that became a junkyard to over 30 vehicles, as well as green waste, appliance and general garbage dump.



Yosh organized a community clean up day where over 50 volunteers showed up and manually carried much of the garbage left behind by several homeless encampments on the property.

An excavator was brought in to clear the perimeter of the property, especially along both Kilauea and Kahili Quarry roads, where fencing was installed to prevent future homeless encampments, but more importantly, it was a way of announcing to the community that the project is real and the project is commencing after 40 years.



Once the first 10-acres of Christmas berry trees were cleared and mulched for the perimeter berm, a blessing and dedication was held in March 2016.



Within the following three months, a community farm was established with distinct farm plots and 25 farmers signed up to participate in the program. Instead of issuing smaller 20 ft. by 20 ft. community garden plots, the AHOK board of directors made a decision to go with the community farm concept where farmers commit to a schedule and through desire and some peer-pressure, farm and harvest various crops including tomatoes, lettuce, cucumbers, squash, eggplant, beets and others.



During the next fiscal year, County and State funds, along with donations from the business community, will be used to grade/gravel interior roads, five (5) water meters, additional irrigation system, entry wall, community path, and driveway/parking area for the future Sunshine Farmer's Market area.

Sunshine Market Program

Besides the development of the County's Kilauea Community Agriculture Center (Ag Park), the County, through the Office of Economic Development oversees the Sunshine Farmer's Market Program and works in partnership with the Kauai County Farm Bureau on the Kauai Grown program. The seven Sunshine Markets throughout the island help to support farmers by providing a venue in which they can sell their produce and value-added products at a very low cost. The idea is to pass those cost savings on to the consumer which is comprised of both Kauai residents and visitors.

Kauai Agriculture Advisory Committee (KAAC)

OED provides staff support to the KAAC, a body providing advice to the administration on broad agricultural matters in the County and State. The work entails a major component of networking to match agricultural needs in the county with opportunities represented by state, federal and educational agencies.

Legislative Action

The Mayor's Kauai Agriculture Advisory Committee, along with the Kauai County Farm Bureau has been active during the past State legislative session and introduced bills to continue support for the repair and maintenance of irrigation systems throughout the island, eradication of various animal species that destroy crops.

Several lobbying efforts include support of the ringed-neck parakeet bill in the State Legislature that will help to eradicate the species which has been ravaging crops and orchards throughout Kauai.

The group has also been active in providing testimony to the Kauai Planning Commission and County Council on banning vacation rentals on agriculture land. The group supports farm worker housing and long-term rentals that will help both the farmer and local housing situation on the island.

Kauai Cattlemen's Association (KCA) – Kauai Slaughter Facilities

The KCA manages this grant and distributes funds toward documented repairs and upgrades for Kauai's two remaining slaughter facilities operated by longtime Kauai ranching families, Sanchez and Andrade, and assist in their compliance with USDA regulations and certification.

The Sanchez operation used these funds as a match to continue build out of a processing and chill facility. This is a new phase in their operation as an expansion of process and chill capacity which is lacking on Kauai. The expansion will help to keep more cattle product on island, instead of shipping to the U.S. mainland for finishing and processing where we, the end up consuming when the beef is sold back to island stores.

The Andrade operation used these funds to repair and paint their facility roof and complete the Phase II of the office and screening section.

Kauai Invasive Species Committee (KISC) – Early Detection, Rapid Response & Control Programs

KISC continues to monitor for new pest introductions and maintain rapid response capacity to control and eradicate incipient populations. Established targets that are deemed feasible for eradication are vigorously pursued and these tasks come under the banner of "Biodiversity". Biodiversity is a key component of a healthy landscape, including forests, natural areas, agricultural lands and developed areas. It is also a strength that translates into a healthy economy and society.

KISC has an island-wide response network that has been continuous since 2002 when the organization was formed.

This year's funding helped with the monitoring of the Coconut Rhinoceros Beetle traps in partnership with the State of Hawaii Department of Agriculture (HDOA). The beetles have had a severe impact on the island of Guam where they destroyed half of the existing palm trees in 2007. KISC also uses the funds for ongoing monitoring of Myoporum Thrips that threaten Kauai's native Naio stands, Varroa mites that threaten bees and honey production and the Coffee Borer beetle which could potentially destroy Kauai Coffee, which is the largest coffee plantation in the United States.

Malama Kauai (MK) - Kauai EBT Program

Malama Kauai and the County of Kauai work together in their desire to support economic viability of local agriculture, help support agricultural markets, and offset the cost of fresh agricultural products for clients of the USDA's Supplemental Nutrition Assistance Program (SNAP), also commonly referred to as the Food Stamps program.

SNAP recipients are able to use the Electronic Benefits Transfer (EBT) system that authorizes transfer of their government benefits from a Federal account to a retailer account to pay for products received.

Malama Kauai used the County grant funds to administer the EBT Program in four (4) of the County's Sunshine Farmer's Markets. MK assists farmer's market growers to manage EBT transactions, as well as continuing education opportunities to increase grower yield and production to meet new market demand for their product.

Overall goals of the program include improving food self-sufficiency in our rural island by continuing EBT in the selected markets, directly benefiting Kauai small farmers by expanding their market sales to strengthen the local farm economy. In addition, consumer education will be provided to increase the consumption of fresh local foods to foster new job creation and improve nutrition.

Hawaii Tropical Flowers & Foliage Association (HTFFA)

The HTFFA assists local growers by promoting tropical flowers, foliage, native plants, new floral and foliage varieties, import replacement, and control of invasive species and diseases.

This grant was used for outreach in a workshop and educational venue that would include local growers, shipping companies, florists, residents and visitors. Those who attended learned new, unique floral arrangements that also included the use of O'hia plants for landscaping, leis and floral arrangements due to the recent dilemma of the "Rapid O'hia Death" syndrome occurring on Hawaii Island.

Kauai Cattlemen's Association (KCA) – Kalepa Livestock Holding Pen

The KCA continues to support and maintain the current beef production and sales of island-raised cattle to markets, as well as support for local ranchers, taxpayers and businesses. This project also supports the local multi-generational ranching community and will help to keep agriculture lands designated for pasture purposes in production, thus maintaining open space and verdant pastures with grazing activity.

The shipping facility was built to provide local ranchers and area where they can bring their cattle that will be sold and shipped to the U.S. mainland for finishing and processing. Cattle are held in this facility until they are loaded on shipping containers, then transported to the dock at Nawiliwili Harbor. Prior to the facility being built, ranchers brought cattle down to the dock to load and ship which was not a sustainable practice and unsanitary for the shipping operations.

This year's funding was used to repair the gravel road leading from Ma'alo Road to the facility, expanding corral facilities and installing a solar panels to provide power for the weigh scale operation.

East Kauai Water Users Cooperative (EKWUC) – Annual Irrigation Ditch Maintenance

EKWUC is comprised of East Kauai farmers and ranchers that rely on the former Lihue Sugar Plantation irrigation ditch system to provide water for their crops and livestock. While the sugar plantation was in operation, it spent millions of dollars and manpower on an annual basis to maintain its extensive irrigation system. Today, only a handful of these cooperative members faithfully spend their spare time maintaining the irrigation system. Because some of these areas are remote and there is no vehicular access, maintenance is achieved through manual labor.

Funding for this worthy endeavor helps to offset fuel and equipment expenses, as well as rental of equipment that they may not possess. The three main areas being serviced are the East Kauai Ag District including the Hanamaulu and Kalepa agriculture lands and the County of Kauai Irrigation System located in the Wailua Houselots, sight of one of Kauai's first agriculture park.

East & West Kauai Soil & Water Conservation District (EWKSWCD) – Grading Permit

The Soil and Water Conservation Districts (SWCD) focus on strengthening agriculture and the environment through promoting good practices in the utilization of resources like soil and water through citizen participation in that process.

The SWCD is a State/Federal incorporated governmental subdivision of the State, per HRS Chapter 180 and assists the County of Kauai by assuming some of the labor-intensive work of creating conservation plans complying with grading and grubbing ordinances, thus relieving the County's Public Works Department of some of the regulatory burden.

The EWKSWCD holds board meetings twice a month where conservation plans are reviewed. Approved plans are sent to Public Works for review and approval of the exemption. Minutes of board meetings are kept and information incorporated into EWKSWCD Annual Report.

Garden Island Resource Conservation & Development (GIRC&D)

GIRC&D is a multi-faceted program that is involved in the instigation, facilitation and nurturing of community-driven projects focused on fulfilling locally determined needs. The organization is a 501(c)3 that serves as a fiscal umbrella to several worthy endeavors. Some of the organizations that GIRC&D has assisted include, but are not limited to, Kauai Beekeepers Association (KBEE), Kekaha Community Garden, Kokee Resource Conservation Program (KRCP), Kauai Agriculture Development Program (KADP), Kauai Native Plant Society (KNPS), Makauwahi Cave Project (MCP), and Zero Waste Kauai (ZWK). Fiscal oversight includes assisting programs with locating, applying for, securing, and ultimately facilitating and administering grants and donations. They also assist with insurance, accounting, taxes, payroll and other expenses, and have a centrally-located office presence with telephone, internet, computer and copying facilities.

Kauai Grown

Like the Kauai Made program, Kauai Grown has provided funding in the form of grants to the Kauai County Farm Bureau (KCFB) to oversee this program by marketing local farmers and ranchers that join the program on its website and in retail markets throughout the island. The KCFB has re-assigned the responsibility of the program oversight and have embarked on a program that intends to recruit more farmers to compliment their membership of restaurants, chefs and retail outlets.

D. Program Measures – Accomplishments / Evaluation

Selected Statistics (CY–calendar year)	CY 2015	CY 2014	CY 2013
Sunshine Market Vendor Days	6,551	12,740	12,740
Sunshine Market (\$)	\$608,140	\$1,001,334	\$982,857

At the end of calendar year 2014, OED worked diligently to perform an updated inventory of all farmers within the Sunshine Market program, as well as those that had shown an interest in the program, but were not able to due to market stalls being taken. This process helped to establish an accurate “waitlist” and contact interested farmers as soon as an opportunity presented itself.

All current farmers were required to re-apply for new permits and comply with stringent rules that included submission of an inventory of produce/product they intended to sell in the markets, a plot plan of their farm that clearly shows where each item is grown and an inspection of their farm by OED’s Compliance Specialist to verify the information.

Fortunately or unfortunately, one of the results of this course correction was that several farmers chose not to re-apply and be subjected to the farm inspection. For years, real farmers could spot produce/product purchased from various sources and not grown by the farmers themselves and this was a way to bring integrity back into the Sunshine Markets.

The chart above reflects the reduction in vendor days and revenue. Other factors leading to this reduction include increased competition for the limited number of farmers on the island with many new farmers markets popping up in almost every community.

E. Budget (General Fund)

Description	FY 2016 Appropriation	FY 2015 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$ 39,747	\$200,369
Operations	\$264,100	\$408,125
Equipment	\$0	\$0
Program Total	\$303,847	\$608,494

TOURISM

A. Objectives (General)

1. Market Kauai Responsibly

OED provides funding and other support to the Kauai Visitors Bureau who is the marketing arm for Kauai.

2. Provide Support for Cultural Programs

OED provides funding for cultural programs that focus first on the host culture, but also for many other types of events and projects.

3. Provide Support for Areas Impacted by the Visitor Industry

OED looks for funding or provides funding for different improvement projects throughout the island. OED keeps abreast of issues and hot topics having related to tourism and that impact residents and advocates for solutions to help mitigate future problems.

4. Provide Support for Community Events

OED provides logistical and/or funding support for many events on Kauai.

5. Help guide public to needed Visitor Statistics

Key to economic development is maintaining a database of information and statistics. The OED-Tourism office provides visitor information and statistical data as needed, as well as locating information sources for the public to access.

In Fiscal Year (FY) 2016 County Council approved the funding for the following tourism related initiatives:

- \$25,000 for Tourism Sports Marketing with a focus on golf recovery.
- \$40,000 for the Kauai Nui Kuapapa Program signage.
- \$10,000 for the World Conservation Congress Marketing of Post Tours.
- \$50,000 for Other Culture-related projects.
- \$65,000 for Special Events Security/KPD Services Grants.
- \$24,000 for the Visitor Industry (Kauai Tourism Strategic) Plan Update.
- \$225,000 for Kauai Visitors Bureau Consumer Promotion Program.
- \$80,000 for CPEP Grant Match for festivals, events and projects.
- \$25,000 for Airport Greetings match for HTA funding for the same project.
- \$10,000 for Promotional Materials, Ambassador of Aloha Program.

B. Highlights

FY 16 was a successful year for the Tourism program. Most key projects tied to tourism, cultural preservation and festivals & events saw substantial progress.

Visitor Data & Update of Industry:

Tourism remains the main economic engine of this island providing about 33 percent of the County's total output and generating more than a quarter of the jobs on Kauai and thus contributing substantially to the county tax revenues. Kauai's visitor industry posted a surprisingly strong year in 2015 despite capacity pressures. However, 2016 got off to a slow start. Total arrivals to the County were unchanged from 2015 levels in the first quarter of 2016. However this decline was offset by an increase in length of stay, so that there was a slight increase in visitor days. Scheduled airline seats for direct flights to Kauai were flat in the second quarter. Hawaiian Airlines is increasing service on direct routes from Oakland and Los Angeles, but these gains are offset by reduced service by United Airlines out of San Francisco and Denver as well as Canadian air carrier WestJet on its Vancouver route. Island Air restarted service to Lihue from Honolulu, which should continue to boost interisland lift to Kauai.

While there has been some diversification in recent years toward emerging international markets, the vast majority of visitors to Kauai still come from the US mainland. This has insulated the County's visitor industry to some extent from the effect of recent currency fluctuations. However, the Canadian market took a tumble, with arrivals down 12%. With currencies beginning to recover and with sound US labor market conditions, North American markets should be relatively healthy going forward. We expect roughly 2% growth for the US market in each of the next three years. Aggregate visitors from international markets other than Japan will see growth in a similar range.

The Kauai hotel occupancy rate hit a seasonally adjusted 74% in the fourth quarter of last year. While this is the highest rate since 2008, it remains nearly five percentage points below the peak levels reached in the mid-2000's. This picture, of relatively mild capacity pressure, stands in contrast to what we hear anecdotally, where some industry observers point too much higher usage levels once non-hotel visitor accommodations are considered. Time-share properties, resort condos, and transient vacation rentals make up a substantial share of the market on Kauai, and they generally have higher occupancy rates than hotels (a survey by Hospitality Advisors, LLC. puts time-share occupancy in the 88-90% range typically).

There are a number of new resort developments in the construction pipeline. Late last year, Timbers Resorts began redevelopment of the former Kauai Lagoons site into its new Hokualea resort. The first phase of construction calls for 47 timeshare and fee-simple units split across three low-rise buildings. Future construction could include a small-scale hotel and a mix of timeshare and residential properties; the entire project is slated to include 468 units at full build out. In Wailua, the redevelopment of the Coco Palms Resort, shuttered since Hurricane Iniki in 1992, may finally be moving forward. The developer recently obtained funding for the demolition phase and is working to secure full project funding. Demolition has begun.

Several other resort-related projects are underway or expected to break ground soon. Phase three at Koloa Landing, which will include 200 single-family units, meeting space, and resort amenities, is slated to finish by the end of 2016. The Coconut Plantation Resort in Waipouli, permitted for 192 multi-family units and a handful of hotel rooms, may begin construction in late fall, and the Hanalei Plantation resort, with a mix of 120 luxury bungalows and home lots, may also break ground in 2016. The Sheraton Kauai is underway on a conversion of its garden wing into time-shares, and a renovation of the ocean side hotel rooms is slated for later this year.

