



Office of Economic Development

Fiscal Year 2019 Annual Report

July 1, 2018 – June 30, 2019

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Director

OFFICE OF ECONOMIC DEVELOPMENT

I. MISSION STATEMENT

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

II. DEPARTMENT GOALS

The goals of this office are:

- A. 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 Kaua'i 's residents.
- B. Utilize the Guiding Principles of the Kaua'i Economic Development Plan – Comprehensive Economic Development Strategy (CEDS) to help improve Kaua'i '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
- C. To work with the business community to ensure Kaua'i 's workforce meets their needs today, as well as in the future.
- D. Assist the agriculture industry in growing their businesses to meet the needs of the island and beyond, through technical assistance, education and accessing the right resources.

Duties, and Functions

1. TOURISM: Oversee tourism strategic plan and cooperate/support visitor industry partners.
2. FILM: Increase film opportunities on Kaua'i and support film partners.
3. AGRICULTURE: Increase agricultural products on Kaua'i , support agriculture partners, and maintain viability of the Sunshine markets.

4. **SUSTAINABILITY & ENERGY:** Developing, adopting, and implementing sustainable practices for county operations and the island community. Also, manage and reduce the County's fossil energy use through increased efficiency, conservation, and use of renewable energy.
5. **WIOA (Work Force Investment Opportunity Act):** Oversee the implementation of the WIOA funds for adult, dislocated workers and youth.

III. PROGRAM DESCRIPTION

KAUA'I MADE (General Business Program)

A. Objective

- The objective of the Kaua'i Made program is to support local, Kaua'i made vendors by increasing the visibility of their products through education, advertisements and events.

B. Highlights

- In 2018, the Kaua'i Made program had 149 Members, including 15 new members. In 2019, the program had a total of 144 Members, including 20 new members. The 2018 Kaua'i Made Holly Jolly Holiday Fair was the first for the County Kaua'i Made sponsored the event with over 40 crafters, food trucks, doggie fashion show, Halau performance, Middle School Choir & Ukulele Band, gift wrapping & Home Depot Keiki Gift making.



Figure 1: Kaua'i Made information booth

TOURISM STRATEGIC PLAN/CULTURAL PROGRAMS

A. Objective

- The objective of the tourism strategic plan is to provide a forward-looking approach to tourism and respond to concerns related to an increase in the number of visitors to the island and perceived impacts of tourism on residents' quality of life.

B. Highlights

- Highlights include priority strategies such as support of a comprehensive, multi-modal land transportation system for residents and visitors as well as sustainable management of parks and trails.
- Ordered 40 KAPU signs for distribution to County and State wahipana locations. Working to get a County SMA permit for some located near the beach. Updated website information at Kauai.nuikupapa.com. Working on wording for future educational signs at wahipana.

FILM PROGRAM (Film)

A. Objective

- The Film Commission program's objective is to increase film production and creative industry activities on Kauai.

B. Highlights

- Film Commission program measures are based on economic impact through film production company expenditures and jobs created which are tracked on a Fiscal Year basis. The below figure represents the film production data for FY '18-'19.

	Total	Total Filming Days	Total Budget	Total Kauai Crew
Feature Films	2	132	\$40,200,200	40
TV Series	3	8	\$123,200	7
Ads	8	20	\$248,631	44
Documentaries	6	20	\$283,070	9
Travel Films	9	30	\$266,976	16

Figure 2: Film Production Data

GRANT PROGRAM (All sectors)

A. Objective

- The objective of the grant program is to create funding opportunity that supports partners in creating opportunities in the sectors of agriculture, sustainability, tourism, product enhancement, creative industries, and special events.

B. Highlights

- Highlights of the grant program include funding for the Koloa Heritage Trail, the Lawai International Center, the King’s Parade, the Veterans Day Parade, the Small Business Fair, Hawai’i on the Hill, and the Agriculture Business Plan Competition.

