

OFFICE OF ECONOMIC DEVELOPMENT

ANNUAL REPORT FOR FISCAL YEAR 2016-2017

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 the Director and staff specialists, under the supervision of the Director, in the areas of Agriculture, Tourism, Sustainability-Energy, Creative Industries (Film) & Small Business, Sports Marketing-Culture, Workforce Development, and through special grants to specific economic development projects. Each section's duties and responsibilities is focused on accomplishing the agency's overall mission.

One administrative specialist, economic specialist, accountant and compliance specialist, provide 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 was 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 industry sectors. 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 9.8%, 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 can become less reliant 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 and maximize implementation efforts between the two agencies. The KEDB staff 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 Marion Paul, KPAA provides a forum for the community on issues that matter most to Kauai. They serve as a neutral facilitator that convenes 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 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

Agriculture

The OED Director is involved with various agriculture programs that include, but are not limited to the County's Sunshine Markets, Kauai County Farm Bureau, Kauai Cattlemen's Association, Tropical Fruit & Flower Industry, and Kauai Grown Programs, which is provided 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 original 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 gave 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 are provided at the end of this Annual Report.

C. Activities

Grants-in-Aid

- **Emerging Industry Support - \$15,000**

Provided grant funding for:

- Native Hawaiian Chamber of Commerce – Kauai Business Directory (\$5,000)- *MATCH \$2,500*
- Hale Halawai's Kauai Hukilau that brought community together to share the ancient Hawaiian practice of fishing (\$4,500) *MATCH: \$10,222*
- Kauai Chamber of Commerce for support of the local businesses to defray shipping expenses of product to Washington, DC for the annual "Hawaii on the Hill" event hosted by Congresswoman Mazie Hirono.(\$5,000) *MATCH: From Kauai Made Vendors and Chamber \$10,000*

- **CEDS Economic Plan Implementation - \$50,000**

Kaua`i Economic Development Board utilized the implementation grant to develop/support initiatives in the six emerging industry clusters that arose from the County of Kaua`i's 2005-2015 Comprehensive Economic Development Strategy (CEDS) plan, and also in the 2016-2020 CEDS Plan Update.

Primary focus was on six key CEDS initiatives (programs & studies) that were funded by the County of Kaua`i:

- 1) **2016-2020 Comprehensive Economic Development Strategy (CEDS) Plan Update**
- 2) **Kaua`i Creative Technology Center (KCTC)** – pre-development, administrative and fundraising development

- 3) **Kaua`i Food Production & Education Center (KFPEC)**, formerly the Commercial Kitchen /Business Incubator project. This is the third phase of this project and includes pre-development & pre-construction planning.
- 4) **2017 Kaua`i Coffee - Agriculture Business Plan Competition** - program development & implementation
- 5) **Kaua`i Energy Conference**
- 6) **Kaua`i Agriculture Economic Development Plan - Ten-Year Plan**

Secondary focus was on two industry clusters: Renewable Energy and Science & Technology, in which the Kaua`i Economic Development Board has active committees.

Additionally, KEDB utilized implementation funds to help strengthen and collaborate with current partners and develop relationships with new organizations. These organizations include, but are not limited to the County of Kauai - Office of Economic Development, Kaua`i Community College, Kaua`i Workforce Investment Board, Kaua`i County Farm Bureau, Kaua`i Planning Action & Alliance, and Kaua`i Chamber of Commerce who are committed to further advancement of the emerging industry clusters in the CEDS Plan.

These funds also pay for the coordination of the CEDS including consultant fees, travel expenses, room rental, office supplies, and printing costs.

EXPECTED MATCH: \$35,000 US EDA and Fundraising.

- **CEDS Kauai Food Production & Education Center (KFPEC) - \$40,000**
FY 16/17 KFPEC focused on Phase II pre-development & pre-construction phase and program development and implementation. A number of tasks were required to keep each component of the project moving forward during FY 16/17. This effort also included appropriate updates and presentations to the Mayor's Office, other County Departments, County Council, etc. as required.



In the pre-development & pre-construction phase KEDB and its consultant worked with KCC Administration, Faculty Senate, Safety Committee, Site Location Committee and other key stakeholders to identify an appropriate location on campus. A site plan was developed and opportunities for solar and other energy efficiencies were identified. Additionally, KEDB and its consultant are currently coordinating with KCC Administration and Faculty Senate to design training and education programs to integrate into their current KCC Food/Agriculture curriculum; also to coordinate with and incorporate Small Business Development Center (SBDC) into program delivery. A fundraising development program has been launched and will be focused on obtaining funding to cover expenses such as hiring faculty to deliver programs.

EXPECTED MATCH: In the process of applying for LTAP Grant with EDA.

- **CEDS Agriculture Business Plan Competition - \$15,000**

In August 2016, KEDB and its Food & Agriculture Committee launched the 2nd Kaua'i Coffee Agricultural Business Plan Competition (ABPC) with radio advertisements, island-wide banner displays and flyer distributions, and word of mouth.

Dr. Linda Cox of UH College of Tropical Agriculture and Human Resources (UHCTAHR) was secured as the course instructor. A panel of 8 Distinguished Judges was also lined up to rate and critique each Executive Summary and Business Plan in Phases II and III of the competition.

In October 2016, island-wide informational sessions, each followed by a facilitated Networking/Team-building Session was delivered in each of four major regions on island to market the program and its unique and unprecedented opportunities. More than 75+ were in attendance cumulatively at the sessions.

Phase I of the Competition commenced in January 2017 with “How to Write an Executive Summary” workshops were attended by a total of 52+ participants. Executive Summaries were due on Friday, February 10, 2017 – 17 teams advanced to Phase II “How to Write a Business Plan Course”. On February 7, 2017, KEDB staff and course instructor Linda Cox welcomed 26 participants and provided a 2 hour Phase II Orientation.

Phase II “How to Write a Business Plan” course will begin on March 7, 2017 and will run an 8 week course through the months of March and April 2017. At the end of the course, each team will submit a full business plan to be reviewed by the panel of distinguished judges, who will select the top 7-10 teams to advance to Phase III.

The Phase III “Finals Event” took place on Saturday June 3, 2017 at the Courtyard Marriott, where Aletha Thomas of Monkeypod Jam was announced the winner of the 2017 Kauai Coffee Agricultural Business Plan Competition. She advanced through the three major phases, culminating with Phase III, where the top eight of the original 27 teams did their final presentations.

As a former teacher, Thomas started Monkeypod Jam in the uncertain times of the Great Recession in 2008-09 amongst teacher furloughs and reduced hours. As the 2017 winner, Thomas received \$20,000 which she will use towards new kitchen equipment.

Aloha Nui Farms with Corey Ansley and Kyle Miike finished the competition with \$10,000 as the runner-up team, and Ferdinand, Tanya, Isaiah and Aaron Dosono of Kauai Kim Chee pocketed \$5,000 for third place.

KEDB was able to coordinate sufficient business resources from around the state to be able to award \$500 honorable mention prizes to the remaining finalists, which included Baum Farms, Braddah Dave’s Taro Burgers, Po’okela Sausage, Sal’s Salsa and Uncle D’s.

The true value of participating was the caliber of training and networking assembled into one program that is otherwise hard to access. In the end, all of the teams used these resources and now have a complete, well-thought-out business plan that they can bring to a landowner, bank or other potential investors to demonstrate that they are a great investment.”

MATCH: \$32,000 Kauai Coffee, KCFB, Grove Farm, Salty Wahine, Aunty Lilikoi, HFIA plus 8,000 in kind.

- **CEDS Kauai’i Agriculture Economic Development Plan (KAEDP) - \$5,000**

The purpose of the KAEDP is to develop an economic development-based plan for the food & agriculture industry of Kauai County that would address the following facets of this industry cluster. This plan would carefully manage/avoid straying into philosophical discussions of food and agriculture by measuring advancements and success in the industry based on profitability and other economic-based metrics.

KEDB and its Food & Agriculture Committee, County Office of Economic Development, and other community stakeholders have convened to discuss and address the framework of the AEDP. Additionally, two potential consultants have been identified to aid KEDB and its partners through this process.

Framework:

- 1) Fine-tuning scope of work to create a strategic economic development plan for the agriculture industry cluster on Kaua`i to address economic stability, food production, marketing and promotion, education and training, research, infrastructure (land, water, transportation, energy, technology, etc.), and other critical components to advance the food and agriculture industry cluster into a growing economic engine that diversifies our local economy via increasing local production and import substitution.
- 2) The 10-year Economic Development Plan will include components such as: statement of need for county and state support of agriculture; overview of agricultural impact; challenges to county's agricultural economic growth; opportunities to enhance profitability of Kaua`i's farms; action steps to ensure economic viability of Kaua`i's agricultural community; and a schedule to implement this plan and reevaluate regularly.
- 3) Identify consultant(s) to fine-tune scope of work; work directly with consultant(s) to conduct due diligence, meetings and develop plan; develop roles and action items for responsible parties and community partners identified in the plan; develop schedule for plan implementation and periodic re-evaluation
- 4) Work with consultant(s) to identify, incorporate and collaborate with relevant studies and plans that include, but not limited to Kauai's General Plan Update, Important Agriculture Lands Study, Hawaii Agri-Tourism Association's Agricultural Inventory and Jeff Melrose's 2015 Agricultural Baseline Study.

EXPECTED MATCH: Writing grant request to HDOA for match.

- **CEDS Kauai Creative Technology Center (KCTC) - \$40,000**

Due to many significant market changes occurring in the creative industries sector over recent years, especially in creative technologies sector, KEDB responded last year by updating the KCTC's market analysis and business model to ensure its viability and marketability to industry stakeholders and potential funders. To accomplish this, KEDB transitioned from the previous project consultant, who specialized in concept development and marketing, to another contractor with proven expertise in business development, marketing evaluation, econometric modeling, incubation development, and other areas typically prioritized by major funders and donors. While time-consuming and challenging, in approximately six months, KEDB right-sized the ambitious KCTC project to one that major donors and industry partners have embraced and supported. In addition to the KCTC Stakeholders Committee, KEDB created an internal KCTC Working Group.

The KCTC Working Group is comprised of the following: KEDB’s board chairman who is an attorney in a local firm with legal expertise in land-use and permitting. Other Working Group members include a member of KEDB’s Property Management Committee with expertise in construction project management and utility infrastructure, and, KEDB’s board Treasurer who has fiscal, planning and, strategic planning expertise. KEDB continues to work with these entities, along with County, State and Federal government agencies in the planning of the KCTC.