With visitor volumes at an all-time high, there has been considerable discussion of the impact of visitors on the Garden Isle's infrastructure. Last year there were 24,400 visitors on Kauai on a typical day, compared with 71,700 residents, meaning that visitors make up roughly one-quarter of all the people on the island.

Much effort has been put into the Kauai Tourism Strategic Plan Update and action items by the County and Visitor Industry Stakeholders, to try to find balance, particularly with respect to addressing the peaks and valleys of visitor counts over the year as well as natural and cultural preservation and protection of the community fabric and overall residential quality of life.

C. Activities

Kauai Visitors Bureau – Marketing Committee - OED staff sit on the Kauai Visitor's Bureau marketing committee, Kauai Visitor's Bureau Board, Visitor Aloha Society of Kauai, and oversees countless events and projects by providing guidance and recommendations. OED also provided grant funding to the Kauai Visitors Bureau of \$225,000 for program funding, involving marketing of Kauai. Below is a synopsis showing the general expenditures of KVB during FY 2016.

- Marketed Kauai at the New York Times and Seattle Wedding Show, as well as attended trade partner blitzes in Atlanta, Dallas, Houston, Austin and San Antonio.
- Launched a new website in partnership with the Royal Coconut Coast Association (RCCA) and the Poipu Beach Resort Association (PBRA). End results were double the activity compared to last year. RCCA reported 1,507 room nights booked with new website, compared to 764 room nights booked in CY 2014, giving the program a 97% increase for the five properties on the East Side of the island;
- Kauai Visitors Bureau (KVB) secured three videos from the local schools which are placed on the website "We are Kauai". Photo shoot done with local family and images have been uploaded to the DRAFT website;
- The Convention Meeting and Incentive (CMI) funds have produced eight Site Visits and Familiarization (FAM) tours spanning July 2015 through February 2016. It has also secured in 3,149 guaranteed room nights and there are another tentative 1,119 room nights to be confirmed;
- National Tropical Botanical Gardens (NTBG) has been funded to prepare for the World Conservation Congress post tours with great marketing products to entice participants to Kauai in September of 2016.

Kauai Tourism Strategic Plan

In September 2015, OED provided a grant through June 30, 2016 to the nonprofit Kauai Planning & Action Alliance (KPAA) to coordinate the work of the Implementation Committee on the Tourism Strategic Plan Update.

To implement the priorities established in the KTSPU, the Implementation Committee formed eight (8) topic area sub-committees. The sub-committees and dates they met are noted below:

Priority 1 & 4 - Traffic, Transit and Infrastructure (Jan. 6, Feb. 24, Mar. 23, May 11, 2016)

Priority 2 - Employee Development (Jan. 1, Feb. 29 and May 9, 2016)

Priority 3 - Lift TAT Cap (Jan. 13, 2016)

Priority 5 - Visitor Industry/Community Communications (Feb. 1, 2016)

Priority 6 - Hawaiian Cultural Awareness (May 9, 2016)

Priority 7 - Parks and Trails Infrastructure, Maintenance and Enforcement (Mar. 2, Apr. 6, May 24, 2016)

Priority 8 - Alternative Accommodations (Dec. 9, 2016)

Priority 9 - Kauai Products and Services Promotion (Apr. 22, 2016)

The action plans identify activities that will be implemented during the three-year course of the plan. Timelines and partners are also identified. Activities accomplished to date include:

- Individuals on the committee met with state legislators and provided testimony on various proposed state bills to lift the TAT cap, particularly in light on the many traffic and infrastructure improvements needed on Kauai. Unfortunately, those bills did not pass.
- Disseminated information to industry colleagues on the County Council's proposed general excise tax increase to provide funding for roads and bridges maintenance and transit improvements. Many individuals on the committee and in the industry submitted testimony to County Council supporting the tax increase, however the bill did not pass.
- In cooperation with County Planning Department, developed a process for visitor industry input and cooperation with county and state transportation officials with a goal to reduce car rental usage, develop shuttle usage within resort areas and link to public transportation for outside the resort areas.
- Secured agreement from State Parks to develop a process for private stewardship of natural resources.
- Secured agreement from State Parks to improve communications to County and KVB when there are park closures; this new system is now in use.
- Secured agreement from State Parks to develop a system to legitimize commercial users for appropriate parks and trails
- Secured agreement of KCC OCET program to survey visitor industry employers to determine employee training needs and willingness to accept national training certifications for professional advancement.
- Secured agreements to more widely distribute promotional materials for Kauai Made and Kauai Grown products through visitor industry businesses.
- Working on plans to organize a Kauai Made/Kauai Grown vendor section at the annual Hawai'i Lodging and Tourism Association Expo at the Blaisdell Center in Honolulu in Summer 2017.

HTA Funds / County Matching Funds (CPEP Program)

In Calendar Year (CY) 2016, Tourism again received \$400,000.00 from the Hawai'i Tourism Authority (HTA) for the County Product Enrichment Program (CPEP). The County provided matching funds for different programs in FY 16 such as Lihue Airport Greetings, Product Enhancement, Kauai Nui Kuapapa, NTB Marketing for the IUCN Conference, and an Ambassadors of Aloha Program.

The CPEP Program allows for an administration fee of up to \$75,000. This fee supports the accounting position at OED that supports tourism and the OED office. Much additional support for CPEP is done by the Economic Development Specialist II so that the extra

funding could go into program funding for the community. All HTA programs run on a calendar year (CY), versus a fiscal year (FY) basis which presents its own challenges.

In addition, this office seeks and applies for other grants that come available to help to promote the host culture and fund improvement projects in natural and cultural resources.

Over 115,000 people attended HTA funded projects on Kauai in CY 2016, with another 27,000 people attending County-funded projects and events for a total of 142,000. Of all the event attendees, approximately half (44%) were visitors to the island. 31% were from the mainland USA, 5% from a foreign country and 8% from a neighbor island. The OED-Tourism also keeps a relationship with the International Festivals and Events Association which provides guidance and support in helping cities with economics and how it relates to events. This information has proved invaluable and our office will be expanding its knowledge in this area in the coming years.

Kauai Festivals Website

OED-Tourism also manages the Kauai Festivals website (www.kauaifestivals.com) and marketing program. Programs and events that will occur on Kauai that fit County OED guidelines are entitled to have a webpage that highlights their event or program. The site is supported by Delicious Designs via the Kauai Visitors Bureau, and OED maintains the text of the website as part of our marketing efforts. With 2016 CPEP funds we completely overhauled the site in order to utilize the new technology that existed.

Awards Distributed

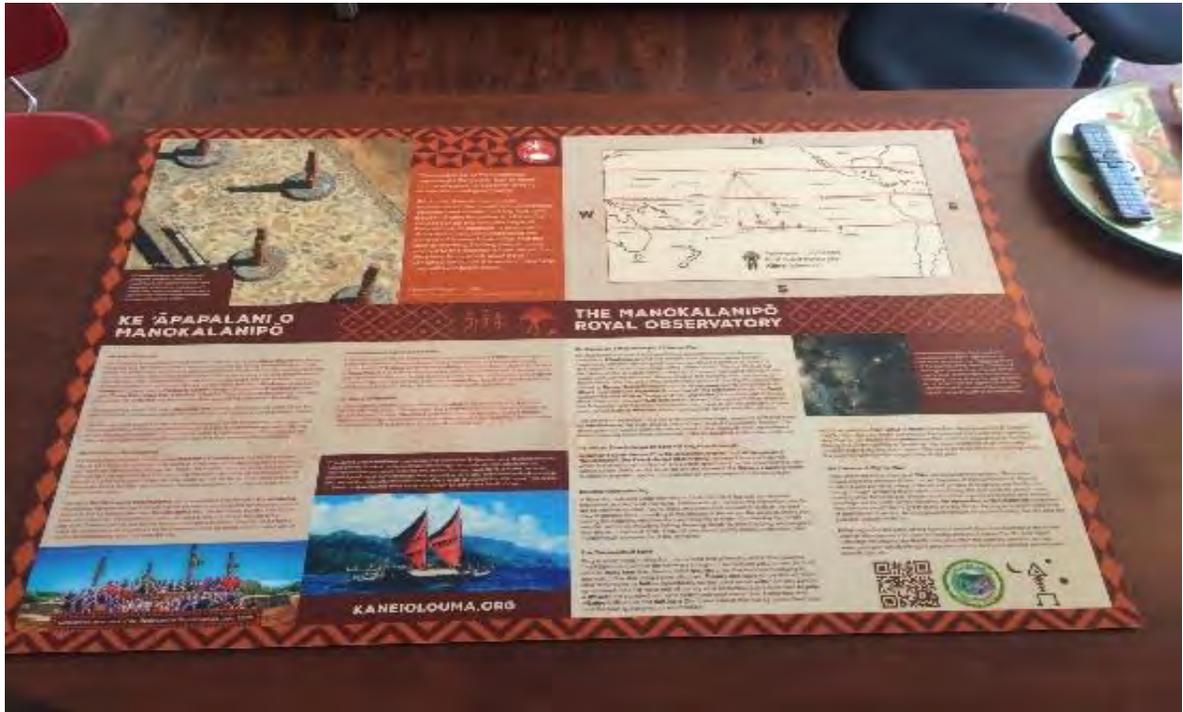
Thirty-seven (37) programs that include the island's best known festivals were awarded HTA funding from the CPEP/County program in CY 2016. Programs are listed below:

OED FY 15-16 CPEP, NR and Cultural Grant Projects: Tourism	
Circle of Friends-Pow wow	Kaua'i Museum Association Ltd-Prince Kūhi'ō Royal Band support for advertising
Kapa'a Business Association-Coconut Fest	Poipu Beach Foundation-New Years Celeb
Poipu Beach Foundation-Food and Wine	Kaua'i Museum Cul Festivals-incl may day lei
Malie Foundation-Na Lei and Mokihana Fest	Himele-Steel Guitar Festival
WKBPA-Waimea Town Celeb	Kōloa Plant Days Rodeo-Kōloa Rodeo Club
Hui O Laka-Emalani	Ahahui Kiwila Hawai'i O Moikeha-Makahiki Event
Festival of Lights	Hui O Laka-Banana Poka Fest
Slack Key Festival	Kaua'i Japanese Cultural Society-Matsuri
Lāwa'i International Center	Kaua'i Veterans Council Parade
Hanapēpē Economic Alliance-Orchid & Art	The Pacific American Foundation-Hawaiian Education-Wailua
Heiva I Kaua'i	Kaua'i Concert Association-Red Clay Jazz Fest
Malama Kaua'i-4 events	KEDB-Keepers of the Culture walking tours
Hanapēpē Economic Alliance-Chocolate and Coffee Fest	Garden Island Arts Council-Līhu'e Airport Windows
Garden Island Arts Council-E kanikapila Kakou	Mokihana Aquatics Fun Swim Meet
The Lauakea Foundation- E Pili Kakou	Malie Foundation-Kamehameha Day Parade
Tasting Kaua'i	Ka Hale Pono, Inc.-Anahola Prince Kūhi'ō
Kaua'i Soto Zen Bon Festival	Malama Huleia-plan to move to Alekoko
Poipu Beach Foundation-Kūhi'ō Festival	GIRCD-Mākauwahi Cave brochure replenishment
Ahahui May Day by the Bay	

Kauai Nui Kuapapa:

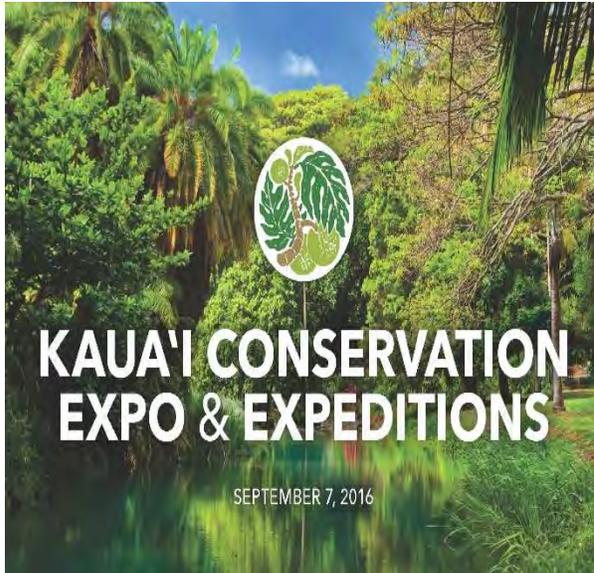
In 2012, Kauai County Mayor, Bernard Carvalho, adopted the roadway signage project, Kauai Nui Kuapapa: Talking About Our Island (KNK). We continue into the next fiscal to try to get permission from the Department of Transportation to place all signage up on DOT roadways which has already been purchased and plotted. Shortly after all signage is installed, flyers will be sent to each household as an educational piece about the Moku and Ahupuaa they live in, as a call to action to reach out and move forward to support projects that benefit your regional community. The first of the interpretive signage is being created during this fiscal year to be installed in FY2017.

Example of Interpretive Signage to be mounted



The Lihue Airport Greetings Program is an ongoing program which OED – Tourism manages. This program continued to provide entertainment once per day, 2-3 days a week in the airport lobby from 6:30 p.m. to 9:00 pm or 9:00am to 11:30am through June of 2016. With heightened security measures, processing entertainers for security clearance is still a constant challenge. The State of Hawai'i's Lihue Airport contract security personnel (Securitas) has been an invaluable source of support through this process to comply with TSA's requirement that includes an annual renewal and audit of all the entertainer's security badges. In addition, HTA is funding additional performances on alternate days via a large contract with the VIP services on all islands of which Kauai gets a portion. OED also provides funding for the large airport displays which change quarterly and cover topics near and dear to the hearts of residents and visitors on Kauai. In the second-half of 2016, the County of Kauai, with funding from the HTA also restarted a greetings program at the Harbors utilizing support from the local Kupuna from the Aloha Ike Program.

National Tropical Botanical Garden’s hosting of the Post Tours for the IUCN World Conservation Congress – OED provided funding support for marketing of the IUCN World Conservation Congress to be held in September of 2016. A good marketing campaign helps Kauai to garner post tours of the many international attendees, many conservationists, that will be attending this conference on O‘ahu. NTBG and Chipper Wichman, its President and CEO, took the lead to bring this conference to Hawai‘i.



This September, Kauai's conservation organizations will take the world stage as the IUCN Congress, the largest conservation event in the world, convenes in Hawai'i.

You're invited to join National Tropical Botanical Garden and the Kauai Conservation Alliance for the **Kauai Conservation Expo** - a special IUCN Congress excursion on the island of Kauai.

This unprecedented event includes:

- Keynote Speaker: Ulialia Woodside, Executive Director, The Nature Conservancy of Hawai'i
- Conservation Marketplace featuring more than 20 Kauai conservation organizations
- Music, cultural events, presentations, and lunch provided by The Right Side
- Tours of Midway Garden, NTBG Conservation and Horticulture Center, and NTBG Botanical Research Center

Register online by August 26, for this once-in-a-lifetime event!
ntbg.org/tours/xcee

NATIONAL TROPICAL BOTANICAL GARDEN
 3530 Papa Ima Rd.
 Kalaheo, HI 96741

Kekaha Community Host Benefit Program - OED-Tourism oversees attendance at meetings and the management and distribution of the Kekaha Community Host Benefit Grant Fund which is utilized to help with projects in the Kekaha community.

