

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT AND TOURISM**
dbedt.hawaii.gov

The Department of Business, Economic Development and Tourism (DBEDT), established under section 26-18, HRS, and specifically provided for under chapter 201, HRS, is headed by the Director of Business, Economic Development and Tourism. DBEDT undertakes statewide business and economic development activities and energy development and management, provides economic research and analysis, plans for the use of Hawaii's ocean resources, and encourages the development and promotion of industry and international commerce through programs established by law. DBEDT has seven divisions and offices, ten attached agencies, and four boards and commissions.

Business Development and Support Division

The Business Development and Support Division (BDSB) promotes industry development and diversification in Hawaii by supporting existing and emerging industries; attracting new investment and businesses that can create more skilled, quality jobs in the State; and working to increase exports of Hawaii products and services.

BDSB provides new and existing businesses with grants and loans, licensing and permit information and referral, business advocacy, and planning and coordination of programs and projects aimed at specific business sectors or economically-distressed areas.

Hawaii State Energy Office

The Hawaii State Energy Office provides policy guidance on clean energy infrastructure as a catalyst for economic growth, test bed investments, and energy security. The State Energy Office focuses on high impact solutions that:

- Remove barriers for greater renewable energy penetration and energy efficiency deployment;
- Align government laws, regulations, and procedures with clean energy objectives; and
- Attract Hawaii-based clean energy research, development, and deployment of innovative energy investments.

Foreign-Trade Zone Division

The Foreign-Trade Zone Division (FTZ), under chapter 212, HRS, administers the federal charter, issued in 1965 to the State of Hawaii, for the Foreign-Trade Zone program. Hawaii's Foreign-Trade Zone lies outside U.S. Customs territory for tax, duty, and quota purposes, helping companies engaged in international trade to significantly reduce their operating costs. The FTZ program has been instrumental in retaining manufacturing activity in Hawaii, helping companies compete in export markets, and in incubating new companies that import and export merchandise. FTZ provides advice and direction to potential users of the program and operates a general-purpose zone facility at Pier 2, Honolulu Harbor. Any company that imports and exports merchandise can take advantage of the benefits of the FTZ program at the Pier 2 shared-use facility. There are currently 14 sites on the islands of Oahu, Maui, and Hawaii that have received FTZ designation. Of the 14 sites, three general-purpose zone sites and three special-purpose subzone sites are active. FTZ is responsible for ensuring that U.S. Customs and Foreign-Trade Zones Board regulations are followed at all of these sites. FTZ also provides important port services to Customs and Border Protection, U.S. Department of Homeland Security.

Creative Industries Division

The Creative Industries Division promotes the development and growth of Hawaii's creative economy. The primary sector consists of copyright-based industries, with a focus on businesses that create and design exportable products and services and depend on the protection of their intellectual property in order to market to the global community. These businesses contribute to the State's economy through job creation and tax revenue.

This cluster is composed of producers and service providers in film, video and digital media production, commercial and applied design firms, and a diverse range of creative (visual and performing) and cultural businesses in Hawaii. Surrounding this core sector are a great variety of arts and cultural organizations, service organizations, educational institutions, foundations, community groups, and a range of individual artisans.

Research and Economic Analysis Division

The Research and Economic Analysis Division (READ) works to enhance and contribute to the economic development of the State by providing analyses and policy recommendations on economic issues. READ provides economic forecasts that contribute to long-term statewide planning and infrastructure needs assessment and conducts and reports on basic research into the economy of the State. These functions are conducted by collecting, compiling, interpreting, and publishing data and statistics on all aspects of business activity, the economy, and demographic characteristics of the State. READ also developed and currently maintains a statewide statistical reporting system.

READ hosts the Hawaii State Data Center that partners with the U.S. Census Bureau and publishes Hawaii data, including the decennial census, the annual American Community Survey, Economic Census, and annual population estimates.

Office of Aerospace Development

The Office of Aerospace Development, established under chapter 201, part V, HRS, identifies and promotes opportunities to expand and diversify aerospace-related businesses in Hawaii.

Office of Administrative Services

DBEDT's Office of Administrative Services provides a variety of critical support services to DBEDT's seven divisions and offices, ten attached agencies, and four boards and commissions, including fiscal, information technology, human resources, procurement, and contract support.

