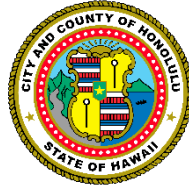


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July 25, 2023
Economic Revitalization Commission
Revised Meeting Material
Commission Ideas Grouped by Theme

Four Proposal Themes:

- (1) Innovative Incubator
- (2) Small Business Support
- (3) WiFi or Broadband
- (4) Good Jobs or Workforce Development

Innovative Incubator

Title of Initiative Commission a study on viability of creating jobs and industries via strategic import substitution and a strategic import substitution accelerator

Description of what OER might do

Commission a study to triangulate possible new industries with good jobs that could be created here through insights on current purchasing data from the largest 250 companies and organizations. The goal of the study is to find new opportunities for O'ahu companies to provide goods and services locally at economically viable prices. The study can also evaluate the potential of an accelerator to de-risk the early stages of industry development.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

There must be hidden gems of products and services that could be fostered on O'ahu that lead to long term, good jobs. OER can serve a catalytic role to accelerate strategic good jobs creation.

How the initiative builds on OER strengths

Directly aligns with OER's mission of creating an economy for O'ahu that is more diverse, equitable, and filled with good jobs that care for our people and our place.

Succinct statement on the goal of how OER might measure success

Commission a strategic import substitution study to identify potential products and services that could be economically viable for O’ahu companies to deliver with the potential for an accelerator to catalyze new industry and jobs.

Title of Initiative Incubator Program

Description of what OER might do

The City would design, create, own, fund, and manage incubators that will support new businesses in the County of Honolulu, leveraging Hawai’i strategic advantages. Management of the incubators would be outsourced to private companies that have the experience and values to be successful. Select industries that make sense to Hawai’i, where Hawai’i has a natural advantage and can win in the global market, create sustainable ventures, and that enhance and support Hawai’i culture and community. Profit-making is critical, but not the only important goal. Metrics for success would need to be created and tracked. The City Incubators should not overlap existing incubators but would fill in the gaps where incubation services are not currently being provided. Ultimately, the private sector can take over the program if feasible. Possible gap areas include hospitality-related products and services, and wellness and healthcare products and services (leveraging Hawai’i’s advantage as a leading healthy State). The focus will be on creating businesses that export products or services outside Hawai’i or replace imports, to grow the Hawai’i economy.

How the initiative aligns with current needs, trends, threats, or opportunities for O’ahu

Hawai’i needs to expand its industries beyond tourism and the military. Government can provide the spark to make this happen when the market is not fully developed. We need to focus all of our time, energy, and resources on sectors where Hawai’i can compete globally. How the initiative builds on OER strengths OER has proven its ability to fund, manage, and scale significant initiatives. That, combined with its entrepreneurial mindset and experience, position it to launch this initiative.

Succinct statement on the goal of how OER might measure success

The goal is job creation, reflecting Hawai’i’s values and advantages, and good-paying jobs.

Any other sources, examples, and information to make the case for this initiative

Mana Up has done this in the consumer packaged goods sector, but there are others where Hawai’i can make a global impact.

Title of Initiative Innovation District

Description of what OER might do

Establish a specialized "Innovation District" within the city. Create incentives to establish a designated area that fosters collaboration, creativity, and entrepreneurship by bringing together various stakeholders such as startups, established businesses, culture and arts, universities, research institutions, and government organizations.

How the initiative aligns with current needs, trends, threats, or opportunities for O‘ahu

By addressing the needs of Hawai‘i residents through job creation, skill development, entrepreneurship support, and sustainable practices, an Innovation District can contribute to the long-term economic prosperity and well-being of the local community.

How the initiative builds on OER strengths

It could provide good jobs, networking opportunities, and collaboration between the public and private sectors. It can also serve as a hub for start-up small businesses in varying fields. This area can be established in an underutilized or vacant area within the city that has the potential for redevelopment and is accessible to transportation networks.

Succinct statement on the goal of how OER might measure success

Create an area that has the unique potential to spur productive, inclusive, and sustainable economic development. Success can be measured by diversification of our economy, job creation, talent retention, small business or start-up creation, products or services that come out of the area, sustainable practices and environmental preservation, and community well-being.