In FY16 we managed 8 grants listed below for a total of \$214,462.

Kekaha Grants for 15-16	
Kekaha CAC-Ke Kula Ni‘ihau Food Service Project	124,700
The W-2015 Basketball Clinic	8,333.73
The W-2015 Volleyball Clinic	8,503
2015 4th of July Celebration - Kekaha	35,000
Waimea High School Project Grad	4,200
Ke Hoola Lima Lani - Performance Play	18, 420
Boy Scouts of America-Kekaha	20,000
Queen Emma Hui O Laka support-shuttle/tents	13,725
TOTAL:	214,462

D. Program Measures – Accomplishments / Evaluation

- Successfully completed another year of HTA/County CPEP & Cultural and Program in CY2015 and have 2016 program underway. This HTA program brings in \$400,000 to the County and includes capacity training for participants. We funded 38 projects with HTA funds and another ten with County funds;
- OED-Tourism held a Festivals & Events (Projects) Training session at the start of 2016 which proved successful. The session included participants that are potential sponsors such as small businesses, airlines, and product companies as well as representatives from the media such as newspaper and radio to help them understand how their grant request makes the difference to a potential sponsor. This training has proven to be the most successful at getting the events to change their sponsorship practices. In addition we held training on safety and security at events and an Accounting 101 course for non-profit organizations.
- Successfully upgraded the kauaifestivals.com website which continues to gain popularity with event organizers, visitors and Kama‘āina;
- Completed another successful year of granting programs with the Kekaha Host Community Benefits Program. In the last fiscal year, we funded eight projects for a total of \$214,462. (See page 17 for projects and grant amounts);
- Completed first year of enacting action teams and monitoring for the Kauai Tourism Strategic Plan;
- Continued Airport Greetings Program as a match to the Hawaii Tourism Authority (HTA) airport greetings program and received funding to restart a Harbor Greetings Program;
- Successfully operated the Security Grant program to help community organizers offset costs of having off-duty police officers at large community events.

Promotional Materials Program as part of Ambassadors of Aloha:

This program provides promotional items for Kauai residents to distribute when they travel off-island to attend other events. OED-Tourism tries to manage the number of “giveaways” and the annual expense of this program.

Inventory Year	Gift Bags (included magnet clip, pen, post-it note, card, button, sticker, coffee)	Luggage Tags	Power Magnet Clips	Pens	Post It Notes	ALOHA Cards	Kaua'i Loves You Bumper stickers	Kaua'i Loves You Buttons	Kaua'i Loves you Stickers	Kaua'i Coffee 4cup bag	Papaya Seed Dressing
2014	649	622	942	1207	799	3306	1000	4577	3885	190	68
2015	75	112	286	381	321	2313	0	1736	1946	71	0
2016	88	88	86	106	138	140	0	464	464	41	0

Visitor Industry Data

Description	CY 2016 Actual (thru June)	CY 2015 Actual	CY 2014 Actual
Visitor Arrivals	582,311	1,116,175	1,113,605
Total Expenditures	\$820.8 M	\$1,603.8 M	\$1,466.2 M
Per Person Per Day Spending	\$179.3	\$180.2	\$170.70
Average Length of Stay (days)	7.85	7.63	7.71

**Information obtained from DBED&T, HTA, DLIR and UHERO Kauai County Forecast.*

As mentioned previously, Kauai continues to realize economic recovery largely in part to the “growth” of its main economic engine, Tourism. Visitor Arrivals by Air and Hotel Occupancy numbers have steadily increased since 2010 and are starting to level off. OED feels there is a “carrying capacity” issue for our island and that number is a maximum of around 1.2 million visitors per year. As we get close to that level, our kama`aina are concerned that our infrastructure has not kept up with the increase in population and visitor arrivals since the 1950s.

The Kauai Tourism Strategic Plan (KTSP) has been updated and addresses how we should plan for the next three years and provide an outlook beyond that. Emphasis on the update focused on taking action steps. The report for this first action plan year will be released in August or September of 2016. OED-Tourism made a request in the OED FY17 budget to continue funding of the KTSP focus group to help implement these action plans.

Unfortunately, the budget request was denied by the County Council so OED has turned back to the visitor industry for funding.

E. Budget (General Fund)

Description	FY 2016 Appropriation	FY 2015 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$120,165	\$103,658
Operations	\$614,916	\$799,445
Equipment	\$0	\$0
Program Total	\$735,081	\$903,103

SUSTAINABILITY & ENERGY PROGRAM

A. Objectives

The objective of the County’s Sustainability & Energy Program is twofold: (1) to help the County lead by example by developing, adopting, and implementing sustainable practices for county operations and the island community, and (2) manage and reduce the County’s fossil energy use through increased efficiency, conservation, and use of renewable energy.

The program is designed to guide and assist County departments in their efforts to incorporate sustainability and energy management into their operations. The program fosters the creation of programs and actions that assist County departments to reduce environmental impacts from operations and improve environmental and energy performance. The program should enable the County to reduce the consumption of utilities, resources and dependency and use of fossil fuels.

Goals for internal energy reductions were developed in 'FY 13. On the electricity side, the goal is to reduce County use by 30% by 2023 through various efficiency measures. On the fuel side, the goal use to reduce County fossil fuel use by 50% in the same period, including both increased efficiency and switching to clean and renewable fuels.

The program has five overall strategies to meet the aforementioned goals and objectives.

County

1. Introduce the concept of sustainable, long-term thinking that considers multiple impacts of actions on the environment, social equity and the economy, into all county policies and activities. **Institutionalize sustainability as a county value and make it part of everyday decision-making.**
2. Help the County develop innovative, inter-departmental programs that save money, support local businesses and create jobs, improve quality of life, and protect the environment and public health.
3. Track improvements and successes for the government program over time using verifiable metrics.

Community

4. Develop relationships between the county, non-profit organizations and businesses to promote sustainable practices on Kauai.
5. Develop a comprehensive County-wide Energy Sustainability and Climate Action Plan for Kauai in FY 17-18 in order to help the economy and decarbonize our major energy using systems in line with the best available science.

B. Highlights

As a major part of the Mayor's Holo Holo 2020 Program, OED's Sustainability & Energy Coordinator is spearheading the following initiatives. For further information and details, please refer to the Section IV – Holo Holo 2020 Projects & Status at the end of this report.

Increase Use of Alternative Energy Sources via implementation of Kauai Energy Sustainability Plan

- Kauai LED Streetlight Retrofit – started work in 2014 – milestone in August 2016 – installation of new LED lights begins. Expected annual savings when lights fully installed - \$400,000
- Lihue Wastewater Treatment Facility- Anaerobic Digestion of Food Waste - continued investigation of this food waste diversion option using existing County infrastructure, placed project on State Revolving Fund list for construction funding, Public Works funded engineering work for FY '16.

- Kekaha Landfill Alternate Fuel Project: Continued collaboration with Public Works Solid waste Division and County Transportation Agency for development of this project. Construction of Gas Collection and Control System underway with PW Solid Waste, planning for RFP release in fall of 2016 for development partners.
- Energy Retrofits for the Police-Civil Defense Facility (3990 Kaana Street) Completed grant funded study of Kauai Main Police Facility in January of 2016 and identified specific energy improvement opportunities to reduce energy use at the facility by 25% with \$1,000,000 investment. Approximate ROI is six years.
- New high efficiency Air Conditioning Chiller at Lihue Civic Center (collaboration with Public works Building Division) New chiller installed in January 2016. Approximate savings based on initial data in range of engineering estimates (100,000 kWh-200,000 kWh/year) Applied for and received \$64k incentive from KIUC through commercial DSM program

C. Activities

Energy Policy & Planning

Hawaii Clean Energy Initiative Advisory Committee – County Energy & Sustainability Coordinator serves as the Vice-Chair of the HCEI Advisory Board, which is a State level effort to achieve a 100% clean energy within the State by 2045. Participation offers insight into State Planning and policy efforts and allows for alignment between State and County where beneficial to both. 2015 was an eventful year with HCEI, with the State legislature passing act 97 into law, establishing the goal of 100% renewable energy by 2045. The renewed HCEI focus on fossil fuel use in transportation also saw the completion of the ICCT’s Transportation Energy Analysis for the State.

Hawaii Energy Policy Forum

Energy Coordinator is an active participant in the Hawaii Energy Policy Forum which meets quarterly to advance State energy policies.

Hawai‘i GREEN GROWTH / THE ALOHA + CHALLENGE

Hawai‘i Green Growth (HGG) is a voluntary partnership of more than 50 state, county, federal, business, and non-governmental leaders from energy, food production, natural resources, waste reduction, planning, green jobs, education and other sectors who have come together to support a shared statewide commitment and tangible actions towards sustainability and a model green economy. The HGG Measures Start-up Project was launched to help the State of Hawai‘i develop sustainability measures to track progress on the initial six HGG and Aloha + Challenge targets. The project also establishes a framework for a statewide sustainability network and helps to strengthen county-based action networks, which will be the key to implementation of the Aloha + Challenge. The Kauai County Energy & Sustainability Manager is a member of the core planning committee.

The Aloha + Challenge defines six sustainability targets for Hawai‘i to reach by 2030 in clean energy, local food, natural resource management, waste reduction, climate resilience/smart growth and green jobs. These targets were developed collaboratively by lead State agencies with key private partners and endorsed by HGG members and build upon the work done by dedicated people across the state. The Governor has invited the Mayors and elected Chair of

the Office of Hawaiian Affairs to make a joint commitment to the Aloha + Challenge both locally and internationally.

STAFF-LEVEL GREEN TEAM & PROGRAMS

The SL-Green Team goals are to:

- Lead by example and take kuleana for malama aina.
- Manage resources properly-waste, water and energy.
- Realize cost-savings through proper resource management.

The Staff-level Green Team currently includes the following members:

Allison Fraley, Solid Waste	Mandi Swanson, Information Technology
Ben Sullivan, Economic Development	Emily Medeiros, Public Works
Shelley Teraoka, Housing	Julie DeMond, Prosecuting Attorney
Leanora Kaiakamalie, Planning	Jason Kagimoto, Wastewater Division
Mary Daubert, Office of the Mayor	Ruby Pap, Planning
Eddie Topenio, County Council	

In FY 16/17, the Green Team focused on raising awareness on climate change and sustainability among a broader segment of County employees. The primary vehicle for this effort was the 2nd annual Green Government Challenge. The Challenge is designed to provide opportunities for the more than 1,000 employees in the County to take an active role in creating a greener and more sustainable county government and community by improving their operation's energy efficiency and resource sustainability actions. The competition is also meant to impact their personal lives by learning how to be more sustainable, environmentally-conscious and to contribute to the island's overall sustainability.

The 2nd year of the challenge was very successful, exceeding our goal of improving employee engagement by 30%. We exceeded the employee engagement goal in both the number of individual employees participating (over 100 in 2016 vs less than 60 in 2015) and in the number of teams enrolling in and completing the competition (7 teams' vs 5 in 2015)

The 2016 Green Government Challenge was organized to increase employee awareness and engagement with the Operations Sustainability Plan. The Challenge was divided up into (7) 3 week 'blocks' where educational sessions and activities were focused on a specific aspect of the plan:

Block One - Our Changing Climate

Block Two - Save Energy

Block Three - Drive Less-Drive Clean

Block Four - Save Water

Block Five – Reduce Waste

Block Six – Build &Buy Green

Block Seven – Green Operations

The various activities of the Challenge also encouraged departments to adopt ‘Green Office Best Practices’ and such practices were inventoried to help measure progress and encourage collaboration. The chart below illustrates the status of adoption of these best practices across County agencies:

category	Action	Department/Office										
		PW Solid	Fire Dept	Mayor/BC	Planning	Econ Dev	PW Admin/Roads	PW Engineer	PW Building	County Attorney	Prosecutor	
Energy Saving Practices	Remove water coolers	complete	no thanks	need help	complete	complete	complete	complete	complete	part way		
	Delamp the office	complete	complete	need help	complete	complete	complete	need help	need help	part way		
	Shut down all PC's each night	complete	need help	complete	complete	complete	complete	need help	complete	part way		
	Lock the thermostat setting to avoid waste	complete	need help	need help	need info	complete	part way	need help	complete	need help		
	Provide desk fans for warm people	complete	complete	need help	complete	complete	need help	need help	complete	complete		
	meter your refrigerator/ replace if inefficient	complete	no thanks	need help	need help	complete	complete	need help	need help	no thanks		
Drive Less/Drive Clean	Use electric or hybrids vehicles when possible	complete	complete	need help	complete	complete	part way	need help	complete	part way		
	Train employees on proper use of the motor pool	complete	need help	need help	complete	complete	need help	need help	need help	part way		
	Promote an office carpool	complete	complete	need help	complete	need help	need help	need help	need help	part way		
	Promote employee bus ridership	complete	need help	need help	need help	need help	complete	need help	need help	part way		
	Encourage walking and biking to work	complete	no thanks	need help	need help	need help	complete	complete	complete	part way		
Reduce waste	set-up an office compost system	complete	need help	complete	need help	complete	complete	need help	need help	part way		
	recycle paper in the office	complete	complete	complete	complete	complete	complete	complete	complete	complete		
	set default print settings to double sided	complete	no thanks	complete	complete	complete	no thanks	complete	complete	complete		
	recycle plastics, bottles, cans in the office	complete	complete	complete	complete	complete	complete	complete	complete	complete		
	remove trash cans from individual offices	need info	no thanks	need help	need help	need help	need help	need info	need info	no thanks		
	Use reusable dishes instead of disposables	complete	no thanks	need help	complete	complete	complete	part way	complete	part way		
Energy Saving Practices	Remove water coolers	need info	complete	complete			no thanks	complete	no thanks	no thanks	no thanks	
	Delamp the office	need info	no thanks	complete			need help	complete	part way	part way	part way	
	Shut down all PC's each night	complete	complete	complete			complete	complete	complete	need help	part way	
	Lock the thermostat setting to avoid waste	no thanks	need help	complete			need help	complete	no thanks	need help	need info	
	Provide desk fans for warm people	no thanks	no thanks	part way			complete	complete	no thanks	need help	no thanks	
	meter your refrigerator/ replace if inefficient	complete	complete	complete			need help	complete	need info	complete	complete	
Drive Less/Drive Clean	Use electric or hybrids vehicles when possible	complete	no thanks	complete			complete	complete	part way	complete	part way	
	Train employees on proper use of the motor pool	no thanks	need help	complete			complete	complete	part way	part way	part way	
	Promote an office carpool		need help	complete			complete	complete	part way	need help	need info	
	Promote employee bus ridership		no thanks	complete			complete	complete	part way	need help	need help	
	Encourage walking and biking to work	complete	no thanks	complete			complete	complete	no thanks	no thanks	no thanks	
Reduce waste	set-up an office compost system	no thanks	need help	complete			need help	need help	no thanks	need help	no thanks	
	recycle paper in the office	complete	complete	complete			complete	complete	complete	complete	complete	
	set default print settings to double sided	complete	part way	complete			complete	complete	complete	complete	complete	
	recycle plastics, bottles, cans in the office	complete	complete	complete			complete	complete	complete	complete	complete	
	remove trash cans from individual offices	no thanks	need help	need info			no thanks	complete	no thanks	no thanks	no thanks	
	Use reusable dishes instead of disposables	complete	complete	complete			complete	complete	part way	need help	complete	

OTHER ONGOING PROJECTS

The energy & sustainability coordinator collaborates on several other projects within County operations and beyond, including:

- Pool Pump Efficiency: Personnel from Parks noted significant increase in pool energy use after recent replacement of pool pumps. Energy office recommended installation of variable frequency drives for the pump motors at both pools. Our office specified VFD's which have been ordered and will be installed by Parks in FY '17, reducing energy use at the pools by 25-40%.
- Low Income Energy Efficiency Pilot: Collaboration with Kauai Island Utility Cooperative to fund a residential energy efficiency program commencing in FY '17 that will help low income and elderly households to save money on their utility bills.
- Climate Change Awareness Project: Collaboration with Kauai Community College and community members on the development of a climate change awareness project to be rolled out in FY '17. Work included production of video interviews and development of presentation materials for community meetings.
- Full implementation of County Motor pool program: We continue to work towards a permanent implementation of a keyless, internet based vehicle reservation and access system for County vehicles. This program, successfully piloted in FY '15, achieves three key goals: (1) saves money for County by substantially reducing the number of passenger vehicles needed to service County employees (2) provides much more efficient access to same vehicles, and (3) allows for greatly improved fleet planning and fleet efficiency by providing detailed fleet usage data.