The County of Kauai grant funds for FY 17 of \$40,000, will be used by KEDB to develop education, training, and networking programs for the Creative Industries sector on Kauai in order to grow and solidify the sector. By building and strengthening the sector, KEDB will lay the foundation for the industry that will support the long-term financial viability of the KCTC. The KCTC’s mission is to stimulate innovation and economic growth within the Creative Industries sector in Hawai`i and to grow businesses that create or apply technologies that increase their competitiveness in the local, national and global economy. In doing so, the KCTC will create jobs, diversify the economy and generate economic wealth. As part of this mission, the purpose of this grant has been to develop program and training curriculum and content that will spur entrepreneurship, provide education & workforce training, and, encourage networking and connections. The program’s design is to provide technical assistance, and also stimulate and transform the thinking of individuals, businesses and supporters in their approach to building business success.

KEDB continues to work with its consultant, Claggett Wolfe Associates, to develop four quarterly programs focused on education and training that will take local creative industry entrepreneurs to the next level of their business.

The first of these programs is the inaugural Transmedia Ideation Weekend (TIW) event developed by the Creative Industries Division – Creative Lab Hawai'i Program of State of Hawaii Department of Business, Economic Development, and Tourism (DBEDT). This two-day TIW intensive boot-camp will be marketed island-wide and, is under the Direction of the CLH Executive Director who recruited three creative industries experts from the U.S. mainland who will work with boot-camp participants to identify the platform to deliver their story ideas (e.g., novel, play, TV series, full motion picture, videogame, game, etc.).

The inaugural Transmedia Ideation Weekend in spring 2017 will provide 30 professionals an opportunity to bring their project concept to life in the best platform (television, motion pictures, video game, publishing, etc.) and help them create a 3-month action plan. To achieve this goal, attendees will have the opportunity to vet their project with leading and recognized industry experts who will provide one-on-one and customized sessions. The overall goal is to create a thriving creative entrepreneurial community. This two-day event is one of several programs that invests in Kauai's long-term future in creative media as a platform in economic diversity and infrastructure and creates a ladder of success.

KEDB's plan is to provide three additional programs with the remainder of the balance of the grant funds. As a result, KEDB will request for a no-cost extension in order to deliver the three programs. KEDB is also raising additional funds to support this industry development work. Grant funds in the form of matching funds were secured from State DBEDT as a commitment from the State to Kauai County for the Transmedia Ideation Weekend. KEDB has also been working with the US Economic Development Administration (EDA) since last year. A grant application was submitted to EDA for \$100,000.00 for program development and project planning work for the KCTC. Lastly, KEDB has raised the matching funds for the EDA funding.

It is equally important to note that Kauai's industry of production people and other creatives (writers, fashion-related) are small business entrepreneurs. In today's "green", innovative and technology-driven industries, support for this sector is critical to growing and diversifying the island's economy. To that end, supporting film, digital media, and other related industries are critical to broadening this base of professionals, many of whom are in the industry for an average of 30 – 35 years. As a result, education and workforce training are critical pathways that will bring another generation of creatives to continuing and expanding this sector. The establishment of the Kauai Creative Technology Center will serve as one of several gateways that will complement the Pre-Kindergarten to 12th grade and college level programs (both Associate's and Bachelor's), and workforce training for professional development.

From a strategic planning perspective and long-term vision, this technology center and programs align with the Mayor's and Administration's Holo Holo 2020 Vision which has served as an overarching roadmap and guideposts. In the short-term, the goal is to provide a vibrant economy that has both the human and capital infrastructure to support the island's economy that transitioned from an agriculture-base to tourism. In recognizing the changing and transformative nature of technology and its upkeep, the Kauai Economic Development Board correctly made the strategic decision to right-and-re-size the technology center. The Center will also serve as an entrepreneurial center for business innovation and economic revitalization such as spaces dedicated to business incubation and smart space technologies and thus provide for a co-creative, cohesive and cross-fertilization of ideas among entrepreneurs, especially, millennials.

MATCH: \$500,000 GIA grant.

- **YWCA Family Violence Shelter - \$65,000**

Funding assists the YWCA who is the sole provider of emergency services for victims of Domestic Violence and their children. Services include 24-hour/365-day a year hotlines, crisis intervention, safe shelter, Temporary Restraining Orders, legal advocacy, housing advocacy, and financial empowerment. The Family Violence Shelter provides a safe home for victims in danger due to domestic violence. YWCA provides all meals, clothing, and housing. The Shelter is staffed 24-hours a day to provide in-person support for residents, as well as crisis counseling intervention to hotline callers.

MATCH: \$634,926 VOCA, DHS, CDBG, other grants.

- **YWCA Assault Treatment Program - \$50,000**

Funding assists the YWCA who is the sole provider of Sexual Assault Services for Kauai. Services include 24-hour/365-day a year and are available for residents and visitors, male, female, adult and youth. Services include crisis hotline, in-person crisis counseling, clinical counseling, legal advocacy and prevention education.

The staff include a Clinic Director, Crisis Coordinator, crisis workers, therapists and administrative support. YWCA serves all victims of sexual assault and sex abuse, which includes intra-familial child sexual abuse. The therapists are specifically trained in treating the traumatic effects of sexual assault and abuse. Victims are empowered to make positive choices and begin their healing process.

MATCH: \$461,270 from VOCA-OPA, State DAG, VOCA-AG, VAWA, Fees.

Kaua'i Made

OVER ALL GOALS 2016-2017 – Accomplished

- Made in Maui – 2-Day event visited
- Ag Festival Maui – participated as a vendor
- State Capital Ag Day – participated as a vendor
- HLTA Kauai Conference, Sheraton Kauai – KM members showcased
- WSAUA Conference, Hyatt Kauai – KM members showcased
- Hanapepe Chocolate & Coffee Festival, Hanapepe Kauai – Participated as a vendor

- **Increase Membership to the Kaua‘i Made (KM) Program by 5% or 6 members**

We ended Fiscal Year 2016 with 121 members. Although we lost 7 members for various reasons, we were able to recruit 20 new members and ended Fiscal Year 2017 with 134 members.

- **Work with newly created Kaua‘i Made Advisory Committee**

We created an advisory board comprised of Sue Kanoho (KVB), Beth Tokioka (KIUC), Nalani Brun (OED), Melissia Sugai (Kauai Made). The goal of this committee is to assist in reviewing eligibility of new applicants when necessary to verify product. Also planning of new Wholesale Tradeshow Event has begun. Met twice in person.

- **Commercial Support-Kauai Made - \$14,000**

- **Review current marketing program and make upgrades.**

This goal was achieved by revamping marketing program. We discovered that the training we provided management personnel did not filter down to their subordinate employees. We took the initiative to visit 8 retail sites and personally meet with their store managers and employees and provide hands-on Kauai Made program training. The training included program knowledge, product placement in their stores and new printed collateral.

Currently there are 14 retail members and 25 retail/product members. Future plans call for visiting each site and provide the same training as the first 8 sites.

Another goal is to purchase “flag” banners, which will provide greater market visibility. On a recommendation from our hotel partners, we reproduced an old business card that will be distributed, and is a simple information distribution element.

- **Advertising-Kauai Made - \$8,500**

We have reviewed our long-standing advertising contracts and have come up with a new sector to market. We are considering ad placements in drive guide magazines with national car rental agencies such as Alamo, Enterprise, and National. Our goal is to be in 200,000 printed and distributed magazines on Kauai

- **Printing-Kauai Made - \$7,000**

We achieved the goal to increase our reach to industry partners. We increased the Kauai Made Shopping Guide brochures from 12,000 to 20,000. Other promotional programs include increasing our statewide reach by engaging in partnerships with Family & Friends of Ag, Hawaii Lodging & Tourism Association and attending off-island, Hawaii Made events in 2017-2018.

- **Kauai Made / Kauai Grown Tradeshow - \$5,000**

The 2016 Tradeshow event was held at the Kauai War Memorial Convention Hall with over 1,000 people in attendance. We added an additional element by opening the event to the general public which helped the Kauai Made vendors. We also included a food demonstration led by Kauai Grown members which increased visitors to the event.

A. 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.

B. Budget (General Fund)

Description	FY 2017 Appropriation	FY 2016 Appropriation
Equivalent Personnel (E/P)	3	3
Salaries, Wages & Benefits	\$352,922	\$358,369
Operations	\$312,690	\$341,424
Equipment	\$0	\$0
Program Total	\$665,612	\$699,793

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, Kilauea Community Ag Center (formerly Kilauea Ag Park), Agriculture Summer Internship Program and with the Kauai County Farm Bureau on the Kauai Grown Program.

In Fiscal Year (FY) 2017 County Council approved the funding for the following Agriculture-related initiatives:

- \$90,000 – Islandwide Ag Park System (Kilauea Community Ag Center)
- \$ 5,000 - Sunshine Market Marketing Program
- \$ 500 – Kauai Agriculture Advisory Committee
- \$ 5,000 - Kauai Made/Kauai Grown Tradeshow
- \$20,000 - Kauai Cattlemen’s Association

- \$40,000 - Kauai Invasive Species
- \$10,000 – FFA Internship Program
- \$ 5,000 - Tropical Flower
- \$ 1,000 – Hawaii Tropical Fruit Growers
- \$ 7,000 - Livestock (KCA) Kalepa Holding Pen
- \$15,000 - Ditch Irrigation (EKWUC)
- \$ 6,000 - Grading Permit (EWKSWCD)
- \$25,000 – Farm, Food Industry Capacity Study
- \$35,000 - 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 name 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 encourage the community, especially the younger generation to experience agriculture from a different perspective and appreciate agriculture by 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 in providing long term, affordable leases for farmers and ranchers. Preservation and maintenance of aged, deteriorating irrigation systems built by the sugar plantations over 100 years ago is also important in ensuring the agriculture industry survives on Kauai, “No Water, No Agriculture”.

C. Activities

Internal Programs

- **Kauai Agriculture Advisory Committee - \$500**

Funding provides support to defray expenses for guest speakers. This past year, President / CEO of HPC-Taro Brand food products and food processing enterprise, Mr. Ernest Tottori . Mr. Tottori shared information of this 4th generation farmer-family business that mechanized large-scale food processing.

- **Kauai Grown / Kauai Made Tradeshow - \$5,000**

The Kauai Grown program which is managed by the Kauai County Farm Bureau, worked with the Kauai Made program which is managed by the County's Office of Economic Development in hosting the 2016 Tradeshow event that was held at the Kauai War Memorial Convention Hall with over 1,000 people in attendance. To create additional interest in the event, the general public was encouraged to attend and their attendance helped vendors. A food demonstration led by Kauai Grown members helped increase attendance.

