

OFFICE OF ECONOMIC DEVELOPMENT
ANNUAL REPORT FOR FISCAL YEAR 2017-2018

I. VISION / MISSION STATEMENT

Vision

Supporting a strong economy within a healthy island and community.

Mission

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 are directed toward accomplishment of the agency's overall mission.

One administrative specialist, economic specialist, accountant and compliance specialist, provides support to the Director and the five specialists.

ADMINISTRATION

A. Objectives

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

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

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

B. Highlights

As OED's Mission Statement indicates, we "work in partnership with the community to create and maintain job opportunities..." and we are fortunate to work with many of the best organizations and citizens on Kauai.

During Mayor Carvalho's 10-year administration that began in the depth of the Great Recession of 2008-09 to present day. The following are some of the highlights of the job opportunities that were addressed over the last 10 years with the help of our partner organizations and further detailed under the "Activities" section.

JOBS, JOBS, JOBS

One thing is for sure, there will always be "change" in our lives, and that is especially true of our economy, locally, nationally and globally. The present economy is flourishing as it was a little over 10 years ago. We were experiencing many of the same challenges being spoken of today. Traffic, the tourism industry taxing our island infrastructure, vacation rentals allowing more visitors in our neighborhoods, driving up real estate values and property taxes and reducing available long-term rentals for residents as landlords opt for the more lucrative vacation rental market. Residents were vocal about too much tourism....., then the Great Recession hit, and it hit Kauai harder than most islands. With Kauai being so dependent on the Visitor Industry, it was the most vulnerable during the recession where Kauai's main market for visitors, the U.S. mainland West Coast were hit hard by the Great Recession. As California, Oregon, Washington and other western states residents were losing jobs, homes and investment portfolios, discretionary funding was almost non-existent.

With visitor arrivals down by more than 30%, hotels, condominiums, vacation rentals and even timeshare resorts were forced to lay off employees. Within a few months, the domino-effect was catastrophic to Kauai's economy.

As Mayor Carvalho entered office, he made a bold decision to request \$1 million to work with the Kauai Visitors Bureau and create a marketing plan that would keep Kauai in the forefront of people's mind on the U.S. mainland and other parts of the world, so when their economic situation improved, Kauai would be top of mind. At the time this bold marketing plan was created, the forecast was that it would take 10 years for Kauai's economy to rebound. As we now look back, we are very thankful for the global, U.S. and Hawaii economy turning around in 5-6 years, BUT as mentioned previously, our economy is cyclical and we should continue to work towards economic diversification that is part of the Kauai Economic Development Plan – Comprehensive Economic Development Strategy (CEDS) that is detailed later in this report.

The following worksheets highlight Kauai's labor force and overall unemployment rates during the economic boom of 2006, then the Great Recession of 2008-90, economic improvement/recovery up through 2015 and the latest annual figures of 2017. The other worksheet provides detailed information on Kauai's industry sectors and how they were impacted with having to layoff employees and the economic recovery to present day.

UNEMPLOYMENT RATE				KAUAI COUNTY							
	CY 2017-09	CY 2017		CY 2015		CY 2012		CY 2009		CY 2006	
Labor Force	33,925	36,132	2.8%	35,153	3.8%	33,878	5.9%	31,990	-1.5%	32,471	
Employment	25,630	26,500	4.7%	25,300	7.2%	23,600	2.2%	23,100	-22.1%	29,650	
Unemployment Rate (Kauai)	5.2%	2.4%	-40.0%	4.0%	-45.2%	7.3%	-25.5%	9.8%	276.9%	2.6%	
Unemployment Rate (Hawaii)	4.1%	2.1%	-32.3%	3.1%	-40.4%	5.2%	-27.8%	7.2%	140.0%	3.0%	
Unemployment Rate (U.S.)	6.3%	4.1%	-18.0%	5.0%	-36.7%	7.9%	-20.2%	9.9%	125.0%	4.4%	

JOB COUNT BY INDUSTRY				KAUAI COUNTY							
TOTAL NON-AGRICULTURAL	CY 2017-09	CY 2017		CY 2015		CY 2012		CY 2009		CY 2006	
WAGE & SALARY JOBS	13.1%	31,100	4.0%	29,900	6.4%	28,100	2.2%	27,500	-7.3%	29,650	
Total Private	14.7%	26,500	4.7%	25,300	7.2%	23,600	2.2%	23,100	-8.9%	25,350	
Goods-Producing	17.9%	2,300	21.1%	1,900	18.8%	1,600	-17.9%	1,950	-9.3%	2,150	
Nat. Resources & Mining & Construction	12.5%	1,800	20.0%	1,500	15.4%	1,300	-18.8%	1,600	-8.6%	1,750	
Special Trade Contractors	12.5%	900	28.6%	700	16.7%	600	-25.0%	800	-5.9%	850	
Manufacturing	42.9%	500	25.0%	400	33.3%	300	-14.3%	350	-12.5%	400	
Durable Goods	0.0%	100	0.0%	100	0.0%	100	0.0%	100	0.0%	100	
Non-Durable Goods	33.3%	400	33.3%	300	50.0%	200	-33.3%	300	20.0%	250	
Service-Providing	12.7%	28,800	2.9%	28,000	5.7%	26,500	3.7%	25,550	-7.1%	27,500	
Private Service-Providing	14.7%	24,200	3.4%	23,400	6.4%	22,000	4.3%	21,100	-9.2%	23,250	
Trade, Transportation & Utilities	7.1%	6,000	1.7%	5,900	7.3%	5,500	-1.8%	5,600	-9.7%	6,200	
Wholesale Trade	0.0%	500	0.0%	500	0.0%	500	0.0%	500	-9.1%	550	
Retail Trade	5.3%	4,000	2.6%	3,900	5.4%	3,700	-2.6%	3,800	-6.2%	4,050	
Food & Beverage Stores	29.4%	1,100	10.0%	1,000	11.1%	900	5.9%	850	0.0%	850	
Grocery Stores	33.3%	1,000	11.1%	900	12.5%	800	6.7%	750	0.0%	750	
Clothing & Clothing Accessories Stores	0.0%	500	0.0%	500	0.0%	500	0.0%	500	-16.7%	600	
General Merchandise	-15.8%	800	-11.1%	900	0.0%	900	-5.3%	950	18.8%	800	
Department Stores	-100.0%	0	0.0%	0	0.0%	700	0.0%	700	0.0%	700	
Transportation, Warehousing & Utilities	15.4%	1,500	0.0%	1,500	15.4%	1,300	0.0%	1,300	-18.8%	1,600	
Air Transportation	50.0%	300	0.0%	300	0.0%	300	50.0%	200	-42.9%	350	
Information	-20.0%	200	0.0%	200	0.0%	200	-20.0%	250	-16.7%	300	
Telecommunications	0.0%	*	0.0%	*	0.0%	100	0.0%	100	0.0%	100	
Financial Activities	-8.3%	1,100	-21.4%	1,400	7.7%	1,300	8.3%	1,200	-4.0%	1,250	
Finance & Insurance	-27.3%	400	-33.3%	600	0.0%	600	9.1%	550	37.5%	400	
Professional & Business Services	11.1%	3,000	3.4%	2,900	3.6%	2,800	3.7%	2,700	-26.0%	3,650	
Professional, Scientific & Tech. Svcs.	-6.7%	700	16.7%	600	0.0%	600	-20.0%	750	25.0%	600	
Administrative & Support & Waste	0.0%	100		200							
Management & Remediation Services	18.9%	2,200	4.8%	2,100	0.0%	2,100	13.5%	1,850	-36.2%	2,900	
Educational & Health Services	16.0%	2,900	7.4%	2,700	8.0%	2,500	0.0%	2,500	4.2%	2,400	
Educational Services	-20.0%	200	0.0%	200	0.0%	200	-20.0%	250	25.0%	200	
Health Care & Social Assistance	20.0%	2,700	8.0%	2,500	8.7%	2,300	2.2%	2,250	2.3%	2,200	
Leisure and Hospitality	28.2%	10,000	7.5%	9,300	6.9%	8,700	11.5%	7,800	-9.8%	8,650	
Arts, Entertainment, & Recreation								950		1,050	
Accommodation & Food Services	29.4%	8,800	8.6%	8,100	5.2%	7,700	13.2%	6,800	-10.5%	7,600	
Accommodation	20.5%	4,400	4.8%	4,200	2.4%	4,100	12.3%	3,650	-12.0%	4,150	
Food Services & Drinking Places	39.7%	4,400	12.8%	3,900	8.3%	3,600	14.3%	3,150	-7.4%	3,400	
Full-Service Restaurants	47.6%	3,100	14.8%	2,700	8.0%	2,500	19.0%	2,100	-10.6%	2,350	
Other Services	-4.8%	1,000	0.0%	1,000	0.0%	1,000	-4.8%	1,050	23.5%	850	
Government	3.4%	4,600	0.0%	4,600	2.2%	4,500	1.1%	4,450	4.7%	4,250	
Federal Government	-9.1%	500	0.0%	500	0.0%	500	-9.1%	550	10.0%	500	
Department of Defense	33.3%	200	0.0%	200	0.0%	200	33.3%	150	0.0%	150	
State Government	5.7%	2,800	0.0%	2,800	3.7%	2,700	1.9%	2,650	1.9%	2,600	
State Education (DOE & UH) (2)	13.3%	1,700	6.3%	1,600	6.7%	1,500	0.0%	1,500	0.0%	1,500	
Local Government	4.0%	1,300	0.0%	1,300	0.0%	1,300	4.0%	1,250	8.7%	1,150	
AGRICULTURE	-100.0%	0	0.0%	0	0.0%	0	-100.0%	600	-14.3%	700	

PARTNERSHIPS

There are two key nouns used in OED’s Mission Statement and Goals, and they are “partnership” and “collaboration”. With a total of 10 staff members, OED is a small department when compared to others in the County. OED is very involved with the entire economy of Kauai. With that, 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.

At this time, we extend our sincere appreciation to all of industry, business and community partners who have worked with us, side by side to work through the Great Recession and get us to a place where we can celebrate our collective efforts to rebound economically and psychologically from a very difficult time in our history.

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.

Comprehensive Economic Development Strategy (CEDS)

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

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

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

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

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

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

In 2015, with EDA funding, again KEDB and OED partnered in updating the CEDS document to comply with EDA's 5 year update guideline and produced the 2016-2020 Kaua'i Comprehensive Economic Development Strategy (CEDS) Report.

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 convener and facilitator, bringing together and guiding action teams and committees to develop and implement solutions to Kauai's priority issues.

KPAA's emphasis is also on collaboration. As a nonprofit 501(c)(3) membership organization, they encourage community groups, nonprofits, government agencies and businesses opportunities to work collaboratively.

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

Other partners include, but not limited to are:

- Kaua'i Economic Opportunity
- Kauai Small Business Development Corporation
- Lihue Business Association
- West Kauai Professional Business Association
- Kaua'i Rotary Associations
- Mayor's Crime Task Force

Tourism

Although small business is the backbone of all economies, Kauai's main economic engine is Tourism. Needless to say, we appreciate the relationship we have with partners from that industry. Like the Kauai Economic Development Board, we work very closely with the Kauai Visitors Bureau.

Other partners include, but not limited to are:

- Kaua'i Visitors Bureau
- Hawai'i Hotel and Lodging Association – Kaua'i Chapter
- Po'ipū Beach Resort Association
- Royal Coconut Coast Association
- Hawai'i Tourism Authority
- Visitor Aloha Society of Kaua'i
- UHERO

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 are detailed in the Agriculture section of this annual report.

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

Other partners include, but not limited to are:

- State of Hawaii – Dept. of Agriculture
- U.S. Department of Agriculture
- UH-CTHAR
- Garden Island RC&D
- East & West Kaua'i Soil & Water Conservation Districts
- East Kaua'i Water Users Coop
- Kekaha Agriculture Association
- Kaua'i Beekeepers Association
- Kaua'i Agricultural Initiative
- Malama Kaua'i

Sustainability-Energy

In 2009, Mayor Carvalho placed an emphasis on transitioning the County to set the example for the rest of the island to be more sustainable, along with conserving energy and being more energy-efficient. With that the Mayor created what eventually would become the Sustainability-Energy Coordinator position. As mentioned previously, like the other OED members who work alone, having partners in these industries help not only to move County initiatives forward, but also island-wide.

Sustainability-Energy partners include, but not limited to are:

- KIUC
- State DBEDT Energy
- Hawaii Energy Policy Forum
- Hawaii Natural Energy Institute
- Blue Planet Foundation
- Maui County & Hawaii County Energy Offices
- Apollo Kauai
- KEDB Renewable Energy Committee

Education & Workforce Development

Besides job creation and maintenance, one of OED's goals is to work with our economic development, workforce development and most important, education partners. It all starts with working with the State of Hawaii – Department of Education and Department of Labor & Industrial Relations on creating curriculum in our schools that will provide training to prepare our students and create a better workforce for industry partners.

Education and Workforce Development partners include, but not limited to are:

- Kauai Community College
- Kauai Workforce Development Board
- American Job Center
- KEDB Education Committee

Health & Wellness

If we don't have good health, then all of the goals and partners we mentioned previously will not matter. OED works closely with this industry partners to help promote the good work that they do.

Health & Wellness partners include, but not limited to are:

- Kauai Health & Wellness Association
- Wilcox Hospital
- Kauai Community College



MAYOR'S HOLO HOLO 2020 PROGRAM

The OED Director, along with several economic development specialists are involved with several of the Mayor's initiatives that were first introduced to the public during Mayor Carvalho's 2010 Inaugural Address. During his address, the Mayor presented his Holo Holo

2020 Vision and took the audience on a journey around the island of Kauai and listed the various initiatives he would like to pursue. There were 38 initiatives that the Mayor shared and involved every department within the Mayor's Administration. The Office of Economic Development was responsible for 18 of the 38 projects.

Six years later, many of the original initiatives had given birth to additional initiatives, to where there are now 62 initiatives and OED is responsible for 26 of them. A detailed update of each initiative is provided at the end of this Annual Report.

C. Activities

Internal Programs

- **General Plan Update – Transient Vacation Rentals**

The Office of Economic Development attended several of the Community Advisory Committee meetings during the General Plan Update process. One of the areas that OED submitted comment was on the growing Transient Vacation Rental (TVR) business. What was once thought of as a way to assist local residents with additional income, by renting their beach or second home, has grown into a real estate investment vehicle for those who can afford a second home in residential communities, primarily outside of the designated Visitor Destination Areas (VDA) that were once designated where visitor accommodations can be built. Developers of these areas were subject to various requirements that would improve the infrastructure of the area since it was being impacted by visitors. With the advent of the internet and the ease in which TVR owners can create their own website to allow the public to book direct and eliminate traditional rental management companies, keeping track of these TVRs has been a challenge.

Owners of TVRs can “develop” their TVR without any requirement of having to improve the infrastructure within that community. There is a lot of revenue to be made, especially in the high-demand Hawaii vacation market, so the value of a TVR permit makes that piece of real estate very valuable, especially when an owner is planning to sell. The prices of these homes keeps increasing along with the real property taxes. For the owner of the TVR, the great revenue being made can more than cover the cost of the increased taxes. For those neighboring residents who just want to live a normal Kauai lifestyle, that is becoming increasingly difficult when having to pay the increase taxes without having TVR income to support it.

Those property owners that also rent their homes “long-term” to local residents, are finding it easier to rent as a TVR. It's basic economics of “supply and demand”, where the supply of long-term rental homes are decreasing and the demand is increasing...the end result, higher long-term rents make it difficult or impossible for local residents to rent on their own, forcing them to move in to a rental with multiple families or occupants.

This is a situation that is becoming increasingly difficult to solve, but there may be solutions that were presented, but not adopted in the General Plan. One of the ideas is to amend the law, where a TVR permit runs with ownership and not with the land. As an

owner with a TVR sells their property, the TVR permit expires. The buyer would now have to apply for a TVR permit, but the TVR permit now only allows TVR permits in the VDA.

This process will also result in a correction of the real estate values in the neighborhood where the original TVR is located to where it reflects the values of the surrounding homes, and encourage property owners to enter into the long-term rental market business. This market correction would be similar to what the Federal Reserve does when it raises interest rates to curb inflation.