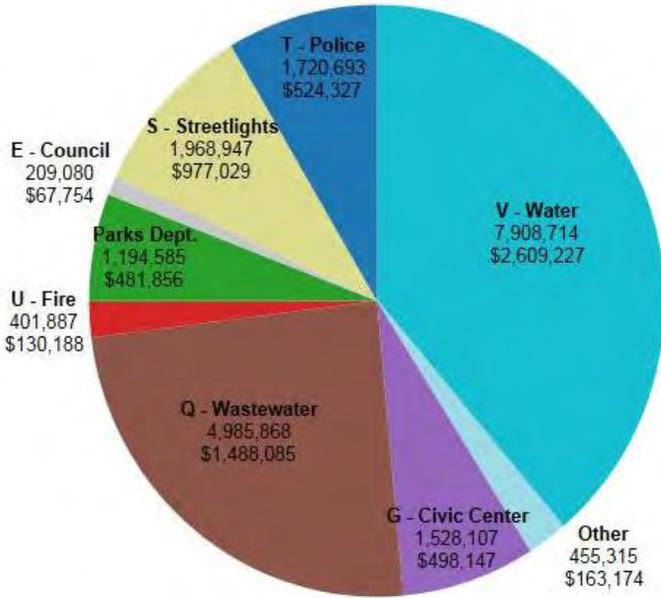
D. Program Measures – Accomplishments / Evaluation

	FY 17	FY 16	FY 15*	FY 14*
Program Funding	\$203,750	\$243,907	\$411,776	\$409,130
Operations sustainability initiatives	2	3	4	4
Efficiency/Renewable Energy initiatives	4	4	5	6
Sustainability Presentations	10	8	8	7

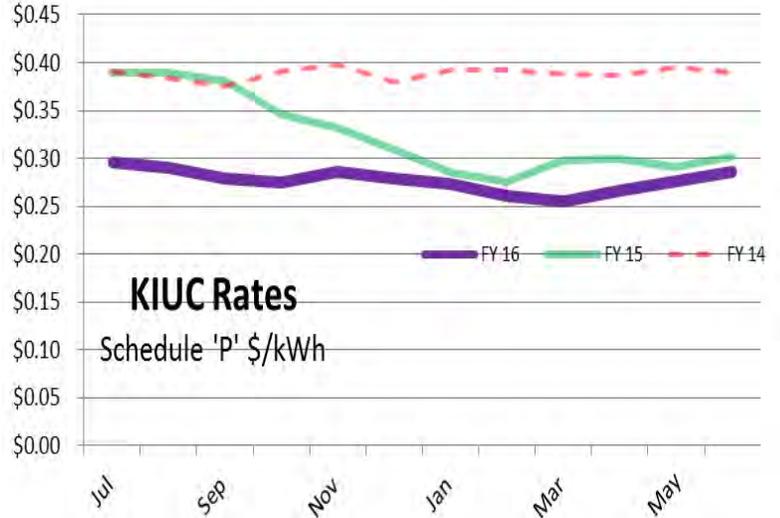
*Budget included (2) staff members and separate energy/sustainability programs

Annual Review of County Operations Electricity Use & Cost

Fiscal year	Utility (kWh)	Non-utility (kWh)	Total Use (kWh)	Total Cost (dollars)
FY 2017 (est)	12,800,000	6,800,000	19,600,000	\$7,000,000
FY 2016	12,894,582	7,478,614	20,373,196	\$6,939,789
FY 2015	12,681,200	7,494,133	20,175,333	\$8,079,661
FY 2014	12,746,923	7,786,017	20,532,940	\$9,164,570
FY 2013	12,426,468	7,623,769	20,050,237	\$9,078,234



Electricity usage increased in 2016 based primarily on higher utility use (water and wastewater) while overall costs decreased due to continued low oil prices. Non-utility electricity use dropped year over year. Substantial drop expected in FY 17 due to multiple efficiency projects coming online.



The graph above shows the trends for electricity rates for KIUC's 'Schedule P'. Other rates may be slightly higher or lower but follow the same trend. While it is extremely difficult to predict rates due to uncertainty in oil prices, our 2017 cost estimates for County electricity costs assume a slight increase in oil price relative to 2016 combined with a significant decrease in use.

Island-wide electricity use

Indicator	2011 kWh	2012 kWh	2013 kWh	2014 kWh	2015 kWh
kWh sold - All Sectors	434,745,056	433,159,072	431,478,208	429,923,520	432,078,048
- Residential	159,071,136	157,278,144	157,866,896	159,151,344	161,826,048
kWh sold Commercial	272,957,504	273,120,992	270,853,248	268,003,328	267,471,952
Hydropower	7,270,484	7,917,610	8,441,975	7,878,602	7,275,406

E. Budget (General Fund)

Description	FY 2016 Appropriation	FY 2015 Appropriation
Equivalent Personnel (E/P)	1	2
Salaries, Wages & Benefits	\$114,987	\$255,351
Operations	\$128,920	\$156,375
Equipment	\$0	\$0
Program Total	\$243,907	\$411,726

CREATIVE INDUSTRIES (FILM) & SMALL BUSINESS

A. Objectives

FILM

The Kauai Film Commission (KFC) works with film, TV and other entertainment production companies, producers, writers and directors worldwide to encourage them to bring projects to Kauai, by resourcefully explaining the benefits and positive experiences they will receive, and then helps to assure their success. Concurrently, KFC works to support the diversity of resources that make Kauai an attractive filming location including the scenic environment, visitor industry, cultural heritage, and aloha spirit.

1. Utilizing existing marketing campaigns and collateral, the KFC continues its on-going marketing efforts. KFC has simultaneously reviewed and developed an updated marketing plan that is currently underway to update and leverage existing resources and relationships.
2. The Film Office works directly with location managers, producers, directors and industry decision-makers to consider and develop new locations and incentives for filming on Kauai.
3. Works directly with producers and companies filming on Kauai to assure that their needs are met and that the community and environment are treated with respect and are protected.
4. Works with the community to assure both the economic well-being of local film industry resources and production success.
5. Monitors the technology trends in production and film to help further establish Kauai as a technological asset to filmmakers, as well as help to assist the island's infrastructure to better support production.

CREATIVE INDUSTRIES

Creative Industries - A Growing Interdisciplinary Industry

In aligning with the State of Hawaii – Department of Business Economic Development & Tourism – Creative Industries Branch, the Kauai Film Office recognizes that Creative Industries comprises of several discipline which the state continues to support in order create a more diversified economy through the creative industry sector. In addition to the film industry, the office also supports other disciplines that are maturing on the island.

Recognizing the growing importance of the Creative Economy in Hawaii's and Kauai's larger and evolving context, the Kauai Film Office expanded its scope of program activities within the film office in order to broaden and support the many, many small businesses on-island which comprises this important and emerging sector.

According to the State of Hawaii – Department of Business Economic Development & Tourism – Creative Industries Branch 2015 Annual Report, in 2014, the Creative Economy had some of the following data as a profile of a professional in this sector:

- Job growth was 1.8% higher compared to the State of Hawaii at 1.1%, just .2% lower than the national average at 2%
- Wages were lower than the state which had a statewide average of \$51,875 versus \$46,662
- From 2004 – 2014, during this 10 year period, there was an 11.1% growth in jobs, slightly lower than the overall economy at 11.5%
- Developing this sector is critical to the state’s future growth for the 3 primary reasons:
 - 1) Hawaii’s cultural diversity and unique heritage of its Hawaiian host culture are major attractions for millions of visitors to the islands that contributes billions of dollars into the island economy
 - 2) The depth of Hawaii’s creative and cultural talent and unique artistic content helps Hawaii’s creative products compete globally such as the Made in Hawaii and Kauai Made brands
 - 3) The sector’s industries and workforce are important sources of ideas, content and talent for the state’s emerging technology sector

The Creative Industries & Small Business Specialist is working with both the local fashion industry and the literary arts sectors.

SMALL BUSINESS

Strengthening and growing the island’s small businesses is a key objective of the Office of Economic Development. Critical to this success is actively participating and partnering with organizations for example, such as the Kauai Chamber of Commerce, Kauai Filipino Chamber of Commerce, the Kauai Native Hawaiian Chamber of Commerce, Hanapepe Economic Alliance, Lihue Business Association and other business associations.

By networking and engaging the businesses, leaders and others from throughout the island’s communities it provides greater opportunities for input and helping to shape policies and programs to support many businesses who do not have the resources to advocate for themselves. A key recognition by the public education sector (public and college) is the inclusion of entrepreneurship curricula in schools as a viable economic and career pathway.

OED partners with educators in order to provide more practical perspectives in the application of theory to real-life situations/programs that create much more realistic insights for all participants, from students to teachers and leaders (business, education and community) to policy makers.

The Kauai Film Office supports small businesses with its Production Resource Directory (PRD) on the office’s website at www.filmkauai.com. Over 300 small to medium-size businesses represent a variety of products and services critical to the industry. OED continues to encourage the professionals of this industry in connecting them with filmmakers, producers and others considering Kauai as a place to conduct the business of film-making and entrepreneurship as a viable economic activity and, career.

B. Highlights

FILM

Jurassic World Exposure

After the release of Jurassic World which grossed over \$1 billion worldwide and over \$652 million in the U.S., the exposure of the movie provided Kauai more global opportunities as a brand for film production and film tourism. The success of the film provided professionals from writers to producers and directors as well as location scouts and others a reminder of the island's ability to produce world class productions despite the island's nearest land mass at over 2,000 miles away.

The industry also contributed to the local economy, especially, others directly and indirectly involved in the sector. This included the food and accommodations industries to construction and transportation, fashion/photography and advertising/marketing as some examples of sectors that benefitted Kauai's small businesses.

While in Washington D.C. at the 2nd Hawaii on the Hill in June 2015, Mayor Carvalho attended the Washington D.C. premiere of Jurassic World as a guest of Universal Studios and who welcomed the audience of invited guests to Kauai. The Mayor's opening/welcome remarks were captured and shared on YouTube in which he also spoke about the meaning of A-L-O-H-A. While it was taking place, U.S. Senator Mazie Hirono at the opening/welcome reception of the Hawaii on the Hill 2015 also highlighted the making of the movie on Kauai and her conversation with the director expressing both her interest and appreciation of the film being produced in Hawaii.

2015 Hawaii Film Festival

The Waimea Theatre held a very successful HIFF which took place prior to the Garden Island Film Festival over a 4 day period. The films screened drew a wide interest, mostly, for residents and visitors from the island's West Side. The HIFF was followed by the final screening of the Garden Island Film Festival which screened a Hawaiian documentary which included the film maker and a student film by a Kauai Community College student.

2015 Garden Island Film Festival

The inaugural GIFF was organized by a committee that included members of the industry, including a film maker who initiated the theme for the first year which highlighted documentaries made related to the Polynesian Voyaging Society's (PVS) Hokulea, a twin-hulled canoe. 2015 was the first year of the PVS's Malama Honua Worldwide Voyage which at the time of the screening had just arrived in South Africa. This year's goals were the following: to establish a Kauai-based film festival organized by members of the industry and non-profit partners, outreach to other areas of the island, include student-created projects highlighting students studying the art/craft of filmmaking, and, collaborating with partners throughout the island in addition to provide audiences a locally grown film festival. Funds from the county provided support for marketing, equipment rental, travel for film makers to participate in the festival, and, honoraria. The Westin Princeville Ocean Resort Villas provided the newest location which was a place and a partner to screen the film and serve as a venue for a north shore location. Despite the heavy storm and thunder, an adjustment was made to relocate the event from outdoors to indoors which provided an intimate setting for the 120+ attendees. A food truck was also brought in to provide finger-type foods for the

attendees. A Kauai Community College faculty member who was also building a twin-hulled canoe (and which was launched in September) served as a speaker before and after the film. The same format was used at the Kauai Community College Performing Arts Center and at Waimea Theatre. Audience participation averaged about 100 – 125 attendees. The other film screened featured the father of the president of the PVS and was a biography of a Native-Hawaiian. Student films screened prior to the feature film were Kauai Community College students' projects who went through a vetting process by a faculty member of the college and who also was part of the film festival committee. Lessons learned from 2015 will be incorporated into the planning for 2016.

2016 Annual Association of Film Commissioners International (AFCI) Trade Show

Held in April in Los Angeles/Burbank provided another opportunity to showcase Kauai and the State of Hawai'i's capacity as a location for a variety of productions. New this year was the private sector joint participation of a booth co-hosted by a land owner and hotelier focused only on promoting Kauai as a film destination.

Each year, the AFCI Tradeshow provided a great opportunity for the Kauai Film Commissioner to conduct "sales calls" at major production studios, as well as establish relationships with film executives and decision-makers.

This year was no exception as the following individuals provided invaluable insight on the industry and possible film opportunities on Kauai:

- Ms. Becky Brake (Supervising Location Manager, Paramount Pictures International)
- Ms. Laura Sobe-Matteson, Big Island Enterprises, (Supervising Location Manager)
- Mr. Ilyt Jones, Production Manager
- Mr. Golden Swenson, Leftfield Productions, (Location Manager & Scout)
- Mr. Stuart Halperin, Halperin Marketing & Digital Innovation, LLC,
- Mr. Nicky Weinstock, President, Red Hour Films and business partner, Ben Stiller
- Travelled to Culver City to Sony Pictures and met with Ms. Walea Constantinou (Honolulu Film Commissioner), Mr. Tracy Bennet (Maui Film Commissioner) and Sony Pictures Executives at Sony Studios – Columbia Pictures:
Mr. Matthew Toomey (Manager Production Administration),
Ms. Sara Spring (Executive Vice President Production Administration) and David.
- Ms. Dawn Krantz, Producer & Pierre and, Financial Officer and Director, Krannel Productions

CREATIVE INDUSTRIES

This sector continues to grow and more importantly, provides growth potential and opportunity, especially, for the youth who are not as interested in traditional sectors such as agriculture.

Hawaii Fashion Month

The Creative Industries & Small Business Specialist assists organizers of the Annual Hawaii Fashion Month (HFM) which was established in 2013 and successfully held on Kauai since 2014.

Kauai Creative Technology Center

The establishment of the Kauai Creative Technology Center provides an excellent opportunity that will mutually benefit students and those interested in having a career in the technology and the Creative Industry sectors. Furthermore, it is envisioned that students and interns will have an opportunity to work with professionals in the field who are either local or from off-island and who are working on a project further infuses this sector with hands-on/practical training and mentorships. Finally, the KCTC will provide production staff opportunities to do pre- and post-production work on-island as an added convenience.