Any other sources, examples, and information to make the case for this initiative

<https://www.brookings.edu/articles/rise-of-innovation-districts/>

Title of Initiative Food Aggregation Facilities

Description of what OER might do

The city can repurpose or acquire a property in the urban core that can be a shared facility for food aggregation and distribution. The margins for local food aggregation and distribution are thin and a financial and impact case can be made for the need of subsidized facility space for businesses (for profit and nonprofit) that are taking on the critical challenge of scaling our local food production for local consumption.

Title of Initiative Micro-Manufacturing Zones

Description of what OER might do

This idea revolves around manufacturing. Chicago and San Francisco have similar problems to Hawaii with limited space and expensive land. I realize there’s a bit of an aversion to adopting policies from the continent, rightfully so, but San Francisco created a successful program called SFMade to promote manufacturing which is worth considering. The effort created a nonprofit real estate organization, focused on promoting industrial and commercial uses in the city and worked to change a lot of zoning laws in order to allow for mixed use development that accommodates housing and micro-manufacturing.

How the initiative aligns with current needs, trends, threats, or opportunities for O‘ahu

The zoning changes allow for industrial uses in places that they wouldn’t normally be, but also provides for more opportunities to build affordable housing. The micro-manufacturing would include things like ice cream production, textiles, breweries, and

other non-noxious industrial production operations. I know we are not looking to tackle issues concerning DPP, but I do think there is something that OER could look into in order to provide workforce housing and economic development.

Any other sources, examples, and information to make the case for this initiative
SFMade: <https://sfmade.org/>

Small Business Support

Title of Initiative Identify specific levers within City-control to better support Honolulu small businesses and residents dealing with our extraordinary cost of living

Description of what OER might do

OER could commission a study to identify innovative, bold, and concrete steps the City can take to better support small businesses. Are there ways to tune the City-portion of GE Taxes to better support the growth of a small business such as credits for start-up businesses or other credits that prevent layoffs or retard growth? Can OER redirect unused City funds that can be reallocated to spur small business economic development? For example, we learned there are 3,000 open positions in the City. At an average annual cost of \$75,000 per position, this is \$225,000,000 per year that has been budgeted but not necessarily spent. Are there other opportunities for reallocating resources to tune this support for small businesses which in turn directly leads to more job creation for Honolulu residents? How do we become the most supportive County in the country to support our small businesses? On another note, entrepreneurship is hard to teach and thus resources could be focused on supporting versus training entrepreneurs. OER should adopt a measure or two that directly supports small businesses in new ways.

Title of Initiative Business Advocacy Program

Description of what OER might do

The City would create a corps of employees whose job and focus is to work with small businesses and startups to facilitate any City permits, licenses, and processes they may require. The goal is to accelerate, streamline, and improve the process of starting and growing a business. As a feedback loop, this group would report to OER on areas for further improvement in the laws and processes to help businesses start and grow in Honolulu.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

We need to take away as much friction as possible in the process to give our new businesses every chance to succeed. The City's employees are well-positioned to help small businesses work effectively and efficiently with the City offices and agencies.

How the initiative builds on OER strengths

OER has proven its ability to reach out and help small businesses during the pandemic and beyond.

Succinct statement on the goal of how OER might measure success

The goal is to help as many small businesses as possible. Any other sources, examples, and information to make the case for this initiative. The State DCCA's Business Action Center was created by the State to provide hands-on assistance to Hawai'i businesses, and it has had big success and won awards for its work. The City can do the same as to City processes and requirements.

Title of Initiative Removal of barriers

Description of what OER might do

Advocate with the city to remove unnecessary red tape, freeing up capacity for both businesses and city workers to do more productive things. For example, many venues carry a liquor license. When charities host events at those venues (like a hotel ballroom), a separate license is required. This could be removed as a requirement, freeing up capacity both at the city, the venue, and the charity. We should evaluate all sorts of burdensome regulations, and strip away where the risks warrant it.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

It's a pain in the butt to operate here. We need to make it easier, or we will perish.