Grants-in-Aid

- **Tropical Flower Growers Association - \$5,000**

A 3-day workshop on caring for orchids and anthuriums, best management practices for the industry's hobbyists, landscapers and retail floral and foliage businesses was held. The workshop also included instruction on how to grow and care for plant stock used in lei-making. Some of the funds was used to purchase seedlings and have new varieties available at the workshop. Both residents and visitors benefitted from attending this workshop.

- **Hawaii Tropical Fruit Growers Conference - \$1,000**

Like the Tropical Flowers Conference, this funding assisted the Hawaii Tropical Fruit Growers Association with a 3-day conference on Kauai which features several guest speakers from around the State and U.S. Mainland.

MATCH: Expected at \$9,000.

- **Kalepa Holding Pen (Kauai Cattlemen's Association) - \$7,000**

Each year these funds are used to repair and maintain the facility that provides a place for ranchers to off-load their cattle that are being shipped to the U.S. Mainland to be finished, slaughtered and processed. This year's funds were used for the repair of water tubs in the pen, leaking water lines, purchase two new feed troughs and possibly partial purchase and installation of solar panels to provide power to the weighing scale and purchase of two new gates in cattle loading chutes.

- **Slaughter Processing (Kauai Cattlemen's Association) - \$20,000**

Funds originally used to maintaining USDA Federal Meat Inspection requirements now being used to improve the Andrade and Sanchez slaughter facilities who stepped to the plate to build capacity instead of our island purchasing a mobile slaughter facility. \$10,000 will go towards support of a refrigerated delivery van to service local ranchers with deliveries to retail outlets. \$10,000 will be used by Andrade to continue to repair roofing and possibly start to replace their chill boxes and refrigeration motors.

MATCH: \$50,000 (\$40,000-Sanchez / \$10,000-Andrade)

- **Irrigation Ditch Maintenance (East Kauai Water Users Coop) - \$15,000**
 Annual funding goes to repair and maintain several former Lihue Sugar Plantation irrigation systems in East Kaua'i. These irrigation systems provide surface water from Mount Waialeale and Makaleha and services the Hanamaulu, Kalepa agricultural lands, as well as the East Kaua'i Agricultural District comprising of over 1,800 acres and 200 farm and ranch properties. EKWUC also repairs and maintains the County of Kaua'i –Wailua Houselots irrigation system which supplies water to the Wailua Houselots Reservoir. The Wailua Reservoir located near the University of Hawaii Experiment Station on Upper Kuamo'o Road was recently refurbished and requires constant preventative labor to control weed and albizia growth on the contoured slope of the dam, dam groins and spillway.
Match: \$75,000 State DoA, \$43,000 members.
- **Grading Permit – Conservation Plan (East & West Kauai Soil & Water Conservation District) - \$6,000**
 The Soil & Water Conservation Districts focus on strengthening agriculture and the environment through good practices in utilization of resources like soil and water through citizen participation. The SWCDs assist the County Public Works Department by helping citizens in creating conservation plans enabling them to comply with Sediment and Erosion Control Ordinance 808, otherwise known as the grubbing and grading ordinance. Each year the SWCDs review conservation plans during their 24 meetings held each year.
Match: \$7,500 Dept. of Water
- **Kauai Invasive Species Council - \$40,000**
 Plans this year include ongoing monitoring of new pest introductions and maintain rapid response capacity to control and eradicate incipient populations. Maintain biodiversity as a key component of healthy landscape, including forests, natural areas, agricultural lands and developed areas.
 50% of the funds will go to outreach efforts to educate residents, students and visitors about the invasive species threats and respond to Coqui frog, Little Fire Ant and Coconut Rhinoceros Beetle reports. 50% will be used for supplies to combat priority invasive species and include chainsaws, ropeclimbing gear, gas for Coqui frog surveys, vials and bait for Little Fire Ant and cameras for mongoose surveillance and other items needed. *MATCH: \$573,450 from US Fish and Wildlife, US Forest Service, HISC, HI DOT, HIANG*
- **Kauai Grown (Kauai County Farm Bureau) - \$35,000**
 Several goals were established this year that included a clear distinction of the "Kauai Grown" label from other produce/product that was identifiable to the consumer, encourage the purchase and use of Kauai farm-grown and value-added products, and provide marketing and branding tools to members to promote Kauai Grown products.

Other goals include a simplified application process and qualifying participants to the program, developing cost-effective outreach media programs, promote cooperation and coordination among members, and create public trust and confidence in Kauai Grown products. More member-oriented information has been provided through e-mail blasts such as grant opportunities and government-related activities/services, and more member participation in various community, County of Kauai and Kauai County Farm Bureau events.

The Kauai Grown website was revamped, making it more member-oriented by featuring individual member information, deleting miscellaneous information not directly related to the members or the Program, and providing more current information on the events the Kauai Grown program members participated in.

- **Farm & Food Industry Capacity Study (Hawaii Agri-Tourism Association) - \$25,000**

This is a cooperative project between the County of Kauai – Office of Economic Development and the Hawaii Agri-Tourism Association with the assistance of the Kauai Farm Bureau, Hawaii Department of Agriculture and United States Department of Agriculture to identify a feasible market connection program that helps local Kauai farmers provide/sell their products to local Kauai restaurants and other grocery outlets.

The study recommendations include increased collaboration and partnership of the public and private sectors. Several organizations currently have similar initiatives, but goals can be achieved efficiently and in a more timely basis if templates are developed and are inclusive to the community and show vested commitment through partnering with several business leaders to make this program sustainable.

It is recommended that a Farmer to Restaurant Facilitator be created with the primary function being in community relations, marketing and operations. This person should have an understanding of the Agriculture Industry, but does not have to be from that industry. The best facilitator for the job will be impartial, but sensitive to the many plights of the agricultural industry. This person will devise concepts, communication and priorities that nurture local food production and distribution on any scale. *MATCH: \$2,850 HATA*

- **Island-wide Ag Park System – Kilauea Ag Park (‘Aina Ho’okupu O Kilauea) - \$90,000**

**August 2016
(BEFORE)**



This funding was used to clear more lots, additional development of the Community Farm that is staffed by volunteers, installation of irrigation system, build the common area property line wall, pedestrian walkway and fruit tree berm. Funds will also be used to complete the ongoing, 2-year County water line and meter project. Costs include engineering design work and expenses associated with the installation of four (4) 5/8" water meters and backflow preventers.

**October 2017
(AFTER)**





Support funding for this County of Kauai asset also went towards clearing and future development of the Ag Park's main entrance and Sunshine Market area parking lot as seen above.

Match: \$350,000 Aina Hookupu, \$300,000 Donors and \$350,000 Rotary

- **FFA Summer Internship Program (Kauai HS FFA) - \$10,000**
MATCH: DOE \$10,000

Funding for this program came from the State Legislature Food & Agriculture Committee spearheaded by Representative Mark Nakashima and the Department of Labor & Industrial Relations. As far as the administration of the program, the State DLIR requested that the County of Kauai – Office of Economic Development work with the State Department of Education and Kauai high school's Future Farmers of America (FFA) and Natural Resources Pathway curriculum to provide an Agriculture Summer Internship Program. The funds from the State is used to pay for the student's wages and the County funds were used for transportation costs of transporting students who lived from Waimea to Princeville to various farms between Omao to Kilauea.

The first year we had three (3) farms participating and this past summer we had six (6) farmers/value-added companies participating. They were Valerie Kaneshiro from Kaneshiro Farms, Billy DeCosta of DeCosta's Farm & Ranch, Johnny Gordines' Kauai Tropical Flowers Express, Kauai Fresh Farms with Markeeta Smith and Yoshito L'Hote of the Kilauea Community Ag Center.



Although we spent quite a bit of time recruiting students from Waimea, Kauai and Kapaa High schools, we had eight (8) students complete the program. Seven (7) were from Kauai High School led by FFA Advisor Craig Duff and one (1) student from Kapaa High School led by Natural Resources Pathway advisor, Waianela Boiser.

The County's funding was essential to the success of the program as most high school students did not have vehicles of their own or parents were not able to transport them due to employment commitments of their own. This also helped to provide safe travel to student interns and provided comfort to parents knowing their students were safe.

During the summer, we also hosted a Farm Tour comprised of State Legislators, Dept. of Labor & Industrial, UH-CTAHR and Dept. of Education officials that included:

- Jarrett Keohokalole – State House Representatives, Vice Chair of Labor & Public Employment Committee
- Mike Barros – State Dept. of Education (Honolulu)
- Charles Kinoshita – UH-CTAHR (Honolulu)
- Carol Kanayama – State Dept. Labor & Industrial Relations (Honolulu)
- Daniel Park – State Dept. Labor & Industrial Relations (Honolulu)
- Adele Manera – State DLIR (Kauai) Workforce Development Division (WDD)
- Kylie Hashizaki – Kapaa High School – Natural Resources Instructor



D. Program Measures – Accomplishments / Evaluation (Dan Fort)

Selected Statistics (CY–calendar year)	CY 2016	CY 2015	CY 2014
Sunshine Markets	8	7	7
Sunshine Market Farmer/Vendors	109	105	170
Sunshine Market Annual Revenue	\$549,057	\$608,140	\$1,001,334

The chart above reflects the reduction in revenue due to competition from new farmers markets around the island and a limited number of farmers

E. Budget (General Fund)

Description	FY 2017 Appropriation	FY 2016 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$ 78,441	\$ 39,747
Operations	\$265,600	\$264,100
Equipment	\$0	\$0
Program Total	\$344,041	\$303,847

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, and 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 through out the island. OED keeps abreast of issues and hot topics related to tourism and that impact residents. OED advocates for solutions to help mitigate current and 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 access to 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) 2017 County Council approved funding for the following tourism related initiatives:

- \$15,000 for Tourism Sports Marketing with a focus on golf recovery.
- \$40,000 for Other Hawaiian Culture-related projects.
- \$65,000 for Special Events Security/KPD Services Grants.
- \$225,000 for Kauai Visitors Bureau Consumer Promotion Program.
- \$65,000 for CPEP Grant Match for special events and grants.
- \$25,000 for Airport Greetings match for HTA funding for the same project.
- \$25,000 for the World Conservation Congress (Kauai activity)
- \$71,000 for Product Enhancement projects
- \$8,000 for Promotional Materials, Ambassador of Aloha Program.