Sector	# grants issued	total amount funded
Agriculture	12	221,412.00
Tourism/Culture/Natural Resources/Stewardships	14	230,605.00
Off Duty Police Support Grants	10	28,902.00
Kauai Tourism Strategic Plan/Kauai Visitors Bureau support	2	235,000.00
Energy and Sustainability	7	62,063.00
Film	2	14,000.00
Workforce	2	25,000.00
Emerging Industry/Commercial	9	211,145.00
Kekaha HCB	11	209,587.00
State pass through grants	7	568,450.00
Act 12 Flood Grants	9	2,372,259.00
TOTAL:	85	4,178,423.00

Figure 3: OED Grant Program Data

ADULT, DISLOCATED WRKER and YOUTH PROGRAM (WIOA)

A. Objective

- The WIOA’s objective is to administer the adult and dislocated worker program contract and the youth program contract. It also worked to solidify activities at the One-Stop Shop.

B. Highlights

- Highlights of the WIOA include recruiting new board members in the spring of 2019, making the program more vibrant.

SUSTAINABILITY AND ENERGY PROGRAM

A. Objective

- The objective of the Sustainability and Energy program is to help the County lead by example by developing, adopting, and implementing sustainable practices for county operations and the island community. The other objective is to manage and reduce the County's own energy use through increased efficiency, conservation, and use of renewable energy.

B. Highlights

- The county is successfully on track to meet the electricity use reduction. FY '19 was the fifth consecutive year where the county used less electricity than the prior year. County agencies used nearly 16% less electricity in FY 19 than the baseline year of FY '12, and electricity costs were 26% lower. This represents a savings of \$1.4M in FY '18 and a total cumulative savings of \$3.1M since FY '12.

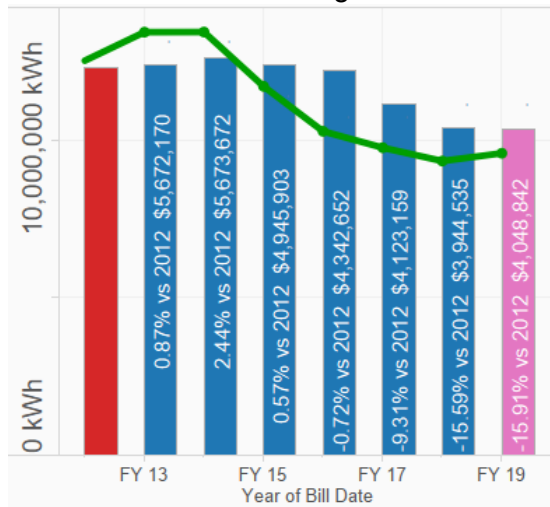


Figure 4: Year to date vs. prior period energy use and cost

AGRICULTURE: SUNSHINE MARKET and INTERNSHIP PROGRAMS

A. Objective

- The objectives of the Sunshine Market Program include helping to promote and provide a venue for selling local farmers’ produce from Kilauea to Kekaha.

B. Highlights

- For the past 3 years, OED has spearheaded a Summer Ag Internship program for high school students. The internship lasts 4 weeks and serves all the high schools. Funding for the program is provided by a grant from the Hawai’i Department of Labor. The goal is to inspire our younger community to see careers in agriculture.

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

Figure 5: 2015-2017 Sunshine Market Statistics

IV. BUDGET

Expense Type	FY 2019 (Budget)	FY 2019 (Actual)
Equivalent Personnel	9	9
Salaries & Wages	1,048,320	1,027,325
Operations	1,337,460	1,225,199
Equipment	80,354	80,354
Total	2,466,134	2,332,878
Other OED Funds Managed		
	FY 2019 (Budget)	FY 2019 (Actual)
Kaua’i Made	157,766	92,050
Kekaha Host Community Benefit	2,669,223	2,237,048
2019 CPEP	70,000	69,137
2019 Harbor Greetings	42,000	37,623
2019 Emergency Grants	969,025	939,025
2019 Kilauea Irrigation	236,000	136,000
2019 Northshore Shuttle	1,500,000	1,500,000
2019 Agriculture Center	100,000	100,000
2019 WIOA	271,668	181,909
2019 East Kaua’i Irrigation	75,000	75,000
2019 NSG Disease Prevention	49,574	49,574

V. ACCOMPLISHMENTS/EVALUATION

Following the establishment of the new administration, during the '18-'19 Fiscal Year, OED shuffled and changed projects and project managers to increase productivity. OED has put more effort into focusing on economic development as it relates to the support of business sectors. The transition continues to evolve as OED redefines its mission.