- **Kauai Historic Flood – Hanalei Town Businesses – North Shore Realtors / Vacation Rentals**

As a result of the Historic Flood of April 14-15, 2018, the Office of Economic Development was assigned the task of being the “Community Concerns Coordinator” within the Kauai Emergency Management Agency’s (formerly Civil Defense) Emergency Operations Center (EOC) in Lihue. During an emergency or natural disaster event, the EOC operates under the Incident Command protocol that falls under the Kauai Fire and Police Departments. During this amazing operation, all government assets work diligently to restore infrastructure and much needed supplies to the community, roads, utilities, public facilities and other government assets are mobilized and used to assist government.

Non-Government Organizations (NGOs)

During this time period, OED works with all of the non-government organizations or NGOs to help the residents and visitors on the island. As mentioned previously, OED relies on its partnerships with organizations throughout the community to get supplies and other necessities. Some of these NGO partners include the American Red Cross, Hawaii Community Foundation, Malama Kauai, Aloha United Way, Catholic Charities, Child & Family Services, Kauai Economic Opportunity, Kauai Independent Food Bank, Hawaii Food Bank, Hawaii Habitat for Humanity, Hawaii Humane Society, Latter-Day Saint Charities to name a few.

Hanalei Town Businesses

Due to the severe flooding of the Hanalei Valley, Kuhio Highway and most of the businesses in town were closed for several days. As a result, many visitors that were already on island, stayed away from the disaster area as instructed. This led to businesses having to layoff workers for a short period of time, and business owners reached out to OED, Kauai Chamber of Commerce, the Kauai Visitors Bureau, Small Business Administration, the Kauai Small Business Development Corporation and other agencies for help.

The entities mentioned above, quickly mobilized and convened a large meeting of Hanalei businesses at Hanalei Baracuda to listen to the concerns of business owners, as well as suggestions for improvement.

What transpired was a grant of \$25,000 from Sue Kanoho and the Kauai Visitors Bureau to create a marketing campaign that created a website and posted recent pictures of how beautiful Hanalei looks and its open for business.

North Shore Realtors / Vacation Rentals

From a purely economic standpoint, OED coordinated a weekly conference call with Kauai North Shore Realtors to address their concerns about Kuhio Highway being closed to visitors and their vacation rental clients/owners not having any revenue to pay their mortgages.

We empathized with them, but at the end of the day, Kuhio Highway is controlled by the State Dept. of Transportation – Highways and is seriously damaged and may take months to repair. Currently, patience is the key.

Kauai Flood – Dislocated Worker Grant

From a Workforce Development standpoint, OED is working with the U.S. Dept. of Labor and the State Dept. of Labor & Industrial Relations on a Dislocated Worker Grant that is providing \$500,000 to put residents that are currently unemployed due to the historic flood, back to work on a temporary basis in flood related relief jobs.





Grants-in-Aid

This was the first year of a new County Grants-in-Aid (GIA) Program. During the last 5-6 years, various organizations submitted proposals with hope of being awarded some of OED's "Emerging Industry" funds of \$15,000. Some of these organizations felt frustrated that funds were limited, but other organizations were awarded "legacy" grants for many years.

OED pooled funds from long-standing "legacy" grants to create several funds for various Kauai industries. The Visitor Industry retained the lion's share of the funds available since it is our main economic engine. They are listed here and detailed explanation later in this report under the **Tourism** section:

- Tourism - KVB Consumer Promotion - \$215,000
- Tourism – Visitor Industry Plan Monitoring (Match) - \$12,500
- Tourism – Off Duty Support Grants – Special Events - \$32,605
- Tourism – Other Cultural Projects (Holo Holo) - \$12,500
- Tourism – Product Enhancement – CPEP (RFP) - \$50,000
- Tourism – Special Events & Grants – CPEP (RFP) - \$45,00

The following are the various Grant-in-Aid Program funds that are now made available for Kauai non-profit organizations that will assist them to provide great economic opportunities for the Kauai community. This will also be covered in detail in each industry section later in this report:

- Agriculture – Ag. Support / Diversified Agriculture (RFP) - \$215,000
- Sustainability – Program Development Support (Match) (RFP) - \$25,000
- Energy – Alternative Energy Projects (RFP) - \$20,000
- Film – Film Festival Support (RFP) - \$5,000
- Workforce – Events & Activities (RFP) - \$5,000

Commercial Support - Economic Development Support (RFP)
- \$145,000 (\$111,000)

- ***Microenterprise Assistance (Council for Native Hawaiian Advancement) – (\$25,000)***

The Council for Native Hawaiian Advancement (CNHA) will host a series of workshops over the span of 12 weeks to offer small business training, access to capital, and access to a marketplace. Within the 12 weeks CNHA will cover business opportunities for indigenous artists, agribusiness (farming and ranching) as well as entrepreneurship basics. The goal is to bring individuals who have a set of skills or a great idea that can be transformed into an actual business.

- ***Kulaiwi Internship Program (Kumano I Ke Ala o Makaweli) – (\$25,000)***

The Kulaiwi Internship program addresses four of the eight goals outlined in the Kauai Economic Development Plan – Comprehensive Economic Development Strategy (CEDS) update for 2016-2020 in the areas of workforce development, increased collaboration, food self-sufficiency, and capacity building for economic growth. It honors the agriculture roots of West Kauai pre-and post- the sugar plantation era that provided economic stability for residents and families for more than 100 years.

The goal of the organization is to increase opportunities for West Kauai students and young adults that develop mahi'ai kalo (taro farming) skills and cultural restorative agriculture through internships that grow a local workforce for food-sufficiency and agricultural production on Kauai.

- ***Kauai Technology Bootcamp (Kauai Economic Development Board) – (\$17,500)***

The Kauai Economic Development Board (KEDB) will work with KEDB's Science & Technology and Education Committees to plan and coordinate a Kauai Technology Bootcamp. According to the Hawaii 2016 STEM Report Card, "*the demand for qualified STEM professionals is high, but the supply of STEM workers to fill these positions is at risk if underrepresented groups are not engaged in these fields*". The Kauai Technology Bootcamp will be a practical workshop that will provide topics pertaining to technology, entrepreneurship, computer science, design and product development and cybersecurity. Led by subject matter experts, the Kauai Technology Bootcamp will offer attendees the chance to learn something new or finesse existing skills while mingling with peers, forming new relationships and networking with professionals.

- ***Kauai Feature Film "Too Much Life" (Kauai Film Academy) – (\$15,000)***

The Kauai Film Academy (KFA) will train the crew and talent to complete a feature length narrative film. KFA is a comprehensive professional filmmaking course for students on the island of Kauai. It is a rigorous, structured, and intensive program that allows students to cultivate their training according to individual filmmaking interests. This means more specialization, more one-on-one between teachers, mentors, and students, and culminates in the production of a student driven film titled *Too Much Life*.

- ***Leadership Capacity Building (Leadership Kauai) – (\$10,000)***
This funding will assist Leadership Kauai in hosting a leadership capacity-building workshop for leaders in non-profits, community organizations, civic clubs, corporations, small businesses, education, government entities, and private individuals. The purpose of the workshop is to bring a diverse group of community-minded individuals together and provide a safe place for difficult conversations on three main topics: 1) Leading your organization in today’s fast-paced world towards success; 2) Collaboration, Partnership and Board Governance; and 3) The Art of Facilitation.
- ***Hanapepe Town Capacity Building (Hanapepe Economic Alliance) – (\$5,000)***
This project for the Hanapepe Economic Alliance (HEA) will address the needs identified in the Hanapepe Economic Strategic Plan that was developed 2012-13. The Plan started with a marketing plan that was funded by the County of Kauai – Office of Economic Development grant in 2013-14. HEA needs to continue to expand its ability to further its mission of economic revitalization, historic preservation, and town beautification. The primary effort will be to provide a central contact point to support and coordinate the following: 1) Expand HEA membership and volunteer base; 2) Design and implement a comprehensive long-term marketing campaign; 3) Develop and maintain a website and social media presence to help position Hanapepe Town, its merchants, and unique attractions to visitors and residents; 4) Develop and implement a pilot project with the County of Kauai to improve pedestrian safety and maximize parking for the Friday Art Night event; and 5) explore the feasibility of developing a tour of Hanapepe Town as a destination.



- ***Kauai Grown Program (Kauai County Farm Bureau) – (\$10,000)***
 The Kauai County Farm Bureau (KCFB) provides a venue to build a strong agricultural presence on Kauai by engaging the community to support local farmers, ranchers and value-added producers using locally-grown ingredients. KCFB will continue to achieve the goals of the Kauai Grown (KG) program including, but not limited to: 1) Promoting and increasing customer purchase and use of KG produce and products; 2) Market KG members’ produce and products with KG logoed labels, banners and other branding methods; 3) Assist KG members with cost-effective marketing and other media resources; 4) Creating a network of KG members and their products within the restaurants, chefs and business community to utilize KG agricultural products.
- ***Aloha+ Challenge (Hawaii Green Growth) – (\$4,000)***
 This grant will support Hawaii Green Growth’s (HGG) continued partnership with the County of Kauai to develop the Aloha+ Challenge Dashboard platform with a special focus on technology innovation and community and student engagement to support achieving Hawaii’s 2030 goals.
 HGG will fully populate the Dashboard targets, indicators, data and public resources for all six 2030 goals, launching Smart Sustainable Communities and Green Workforce and Education. In 2018, HGG will develop “Dashboard 2.0” in partnership with the State of Hawaii and Counties to increase innovation and opportunities to capture community-driven data and action.

Besides providing funding to organizations who have not had the opportunity to receive County grant funds, we do have a few organizations who are considered important to our community and have the support from the Administration and County Council to continue to receive long-standing “legacy” grants. The following are descriptions of these organizations and the good work they do in our community:

- ***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.
- ***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 affects of sexual assault and abuse. Victims are empowered to make positive choices and begin their healing process.

D. Program Measures – Accomplishments / Evaluation

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

E. Budget (General Fund)

Description	FY 2018 Appropriation	FY 2017 Appropriation
Equivalent Personnel (E/P)	3	4
Salaries, Wages & Benefits	\$294,614	\$352,922
Operations	\$292,975	\$312,688
Equipment	\$0	\$0
Program Total	\$587,589	\$665,610

KAUAI MADE PROGRAM

A. Objectives

- **Increase Membership to the Kaua‘i Made (KM) Program by 5% (5.7 members)**

B. Highlights

- **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.
- **Review current marketing program and make upgrades.**
Commercial Support-Kauai Made - \$10,000
This goal was met through a revamped marketing program. We found that the training on the program that we did with managers was not trickling down to front line employees. We solved this problem with 8 site visits to retail locations and met with line employees and store managers to assist in reviving the KM program

information knowledge, provide collateral, and increase visibility of KM program in their stores.

Currently there are 14 Retail members and 25 Retail/product members. Future plans call for a visit to each one and meet the floor managers, workers, line crew that deal with customers to encourage the signage program of KM and the promotion program that includes a free luggage tag giveaway.

We are working to purchase flag banners to better locate and identify events that include KM/KG members. We also reproduced an old business card used to market both KM/KG on recommendation from hotels, which is an easy, simple information distribution element.

C. Activities

Internal Programs

- **Kauai Made – Commercial Support - \$10,000**
Ongoing review of the marketing program and implement upgrades. We'll continue to work with Kauai Made members and provide the marketing training they need and desire. We've visited with retail sites and meet with managers and employees to provide hands-on training of the Kauai Made program. The training included program knowledge, product placement in their stores and new printed collateral. We purchased "feather" banners last year to provide greater market visibility.
- **Kauai Made / Kauai Grown Tradeshow - \$15,000**
The 2017 Tradeshow event was held at the Kauai War Memorial Convention Hall with over 1,000 people in attendance.
- **Advertising-Kauai Made - \$8,500**
We have reviewed the current advertising contracts that have been in existence for some time for value and are looking at adding a new element "Drive Magazine" for Alamo, Enterprise, and National rent a car which is a new project. Our goal is to be in 200,000 printed and distributed brochures on Kauai.
- **Printing-Kauai Made - \$7,000**
We have met our goal to increase reach of our brochures: KM Shopping Guides print and distribution was increased by 12,000 to 20,000 in 2017. This is up from 2014's distribution of 8,000. Additional promotion programs included State-wide reach via partnerships with Family & Friends of Ag, HLTA, and attendance at off-island Hawaii Made events 2018-2019.

Grants-in-Aid

- None to Report

D. Program Measures – Accomplishments / Evaluation

- Increase Membership to the Kaua‘i Made (KM) Program by 5% (5.7 members)

Kauai Grown Members - 2017 - (143) 2016 - (134) 2015 - (121)

E. Budget (General Fund)

Description	FY 2018 Appropriation	FY 2017 Appropriation
Equivalent Personnel (E/P)	1	0
Salaries, Wages & Benefits	\$75,284	\$0
Operations	\$46,560	\$36,625
Equipment	\$0	\$0
Program Total	\$121,844	\$36,625

AGRICULTURE

A. Objectives

Agriculture

Besides his duties managing the staff and their various responsibilities of their industry sectors, the Director for the Office of Economic Development also fills the role as the Agriculture Specialist. With this responsibility comes involvement 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.

Based the main components of the Kauai Agriculture Master Plan (KAMP) of 1983, Land, Water, Capital, Labor and Marketing continue to be areas of focus to assist our partners in the Agriculture Industry.

With those areas as constant reminders and as stated earlier in this report, OED has opened the funding for what was previously known as “legacy” grants and encourage a more diverse portfolio by awarding Grants-in-Aid to other organizations that focus on those five components of KAMP.

B. Highlights

Land, Water, Capital, Labor and Marketing

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.

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

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

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

C. Activities

Internal Programs

- **Kauai Agriculture Advisory Committee - \$0**

The KAAC meets once a month to review various agriculture projects and concerns throughout Kauai and provides expert advice. KAAC members represent a broad spectrum of Kauai agriculture producers from various organizations such as the Kauai County Farm Bureau, Hawaii Farmers Union United, University of Hawaii – CTHAR, East Kauai Water Users Coop, Kauai Taro Growers Association, Kauai Cattlemen's Association, Kauai Community College Culinary Program, commercial and organic farming.

- **Sunshine Market – Marketing Program - \$5,000**
 These funds will be used primarily to update both the County Sunshine Market brochures that are placed at the Lihue Airport kiosks in the luggage claim areas to attract arriving visitors, as well as in the car rental drive guides.
- **Sunshine Farmer’s Market Administrative Rules Ammendment**
 Working County Attorney and Council member Derek Kawakami to amend administrative rules to allow, meats, processed meats and other ag products into the Sunshine Markets. For many years, the eight County Sunshine Markets throughout the island of Kauai have provided an affordable venue for farmers and value-added producers to sell their produce products. With the amendment of the current ordinance, the goal is to now provide that opportunity to Kauai’s ranchers and fishermen.
- ***Agriculture Summer Internship Program – Transportation Grant (‘Aina Ho’okupu o Kilauea – AHK) – (\$20,000)***
 Funding helped a partnership between the State of Hawaii Department of Labor & Industrial Relations (DLIR), Department of Education (DoE), and the County of Kauai who provided match funding for the transportation of Agriculture Summer Interns from the communities where they live to the various farms and ranches throughout Kauai for this 6-week program. 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.
- ***Kauai County Farmer Restaurant Market Connection Program (Hawaii AgriTourism Association - HATA) – (\$25,000)***
 Funds will be used to research, identify and develop a market connection program where local ag-producers and other ag-related businesses can provide local restaurants and produce outlets (stores) with products grown locally on Kauai. Goals include, but are not limited to finding out what farmers grow that restaurants need at a competitive price, what type and volume of ag-products being imported to Kauai, reveal the needs, production capabilities, customer demands and market conditions for local ag-producers.
- ***2017 Farmer Restaurant Distribution System Project (Hawaii AgriTourism Association - HATA) – (\$9,000)***
 Funds will be used to build an organized operating distribution system between farmer, restaurant and facilitator. Goals include, but are not limited to finding farms of a diversified nature, scale, and product to participate and supply produce to this program on a consistent basis, secure active and sustaining business in the Kauai community to develop a public-private partnerships. Other goals include creating collaborations to secure restaurant/food purveyor accounts, product transportation and delivery, as well as providing contacts to fill the demands of the program and get it operational. This program will also general sales and marketing templates, training, and procedures to ensure return on investment and budget maintenance.

- ***Beef Processing Expansion Project (Kauai Cattlemen’s Association)*** – (\$9,350)
As part of the expansion of the Kauai beef industry in value-added products, this project will incorporate a dehydrator in the Sanchez Meat Processing Facility for the dried beef market.

- **Next Generation Sector Partnership – Agriculture Industry**

NextGen Sector Partnership is a new method of collaboration and facilitation that was introduced by the University of Hawaii and the Hawaii Chamber of Commerce in December 2016.

