

**Future Addendum to  
Appendix V4C: Local Economic Development Analysis  
Ka'ū Community Development Plan**

**Draft for Public Review**

March 2015

## Section 1: Table of Contents

<b>SECTION 1: TABLE OF CONTENTS .....</b>	<b>2</b>
<b>SECTION 2: INTRODUCTION .....</b>	<b>3</b>
<b>SECTION 3: POLICY RATIONALE – ADVANCE PREFERRED CONSERVATION AND SETTLEMENT PATTERNS .....</b>	<b>5</b>
<b>SECTION 6: POLICY RATIONALE – BUILD A RESILIENT, SUSTAINABLE LOCAL ECONOMY .....</b>	<b>7</b>
6.1 COORDINATE REGIONAL ECONOMIC DEVELOPMENT .....	7
6.3 STRENGTHEN LOCAL AGRICULTURE .....	8
6.4 DEVELOP COMMUNITY RENEWABLE ENERGY .....	8
6.5 PILOT PAYMENT FOR ECOSYSTEM SERVICES .....	9
6.6 GROW HEALTH AND WELLNESS SERVICES .....	9
6.7 PROMOTE THE CREATIVE, EDUCATION, AND RESEARCH SECTORS .....	9
6.8 DEVELOP THE LOCAL VISITOR SECTOR .....	10
<b>SECTION 7: STRATEGY IDENTIFICATION MATRIX .....</b>	<b>11</b>
<b>SECTION 8: ENDNOTES .....</b>	<b>17</b>

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## Section 2: Introduction

Each CDP policy was developed systematically, using the best available information about Ka'ū and the range of strategies available to achieve the Community Objectives.

This Addendum summarizes the rationale behind the policies so that the systematic process of policy development is transparent. The rationale for each CDP policy is based on a Strategy Identification Matrix like the one included below (see page 11). The Matrix in this Addendum is based on information in Appendix V4C: "Local Economic Development Analysis," October 2013 Draft. Both the policy rationale and the Strategy Identification Matrix will be added to Appendix V4C when it is revised.

The Strategy Identification Matrix was completed with information from Appendix V4C. Endnotes in the Matrix include the specific page numbers in Appendix V4C. In some cases, the endnote indicates "To be added," which means that it references information to be added to Appendix V4C. Information to be added to Appendix V4C (and other revisions) is summarized in a separate document.

To draft the body of the CDP (including policies), alternative strategies were considered relative to the Community Objectives, and "proposed" strategies were identified. Two basic "screens" were used to "filter" alternative strategies in the appendices. The first screen is current policy (e.g., the General Plan), out of which were filtered policies that are aligned with Community Objectives and remaining policy gaps. The second screen consists of tools and initiatives available to achieve Community Objectives (from past plans, existing programs, best practices, etc.), out of which were filtered high potential tools, barriers to their use, and remaining strategy gaps.

The strategy identification process moves across the Matrix, from left to right:

- The eight sectors explored in Appendix V4C are the foundation for decision-making and are listed in the first column.
- The next two columns summarize some of the "drivers" for each sector – the assets, opportunities, and challenges facing each sector, as summarized in Appendix V4C.
- The next five columns focus on policy:
  - The fourth column summarizes existing federal, State, and County policies that are closely aligned with and supportive of Community Objectives related to advancing each sector. Those that are re-affirmed in the CDP are numbered and highlighted in yellow.
    - Each policy is identified in the Matrix by the letter "P" and the corresponding policy number. For example, "Policy 7" = "P7" in the Matrix.
  - The fifth column lists past plans that address each sector.
  - The sixth column summarizes policy gaps – areas where current policy does not support Community Objectives.
  - The next two columns seek to address those gaps. Their headers are green to emphasize that the strategies in those columns would be newly established with adoption of the CDP.

- The seventh column addresses gaps under County jurisdiction and identifies new policies established by the CDP. These are also highlighted in yellow.
- The eighth column addresses gaps outside County jurisdiction and identifies elements of the CDP advocacy platform with State and federal agencies and policymakers.
- The next three columns focus on community-based, collaborative action.
  - The ninth column summarizes available resources – programs, organizations, funding, best practices, etc. – that can be used to advance Community Objectives.
  - The tenth column summarizes barriers to achieving Community Objectives that require action rather than policy change.
  - The final, eleventh column summarizes community-based, collaborative action required to achieve Community Objectives. Like columns 7 and 8, the header of column 8 is green to emphasize that the strategies in that column would be newly established with adoption of the CDP.

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## Section 3: Policy Rationale – Advance Preferred Conservation and Settlement Patterns

**Policy 2:** See the rationale in Appendix V4B.

**Policy 5:** This is an affirmation of the following General Plan policies:

- 14.7.3(b): “Promote and encourage the rehabilitation and the optimum utilization of resort areas that are presently serviced by basic facilities and utilities.”
- 14.7.3(c): “Lands currently designated Resort should be utilized before new resorts are allowed in undeveloped coastal areas.”

**Policy 6:** This is an affirmation of the following General Plan policies:

- 2.4.9.2(a): “Balance development with the social and physical environment of the area. Provisions for orderly development, housing, and pollution controls shall be implemented.”
- 2.4.9.2(c): “Recognize the natural beauty of the area as a major economic and social asset. Protect this resource through appropriate review processes when development is proposed.”
- 9.3(g): “Large industries or developments that create a demand for housing shall provide employee housing based upon a ratio to be determined by an analysis of the locality's needs.”
- 14.7.3(i): “Coastal resort developments shall provide public access to and parking for beach and shoreline areas.”
- 14.7.5.9.2(a): “The development of visitor accommodations and any resort development shall complement the character of the area.”