B. Highlights

FY 17 has continued to be a successful year for the Tourism program. Most key projects tied to tourism, cultural preservation and festivals & events continued to see substantial progress or were completed successfully

Visitor Data & Update of Industry:

The Kauai economy is set for continued moderate growth, decelerating now that jobs lost during the recession have been restored and the tourism recovery is complete.

The visitor industry continues its seven-year expansion, with the Island's visitor census hitting an all-time high. Additions to resort capacity will support some additional growth, but congestion and the demands on public infrastructure will exert a restraining influence. Visitor arrivals will average about 2% annual growth over the next three years, with the biggest gains coming from the dominant US market.

Growth in visitor numbers brought the seasonally adjusted hotel occupancy rate to nearly 74% at the end of last year. This remains a couple percentage points below the average for the 2003-2008 period, suggesting a bit more room for industry expansion. At the same time, the Island's visitor census has never been higher, presumably accommodated in part by the rise of individual vacation rentals. Congestion and the demands on public infrastructure are rising concerns, and they will eventually exert a restraining influence on further industry growth.

Visitor arrivals will average about 2% annual growth over the next three years, facilitated by two new Island Air flights between Honolulu and Lihue. The biggest arrivals gains will come from the dominant US market, where ongoing economic growth and strong consumer confidence should support healthy travel spending. The near-term outlook is more mixed for international markets, which make up a relatively small share of visitors to the Garden Isle. Kauai's biggest international market is Canada, where arrivals slumped by a quarter between mid-2014 and mid-2016 because of the country's weak economy and currency. There has been an encouraging pickup recently, although it is too soon to say how fast this market will recover, considering still-weak fundamentals. Moderate growth will continue for other non-traditional markets, including China, South Korea, and Australia. Arrivals from Japan will also increase, but they remain a very small market segment on Kauai.

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 2017.

- **Kauai Visitors Bureau - \$225,000**

Continue to provide marketing for the island of Kaua'i through the Kaua'i Visitors Bureau and focus on areas not supported by the HVCB/HTA that are important to Kaua'i such as Kama'aina marketing and CMI and consumer show efforts.

Consumer Shows: Budget = \$20,000

- Participated in NY Times Travel Show: January 27-29, 2017; 29,000 attended
- Will participate in Denver Travel Show: March 18-19, 2017; expecting 7,000 attendance

Bridal Shows: Budget = \$15,000

- Participated in Seattle Wedding Show: January 14-15, 2017; 7,100 attended
- Will participate in Bay Area Wedding Shows: March 19 & May 21, 2017; expecting 1,700 total

Trade Partner Blitzes: Budget \$25,000

- Will be planning and executing the Kaua'i Seminar Series: May 15-19, 2017; expecting to reach a total of 175 travel agents
- Events in Chicago, Denver, Sacramento and Emeryville. Kaua'i properties and entertainment. Targeting top travel professionals in each market.

Tandem Surfing Exhibition: Budget \$15,000

- Kalani Vierra & Krystl Apeles are currently down under at the Noosa Surfing Festival.
- Remainder of funds are going toward TV coverage of the visit to Australia

Kama'aina Campaign: Budget \$25,000

- Co-Sponsored Safeway Chef's Classic TV show – airs May 6, 2017 on CBS TV

Press Trip/Film Industries: Budget \$10,000

- Supporting the Transmedia Ideation Weekend March 11-12, 2017
- Waiting for leads from the Locations 2017 event to invite for press trip(s)

Japan Sister City / Iwaki Marathon Exchange: Budget \$5,000

Will support the Iwaki contingent (3-5 pax) for The Kaua'i Marathon 2017

Photography: Budget \$20,000

- Trying to schedule a boat/whale/Napali shoot with better weather and NO VOG.

CMI Projects: Budget \$42,500.00

Site Visits

Maverik – 1200 Total Room Nights

- Hosted helicopter tour and lunch at Gaylords

Customized Enhancement Offer

- Partner with hotels to turn groups definite for Kauai

CrowdStrike President's Club – 120 Total Room Nights

Elkay 2020 National Sales Meeting -1325 Total Room Nights

ECi Software Solutions – 97 Total Room Nights

Magento Incentive Trip – 139 Total Room Nights

MCI / VIP Amenities

- Kaua'i Made Products utilized in welcome amenities for VIPs, site/media visits and fams

- **Sports Marketing - \$25,000**

Wailua Golf Course Marketing-Communications Program Overview

As one of five courses in the Kauai Visitors Bureau-led golf destination marketing cooperative, Wailua holds the distinction of being the only municipal course –one that is widely praised as perhaps the best “muni” course in the United States. Buffalo Agency, which powers the program via its MARCOM services, uses this unique, potent value proposition to consistently secure positive exposure for Wailua.

Publicity and Media Familiarization Trips

Wailua garnered significant earned media and acclaim from esteemed media outlets across North America in 2015-16. It was featured more than 50 times within various forms of coverage ranging from Golf Channel segments, online stories, print articles and social media including Facebook, Twitter and Instagram. Wailua recently joined IAGTO with the rest of the partnership and are creating a partnership logo and sending a representative from Kauai to the Asian Golf Show. As part of IAGTO we have access to many additional elements to help us sell golf. *MATCH \$50,000 partners.*

- **Secure funding for HTA County Product and Enrichment Program 2017 and continue capacity-building training for organizers**

HTA has decided to issue contracts for selected events themselves but retain the County as an on island evaluator and support person. Our new duties would not only evaluate the CEP Program (formerly CPEP) for CY2017 but also their Hawaiian Culture and Natural Resource programs. In total there will be 19 CEP Program, 2 Hawaiian Culture Programs and 6 Natural Resource programs to provide support to on behalf of the Hawaii Tourism Authority.

- **Product Enhancement –CPEP (Match) - \$71,000**

OED issued an RFP for projects covering this area utilizing an exempt RFP process and having a selection committee make award recommendations to nonprofits. Funded projects this year are:

- Banana Poka Event which focuses on eradication of the banana poka vine from our forests; *MATCH: \$29,350*
- Lawai International Center’s community days and events in their facility in Lawai; Lihue Airport Windows theme change outs throughout the calendar year; *MATCH: \$214,925*
- Koloa Heritage Trail brochure print *MATCH: \$16,600*
- An archeology study of the Alekoko area in preparation for movement of the project upstream by Malama Huleia. *MATCH: \$2,294*

- **Special Events & Grants-CPEP (Match) - \$65,000**

OED issued an RFP for projects covering this area utilizing an exempt RFP process and having a selection committee make award recommendations to nonprofits. Funded projects this year are:

- Hukilau community builder on the North Shore-\$5,000; *MATCH: \$10,222*
- The Kings Parade and Hoolaulea in Lihue-\$15,000; *MATCH: \$12,000*
- May Day by the Bay on the North Shore of Kauai-\$11,750; *MATCH \$17,000*
- Events honoring King Kaumualii known as He Inoa No Kaumualii on the West Side-\$10,750; *MATCH: \$17,950*
- Veterans Day Parade in Lihue-\$10,000; *MATCH: \$91,100*
- A pilot project by Malama Kauai to build access for visitors to be able to sign up and volunteer at projects around Kauai-6,000 *MATCH: \$13,655*

- **Airport Greetings - \$25,000**

We have maintained this program throughout the fiscal year with two to three groups per week performing. In addition we secured another \$20,000 in funds for Harbor Greetings for FY2017 which includes greetings by a small group of entertainers and greeters and a large group of Alu Like Kupuna on alternate days performing and doing crafts. *MATCH: At the Harbor we have a match of \$25,000 in volunteer hours by the Kupuna for the year we also had a match of 46,000 from the Hawaii Tourism Authority via the Visitor Information Program for a supplement to this program.*

- **Kauai Nui Kuapapa - \$10,000**

These funds were used to do cultural and historical educational information sharing via public relations as the ahupuaa signs are erected around the island. *MATCH: \$14,000*

- **2016 World Conservation Congress - \$25,000**
 Funds were used successfully to support an on island event at NTBG during the post tours of the 2016 World Conservation Congress on Oahu. As estimated 403 people attended this educational event which included visitors and kamaaina. *MATCH: \$27,902*
- **Other Hawaiian Culture Projects - \$40,000**
 OED issued an RFP for projects covering this area utilizing an exempt RFP process and having a selection committee make award recommendations. Funded projects this year are:

 - The Launch of Kaua'i's Sailing Canoe-Namahoe via Leadership Kauai-10,000; *MATCH: \$33,162*
 - Hawaiian Culture outreach via Advocacy 4 to our Native Hawaiian population as it pertains to the tourism strategic plan-\$7,000 *MATCH: \$7,250*
 - Kumano I Ke Ala support of multiple projects which includes heiau/wahipana maintenance, support for royal society events and cultural education-\$23,000 *MATCH: \$8,700*
- **Continue to monitor the Kaua'i Tourism Strategic Plan and provide support to the six implementation teams**
 We have 9 action committees besides the executive committee, which have been very active during the last year in moving tasks forward including: Alternative revenue, Kauai products and services, Employee Development, Hawaiian Culture Awareness, Community Driven Programs, Visitor Industry/Community Communications, Roads and Transit, Alternative Accomodations and Parks and Trails. Program Year 2 Report is on file and located on the OED website. *This project was fully funded this year by HLTA.*
- **Look and apply for other related funding support opportunities for programs.**
 We were able to work with the Kauai Visitors Bureau in finding funding support for our Tourism Strategic Plan this year from the Hawaiian Lodging and Tourism Association and Timeshare Association-ARDA. In addition we are tracking the possibilities of applying to the Administration for Native Americans in a few months for our language preservation project. Unfortunately we have struggled to find time to work on this important goal.

- **Continue providing assistance in managing the 2016-2017 Kekaha Host Community Benefit (KHCB) Grants program;**

We continue to attend their meetings on behalf of the county and manage their grant program which is the distribution process for the Kekaha Host Benefits Program.

The current grants they have issued that we are managing are:

- Kekaha CAC – Ke Kula Niihau Food Service Project which is nearing close out \$124,700
- Boy Scouts of America Kekaha which is nearing close out \$20,000
- Fall Protection and Wellness program for Kekaha Kupuna which is in the first of two years \$41,485
- Kekaha Resident Scholarship Program \$57,250
- Ruff Ryders Travel Grant \$15,477
- Ruff Ryders Equipment Grant \$13,760
- Kekaha College Financial Assistance \$36,250
- Waimea Project Grad 2017 \$7,500
- 4th of July Kekaha Event 2017 \$50,000

- **Promotional Materials - \$9,000**

Goal met by reduction of in-house County event requests which provided more available product to schools, sports, and community groups that serve as true “Ambassadors of Aloha” who promote Kauai. 60% of requests for promotional materials are for groups traveling away from Kauai and 40% are coming into Kauai. Funds were used to replenish supplies of stickers, luggage tags, magnet clips and buttons.