Over the last year, key leaders from business, education, economic development and workforce development have been coming together to better understand and collaboratively address workforce and economic development needs in Hawaii.

Conceived by UH and implemented by the Chamber of Commerce Hawaii (with assistance from Genz Consulting), these “sector partnerships” are providing a statewide, structured process to convene stakeholders to collaboratively address issues around specific economic sectors.

Sherry Menor-McNamara, president and CEO of the Chamber of Commerce said, “The sector partnerships are changing the way business, education, workforce and economic development sectors are interacting to identify and, most significantly, address local workforce needs.”

Partnerships have been established in sectors such as banking and finance, information technology, food manufacturing, healthcare, engineering and agriculture. It’s one of the outcomes of innovative industry sector partnerships across the state.

During the December 2016 introduction of the sector partnership program in Honolulu, the Hawaii Chamber of Commerce convened leaders in economic development, workforce development, education and the business community from the City & County of Honolulu, as well as the counties of Kauai, Maui and Hawaii island. Before the 2-day workshop adjourned, each county selected an industry to focus on utilizing the sector partnership method. Kauai selected the agriculture industry with the goal of utilizing the natural and man-made assets it already has, as well as the numerous value-added businesses that have started since the Great Recession. With the leadership of the County of Kauai – Office of Economic Development (OED) and the Kauai Economic Development Board (KEDB), Kauai launched its first Agriculture Sector Partnership meeting in September 2017 with 63 members of Kauai’s agriculture industry community and supporting government agencies.

- **Kauai Historic Flood – USDA-NRCS Emergency Watershed Protection Program (EWPP)**

Worked with USDA-NRCS Engineer, Sherman White in the Honolulu Office to register the County of Kauai as the Sponsor to help address rivers, streams, irrigation systems, roadways, etc. of flood debris. After applying with the USDA-NRCS as a business of record to oversee work crews in stream, river and irrigation systems debris clearing, the County was ruled ineligible.

- **Kauai Food Production & Education Center (KFPEC)**

The KFPEC, project was slowed down as not to conflict with the Kauai Creative Technology Center (KCTC) or stretch local resources in order to increase the success of the KCTC. That said, KCC received \$2M in funding to construct the Hale Imu component of the KFPEC which would be operated by KCC. A portion (\$500K) was to be allocated to bring in the infrastructure for the larger KFPEC food production facility (i.e., water, gas, electric, sewer) to the site from the Kauai Community College road. Currently, KCC focused on the Hale Imu and have not address the addition of the other KFPEC infrastructure until they receive further communication from the Kauai Economic Development Board (KEDB) who is the lead agency for this CEDS project.

In addition, the KFPEC plan outlined a program structure where KCC would take on the education component of the program through OCET (non-credit workshops, seminars, etc.) and new credit courses, and through a student only practicum that would utilized the KCC culinary kitchen to help students learn and practice how to take food products from concept to market. As with the facility infrastructure, KCC has indicated they are awaiting instruction from KEDB. For now, KEDB is focusing on “programs” and not “bricks and mortar by bringing the University of Nebraska to teach a one day workshop,

Grants-in-Aid

Agriculture – Ag. Support / Diversified Agriculture (RFP) - \$215,000 (\$204,101)

- ***Island-wide Ag Park System – Kilauea Community Agriculture Center (‘Aina Ho’okupu O Kilauea) – (\$39,500)***

As all farmers know, “No Water, No Agriculture”. With that said, support funding for this County of Kauai asset went towards the development of an irrigation system that brings much-needed non-potable water from the Kilauea Stone Dam/Kalihiwai Reservoir through Bill Porter’s Waikoa Plantation and Anaina Hou, under Kuhio Highway, through two privately-owned parcels, then under Kilauea (Lighthouse) Road to the KCAC.

These funds will be used to complete the survey work and legal expenses for the various easements required through the parcels mentioned previously.

**September 2014
(BEFORE)**



**February 2015
(BEFORE)**



**September 2018
(PRESENT)**



- ***Water Well Hydrogeology Assessment and Water Meter Upgrade for Water Conservation & Efficiency (Moloaa Irrigation Coop) – (\$30,601)***

For many years, the Moloaa Irrigation Coop (MIC) has experienced substantial water loss in its aged, 2.5-mile plantation-era irrigation system. Although has been replacing sections of the irrigation system with newer materials.

The current system relies on a labor-intensive manual meter reading system by a private contractor at an annual cost of \$7,800.

Funds from this grant will enable MIC to conduct a hydrogeology study to find another reliable source of water, as well as the purchase and installation of Badger Orion Analytical Water Meters that will significantly improve MIC’s water use and conservation.

- ***Kulaiwi Mauka ‘Ike Outreach (Kumano I Ke Ala o Makaweli - KIKA) – (\$15,000)***

Funds will be used to establish and implement KIKA’s malama ‘aina (land stewardship) education outreach program in keiki Preschool through Grade 12 during school organized educational experiences. A KIKA educator will provide and introduction to the program by teaching an oli (chant), important aspects of the kalo (taro) plant and the history of mahi’ai kalo (taro farming) in the Makaweli area. Goals for the program include, but are not limited to providing experiential learning, implementation of a land use program, develop a Food Production and Education Center, and improve public education on the island.

- ***Kauai Mahi’ai Technical Assistance Program (Malama Kauai) – (\$10,000)***

This program seeks to address the gap in capacity-building operational support for minority farmers and ranchers in obtaining access to educational resources, one-on-one consulting, and general technical assistance.

One-on-one consulting for participating farmers and ranchers aims to address the identified needs for technical assistance catering to business planning, resource referrals, and grant identification/preparation.

Another component of this program consists of monthly 4-hour educational sessions called “Mahi’ai Monday” workshops that are based around what types of assistance the farmers have requested.

- ***Anahola Market Place – Local Foods (Homestead Community Development Corporation - HCDC) – (\$43,000)***

This project will enable HCDC to develop and launch a 10-month initiative to research, develop and establish a meaningful Local Foods program to support the success and sustainability of local farmers, fishermen, producers and retail and wholesale consumers of local products on Kauai on the northeast shore of the island.

HCDC has an existing 10-acre non-profit property, known as the Anahola Market Place (AMP), with a certified-kitchen, various office structures, a Thrift Store, and various affordable retail spaces for food vendors and non-food retailers. With the support of this grant, HCDC hopes to improve and expand the AMP site. By the end of the project period, HCDC will have a fully functional, highly visible Local Foods program designed and accessed by local residents.

- ***St. Theresa School Gardening Program (Malama Kauai) – (\$3,000)***
The Garden Program aims to introduce and educate students ages 3-15 on the significance of sustainable agriculture, healthy eating habits and cultural importance of the Hawaiian ahupua’a system. By introducing the “Aina in Schools” curriculum as a template, students will participate once a week in a fun and exciting garden program designed to generate curiosity, learner involvement, and ultimately, long-term interest in sustainable agriculture.
- ***Kauai Invasive Species Committee (GIRC&D) – (\$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.
Funding will help to expand the capacity of natural resource workers and other individuals in Kauai County to survey, respond, detect, and eradicate high priority invasive species.
- ***Beef Processing Renewable and Energy Efficiency Project (Kauai Cattlemen’s Association) – (\$20,000)***
Installation of solar panels for renewable energy source for one of Kauai’s oldest beef processing facilities will help to be more energy efficient in years to come. As part of this retrofit, the original chill box motors will also be replaced with a new energy-efficient model.
- ***Kauai County Farm Bureau Fair (KCFB) – (\$3,000)***
Provide supplies and materials to assist with the Fair 4H livestock market, petting zoo, pet displays and master garden plant display.

D. Program Measures – Accomplishments / Evaluation

Selected Statistics (CY–calendar year)	CY 2017	CY 2016	CY 2015
Sunshine Markets	8	8	7
Sunshine Market Farmer/Vendors	76	109	105
Sunshine Market Annual Revenue	\$533,451	\$549,057	\$608,140

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

E. Budget (General Fund)

Description	FY 2018 Appropriation	FY 2017 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$80,175	\$ 78,441
Operations	\$221,100	\$265,600
Equipment	\$0	\$0
Program Total	\$301,275	\$344,041

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 throughout 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.

B. Highlights

FY 18 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. In addition, during FY18 the Tourism Strategic Plan began a revamping process which focuses on finding balance and should be completed near the end of August 2018. This document will represent a huge shift in focus for the visitor industry from marketing to a focus on management of the industry and its effects. The Niihau Language Preservation has also started to formulate more solid actions to be taken by the committee to start this extremely important endeavor that will also be the final moku project as required by Mayor Bernard Carvalho Jr. in the Stewardship arena for OED. All Holoholo Kauai Nui Kuapapa Projects with the exception of the Niihau Language Preservation Project should wrap up by the end of November 2018.

Visitor Data & Update of Industry:

Garden Isle tourism is poised for another year of robust growth. Optimistic about demand, airlines continue to add capacity, boosting scheduled seats by nearly 40% this quarter. The visitor census has surged sharply upward. Occupancy rates have already surpassed 2007 levels and will hit 80% this year, suggesting that the Island's traditional accommodations are essentially full. The home vacation rental (HVR) market is clearly playing an increasingly important role on Kauai, facilitating much more rapid visitor growth than would otherwise be

the case. But even here, occupancy use is high; a snapshot of Kauai Island rentals listed on Airbnb suggests that active listings are experiencing occupancy rates in the mid-80% range.

The ongoing growth in direct airlift to Kauai is striking. Among recent actions, in December Delta Airlines added a daily non-stop flight from Seattle to Lihue that will bring more than 60,000 new air seats to the island over the course of this year. United Airlines is increasing its service from Denver to daily frequency and expanding routes from Los Angeles and San Francisco. Alaska Airlines is expanding flights from Portland and San Jose. Hawaiian Airlines is adding flights on its current routes from Los Angeles, and in July it added a route from Oakland that utilizes its new Airbus A321neo fleet aircraft. Additionally, there will be new international routes, as Air Canada begins winter service from Vancouver in December. The recent announcement by Southwest Airlines that it will enter both the long-haul and interisland Hawaii markets, including flights to Kauai, which raises the potential for further growth in airlift to the island over the next several years. The airline has already secured a revocable lease permit at Lihue Airport.

The recent historic flooding has introduced considerable near-term uncertainty. Apart from direct damage, news about the flooding is keeping people away from Hanalei, even though the popular north shore town is open for business, and there are reports of some travelers canceling vacation bookings across the island. News of the dramatic Kilauea volcano eruptions on Hawaii Island had an impact on Kauai, where the industry fielded phone calls from U.S. mainland travelers who were unfamiliar with Hawaii's geography and location of the eruption and Kauai flooding in relation to popular visitor destination areas. Recent data shows that these natural disasters have not hampered the number of passengers and flights to Kauai and continues to show very large increases over 2017 levels. Clearly, this will be an important issue to track as the year progresses. New resort development and renovations to the existing inventory will expand accommodations offerings over the next several years.

An extensive renovation project at the Hotel Coral Reef Resort is adding another a third story to its oceanfront building. The Kauai Courtyard Coconut Beach will undergo remodeling of its guestrooms this fall and will fly the Sheraton flag next year. With renovations completed this April, the Mokihana Resort has reopened and renamed The ISO (Island, Sky, Ocean). The Pono Kai Resort's six-year renovation project was completed this summer. Kauai Coast Resort at the Beachboy also completed renovations this past May. Timbers Kauai Ocean Club and Residences at Hoku'ala celebrated their grand opening in June and the Sheraton Kauai Resort will complete major renovations on its two mauka (mountainside) wings in late 2018.

The Coco Palms continues to face challenges and delays in construction. Several residents claiming native Hawaiian property rights, occupied the resort grounds in protest of the proposed development. Earlier this year, a Kauai State District Court ruled that the developer, Coco Palms Hui, has the right to possess the land, and authorities cleared occupiers in February. The ruling is currently on appeal. The EPA is now investigating claims that endangered Koloa ducks may be living on the property. Once construction is completed, the property will open under Hyatt's Unbound Collection label.

There is no other county where the pressures from mounting visitor numbers are more acutely felt than on Kauai. The inexorable surge in visitors exacerbates longstanding concerns about the demands that tourism growth imposes on roadways, parks, housing, and communities. The County has made several attempts at addressing these problems, including two pilot programs

of shuttle service to the congested north shore communities. The Master Plan for the Haena State Park, underwent final revision, and once approved, would impose a 900 person-per-day limit and construct a gated, paved parking area with additional restroom facilities. Both Kokee and Haena State Parks will begin charging entry fees by mid-2019. Ongoing visitor growth and the expansion of the HVR market are also driving up housing costs, which we will return to below. As we noted above, the recent flooding on Kauai’s north shore has introduced uncertainty into the visitor outlook. Still, the sustained high passenger counts on Kauai flights continue to suggest substantial net growth in visitor numbers this year and next. Led by US market strength, total arrivals will expand by nearly 11% this year, the most rapid growth since 2006. While it is difficult to assess prospects for further growth in HVRs, occupancy use is now high across the board and infrastructure stresses are building. As a result, we expect visitor growth to slow markedly in coming years, easing to 1.6% annual growth by 2020. *
*(*From June 2018 UHERO Kauai Economic Outlook Summary)*

C. Activities

Internal Programs



- **Kaua’i Nui Kuapapa (KNK) – Budget - \$0**
 - Signage (Moku and Ahupuaa) have been installed in most locations.
 - Replacement signs for “lost” ones have been reordered. We expect them to be up by October 30, 2018.
 - Interpretive Signage:
 - Kona (Kaneioluma signs) are installed. Panaewa sign will be installed by October 30, 2018.
 - Puna signs at Wailua (Lydgate) are installed.
 - Halele’a interpretive sign at the new Neighborhood Center to installed by October 30, 2018.
 - Ko’olau interpretive sign at the Kilauea Agricultural Community Center to be installed by October 30, 2018
 - Bus Depot Moku informational signs at 24 stops to be installed by October 30, 2018
 - DOE school’s curriculum in conjunction with Kamehameha schools support has been created and are being distributed for the 18-19 school year along with moku logos for use with schools.
 - KNK Website updates are underway including the update of info for each Moku and copies of the interpretive sign information and uploading of boundary certificates and the first videos of Kupuna from different Moku speaking of their stories in their Ahupuaa and Moku. Ongoing project.
 - HOKUALELE: We await Aina Archeology’s report that will then be presented to the Anahola Community to get their input as to how they would like to proceed with the information.



● **Niihau Language Preservation (Match) – Budget - \$0**

- A Niihau Language Preservation Commission has been meeting since April of 2017. The commission is currently comprised of four Niihau School graduates, two of whom have gone on to teach at the University of Hawaii at Manoa. The group is supported by OED staff.
- This year they have created a list of possible ways to support the preservation of the language which includes reviewing State of Hawaii forms for accuracy and correction for the benefit of olelo (language, speech) Niihau speakers; working within the education system to support olelo Niihau speakers to go on to get teaching degrees in language; creation of opportunities for holders or seekers of a Masters Degree in Hawaiian language to spend a week immersed in olelo Niihau with those speakers; creation of tools for use of the Hawaiian language learners or the community to use for learning olelo Niihau, such as books, documents and videoed recordings. The commission and OED are currently preparing to apply for funding opportunities.

● **Promotional Materials - \$8,000**

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. 2018 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

Grants-in-Aid

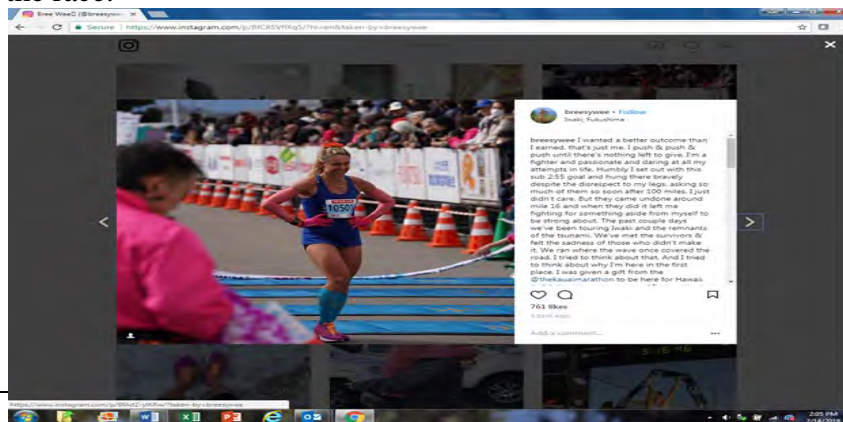
Kauai Visitors Bureau (KVB) Consumer Promotion - \$215,000

- Seattle Wedding Show:
KVB attended the Seattle Wedding Show on January 13-14. The show brought over 7,100 attendees. As the only visitors bureau from Hawai‘i, it was even more compelling to pick up Kaua‘i information for either a destination wedding, honeymoon, or vacation. Prime booth location was awarded because of the past years of attendance.
- Dallas Travel & Adventure Show:
KVB will attend the Dallas Travel & Adventure Show on March 17-18. The expected attendance is to exceed 13,000 consumers looking to travel. With the seasonal non-stop flight to Kaua‘i, it is good timing to hopefully encourage future bookings and lift support from this already strong market.
- Denver Travel & Adventure Show:
KVB attended the Denver Travel & Adventure Show on March 24-25 with 10,000 consumers. This is a new show – only in its second year and has already exceeded initial numbers on its first year. With additional non-stop lift from Denver, it is good to stay top of mind among the Denver consumers.