**Policy 7:** As noted in Appendix V4A and V4B, the Ka’ū CDP Land Use Policy Map advances local economic development by protecting the natural and cultural resource base, protecting lands for agricultural and renewable energy production, and clearly identifying nodes for commercial enterprises and industrial uses.

**Policy 17:** See the policy rationale in Appendix V4B.

**Policy 18:** Brownfield is the term used for all abandoned or underused sites where redevelopment or reuse is complicated by the presence or perceived presence of contamination. The County Department of Environmental Management (DEM) has identified potential brownfield sites in Ka’ū, including old mill sites, baseyards, and fuel depots. There are four basic stages to brownfield redevelopment, starting with Phase I and II environmental assessment. Redevelopment, site planning, and construction can proceed once the pre-development assessments are complete.

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## Section 6: Policy Rationale – Build a Resilient, Sustainable Local Economy

### 6.1 Coordinate Regional Economic Development

**Policy 124:** This policy is an affirmation of the following General Plan policies:

- 2.2(c): “Strive for diversity and stability in the economic system.”
- 2.2(d): “Provide an economic environment that allows new, expanded, or improved economic opportunities that are compatible with the County’s cultural, natural and social environment.”
- 2.2(e): “Strive for diversification of the economy by strengthening existing industries and attracting new endeavors.”
- 2.3(m): “Encourage active liaison with the private sector with respect to the County’s requirement for establishing businesses on the island.”
- 2.3(p): “Identify the needs of the business community and take actions that are necessary to improve the business climate.”

**Policy 125:** This policy is an affirmation of the following General Plan policies:

- 2.2(a): “Provide residents with opportunities to improve their quality of life through economic development that enhances the County’s natural and social environments.”
- 2.2(b): “Economic development and improvement shall be in balance with the physical, social, and cultural environments of the island of Hawai’i.”
- 2.2(d): “Provide an economic environment that allows new, expanded, or improved economic opportunities that are compatible with the County’s cultural, natural and social environment.”
- 2.4.9.2(a): “Balance development with the social and physical environment of the area. Provisions for orderly development, housing, and pollution controls shall be implemented.”
- 2.4.9.2(c): “Recognize the natural beauty of the area as a major economic and social asset. Protect this resource through appropriate review processes when development is proposed.”

**Policy 126:** This is an affirmation of General Plan policy 2.3(o), recognizing that Ka’ū is unique among the communities of Hawai’i Island: “Promote a distinctive identity for the island of Hawai’i to enable government, business, and travel industries to promote the County of Hawai’i as an entity unique within the State of Hawai’i.”

**Policy 127:** This is an affirmation of the following General Plan policies:

- 2.2(h): “Promote and develop the island of Hawai’i into a unique scientific and cultural model, where economic gains are in balance with social and physical amenities. Development should be reviewed on the basis of total impact on the residents of the County, not only in terms of immediate short run economic benefits.”
- 2.3(y): “Encourage new industries that provide favorable benefit-cost relationships to the people of the County. Benefit-cost relationships include more than fiscal considerations.”

Municipalities have long evaluated the impact development projects may have on such things as traffic and the environment. Some are now adopting policies that require that the economic and fiscal impact of developments of a certain size be evaluated, as well. Economic impacts include the effect on local businesses, village/town commercial core, jobs, and wages. Fiscal impact refers to the impact on tax revenue and government costs.

### 6.3 Strengthen Local Agriculture

**Policy 128:** This is an affirmation of the following General Plan policies:

- 2.3(a): “Assist in the expansion of the agricultural industry through the protection of important agricultural lands, development of marketing plans and programs, capital improvements and continued cooperation with appropriate State and Federal agencies.”
- 2.4.9.2(b): “Assist the fishing industry, other ocean based industries, and aquaculture through a cooperative effort with State and Federal agencies.”
- 14.2.2(c): “Preserve and enhance opportunities for the expansion of Hawai‘i’s Agricultural Industry.”
- 14.2.3(c): “Assist other State agencies, such as the University of Hawai‘i, College of Tropical Agriculture and Human Resources, University of Hawai‘i at Hilo, College of Agriculture, Forestry and Natural Resources Management, Department of Business, Economic Development and Tourism, Office of Planning, Department of Land and Natural Resources and Department of Agriculture, on programs that aid agriculture.”
- 14.2.3(e): “Coordinate and encourage efforts to solve the problems of the agricultural industry in the County of Hawai‘i.”
- 14.2.3(l): “Assist in the development of agriculture.”
- 14.2.4.7.2: “Encourage and support the expansion of agriculture, including forestry and the macadamia nut industry.”

**Policy 129:** This is an affirmation of General Plan policy 14.2.3(k): “Support the development of private and State agricultural parks to make agricultural land available for agricultural activities.”

**Policy 130:** This is an affirmation of General Plan policy 11.2.2(j): “Cooperate with appropriate State and Federal agencies and the private sector to develop, improve and expand agricultural water systems in appropriate areas on the island.”

**Policy 131:** This is an affirmation of General Plan policy 2.3(u): “Encourage the establishment of open farmers markets to allow local agricultural producers to market their products.”

**Policy 132:** This is an affirmation of General Plan policy 14.2.3(r): “Encourage, where appropriate, the establishment of visitor-related uses and facilities that directly promote the agriculture industry.”

**Policy 133:** This is an affirmation of General Plan policy 2.3(t): “Assist in the promotion of the agriculture industry whose products are recognized as being produced on the island of Hawai‘i.”