SMALL BUSINESS

Hanapepe Economic Alliance

Working closely with the Hanapepe Economic Alliance (HEA) as a key organization due to its successes in renovating and re-inventing the town that includes the highly successful Art Night, establishing 8 new businesses and fostering a stronger sense of cohesion among HEA members has served as a good vehicle and model in working with community town-gown partnerships.

In 2017, HEA will celebrate its 20th anniversary of successfully hosting the Friday Art Night event and members have developed their own leadership skill sets that will help them as the organization continues to mature and address issues such as the County General Plan and upcoming ordinances. Developing their sense of success, pride and empowerment has been the biggest highlight for Kauai's Littlest Smallest town that includes additional manufacturers as well as Kauai Made participants.

C. Activities

FILM

Marketing Plan

The Kauai Film Commission, recently updated its Marketing Plan which outlined its strategy on how to promote Kauai's film industry and attract production companies of all sizes to do business on Kauai.

From the onset of an initial film industry meeting in April of 2015 which apprised the new film commissioner about the status of the Kauai Film Office (KFO) regarding operations, projects, goals/objectives, the project outline was defined, clarified and served as a roadmap for project and related activities over the next fiscal year 2015-2016. The majority of the activities outlined in the plan also incorporated ideas outlined in a Marketing Plan as a guideline in implementing a marketing plan going forward.

A significant amount of effort during the first year was to update and rejuvenate the [www.filmkauai.com website](http://www.filmkauai.com). This included individually contacting the approximately 300 businesses listed on the Production Resource Directory (PRD) to introduce and initiate contact with the business listing and insure that the content on the PRD was current and valid. Working with Delicious Design and the stakeholders, a refreshed background was accomplished by changing the color from black to blue and green which reflected a more welcoming and environmental perspective in alignment with the perspective of Hawaii as a location and its Hawaiian Sense of Place, adding changing images on the pages, adding a map

of Kauai with locations on the island that when clicked, connected the location to a photo image, adding an on-line film permit form and other enhancements.

Another aspect was in improving the 'Customer Service Experience' for both the film industry community on the island who are essential to providing the necessary business services and products to the film production companies making inquiries in order to insure that the production company had immediate attention and acknowledgement of their possible project on the island.

Other components included updating the annual Hawaii Production Index which include a spiral bound directory that also had a CD version and which listed Kauai companies involved in the industry, contributing articles to the quarterly Hawaii Film & Video Magazine, and, most of all, attending events that create and promote awareness of the Kauai Film Office as a conduit for film-related production activities.

The key elements of the Marketing Plan include:

Product

Location, Crew, Available Services, Film Commission Assistance are all important components of the Kauai product that is desired by the target film production market. The concept of product in a marketing plan deals with finding the right product for your target market. The product must be something desired by the intended customer.

The OED-Film office has focused its efforts on attracting smaller commercial productions and independent films, as well as feature films; reality shows and travel-related television shows which help promote Kauai as both a viable filming and travel destination.

Price

Price is a very important element of the marketing mix. The cost of film production on Kauai can make or break a decision to film here. It is important that the State of Hawaii Legislature continue to support the film tax credits. Although Hawaii has breathtaking beauty and people, it is very expensive to film a production here. The Kauai Film Commission needs to have a good command of lodging and other services available and a good working relationship with each of them.

Place

Selling your product in the correct place is another important aspect of the marketing mix. No matter how good your product or service is, if the customer cannot find it, no purchases will be made. To determine the proper place to market your product, you must determine where the target audience is shopping for similar purchases. This might be in a brick-and-mortar storefront location or through an Internet store.

Promotion

There are multiple mediums available to promote a product or service to your target consumers, including word of mouth, newspapers and other print publications, television, radio ads and Internet advertising. The money you have available to spend for promotion can determine which means you use.

- **Printed Materials**

The Kauai Film Office partnered with the Kauai Visitors Bureau to create several print materials in preparation of the upcoming 2016 AFCI Locations Trade Show in April. These were primarily an ad which was cross-promoted and leverage to appear in the Hawaii Film & Video Magazine edition which was distributed at the LTS show. Additionally, the same ad was used in other media as a branding effort that was consistent in layout and application.

Hawaiian Airlines also recognized the importance of film tourism in its 2016 annual table-desk-wall calendar which focused on a theme '2016 On Location In Hawaii' which highlighted movies made in Hawaii, including 6 of 9 photos of locations used in films shot on Kauai. Over 100 posters were easily distributed at the trade show for this popular item which also served as a year-long poster and reminder of 6 iconic locations and films produced on Kauai.

Also, coinciding with the AFCI show, the Hawai'i Production Index 2016 print edition was distributed to attendees and others at meetings and networking opportunities. The H.P.I. is also available as a format in a CD version.

- **AFCI (Association of Film Commissioners International) - Annual Location Trade Show**

The Kauai Film Commission is a member of AFCI, which is a global organization of certified commissioners with more than 300 film commissions in six continents. KFC attends and participates in AFCI-sponsored and AFCI-related events which organizes workshops, seminars and panel discussions to assist film commissioners in order to become more successful in marketing their film locations and to help increase film activities in their respective jurisdiction.

One of AFCI's signature events is the annual Location Tradeshow in Los Angeles which features hundreds of film commissions and film-related businesses to showcase and promote their locations and film products to thousands of film producers from around the world. The KFC participates in the event as part of the Film Offices of the Hawaiian Islands (FOHI) which is a consortium of the state and county film offices in organizing and promoting Hawaii as a film location.

The 2016 LTS was relocated to Burbank due to a renovation at the original location. The venue change provided another location opportunity in where the Hawaii booth would be placed which was at the entrance to the event. As a way of drawing attendees to the booth, free Hawaiian coffee is served throughout the entire event. The booth which is one of the largest at the show draws hundreds of attendees. Many contacts were established both old and new with additional and up-to-date information about potential projects and locations for consideration that would be a good match for the production company and the respective Hawaii location/commission.

The Honolulu Film Commissioner also serves as a member of the AFCI board of directors and also sits as an active executive committee member as treasurer. The commissioner's presence and longtime membership have helped the state in its visibility and furthering relationships that results in referrals and actual projects produced in the Hawaiian Islands.

During the LTS, Hawaii's 5 film commissioners, collectively and individually, made sales calls and courtesy visits to film studios and production offices in order to promote our respective film locations in addition to promoting the 20% or 25% film tax credit in the State of Hawaii as an incentive to film.

Several meetings were arranged which led to introductions with Location Managers who had previously established relationships in Hawaii due to prior projects on Kauai. These meetings also included a writer who rewrote a project in order to film the entire movie on Kauai which was scheduled for pre-production in fall and production concluding before the end of 2016.

Additionally, executives at Sony Studios held a meeting to discuss a movie which was already behind schedule with anticipated location scouting in summer and pre-production in fall and the conclusion of production before end of 2016.

Another Sony movie was also considered for spring 2017 and will necessitate a follow-up visit in fall 2016. Other meetings also included a potential reality show and potential Hawaii and Kauai projects by small production companies from throughout the region and continental U.S. These projects are in the phase of pre-planning and pre-production and the film commissioner maintains contact with the key decision makers of each of the projects. Additionally, these contacts also have led to newer contacts and other possible productions on-island.

- **Website**

The Kauai Film Commission website (www.filmkauai.com) is a key resource and contact point for filmmakers and others seeking information about film locations throughout Kauai. The website was updated and included approximately 300+ businesses listed on the Production Resource Directory (PRD) database that included new film industry businesses and services on Kauai in addition to an overall fresh and revamped website as an invaluable and convenient on-line resource serving as the commission's business card and electronic portal.

- **Media**

Kauai Film Commission provides film-related news and information to the media via press releases through the County's Public Information Office.

KFC also partners with the Kauai Visitors Bureau (KVB) to produce ad campaigns and media blitz events with movies made-on-Kauai as themes. Collateral materials were created for the annual Association of Film Commissions International annual trade show held in April 2016. Additionally, a magazine ad was included in the quarterly issue of the industry trade magazine, Hawaii Film & Video which was distributed at the trade show. These are just some of the examples of the partnership the film office has including the Kauai Visitors Bureau Executive Director who is a member of the Film Advisory Committee which provides input in film and related matters.

- **Social & Business Media**

As a result of the completion of Phase I of the website, Phase II's plan would incorporate up to 3 types of Social Media as part of the Kauai Film Commission's Marketing Plan.

In 2012, the Kauai Film Commission Facebook was created. It continues to inform film industry specialists and the general public of on-going and current film-related news and information. Facebook has become a reliable, efficient and no-cost business media network which helps promote Kauai's film industry and locations. KFC will also include other social/business media networks (up to 2) in the near future such as Instagram, Pinterest, Twitter and others in order to provide better and faster film information access to potential filmmakers, especially to highly-digitized filmmakers. All information on Facebook and other social/business media network is reviewed and inputted by Public Information Office in the Mayor's office.

Filmmakers of Kauai

Kauai continues to grow its cadre of elementary, middle, high school and college students studying film and digital media technology as part of the growing Creative Industries sector throughout the state. The industry and community is already decades into the digital age as the State of Hawaii is one of the highest connected states due to its proximity to Asia and the Continental US and the continued expansion of the broad band linking the Asia-Pacific and North American continents.

Hawaii International Film Festival (HIFF)

Although there was no island-wide film festival participation by HIFF, the Waimea Theater also worked with the HIFF Executive Director, Robert Lambeth and hosted a component of HIFF films at the theater which was also extremely successful. The 2015 festival effort thus included 2 film festivals and in this case, adhered to a HIFF package of films which followed HIFF guidelines in the film screenings.

Garden Island Film Festival (GIFF)

In 2015, a committee was established to host/organize the film festival annually scheduled for November. It was concluded that a separate Garden Island Film Festival would be established and that it would occur during the annual HIFF. The decision was a result of having a more locally-based event led, conceived and implemented by Kauai members of the film industry.

A major goal was to extend the festival to rural communities outside of Lihue which included the North Shore and West Kauai. As a result, new partners were invited to co-host the locally grown festival that included the Westin Princeville Ocean Resort Villas (North Shore), Kauai Community College (Lihue/central Kauai) and Waimea Theater (Waimea).

Part of the inaugural festival was to also include Kauai-based student projects produced by Kauai Community College and provide an opportunity for the students to also have a discussion with the audience. This same format was also held for the film that was showcased in the evening after the student project was screened. The GIFF provided the committee members working concepts of what would be appropriate and successful for a future GIFF.

The theme for the 2015 inaugural GIFF was highlighting films related to Native Hawaiians and the Hokulea as part of its worldwide Malama Honua Voyage. The 2016 plan is to continue with a GIFF and support Waimea Theater with its own HIFF as well as add 2 additional locations, including, Kapaa (East) and Koloa-Poipu (South Shore).

Film Offices of the Hawaiian Islands (FOHI)

The Kauai Film Commission works in conjunction with city and county film offices on Oahu, Maui and Big Island, and the Hawai‘i State Film Office at (DBED&T/Creative Industries) as a consortium as the Film Offices of the Hawaiian Islands.

FOHI was well-represented at the 2016 AFCI Location Trades Show and garnered 2nd and 3rd place winners for booth display categories. FOHI works collectively to find new ways to attract filmmakers to shoot their productions in Hawai‘i through collaborative ad placements in major film trade publications (Hollywood Reporter, Hawaii Film & Video Magazine, etc.) thus sharing and reducing costs to market Hawaii’s film locations and resources to the global market.

FOHI is comprised of:

- Tracy Bennett , Maui Film Commissioner, Maui Film Office
- Benita Brazier, Film Specialist – Hawaii State Film Office and former Maui Film Commissioner
- Walea Constantinou, City & County of Honolulu Film Commissioner, City & County of Honolulu Film Office
- Donne Dawson – Hawaii State Film Commissioner – Hawaii State Film Office
- Justin Finestone, Big Island Film Commissioner, Hawaii Island Film Office
- Randy Francisco, Kauai Film Commissioner, County of Kauai Film Office

Legislative Activity

The Hawaii State Film tax credit increased from 15% to 20% on O‘ahu and 20% to 25% for the neighbor islands in April 2013. It is set to sunset on December 31 2018. The Kauai Film Office submitted testimony to the Hawaii State Legislature for film-related, Creative Industries-related and Hawaii State Department of Business Economic Development & Tourism legislation. The office worked in conjunction with the DBEDT.

CREATIVE INDUSTRIES

Creative Lab

In conjunction with the Creative Industries Branch and the Kauai Economic Development Board (KEDB), the Kauai Film Office will be launching the Creative Lab (CL) which is an intensive training program that provides attendees a series of programs to assist them as they take the next step from concept to development/production. Fall 2016 will be the inaugural CL programs held in conjunction with the November film festival and fashion month events. The Kauai Writers Conference already has a pre-program prior to the start of the conference that has a CL component.

Kauai Creative Technology Center

The present and future of the industry is dependent almost entirely on a facility that has the capability to provide training, internships and related programs for island-based students and

professionals in order to keep up with the latest in technologies and creative industries concepts. Furthermore, a facility would also provide opportunities for production companies to consider Kauai for pre- and post-production activity and thus save costs in addition to the convenience of have a facility conveniently located on-island.

Kauai's young innovative and creative minds, artists and talents need the Kauai Creative Technology Center (KCTC) to be built so that students and other filmmakers can expand their education and hone their skills to succeed and sustain themselves as future filmmakers in this competitive world. KCTC, although not a sound stage or film studio will be a first step to develop a viable 'film business industry' facility on Kauai where professionals and visiting film crew can incorporate the facility for pre- and post-production work while filming on Kauai as well as create a professional working environment for Kauai's film industry specialists to learn and improve their skills and create added synergy amongst everyone.

The center will also provide hands-on opportunities for the growing number of students studying film and digital media in schools. "Filmmakers Bootcamp" is a professional filmmaker's training and workshop for Kauai's youth ages 12-17 to help young filmmakers develop skills to work in the film industry. The workshop is produced by Above Moon Productions from Kauai with veteran filmmaker, Edwin Sawyer and his production crew as hands on instructors.

As part of the effort to begin another phase of experience and training, the County of Kauai in partnership with Kauai Economic Development Board and the State of Hawaii Department of Business Economic Development & Tourism – Creative Industries Branch will initiate in 2016 a Creative Lab Program that connects industry professionals and students in master classes, workshops and seminars as a cohort for a series of short-term intensive sessions that has as its objective to provide cohort members to learn about how to successful take their project/concept to the level of production that includes mentoring and financing.

SMALL BUSINESS

Hawaii on the Hill

Participating at the 3rd Annual Hawaii on the Hill in Washington D.C. served as an excellent showcase of Kauai's small businesses which included most manufacturers and other industries. Developing these businesses ability to participate and showcase their businesses at a national level was even more critical in bring the Kauai Made brand to the nation's policy makers which translates into federal spending and capital infusion into the local economy.

Additionally, actively engaging and challenging business and community leaders also helped foster a more trusting relationship for diverse groups to focus on common areas that benefit the larger community. The highly successful and inaugural Kauai Chocolate & Coffee Festival with Hawaii Tourism Authority Grant Funds from the Office of Economic Developed sponsored by the Hanapepe Economic Alliance which drew over 5,000 attendees in 2 days provided organizers and leaders an opportunity to reflect on how they can build upon future successes, including their upcoming 20th Anniversary of monthly HEA events in addition to the 2nd Kauai Chocolate & Coffee Festival. In building upon this success, it is planned to replicate best practices from this HEA model to occur in communities such as Kalaheo which presently has no business or community non-profit organization.

