

# **Information and Discussion re: Collaboration Project with the Hawaii Strategic Development Corporation for an Economic Accelerator in the Kakaako Community Development District**

## ***Staff Report***

May 27, 2015

**Background:** The Hawaii Strategic Development Corporation (“HSDC”) is a State agency established to promote economic development and economic diversification in Hawaii through a return driven investment program in partnership with private capital.

HSDC seeks to collaborate with the Hawaii Community Development Authority (“HCDA”) on a project to expand Hawaii’s economy with an Economic Accelerator located in the Kakaako Community Development District (“KCDD”). If initiated in the near-term, a portion of the participants of the Economic Accelerator would be able to transition into the commercial space pipeline being developed in Kakaako. This would help establish small local businesses and diversify the marketplace in a vibrant area near planned transit.

**Discussion:** The purposes of the KCDD is outlined in Hawaii Revised Statutes §206E-31. It charges the HCDA with the duty of re-developing and renewing the area to realize the economic importance of the KCDD to the State in terms of industry and subsequent employment.

With robust development underway and in the pipeline that includes an increase in commercial floor area, success of the KCDD should be balanced with economic development. To this end, a collaboration between the HCDA and the HSDC is only natural.

Economic development is a key factor in community development. Relative to the HCDA, the presence of an Economic Accelerator in the KCDD in combination with future commercial floor area being developed would foster very direct benefits. As density builds in Kakaako, a successful partnership would bring new jobs to the KCDD, beyond the current heavy concentration in retail. If a portion of area residents, are employed by area businesses the carbon footprint of the area will greatly decline as cars are taken off the roads, realizing the HCDA Transit-Oriented Development plans.