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OFFICE OF ECONOMIC REVITALIZATION
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January 30, 2025

The Honorable Tommy Waters Chair and Presiding Officer
and Members Honolulu City Council
530 South King Street, Room 202 Honolulu, Hawai'i 96813
Dear Chair Tommy Waters and Councilmembers:

SUBJECT: Ordinance 17-44 - Periodic Review of Boards and Commissions by the City Council - Commission on Economic Revitalization

Pursuant to Ordinance 17-44 and the Revised Ordinances of Honolulu 2021 (ROH), Section 3-15, the Commission on Economic Revitalization submits this report to the City Council.

(1) A statement of the purpose for which the commission was created.

The Commission on Economic Revitalization was created in October 2020 with the passage of Resolution 20-197, FD 1 establishing, pursuant to the Mayor's Executive Reorganization Authority, the Office of Economic Revitalization in the City Charter, Section 6-109. The Commission was established in 2023 with nine members with expertise in small business, finance, sustainable economics, and community development. The Commission was created to prepare plans and recommend strategies for the City to encourage equitable and sustainable economic advancement, development of new businesses and industries, and reinvestment to guide the City's economic investment strategy.

(2) A summary of the accomplishments of the board or commission during the preceding five-year period.

Over the two-year lifespan of this new Commission, two annual reports (2023 and 2024) have been submitted to the City Council on the accomplishments of the Commission. This report also sets forth annual objectives for OER within the City and County of Honolulu's Comprehensive Economic Development Strategy (O'ahu CEDS).

The 2022 CEDS, adopted by the Commission in lieu of a separate five-year strategic plan, establishes the framework for which economic development projects must align to receive federal funding. It was informed by a review of existing regional plans, literature, frameworks, data-driven analysis, and stakeholder and community priority-setting. This process resulted in an integrated economic development strategy for O'ahu with an implementation matrix co-developed by stakeholders to measure progress and guide action over five years. The O'ahu

CEDS Strategic Direction and Action Plan includes aspirational 2050 goals, time-bound objectives, priority actions, and measures to track progress on:

1. Inclusive Communities and Shared Values
2. Affordability for O'ahu residents
3. Community-Centered Leadership
4. Healthy 'Āina and Balanced Land-Use
5. Quality Education and Careers
6. Resilient O'ahu and Diversified Economy

The 2022 Honolulu County CEDS also includes action plans for eight economic clusters that together could meet the core needs of a thriving O'ahu community and build a diversified economy. These economic clusters were identified by data-driven cluster analysis and consultation with stakeholders and community members:

1. Housing and Resilient Infrastructure
2. Agriculture and Food Systems
3. Education and Innovation
4. Environment and Natural Systems
5. Health and Wellness
6. Safety and Peace
7. Art and Creativity
8. Hospitality and Reciprocity

Finalizing their review of the CEDS, the Commission determined to identify gaps in the implementation of those plans where the City could make a significant impact. For year one, the Commission supported (1) the establishment of a Grants Administrator to maximize the opportunity for OER to receive federal funds, (2) the enhancement of accessibility to economic opportunities for local businesses, and (3) the establishment of incubators and accelerators in underserved areas of the island. In 2024, OER began work with a grants contractor, the O'ahu Business Connector was launched in March, and a plan was developed for a small business incubator. The Commission also designated the use of $50,000 in OER general funds for UHERO to survey O'ahu small businesses to determine their needs and study other municipalities' best practices to support small businesses. OER's formal agreement with DBEDT and support for the EDA's approval of a Statewide Economic Development District was strongly encouraged by the Commission to increase federal funding opportunities.

The 2024 report builds off the data gathered on the O'ahu Business Connector and from the UHERO small business survey identifying these goals for 2025: (1) The Commission has determined to investigate the development of a local preference for small businesses in City procurement. This project requires collaboration across various City and State agencies and further data analysis to determine a lawful and specific focus for this preference.

