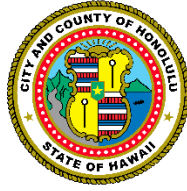


OFFICE OF ECONOMIC REVITALIZATION

CITY AND COUNTY OF HONOLULU

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OFFICE OF ECONOMIC REVITALIZATION

BILL 11 BUDGET AMENDMENT RESPONSES

April 5, 2023

Waters Amendment: Cutting salaries by \$1,205,116 in general funds.

Explanation: *By Chair Waters using the difference between the FY23 appropriation of \$1,790,484 plus 5% and the FY24 appropriation of \$3,085,124.*

The following positions in OER are currently funded by the Fiscal Recovery Fund (FRF) and are proposed for transition to the General Fund in FY24. MAY-MDO asked offices with expanded responsibilities and staffing increases to transition staff over a number of years to avoid the “fiscal cliff” which will occur at the termination of the FRF obligation period on December 31, 2024. Funds may be expended after that date (until December 31, 2026), but may not be obligated after that date. It is important to note that salaries cannot be encumbered prospectively and therefore must be converted no later than December 31, 2024.

OER

Per Resolution 20-197, FD1 the Office of Economic Revitalization was established to oversee, coordinate and direct the city’s economic development and resilience. Economic areas identified are healthcare, sustainable agriculture, regenerative tourism, green energy and transportation, innovation and technology, housing and redevelopment, resilient infrastructure, and film and entertainment.

Loss of the requested positions will result in an inability to fulfill the intention of the Council set forth in this resolution.

The following 8 positions are temporarily funded by FRF and are proposed to transition to the General Fund in FY24 to accomplish the mission set forth for OER by the Council in 2020:

- Planner IV, SR22 - Regenerative Tourism: \$83,376;
- Planner V, SR24 - Small Business and Finance Program Manager: \$97,560;
- Administrative Specialist I, SR20 – Administrative Specialist I: \$52,044;
- Film Industry Development Specialist, SR22 – Film Industry Development Specialist: \$71,172.
- (4.0 FTEs) Community Relations Specialist I, SR20 - Business Constituent Educator(s): \$225,120;

- Planner IV - Regenerative Tourism: \$83,376

Serve as program manager for the development and growth of the Regenerative Tourism sector. Required to work with City Departments, State and County Governments, travel, tourism and hospitality businesses, related nonprofits, and the community to develop, implement, and report on services and programs.

- Planner V - Small Business and Finance Program Manager: \$97,560

Foundation building for more robust and equitable small business support in the long-term. Solicit Economic Development Administration (EDA), Small Business Administration (SBA), or other economic development funding to support the program/office. Works with City, State, and Federal Government, small businesses, and the finance industry as well as related nonprofits and the community to develop, implement, and report on policies, programs, and activities to strengthen the small business ecosystem.

- Administrative Specialist: \$52,044

Position assists 6 Program Management areas and 15 staff in the execution of program procurement, program activities and program reporting and systems management. Supports OER Executive Director and Deputy and program staff with grant applications, submittal, reporting and file management.

- Film Industry Development Specialist: \$71,172

Position is needed due to an increase in production activity. The Film Office serves as the chief liaison for filmmakers to any City agency for inquiries and permits for an industry that regularly spends \$350M in the City and County of Honolulu. Current workloads exceed the current resource capacity of staff.

- Community Relations Specialist I (4.0 FTEs): \$225,120

Positions connect with several thousand businesses providing information on regulations and resources that support small businesses through in person visits, phone calls and webinars.

Okimoto Amendment: Reduce \$295,000 in current expenses.

Explanation: *By CM Okimoto to reduce funding for Office of Economic Revitalization: Community Outreach, Consulting contract for data gathering and analysis, Small Business Resource Network, and OER Commission.*

Outreach (\$75,000) - collateral and event funding for communications and program teams for outreach events, community meetings, and day-to-day business and constituent educator functions like transportation, signage, hand-outs, business support kits, etc.

Consulting (\$50,000) - supports the facilitation of the new Economic Revitalization Commission in establishing the first economic development strategic plan, internal and external communications strategy and business/community engagement.

Resource Network (\$120,000) - connecting local entrepreneurship support services (like loan funds, SBDC, Chambers, accelerators, etc.) via an online platform to make them more accessible to Oahu's business owners.

Data and Research (\$50,000) - These funds are needed to conduct initial baseline research data (from DBEDT and other sources) and data analysis (conducted by UHERO to include the cost of a research assistant for data analysis) for the implementation of the first strategic plan from the Economic Revitalization Commission. Data and Analytics will support metrics established in the economic development activities of OER and the strategic plan/report for FY24. We anticipate this highly educated and innovative group of Commissioners will want to conduct other data gathering and research activity.

Loss of these programmatic funds will result in the inability to conduct the work the Council set forth in the 2020 resolution establishing the Office of Economic Revitalization.

Okimoto Amendment: Reduce \$122,414 in current expenses for rent of office for OER.

Explanation: *By CM Okimoto to reduce funding for rent of office space for the OER.*

OER is a sub-occupant of the Department of Transportation Services (DTS) office space on the 12th Floor of 711 Kapiolani Boulevard. There are no lease negotiations relevant to the listed space. OER is currently a sub-occupant of DTS.

	Rent	CAM	Total
- 2022	\$73k	\$39k	\$112k
- 2023	\$79k	\$43k	\$122k