### 6.4 Develop Community Renewable Energy

**Policy 134:** This is an affirmation of the following General Plan policies:



- 3.3(a): “Encourage the development of alternate energy resources.”
- 3.3(b): “Encourage the development and use of agricultural products and by-products as sources of alternate fuel.”
- 3.3(e): “Ensure a proper balance between the development of alternative energy resources and the preservation of environmental fitness and ecologically significant areas.”
- 3.3(k): “Strive to diversify the energy supply and minimize the environmental impacts associated with energy usage.”
- 3.3(l): “Continue to encourage the development of geothermal resources to meet the energy needs of the County of Hawai‘i.”
- 14.2.3(u): “Encourage other compatible economic uses that complement existing agricultural and pastoral activities.”

**Policy 135:** Currently, industrial scale renewable energy facilities are a permitted use in the State and County agricultural zones, possibly only requiring plan approval and building permits from the County. Use permits are permits for certain permitted uses in zoning districts that require special attention to insure that the uses will neither unduly burden public agencies to provide public services nor cause substantial adverse impacts upon the surrounding community. The Planning Commission considers use permits, and public hearings are held for all Planning Commission applications.

## 6.5 Pilot Payment for Ecosystem Services

**Policy 136:** This is an affirmation of the following General Plan policies:

- 2.2(a): “Provide residents with opportunities to improve their quality of life through economic development that enhances the County’s natural and social environments.”
- 2.2(d): “Provide an economic environment that allows new, expanded, or improved economic opportunities that are compatible with the County’s cultural, natural and social environment.”
- 2.3(h): “The land, water, air, sea, and people shall be considered as essential resources for present and future generations and should be protected and enhanced through the use of economic incentives.”
- 8.3(g): “Promote sound management and development of Hawai‘i’s land and marine resources for potential economic benefit.”

## 6.6 Grow Health and Wellness Services

**Policy 137:** This is an affirmation of the following General Plan policies:

- 2.3(n): “Encourage the development of the retirement industry.”
- 2.3(x): “Encourage the health/wellness industry.”

## 6.7 Promote the Creative, Education, and Research Sectors

**Policy 138:** This is an affirmation of General Plan policy 2.2(h): “Promote and develop the island of Hawai‘i into a unique scientific and cultural model, where economic gains are in balance with social and

physical amenities. Development should be reviewed on the basis of total impact on the residents of the County, not only in terms of immediate short run economic benefits.”

## 6.8 Develop the Local Visitor Sector

**Policy 139:** This is an affirmation of the following General Plan policies:

- 2.3(c): “Encourage the development of a visitor industry that is in harmony with the social, physical, and economic goals of the residents of the County.”
- 14.7.5.9.2(a): “The development of visitor accommodations and any resort development shall complement the character of the area.”

**Policy 140:** This is an affirmation of General Plan policy 14.7.3(h): “Encourage the visitor industry to provide resort facilities that offer an educational experience of Hawai‘i as well as recreational activities.”

**Policy 141:** This is an affirmation of General Plan policy 14.7.5.9.2(b): “Encourage the development of small family or “bed and breakfast” type visitor accommodations.”

**Policy 142:** Currently, commercial open area recreational facilities are a permitted use in the State and County agricultural zones, possibly only requiring plan approval and building permits from the County. Use permits are permits for certain permitted uses in zoning districts that require special attention to insure that the uses will neither unduly burden public agencies to provide public services nor cause substantial adverse impacts upon the surrounding community. The Planning Commission considers use permits, and public hearings are held for all Planning Commission applications.

## Section 7: Strategy Identification Matrix

See notes about the origin and organization of the Strategy Identification Matrix in Section 2: Introduction on page 3.

DRIVERS		POLICY				COMMUNITY-BASED, COLLABORATIVE ACTION				
1. Sector	2. Assets & Opportunities	3. Challenges	4. Aligned Policies (GP, other)	5. Past Plans	6. Policy Gaps	7. New County Policy	8. Advocacy	9. CBC Strategies to Advance CBED	10. Barriers & Gaps	11. New CBC Action
Cross-Cutting	<ul style="list-style-type: none"> <li>• Ka'ū Chamber of Commerce</li> <li>• Ka'ū Main Street</li> <li>• Ocean View Community Development Corporation</li> <li>• CU Hawai'i FCU</li> </ul>		<ul style="list-style-type: none"> <li>• Strategic infrastructure investment<sup>1</sup></li> <li>• Some elements of CEDS<sup>2</sup></li> <li>• Enterprise Zone<sup>3</sup></li> <li>• USDA Rural Jobs and Innovation Accelerator<sup>4</sup></li> <li>• Entrepreneurial development programs and grants<sup>5</sup></li> </ul> <p>P124: GP 2.2( c, d, e)<sup>6</sup>, 2.3(m, p)<sup>7</sup>                      P125: GP 2.2(a, b, d)<sup>8</sup>, 2.4.9.2(a, c)<sup>9</sup>                      P126: GP 2.3(o)<sup>10</sup>                      P127: GP 2.2(h)<sup>11</sup>, 2.3(y)<sup>12</sup></p>	<ul style="list-style-type: none"> <li>• 7 previous economic development planning efforts (between 1996 and 2004).<sup>13</sup></li> <li>• 2012 DHHL Ka'ū Regional Plan.<sup>14</sup></li> </ul>	<ul style="list-style-type: none"> <li>• CEDS could be better aligned with Ka'ū sector opportunities</li> <li>• Brownfield redevelopment is not being pursued<sup>15</sup></li> <li>• Community Benefits Agreements.<sup>16</sup></li> </ul>	<p>P18: Apply for brownfield assessment grants<sup>17</sup></p>	<p><u>Office of Planning</u></p> <ul style="list-style-type: none"> <li>• Align CEDS with CDPs</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing regional identify: Historic preservation<sup>18</sup>, business improvement districts<sup>19</sup>, PlaceMaking<sup>20</sup></li> <li>• Brownfield funding &amp; other support<sup>21</sup></li> <li>• Business capacity development resources<sup>22</sup></li> <li>• Workforce development opportunities<sup>23</sup></li> <li>• Networking among local industry clusters.<sup>24</sup></li> <li>• Connections to anchor institutions: HI-PTAC, SBA HUBZone<sup>25</sup></li> <li>• Advance innovations in products and services: incubate, differentiate, market<sup>26</sup></li> <li>• Democratization of ownership<sup>27</sup></li> <li>• Diversify investment through alternative financing<sup>28</sup></li> <li>• Diversify investments through conventional financing<sup>29</sup></li> <li>• Promote regional assets<sup>30</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Business community too small for BID, NMTC</li> <li>• Scale of coordinated effort unclear: Ka'ū, rural Hawai'i Island?</li> </ul>	<ul style="list-style-type: none"> <li>• See NCRM &amp; Comm strategies: mauka-makai, cultural, historic pres, trails, design guidelines, capital projects, PlaceMaking, Punalu'u, Nā'ālehu Theater, CBAS</li> <li>CA20: Network among local industry clusters</li> <li>CA20: Coordinate connections to anchor institutions</li> <li>CA20: Advance innovation</li> <li>CA20: Promote regional assets</li> <li>CA20: Collaborative to secure business development funding: RBOG, RBEG</li> <li>CA20&amp;21: Promote opportunities: organizational structures, financing, workforce development, Enterprise Zone, govt procurement</li> <li>CA21: Formalize business development partnerships: CU Hawai'i FCU , County R&amp;D, Lualima Center, SBDC, SCORE, HIR, &amp; PBCP</li> </ul>