- *Kaua‘i Seminar Series:* KVB visited 5 key west coast cities May 14-18, including Riverside, San Jose, San Rafael, Portland and Seattle. Kaua‘i partners and entertainment joined the program to showcase Kaua‘i. The events target 35-45 highly qualified top-selling travel professionals in each city.
- *Wailua Golf Course Promotions*
KVB is working with the Kaua‘i Golf Cooperative to enhance marketing for the Wailua Golf Course. A new logo has been designed and incorporated into Wailua Golf Course marketing efforts. A new website has been designed and being utilized to focus on Kaua‘i golf courses.
<https://gogolfkauai.com/>



- *Kaua‘i Marathon Winner to Iwaki City*
KVB supported the attendance of The Kauai Marathon winner (Ms. Bree Wee) to attend the Iwaki Sunshine Marathon in our Sister City, Iwaki, Japan. Ms. Wee took 3rd place in her division and posted on her Instagram account (10,900 followers) about the race.



- *Meetings, Convention & Incentive Site Visits:*
APCI – 60 Total Room Nights
 - *Provided welcome amenity upon arrival and hosted helicopter tour*
 The PEW Charitable Trusts – 520 Total Room Nights
 - *Provided welcome amenity upon arrival and hosted helicopter tour*
 HIADA – 615 Total Room Nights
 - *Hosted breakfast*
 National Life Group – 3398 Total Room Nights

- *Provided welcome amenity upon arrival*
Plastic Pipe Institute – 780 Total Room Nights
- *Provided welcome amenity upon arrival and hosted helicopter tour*
ACA International – 274 Total Room Nights
- *Provided welcome amenities upon arrival, hosted lunch at Gaylord’s and helicopter tour*
YUM! Brands, Inc. – 1615 Total Room Nights
- *Provided welcome amenities upon arrival, hosted ATV activity and helicopter tour*
Staged Right Events – 915 Total Room Nights
- *Provided welcome amenity upon arrival*

- *Customized Enhancement Offer:*
 - Partner with hotels to turn groups definite for Kauai
Axon 2018 – 300 Total Room Nights
National Life Group – 3,398 Total Room Nights
George Muller Seminar – 1,335 Total Room Nights
Axon President’s Club – 238 Total Room Nights
HIADA – 615 Total Room Nights
Leslie’s Poolmart – 951 Total Room Nights
ARMS SRAI 2019 – 290 Total Room Nights

- *MCI/ VIP Amenities:*
 - Kaula‘i Made Products utilized in welcome amenities for VIPs, site/media visits and fams

County/HTA Product Enhancement – CPEP (RFP) - \$50,000 (\$49,000)

Projects funded from this area via the RFP included:

- ***Volunteer Kauai Project (Malama Kauai) – (\$10,000)***
This project connects non-profits in need of manpower with travelers looking for a meaningful experience, including large groups from colleges and companies through an online directory, outreach, marketing and organized service trips to engage visitors in hands-on activities that promote sustainable economic development.

- ***Lihue Airport Windows Display Project (Garden Island Arts Council) - (\$10,000)***
Provides window displays at the two large windows on both sides of the concourse. Topics change every three months intermittently at each window. Topics are about our community have or will include: Kuleana, Old Plantation Towns, Kauai Gardens, Backyard Life, King Kaumualii, Kauai authors.

- ***Keeper of the Culture Project (Kauai Economic Development Board) – (\$10,000)***
Year round activities based out of the Waimea Visitor and Technology Center which include lei making, storytelling by Kupuna, Walking tours of Waimea and other special events centered on Waimea and the West side.

- **Papenoo/Carving Projects (Malie Foundation) – (\$10,000)**
Support for visit from Sister City Papenoo of 20 students from Papenoo Elementary school along with 9 Cultural members of their community and support for a large Polynesian wood carving education event.
- **E Pili Kakou Project (Lauakea Foundation) – (\$9,000)** Cultural event that brings accomplished Kumu from around the hula world to come and share hula, chanting, stories in spirituality, culture history and arts and crafts in a non-competitive setting.

County/HTA Special Events & Grants – CPEP (RFP) - \$45,000 (\$48,500)

Projects funded from this area via the RFP included:

- **Kings Parade and Celebration (Malie Foundation) – (\$17,500)**
- **Mauka Eco-Village Experience (Kumano I Ke Ala) – (\$13,850)**
- **The Banana Poka Roundup Festival (Hui O Laka) – (\$7,150)**
- **The Anahola Prince Kuhio Festival (Ka Hale Pono) – (\$5,000)**
- **The Waimea Round Up Rodeo (Kauai Keiki & High School Rodeo Assoc.) – (\$5,000)**

Kaua'i Visitor Industry Strategic Plan Monitoring (Match) - \$12,500

The Kauai Tourism Strategic Plan Advisory Group (KTSPAG), made up of stakeholders in the visitor industry and now the community has been brought together to review and update the 2006-2015 Tourism Strategic Plan for a second three years as well as work on pressing issues. This current fiscal year we are working in the following specific issues with committees that have met as follows:

- Steering Committee (5 meetings complete)
- Employee Development (3 meetings complete)
- Kauai Products and Services (2 meetings complete)
- Parks and Trails (3 meetings complete)
- Traffic, Transit and Infrastructure (2 meetings complete)
- Two Way communications now Outreach, Education & Communications (4 meetings complete)
- Community Association Focus Group (2 meetings complete)
- Stakeholders (1 meeting complete and outreach to continue)
- Refocusing Tourism (NEW) (2 meetings complete)
- In addition, the groups are working on a new 3 year plan due out in August of 2018.

Hawaiian Cultural Projects (Holo Holo) - \$12,500

Via the RFP, one project was funded: Mauka Eco-Village Experience is a project put on by Kumano I Ke Ala which will offer the visitor industry a traditional Hawaiian agricultural / farming experience in the historic valley of Makaweli which includes tours of lo'i and history of surrounding land areas.

Special Events Off-Duty Support Grants – Special Events (RFP)

– \$32,605 (\$31,158)

These funds help to pay for projects that require the Kauai Police Department and restriction on roadways. The intent is to lower the cost of OT for the KPD. Organizations were funded at 75% of their previous budget regardless if costs went up in the current year.

- *Koloa Plantation Days – Koloa Plantation Days Parade* – (\$1,759)
- *Kauai County Farm Bureau – Kauai County Farm Bureau Fair* – (\$7,763)
- *Kauai Veterans Council – Kauai Veterans Day Parade* – (\$1,808)
- *Poipu Rotary Club – Old Koloa Sugar Mill Run* – (\$1,610)
- *Rotary Club of Kauai – Lights on Rice Parade* – (\$1,893)
- *West Kauai Business and Professional Association – Waimea Light Parade* – (\$2,205)
- *West Kauai Business and Professional Association – Waimea Town Celebration* – (\$7,367)
- *American Cancer Society – Relay for Life Hanapepe* – (\$2,541)
- *Hawaii Lodging and Tourism Association – Charity Walk* – (\$1,808)
- *Hanalei Hawaiian Civic Club – Haena to Hanalei Run* – (\$0)
- *Malie Foundation – Kings Parade and Celebration* – (\$2,407)

Kekaha Host Community Benefit (KHCB) - \$60,000

In FY 18 OED added management of the Kekaha CAC Facilitator Contract to the management of the Kekaha CAC grant program which includes guidance to the CAC. Since 2012 when the CAC was established through March of 2018 there have been 44 grant projects that have been funded and monitored by OED. We currently have 7 projects still open for a total of \$195,800. The CAC continues to meet monthly and is currently looking at a limited grant application time period versus a year round application period. This will allow the facilitator and OED to better schedule our workload to manage this project.

D. Program Measures – Accomplishments / Evaluation

Visitor Industry Data

Description	CY 2018 Actual (thru June)	CY 2017 Actual	CY 2016 Actual
Visitor Arrivals	698,375	1,276,803	1,187,476
Total Expenditures	\$1042.2 M	\$1831.5 M	\$1,645.8 M
Per Person Per Day Spending	\$196.4	\$191.0	\$181.2
Average Length of Stay (days)	7.60	7.51	7.65

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

E. Budget (General Fund)

Description	FY 2018 Appropriation	FY 2017 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$127,053	\$122,293
Operations	\$449,255	\$496,117
Equipment	\$0	\$0
Program Total	\$576,308	\$618,410

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 energy use reductions within County operations:

- Electricity: Reduce County use by 30% by 2023 vs FY 2012 baseline (set 2013)
- Fuel Use: 100% renewable fuel use by 2035 (set 2017)

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.
 - **Electric vehicles in fleet**
 - **IECC code adoption meetings**
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. FY '18 Activities:
 - **Shared use Motor Pool**
 - **Composting at County Meetings & Events**

3. Track trends in County operations energy use over time using verifiable metrics utilizing the following:

- **County Electricity Use Dashboard**
- **County Fuel Use Dashboard**

Community

4. Develop relationships between the county, non-profit organizations, businesses, and other government agencies to promote sustainable practices on Kauai.

- **EV Ride & Drive events**
- **Tourism Strategic Plan**
- **Kauai Aloha+ Home Challenge**
- **Blue Line Project**
- **US DOE Better Buildings Challenge**

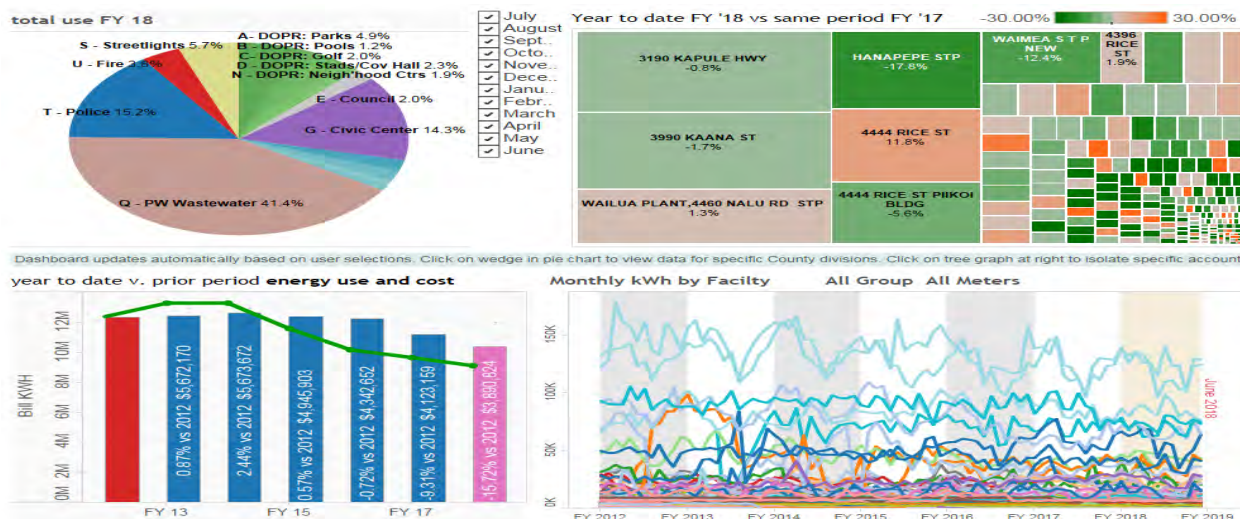
5. Climate Action Planning: Develop a comprehensive County-wide Energy Sustainability and Climate Action Plan for Kauai in order to help the economy and decarbonize our major energy using systems in line with the best available science.

- **EV Ride & Drive events**
- **Tourism Strategic Plan**
- **No funding available in FY '18**
- **Statewide Climate Action Planning Workshop**
- **Additional internal capacity**

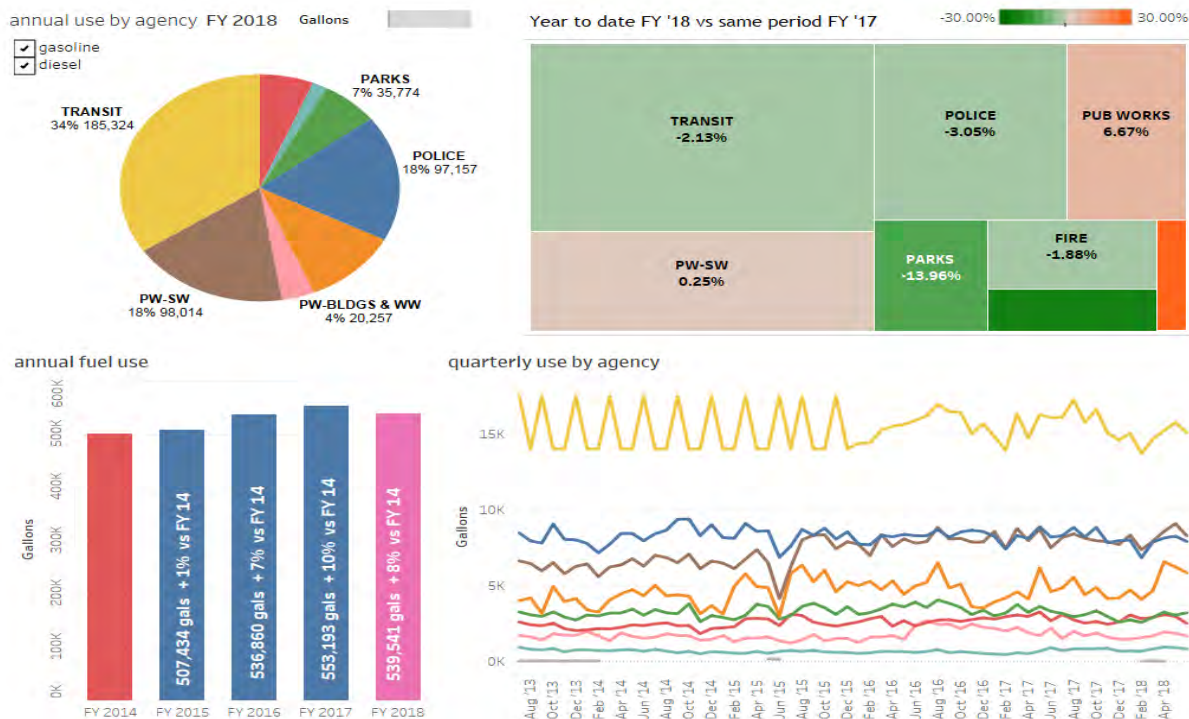
B. Highlights

- **On track to meet electricity use reduction:** FY '18 was the fourth consecutive year where the County used less electricity than the prior year. County agencies used nearly 16% less electricity in FY 18 than the baseline year of FY 12, and electricity costs were 26% lower (see section D for more detail) This represents a savings of \$1.4m in FY '18 and a total cumulative savings of \$3.1m since FY '12.

County Electricity Use Dashboard



County Fuel Use Dashboard



- Moving ahead with fleet fuel use reduction strategies:** Reducing County fleet fuel use has been considerably more challenging than reducing electricity use to date. Energy office collaborated with Maui, Hawaii, and Honolulu Counties and Kauai Bus to advance opportunities for electrification of the public bus in 2018. Actions included support for an electric bus demonstration, development of possible outside funding sources, and research on costs and challenges of conversion to electric busses.
- Energy Retrofits for the Police-Civil Defense Facility (3990 Kaana Street)** Completed grant funded study of Kauai Main Police Facility in January of 2016. Funding made available for Public Works to proceed with project in FY 18. Savings estimated at 400,000 kWh annually with \$750,000 investment. OED's work setting up the project is complete – available to assist PW building when project proceeds.