D. Program Measures – Accomplishments / Evaluation

FILM

Film Commission program measures are based on economic impact and jobs creations which are tracked on a Fiscal Year_(FY) basis. The statistics were accumulated from film permits issued by State and County of Kauai.

Film Commission program measures are based on economic impact and jobs creations which are tracked on a Fiscal Year_(FY) basis. Effective Fiscal Year 2016, the statistics were accumulated from film permits issued by State and County of Kauai film offices and, voluntary data also provided by private locations. While these metrics are included as evaluation variables, the other contributing variable that cannot be measured be indeed contributes to the islands economic/workforce development is in the area of film tourism which is gaining recognition throughout the country as a significant contributor to an area's economy.

Jurassic World

After additional research of state film data due to the release of Jurassic World which premiered in June 2015, during 2014, \$8,777,881 was spent on Kauai for the production. As a result, the total actual amount spent in 2014 was \$4,873,800 (previously recorded) + \$8,777,881 = \$13,651,681. The Multiplier Effect (M.E.) used by the film industry in its analysis in determining the legislation related to the tax credit as an incentive was 1.7. For Jurassic Park, the M.E. was valued at \$14,922,398.00.

Description	FY 2016 Actual	FY 2015 Actual	FY 2014 Actual
# of Film / TV projects	28	30	24
# of Shoot Days	161	304	188
# of Jobs (Kauai hires)	92	142	122
Economic Impact	\$886,000	\$3,069,500	\$4,873,800

FILM PRODUCTIONS

The breakdown for all film, video and still photo shoots during the course of the year as follows:

<u>Type of Production</u>	<u>US</u>	<u>Asia</u>	<u>Europe</u>	<u>Australia/Canada</u>	<u>Total</u>
Feature Films	0	0	0	0	0
Television Shows / Series	6	0	0	0	6
Commercials / Print Ads	4	0	0	0	4
Music Videos	5	0	0	0	5
Documentaries	9	0	0	0	9
Travel	3	1	0	0	4
Sports	0	0	0	0	0
Digital / Internet / Other	0	0	0	0	0
Total	27	1	0	0	28

Feature Films (0)

Television Shows; TV Reality Shows (6)

TV reality shows are still a significant contributor to the overall film activities on-island. Home & Garden TV (HGTV) completed its 7th season of the popular Hawaii Life series. A crew also featured on a cable network filmed a segment at the Coco Palms Resort just prior to its demolition as part of the Ghost Asylum 3 reality show. 2 other programs completed the TV Shows/Series segment including Little Women L.A. which filmed in the south shore and Ju One Corporation which did the World Tour Perfect Map. Collectively, these productions contributed \$395,000 and hired 8 out of 45 crew members. An additional \$6,715 was generated using the Multiplier Effect (M.E.) of 1.7%.

Commercials / Print Ads (4)

Commercials and print ads continue to be a significant part of the overall film production activity that helps to also promote the island as a brand. The activities included TV commercials for a web video for Lycra Athleta, a Japanese beverage commercial, a fashion shoot for outerwear and 2 photographers shooting for stock photos for print advertising. The majority of these shoots used state and locations with the remainder at private and county locations. Collectively, these had a combined budget of nearly \$26,000 and comprised of mostly individuals making the shoots who were contract photographers.

Music Video (5)

3 county locations were used that were music video projects including a Kauai Visitors Bureau Time-lapse, PFC – Hawaii Aloha and a Laurin hunter music video all shot throughout the island from primarily north shore and East Kauai to Open & Access permitted areas.

Documentaries (9)

There were 6 documentaries which used County of Kauai locations and the remaining 3 shot on state and private properties. These included a Kauai Visitors Bureau Time-lapse, an Oahu to Kauai video project, 2 Kauai Marathon video documentaries as part of the annual Kauai Marathon held in September, “Green Hawaii”, a video documentary on world surfing champion and Kauai resident, Andy Irons and a German documentary by Spiegel TV. These documentaries contributed \$160,000.00 in economic activity and had 11 local crew out of 30 total crew members.

Travel (3)

2 travel projects that highlighted Kauai were both a result of the Hawaii Visitors & Convention Bureau including Kauai Visitors Bureau with a travel log and the Hawaii Tourism Japan that had a total combined budget of \$70,000 and a Kauai crew of seven out of 23 overall crew. A third project was a private use of a location.

Sports (0)

Digital / Internet / Others (0)

CREATIVE INDUSTRIES

The data previously included in the 2015-2016 charts served as an initial metric. Additional metrics under review are the Google Analytics regarding the website usage and continued expansion in the fashion and writing/literary arts disciplines going forward. More importantly, increasing awareness, appreciation and understanding of these clean industries to the limited resources of the islands economy as it transitioned from an agrarian to tourism-based and other diversified clean industry economies/creative industries are under review in establishing future metrics following the State of Hawaii DBEDT = CI Annual Reports.

SMALL BUSINESS

A significant change is in the physical conditions of Hanapepe town's buildings as there is the near completion of older buildings that underwent significant renovation to others which needed only a minor repainting, etc. Collectively, Hanapepe town and its Hanapepe Economic Alliance are on target to complete another phase of renovations/restorations on the eastern/entrance into to the town which began with the installation by the county of a new parking lot to alleviate and diffuse the parking issues as well as increase business access to the entrance of the town. 2 additional buildings started their renovations/restorations in addition to the installation of a welcome mural and other new businesses which have helped to invigorate the business climate and offer additional choices to both residents and visitors. Recently, the HEA partnered with the 2 Buddhist temples in assisting with transportation, parking and promotion of their annual summer Bon festivals which directly and indirectly contribute to the town's well-being. The success of this model which contributed to the addition of new businesses and economic models will provide context and Best Practice Principles for other towns interesting in their own revitalization efforts.

E. Budget (General Fund) includes FILM, CREATIVE INDUSTRIES & SMALL BUSINESS

Description	FY 2016 Appropriation	FY 2015 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$122,874	\$88,622
Operations	\$ 39,735	\$22,438
Equipment	\$0	\$0
Program Total	\$162,609	\$111,060

WORKFORCE DEVELOPMENT

A. Objectives

In 1998, President Clinton signed into law (PL 105-220) the Workforce Investment Act of 1998 (WIA) to stimulate local areas' strategic redevelopment and improvement of local workforce systems, while also amending the Wagner-Peyser Act of 1933 (WP) by integrating its Employment Service labor exchange activities into the One-Stop Career Center delivery system of WIA. Reauthorization of the Workforce Investment Act has been pending since 2003.

On July 22, 2014, President Obama signed into law the new WIOA Act – Workforce Innovations and Opportunities Act (PL 113-128) superseding the old WIA Act of 1998.

Since the initial Act's inception, the four counties in the State of Hawai'i have been designated as the local area One Stop Operators by the Governor, and as a result, receive Federal Workforce Investment Act (WIA) and now Federal Workforce Innovation and Opportunity Act (WIOA) funds from the U.S. Department of Labor (USDOL) through the State of Hawai'i's Department of Labor & Industrial Relations (DLIR) Workforce Development Division (WDD) which administers the program. Starting July 1, 2015, the new Workforce Innovations & Opportunity Act (WIOA) is in transition phase and is now being implemented.

With the funds received from the federal government for the WIOA program, the County's Office of Economic Development, Workforce Development Coordinator works with the State's DLIR Workforce Development Division located in the Lihue Civic Center - One-Stop Office to administer three programs.

PROGRAM INFRASTRUCTURE

In 2011, Congress significantly reduced the amount of funds that States can withhold for administrative use which is now beginning to have a significant impact on the State of Hawai'i Department of Labor and Industrial Relations since all of its administrative staff associated with WIA have been paid directly with WIA funds. The DLIR attempted to secure temporary funding from the 2012 State Legislature, as well as sought a correction to the interpretation of the Congressional action but both efforts were not successful.

The WDC Executive Director resigned his position as of September 30, 2012 and the oversight of the State WDC was absorbed by DLIR Administrative Workforce Development Division (WDD).

In the Spring of 2014, DLIR Workforce Development Division continued to propose consolidating all delivery of WIA programs under a single State Board which will mean eliminating the Counties as the one stop operators on the neighbor islands. By August 2014, this decision was not fulfilled. Kauai County still remains as a designated One-Stop Center.

In June 2014, a new interim WDC was selected to head the Workforce Development Council. Leslie Wilkson from Maui's Economic Development Board filled that position for the first time.

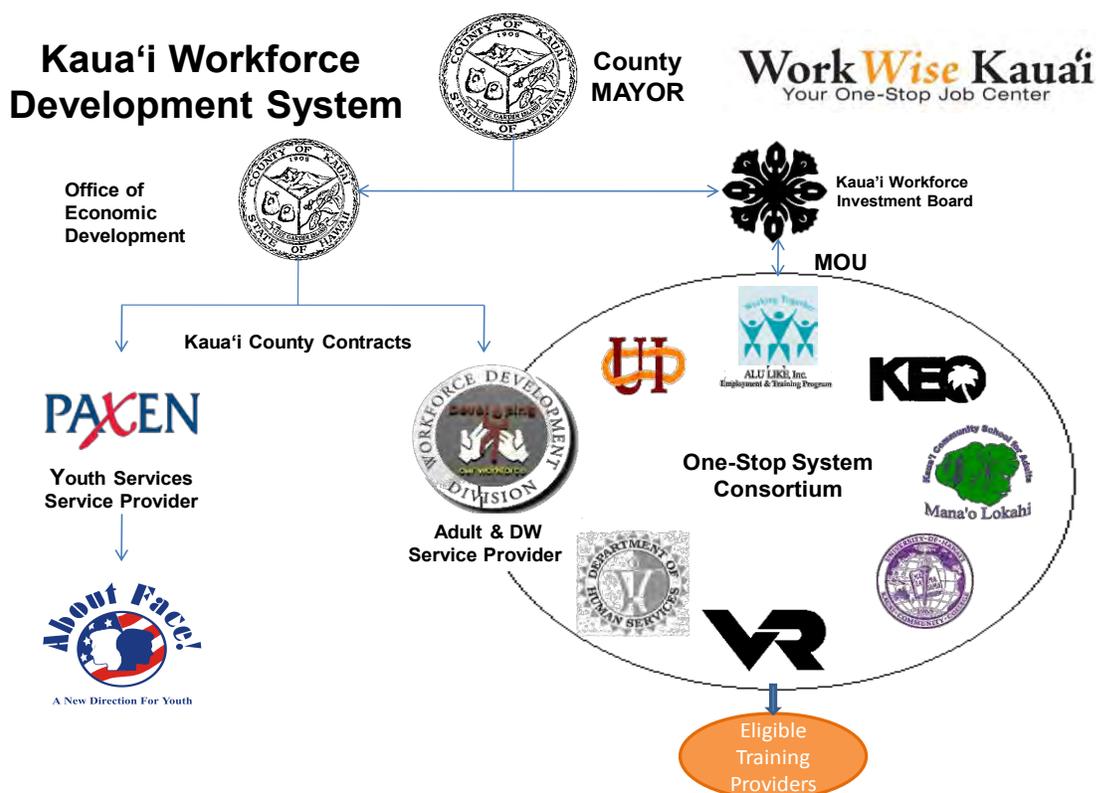
In July 2015, potential WDC Executive Director Candidates were interviewed and later Allyson Tasaka was hired for the position and started on August 20, 2015. Tasaka recently hired two more WDC staff members and is currently going through the transitioning phase of WIOA.

ONE-STOP OPERATOR

The County of Kauai is designated as the local area One-Stop Operator by the Governor, and as a result receives Federal Workforce Innovation and Opportunity Act (WIOA) funds from the U.S. Department of Labor (USDOL) through the State of Hawai'i's Workforce Development Council which administers the program.

As a One-Stop Operator, the County of Kauai Office of Economic Development (OED) is responsible for:

- Local administration of the three WIOA programs that focus on employment and training, through two service provider contracts:
 - Adult and Dislocated Workers served by the State DLIR Workforce Development Division (WDD) housed in the *WorkWise* - Kauai One-Stop Job Center.
 - Youth served by (former Paxen Huli Ke Alo, LLC) pending new contractor.
- Oversight of “*WorkWise* – Kauai One-Stop Job Center,” along with a consortium of mandated community partners receiving Federal WIOA or related employment and training funds as shown in the diagram on the following page.
- Oversight of the mandated Kauai Workforce Development Board (KWDB).



ADULT PROGRAM

The *WIOA Adult Program* assists adults in obtaining the skills necessary to secure and retain employment and move toward self-sufficiency. Three levels of service are provided under the “One-Stop” system framework: core services, intensive services and training. The type and duration of service is determined based upon the individual job seeker’s specific needs and is then defined in the Individual Employment Plan (IEP) developed by the case manager.

The service population priorities are aligned with the overall State WIOA plan with focus on low-income individuals, including migrant and seasonal farm workers, public assistance recipients, minorities, women, veterans, older workers (retirees), ex-offenders, and individuals with multiple barriers to employment.

DISLOCATED WORKER PROGRAM

The *WIOA Dislocated Worker Program* provides job search, training and placement assistance to individuals who have been terminated or laid off from employment, are collecting unemployment insurance, or are displaced homemakers. As with the Adult Program, dislocated workers may access a range of services depending upon the individual's needs and employment objectives.

YOUTH PROGRAM

The *WIOA Youth Program Services* operated without an office location and instead, met with participants for classes in the 3 high schools and numerous neighborhood centers, and one-on-one at various libraries around the island between 2010 and 2012.

Since 2013 to present, Paxen relocated to the WorkWise Kauai office on a part-time basis to aid in youth support services to the community. In Plan Year (PY) 2016, PAXEN, Huli Ke Alo LLC, decided not to renew their contract. The County of Kauai, One-Stop Operator is currently seeking a new youth services provider and going through a new contract under WIOA because of youth services needed in the community.

B. Highlights

KAUAI WORKFORCE DEVELOPMENT BOARD

The new streamlined 27-member volunteer Kauai Workforce Development Board (KWDB) under the new WIOA Mandated Act of 2014 is charged with policy and planning responsibilities and operates as a forum where business, government, labor, education, community-based organizations and the public work together to create an integrated market driven workforce system which sustains Kauai's economic growth and competitiveness by addressing the needs of employers seeking qualified workers, as well as the needs of eligible island residents for training to develop in-demand skills for current and future employment opportunities.

In cooperation with the Mayor, KWDB sets direction for workforce development utilizing as its foundation, the KWDB Strategic Plan, as well as the Kauai's CEDS Report, a prioritized set of EDA-eligible projects that reflect the needs expressed by stakeholders in the community.

Through collaboration, these volunteers provide leadership and help carry out the Board's mission to continue to:

“Ensure Kauai's workforce is prepared with needed skills and talents to develop a flourishing business community.”

After 5 years of service, Steve Lupkes, BASF Plant Science Research Station Manager, resigned from the Board Chair position. Recently nominated and then elected as the new leader and chair of the KWDB Board is Ms. Leialoha Sanchez. The Board continues to partner with other organizations and agencies whenever possible in planning programs and events to maximize use of all of our resources to benefit the Kauai community and to minimize duplication of effort. Collaboration is our strength.