DRIVERS			POLICY					COMMUNITY-BASED, COLLABORATIVE ACTION		
1. Sector	2. Assets & Opportunities	3. Challenges	4. Aligned Policies (GP, other)	5. Past Plans	6. Policy Gaps	7. New County Policy	8. Advocacy	9. CBC Strategies to Advance CBED	10. Barriers & Gaps	11. New CBC Action
Agriculture	<ul style="list-style-type: none"> <li>• Ka'ū spends \$18M on food and \$7M on food away from home.<sup>31</sup></li> <li>• 70% of 252,843 acres of agriculture zoned Ka'ū lands unused.<sup>32</sup></li> <li>• More than 5,000 acres in in macadamia nuts<sup>33</sup></li> <li>• Coffee: Increasing production, coop, mill<sup>34</sup></li> <li>• 95,000 acres in pasture<sup>35</sup></li> <li>• Commercial forestry<sup>36</sup></li> <li>• Growing truck farm sector<sup>37</sup></li> <li>• Ka'ū agricultural water cooperative.<sup>38</sup></li> <li>• Processing facilities: cold storage, certified kitchen, macadamia husking facilities<sup>39</sup></li> <li>• SWCD &amp; HFBF<sup>40</sup></li> <li>• Regular farmers markets in Nā'ālehu and Ocean View.<sup>41</sup></li> <li>• Community and school gardens with support from FoodCorps.<sup>42</sup></li> <li>• Subsistence practices that build family and community resilience.<sup>43</sup></li> </ul>	<p><i>Supply –</i><sup>44</sup></p> <ul style="list-style-type: none"> <li>• Markets: cheap food-expensive land, lack of differentiation<sup>45</sup></li> <li>• Environment: vog, drought, fire, climate change<sup>46</sup></li> <li>• Infrastructure: water, land tenure, PAD<sup>47</sup></li> <li>• Resources: input costs, labor, access to capital, business capacity<sup>48</sup></li> </ul>	<ul style="list-style-type: none"> <li>• CEDS agriculture cluster<sup>49</sup></li> <li>• ADC support for ag water coop</li> <li>• County role in land use regulation and property tax policy.<sup>50</sup></li> </ul> <p>P128: GP 2.3(a)<sup>51</sup>, 2.4.9.2(b)<sup>52</sup>, 14.2.2(c)<sup>53</sup>, 14.2.3(c, e, l)<sup>54</sup>, 14.2.4.7.2<sup>55</sup></p> <p>P129: GP 14.2.3(k)<sup>56</sup></p> <p>P130: GP 11.2.2(j)<sup>57</sup></p> <p>P131: GP 2.3(u)<sup>58</sup></p> <p>P132: GP 14.2.3(r)<sup>59</sup></p> <p>P133: GP 2.3(t)<sup>60</sup></p>	<ul style="list-style-type: none"> <li>• Ag is central to previous plans:<sup>61</sup> protect ag lands, ag parks, diversify, new farmers, biz support, niche markets, value-added, research farm</li> <li>• 1992 County of Hawai'i Agricultural Plan.<sup>62</sup></li> <li>• 2007 Island of Hawai'i Whole System Project Report.<sup>63</sup></li> <li>• 2007 Strategic Plan: Sustaining Ranching Communities in Hawai'i.<sup>64</sup></li> <li>• 2012 Health Impact Assessment.<sup>65</sup></li> <li>• 2012 Increased Food Security &amp; Food Self-Sufficiency Strategy.<sup>66</sup></li> <li>• 2012 Hawai'i County Food Self-Sufficiency Baseline.<sup>67</sup></li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• P7: Land use policy and maps: protect ag land &amp; mauka-makai access</li> </ul>	<p><u>Ag Dev Corp</u></p> <ul style="list-style-type: none"> <li>• Expedite support for water coop</li> </ul>	<ul style="list-style-type: none"> <li>• See Cross-cutting</li> <li>• Build workforce capacity<sup>68</sup></li> <li>• Business capacity building<sup>69</sup></li> <li>• Develop regional agricultural associations.<sup>70</sup></li> <li>• Build local industry clusters – local food nodes, hubs, and food innovation districts.<sup>71</sup></li> <li>• Farm to School &amp; Hospital.<sup>72</sup></li> <li>• Innovations in products and services – community food enterprises; food innovation centers; local food processing and value added facilities and services; community supported agriculture &amp; fisheries; and farmers' markets.<sup>73</sup></li> <li>• Local funding: DPOs, Credibles, Gatheround<sup>74</sup></li> <li>• Promotion: Buy Local, It Matters; Seal of Quality<sup>75</sup></li> <li>• Community &amp; school garden resources: ChangeLab, HISGN<sup>76</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain gaps not understood<sup>77</sup></li> <li>• Scale of cluster development unclear: Ka'ū, rural Hawai'i Island?</li> <li>• Farm To School &amp; Hospital – procurement questions, infrastructure, supplying the demand, and food safety relative to public food service institutions.<sup>78</sup></li> <li>• "Center" or "network"</li> </ul>	<ul style="list-style-type: none"> <li>• See NCRM: ag land protection</li> <li>• See Cross-cutting CA23: Determine appropriate scale &amp; type of coordination/ clustering/ promotion</li> <li>• CA23: Promote ag workforce pipeline, biz capacity building, &amp; finance resources</li> <li>• CA23: Promote agricultural Enterprise Zone opportunities</li> <li>• CA23: Use certified kitchen as ag innovation hub</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>• High electricity rates<sup>79</sup></li> <li>• Strong sector growth<sup>80</sup></li> <li>• State requirement for solar water heaters in all new homes.<sup>81</sup></li> <li>• Tax credits and financing options for wind &amp; solar<sup>82</sup></li> <li>• South Point one of the best in world for wind power generation.<sup>83</sup></li> <li>• Improved technology and affordability of small wind systems.<sup>84</sup></li> <li>• Ka'ū's irrigation tunnels suited for hydropower systems.<sup>85</sup></li> <li>• Potential for small-scale biofuels<sup>86</sup></li> <li>• Geothermal hot spots identified in Ka'ū.<sup>87</sup></li> </ul>	<ul style="list-style-type: none"> <li>• High cost of geothermal exploration wells, potential negative impacts (fauna and flora, cultural, health, and safety).<sup>88</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Hawai'i County Energy Plan.<sup>89</sup></li> <li>• CEDS energy cluster<sup>90</sup></li> <li>• Hawai'i Clean Energy Initiative – US DOE &amp; State of Hawai'i.<sup>91</sup></li> <li>• Renewable Portfolio Standards overseen by PUC.<sup>92</sup></li> <li>• Hawai'i Energy Tax Credits.<sup>93</sup></li> <li>• Green Energy Market Securitization – HI State Energy Office.<sup>94</sup></li> <li>• HRS 205 – renewable energy facilities permitted on state land use agricultural land.<sup>95</sup></li> </ul> <p>P134: GP 3.3(a, b, e, k, l)<sup>96</sup>, 14.2.3(u)<sup>97</sup></p>	<ul style="list-style-type: none"> <li>• Previous plans: small-scale biofuel, community benefit<sup>98</sup></li> <li>• 2006 Biodiesel Crop Implementation in Hawai'i Report.<sup>99</sup></li> <li>• 2010 Island of Hawai'i Green Economy Report.<sup>100</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Commercial renewable energy projects potentially have adverse community impacts when on ag land<sup>101</sup></li> <li>• Need for solar industry workforce competent in research and development, product design, product manufacture, sales, installation, operations, and maintenance.<sup>102</sup></li> </ul>	<p>P135: Require use permits for renewable energy on ag land</p>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• See Cross-cutting</li> <li>• Local industry clusters – distributed energy systems<sup>103</sup> &amp; Community Power Networks<sup>104</sup> &amp; funding<sup>105</sup></li> <li>• Workforce development opportunities<sup>106</sup></li> <li>• Native-to-Native (N2N) model for community benefits from geothermal ventures.<sup>107</sup></li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• See Cross-cutting CA24: Promote workforce development opportunities<sup>108</sup></li> <li>• CA24: Promote wind energy Enterprise Zone opportunities</li> </ul>