(2) The Commission also designated the use of $25,000 in OER general funds to pilot a business incubator program to foster the growth of companies from underserved communities. Informed by the UHERO survey, the program will focus on high-impact activities that align with the most pressing needs of small businesses, providing targeted resources and mentorship to

overcome systemic barriers, and developing infrastructure that enables long-term scalability and success. The program will not duplicate the efforts of other organizations in this field, rather, it will complement their efforts with targeted learning and funding for businesses that are generally not eligible for traditional accelerators or financial assistance. The program will prioritize efforts in the following areas identified by the survey: Marketing and Sales: 48.94% Financial Resources and Assistance: 43.65% Human Resources, Workforce, and Talent: 34.82% Business Planning: 32.12% Legal Services: 31.41%

(3) Finally, the Commission will advocate for changes to the City Ordinance under Chapter 38. The Commission will work with OER and other City agencies to advocate for revisions to Chapter 38 to revitalize the use of city-owned spaces, land, and buildings for economic and community development initiatives, art and creative industries, and non-profit organizations. The Commission supports these ordinance revisions to also potentially establish childcare services and coworking spaces to benefit working parents and remote workers.

(3) Factors that aided or inhibited the achievement of the accomplishments, including but not limited to the composition and purpose of the board or commission and staff support.

The Commission's first year, 2023, was primarily spent learning from experts about the economic conditions on O'ahu and in Hawai'i. The Commission also reviewed existing strategic economic plans, studies, and community input that had guided OER's work to date. Commission Members needed to learn about the Sunshine Law, Ethics requirements, and other basic operating principles of City Boards and Commissions, as well as the scope of work possible to provide useful and appropriate economic development guidance to OER and the City. Formally adopting the O'ahu CEDS as the Strategic Plan to guide their work, the Commission primarily spent its inaugural six meetings establishing the foundation for future priorities. In the preceding year, the Commission's work has been aided by civic-minded, engaged, and experienced Commission Members and the support of the OER staff.

(4) A statement of the measures implemented by the board or commission to enhance transparency in its operations.

The Commission on Economic Revitalization upholds transparency in its decision-making process by presenting, discussing, and acting on all matters during its bi-monthly business meetings open to public participation. To ensure transparency, the Commission posts timely meeting agendas, detailed meeting minutes, complete meeting materials and presentations, and live-streams bi-monthly meetings which are posted online shortly thereafter at https://www.revitalizeoahu.org/oer-commission.

(5) A statement of the measures implemented by the board or commission to ensure responsiveness to inquiries and comments from the mayor, the council, and the public.

The Commission on Economic Revitalization ensures responsiveness to inquiries and comments from the Mayor, the City Council, and the public by having its Chair and/or Vice Chair reply promptly.

(6) The annual costs of operation of the board or commission for each year of the preceding five-year period.

All commissioners participate on a volunteer basis. When meetings are held over the lunch hour, general funds may be expended to provide light refreshments for the Commission Members. OER has utilized $50,000 (UHERO survey and study) in 2024 and will expend $25,000 (incubator pilot) in 2025 to support the Commission and OER-aligned initiatives. No other additional cost to the City is incurred as a result of the meetings other than time spent supporting the Commission by OER staff.

(7) A statement of whether the charter or ordinance provisions establishing the board or commission should be retained without change, amended, or repealed.

The Commission has not recommended any changes to the Revised Ordinances of Honolulu Section 6-109.

(8) If applicable, suggested modifications and revisions to membership number and qualifications; organization; purpose; or powers, duties, and functions to better enable the board or commission to serve its purpose, including justification and suggested amendatory language.

No suggestions.

Thank you for allowing the Commission to collaborate with the City on economic development for the island we call home. We sincerely appreciate your support. If you have any concerns, please contact me, Eliza Talbot, Chair, at eliza8482@gmail.com or Olin Lagon, Vice Chair, at olin.lagon@gmail.com.

For the Economic Revitalization Commission,

Eliza Talbot
Digitally signed by Eliza Talbot
Date: 2025.01.30 18:32:49 -10'00'

Eliza Talbot
Chair

Olin Lagon
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Date: 2025.01.30 17:14:50 -10'00'

Olin Lagon
Vice Chair