2015 Officers elected to the board are:

- Chair** - Leialoha Sanchez – YWCA, Prevention Coordinator
Vice Chair - Bobby Ayonon – Kauai Air Conditioning & Refrigeration, CEO
Secretary - Bricen Moritsugu – HUD Housing Family Coordinator

YOUTH COUNCIL REORGANIZED

Continuing in the initiative from PY 2013 to present is the Youth Council Committee Chair and recently elected Board Chair (2015) is Leialoha Sanchez, a Prevention Coordinator from YWCA. With her cultural style teaching in this leadership role, the revitalized Council and Board committed to many activities in the community that supported a myriad of community services.

A major initiative of the Youth Council is to seek and apply for grants from Federal, State and Local arenas. Grants would help to increase dwindling youth program funding that's needed to help expand youth services in the Kauai and Ni'ihau communities. A most recent initiative was a federal Grant collaboration with the State of Hawaii, Division of Vocational Rehabilitation that helped to start a pilot program for Youth with special needs and or disabilities. The pilot program was given approval of \$161,000.00 that started in the Spring 2016. Nearing the completion of this successful pilot program, Kauai DVR staff officials are excited and ready to plan another summer youth employment program.

Since the beginning of the new WIOA Act of 2014, the Youth Council continues to play a major role merging with the KWDB as a committee of volunteer youth service providers. It is comprised of strong community members with diverse expertise and resources relating to youth and is tasked with building a comprehensive infrastructure and program designed to provide quality services for Kauai's youth. The current Youth Council Committee is seeking new volunteers to join their community endeavors.

KWDB Board of Directors along with the Youth Council Committee, Consortium of community partners; contracted service providers and the County of Kauai's KWDB Executive Director/WIOA Administrator work together to achieve the program objectives that support the economic development of Kauai through the workforce development system.

EDUCATION

Since its initial conception in 2010, the Wai'ale'ale Project's increase in participant enrollment and has grown successfully. While the Ho'owaiwai Scholarship Project and a C3T program called: "iCAN" at Kauai Community College [focuses on first-in-family to attend college, single mothers, others with barriers to education] closed down to limited federal funding, the Wai'ale'ale Project grows stronger with its private funder, Jim Lally. Program is now expanding to other UH-Community Colleges.

While the UH-Community Colleges continue to focus on traditional students in the community, in the rural outliers of the island, Kauai Community College continues to provide outreach education services. On the North Shore, the Hale Halawai Center in Hanalei provides various classes to community members. On the Westside, Waimea High School is noted for providing basics in Math and English for people that need to boost their personal skills to enter college or to get a GED Diploma.

C. Activities

JOB FAIR

The County of Kauai, Kauai Workforce Development Board and *WorkWise* Kauai, is continuing to collaborate and host the Kauai's island-wide Annual Job Fairs that is being held at the County's War Memorial Convention Hall in Lihue. Various Kauai businesses represent a cross section of industries including government, healthcare, the major resorts, rental car agencies, financial services, retail (soft goods, hard goods, and grocery), food service and agriculture.

With the drop of the unemployment rate on the island, approximately 400+ job seekers are anticipated to attend. Many come well-prepared in suitable work attire and with a supply of resumes. The Job Fair is always a very successful event!

CAREER EDUCATION

As a continuing collaborative effort, the staff of WIOA and *WorkWise* Kauai, along with numerous KWDB members continue to volunteer many hours during the year to **support career education programs at our schools** including: speaking at career awareness events, as well as conducting resume writing and interview preparation workshops, conducting mock interviews, and judging senior projects. These activities are vital to help bring the real world of work to our students, as part of the Board's effort to "Grow Our Own Talent."

US CENSUS - Grant Writing Services

An open dialog and continued collaborations with Papa Ola Lokahi Foundation and the US Census office proved to be fruitful. The US Census California office along with the Washington DC office has managed to send to Kauai, knowledgeable specialists to assist grant writers applying for grant funding. The Kauai workforce Development Board along with Kauai Community College will continue to nurture this partnership with the US CENSUS.

SMALL BUSINESS FAIR

To help Kauai Businesses succeed on the island, the first Kauai Small Business Fair was held on November 6, 2014 at the Kauai War Memorial Convention Hall-KWMCH. The Fair welcomed Federal and State service provider vendors from across the State of Hawaii.

USDA -Rural Development Agency, DBEDT- Dept. of Business, Economic, Development & Tourism, DCCA-Dept. of Commerce & Consumer Affairs, HSBDC-Hawaii Small Business Development Center, including numerous agencies that provide services to businesses in the community.

Seven successful local business representatives participated in a panel discussion to share information about their business success on the island. These participating businesses were: Smith's Motor Boat Service, Aunty Lilikoi, Waipa Foundation, Solemates & Hawaiian Checkers Company, Papalua Island Company, Founder: Kauai Marathon and the KAUAI JUICE Co.

The second Small Business Fair took place on September 10, 2015 at the KWMCH. Planning, coordination and successful implementation of the event and activity started with the OED Staff and KWDB Members introduced into the collaboration was Kauai Chamber of Commerce. \$5000 local grant funding was set aside for this activity to be used by the Chamber of Commerce grantee. The Committee developed the Fair with a Business after

hour's extension of the Kauai chamber activities. A special agriculture business workshop was conducted by Lani Weigert of Maui's Alii Lavender Farms. Approximately 45+ people were in attendance. The 1 ½ hour workshop was followed by another special presentation by Jen Chahanovich the new CEO of Wilcox Health.

The Business after Hours had numerous sponsors for the event including the Kauai Native Hawaiian Chamber of Commerce who donated a 2 night stay at the Cliffs at Princeville that was worth over \$500. The Kauai Filipino Chamber and many others also co-sponsored the event and donated a variety of door prizes. One of our biggest donations came from Mark's Place with \$2000 worth of pupus for the event. Koloa Rum donated their newest in Rum flavors.

As part of the event's activities, Bryson Victorino and his company called Valiant Road Productions made their debut by filming the Small Business Fair and interviewing participants. We will be reviewing the results by the end of September 2015. The event itself was successful with 200+ people in attendance.

A post-SBF meeting summarizing the results is to take place on Sept. 23, 2015. One of the suggestions we already got was to make the event a "Zero-Waste" event that we will be taking into consideration for next time around.

A third Small Business Fair is in the planning stages and is slated for January 2017. The Kauai Island Chamber of Commerce groups are willing collaborators in this Kauai island endeavor.

D. Program Measures – Accomplishments / Evaluation

WIA/WIOA PROGRAM MEASURES

The three WIA/WIOA programs: Adult, Dislocated Worker and Youth Services programs must meet federally mandated performance measures including: entered employment, employment and credentials, six-month retention rate and six-month earnings change for Adult, Dislocated Worker, and Older Youth and skill attainment, diploma rate, and retention for Younger Youth. The State negotiates the desired performance levels for these core indicators with the U.S. Department of Labor for the State which has been applied to each County.

The goals were primarily based on past performance, regression targets, and continuous improvement objective. There were no major changes in the service delivery mix or economic conditions from the prior year. Although increased emphasis will be placed on assisting special populations such as veterans, recently released inmates, long-termed unemployed, and foster care youth during PY14, the effect of their enrollment is unlikely to have significant effect on performance until PY15. Recently The Federal program has been going through a transitional phase and performance goals remained intact.

State of Hawaii's Proposed Performance goals for PY2016

WIA/WIOAS Adult

- Entered Employment 65.0%
- Employment Retention 85.0%
- Average Earnings \$12,200

WIA/WIOA Dislocated Worker

- Entered Employment 78.0%
- Employment Retention 92.0%
- Average Earnings \$14,759

WIA/WIOA Youth

- Placement in Employment/Education 63.0%
- Attainment of Degree or Certificate 65.0%
- Literacy/Numeracy Attainment 44.0%

Wagner-Peyser

- Entered Employment 53.0%
- Employment Retention 82.5%
- Average Earnings \$14,000

WIOA Annual – Local Performance Report 2014-15 Kauai

<u>Measure</u>	<u>Customer Group / Region / Office</u>	<u>Total 2014</u>	<u>Total 2015</u>
Total Participants	Adults	1,319	1,233
	Dislocated Workers	91	46
	Older Youth (19-21)	11	11
	Younger Youth (14-18)	59	41
Total Exiters	Adults	1,141	1,033
	Dislocated Workers	52	42
	Older Youth (19-21)	1	0
	Younger Youth (14-18)	13	16

**Common measures are negotiated and agreed to by the USDOL and the State of Hawaii. Information can be found on the Workforce Development Council Website along with the State Plan and the County's Local Plan. See negotiated performance levels below:

	Measure	Customer Group / Region / Office	Negotiated Performance Level	Actual Performance Level 2014	Actual Performance Level 2015
	Entered Employment Rates	⊕ Adults	65%	<u>64.4%</u>	38.1%
		⊕ Dislocated Workers	87%	<u>80.5%</u>	62.3%
	Retention Rates	⊕ Adults	85%	<u>90.1%</u>	52.9%
		⊕ Dislocated Workers	92%	<u>88.6%</u>	100%
		⊕ Older Youth (19 - 21)		<u>79.4%</u>	100%
		⊕ Younger Youth (14 - 18)		<u>64.4%</u>	84.6%
	Average Earnings	⊕ Adults	\$12,200	<u>\$14,625.2</u>	\$9,567.8
		⊕ Dislocated Workers	\$14,759	<u>\$16,184.2</u>	\$17,036.7
		⊕ Older Youth (19 - 21)		<u>\$5,390.9</u>	\$7893.3
	Credential / Diploma Rates	⊕ Adults		<u>38.2%</u>	31.1%
		⊕ Dislocated Workers		<u>64.5%</u>	45.2%
		⊕ Older Youth (19 - 21)	100%	<u>100%</u>	-
		⊕ Younger Youth (14 - 18)		<u>76.9%</u>	90%
	Skill Attainment Rate	⊕ Younger Youth (14 - 18)		<u>93.8%</u>	44.4%
	Placement in Employment or Education	⊕ Youth (14 - 21)	63%	<u>64%</u>	63.2%
	Attainment of Degree or Certificate	⊕ Youth (14 - 21)	65%	<u>100%</u>	57.9%
	Literacy & Numeracy Gains	⊕ Youth (14 - 21)	44%	<u>44.4%</u>	50%

Federal Funding Challenges

In review of the charts below, we continue to observe federal funding decrease over time however, in PY16 we saw a rise in budgeted allocations in the amount of \$18,614.00 due to services rendered in the previous year (See chart comparisons below).

With the County of Kauai unemployment rate low at 4.0% (June 2016), we are uncertain about receiving additional funding again in the near future.

The Kauai Workforce Development Board is in the process of seeking ways to open the door to more opportunities for our program participants. One of these ways is to possibly start a private non-profit organization to help with funding matters. On numerous occasions community members have wanted to donate funds for the youth services program. The non-profit organization would be able to assist the Board with non-profit program oversight and the intake of private funding sources. The Board is very optimistic with the new WIOA transitioning and its new members. Other alternative funding sources are being sought and reviewed.

WIA – WIOA Program Budget Allocations

<u>Program Year</u>	<u>Local Area</u>	<u>Administrative Pool Funds</u>	<u>Youth Program Activity Funds</u>	<u>Adult Program Activity Funds</u>	<u>Dislocated Worker Program Activity Funds</u>	<u>Total Amount</u>
2013	Kauai County	\$ 50,867	\$ 130,351	\$ 144,430	\$ 183,037	\$ 508,685
2014	Kauai County	\$ 36,131	\$ 109,071	\$ 117,455	\$ 98,675	\$ 361,332
2015	Kauai County	\$ 32,096	\$ 100,186	\$ 100,365	\$ 88,333	\$ 320,980
2016	Kauai County	\$ 33,957	\$ 104,219	\$ 110,554	\$ 90,864	\$ 339,594

E. Budget (General Fund)

Description	FY 2016 Appropriation	FY 2015 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$ 94,621	\$ 88,621
Operations	\$ 8,165	\$ 2,200
Equipment	\$0	\$0
Program Total	\$102,786	\$ 90,821

SPORTS MARKETING & CULTURE

A. Objectives

To plan and coordinate the marketing and promotion of Kauai as a venue for youth team and individual sports from Asia and other foreign countries for potential events; goodwill games and matches; training and practice camps and retreats as well as develop partnerships between Kauai and Japanese youth sports organizations. Oversee and manage both Japan sports and cultural arts tourism marketing with the purpose of attracting youth sports events and Hawaiian cultural enthusiasts to Kauai which will benefit Kauai economically. Work as an event developer and facilitator and assist Japanese and Kauai entities as interpreter, translator and protocol specialist to help establish strong working partnerships and relationships. Act as the county's support person for Japan-Asia tourism issues and opportunities.

SPORTS MARKETING

- Plan and implement effective promotional activities to attract sports activities to Kauai, including overseeing the preparation and publication of marketing plans, draft contracts, advertisements, brochures, directories, and other materials used in promoting the sports industry.
- Communicate with the local and international government agencies, sports & cultural organizations and media to address public relations issues related to sports industry activities, including promoting the advantages of Kauai's locations, talent and other resources.
- Provides various assistance to sports promoters in obtaining various types of services, participates in studies, creates promotional materials, and attends conferences, seminars and expos associated with the development and promotion of sports industry, interfaces with the community regarding sports-related issues, and performs other duties as required. Provide information on Hawaii's tax structure, climatological conditions and requirements for the conducting sports and cultural events. Review event requirements in order to make appropriate suggestions to the promoters regarding event venues.
- Market and promote main team sports including, but not limited to baseball; soccer; football; basketball; and others include bowling and canoe paddling; and individual sports include golf; tennis; surfing and Stand Up Paddle boarding which is gaining popularity in Japan.
- Create a database of potential clients and contacting them via email and phone, and through social networking. Create a database of Kauai's youth sports organizations; individuals; tournaments; sports facilities; housing accommodations; etc., with photographs and video footage to be shown to potential clients.
- Meet with sports officials at schools and support groups to gain knowledge about history of youth sports on Kauai. Gather information and demographics about Kauai's youth sports; organizations and history.
- Create an informational brochure in Japanese and English about Kauai's Sports & Cultural Arts Tourism which can be distributed via mail, email or social media.
- Create and upkeep Sports Marketing section of the OED website updated annually, especially information on sporting events, sports promoters and venues, etc.

- Attend sports and cultural industry tradeshows when needed that are focused on seeking other venues to extend the reach of Kauai as a sports and cultural events location.
- Conduct studies on various aspects of the sports industry for development and promotional purposes; participates in reviewing legislative bills and resolutions on sports and cultural industry matters and drafts testimonies or comments as appropriate.

CULTURE & SISTER CITIES

- Promote Kauai's cultural arts and education opportunities in Japan and provide assistance to those interested in Kauai.
- Provide informational materials in order to provide useful and timely information to cultural event coordinators and other personnel.
- Will provide support and facilitate projects with Sister Cities program.
- Provide information on sporting and cultural venues, culturally sensitive areas on island, their characteristics and accessibility.

B. Highlights

SPORTS MARKETING

- 1) **Kauai Marathon** - Three more runners from Iwaki Sunshine Marathon will participate in the Kauai Marathon 2016 on September 4, 2016. Two more runners representing Suo Oshima, Kauai sister city.

CULTURE & SISTER CITIES

- 1) **Signing of Sister City pact with Rakuhoku Rotary Club from Kyoto, Japan** and Rotary Club of Hanalei Bay at St. Regis Hotel in Princeville
- 2) **Courtesy visit** with Mayor Carvalho by Mr. Suzuki, President of Iwak Hawaii Exchange Association
- 3) **Editor and photographer for World Globetrotter Magazine**, publisher of Resort Kauai Life Travel guidebook from Tokyo, Japan; kumu hula Mapuana Kazama and haumana from Odawara city, Japan.
- 4) **Bridge of Peace Festival** hosted by Happy Science at Happy Science facility, former site of Immaculate Conception School in Lihue
- 5) **Boy Scouts from Yokohama, Japan** collaborating with Boy Scout troops on Kauai at Lydate Park. Lyle Tabata, interim County Engineer is also very involved with the Boy Scouts of America program.