1. Sector	DRIVERS		POLICY					COMMUNITY-BASED, COLLABORATIVE ACTION		
	2. Assets & Opportunities	3. Challenges	4. Aligned Policies (GP, other)	5. Past Plans	6. Policy Gaps	7. New County Policy	8. Advocacy	9. CBC Strategies to Advance CBED	10. Barriers & Gaps	11. New CBC Action
Payment for Ecosystem Services (PES)	<ul style="list-style-type: none"> <li>Abundant supply of ecosystem services, with many already preserved<sup>109</sup></li> <li>Emergence of ecosystem service markets – climate stabilization, hydrological regulation, and biological diversity benefits.<sup>110</sup></li> <li>Range of existing mechanisms for PES<sup>111</sup></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>US Clean Water Act.<sup>112</sup></li> <li>Direct Public Payments – Hawai'i County PONC, DLNR DOFAW, USDA, USFWS.<sup>113</sup></li> <li>Tax Incentives – County agricultural and forest dedications.<sup>114</sup></li> </ul> <p>P136: GP 2.2(a, d)<sup>115</sup>, 2.3(h)<sup>116</sup>, 8.3(g)<sup>117</sup></p>	<ul style="list-style-type: none"> <li>Kamehameha Schools Strategic Agricultural Plan; Strategic Plan: Sustaining Ranching Communities in Hawai'i; Diversified, Localized, and Sustainable Agriculture on Kaua'i: Assessing Opportunities and Addressing Barriers<sup>118</sup></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting</li> <li>Valuation techniques &amp; support structures for valuation ecosystem services.<sup>119</sup></li> <li>Build local industry clusters – Forest Trends, USDA Office of Environmental Markets, Ecoagriculture Partners, marine conservation agreements<sup>120</sup></li> <li>Build workforce capacity: Ka'ū HS CTE, 'Imi Pono no ka 'Āina, college, internships<sup>121</sup></li> </ul>	<ul style="list-style-type: none"> <li>Research and pilot programs needed to demonstrate possibilities.<sup>122</sup></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting</li> <li>See NCRM: mauka-makai CA25: Pilot a PES program.</li> </ul>
Health & Wellness	<ul style="list-style-type: none"> <li>Shortage of health professionals<sup>123</sup></li> <li>Rapid statewide sector growth<sup>124</sup></li> <li>Anchor institutions: hospitals, clinics, other providers, &amp; senior services<sup>125</sup></li> <li>Established Ka'ū health workforce<sup>126</sup></li> <li>Niche tourism market<sup>127</sup></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>CLASS provision of ACA<sup>128</sup></li> <li>CEDS health &amp; wellness cluster<sup>129</sup></li> </ul> <p>P137: GP 2.3(n, x)<sup>130</sup></p>	<ul style="list-style-type: none"> <li>Previous plans: geriatric care<sup>131</sup></li> </ul>	<ul style="list-style-type: none"> <li>Aging in place<sup>132</sup></li> <li>High rate of uninsured<sup>133</sup></li> <li>Lack of nursing home beds<sup>134</sup></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting</li> <li>Ka'ū Rural Health Community Association<sup>135</sup></li> <li>Other workforce development<sup>136</sup></li> <li>Co-op development<sup>137</sup></li> <li>Non-profit social enterprise development<sup>138</sup></li> </ul>	<ul style="list-style-type: none"> <li>Low incomes of seniors<sup>139</sup></li> <li>Low wages for home care<sup>140</sup></li> <li>Older homes less accessible<sup>141</sup></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting</li> <li>CA26: Cultivate anchor institutions<sup>142</sup></li> <li>CA26: Establish a health &amp; wellness network</li> </ul>