ATTACHED FOR ADMINISTRATIVE PURPOSES

Hawaii Community Development Authority

The Hawaii Community Development Authority (HCDA), established under section 206E-3(a), HRS, plans and implements the redevelopment of community development districts. HCDA supplements traditional community renewal methods by promoting and coordinating public and private sector community development. There are presently three community development districts: Kakaako Community Development District,¹ Kalaeloa Community Development District,² and Heeia Community Development District.³

Board. Pursuant to section 206E-3(b), HRS, HCDA consists of nine voting members for each community development district established in chapter 206E, HRS.

Hawaii Housing Finance and Development Corporation

The Hawaii Housing Finance and Development Corporation (HHFDC), established under section 201H-2, HRS, is charged with financing the development of affordable housing in Hawaii. HHFDC coordinates the financing, development, and management of housing and the delivery of housing and housing services to Hawaii. The Corporation also provides technical assistance to projects to increase housing opportunities for low- and moderate-income households and elderly

¹ See chapter 206E, part II, HRS.

² See chapter 206E, part VII, HRS.

³ See chapter 206E, part VIII, HRS.

and special needs groups. HHFDC administers various housing financing programs, including the issuance of tax-exempt and taxable bonds, to finance mortgages and the construction or acquisition of rental housing projects.

Board. Under section 201H-3, HRS, HHFDC is headed by a Board of Directors consisting of nine members.

Hawaii Tourism Authority

The Hawaii Tourism Authority (HTA), established under section 201B-2(a), HRS, is Hawaii's state tourism agency. Among its duties, under section 201B-3, HRS, are to develop, coordinate, and implement state policies and directions for tourism and related activities, taking into account the economic, social, and physical impacts of tourism on the State and its natural resources infrastructure. HTA supports the efforts of other state and county departments or agencies to manage, improve, and protect Hawaii's natural environment and areas frequented by visitors.

Board. Under section 201B-2(b), HRS, HTA is headed by a Board of Directors consisting of twelve members.

Hawaii Technology Development Corporation

The Hawaii Technology Development Corporation (HTDC) is governed by chapter 206M, part I, HRS. Established under section 206M-2(a), HRS, its duties include, but are not limited to: (1) connecting Hawaii-based technology companies and entrepreneurs to new market opportunities; (2) developing and encouraging industrial parks as technology innovation centers and other technology infrastructure projects; (3) encouraging in the development and commercialization of local innovation and technology; (4) furnishing financial and other support and services to grow local innovation and technology; (5) developing policy and resource allocations to enable and support start-up companies, sustain existing companies, and attract companies to relocate or establish offices in Hawaii; (6) attract resources from public and private sector organization to develop a qualified innovation and technology workforce; (7) coordinate support with other state agencies; and (8) collect and analyze information on local and global technology activity.

Further, the HTDC establishes strategic development programs to stimulate private capital investment in Hawaii toward investments that promote the welfare of residents in Hawaii, economic growth, employment, and economic diversification.⁴ The Corporation may use public funds to provide incentives to private investment activity, by co-investing public funds in private financial organizations to increase the impact of the public investment, while utilizing the investment acumen of the private sector, and by using public funds to reduce the risks of private investments. HTDC has the flexibility to provide various types of financial assistance, and when

⁴ Act 56, Session Laws of Hawaii 2019, dissolved the earlier Hawaii Strategic Development Corporation and transferred its duties to the Hawaii Technology Development Corporation.

providing financial assistance, the Corporation must make provision for the recovery of its expenditures, to the extent possible.

Board. Under section 206M-2(b), HRS, the governing body of HTDC consists of a Board of Directors with nine members.

Hawaii Green Infrastructure Authority

The Hawaii Green Infrastructure Authority (HGIA), established under chapter 196, part IV, HRS, makes alternative low-cost loans to finance the purchase or installation of green infrastructure equipment for clean energy technology and energy use efficiency.

Board. Under section 196-63, HRS, HGIA consists of five members.

Land Use Commission

The Land Use Commission (LUC), established under section 205-1, HRS, consists of nine members. There are four major land use districts in which all lands in the State are placed: urban, rural, agricultural, and conservation. LUC groups contiguous land areas suitable for inclusion in one of these four major districts and sets standards for determining the boundaries of each district. LUC: (1) processes, reviews, and acts on petitions for district boundary amendments that involve lands over fifteen acres in agricultural, rural, and urban districts and all petitions for reclassification of lands in conservation districts; (2) reviews and acts on applications for special permits in agricultural and rural districts over fifteen acres; (3) processes motions and boundary interpretation requests; and (4) maintains, updates, and disseminates official state land use district maps and land use information.