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. 2017 distribution chart is as follows:

"Kaua'i Festivals" Gift Bags	"Kaua'i Festivals" Luggage Tags	"Kaua'i Festivals" Power Magnet Clips	"Kaua'i Festivals" Pens	"Kaua'i Festivals" Post It Notes	"ALOHA" Cards	"Kaua'i Loves You" Buttons	"Kaua'i Loves You" Stickers	Kaua'i Coffee 4-cup bags
146	125	396	378	402	1,227	2,482	2,007	115

Visitor Industry Data

Description	CY 2017 Actual (thru June)	CY 2016 Actual	CY 2015 Actual
Visitor Arrivals	626,409	1,187,476	1,166,043
Total Expenditures	\$954.1 M	\$1,645.8 M	\$1,603.8 M
Per Person Per Day Spending	\$198.9	\$181.2	\$180.20
Average Length of Stay (days)	7.66	7.65	7.63

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

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 continue to do so despite forecasts that predict a slow down of visitor arrivals.

As Kauai inches closer to its record of 1.29 million visitor arrivals experienced in 2007, we need to determine the “carrying capacity” of our island based on the current infrastructure of housing, roads, public facilities and spaces.

Kama’aina have concerns of overcrowding, but should be cognizant of the following facts: In 1990 there were 1.22 million visitor arrivals and in the last 27 years, the visitor arrivals have fluctuated with more decreases from the previous year and only exceeded the 1990 mark once as noted above in 2007 by 70,000 arrivals. That was 10 years ago.

On the other hand, Kauai’s population in 1990 was 51,177. The population in 2016 was 72,029 and increase of 20,851 or 40.7%.

The Kauai Tourism Strategic Plan (KTSP) has been updated and its implementation teams are trying to addresses how we should plan for the future and provide an outlook beyond that. OED-Tourism made a request in the OED FY18 budget to continue funding of the KTSP focus group to help implement these action plans. We were granted the funding and have secured matching funds to complete another year of the implementation team and a new update.

D. Budget (General Fund)

Description	FY 2017 Appropriation	FY 2016 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$128,883	\$120,165
Operations	\$640,117	\$614,916
Equipment	\$0	\$0
Program Total	\$769,000	\$735,081

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 is to reduce County fossil fuel use by 50% during 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. Project funding not approved by Council, reapplying in late 2017.

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 – project completed in January 2017. Estimated annual savings going forward - \$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. Engineering contract commencing in FY '18, Challenges needing to be addressed before proceeding with anaerobic digestion: uncertainty of feedstock, limited staff resources, and entitlement concerns related to DOT Airports
- Kekaha Landfill Alternate Fuel Project: Gas system came online in May 2017 – data collection ongoing. Estimated yield at roughly 300 SCFM which is equates to more than 1000 gals diesel equivalent per day.
- Energy Retrofits for the Police-Civil Defense Facility (3990 Kaana Street) Completed grant funded study of Kauai Main Police Facility in January of 2016. County funding under consideration in FY '18. Savings estimated at 400,000 kWh annually with \$750,000 investment. OED's work setting up the project largely complete – available to assist PW building when project proceeds.
- New high efficiency Air Conditioning Chiller at Lihue Civic Center Chiller installed in January 2016. Civic Center energy use in FY 17 150,000 kWh less than FY 15 – most of reduction (80%+) attributed to new chiller.

C. Activities

Energy Policy & Planning

Hawaii Clean Energy Initiative Advisory Committee – The County Sustainability & Energy 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.

Hawaii Energy Policy Forum

Sustainability & 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.

OTHER ONGOING PROJECTS

The Sustainability & Energy Coordinator collaborates on several other projects within County operations and beyond, including:

- **Low Income Energy Efficiency Pilot**: Collaboration with Kauai Island Utility Cooperative to fund a residential energy efficiency program that targeted low income and elderly households in the fall of 2016. Cost of program delivered to participants was approximately equal to first year energy savings to participants.
- **Kauai Climate Literacy Initiative**: Collaboration with Kauai Community College and community members on the development of a climate change awareness project. Created approximately (20) short videos of community members discussing local impacts of climate change and help meetings with community groups to encourage discussion and action on climate change.
- **Full implementation of County Motor pool program**: Relaunched County motor pool program. Program has enabled the retirement of over (10) vehicles to date, and allows convenient access to employees for completing their job duties. Program also provides flexibility to agencies when dedicated (non-motor pool) vehicles are out for repair.

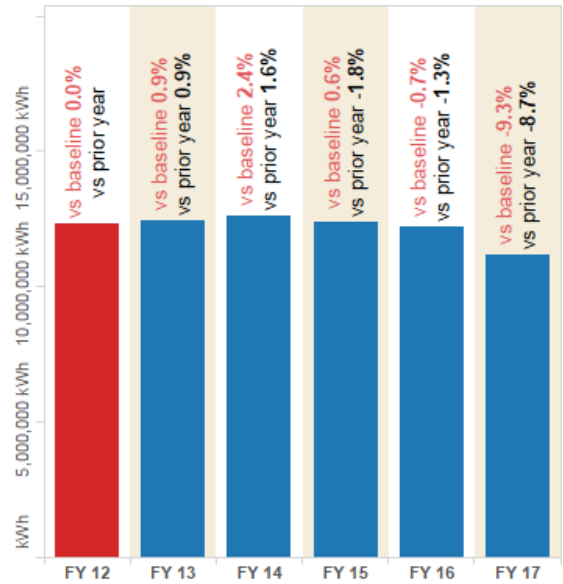
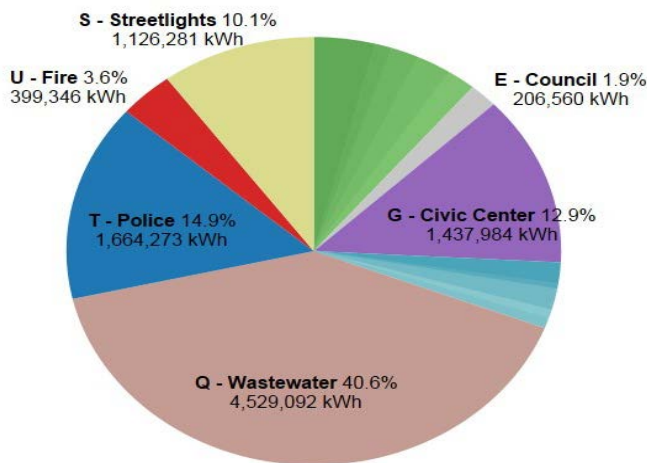
D. Program Measures – Accomplishments / Evaluation

Description	FY 2017	FY 2016	FY 2015*
Program Funding	\$203,750	\$243,907	\$411,776
Operations Sustainability Initiatives	2	3	4
Efficiency/Renewable Energy initiatives	4	4	5
Sustainability Presentations	10	8	8

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

Annual Review of County Operations Electricity Use & Cost

Fiscal year	Total Use (kWh)	Total Cost (dollars)
FY 2017	11,165,123	\$4,134,813
FY 2016	12,223,151	\$4,338,503
FY 2015	12,381,988	\$4,941,781
FY 2014	12,612,498	\$5,670,236
FY 2013	12,419,277	\$5,672,170
FY 2012	12,311,652	\$5,289,543



E. Budget (General Fund)

Description	FY 2017 Appropriation	FY 2016 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$111,504	\$114,987
Operations	\$91,140	\$128,920
Equipment	\$0	\$0
Program Total	\$202,644	\$243,907

FILM COMMISSION

A. Objectives

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 Kaua'i, 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 Kaua'i 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 a 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 Kaua'i.
3. Works directly with producers and companies filming on Kaua'i 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 Kaua'i as a technological asset to filmmakers, as well as help to assist the island's infrastructure to better support production.

B. Highlights

After the release of Jurassic World that grossed over \$1 billion worldwide and over \$652 million in the U.S., screening of the movie provided Kauai additional 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, other businesses 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.

C. Activities

FILM

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.

In the 2016-2017 update year a new menu page item was added. The item was an 'FAQ' – Facts and Questions page that included many important links to help simplify and clarify the application and permit process, as well as serve as a 'one-stop' menu page.

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 Kaua'i Visitors Bureau (KVB) to produce ad campaigns and media blitz events with movies made-on-Kaua'i as themes. Collateral material was 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 that was distributed at the trade show. These are just some of the examples of the partnership the film office has with the visitor's bureau that includes the Executive Director sitting as a member of the Film Advisory Committee.

Social & Business Media

In 2012, the Kaua‘i Film Commission Facebook was created. It continues to inform film industry specialists and the 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 Kaua‘i’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 was reviewed and inserted by Public Information Office in the Mayor’s office.

Film Offices of the Hawaiian Islands (F.O.H.I.)

The Kaua‘i 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 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. A Islands Panel focused on production in locations that were island-based was one of the highly attended sessions that included Hawaii Film Commissioner, Donne Dawson and a private production company from Hawaii.

FOHI is comprised of:

- Donne Dawson – Hawaii State Film Commissioner – Hawaii State 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
- Randy Francisco, Kauai Film Commissioner, County of Kauai Film Office
- Tracy Bennett, Maui Film Commissioner, Maui Film Office
- Justin Finestone, Big Island Film Commissioner, Hawaii Island Film Office

Legislative Activity

The goal of the legislative effort for the session was to extend the Hawaii State Film tax credit that would sunset on January 1 2019. It was successfully extended to January 1 2026 and continues with a 20% tax credit on O‘ahu and 25% for the neighbor islands. 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 and county film commissions as well as industry partners, including unions.

2016 Garden Island Film Festival (GIFF)

The 2016 GIFF was the second year that the festival took place and was a follow-up to the inaugural GIFF in 2015. The goal for this year were the following: to build upon the first year's festival and continue to grow it by including additional locations. It was expanded from 3 to 5 locations and thus increase the outreach and accessibility which included: The Westin Princeville Ocean Resort Villas (north shore); Courtyard Kauai at Coconut Beach (east); Kauai Marriott Resort & Beach Club (central); The Shops at Kukui'ula (south shore); and Blu Umi & Japanese Grand Ma Café (west). The focus of this year's festival were on films made by Kauai filmmakers and or were stories about Kauai's people, culture and or history. The festival partnered with the Kauai Economic Development Board, Hanapepe Economic Alliance and Hawaii Community Foundation – Kauai in addition to the location hosts/sponsors who provided the facility, equipment and or any other type of community partnership. The 2017 GIFF will be an expansion in the program aspect that will include student created productions from the middle and high school levels up to Kauai Community College and thus incorporate the educational component. This part of the festival will be in partnership with retirees who were former educators and continue to have a esprit of being involved in the community and, especially, youth of our island.