DRIVERS			POLICY				COMMUNITY-BASED, COLLABORATIVE ACTION			
1. Sector	2. Assets & Opportunities	3. Challenges	4. Aligned Policies (GP, other)	5. Past Plans	6. Policy Gaps	7. New County Policy	8. Advocacy	9. CBC Strategies to Advance CBED	10. Barriers & Gaps	11. New CBC Action
Creative, Education, & Research	<ul style="list-style-type: none"> <li>Strong creative, education, &amp; research sector growth<sup>143</sup></li> <li>Ka'ū's unique natural and cultural resources provide opportunities in music &amp; cultural activities; NRM; ed/ research in ag, env, Hawaiian studies, geology<sup>144</sup></li> <li>Schools are a major local employer<sup>145</sup></li> <li>Ka'ū is a DOE Zone of School Innovation that focuses on culturally relevant project based learning.<sup>146</sup></li> <li>Public, private, and community NCRM partnerships provide employment and entrepreneurial opportunities (i.e., 3 Mountain Alliance, Ka 'Ohana O Honu'apo, Ho'omalū Ka'ū).<sup>147</sup></li> <li>Ka'ū School of the Arts<sup>148</sup></li> <li>UHH &amp; HCC could use Ka'ū as lab<sup>149</sup></li> <li>State tax incentives for film and television production activity,<sup>150</sup></li> </ul>		<ul style="list-style-type: none"> <li>CEDS education cluster<sup>151</sup></li> <li>P138: GP 2.2(h).<sup>152</sup></li> </ul>	<ul style="list-style-type: none"> <li>Previous plans: facilities, ag research, distance learning<sup>153</sup></li> <li>DBEDT's Rural Economic Development "creative enterprise" cluster<sup>154</sup></li> <li>1988 Prosperity Through Preservation in the Great &amp; Majestic District of Ka'ū.<sup>155</sup></li> <li>1998 Economic Development Plan for the District of Ka'ū.<sup>156</sup></li> <li>2010 Rural Economic Development Report.<sup>157</sup></li> </ul>			<p><u>Legislature</u></p> <ul style="list-style-type: none"> <li>Invest in natural, cultural, education, &amp; research <i>network</i> (DOE, HDOA, DLNR, UH collaboration) catering to residents, visitors, &amp; international students</li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting</li> <li>Workforce development<sup>158</sup></li> <li>Preserve and improve natural and cultural resources to enhance regional identity, sense of place.<sup>159</sup></li> <li>Innovation needs: ag, other</li> <li>Local financing<sup>160</sup></li> <li>Kohala Center<sup>161</sup></li> </ul>	<ul style="list-style-type: none"> <li>Partnerships and investments from outside organizations.<sup>162</sup></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting CA21: Establish CER network: workforce dev (ag, renewables, PES, health, visitor), biz capacity, (ag, visitor) innovation (ag, renewables, PES<sup>163</sup>), cultural centers, Punalu'u</li> </ul>