Title of Initiative Fund a grants coordinator

Description of what OER might do

Fund a full-time grant administrator for the office of economic revitalization that would be responsible for identifying funding opportunities, applying for them, and administering the grants.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

OER is designed to provide technical assistance, funding opportunities, and innovative projects on behalf of the city, in order to stimulate the economy so championing grant writing for the City makes sense. Hawaii is notorious for leaving grant money on the table.

WiFi or Broadband

Title of Initiative Build out free public WiFi infrastructure

Description of what OER might do

Through a public/private partnership, install kiosks throughout the urban core. People can use the kiosks to access the web through their connected devices, free of charge. They can also interact with kiosks to find information about city services, current events, transportation, local business information, local history, and entertainment. In addition, the kiosks could operate as an emergency alert system, enhancing public safety.

How the initiative aligns with current needs, trends, threats, or opportunities for O’ahu

Create jobs, gather data to create more efficient operations, combat growing economic inequality by increasing internet access availability no matter where residents live, boost the local economy

How the initiative builds on OER strengths

This could create good jobs that are tied to the project and also give residents access to information and resources that will help stimulate their community.

Succinct statement on the goal of how OER might measure success

Based on opportunities identified by CEDS

- Projects invest in early, meaningful community outreach
- Build government and community trust, relationships
- Invest in broadband capacity, digital economy
- Aging infrastructure providing critical services

Any other sources, examples, and information to make the case for this initiative

Kansas City provided \$3.7 million towards the overall capital cost of \$16 million for the project, taking the money from various parts of the existing budget. The city expects to recoup its share of the capital costs by collecting advertising revenue from the kiosks. The city government shares advertising revenue equally with its advertising manager, Smart City Media. Kansas City expects to fully recoup its capital costs in four to five years. The revenue-sharing model will then shift to give 25 percent to the city, while Smart City Media retains the rest Cisco and Sprint supplied the remaining \$12.3 million to cover hardware and maintenance costs. The private investors do not receive any direct monetary return on investment. Instead, they receive exclusive access to usage data from the kiosks. Sprint has used the collected Wi-Fi data to test the viability of expanding its Wi-Fi coverage to other areas of the city. In 2015, New York City launched LinkNYC, which transformed New York City’s payphones into Wi-Fi kiosks to provide fast and free public Wi-Fi.

Title of Initiative Coding Education for All Public School Students

Description of what OER might do

Coding will be a necessary skill for the next generation, and it is anticipated that the ability to code will be similar to the need for the other skills that are taught in schools, such as English and math. If our students, who will be our future labor force and leaders, do not have this skill, it will become a barrier for our labor force, and for Hawai’i as a whole. Teaching our students coding is a great investment in our future. Ideally, it would be taught in every DOE school. The Governor of Arkansas recently made this happen, with coding being an elective that can be applied to meet graduation requirements. The State is responsible for education, but the City can partner with the State to offer classes at all DOE schools within the County of Honolulu, and hopefully, other Counties will follow suit. The City could also, separately, create its own academy, to serve as a model for the State system. A first step might be to pilot a coding academy for students at the ideal age, which I suspect is middle school.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

Coding is already an important and arguably critical skill for students, and it is projected to become even more important over time. We need to play the long game, and allocating attention and resources to providing a coding education for our students is a great investment in our future. With the rise of remote working, software developers can work for mainland and worldwide companies from Hawai'i.

How the initiative builds on OER strengths

OER has proven that it can work well with other State and City agencies. This initiative will require extensive collaboration.

Succinct statement on the goal of how OER might measure success

The ultimate goal is for all students in the City and the State to have access to classes on coding. The measurement for success will be job creation over the long run. Any other sources, examples, and information to make the case for this initiative The Governor of Arkansas was so impressed with an app developed by his young daughter, that he spearheaded an initiative in the State of Arkansas to offer coding classes to all public school students, with credits toward graduation.

Good Jobs or Workforce Development

Title of Initiative Good Jobs Policy

Description of what OER might do

With OER's understanding of "good jobs," conduct a policy analysis of state and county laws to create a policy agenda to improve on the ability for "good jobs" to thrive on O'ahu and across the state.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

Aligns with OER's existing Good Jobs work and its connection to building a community where people can find gainful employment that supports their well-being.

How the initiative builds on OER strengths

Aligns with existing OER initiative.