2016 Hawaii International Film Festival (HIFF)

The Historic Waimea Theater held another successful HIFF that screened over a 4-day period. The films screened drew a wide interest, mostly, for residents and visitors from the island's West Side. While it was a separate and long-term festival located on the west side, it was included and promoted as a separate festival during the month.

Creative Lab Hawaii

In conjunction with the Creative Industries Branch of DBEDT, the Kauai Economic Development Board (KEDB), and the Kauai Visitor Bureau, the Kauai Film Office jointly launched the inaugural Creative Lab Hawaii (CLH) Transmedia Ideation Weekend that included 29 participants out of nearly 60 applicants. The focus of the 'boot camp' weekend that included a grant from the County of Kauai and DBEDT was to provide attendees an intensive training program to assist them as they took the next step from idea/concept to development/production.

Filmmakers of Kaua'i

Kaua'i continues to grow its cadre of elementary, middle, high school and college students studying film and digital media technology. 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. 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.

Kaua‘i’s young innovative and creative minds, artists and talents need the Kaua‘i 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.

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. It was first envisioned that students and interns would 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. The KCTC will provide production staff opportunities to do pre- and post-production work on-island as an added convenience.

The KCTC through its contractor non-profit, the Kauai Economic Development Board recently was awarded a \$100,000.00 grant from the Economic Development Agency to conduct the initial phase of the project. This infusion and vote of confidence by the federal government also coupled with Hawaii legislature’s Grant-in-Aid funding gave further credence to the long-term vision of the industry of this new economy activity that highlighted the technology and creative arts fields.

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

Association of Film Commissioners International (AFCI) – Annual Location Tradeshow

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 (F.O.H.I.) which is a consortium of the state and county film offices in organizing and promoting Hawaii as a film location.

The LTS relocated to Burbank due to a renovation at the original location. The venue change provided another location opportunity where the Hawaii booth was strategically located at the entrance to the event and attendees had a lei greeting and provided promotional materials. As a way of drawing attendees to the booth, free Hawaiian coffee was available for attendees at the booth as the freshly brewed coffee wafted through the exhibit and drew them into the booth.. The booth was one of the largest at the show and drew hundreds of attendees. Many contacts were made 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.

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.

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 Location Trade Show (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.

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. Cristen Carr Strube & Mr. Morgan Swing, Sr. Financial Analyst, Budgeting & Estimating, Universal Pictures
- Ms. Karen Fouts, Sr. VP Production Planning, WB/Warner Brothers Pictures
- Mr. Jacob Guwa, Director, Physical Production, WB
- Mr. Brendan Gallavan, Production Incentives Analyst Production Planning, WB
- Ms. Daleen Buter, Manager, Production Planning, WB
- Mr. Richard Abramson, Island Dairies LLC, Producer, Hurricane Island Film Productions
- Mr. Haik Airaapetian, Hurricane Island Film Productions
- Ms. Dawn Krantz, Producer & Pierre and, Financial Officer and Director, Krannel Productions
- Mr. Mitch Galin,
- Mr. Herbert Flores, Marriott International – Lions Gate Account

Association of Independent Commercial Producers (AICP)

This annual trade show held in New York in June focuses on independent commercial production companies that especially focus on the commercial-advertising aspect of the industry. Kauai does not participate in having a representative from Kauai. However, the county contributes 12.5% of the total budget for the Hawaii Film Office participation. The Big Island Film Office also contributes 12.5% and the remainder shared between Oahu, Maui and State film offices. As the data will indicate, the commercial aspect of the film industry 'pie' contributes 41% or 17 productions made in the just-concluded fiscal year. The category continues to grow as a significant contributor adding to the diversity of all production activities throughout the year.

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. HEA will celebrate its 20th anniversary of successful hosting the Friday Art Night and the members have developed their 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.

Hawaii on The Hill

While in Washington D.C. for the 4th annual Hawaii on the Hill hosted by Chamber of Commerce Hawaii and Office of US Senator, Mazie Hirono, collateral materials were also distributed about Kauai's film industry, including giveaways of the Kauai Movie Book.

Hawaiian Airlines also recognized the importance of film tourism in the 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.

Program Measures – Accomplishments / Evaluation

FILM PRODUCTIONS

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

While these metrics are included as evaluation variables, the other contributing variable that cannot be measured, but also contributes to the island’s economic and 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.

Description	FY 2017 Actual	FY 2016 Actual	FY 2015 Actual
# of Film / TV projects	40	28	30
# of Shoot Days	252	161	304
# of Jobs (Kauai hires)	195	92	142
Economic Impact	\$2,709,478	\$886,000	\$3,069,500

The breakdown for all film, video and still photo shoots is 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	1	0	0	0	1
Television Shows / Series	8	0	0	0	8
Commercials / Print Ads	16	0	0	0	16
Music Videos	0	0	0	0	0
Documentaries	5	0	0	0	5
Travel	6	0	0	0	6
Sports	1	0	0	0	1
Digital / Internet / Other	3	0	0	0	3
Total	40	0	0	0	40

Feature Films (1)

“Snatched” a movie and included actors, Goldie Hawn and Amy Schumer, and had a second production unit filming on the island in August that premiered in May during Mother’s Day Weekend. The movie was part of the launch of the summer 2016 season. Unfortunately, it did not do as well and is now on cable television. Nearly a year later, in August, the film became available on DVD and on internet access. The film included locations such as the Huleia River and Hulemalu Road (Kipu Bypass) as part of a chase scene.

Television Shows; TV Reality Shows and Music Videos (8)

TV reality shows are still the trend with various types of shows including NatGeo’s Wild (National Geographic Television) “Aloha Vet” which filmed on Kauai for 3 months covering the day-to-day work of Kauai veterinarian, Dr. Scott Sims who unfortunately passed away soon after “Aloha Vet” aired on NatGeo. Another big production was NBC TV’s reality show, “The Biggest Loser” with Kauai expenditures of \$400,000, including 24 local hires and a total crew of 90; “A Sale of Two Cities” by Wonder of World production; four HGTV’s Hawaii Life reality show which returned to Kauai for its 5^h time in 3 years;

Commercials / Print Ads (17)

Commercials and print ads continue to drive the production activity that accounted for 41% of all productions. In addition to the returnees (Land’s End and Athleta/FX catalogue productions; HMSA – stock photos as examples), new to the roster were yoga wear retailer Lululemon, Outdoor Circle and Island Air Commercial). Kauai’s topography, landscapes and natural beauty serve as the prime reason why commercials and print advertisers and others continue to use and or discover Kauai as a natural backdrop for the variety of work (television, photography, videography, etc.).

Documentaries (5)

Documentary productions ranged from a travel story tracing sailing from the US west coast to the shores of Kauai plus work by NHK, the Japanese national public broadcasting company.

Travel (6)

In its ninth season, Hawaii Life continues to shoot productions on the island highlighting residential properties marketing to both residents and non-residents. Marketing to overseas and foreign destinations such as Australia and Oceania, the Hawaii Tourism Oceania Australia as well as the Kauai Visitors Bureau highlighted some lifestyle locations of Kauai.

Digital / Internet / Others (3)

This category highlighted also lifestyle programming including yoga and surfing that was a new craze in the industry and the introduction of a new product on the market for skin protection.

Sports (1)

The annual Kauai Marathon was again the primary activity in this category that included aerial videos using UAS-drones.

D. Budget (General Fund)

Description	FY 2016 Appropriation	FY 2015 Appropriation	FY 2014 Appropriation
Equivalent Personnel (E/P)	1	1	1
Salaries, Wages & Benefits	\$122,874	\$88,622	\$92,941
Operations	\$39,735	\$22,438	\$26,808
Equipment	\$0	\$0	\$0
Program Total	\$162,609	\$111,060	\$119,049

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.

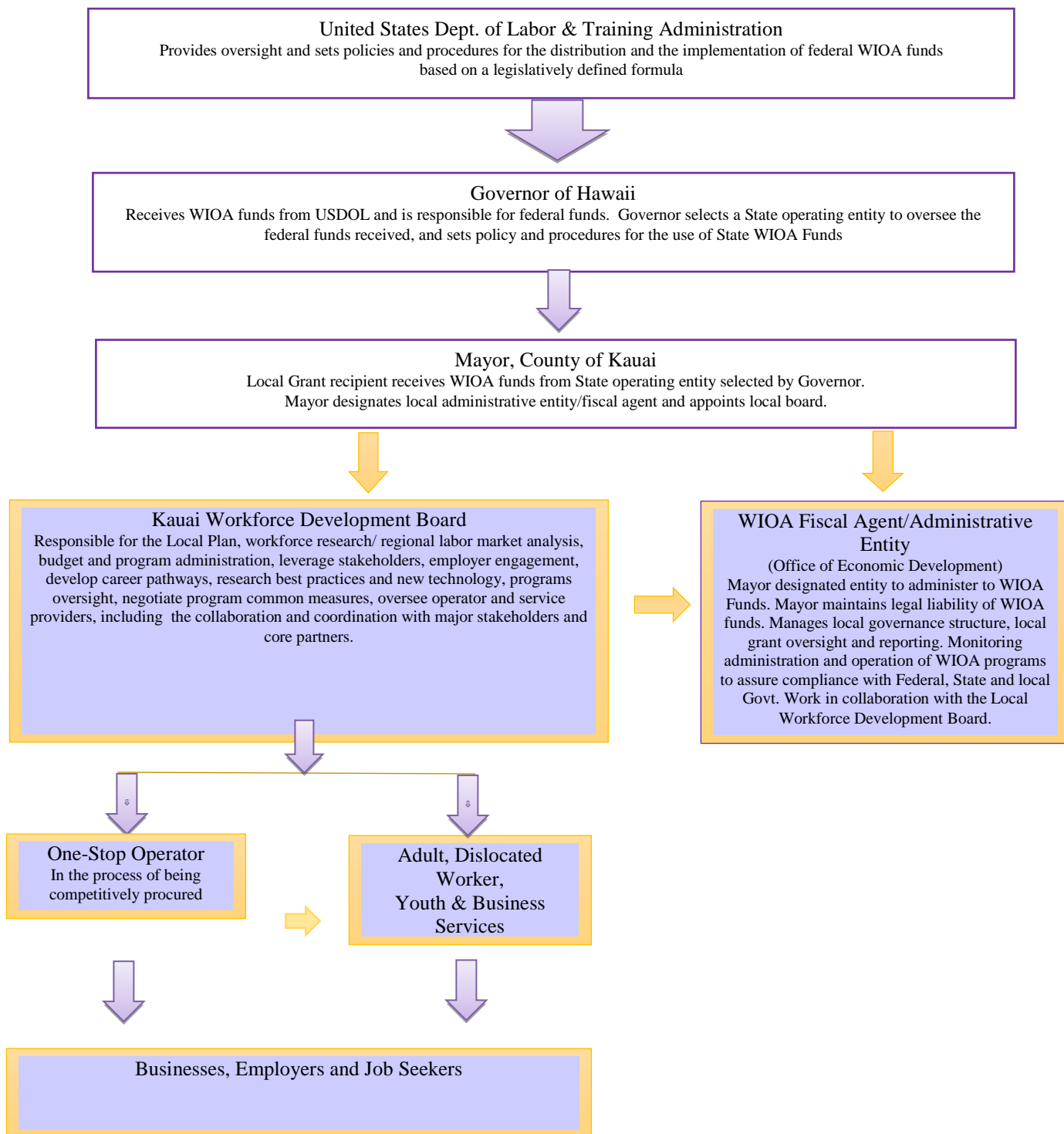
Starting July 1, 2015, the new Workforce Innovations & Opportunity Act (WIOA) began its transition phase and is in the process of being implemented starting July 1, 2017.