DRIVERS			POLICY					COMMUNITY-BASED, COLLABORATIVE ACTION		
1. Sector	2. Assets & Opportunities	3. Challenges	4. Aligned Policies (GP, other)	5. Past Plans	6. Policy Gaps	7. New County Policy	8. Advocacy	9. CBC Strategies to Advance CBED	10. Barriers & Gaps	11. New CBC Action
Visitor	<ul style="list-style-type: none"> <li>Continued dominant sector<sup>164</sup></li> <li>Niche opportunities: cuisine, experiential, culture, adventure<sup>165</sup></li> <li>Potential capture, at an appropriate level, of 1.5 million visitors/yr to HI Volcanoes National Park.<sup>166</sup></li> <li>Increasing number of repeat visitors, who want authentic experience<sup>167</sup></li> <li>Significant natural and cultural resources. &amp; other attractions<sup>168</sup></li> <li>The Heritage Center of Ka'ū in Ocean View.<sup>169</sup></li> </ul>	<ul style="list-style-type: none"> <li>Limited visitor infrastructure: food, lodging, tours, online presence,<sup>170</sup> especially for retirees<sup>171</sup></li> </ul>	<ul style="list-style-type: none"> <li>CEDS visitor industry clusters: agri-tourism, health &amp; wellness, cultural, edu-tourism, eco-tourism<sup>172</sup></li> <li>P5: GP 14.7.3(b, c)<sup>173</sup></li> <li>P6: GP 2.4.9.2(a, c)<sup>174</sup>, 9.3(g)<sup>175</sup>, 14.7.3(i)<sup>176</sup>, GP 14.7.5.9.2(a)<sup>177</sup></li> <li>P132: GP 14.2.3(r)<sup>178</sup></li> <li>P139: GP 2.3(c)<sup>179</sup>, 14.7.5.9.2(a)<sup>180</sup></li> <li>P140: GP 14.7.3(h)<sup>181</sup></li> <li>P141: GP 14.7.5.9.2(b)<sup>182</sup></li> </ul>	<ul style="list-style-type: none"> <li>Small-scale eco-tourism prominent in plans<sup>183</sup></li> <li>2005 Hawai'i Island Tourism Strategic Plan 2006-2015.<sup>184</sup></li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of critical natural and cultural assets for preservation.<sup>185</sup></li> <li>Development of road and trail corridors that connect regional assets.<sup>186</sup></li> <li>Capital improvements to roads and parks.<sup>187</sup></li> <li>Commercial open area recreational facilities potentially have adverse community impacts when on ag land</li> </ul>	<ul style="list-style-type: none"> <li>P17: Consider establishing a "Retreat Resort Area" in Discovery Harbour</li> <li>P142: Require use permits for open area recreational uses on ag land</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting</li> <li>Ho'okipa, place-based, visitor experiences.<sup>188</sup></li> <li>Preserve and improve natural, cultural, historical, recreational resources to enhance regional identity, sense of place.<sup>189</sup></li> <li>Gateway Communities.<sup>190</sup></li> <li>Build local industry clusters: sharing of place – geotourism and ecotourism; sharing of culture – heritage tourism, living history, and community-based tourism; sharing of work – agritourism and service tourism.<sup>191</sup></li> <li>Build workforce capacity – K-12 programs and college programs.<sup>192</sup></li> <li>Promote assets<sup>193</sup></li> </ul>	<ul style="list-style-type: none"> <li>Potential impact on natural and cultural resources.<sup>194</sup></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting CA27: Local network with shared Ho'okipa media presence</li> </ul>
Retail	<ul style="list-style-type: none"> <li>38 retail businesses serving residents and visitors.<sup>195</sup></li> <li>3 nonprofit CBOs that support small business and economic development.<sup>196</sup></li> <li>Opportunity for additional food and beverage and general merchandise stores.<sup>197</sup></li> <li>High potential for retail in Ocean View<sup>198</sup></li> </ul>	<ul style="list-style-type: none"> <li>Isolation from major labor markets and population centers.<sup>199</sup></li> <li>No population growth in Pāhala &amp; Nā'ālehu<sup>200</sup></li> <li>Lack of local capital for investments.<sup>201</sup></li> <li>Lack of understanding of local culture on the part of outside investors.<sup>202</sup></li> <li>Lack of local sources for construction and business materials.<sup>203</sup></li> </ul>	<ul style="list-style-type: none"> <li>P2: GP 14.3.3(e), 14.3.5.9.2(a)<sup>204</sup>, GP 14.3.5.9.2(b)<sup>205</sup>, GP 14.3.5.9.2(b)<sup>206</sup></li> <li>P131: GP 2.3(u)<sup>206</sup></li> </ul>	<ul style="list-style-type: none"> <li>1998 Economic Development Plan for the District of Ka'ū.<sup>207</sup></li> <li>2004 Draft Strategic Plan for the District of Ka'ū.<sup>208</sup></li> <li>2010 Rural Economic Development Report.<sup>209</sup></li> <li>2011 Ho'owaiwai Hawai'i Island: Building Genuine Wealth Report.<sup>210</sup></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>P7: Land use policy &amp; map establish commercial areas in OV</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting</li> <li>Preserve and improve natural and cultural resources to enhance regional identity, sense of place.<sup>211</sup></li> <li>Ka'ū HS CTE<sup>212</sup></li> <li>Expansion of Ka'ū business support network.<sup>213</sup></li> <li>Develop relationships between regional producers and retail enterprises.<sup>214</sup></li> <li>Development of a plug-the-leaks campaign to produce and buy local.<sup>215</sup></li> <li>Local financing<sup>216</sup></li> </ul>	<ul style="list-style-type: none"> <li>Coordinated development of other emerging sectors in ways that generate retail opportunities.<sup>217</sup></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting CA22: Coordinate regional strategies to increase "buying local."</li> </ul>
Construction	<ul style="list-style-type: none"> <li>Growth in other sectors (i.e., renewable energy, health and wellness, education and research, visitor, and retail) may generate construction related opportunities.<sup>218</sup></li> </ul>	<ul style="list-style-type: none"> <li>Declining trend for new home construction in Ka'ū.<sup>219</sup></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting</li> <li>Build workforce capacity<sup>220</sup></li> <li>Local financing<sup>221</sup></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>See Cross-cutting</li> </ul>

DRAFT



## Section 8: Endnotes

Endnotes reference page numbers in the October 2013 draft of Appendix V4C:

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<sup>1</sup> 109

<sup>2</sup> 93

<sup>3</sup> 112

<sup>4</sup> 112

<sup>5</sup> 143-144, 145

<sup>6</sup> 80-81

<sup>7</sup> 81-82

<sup>8</sup> 80-81

<sup>9</sup> 82

<sup>10</sup> 81-82

<sup>11</sup> 80-81

<sup>12</sup> 81-82

<sup>13</sup> 82-88

<sup>14</sup> 88-89

<sup>15</sup> Appendix V4B, 59

<sup>16</sup> 170; Appendix V4B 69

<sup>17</sup> 59

<sup>18</sup> 108-109

<sup>19</sup> 110

<sup>20</sup> 110

<sup>21</sup> Appendix V4B, 57-59

<sup>22</sup> 142-144, 163

<sup>23</sup> 144-151

<sup>24</sup> 111-112

<sup>25</sup> 132-135

<sup>26</sup> 137-138

<sup>27</sup> 151-166

<sup>28</sup> 167-174

<sup>29</sup> 166-167

<sup>30</sup> 174

<sup>31</sup> 17

<sup>32</sup> 22

<sup>33</sup> 24

<sup>34</sup> 24

<sup>35</sup> 22

<sup>36</sup> 24

<sup>37</sup> 24

<sup>38</sup> 25

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<sup>39</sup> 25  
<sup>40</sup> 26  
<sup>41</sup> 25-26  
<sup>42</sup> 27  
<sup>43</sup> 27  
<sup>44</sup> 112  
<sup>45</sup> 22, 114  
<sup>46</sup> 22-23  
<sup>47</sup> 23  
<sup>48</sup> 23-24  
<sup>49</sup> 111  
<sup>50</sup> 79  
<sup>51</sup> 80-81  
<sup>52</sup> 82  
<sup>53</sup> 80  
<sup>54</sup> 80-81  
<sup>55</sup> 82  
<sup>56</sup> 80-81  
<sup>57</sup> To be added  
<sup>58</sup> 80-81  
<sup>59</sup> 80-81  
<sup>60</sup> 80-81  
<sup>61</sup> 82-88  
<sup>62</sup> 89  
<sup>63</sup> 91  
<sup>64</sup> 91  
<sup>65</sup> 95-96  
<sup>66</sup> 97-99  
<sup>67</sup> 99-100  
<sup>68</sup> 145-147  
<sup>69</sup> 144  
<sup>70</sup> 175-178  
<sup>71</sup> 114-120  
<sup>72</sup> 135-136  
<sup>73</sup> 138-142  
<sup>74</sup> 172  
<sup>75</sup> 174  
<sup>76</sup> 119-120  
<sup>77</sup> 117  
<sup>78</sup> 135-136  
<sup>79</sup> 31

DRAFT

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<sup>80</sup> 31

<sup>81</sup> 34

<sup>82</sup> 34-35

<sup>83</sup> 38

<sup>84</sup> 36

<sup>85</sup> 39

<sup>86</sup> 37

<sup>87</sup> 38

<sup>88</sup> 38

<sup>89</sup> 32

<sup>90</sup> 93-94

<sup>91</sup> 31

<sup>92</sup> 32

<sup>93</sup> 34

<sup>94</sup> 34

<sup>95</sup> 40

<sup>96</sup> 81

<sup>97</sup> 80-81

<sup>98</sup> 84

<sup>99</sup> 90-91

<sup>100</sup> 93

<sup>101</sup> 39-40; see also Appendix V4A, pages 126-127, for permitted uses

<sup>102</sup> 35

<sup>103</sup> 33

<sup>104</sup> 120-122

<sup>105</sup> 172

<sup>106</sup> 147

<sup>107</sup> 38

<sup>108</sup> 147

<sup>109</sup> 50

<sup>110</sup> 43-47

<sup>111</sup> 47-48

<sup>112</sup> 45

<sup>113</sup> 47-48

<sup>114</sup> 48

<sup>115</sup> 80-81

<sup>116</sup> 81-82

<sup>117</sup> 81

<sup>118</sup> 49

<sup>119</sup> 42-43

<sup>120</sup> 122-123

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121 147-149

122 51

123 51-52

124 52-54

125 56-57

126 57

127 54

128 55

129 93-94

130 81

131 84

132 54

133 55

134 56

135 149

136 149

137 160-163

138 164-165

139 56

140 56

141 56

142 134

143 58-60

144 62

145 61

146 61

147 61

148 60

149 61-62

150 58

151 93-94

152 81

153 84

154 111

155 85

156 86

157 93

158 150

159 107-111

160 172

161 62

---

162 62  
163 51  
164 62-63  
165 63  
166 19, 63  
167 68  
168 65-66  
169 89  
170 65-67  
171 69  
172 63, 93-94  
173 Appendix V4B, 152  
174 82  
175 Appendix V4B, 72  
176 Appendix V4B, 152  
177 82  
178 83  
179 82  
180 82  
181 Appendix V4B, 152  
182 82  
183 82-88  
184 89-90  
185 109  
186 109  
187 109  
188 68-69  
189 106-111  
190 136-137  
191 21, 123-129  
192 150  
193 175  
194 64  
195 70  
196 70  
197 71-74  
198 72-74  
199 71  
200 75  
201 71  
202 71

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<sup>203</sup> 71  
<sup>204</sup> Appendix V4B, 35, 200  
<sup>205</sup> Appendix V4B, 200  
<sup>206</sup> 81  
<sup>207</sup> 86  
<sup>208</sup> 88  
<sup>209</sup> 93  
<sup>210</sup> 95-96  
<sup>211</sup> 106-111  
<sup>212</sup> 150  
<sup>213</sup> 75, 175  
<sup>214</sup> 175-178  
<sup>215</sup> 130-131  
<sup>216</sup> 173  
<sup>217</sup> 75  
<sup>218</sup> 78  
<sup>219</sup> 77  
<sup>220</sup> 151  
<sup>221</sup> 173

DRAFT