C. Activities

Internal Programs

- Institutionalize sustainability as a county value and make it part of everyday decision-making.**

 - Electric vehicles in fleet:** Worked with the County Budget Team and Public Works (PW) Auto Shop to plan for increasing number of EVs on County fleet (funded in FY 19)
 - IECC code adoption meetings:** Supported PW Building Division in creation of local amendments to building code that saves money for residents and reduces greenhouse gas emissions.

- **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.**
 1. Shared use Motor pool: continue to support and improve on use of web-based County motor pool with support from OED administrative staff. Planning for additional electric vehicles in motorpool in FY 19.
 2. Composting at County Meetings & Events: Supported composting and recycling at numerous County and community events including the 10th annual Mayorathon and numerous in-house meetings. Continuing to encourage agencies at Civic Center to use on-site composter for management of food waste.

Community

- **Develop relationships between the county, non-profit organizations, businesses, and other government agencies to promote sustainable practices on Kauai.**
 1. EV Ride & Drive events: Coordinating the establishment of 2x annual recurring electric vehicle promotional events on Island to encourage EV adoption. Supported community run electric vehicle ride & drive events at Kauai Community College in September 2017 & February 2018. Planning for an additional event in September 2018 is underway.
 2. Tourism Strategic Plan – Participated on the Steering Committee for the Tourism Strategic Plan Update. Working with tourism partners to address issues including overall capacity, transportation, energy use, and waste.
 3. Kauai Aloha+ Home Challenge: Worked with high school and college students to pilot the Kauai Aloha+ Home Challenge, a web-based tool that encourages sustainable actions at the household level for Kauai residents. Over 50 households signed up in initial pilot with plans to expand use of platform in FY '19.
 4. Blue Line Project: Worked with local High School students to include the Blue Line Project, a climate change and sea level rise awareness project, at the 10th annual Mayorathon in Kapaa in June.
 5. US DOE Better Buildings Challenge: Participate in national program with US DOE to track energy savings in County buildings. Sharing best practices, quarterly calls with DOE staff, annual uploading of County energy data in Energy Star Portfolio Manager.

- **Climate Action Planning: Develop a comprehensive County-wide Energy Sustainability and Climate Action Plan for Kauai in order to help the economy and decarbonize our major energy using systems in line with the best available science.**
 1. No funding available in FY '18. Actions taken in FY 18 included organizing a multi-day climate action planning workshop, improving internal capacity, creating a basic GHG inventory dashboard, and support for long term goal setting by leadership.

2. Statewide Climate Action Planning Workshop: took the lead in organizing a 4 county workshop which took place on Oahu on November 2017. Build support for Climate Action Planning across all four counties and evaluated best practices and opportunities for Kauai County.
3. Additional internal capacity: Collaborated with other Counties to create a cohort of Amercorps VISTA volunteers to support Climate Action Planning in future years. Kauai County VISTA position filled with assistance from Kupu Hawaii. Position begins service in September 2018.

OTHER ONGOING PROJECTS

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

Energy Policy & Planning

- **Hawaii Carbon Farming Task Force (CFTF)** Energy coordinator participated as a member of the State Carbon Farming Task Force and participated in (4) quarterly meetings in FY 18. Pursuant to Act 33, the Carbon Farming Task Force was charged with identifying practices to increase climate resilience, improve carbon sequestration in Hawaii, build healthy soils, and provide GHG benefits. Practices include:
 1. Aquacultural practices
 2. Agroforestry practices
 3. Public land use, land use, agriculture use, and marine use policies
 4. On-farm management practices
 5. Mitigation options
 The CFTF is currently transitioning to the Greenhouse Gas Sequestration Task Force per new legislation signed into law in 2018.
- **Drive Electric Hawaii (DEH)** seeks to promote the use of electric vehicles, cut fossil-fuel transportation and add more renewable energy through collaboration on education, promotion, advocacy and infrastructure to make electric mobility easier for all. Kauai County joined DEH in the spring of 2018 and continues to work with partners to seek ways to accelerate vehicle electrification in Hawaii.
- **Hawaii Clean Energy Initiative Advisory Committee** – County Energy & Sustainability Coordinator serves as the Vice-Chair of the HCEI Advisory Board, which is a State level effort to achieve a 100% clean energy within the State by 2045. Participation offers insight into State Planning and policy efforts and allows for alignment between State and County where beneficial to both.
- **Motor Pool Operating Costs - \$30,000**
Full implementation of County Motor pool program:
 The motor pool program continues to be supported by the Office of Economic Development. Employees took over 5,700 rides with motor pool vehicles in FY '18. The motor pool continues to meet its three main objectives:
 1. Convenient access to vehicles for County employees
 2. Cost savings for the County
 3. Provide data to enable improved fleet performance over the longer term

The motor pool program has enabled the retirement of over (10) vehicles without replacement 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. Data gathered from the program has also allowed the County to understand the capacity to add electric vehicles within the fleet.

Grants-in-Aid

Sustainability – Program Development Support (Match) (RFP)

- \$25,000 (\$29,000)

- ***Home Efficiency for Low Income Households (Pono Home) – (\$15,000)***
This is the 2nd round of collaboration on this program in conjunction with Kauai Island Utility Cooperative. The program targets low and moderate income and elderly households for direct install of home energy efficiency measures. The cost of the program, delivered for free to participants, is approximately equal to the first year energy savings realized by the retrofit measures. The Program funding was increased by 50% to provide service to more households in need on Island. Final program results for this round should be available in early 2019.
- ***AmeriCorps Vista Support (KUPU) – (\$14,000)***
KUPU will place a VISTA volunteer in the Kauai County Office of Economic Development for one year. The VISTA volunteer will build capacity in the County of Kauai to mitigate greenhouse gas (GHG) emissions and adapt to forecasted impacts of climate change, particularly for the most vulnerable populations. The VISTA volunteer will also build resiliency for the rural community of Kauai against adverse effects of climate change and to help low-income communities to reduce their cost of energy through efficiency and conservation.

Energy – Alternative Energy Projects (RFP) - \$20,000 (\$22,000)

- ***EV Charger Installation at the West Kauai Technology & Visitor Center Preparation (Kauai Economic Development Board) – (\$7,0000)***
This project will assist the Kauai Economic Development Board (KEDB) in providing funds for technical support in developing a Level II EV charging station at West Kauai Technology & Visitor Center (WKTVC) in Waimea.
- ***Electrification of Public Transit (Blue Planet Foundation) – (\$15,000)***
Blue Planet Foundation plans to collect data on public transit fleets across Hawaii and compare current operations to potential costs for electrified transportation. The analysis will estimate greenhouse gas reductions resultant from transit electrification and related renewable energy availability. We will also provide analysis on utility financing and other strategies to fund the cost of an electric transit fleet.

D. Program Measures – Accomplishments / Evaluation

Description	FY 2018	FY 2017	FY 2016
Program Funding	\$75,000	\$80,200	\$93,200
Operations Sustainability Initiatives	3	2	3
Efficiency/Renewable Energy initiatives	3	4	4
Sustainability Presentations	6	10	8

Annual County Operations Electricity Use

Fiscal year	Total Use (MWh)	Change in use from FY '12	Change in \$ from PY	Total Cost (millions)	savings vs. FY 12
FY 2018	10,367	-15.7%	-26.4%	\$3.89	\$1.4m
FY 2017	11,165	-9.3%	-22.1%	\$4.13	\$1.16m
FY 2016	12,223	-.7%	-17.9%	\$4.34	\$.95m
FY 2015	12,381	+.6%	-6.5%	\$4.94	\$.35m
FY 2014	12,612	+2.4%	+7.3%	\$5.67	(\$.38m)
FY 2013	12,419	+.9%	+7.2%	\$5.67	(\$.38m)
FY 2012	12,312	n/a	n/a	\$5.29	n/a

E. Budget (General Fund)

Description	FY 2018 Appropriation	FY 2017 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$115,933	\$111,504
Operations	\$89,790	\$91,140
Equipment	\$0	\$0
Program Total	\$205,723	\$202,644

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 marketing efforts. KFC is currently working on a marketing plan that will strategically place limited assets where it is needed the most and justify the marketing program.

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 were met, and that the community and environment were treated with respect and were 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

It was a banner year for the film industry on Kauai which concluded with Crocus Productions' (Disney) "Elixir" ("Jungle Cruise") that was the biggest production ever produced on Kauai in the nearly 90 years of filmmaking history. The six-month production which was the second half of the fiscal year had the movie 100% produced on the island and was a very significant economic and jobs contributor. Starring the world's number one actor, Dwayne "The Rock" Johnson, the production contributed to the island in so many other ways beyond economic and workforce development. This included a very intangible benefit: Increasing the public's self-esteem of pride in Kauai where not only was the movie filmed here but, also, numerous blockbusters and the franchises which followed iconic movies such as Jurassic World/Park and Pirates of the Caribbean.

Notwithstanding, the pre-production phase occurred in April during the flood disaster took place. During this time, "The Rock" and production team leaders decided to assist the island in the recovery efforts. "The Rock" personally made an announcement for help, encouragement and support on his social media Facebook page that reached millions of fans throughout the world informing them of the disaster and what people could do to help. Another example, after the movie set was dismantled, what was salvageable, recyclable and, reusable, was given to the Kauai Habitat for Humanity and Malama Pono non-profits for materials reconstruction for homes and other adaptive reuse.

Many, many businesses throughout Kauai also benefitted whether directly or indirectly in the production aspect. This included catering and purveyor services, lumber and construction, landscape, food and accommodations industries to transportation, fashion/photography and advertising/marketing as some examples of sectors that benefitted Kauai's small to medium and large businesses.

During the first half of the fiscal year, it also began with a new television reality-documentary show by the NatGeo Wild network (National Geographic). There also was another six-month production and was the continuation of the expanded pilot "The Adventures of Dr. Buckeye Bottoms" about a mobile veterinarian on Kauai. Other productions rounded out the summer presented below.

Overall, the different types of productions provide a cross-marketing of Kauai from both a resident and visitor perspective that aid in leveraging the limited marketing budget available to Kauai. In the long term, these contribute to helping reinforce Kauai as a beautiful, relaxing and competitive destination to relax and rejuvenate in alignment with the Kauai Visitors Bureau's goal of marketing Kauai.

C. Activities

Internal Programs

- **Trade Shows – AFCI Locations - \$3,500**

We made a conscientious decision not to attend the American Film Commissioners International (AFCI) this past year. The format of the annual tradeshow was revised and did not feature a tradeshow format, along with various training sessions that helped to strengthen individual film commissioners knowledge, as well as the great networking opportunities that have been a staple of previous AFCI Tradeshows.

- **Kauai Creative Technology Center (KCTC) - \$0**

As a result of the Kauai Economic Development Plan – Comprehensive Economic Development Strategy (CEDS), several key projects were determined to help build key industry clusters that will in turn, help to diversify Kauai's economy and reduce dependence on its current main economic engine, Tourism.

One of those key projects includes the Kauai Creative Technology Center. Currently one of our important partners, the Kauai Economic Development Board has completed a feasibility study, business plan and has received an Economic Development Administration (EDA) grant that is focused on the design of the facility, but more importantly, creating programs and fostering relationships with Kauai film industry partners that will utilize the facility once its built. Another key partner is the Creative Lab Hawaii.

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 in FY 2016-2017. In June of 2018, the second CLH focused on writing that included two separate writing programs. All participants in the Writer's Immersive were invited to participate in the annual American Film Market event in November, in Santa Monica California. The AFM has become the largest event of its kind and demonstrated the high degree of creative partners who will have a national platform and opportunity to promote their project in an extremely competitive environment.

Grants-in-Aid

Film Festival Support (RFP) - \$5,000

- **Garden Island Film Festival (GIFF) - \$4,000**

The third annual 2018 GIFF was rescheduled from the fall of 2017 to the spring of 2018.

The goal for this year was to build upon the first year's festival and continue to grow it by including additional locations. Expanded locations throughout the island provided an increase in outreach and accessibility. Sites included the Westin Princeville Ocean Resort Villas (north shore); Courtyard Kauai at Coconut Beach (east); Kauai Philippine Cultural Center, Kauai Community College (central); The Shops at Kukui'ula (south shore); and Blu-Umi & Japanese Grandma Café (west).

The focus of this year's festival were on films made by Kauai filmmakers that featured stories about Kauai's people, culture and or history. The festival partnered with the Kauai Economic Development Board (KEDB), Kauai Philippine Cultural Center, Hanapepe Economic Alliance (HEA) and Hawaii Community Foundation (HCF) – Kauai in addition to the location hosts/sponsors who provided the facility, equipment and or any other type of community partnership.

The 2018 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 an esprit of being involved in the community and, especially, youth of our island.

- **Hawaii International Film Festival (HIFF) - \$1,000**

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

PARTNERSHIP – FILM INDUSTRY

As was pointed out throughout this Annual Report, the OED-Kauai Film Commission being a one-person operation, relies on its industry partners to achieve the goals of the Hawaii Film Industry that also benefits the County of Kauai. Some of our partners include, but are not limited to:

Film Offices of the Hawaiian Islands (FOHI)

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. In May of 2018, the first film commissioners of the Hawaiian islands' retreat was held on Kauai. The commissioners and Creative Industries division chief met to discuss ways in which the commissions and CID can work in better coordination, co-marketing and long range planning. Follow-up meetings will occur on other islands.

CREATIVE INDUSTRIES

This section highlights some of the program activities in addition to the marketing of Kauai as a location for production activities. These program activities also align with the Holoholo 2020 vision of the Kaua'i Creative Technology Center (KCTC) as previously described.

MARKETING STRATEGY & PLAN

The Kauai Film Commission has a limited annual budget and has to be strategic and efficient in its decisions and use of public funds that help to attract film producers to Kauai as their film location of choice.

As the previous report indicates the various markets in the film industry that support Kauai's economy, we want to play upon our strengths and opportunities while addressing any weaknesses and threats to assure Kauai's success.

There are seven (7) sections to our Marketing Strategy & Plan that we continuously review and fine tune.

- 1) Situation Analysis**
- 2) Market Goals & Objectives**
- 3) Marketing Strategy**

The Kauai Film Commission, administered within the County of Kauai Office of Economic Development, has focused its efforts on attracting a larger number of smaller commercial productions and independent films besides feature films; reality shows and travel-related television productions which help promote Kaua'i as both a viable filming and travel destination. From infomercials and music videos, industrial films to commercial advertising projects and still photo production, the film industry continues to infuse millions of dollars into Kauai's economy each year.

- 4) Tactics & Action Plans**

TRADE SHOWS: 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 State of Hawaii and Counties of Hawaii 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 sector is an important part of the film diversification in each fiscal year. The category continues to grow as a significant contributor adding to the diversity of all production activities throughout the year.

LEGISLATIVE ACTIVITY / FILM TAX CREDIT: 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.

The goal for 2018 legislation session was to increase the tax credit cap currently, \$35 million. It is projected that the cap will be quickly used in one fiscal year and will be insufficient to meet requests due to the addition of the rebooted Magnum P.I. as well as Hawaii FIVE-0 on Oahu leaving a shortfall for applicants.

There is an additional 5% increase in tax incentive in 2013 which is 25% for Hawaii, Kauai and Maui counties and which was extended to 2026 allows the Kauai Film Office and other Hawai'i film commissions to continue to promote the added incentive to filmmakers in marketing efforts. The tax credit for many (especially, small to medium-size productions) is an important incentive and, therefore a key marketing point, especially, dealing with the county and state's high cost of living and doing business.

5) Resource Requirements & Evaluation

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, the website provides is an invaluable and convenient on-line resource serving as the commission's business card and electronic portal. Many first-time producers and filmmakers make their initial contact via the website if there is no initial relationship with the commission.

Collateral materials, convenient, easy access, navigation of the www.filmkauai.com website, practical and helpful content on the website and, follow-up service by the film office are key components of insuring and attracting potential productions that will use Kauai and or keep the island `top-of-mind' for present and future productions, and, even, positive referrals. The film office partners, stakeholders and those who have an interest in film production on Kauai are all of the cross-marketing partners and individuals who collectively and individually, promote Kauai as a film location.

The Kauai Film Office utilized a "Movies Made-on-Kauai" information piece, a location photo brochure, and tax credit information provided by the Hawaii Film Office as collateral materials for distribution.

6) Marketing Budget

7) Effectiveness of Marketing Initiatives

FILM PRODUCTIONS

Feature Films (2)

In addition to the Crocus Productions movie, towards the end of summer into fall, was the Japanese production, "Hanalei Bay" which after 5+ years was filmed in the north shore. "Hanalei Bay" authored by a renowned Japanese Pulitzer Prize Winner will premiere in October 2018 in Japan. The commission and Japanese coordinator are working with the production company in having it screened sometime during the 4th quarter of 2018.

