

NATURAL ENERGY LABORATORY OF HAWAI'I AUTHORITY



GREGORY P BARBOUR
EXECUTIVE DIRECTOR

For Immediate Release: January 12, 2024

TOTAL ECONOMIC IMPACT GENERATED BY NELHA HOST PARK JUMPS SIGNIFICANTLY TO MORE THAN \$145 MILLION ANNUALLY

KAILUA-KONA – An analysis of the Natural Energy Laboratory of Hawai'i Authority (NELHA) Hawai'i Ocean Science and Technology (HOST) Park at Keāhole Point found that the total economic impact of the park was \$145.4 million in 2022. The University of Hawai'i Economic Research Organization (UHERO) completed the report for NELHA.

Total expenditures from the businesses at NELHA were \$148.4 million, of which about \$90.3 million were paid to Hawai'i entities in 2022. The 2022 data represents an increase of 36% and 18% respectively, from 2018 (all measured in real dollars adjusted for inflation). UHERO completed similar studies in the past using the same methodologies with 2010, 2013 and 2018 data.

NELHA's economic impact on Hawai'i's economy expanded significantly from 2018 to 2022, with total output rising from \$120 million in 2018 to \$145 million in 2022 (in real dollars). Earnings, tax revenues, and job growth increased by 28%, 25%, and 20%, respectively, during this period.

"We continue to see success from our investments in science and technology and this data regarding NELHA confirms this," said Governor Josh Green, M.D. "We have world-class assets and additional investments in marine sciences and leveraging our state and UH assets will help accelerate growth in our blue economy in the areas of food security, ocean technology, ocean conservation and ocean energy. It will also increase cohesion with efforts being carried out by other Pacific coast states," Governor Green added.

According to UHERO Executive Director Dr. Carl Bonham, "This growth occurred despite the COVID-19 pandemic's negative impact on the state's economy, where real gross state product decreased by 2.6% and payroll jobs fell by 6.1%. Like other sectors of Hawai'i's economy that were not hit hard by the pandemic, economic activity at NELHA served as a stabilizing force during these difficult times."

On a broader level, using Type II multipliers from the state's Input-Output (I-O) model, UHERO estimated state tax revenue generated by NELHA remained high at \$7 million in 2022. The analysis also found that not only do NELHA businesses employ hundreds of people, but that the expenditures contributed to a total of 714 jobs in the larger Hawai'i economy in 2022. This equals about eight jobs created for every million dollars spent at NELHA.

"As we have said before, NELHA's direction is part of the state's plan for economic diversification and we continue to anticipate and plan for additional growth in other areas in

the blue economy,” said James Kunane Tokioka, director of the Department of Business, Economic Development and Tourism (DBEDT). “NELHA’s future is full of opportunities that will lead to the strengthening of our communities and economy for the island of Hawai’i and the state,” he said.

“This is especially encouraging that NELHA is targeting the correct sectors to assist in economic diversification,” said Cyd Miyashiro, chair of NELHA’s board of directors. “Further, given this surge in economic impact, it is clear that these sectors are somewhat resilient to the issues experienced during times of economic uncertainty and can stand up to economic weaknesses,” she said.

Over the past 10 years, NELHA has received an average of \$2 million per year through appropriated Capital Improvement Project (CIP) funds for site development. “As such, the state’s return on investment is very high, as each dollar of state expenditures toward NELHA results in over \$62.2 of output generated in Hawai’i’s economy,” said Gregory Barbour, NELHA executive director.

Following a standard approach, UHERO defined economic impact to be the direct, indirect, and induced economic activities generated by the tenant’s spending in the Hawai’i economy. The latest 20-sector I-O model (year 2017) of the state prepared by DBEDT was used to evaluate these impacts.

A copy of the report can be found at <http://nelha.hawaii.gov/resources/library/> and <https://uhero.hawaii.edu/economic-impact-of-the-natural-energy-laboratory-hawaii-authority-tenants-on-the-state-of-hawaii-in-2022/>.

###

About NELHA (Natural Energy Laboratory of Hawai’i Authority

NELHA is a state agency, attached to the state Department of Business, Economic Development and Tourism (DBEDT). NELHA administers the world’s premier energy and ocean technology park. This unique master-permitted park is on 870 acres of prime coastal property in Kailua-Kona, Hawai’i and offers research support facilities for the development of marine science, renewable energy and other demonstration projects that use the unique resources found at the park. It is the world’s only facility that continually brings ashore high quality, pristine supplies of both warm surface and cold deep seawater 24 hours a day, which helps to reap economic potentials from the dual temperature seawater delivery system and high solar insolation. Tenants located in HOST Park work at the pre-commercial, commercial, research and educational levels. It is the largest diversified economic development project in the state and is focused on sustainable economic development projects and blue technology.

Media Contact: Gregory Barbour, NELHA Executive Director, 808-542-4622 or gregory.p.barbour@hawaii.gov