With the funds received from the federal government for the WIOA program, the County's Office of Economic Development, is the officially designated fiscal agent appointed by the CLEO – the Chief Local Elected Official. The Local Workforce Development Board assists in providing oversight for the WIOA Adult, Dislocated Worker & Youth Services Programs to include Business Engagement. The KWDB Executive Director works with the current service provider for the WIOA programs. The current provider is the State's DLIR Workforce Development Division-WorkWise Kauai, also known as the American Job Center, is located in the Lihue Civic Center.

PROGRAM INFRASTRUCTURE

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 later an additional two more were added. The new WDC staff is currently going through the transitioning phase of WIOA.

See Kauai Workforce Development System Below:



ONE-STOP OPERATOR

The County of Kauai is an officially designated regional area by the Governor, and as a result the Mayor, who is the Chief Local Elected Official (CLEO) 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 designated entity, the County of Kauai Office of Economic Development (OED) is the official fiscal agent responsible for:

- Local administration of the three WIOA programs that focus on employment and training, through two service provider contracts:
 - Adult and Dislocated Workers – currently served by the State DLIR Workforce Development Division (WDD) housed in the *WorkWise* - Kauai One-Stop Job Center.
 - Youth served by - 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 WIOA programs are mandated and conducted by Kauai Workforce Development Board (KWDB).
- Also mandated by the new law: WIOA P.L. 113-128, the Local Workforce Board will hire a One Stop Operator to assist in monitoring and oversight of the One Stop Programs and report to the Local Workforce Development Board.

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

Since 2013 to present, Paxen Youth Services 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 will currently be 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 19-member volunteer Kauai Workforce Development Board (KWDB) under the new WIOA Mandated Act of 2014 was charged with policy and planning responsibilities. The KWDB operates as a forum where business, government, labor, education, community-based organizations and the public work together. The KWDB helps to create an integrated market driven workforce system that 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.”

Recently nominated and then elected as the new leader and chair of the KWDB Board is Mr. Robert Ayonon replacing 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	- Bobby Ayonon – Kauai Air Conditioning & Refrigeration, CEO
Vice Chair	- Sheryl Grady – KIUC, HR-Apprenticeship Coordinator
Secretary	- Kaleo Perez – KCFCU HR, Vice-President

YOUTH COUNCIL COMMITTEE

Continuing in the initiative from PY 2013 to present is the Youth Council Committee Chair and ex-officio is Leialoha Sanchez, a Community Service Manager from Hale Opio Inc.. With her cultural style teaching in this leadership role, the Youth Committee is focused on many youth activities in the community that supported a myriad of community services for youth.

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 and continued into summer 2017. Kauai DVR staff officials are excited and ready to plan another summer youth employment program for 2018.

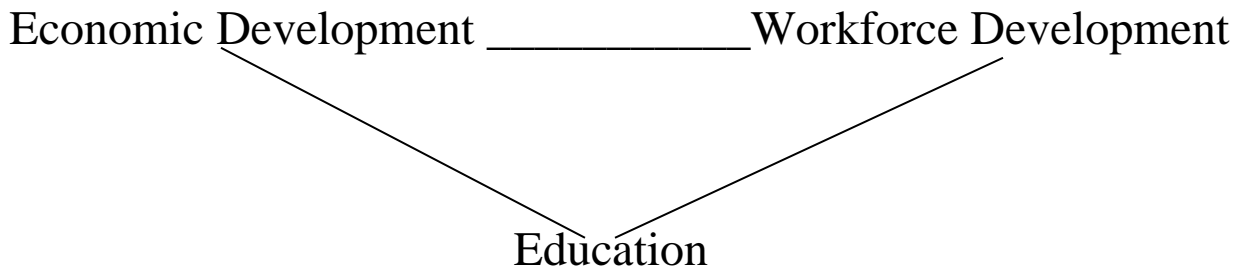
Since the beginning of the new WIOA Act of 2014, the Youth Council continues to play a major role merging with the KWDB as a committee of volunteer youth service providers. It is comprised of strong community members with diverse expertise and resources relating to youth and is tasked with building a 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.

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. In 2017, The project is in full force at other active 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.

Education continues to be the foundation that binds Economic Development and Workforce Development in the community.



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 was held in February 2017. Again, it was a successful endeavor! The Kauai Island Chamber of Commerce groups are willing collaborators in this Kauai island endeavor.

The new Business-Led KWDB is considering a "shift" in the planning by assisting the Chamber to create a Small Business Symposium in 2018 to help businesses on the island by show-casing "Best Practices" with a special luncheon and possible speaker series..

APPRENTICESHIP DAY

On November 16, 2016, Kauai held its very first Apprenticeship Day, in following the 2nd year Federal Recognition of President's Obama's dedication to Apprenticeship's Week – 14 to 20 November 2016 at Kauai Community College-Office of Continuing Education & Training. LWDB created a Kauai Apprenticeship to follow suit.

The Governor was invited and his liaison, Carrice Gardner brought a special message from Governor David Ige. Mayor Bernard P. Carvalho Jr. had a special proclamation for the local Workforce Development Board. Service Providers and Organizations with Apprenticeship Programs that participated were:

1. Plumbers & Fitters Training Fund, Local 675
2. Construction Laborers Training Program, Local 368
3. Job Corps Hawaii
4. Oceanic Time Warner Cable
5. International Brotherhood of Electrical Workers, Local 1168
6. KIUC- Utilities Cooperative
7. Kauai Community College-Office of Continuing Education & Training
8. Kauai Community College-Trades & Technology Dept.
9. McKinley Community School for Adults, Kauai Branch
11. State of Hawaii, DLIR-WDD & Kauai Branch
12. Hawaii Small Business Development Center
13. Kauai Air Conditioning & Refrigeration
14. Kauai Filipino Chamber of Commerce

Four breakout sessions helped to elaborate services and information for the Plumbers & Fitters training, Laborers training, and the Dept. of Labor & Industrial Relations, Workforce Development Division, DLIR-WDD, presented 44 various apprenticeship training programs across the State of Hawaii.

The fourth breakout session by KIUC was presented by Sheryl Grady who brought in 4 apprentices from their company working on their 8000 hours of the apprenticeship program. See picture attached.



Bobby Ayonon in Center with Plumbers & Pipefitters Union Representatives
(KCC Nov. 2016)

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 Negotiated Performance Goals for PY2017

WIA/WIOAS Adult

- Entered Employment 2nd Qtr. After exit 67.6%
- Employment 4th Qtr. After Exit 63.9%
- Median Earnings 2nd Qtr. After Exit \$5,350
- Credential Attainment 51.0%

WIA/WIOA Dislocated Worker

- Entered Employment 2nd Qtr. After exit 74.0%
- Employment 4th Qtr. After Exit 69.2%
- Median Earnings 2nd Qtr. After Exit \$6,776
- Credential Attainment 66.5%

WIA/WIOA Youth

- Education or Training or Employment 2nd Qtr. After exit 59.0%
- Education or Training or Employment 4th Qtr. After Exit 55.9%
- Credential Attainment 61.1%

Wagner-Peyser

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









**WIOA Annual – Local Performance Report
2016-17
Kauai**

<u>Measure</u>	<u>Customer Group / Region / Office</u>	<u>Total 2017</u>	<u>Total 2016</u>
Total Participants	Adults	0	0
	Dislocated Workers	0	0
	Older Youth (19-21)	0	0
	Younger Youth (14-18)	0	0
Total Exiters	Adults	0	0
	Dislocated Workers	0	0
	Older Youth (19-21)	0	0
	Younger Youth (14-18)	0	0

** 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:

** Official Data has not been shared to date 09/05/17

** Chart below is the latest data available

	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>
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
2017	Kauai County	\$ 16,630	\$ 77,972	\$ 104,660	\$ 73,015	\$ 272,277

One Stop Operator Funding Allocation

from 10% of each program was also allocated: **\$31, 291**, for the first program year.

E. Budget (General Fund)

Description	FY 2017 Appropriation	FY 2016 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$95,332	\$ 94,621
Operations	\$8,185	\$ 8,165
Equipment	\$0	\$0
Program Total	\$103,517	\$102,786

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** - Two runners from Iwaki Sunshine Marathon participated in the 8th Annual Kauai Marathon on September 4, 2016. Two additional runners representing Suo Oshima, Japan which is another Kauai sister city was also represented.

CULTURE & SISTER CITIES

- 1) **Courtesy visit** with Mayor Carvalho by Mr. Suzuki, President of Iwak Hawaii Exchange Association

C. Activities

SPORTS MARKETING

Sports Marketing & Sister Cities

- **Create and complete a successful marketing trip to Japan as part of the Iwaki Sunshine Marathon in February 2017 to promote runners to participate in Kauai Marathon's Hafu Mara Kauai (Half Marathon) and full marathon**

Responding to a request from Bob Craver, Director of Kauai Marathon to increase runners from Japan, a recommendation was made to focus on marketing the 'half marathon' or "Hafu-Mara" (Hafu means half and Mara, short for marathon) to increase runners from Japan via various Japanese travel agencies. During mid-2016, Art Umezu met with 7 agencies, promoting the Kauai Marathon, as well as other Kauai sports, and cultural & arts tourism

Although the site of one of the most breathtaking marathons in the world, the Kauai Marathon is also recognized as one of the most difficult in the marathon world, thus the focus on promoting and recruiting runners for the Half Marathon instead. Other promotional ideas we came up with this year is to promote a 10k run which is a more popular distance for Japanese runners and families and to find a popular Japanese celebrity to either run or be involved with the race that would attract runners as well.