Television Series / Reality Shows (2)

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.

Hawaii Life (Seasons 9 & 13) continued productions in this very popular segment of the reality and home sector.

Commercials / Print Ads (11)

Commercials and print ads continued to drive the production activity and accounted for significant number of other types of productions. From the energy “Red Bull” to electronics & technology manufacturer Samsung and local company Kauai Community FCU now known as Gather FCU, to national trade magazines such as Men’s Journal Magazine “Hearts Magazines) and drug maker Invisalign, Kauai’s combination of excellent weather, beautiful locations and professional crew locally available on-island, relationships built continue to bring production companies to the island.

Music Videos (0)

Documentaries (0)

Travel (11)

The Kauai Visitors Bureau/Hawaii Tourism Authority/Hawaii Visitors & Convention Bureau highlighted the importance and diversification of marketing using social media “Influencers” who help comment and steer social media users to various social media. Other highlights included Hawaii Tourism Authority/HTA teams from Australia, New Zealand and China focusing about the people, culture and lifestyles on Kauai as well as scenic locations. This category highlighted also lifestyle programming including various Kauai resorts like the Timbers Kauai Ocean Club & Residences Hokuala Resort, Whaler’s Cove in Poipu and other tourism-related productions.

Sports (2)

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

Others (0)

D. Program Measures – Accomplishments / Evaluation

Film Commission program measures are based on metrics that included: economic impact, budget spent, jobs created and economic multiplier which were tracked on a fiscal year basis. Effective Fiscal Year 2016 and going forward, the statistics will be from film permits issued by State and County of Kauai film offices and, voluntary data, also provided by private locations. While these metrics are included as evaluation variables, another contributing variable that cannot be measured were in the area of film tourism that is gaining recognition throughout the country as a significant contributor to an area’s economy.

Description	FY 2018 Actual	FY 2017 Actual	FY 2016 Actual	FY 2015 Actual
Kauai Film Permit - Budget Expenditure	\$62,227,700	\$3,714,278	\$886,000	\$3,069,500
# of Film / TV projects	28	41	28	30
# of Shoot Days	129	239	161	304
# of Jobs (Kauai hires)	276	198	92	142

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	1	0	0	2
Television Shows / Series	2	0	0	0	2
Commercials / Print Ads	10	1	0	0	11
Music Videos	0	0	0	0	0
Documentaries	0	0	0	0	0
Travel	11	0	0	0	11
Sports	2	0	0	0	2
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	26	2	0	0	28

E. Budget (General Fund)

Description	FY 2018 Appropriation	FY 2017 Appropriation	FY 2016 Appropriation
Equivalent Personnel (E/P)	1	1	1
Salaries, Wages & Benefits	\$125,462	\$122,874	\$88,622
Operations	\$31,780	\$39,735	\$22,438
Equipment	\$0	\$0	\$0
Program Total	\$157,242	\$162,609	\$111,060

WORKFORCE DEVELOPMENT

A. Objectives

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

On July 22, 2014, President Obama signed into law the new WIOA Act – Workforce Innovations and Opportunities Act (PL 113-128) superseding the old WIA Act of 1998. Starting July 1, 2015, the new Workforce Innovations & Opportunity Act (WIOA) started the transition phase and is now being implemented.

With the funds received from the federal government for the WIOA program, the County's Office of Economic Development, is the officially designated fiscal agent appointed by the CLEO – the Chief Local Elected Official. The Kauai Workforce Development Board (KWDB) assists in policy-making, program development and provides monitoring and oversight of the WIOA Adult, Dislocated Worker & Youth Services Programs to include Business engagement and Career Pathways exploration.

The KWDB Executive Director staffs the local workforce board and assist in the monitoring of the current service provider for Adult and dislocated worker programs, administered by the State's DLIR Workforce Development Division (WDD) and the new Youth Service provider, Kumano I ke Ala, in the Lihue Civic Center – One-Stop Office, also known as the American Job Center.

Since the initial Act's inception, the four counties in the State of Hawai'i have been designated as the local area One-Stop Operators by the Governor, and as a result, receive Federal Workforce Innovation and Opportunity Act (WIOA) funds from the U.S. Department of Labor (USDOL) through the State of Hawai'i's Department of Labor & Industrial Relations (DLIR) Workforce Development Council (WDC).

Past & Present - PROGRAM INFRASTRUCTURE

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

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

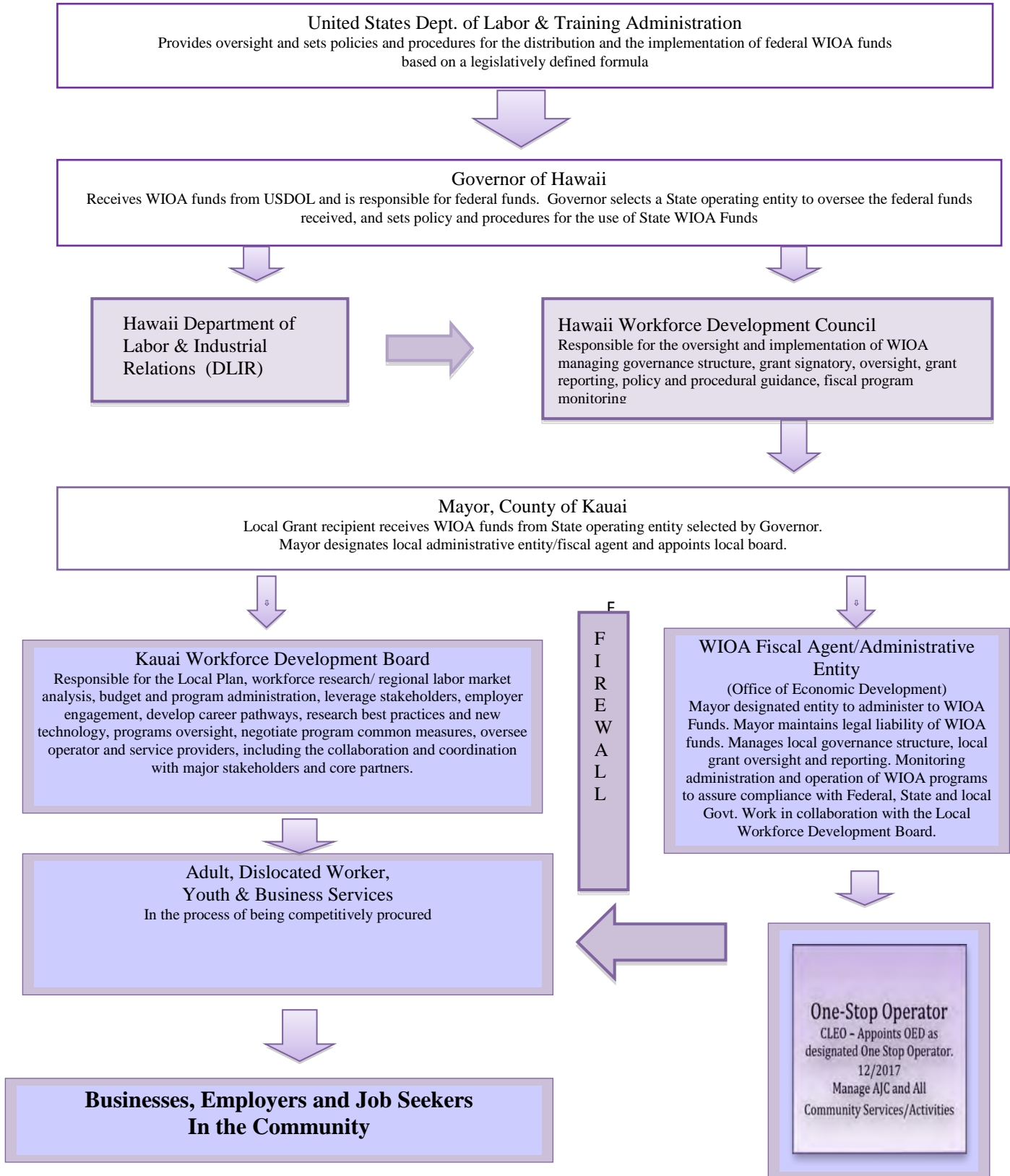
In the Spring of 2014, DLIR Workforce Development Division continued to propose consolidating all delivery of WIA programs under a single State Board which will mean eliminating the Counties as the one stop operators on the neighbor islands. By August 2014, this decision was not fulfilled. Kauai County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

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

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

In July 2017, the U.S. Department of Labor has provided additional funding to where the State's Workforce Development Council has eleven (11) staff members.

See Kauai Workforce Development System Below:



ONE-STOP OPERATOR

The County of Kauai's, chief local elected official (CLEO), the Mayor is responsible for designating a temporary local area One-Stop Operator until a permanent hire can be found. The One Stop Operator is responsible for the management and success of all WIOA programs and core partner services and activities provided at the American Job Center (AJC). The One Stop Operator will work in coordination and collaboration with the Kauai Workforce Development Board (KWDB) who is the policy, planning and development body that provides oversight and monitoring of all the WIOA programs and activities.

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

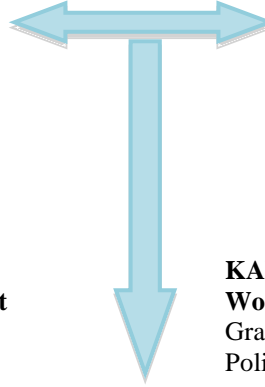
- WIOA programs and activities at the American Job Center. Local administration of the three WIOA programs, that focuses on employment and training, through two service provider contracts:
 - Adult Program – State DLIR Workforce Development Division (WDD)
 - Dislocated Worker Program – State DLIR-WDD
 - Youth Program – Kumano I Ke Alo (new provider)
- Oversight of the American Job Center – One-Stop, mandated core partners receiving Federal WIOA or related employment and training funds as shown in the diagram below.

Community Core Partners

1. UH - Kauai Community College
2. DOE - McKinley Community School for Adults
3. State Department of Labor & Industrial Relations – WIOA AP, DWP Programs
4. State Division of Human Services
5. State Department of Vocational Rehabilitation
6. State Department of Labor & Industrial Relations – Wagner Peyser
7. State Department of Labor & Industrial Relations – Unemployment Insurance
8. Alu Like Inc.
9. Kauai Economic Opportunity – KEO
10. Maui Economic Opportunity – MEO
11. Kumano I K Ala O Makaweli – WIOA Youth Program (new)



MAYOR
County of Kauai



OFFICE
Of Economic Development
Fiscal Manager
One Stop Operator (TA)



KAUAI
Workforce Development Board
Grant Oversight & Monitor
Policies and Planning



ADULT PROGRAM

The *WIOA Adult Program* assists adults in obtaining the skills necessary to secure and retain employment and move toward self-sufficiency. 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 2016, Paxen Youth Services from Orlando, Florida was the service provider for Kauai's WIA, now WIOA Youth Program. After closing their office in 2016, the KWDB has been seeking a new service provider. Since Workforce Development Youth Program services providers are difficult to find, it has taken almost 2 years to find an experienced provider that works with Kauai's youth.

We were fortunate in finding Kumano I Ke Ala O Makaweli (Kumano) through a Request for Information (RFI) and Request of Proposal (RFP) process. Creating a service provider contract that also meets the various requirements of both the County of Kauai – County Attorney and Purchasing Department offices was also a painstaking process which took over one year. We are now weeks away from signing a contract with Kumano with the program scheduled to commence in the Fall of 2018.

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 Local 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

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 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.

Another collaboration is its early planning stages the KWDB Board is working with Kauai Community College on a larger grant for creative educational training using the Youth Build federal grant. More information on this endeavor will be compiled in the next year.

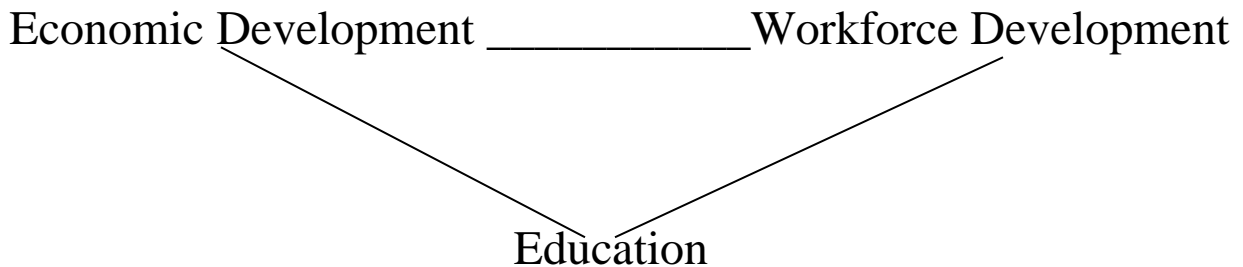
Since the beginning of the new WIOA Act of 2014, the Youth Council continues to play a major role merging with the KWDB as a committee of volunteer youth service providers. It is comprised of strong community members with diverse expertise and resources relating to youth and is tasked with building a 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. Located on the Kauai High School Campus, the McKinley Community School for Adults is a core partner in the community that also provides access to getting a community-based diploma and or a GED.

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



C. Activities

Internal Programs

- **Kauai Historic Flood – Workforce Rapid Response**
As the American Job Center One-Stop Operator we are responsible for coordinating a Rapid Response Team of Workforce Development partners including DLIR Unemployment, Workforce Development Division, Human Services, Kauai Economic Opportunity and other partners to serve flood victims
- The American Job Center's Core partners are currently collaborating with WDC Rapid Response Coordinator because of the 2018 flooding disaster on the island. The County of Kauai received \$500,000 in Federal funding from the National Dislocated Worker Grant. Of those funds, \$100,000 go towards the cost of administration of funds while the remaining \$400,000 goes directly to dislocated workers.
- Community meetings are ongoing and people are coming forward to participate.

Grants-in-Aid

Workforce – Events & Activities (RFP) - \$5,000 (\$4,600)

- ***Kauai Small Business Symposium & Apprenticeship & Career Day (Kauai Chamber of Commerce) – (\$4,600)***

Funds from this grant was used to plan, organize and implement the Kauai Small Business Fair that was held at the Kauai Beach Resort in February 2018. Part of the agenda included a panel of guest speakers that focused on the Millennial Market of Job Seekers and the New Workforce. A second panel focused on successful Millennials in the workplace. Lunch was provided for participants with a special guest speaker: Stevette Santiago from YHATA. She discussed Millennials in the Workplace. Followed by Macy's "Dress for Success" Fashion Show.

- Funds were also utilized for the June 25, 2018, Apprenticeship and Career Day held at Kauai Community College, Office of Continuing Education and Training, Room 105. A variety of vendors from various Trades and Labor Unions across the state came and participated in this event.

Both event/activities received a lot of positive comments that will help in planning events/activities for 2019.

CAREER EDUCATION

As a continuing collaborative effort, the KWDB staff and the American Job Center staff, along with numerous KWDB members and core partners 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."

This year 2018, Dana Hazelton from KPAA and Bernadette Howard from UH – CTE programs introduced a new Program to Kauai that is being piloted for the first time in Hawaii. NEPRIS brings the technology from the internet directly to the classrooms. Externships are developed with businesses around the island to promote career development and possible internships and apprenticeship programs with participating businesses. This new program is being piloted only on the island of Kauai. The University of Hawaii-Career & Technical Education Program is spear-heading this collaboration and is still in the business recruitment stages.

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 - SYMPOSIUM

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. Successful Entrepreneurs presented information about their businesses to a willing crowd.



A variety of support services organizations were there to provide information to businesses. Participants included: DCCA, DBEDT, HSBDC, Kauai Community College, Business Insurance Companies, Health Care, Sales & Marketing, a Native Hawaiian Entrepreneurship program from Anahola and may more..



“Business After Hours” BAH, included delicious food from Mark’s Place. With a sampling of flavored drinks from Koloa Rum.



The new Business-Led KWDB “shifted” the planning of the event by assisting the Chamber to create a Small Business Symposium in 2018 to help businesses on the island by show-casing “Millennials - Best Practices in the Workplace” with a special luncheon speaker.



Successful Kauai Leaders –Symposium Panel #1

The agenda included a panel of guest speakers that focused on the Millennial Market of Job Seekers and the New Workforce.

A second panel focused on successful Millennials in the workplace. Lunch was provided for participants with a special guest speaker: Stevette Santiago from YHATA. She discussed Millennials in the Workplace. Followed by Macy “Dress for Success” Fashion Show offered by Workforce Board Member: David Reifenberg, Macy Retail Manager.