Succinct statement of the goal and how OER might measure success

Success could be measured based on legislation passed and the success of that legislation in improving available jobs.

Title of Initiative Work with the State to make Hawai'i/Honolulu the easiest place to have employees

Description of what OER might do

Work in partnership with the State and County to make it simple and easy for out-of-state companies to have their workforce live here. The goal would be to bring the local

folks that work in the mainland home, without having to leave their current employer. Simply having the talent live here would bring certain side benefits.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

This could mitigate the substantial population loss that we are experiencing with our best and brightest talents.

Title of Initiative Performance based job training programs with wage targets above ALICE threshold

Description of what OER might do

Concentrate job training dollars for programs that can achieve wages above the ALICE threshold with performance based metrics that only pay out completely if targets are demonstrated by vendors. A waterfall strategy can be used where aggressive targets are first set and based on market response, subsequent RFPs can be issued to address market shortcomings.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

Good jobs must be over the ALICE threshold. Fostering jobs that pay less than these thresholds do not serve our community strategically.

How the initiative builds on OER strengths

OER already focuses on building a good jobs ecosystem. This initiative utilizes market forces to push as high as possible target wages including pushing risk onto vendors to deliver results.

Succinct statement of the goal and how OER might measure success

OER can measure success by the wages of graduates relative to the ALICE threshold.

Any other sources, examples and information to make the case for this initiative

There are performance based RFPs that have data. See <https://results4america.org/wp-content/uploads/2021/09/Performance-Based-Contracts-in-Workforce.pdf> This link has the latest data I shared today on our workforce development including starting salary stats. I am sharing as I am confident there are options for us to push higher wage training programs.

<https://www.facebook.com/olagon/posts/pfbid028D2akasyAgacxLVpgBHtTde1i1iy7bdCc9QzzRPPC9UGNowc2dPUAwEkSASGX2dTI>.

Note, the ten year median UH salary is not that far off from the starting UH graduate salary (\$10,000 more than starting at \$56,055). The feds track every school and here is UH <https://collegescorecard.ed.gov/school/?141574-University-of-Hawaii-at-Manoa>.

Proposals without detail or out of OER's scope

Title of Initiative Regenerative Tourism

Description of what OER might do

Create an infrastructure where a regenerative tourism model could operate at a reasonable scale without being hampered by excessive bureaucracy.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

Provides the opportunity for our city to "grow" the economic value of tourism while strengthening our natural ecosystem.

How the initiative builds on OER strengths

We have resources within the City that could be capitalized on.

Succinct statement on the goal of how OER might measure success

Do we have any regenerative tourism?

Title of Initiative Identify specific levers within the City that can foster economic growth by reducing 'ohana strain from drug abuse, mental illness, and homelessness

Description of what OER might do

Homelessness, drug abuse, and mental illness contribute to significant strain on economic development as it stresses all levels of society. The City spends an extraordinary amount of resources to address these issues with services such as EMS, police, and fire. Are there new innovative models we can pilot? Are there models from other Cities that we should consider? A City sweep of a homeless encampment for instance could cost extraordinary funds but does not solve the problem. Can we choose pathways that have a better chance of actually solving some of the problems? Perhaps there are laws we can suggest such as outlawing the practice of other states and counties sending homeless people to Hawai'i on one-way tickets? Drug use today is everywhere and not in the shadows. OER should adopt a measure or two that helps address 'ohana strain from drug abuse, mental illness, and homelessness.

Title of Initiative EV charging stations with City subsidy

Description of what OER might do

To help overcome economic injustice of electric cars, the City can set up a series of EV chargers tapping into federal funds. The lamp poles that provide street lighting have to a large extent been upgraded with LEDs. They were built to support power requirements many times LEDs. This "excess infrastructure" can be tapped with off the shelf products to retrofit chargers on a series of poles that are safe for pulling over.

How the initiative aligns with current needs, trends, threats, or opportunities for O'ahu

The IRA has funds for such EV charging infrastructure. It may be possible to privatize this network. City can earn funds as a percentage of the paid charging (kWh charged at rates above HECO rates) as well as selling grid services to HECO for the data and the ability to shift loads around. This is less good jobs but more creating affordable transportation options for working 'ohana to get to a good job.