C. Activities

SPORTS MARKETING

- 1) **Kauai-Japan Sister City Goodwill Golf Tournament Pre-Planning**
During 2015-16, visited four of Kauai's Japanese sister cities and met with its mayors and department heads of SC&A division. As a result, the first Kauai-Japan Sister City Goodwill Golf Tournament slated for October 14, 2016 with players from 3 of the 4 sister cities participating.

- 2) **“Hafu Maru” (Half Marathon) Concept** – introduced to seven (7) major Japanese tour operators on Oahu to consider marketing the Kauai Marathon as part of their tour packages.

- 3) **Kauai-Japan Goodwill Baseball Games Pre-Planning**
 Will introduce Mr. Lenny Rapozo, COK Dir. of Parks & Recreation and Mr. James Kealalio, Recreational Leader, COK Parks & Recreation to Iwaki City Sports & Recreation officials to discuss and plan for youth baseball exchange with Iwaki and Kauai teams to start in 2017 with at least two teams from Iwaki to Kauai for a 5-day goodwill baseball games, and 2 Kauai teams to Iwaki to play in 2018. Rapozo and Kealalio are part of the Mayor Carvalho’s official delegation to Iwaki City for their 50th anniversary ceremony and Kauai-Iwaki Sister City official signing of documents in October 2016.

CULTURE & SISTER CITIES

- 1) **Kauai Hula Festival** – after speaking with Japanese kumu hula and hula halau, I’ve created a hula/mele event in February 2017.

- 2) **Kauai-Moriyama City Student Exchange Program** – after speaking with the Mayor of Moriyama City, Japan, I created a short-stay exchange program. I will discuss this further while in the Mayor and Moriyama delegation is on Kauai for the Matsuri Festival in October 2016.

D. Program Measures – Accomplishments / Evaluations

Sports Marketing - Cultural program measures are based on economic impact and jobs creations which are tracked on a Fiscal Year_(FY) basis.

Description		FY 2016 Actual	FY 2015 Actual
# of Sports Marketing Events		1	0
# of Participants		3	0
# of Jobs (Kauai hires)		0	0
# of Cultural / Sister City Events		5	0
# of Participants		150	0
# of Jobs (Kauai hires)		0	0
Economic Impact		\$300,000	\$0

E. Budget (General Fund)

Description	FY 2016 Appropriation	FY 2015 Appropriation
Equivalent Personnel (E/P)	1	0
Salaries, Wages & Benefits	\$100,974	\$0
Operations	\$ 13,280	\$0
Equipment	\$0	\$0
Program Total	\$114,254	\$0



IV. HOLO HOLO 2020 PROJECTS & STATUS

OED ADMINISTRATION

Island-Wide Shuttle Service

What started out as the Mayor's vision of a Ha'ena-Ke'e Beach Shuttle program that would work in collaboration with the State of Hawaii's "Ha'ena State Park Master Plan", has now evolved into several shuttle programs around the island of Kauai with the goal of reducing vehicles on the road, resolve parking issues and a reduction of imported fossil fuels.

- North Shore Shuttle

After the first shuttle program ended in May 2015 and the County Council advised the OED Director to seek other partners for funding besides the County, many meetings were held with the State Dept. of Land & Natural Resources (DLNR), State Dept. of Transportation (DoT-Highways) and the Hawaii Tourism Authority (HTA) for funding of a second shuttle program for at least one year.

After one year of discussions, lobbying efforts and island visits by the DLNR Chair Suzanne Case and her deputy, Kekoa Kaluhiwa, and HTA representatives Daniel Nahoopii and Kalani Ka'ana'ana, the HTA board of directors approved a grant of \$160,000 for a 3-month North Shore Shuttle Program to commence in July of Fiscal Year 2017.

- Royal Coconut Coast (East Kauai) Shuttle

Due to the increased traffic in the Wailua-Waipouli-Kapaa corridor, members of the Royal Coconut Coast Association (RCCA) have requested a meeting with the Mayor and County officials to see if it would be feasible for the Kapaa businesses & resorts to implement a shuttle service.

Meetings will be set up once the North Shore Shuttle program is underway.

- Koloa-Poipu Shuttle

Like the Royal Coconut Coast, there has also been renewed interest from the Shops at Kukui'ula and the Poipu resorts, along with Koloa businesses to see if a reliable, affordable shuttle service can be provided. Various organizational meetings will be held in

the fall of Fiscal Year 2017 to see what other businesses would be interested and provide financial support.

The ultimate goal for the Poipu Beach Resort Association is to provide a shuttle program that would reduce the number of cars parked along Poipu Road and provide a “park’n ride” for employees who work in the area.

Island-Wide Ag Park System

- **Kilauea Community Agriculture Center (formerly Ag Park)**
An update of the work that was done during the fiscal year was provided in the Agriculture section. The process of installation water meters, irrigation system and other permitting has begun. In addition AHOK has begun to develop the Ag Park Operations Plan (farmer criteria, selection process). The Operations Plan will commence once the Strategic/Business Plan is completed
- **Anahola Ag Park (DHHL)**
The State Department of Hawaiian Home Lands (DHHL) has recently stated their interest in developing an agriculture park for its beneficiaries on 1,200 acres of upper Anahola/Kealia lands that once were a part of the Lihue Sugar Plantation. Much of the 1,200 acres is covered with invasive Albizia trees and will need a major lumber company to harvest the trees for energy-generating fuel.
Once the land is cleared, then the next challenge is restoring the former sugar plantation irrigation ditch system and two of the four reservoirs in the vicinity.
Upcoming meetings with DHHL officials will determine their funding capacity and expectations of the County of Kauai.
- **Kalepa Ag Park**
The County is in support of the Kauai County Farm Bureau’s efforts in securing 68 acres of State – Agribusiness Development Corporation (ADC) lands in the Kalepa area. These lands are adjacent to the proposed County landfill.
- **Koloa Ag Park**
The Mayor and OED Director have been in communication with Knudsen Trust Land Manager, Canen Ho’okano on the possibility of creating an Ag Park just north of the Koloa Cemetery. The potential site is relatively flat, and has non-potable irrigation water from a nearby stream. Currently, land is being leased by cattle ranchers and has a forest of Albizia trees that need to be cleared.
- **Kekaha Ag Park**
The Mayor and OED Director have also been in communication with Landis Ignacio, Land Manager for the Kekaha Agriculture Association (KAA) who is responsible for the majority of farm land in the Kekaha area. Both Mayor Carvalho and the KAA are interested in having a formal Memorandum of Understanding where the County would provide morale support for the project. One of the ideas currently being considered is moving the Kekaha Sunshine Market closer to the proposed Ag Park where farmers would have an easier time in bringing product to market.

TOURISM / CULTURE / FESTIVALS & EVENTS

1. Restore / Preserve Cultural Sites

As part of Mayor Carvalho's Holo Holo 2020 program, the Mayor has expanded his vision on restoring cultural sites to the entire island of Kauai and provide support for Niihau. The main impetus is on the Kauai Nui Kuapapa program which divides the island of Kauai into traditional Moku or land divisions.

Kauai Nui Kuapapa (Kauai Place Names) – In 2014, Kauai Nui Kuapapa – “Talking About Our Island”, was finally launched. This is a program, with Phases I and II funded largely by the County and intended to encourage communities to learn place names and historical and cultural information of our island home as well as to encourage communities to take on the kuleana (responsibility) in their Moku and Ahupua'a areas first. This project is a sign that the Hawaiian Renaissance continues today as a new generation of leaders steps to the plate to help guide the future of our island. This program is designed to help bring forward, the knowledge of our kupuna to the present and future generations to use in real time efforts to restore and preserve Native Hawaiian practices.

Kauai Nui Kuapapa Program and Na Hoku Welo team continued to get permission to install place name signs for landmarks and build out and launch a new more extensive website;

Halele`a Moku

- Ke Ahu O Laka
This area is a very special area and noted as the birthplace of hula in many legends. The Mayor recently signed a stewardship agreement with Maka`ainana `O Makana which is a group comprised of primarily of Hanalei and Ha`ena residents for care of this and surrounding areas. They now have official designation to be able access and care for a place that they have felt kuleana for their entire lives.

Ko'olau Moku

- Hokualele Heiau
Continuing Hokualale meetings and review (Koolau Moku Project). Continuing brokering of agreement between DHHL, Na Hoku Welo and Po'o with County support.

Puna Moku

- Kukui Heiau
Continued Kukui Heiau (Puna Moku Project) stewardship meetings and are in the process of locating an additional po'o and executing a stewardship agreement;
- Wailuanuiahoano Park & Cultural Sites
This project is only in the conceptual stage, but early thoughts include a partnership with Hawaiian community groups, the State of Hawaii – Department of Land & Natural Resources (DLNR), who have oversight of this area to create a master plan to restore and care for the many sites in this area.

- Huleia River & Alekoko Fish Pond
OED is working with the group Malama Hule`ia to cooperate on mangrove eradication efforts which will make its way up the river to Alekoko for restoration of the fishpond itself.

Kona Moku

- Kahua O Kaneiolouma
The administration has a Stewardship agreement in place at this location. Perimeter trees, shrubs and cactus have been cleared and expose one of the most extensive and pristine ancient Hawaiian villages in Hawaii, A security rock wall was built around the entire perimeter to show the boundaries, but more importantly keep the public away from removing rocks from this sacred area. Signage has been installed and a concrete walkway is scheduled to be installed in the fall of Fiscal Year 2017.

Supported Kaneiolouma in closing out funding with the County. These funds were used to build the rock wall along the perimeter, the viewing platform and planting of native species;



- Hanapepe Salt Pans
An ancient resource and practice of pa`akai (salt) farming, we are currently working with the landowner, State of Hawaii – Department of Transportation – Airports, State of Hawaii Department of Land & Natural Resources and the long-standing Hawaiian families that farmed for many generations to preserve this precious resource and educate the public.
The administration has been meeting with various Hui Hana Pa`akai O Hanapepe family members who have shared their concerns about vehicles driving through the salt pan swale area tracking sand, oil and other debris that end up in the salt pans when the area is flooded. The County is working with the families, State DoT-Airports, and Parks &

Recreation on a solution. HHPH have recently elected a new board of directors and the administration plans to meet with them in the fall of 2016.

Niihau Moku

- Have searched for and found a Ni‘ihau Moku Project to preserve Ni‘ihau’s language style;

CREATIVE INDUSTRIES & SMALL BUSINESS

Increase commerce in towns across the island by maintaining unique character

- HTA / County Special Events Grants
OED Creative Industries & Small Business Specialist assists the OED Tourism Specialist with various community organizations to promote festivals, events and projects that feature the culture of each unique community. These events bring both visitors and residents to the towns they are located in.
- Kapaa Town First Saturday
This event has grown immensely over the last 2-3 years. Kapaa Town First Saturday provides residents and visitors alike, a fun event to go to that has vendors selling Kauai-made and other products, delicious food and great entertainment. Support with logistics and some funding has been provided to this event.
- Lihue Food Truck Thursday
Another event that is the start of the Lihue Revitalization Plan. A new brewery on Kauai that features a “sidewalk café” atmosphere serving up delicious food from local food trucks. Logistical support has been provided to this activity.
- Lihue Town Rice Street Revitalization
An ongoing plan to provide more walking opportunities, as well as events during the weekends when businesses like banks, post office, State and County offices are all closed, creating a “dead zone” that will help support local businesses in the area.
- Hanapepe Friday Art Night
OED has been working diligently with the Hanapepe Economic Alliance and various businesses in historic Hanapepe Town to embrace the vendors during Friday Art Night. Like the Kapaa First Saturday, people respond to the appeal of a festival-like atmosphere. Although vendor’s products are inexpensive and appeal to a certain demographic, nonetheless, they bring people and activity into Hanapepe Town. It creates a “buzz” which can be contagious where other people talk about the event and their curiosity brings them into town.
- Waimea Town Walking Tour – The long-standing walking tour is very informative and a favorite of our visitors who stop at the Waimea Technology & Visitor Center before or after the trip up to the Waimea Canyon and the Koke`e State Park. They also provide lei making classes and cultural and visitor information for surrounding towns.

SUSTAINABILITY & ENERGY

Electric Vehicle Charging Stations – completed in 2012

Increase Use of Alternative Energy Sources via implementation of Kauai Energy Sustainability Plan

- **Kauai LED Streetlight Retrofit**

In August of 2016, installation of LED streetlights began and should be completed by January 2017. Streetlights electricity use is anticipated to drop by over 50%.

- **Lihue Wastewater Treatment Facility-Anaerobic Digestion of Food Waste**

A Renewable Natural Gas Resource Feasibility Study was completed in February of 2015, outlining the positive economics of anaerobic codigestion of food waste at the Lihue Wastewater Plant. Next steps include (1) working with commercial waste haulers and generators to initiate commercial food waste collection (2) Engineering design for food waste receiving, digester improvements, gas processing, and biogas electricity generation. (funding in PW FY '17 budget)

Construction funding for the needed improvements is available through the State Revolving Fund.

- **Kekaha Landfill Alternate Fuel Project**

Development of County controlled renewable natural gas (RNG) resources
Consultant Cornerstone Environmental Group completed the first phase of the Renewable Natural Gas (RNG) Resource Feasibility Study in February of 2015. The feasibility study concludes that, based on current estimates of gas quality and quantity, the County can cost effectively utilize the available methane emitting from the landfill as a vehicle fuel for its fleet. Construction of the gas collection and control system (GCCS) for Kekaha landfill is underway with Public Works and should be completed by January 2017. County plans to solicit for a development partner to assist with gas processing, transport, and fueling as well as conversion of the bus fleet to be fueled by RNG.

- **Energy Retrofits at Police/Civil Defense and Civic Center Facilities (3990 Kaana Street)**

Completed grant funded study of Kauai Main Police Facility in January of 2016 and identified specific energy improvement opportunities to reduce energy use at the facility by 25% with an investment of approximately \$1,000,000 and a payback of 6 years. Recommendations include chiller replacement, advanced HVAC controls, targeted lighting replacement, and IT improvements.

- **New high efficiency Air Conditioning Chiller at Lihue Civic Center**

A new high efficiency chiller for the Lihue Civic Center that was installed in January 2016. Approximate savings based on initial data in range of engineering estimates (100,000 kWh-200,000 kWh/year) Applied for and received \$64k incentive from KIUC through commercial DSM program

WORKFORCE DEVELOPMENT

Maintain educational activities/programs - Kauai In-Step Science Show & Robotics Program

The Office of Economic Development- WIOA Administrator works closely with Susan Tai Kaneko and the Kauai Economic Development Board as a member of the Education Committee that reviews, evaluates and awards grants to Kauai's schools and students in various educational projects. The County of Kauai supports the Kauai STEP, Aloha Ike and other STEM projects.

Kauai Community College extension of satellite campuses and degree offerings

The Office of Economic Development- WIA Administrator continues to work with Helen Cox, Chancellor and Calvin Shirai, Director of the Office of Continuing Education and Training-OCET at Kauai Community College. The college recently started and continues OCET classes at the Hale Halawai Community Center in Hanalei bringing outreach education courses to the rural community on the North Shore for the first time.