Millennial Business Leaders – Symposium Panel #2



Stevette Santiago of Y. Hata Co. – Symposium Guest Speaker 2018

The 2018 Symposium was a big hit in the community – With the Subject of “Successful Millennial” in the Workplace. Creative collaborations continue with the Chamber.

JOB FAIRS

The County of Kauai, Kauai Workforce Development Board and American Job Center Staff and core partners, 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.

In 2017 -2018, with the drop of the unemployment rate close to 1% on the island, approximately 100 -150 job seekers are anticipated to attend this year’s Fair in 2018. Participants come well-prepared in suitable work attire and with a supply of resumes. It has become a “job seekers market” with many job to choose from in the community. This year we expect a decrease in the amount of participating vendors in the annual job fair. Many businesses are opting to do mini in-house job fairs to attract job seekers at the AJC-Employment office. Despite little setbacks, the Job Fair has always been a very successful event!

APPRENTICESHIP DAY

On November 16, 2016, the Kauai Workforce Development Board, in celebration with the federal recognition of President Obama’s dedication to Apprenticeship Week, was held at the Kauai Community College - Office of Continuing Education & Training. This inaugural event, started with the collaboration of other State entities including the Governor’s office where the Kauai Workforce Board receive a special recognition award and special Proclamation from the County of Kauai Mayor, Bernard P. Carvalho Jr.

On June 26, 2018, Kauai held its 2nd Apprenticeship Day and Career Fair to recruit job seekers in the community. The following organizations participated in this great event:

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
15. Kauai Coffee
16. Carpenters Union
17. Kauai Workforce Development Board – AJC Core Partners
18. Walmart – Training Program

19. HI-Employment
20. Westin Princeville Hotel –HR Training Program
21. Bayada Home Care
22. County of Kauai-Housing Agency
23. County of Kauai HR

Of the 23 vendors, 5 were State Certified - Local Union Apprenticeship programs, in addition there were 2 State Certified Local businesses (Kauai Coffee and KIUC) that have their own apprenticeship training programs. Other training and support services programs were also available for patrons to explore. The County of Kauai issued a press release to support the event.

Approximately 90-95 people attended this event and the KWDB Board members are in the process of collaborating with Certified Training Union Organizations for next year's event.

D. Program Measures – Accomplishments / Evaluation

WIA/WIOA PROGRAM MEASURES

The three 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. As an example, 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.

TRANSITIONAL PERIOD & CHANGES

PY16 the Transitional phase of the federal grant ended however certain federal criteria was still not in place according to the standards of the 2014 Mandate.

PY17, Primarily bringing the Board through training and education was a priority concerning the law, following protocols and having firewalls in place.

Major Priorities were:

1. Create New Local Plan
2. Certified Board Members according to Mandate.
3. Establishing Core Partners
4. Establishing a One Stop Center – AJC
5. Designated One Stop Operator
6. Establishing Policies & Planning
7. MOU & IFA in place
8. New Contract – Govt. to Govt.
9. New Contract – Youth Services
10. Continuous Monitoring and follow up

** Due to issues concerning the lag in the Federal grant program, funding allocation are different from the County fiscal. For example, the FED's PY16 year started on July 1, 2016 and just recently ended on June 30, 2018. Because of Board certification issues with the transitioning process.

PY17 just started September 2018. We were not able to process grant funding during that period. The Board was finally officially certified by the WDC in May of 2018. This made the Board Eligible to complete the contract for funding.

The same Federal Reporting lag is also seen in the WIOA Program outcomes. Again, the proposed negotiated performance goals remain the same in PY17 and slightly change into PY18 and PY19.

**U.S. Department of Labor
State of Hawaii – Dept. of Labor & Industrial Relations**

Proposed Negotiated Performance Goals for PY2017, PY18, PY19

<u>WIOA Adult</u>	2017	2018	2019
• Entered Employment 2 nd Qtr. After exit	67.6%	68.6%	69.6%
• Employment 4 th Qtr. After Exit	63.9%	63.9%	64.9%
• Median Earnings 2 nd Qtr. After Exit	\$5,350	\$5,250	\$5,350
• Credential Attainment	51.0%	51.0%	52.0%
 <u>WIOA Dislocated Worker</u>			
• Entered Employment 2 nd Qtr. After exit	74.0%	74.0%	75.0%
• Employment 4 th Qtr. After Exit	69.2%	70.4%	71.4%
• Median Earnings 2 nd Qtr. After Exit	\$6,776	\$7,000	\$7,300
• Credential Attainment	66.5%	66.5%	67.0%
 <u>WIOA Youth</u>			
• Education or Training or Employment 2 nd Qtr. After exit	59.0%	59.0%	60.0%
• Education or Training or Employment 4 th Qtr. After Exit	55.9%	55.9%	56.4%
• Credential Attainment	61.1%	61.1%	62.1%
 <u>Wagner-Peyser</u>			
• Entered Employment	55.0%	59.7%	61.0%
• Employment Retention	58.0%	58.0%	59.0%
• Average Earnings	\$5,114	\$5,100	\$5,200

**WIOA Annual – Local Performance Report Draft
2016-18
Kauai**

<u>Measure</u>	<u>Customer Group / Region / Office</u>	<u>Total 2018</u>	<u>Total 2017</u>	<u>Total 2016</u>
Total Participants	Adults	0	0	1474
	Dislocated Workers	0	0	29
	Older Youth (19-21)	0	0	0
	Younger Youth (14-18)	0	0	0
Total Exiters	Adults	0	0	1519
	Dislocated Workers	0	0	30
	Older Youth (19-21)	0	0	0
	Younger Youth (14-18)	0	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 on previous page:

** Official Data above is not confirmed to date 09/14/18. The PY16 program year recently ended on June 30, 2018 and does not officially gets published until November 2018 of this year.

** Chart below is the latest data available, Yet all data is not confirmed. www.hirenethawaii.com









	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%

Table B - Adult Program Results			
Reported Information	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate		<u>27.3%</u>	<u>6</u> <u>22</u>
Employment Retention Rate		<u>56.6%</u>	<u>30</u> <u>53</u>
Average Earnings		<u>\$10,286.4</u>	<u>\$308,593</u> <u>30</u>
Employment & Credential Rate		<u>22.9%</u>	<u>8</u> <u>35</u>

Table C - Outcomes for Adult Special Populations								
Reported Information	Public Assistance Recipients Receiving Intensive or Training Services		Veterans		Individuals with Disabilities		Older Individuals	
Entered Employment Rate	<u>22.2%</u>	<u>2</u> <u>9</u>	<u>50.0%</u>	<u>1</u> <u>2</u>	<u>0.0%</u>	<u>0</u> <u>0</u>	<u>50.0%</u>	<u>2</u> <u>4</u>
Employment Retention Rate	<u>58.8%</u>	<u>10</u> <u>17</u>	<u>50.0%</u>	<u>1</u> <u>2</u>	<u>50.0%</u>	<u>1</u> <u>2</u>	<u>20.0%</u>	<u>1</u> <u>5</u>
Average Earnings	<u>\$11,964.4</u>	<u>\$119,644</u> <u>10</u>	<u>\$2,001.1</u>	<u>\$2,001</u> <u>1</u>	<u>\$17,755.9</u>	<u>\$17,756</u> <u>1</u>	<u>\$2,739.7</u>	<u>\$2,740</u> <u>1</u>
Employment & Credential Rate	<u>22.2%</u>	<u>2</u> <u>9</u>	<u>50.0%</u>	<u>1</u> <u>2</u>	<u>100.0%</u>	<u>1</u> <u>1</u>	<u>33.3%</u>	<u>1</u> <u>3</u>

Table G - Other Outcome Information for the Dislocated Worker Program						
Reported Information	Individuals Who Only Received Core Services		Individuals Who Only Received Core and Intensive Services		Individuals Who Received Training Services	
	Entered Employment Rate	0.0%	<u>0</u>	38.5%	<u>5</u>	23.1%
		<u>0</u>		<u>13</u>		<u>13</u>
Employment Retention Rate	0.0%	<u>0</u>	36.4%	<u>4</u>	68.8%	<u>11</u>
		<u>0</u>		<u>11</u>		<u>16</u>
Average Earnings	\$0.0	<u>\$0</u>	\$18,138.4	<u>\$72,554</u>	\$11,938.7	<u>\$131,326</u>
		<u>0</u>		<u>4</u>		<u>1</u>

Federal Funding Challenges

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

In PY17, with the County of Kauai unemployment rate low at 2.3% (July 2018), we are uncertain about receiving additional funding again in the near future.

The Kauai Workforce Development Board is in the process of seeking new ways to open the door to more opportunities for our program participants and engage our whole community. 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. A 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 continuously 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>
2018	Kauai County	\$ 28,864	\$ 96,364	\$ 98,047	\$ 65,398	\$ 288,663
2017	Kauai County	\$ 16,630	\$ 77,972	\$ 104,660	\$ 73,015	\$ 272,277
2016	Kauai County	\$ 33,957	\$ 104,219	\$ 110,554	\$ 90,864	\$ 339,594
2015	Kauai County	\$ 32,096	\$ 100,186	\$ 100,365	\$ 88,333	\$ 320,980

Since there were no interested organizations responded to the County of Kauai’s Request for Information (RFI) to determine who in Kauai County was interested in being the One-Stop Operator, the Mayor, as the designated Chief Local Elected Official (CLEO) according to the U.S. Department of Labor’s (USDOL) Workforce Innovation & Opportunities Act (WIOA), Mayor Carvalho delegated

the responsibilities of the One-Stop Operator to the Office of Economic Development. As part of the responsibility, OED created a budget for a One-Stop Operator that included one staff person’s salary and benefits, along with the facility rent, utilities and other operational costs. The total projected expense for one year is \$137,132. The monthly/annual expense was allocated to each of the Core Partners required to occupy the facility. The majority of the expense or \$75,000 is allocated to the Workforce Development Division (WDD) of the State of Hawaii – Department of Labor & Industrial Relations (DLIR) who are required to occupy the American Job Center (AJC) since they have been contracted to provide the mandatory Adult, Dislocated Worker and Wagner-Peyser programs. The other ten (10) Core Partners are required to occupy the AJC on a part-time basis and were allocated the remaining balance of \$62,132 between the ten of them.

So far the negotiations of the AJC expense allocation to the WDD and other Core Partners have come to an impasse as all agencies claim they do not have the funds as the WIOA AJC One-Stop Operator requirement is an unfunded mandate by the federal government. The Mayor and OED is currently working with the USDOL and the State DLIR to rectify this situation as the County is not able to cover these costs indefinitely.

E. Budget (General Fund)

Description	FY 2018 Appropriation	FY 2017 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$99,115	\$ 95,332
Operations	\$ 5,000	\$ 8,185
Equipment	\$0	\$0
Program Total	\$104,115	\$103,517

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.
- 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.
- 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 Kauai's youth sports organizations; individuals; tournaments; sports facilities; housing accommodations; etc., with photographs and video footage to be shown to potential clients.
- 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.

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.
- Stay in constant communication with Kauai's four sister cities and friendship cities in Japan with its respective cultural arts and education and tourism office to promote and encourage collaborative programs; events and exchanges with Kauai.
- Will provide support and facilitate projects with Sister Cities and Friendship Cities.
- Visit Kauai's sister cities to engage in face-to-face dialog and discussions with respective cultural arts and education officials to create opportunities for the youth to learn and experience culture and lifestyles of Hawaii.
- Be pro-active with Kauai Japanese Cultural Society, a non-profit organization and be involved in the community to help sustain and perpetuate Japanese culture and Hawaii's unique island Japanese culture for the new and next generation of Americans of Japanese ancestry. (AJA)

B. Highlights

SPORTS MARKETING

- 1) **Kauai Marathon** – 2018 marked the 10th anniversary of Kauai Marathon. During its inaugural marathon in 2009, the County of Kauai forged a relationship with our Sister City, Iwaki, Japan to have an exchange program for Iwaki's inaugural Sunshine Marathon in 2010. For the last 9 years, the winner of the Kauai Marathon wins a trip to Japan to run in the Iwaki Sunshine Marathon, and the runner from the Iwaki Sunshine Marathon wins a trip to Kauai to run in the Kauai Marathon. It has been a great partnership.

Winners of the Kauai Marathon have been very appreciative of the opportunity to experience the city of Iwaki and run in their marathon. For our Japanese friends, they have really enjoyed this exchange and their runners are some of the best in the world.

- 2) **Baseball Home & Away Experience** – This past year, we created what we hope to be is another exchange program with our Japan and other Sister Cities. We started with the Little League organization and hope to include high school and collegiate teams competing in a Home & Away Series.
In July 2017, the Kauai Yankees Little League Team traveled to Japan to play six games in Iwaki and Hiroshima City. This past August, the Iwaki Little League players came to Kauai to play with Kauai Yankees and other Kauai Little League teams. It was a great experience for both Kauai and Japan team members in a program that we hope to expand and encourage for years to come.
- 3) **2nd Mayor’s Kauai-Japan Goodwill Golf Tournament** was held in June 2018 at Wailua Golf Course with 12 Japanese players and 11 Kauai players which included regional presidents of Toyota and Honda Motors from Hiroshima; president of major public relation firm in Yamaguchi as well Senator Shungaku Yanai, Chairman of Japan’s Assembly of Council from Yamaguchi. A 3rd tournament is slated for 2020.
- 4) **Kauai Marathon 2018** hosted 2 runners, male and female, winners of Iwaki Sunshine Marathon at the 10th annual Kauai Marathon. Shinya Ohashi won 1st place in the overall category, winning by 19 minutes faster than the 2nd place winner. Yuuki Takayama was 3rd in the women’s overall category. Iwaki Sunshine Marathon will celebrate its 10th anniversary in February 2019 with a representative from Kauai Marathon to run in Iwaki.

CULTURE & SISTER CITIES

- 1) **Solo round trip voyage from Japan to California** - A solo yachtsman, Takashi Konno from one of our Sister Cities, Iwaki, Japan, sailed from Iwaki to California and on his retrun trip, stopped at Nawiliwili Harbor in September 2017 and stayed for six days before traveling to Honolulu and to Tahiti and returend to Japan in late August 2018. Mr. Konno was the winner of Dream Big campaigned hosted by Iwaki City to encourage ‘dreamers’ to make Iwaki City which was damaged extensively by tsunami disaster in 2011, to become a vibrant city. Mr. Konno wanted to promote and encourage sailors to reopen the boat harbor which was damaged and was shut down after the tsunami.
- 2) **2nd Ho’onani Kauai Hula Festival** was held in February 2018 with 47 dancers and ukulele band, Ukulele Paradise from Japan at Courtyard by Marriott. The event was created by Japan’s Mapuana’s Hula Nani Halau who was inspired after meeting Mayor Carvalho when he provided kumu hula Mapuana Kazama with a Kauai maile lei in 2015. The first Ho’onani Kauai was held in 2017. Mapuana asked County of Kauai and Kauai Japanese Cultural Society to help organize the event. The event helped raise nearly \$1000 for Kauai Japanese Cultural Society. The 3rd Ho’onani Kauai is slated for February 2019.
- 3) **Sister City Activities** - Representatives and officials from Kauai’s all 4 sister cities as well as Governor Muraoka from Yamaguchi Prefecture; City council chairman Chinen from Ishigaki; Mayor Fukuda from Iwakuni City and City Council Chairman Mori from Moriyama visited Kauai in 2018. Middle school student study tour of Kauai is in its 14 year coming during August each year with Kauai’s high schools and high school students from Oshima Maritime School in Suo Oshima with Kauai Community College is in its 8th year in 2018. Moriyama city will re-start its high school study tour with 3 students

coming to Kauai in March 2019 and Iwaki City will start a new student study program with Kauai in 2019.