Natural Energy Laboratory of Hawaii Authority

The Natural Energy Laboratory of Hawaii Authority (NELHA), established under section 227D-2(a), HRS, facilitates research, development, and commercialization of natural energy resources and ocean-related research, technology, and industry in Hawaii and engages in retail, commercial, or tourism activities that financially support that research, development, and commercialization at a research and technology park in Hawaii.

Board. Under section 227D-2(b), HRS, the governing body of NELHA is a Board of Directors with twelve members.

Office of Planning

The Office of Planning (OP), established under section 225M-2, HRS, gathers, analyzes, and provides information to the Governor to assist in the analysis and formulation of state policies

and strategies. OP provides direction and cohesion in the allocation of resources and effectuation of state activities and programs and addresses current or emerging issues and opportunities. It works in close coordination with county, state, and federal government agencies, the University of Hawaii, and community stakeholders.

OP's statutory authority derives from the following HRS provisions:

- Chapter 205, Land Use Commission (LUC)
- Chapter 205A, Coastal Zone Management (CZM)
- Chapter 225M, State Planning
- Chapter 226, Hawaii State Planning Act, where OP is specifically provided for under section 226-53

OP is divided into the Land Use Division and the Planning Division.

In the Land Use Division, OP is required to appear before the LUC to represent the State's interests. Land use matters that involve OP with LUC include:

- Petitions for district boundary amendments involving land areas greater than 15 acres, under section 205-4, HRS
- Special permits, under section 205-6, HRS
- Identification of important agricultural lands, under chapter 205, part III, HRS

The Planning Division includes:

- The Coastal Zone Management (CZM) Program, under chapter 205A, HRS
- The Geographic Information System (GIS), under section 225M-2(b)(4), HRS
- The Special Plans Branch, which carries out OP functions under the Hawaii State Planning Act under chapter 226, HRS

Small Business Regulatory Review Board

The Small Business Regulatory Review Board, established under section 201M-5, HRS, consists of nine members. The Board reviews any proposed new or amended rule or considers any request from small business owners to review any rule adopted by a state agency and recommends to the agency or the Legislature the need for a rule change or legislation. For requests regarding county ordinances, the Board may recommend appropriate action to the county council or mayor.

Community-Based Economic Development Advisory Council

The Community-Based Economic Development Advisory Council, established under section 210D-5, HRS, consists of twelve members. The Council reviews all requests for financial assistance to assess whether the proposed community-based economic development activity or enterprise is likely to achieve the purposes of community-based development under chapter 210D, HRS. The Council makes recommendations to DBEDT regarding the appropriateness of the proposed activity or enterprise, and DBEDT has final authority to approve or disapprove the application for financial assistance.

Aerospace Advisory Committee

The Aerospace Advisory Committee, established under section 201-72.5, HRS, consists of thirteen members. The Committee advises and assists the Legislature and state agencies in monitoring, assessing, and promoting aerospace development statewide by: (1) tracking state, national, and global trends and priorities in aerospace development; (2) assisting in identifying and promoting opportunities to expand and diversify aerospace development and aerospace-related industries in Hawaii; (3) supporting the Office of Aerospace Development established under section 201-72, HRS, in networking with national aerospace agencies, institutions, and organizations to develop public-private partnerships to support the growth of aerospace development and aerospace-related industries in Hawaii; (4) recommending innovative scientific, educational, and economic strategies and government and education policies to promote the growth and diversification of the aerospace industry in Hawaii; and (5) convening temporary working groups to assist the Office of Aerospace Development in research and analysis activities required to complete any report to be submitted to the Legislature by the Office of Aerospace Development.

Pacific International Space Center for Exploration Systems

The Pacific International Space Center for Exploration Systems (PISCES) is established under section 201-76, HRS. Pursuant to section 201-79, HRS, among the duties of the Program Director of the Space Center are to: (1) direct the planning, evaluation, and coordination of space-related activities; (2) identify and promote opportunities for expanding and diversifying aerospace-related industries in Hawaii pertaining to the Space Center; (3) promote innovative educational and workforce development programs that will enhance public awareness of the Space Center and enable residents to pursue employment in Hawaii's aerospace industry; and (4) pursue projects in the aerospace sector that can be leveraged for improvements to the State's broadband and alternative energy capabilities.

Board. The Board of Directors of the Space Center, established under section 201-77, HRS, consists of ten members.

Hawaii Sister-State Committee

The Hawaii Sister-State Committee, established under section 229-2, HRS, consists of five members. The Committee advises the Governor and the Legislature on matters relating to sister-state or province relations and relations, in general, between the State and the states or provinces of foreign countries.

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