Kauai Marathon & Half Marathon promotion in its first year did little to increase number of runners with only 4 new runners from Iwaki, however the purpose of the promotion at Iwaki Sunshine Marathon was to promote KM to runners who comes from outside of Iwaki. There are nearly 11,000 runners, many coming from Tokyo; Yokohama and other major hubs and regions, who comes to Iwaki to run. With Iwaki being Kauai's sister city, it's government is very supportive of Kauai promoting KM at the annual event. According to KM race organizer, Robin Jumper, the only increase of runners, although very little, are from Japan.

Economic benefit for Kauai Marathon, per runner, based on at least 3 days on Kauai include hotel accommodation; rent a car or taxi cab; meals and expenditures for sundries; gifts, etc aside from roundtrip airfare from Honolulu. Minimum average expenditure: \$1500 per runner.

There were 70+ runners from Japan in 2015.

- **Create a bi-lingual multi-fold "Play Sport Kauai" brochure with information about Kauai's sport culture and sport-friendly venues with attractive, colorful photographs and a section with information and photos of Kauai's Arts & Culture tourism**

The sports marketing analyst decided that instead of a hard copy, multi-fold brochure, a *Play Sports Kauai* site will be created and posted using the Facebook platform, as well as other social media networks. Email blasts will also be incorporated to reduce the expense of printing and shipping. This has not been competed yet.

After several years of planning, we will have our inaugural Kauai-Japan Sister City Little League Goodwill Games this summer 2017. Japanese government officials from Iwaki City and the Japan America Society of Hiroshima (JASH) have been working with respective Kauai Little League officials to make these goodwill games a reality. Kaua'i will be represented by Kauai Yankees of the Kauai's Little League in the goodwill games, which we hope will be the first of an annual home and away series with Little League teams of both countries. Already, both Iwaki and Hiroshima Little League teams are considering to play with Kauai's Little League teams in the near future as early as spring and summer of 2018.

We are also working to bring the world-famous, Hiroshima Children's Marimba Ensemble to Kauai in September or October 2017. The ensemble has played at Hiroshima and Nagasaki Peace Concerts and world-wide including Carnegie Hall and Vienna, Austria. With Mr. Tanaka's support, Kauai Hiroshima Peace Club will be introduced at this year's Matsuri Kauai Festival.

In the fall of 2016, the 1st Kauai Japan Sister City Goodwill Golf Tournament was held at Wailua Golf Course during Matsuri Kauai Festival to provide more activities while on Kauai. The tournament brought 11 more people from Suo Oshima to Kauai and play at Wailua. Total of 14 players from Japan and 16 from Kauai played in the tournament. Another tournament is planned for October of 2017.

The official delegation from our sister city program and friendship partners in Japan continues to Kauai, numbering over 800 people in the last 10 years whereas, people from Kauai to visit our sister cities is less than 100 people. Our sister city program will continue to have an impact economically on Kauai with their annual visits but Kauai needs to reciprocate by visiting their cities to attend their events as well.

- **Create a new 'Hawaiian hula, mele and cultural arts' event, specifically to attract hula, mele and Hawaiian cultural arts enthusiasts from Japan. The event will be marketed to major and independent travel agencies and tour companies in Japan and Oahu as well as directly to the thousands of hula halau and hula promoters in Japan**

A new hula event, "Ho'onani Kauai: A Lei Of Kauai Stars" hula celebration concept was introduced to Japanese travel agencies in Hawaii and Japan as well as to several hula halau in Japan last year. This Japan to a Kauai-exclusive event featured only Kauai dancers and musicians. Japanese kumu hula, Mapuana Kazama, embraced the idea and brought 74 students from 4 major cities, Tokyo, Machida, Odawara and Fuji city, to participate in the first Ho'onani Kauai, held on February 22, 2017. Mapuana who has more than 700 has vowed to return next year for the 2nd Ho'onani Kauai with more participants. Next year, the event will be promoted and marketed to Japanese travel agencies and various media and publications which cover Hawaii news and topics.

Aside from Kauai’s four sister cities, Kauai has other cities and regions in Japan which collaborated in the past 10 years for various tourism-related; cultural and arts events including Nagoya (Japan’s 4th largest city); historic Gujyo Hachiman in Gifu; Fukuoka, Kumamoto and Yokohama (Japan’s 3rd largest city) through hula events; Kyoto (ancient capital of Japan) and Obihiro in Hokkaido, Japan northern-most island mass.

- **Continue to work with Sister Cities-Japan, support Japanese Visitor emergency needs and support Japan filmmakers.**

Kauai has four official sister city programs in Japan: Listed in the order of when it became official sister city: Suo Oshima, Yamaguchi prefecture (pop. 20,000) in Chugoku region near Hiroshima with population since March 1963; Ishigaki, Okinawa prefecture (pop: 48,000) which is Japan’s southern-most island city near Taiwan, since May 1963; Moriyama in Shiga prefecture (pop: 71,000) near Japan’s ancient capital of Kyoto, since 1974; and Iwaki, Fukushima prefecture, (pop: 345,000) home to Spa Resort Hawaiians, Japan’s largest Hawaiian and Polynesian resort and amusement park, since Sept. 2011.

Since 2000, more than 1400 people from our sister cities officially have come to Kauai for their respective anniversary ceremonies and related events.

Since early 2000s, OED has assisted 8 Japanese visitors who either died; got injured; got ill or hospitalized while on Kauai. Two cases in the last 4 years where passengers on NCL cruise ship while docked at Nawiliwili Port were asked to disembark because they got ill and required medical attention that ship’s medical staff couldn’t provide. OED also regularly assists Japanese visitors who have been victims of crime.

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 2017 Actual	FY 2016 Actual
# of Sports Marketing Events	1	1
# of Participants	4	3
# of Jobs (Kauai hires)	0	0
# of Cultural / Sister City Events	4	5
# of Participants	77	150
# of Jobs (Kauai hires)	0	0
Economic Impact	\$187,000	\$300,000

E. Budget (General Fund)

Description	FY 2017 Appropriation	FY 2016 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$102,800	\$100,974
Operations	\$17,230	\$ 13,280
Equipment	\$0	\$0
Program Total	\$120,030	\$114,254



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

As a follow-up to the first shuttle pilot program in 2014-15 and with the support and lobbying efforts of Kauai's Hawaii Tourism Authority (HTA) representative, Fred Atkins, the County was the recipient of a \$160,000 HTA grant. This provided 3 months of funding and like the first North Shore Shuttle program, was not only well used by visitors, but by North Shore residents as well.

It is our hope that with these two examples of showing the need of a shuttle service that will help to reduce the number of vehicles in the North Shore area and provide transportation for residents in Wainiha and Haena to get to work and shop in Hanalei and Princeville. The shuttle also connects residents with the County's bus service that terminates in Hanalei.

- Royal Coconut Coast (East Kauai) Shuttle

The traffic in the Wailua-Waipouli-Kapaa corridor continues to be a problem and members of the Royal Coconut Coast Association (RCCA) are working with the County Administration to seek a solution to address their concerns.

- **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 are being held 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)**
Each month ‘Aina Ho’okupu O Kilauea, the non-profit group that is providing leadership in the development of this valuable County asset shows incredible progress. The long process of applying for and receiving water meters from the Department of Water is finally coming to an end where five (5) 5/8-inch water meters will be approved and installed during the fall of Fiscal Year 2018.
- **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.
- **Koloa Ag Park**
Ongoing discussions 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**
Ongoing discussion with Landis Ignacio, Land Manager for the Kekaha Agriculture Association (KAA) who is responsible for the majority of farm land in the Kekaha area. 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 FY 2017, Kauai Nui Kuapapa – "Talking About Our Island", continued providing information and finally received permission from the State of Hawaii to install Ahupuaa signs within each Moku and continued to create educational pieces and speak with organizations on how the information can be incorporated into use by businesses and educational systems. 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.

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**

During this year, a clean up was organized of the site as well as an archeological study. Results from this study will be presented to the county and Anahola community. We are continuing brokering of an agreement between DOFAW, DHHL, Na Hoku Welo and Po`o with County support. We expect this agreement to come to fruition in the next fiscal year.

Puna Moku

- **Kukui Heiau**

This heiau has located it's two po`o who will be overseeing clean up along with it's partners of the Lae Nani Association and Na Hoku Welo. The stewardship agreement was signed in July of 2017 and accepted by council shortly thereafter.

- **Huleia River & Alekoko Fish Pond**

OED continued support funding via application and grant process 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. This year's funds were used for project assessment to move the project up river.

Kona Moku

- Kahua O Kaneiolouma
This project was completed the prior year.
- 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.

Niihau Moku

- This project is to create a commission to work to preserve the Niihau language. The executive committee for this project had its first meeting and were in the process of creating bylaws and a priority list to move the project along.

Increase commerce in towns across the island by maintaining unique character

- HTA / County Special Events Grants
OED continues to assist 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.

SUSTAINABILITY & ENERGY

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

- Kauai LED Streetlight Retrofit – started work in 2014 – project completed in January 2017. Estimated annual savings going forward - \$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. Engineering contract commencing in FY '18, Challenges needing to be addressed before proceeding with anaerobic digestion: uncertainty of feedstock, limited staff resources, and entitlement concerns related to DOT Airports

- Kekaha Landfill Alternate Fuel Project: Gas system came online in May 2017 – data collection ongoing. Estimated yield at roughly 300 SCFM which is equates to more than 1000 gals diesel equivalent per day.
- Energy Retrofits for the Police-Civil Defense Facility (3990 Kaana Street) Completed grant funded study of Kauai Main Police Facility in January of 2016. County funding under consideration in FY '18. Savings estimated at 400,000 kWh annually with \$750,000 investment. OED's work setting up the project largely complete – available to assist PW building when project proceeds.
- New high efficiency Air Conditioning Chiller at Lihue Civic Center Chiller installed in January 2016. Civic Center energy use in FY 17 150,000 kWh less than FY 15 – most of reduction (80%+) attributed to new chiller.

WORKFORCE DEVELOPMENT

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

The Office of Economic Development- WIOA Administrator works closely with 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.