- 4) **Prime Minister Abe**-Was invited by Japanese Consul General in Honolulu to attend a welcome reception for Japanese prime minister, Shinzo Abe when he visited Oahu to attend a special ceremony at Pearl Harbor Arizona Memorial.
- 5) **Crown Prince Akishinomiya and Princess Kiko**-Was invited by Japanese Consulate General in Honolulu to attend a welcome reception for Japan Crown Prince Akishino and Princess Kiko at Hawaii Prince Hotel to celebrate *2018 Gannenmono*, 150th anniversary of the 1st immigrants from Japan to Hawaii.
- 6) **Gannenmono Kauai**-Was appointed to serve as Kauai liaison for Gannenmono events on Kauai including clean up and beautification of Isenberg Japanese Garden in Lihue with 12 volunteers from Kauai Japanese Cultural Society; Kauai Bonsai Club; Kauai Nursery and Landscapes in July. A rededication ceremony with a new “Gannenmono” plaque for the garden is slated for late September 2018. Mokuto Shiki (silent prayer) ceremony was held on Aug. 6 at the County’s Moikeha Courtyard with 5 Buddhist priests conducting a ceremony to remember and honor victims of tragedy in Hiroshima and Nagasaki in August 1945. It is the 1st time Mokuto Shiki was held in any county government in Hawaii.
- 7) **Hawaii Nikkei Legacy Exhibit**, a photographic exhibit of the unique Japanese American Culture in Hawaii, in conjunction with 2018 Gannenmono opened on Friday, September 7 and will run through Sept. 23 at Kukui Grove Center. Free and open to the public.
- 8) **Hanalei Bay**-is the first Japanese feature movie to be filmed on Kauai since 1968 and stars Japan’s top actress, Yo Yoshida. The movie was work in progress since 2014 and finally filmed in Hanalei in September 2017. Written by one of Japan’s most prolific and popular author, Haruki Murakami who lives part-time in Princevill, the movie will premiere nationwide in Japan in October 2018. Coincidentally, the last Japanese movie to film on Kauai 1968, “Yoake No Futari (Lovers at Dawn)” was a commemorative movie to celebrate the 100 year anniversary of Gannenmono. A special article about “Hanalei Bay” will be featured in the fall issue of “Skyward” inflight magazine on Japan Airlines. Media crew spent 6 days on Kauai in September for the article. 1.8 million copies globally and 600,000 copies domestically will be published.
- 9) **Matsuri Gala Dinner and Matsuri Festival**-The 1st Gala Dinner will honor and present 7 recipients for the 1st Kansha (Gratitude) Award and 2018 Matsuri Kauai Festival will celebrate its 33rd year at the Kauai War Memorial Convention Hall in Lihue.

Internal Programs

- **None to Report**

Grants-in-Aid

- **None to Report**

SPORTS MARKETING

- **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**

Instead of a hard copy, multi-fold brochure, a *Play Sports Kauai* website will be created 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.

CULTURE & SISTER CITIES

- **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**

Ho’onani Kauai Celebration with support from Kauai Japanese Cultural Society was created in February 2017 with 75 hula dancers from Japan performing at the Courtyard by Marriott Luau hale. The 2nd Ho’onani Kauai Hula Festival with 46 hula dancers and Ukulele Paradise band was held in February 2018, also at Courtyard By Marriott Ballroom, raised \$1100.00 for Kauai Japanese Cultural Society who assisted with organizing the event. .

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

Officials and representatives from Kauai’s four sister cities have all come to Kauai in 2018.

From 2017-2018, the Sports Marketing coordinator assisted with two emergency cases. The first involved a Japanese visitor and Japanese national living on Kauai. Both had serious health issues and were taken to Wilcox Hospital where both passed away while at Wilcox.

The second assisted 4 Japanese media groups who requested resources and contacts for their Kauai coverage.

C. 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 2018 Actual	FY 2017 Actual	FY 2016 Actual
# of Sports Marketing Events	3	2	1
# of Participants	60	30	0
# of Jobs (Kauai hires)	12	10	6
# of Cultural / Sister City Events	3	2	2
# of Participants	110	90	60
# of Jobs (Kauai hires)	20	10	10
Economic Impact	\$150,000	\$120,000	\$100,000

D. Budget (General Fund)

Description	FY 2018 Appropriation	FY 2017 Appropriation
Equivalent Personnel (E/P)	1	1
Salaries, Wages & Benefits	\$107,219	\$102,800
Operations	\$6,435	\$ 17,230
Equipment	\$0	\$0
Program Total	\$113,654	\$120,030



IV. HOLO HOLO 2020 PROJECTS & STATUS

OED ADMINISTRATION

- (29) Establish Resort Area Shuttle Services

(29a) Establish Resort Area Shuttle Services - Ke'e Beach / North Shore Shuttle

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.

Due to recent flood event, we're still hopeful that a shuttle program can be started within a few months as community support to reduce the number of visitor-related vehicles into Hanalei, Wainiha and Ha'ena. There have been support by Princeville resorts and businesses and Hanalei businesses in the past.

Seek funding for North Shore, Kapaa, and Koloa shuttles – Tried to obtain funding from Princeville Resorts, but the general managers still feel the County should initiate the shuttle

program and funding with a commitment for at least a year, instead of a few months. With an annual commitment, hotel, condo and timeshare resort companies are more willing to contribute funding.

Shuttle Operations Study – Completed. Shuttle operations can be performed on an annual basis for approximately \$600,000 through a private transportation company that provides proper vehicles, staff and insurance. Shuttle fare revenue should go to shuttle operator to offset expenses which may help to provide a profit margin, instead of just covering costs.

- **Development of a new Hanalei Valley Overlook, Visitor Center & Park & Ride**
USFWS 30% Design/Build Project Meeting set for 2/28 on Kaua'i. They need \$2.5 million to complete the project. HDOT committed \$1mil per Ed Sniffen. George reported that he has a conference call today with the group on updates.
CoK Public Works received County Council approval to apply for TAP Grant of \$600,000 to help develop a revised, scaled-down version of the Hanalei Overlook project. Completion of the original "full plan" will come with another \$2.5M.

(29b) Establish Resort Area Shuttle Services - Poipu Shuttle

Poipu Beach Resort Association initiating a Poipu shuttle from the Grand Hyatt to Spouting Horn with various stops at Poipu resorts, the Poipu Beach Park and Kukui'ula Shopping Village. Will consider a "spur" up to Koloa Town.
Ongoing with various stakeholders of the Poipu Beach Resort Association and the Shops at Kukui'ula development.

(29c) Establish Resort Area Shuttle Services – Royal Coconut Coast (East Kauai) Shuttle

Royal Coconut Coast Association and Kapaa Business Association considering a shuttle to service East Kauai from Kealia Beach to the Wailua Golf Course.

Island-Wide Ag Park System

- **(12) Partner with other agencies to develop agricultural parks in an effort to provide affordable land to help promote the agricultural industry on Kaua'i and reduce our dependence on importing at least 85% of our food.**

(12a) The Kilauea Community Agriculture Center (7-day Farmer's Market (KCAC)

After 3 years, finally received approval and installation of four (4) 5/8" water meters from DoW. Grading & gravel of Sunshine Market parking area completed and Kilauea Sunshine Market moved from the Kilauea Neighborhood Center to the KCAC.

Fundraising efforts by the North Shore Rotary Club to pay for Sunshine Market Hale underway.

State Grant-In-Aid of \$250,000 for non-potable water pipeline and \$130,000 for operating expenses approved by State legislature.

Legal Counsel for Waikoa (Joan Porter and Jennifer Luck) for Stone Dam/Waikoa Water Use ongoing.

Legal Counsel for 'Aina Ho'okupu O Kilauea (AHK) working with State DoT-Highways on easement to run pipeline under Kuhio Highway through old drainage culvert.

Legal Counsel for AHK working with Bill Hay on easement for irrigation water line from Waikoa, Kuhio Hwy through his property.

Legal Counsel for AHK working with Kauai Christian Academy (KCA) on easement for irrigation water line from Waikoa, Kuhio Hwy, Hay property through their property.

Legal Counsel for AHK working with County of Kauai Public Works on easement for irrigation water line from KCA under Kilauea (Lighthouse) Road to KCAC.
Business Plan being revised to address current needs.

(12b) Anahola-DHHL Lands

Have had several meetings with DHHL Administration to develop 1,200 acres of mauka land for an ag park. DHHL asked County to assist in the development by working with the Anahola community and provide outreach.

(12c) Leasing of 1,000 (68) acres of land to farmers - Kalepa Lands

ADC decided to lease lands to sweet potato farmer.

(12d) Koloa-Knudsen Trust

Met with Knudsen Trust Board of Directors and Asset Manager, Canen Ho'okano on the idea of developing an ag park on Knudsen Lands along Maluhia Road just north of Koloa Town, near the community cemetery.

(12e) Kekaha-ADC/KAA Lands

Have had several meetings with Kekaha Ag Association President, Landis Ignacio on the idea of developing a 30-acre ag park of former Kekaha Sugar/State ADC Lands across from the old Kekaha Sugar Mill. After Landis Ignacio passed away, project now under Josh Uehara's direction.

- **(36) Re-open the Papaya Disinfestation Facility**

Discontinued project due to lack of interest and involvement to re-develop papaya industry on Kauai.

TOURISM / CULTURE / FESTIVALS & EVENTS

- **(17) Restore/Preserve Cultural Sites – Kaua'i Nui Kuapapa (Kauai Place Names)**

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.

Nalani Brun, Tourism Specialist delegated the responsibility of coordinating this on behalf of the County and OED. Along with coordinating restoration and preservation of cultural sites, Nalani also working with organizations who have or are interested in creating stewardship agreements to take care of these areas.

Ahupua'a Place Names - PowerPoint presentation made to County Department Managers Phase 2 of project underway. This involves the production and installation of signs

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.

- **(18) Increase Native Hawaiian group stewardship programs / partnerships to restore and preserve cultural sites**

(18a) Increase Native Hawaiian group stewardship programs / partnerships to restore and preserve cultural sites – Moku O Halelea (Ke Ahu A 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.
- Working with Hui Maka`ainana o Makana on the clearing of the lower trail to Ke Ahu A Laka. Currently working with State DLNR who will be restoring the old Allerton Caretaker's Home at Ke'e where the trail runs past.
- Working with Presley Wann on the hauling of crushed coral from Halfway Bridge to a location in Princeville where it can be stockpiled, then hauled on smaller trucks to Haena. Request to see if the County can assist with at least 4-5 loads and the rest will be done by Fredstan Kaluahine who's offered a discount rate.
- The last remaining portion of the HTA grant of \$140,000 will be to finish clearing of the former Haena Poi Mill and Cemetery area where a traditional designed Educational Hale will be built.

(18b) Increase Native Hawaiian group stewardship programs / partnerships to restore and preserve cultural sites – Moku O Koolau (Hokualele)

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. Site cleaned on April 1, Aina Archeology has surveyed area. Waiting on report. No stewardship agreement as the property is on State land. DHHL gave us permission to cross their land.

(18c) Increase Native Hawaiian group stewardship programs / partnerships to restore and preserve cultural sites – Moku O Puna (Kukui Heiau)

Wailuanuiahoano, 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. On State & Private land, secondary project. Waiting on Lae Nani to sign off then doc coming back here and once signed we will plan a date. Would like permission to ask Lenny for use of a chipper and maybe hauling truck on the work day.

Huleia River & Alekoko Fish Pond

Niumalu & Alekoko Fishpond mangrove removal and preservation.

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.

(18d) Increase Native Hawaiian group stewardship programs / partnerships to restore and preserve cultural sites – Moku O Kona (Kaneiolouma and Hanapepe Salt Pond)

Kahua O Kaneiolouma – Completed

Hanapepe Salt Pond –

An ancient resource and practice of pa’akai (salt) farming, we are currently working with the landowner, State of Hawaii – Department of Transportation – Airports, State of Hawaii Department of Land & Natural Resources and the long-standing Hawaiian families that farmed for many generations to preserve this precious resource and educate the public. The administration has been meeting with various Hui Hana Pa’akai O Hanapepe family members who have shared their concerns about vehicles driving through the salt pan swale area tracking sand, oil and other debris that end up in the salt pans when the area is flooded. The County is working with the families, State DoT-Airports, and Parks & Recreation on a solution. HHPH have recently elected a new board of directors and the administration plans to meet with them in the fall of 2016.

Met with Hui Hana Pa’akai o Hanapepe Salt Farmers President, Malia Nobrega to discuss moving the boulders lining the roadway along the runway fence, back to its original location and prevent vehicles from driving and parking on the beach.

State DoT-Airports Director - Dennis Neves and State DLNR Chair-Suzanne Case to be involved. Also need to install signage for the general public to educate them on the cultural significance of the area, and to move boulders back to line the dirt roadway and prohibit vehicles from driving through the Salt Pan swale area and camping on Salt Pond Beach. Signage also directs residents and visitors to park in the asphalt parking lot provided. After 9 years of discussion, finally receiving approval to move boulders.

Hanapēpē Salt Pond Beach Sewer Project

COK Representatives (Mayor, Wally, Ian, George, Donald Fujimoto, Keith Suga) attended a meeting with five of the Salt Bed Families to present the consultants plan for the installation of the new sewer system.

Another Community Meeting with the entire community needs to be scheduled to present the plan for the new sewer system. George will work with Donald Fujimoto to schedule the next meeting. Must contact Rhoda Libre and Jean Souza.

Malia Nobrega asked to meet with us prior to the community meeting so we are all on the same page.

(18e) Increase Native Hawaiian group stewardship programs / partnerships to restore and preserve cultural sites – Moku O Napali (Nualolo Kai Ancient Fishing Village)

County of Kauai, Mayor’s Office continues to provide support to Napali Coast ‘Ohana

(18f) Increase Native Hawaiian group stewardship programs / partnerships to restore and preserve cultural sites – Moku O Niihau (Preserving the Niihau language)

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.

- **(32) Increase commerce in towns across the island by maintaining unique character**

(32a) Increase commerce in towns across the island by maintaining unique character – First Saturday Kapaa

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.

New Revocable Permit Ordinance to vend in the County Right-of-Way approved by the County Council. Administrative Rules implementation now in progress.

(32b) Increase commerce in towns across the island by maintaining unique character – Truck Stop Thursday Lihue

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.

Rice Street Block Party a success. New Revocable Permit Ordinance to vend in the County Right-of-Way approved by the County Council. Administrative Rules implementation now in progress.

(32c) Increase commerce in towns across the island by maintaining unique character – Friday Art Night Hanapepe

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.

New Revocable Permit Ordinance to vend in the County Right-of-Way approved by the County Council. Administrative Rules implementation now in progress.

(32d) Increase commerce in towns across the island by maintaining unique character – Waimea Town Walking Tour

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.

Working with the Kauai Economic Development Board (KEDB) and their Hawaiian Culture Coordinator, Aletha Kaohi at the West Kauai Technology & Visitor Center.

SUSTAINABILITY

- **(22) Increase LEED-certified buildings**

- **(22a) Increase LEED-certified buildings – (Kiakea Fire Station & Lihue Civic Center Complex)**

- Kaieka Fire Station Construction Completed– Awarded LEED Silver Designation
 - Lihue Civic Center Complex – New high efficiency Air Conditioning Chiller at 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. Considering LEED Initiatives.

- **(22b) Increase LEED-certified buildings – (Police, Civil Defense, Prosecuting Attorney Offices)**

- 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. Project is now in the hands of the Department of Parks & Recreation and OED is available to assist when project proceeds.

- **County Motor Pool Program.**

- Program continues to have some coordination challenges with the Public Works Motor Pool Repair Shop. At some point, OED recommends this program should be incorporated into the operations of the Department of Public Works – Motor Pool operation.

ENERGY

- **(1) Electric Vehicle Charging Stations**
10 Charging stations installed at County facilities (5 for County use and 5 for public use). Project completed.
- **(13) Facilitate increased Use of Alternative Energy Sources and Energy Efficiency Initiatives via implementation of the Kauai Energy Sustainability Plan**
 - (13a) Facilitate increased Use of Alternative Energy Sources and Energy Efficiency Initiatives via implementation of the Kauai Energy Sustainability Plan – PV Retrofit of County Facilities**
 - (13b) Facilitate increased Use of Alternative Energy Sources and Energy Efficiency Initiatives via implementation of the Kauai Energy Sustainability Plan – Installation of LED streetlight technology**
Kauai LED Streetlight Retrofit – started work in 2014 – project completed in January 2017. Estimated annual savings going forward - \$400,000
 - (13c) Facilitate increased Use of Alternative Energy Sources and Energy Efficiency Initiatives via implementation of the Kauai Energy Sustainability Plan – Capture of Methane Gas at Kekaha Landfill for Reuse**
Kekaha Landfill Alternate Fuel Project where 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.
 - (13d) Facilitate increased Use of Alternative Energy Sources and Energy Efficiency Initiatives via implementation of the Kauai Energy Sustainability Plan – Improvements to the Anaerobic Digestion System at Lihue Wastewater Treatment Facility**
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

WORKFORCE DEVELOPMENT

- **(1) Maintain educational activities/programs for careers in science and technology - 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.

- **(11) Assist Kauai Community College to expand availability of satellite campuses and degree offerings**

The Office of Economic Development- WIOA Coordinator 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.