

House District 14

Senate District 8

THE TWENTY-NINTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN):

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: 'Aina Ho'okupu o Kilauea

Dbn: 'Aina Ho'okupu o Kilauea

Street Address: 3000 Kilauea Rd.

Mailing Address: PO Box 165 Kilauea, HI 96754

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name YOSHITO L'HOTE

Title Executive Director

Phone # (808) 937-8646

Fax # _____

E-mail yoshitol@yahoo.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL
- OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

FUNDING FOR A WATER SUPPLY LINE AND AN ON-SITE FILTER AND DISTRIBUTION SYSTEM FOR AINA HOOKUPU O KILAUEA.

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018: \$ 486,200

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ 486,200

FEDERAL \$ _____

COUNTY \$ 25,000

PRIVATE/OTHER \$ 330,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

YOSHITO L'HOTE, EXECUTIVE DIRECTOR
NAME & TITLE

JAN. 18, 2017
DATE SIGNED



RECEIVED

1/19/17

ma

Application for Grants

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

'Āina Ho'okupu o Kīlauea (AHK) is a community-based group that was created to assist the County of Kaua'i in developing 75 acres of the Kīlauea Agricultural Park, now known as the Kīlauea Community Agricultural Center (KCAC). AHK is the continuation of the Kīlauea Agricultural Association (KAA) created in the late 80's and discontinued in 2006, with many of the original board members still on the board of AHK. The community of Kīlauea has been trying for over 30 years to develop this parcel but was unsuccessful in achieving this goal until AHK entered in the stewardship agreement with the County of Kaua'i (March 2014). AHK received its 501c3 status (September 2015) with the help of Congresswoman Tulsi Gabbard's office, and has been successful in raising over \$460,000.00 from the community and over \$56,000 in in-kind donations. With the support of Mayor Carvalho and the County of Kaua'i, AHK was successful in changing the mindset of the community ("this is never gonna happen") by initiating Phase I. AHK has now accomplished Phase I; cleared 12 acres of lands, created two acres of a community-run farm and individual gardening plots, developed five acres of commercial farm plots with access road, planted a 1,000 foot privacy berm with 400 edible, flowering, and hardwood trees, installed approximately 4'000 feet of fencing, a potable water system, and electrical power to service a temporary office and storage shed, constructed a pedestrian entryway, and completed plans to relocate the County sunshine market.

2. The goals and objectives related to the request;

Our goal is to increase sustainability for the north shore of Kaua'i, the island and the state, by supporting food production and economic development, through local farmers, food entrepreneurs, youth, seniors and regional consumers. The objective is to install an 8-inch water main from Kūhiō Highway to the KCAC, 1.32 miles, providing the surface water necessary for the development of the 75 acres of KCAC as well as a filter station and an on-site distribution system.

3. The public purpose and need to be served;

The public purpose of installing this water main is to make public land viable for farming. Farming will facilitate economic diversity by making a range of produce and products available to residents and visitors alike. Phase One has demonstrated the need for land for local farmers and has reinforced the need to implement the water system.

The need for food sustainability and economic diversity is vital for the island and the state but especially for the north shore of Kaua'i. We are geographically isolated and, except for taro and incidental diversified agriculture, tourism drives the local economy through a predominance of time share resorts, vacation rentals, and visitor-centric real estate, retail, and restaurants. This reality has displaced Hawaiians and the local residents of the communities from Hā'ena to Hanalei. Kīlauea is the last community on the north shore still dominated by local residents. To stimulate the economy without displacing the existing residents is our biggest challenge. Farming will also keep the rural character of the north shore vital to the visitor industry.

4. Describe the target population to be served; and

The KCAC will support populations that are both distinct and overlapping. These populations are:

- a. The residents of the Kīlauea area (2600 residents in census tracts 401.03 and 401.04)
- b. Several family farms and commercial farms and food entrepreneurs
- c. 372 north shore families who have an annual income under \$35,000 (21% of families in census tracts 401.03 and 401.04)
- d. 1,465 native Hawaiians who reside in census tracts 401.03 and 401.04
- e. Regional food consumers which include 7,828 north shore residents and hundreds more that work on the north shore.
- f. Visitor food consumers which include national and worldwide visitations to the island, as much as 1.2 million per year.

5. Describe the geographic coverage.

The core coverage area begins with the agricultural district of Moloa'a continuing through the communities of Kīlauea, Kalihiwai, Anini, Princeville, Hanalei, Wainiha and Hā'ena (Senate District #8, House District #14, Census Tracts 401.03/401.04)

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

The scope of work includes developing a plan, surveying, recording of the water easement with the Bureau of Conveyances, drafting legal documents, purchasing and installing the water line, creation of on-site filter station, and distribution system, to provide the surface water necessary for the development of the KCAC. The project tasks:

- a. Map and define metes and bounds for recording with the Bureau of Conveyances.
 - Executive Director, County of Kaua'i Attorney, County of Kaua'i Planning Department
- b. Survey, engineering and installation of the water line.
 - Executive Director, Honu Associates, ITC Water Management Inc., Planning Department of the County of Kaua'i, the office of the County's attorney and local contractor.
- c. Create a water delivery system on-site that includes a filter station and implementation.
 - Executive Director, Honu Associates, ITC Water Management Inc., or NRCS and local contractor.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

1st and 2nd quarter (July to December):

- Engineer the water system off and on site
- initiate legal documents
- price out filter station and on-site distribution system.

3rd quarter (January to March):

- Finalize legal documents
- record with the Bureau of Conveyances
- complete survey of water easement,
- purchase pipe,
- finalize filter station

4th quarter (March to June):

- Installation

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

The Executive Director KCAC (also project leader) will work directly with the different entities (Surveyor, Lawyer, Bureau of Conveyances, Planner and Contractors) to ensure swift implementation. It will be his responsibility to complete the evaluations through monthly reports to the board and County. He will make those reports available to the expending State on a quarterly basis.

The board, as well as George Costa from the Office of Economic Development for the County of Kaua'i, will be evaluating and monitoring the implementation of the project, and they will be charged with suggesting ways to improve the results.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.
 - Quarter 1:
 - Creation of a map that shows the route of the easement
 - Creation of a map for the on-site delivery system
 - Quarter 2:
 - explore all options for a filter station and choose the most adequate one
 - Quarter 3:
 - Creation of a legal binding document that allows for the easement on private property
 - Proof of easement recorded with the Bureau of Conveyances
 - Implementation
 - Quarter 4:
 - Construction of the system
 - Inclusion of additional measure of effectiveness as deemed necessary by the expending agency for the purpose of providing the state with satisfactory measure as described.
 - All measures of effectiveness will be reported as soon as they are completed regardless of time line.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

In the budget form attached entitled "ITC Water Management Inc.", only the highlighted sections ('8" Main line from the end of the Anaina Hou line to the Ag Park' and 'Other Considerations') are applicable to this project, for a total of \$442,000. The filter station as well as the on-site distribution system is projected to cost around \$355,000.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2018.

The applicant shall provide in-kind and monetary donations to match state funds 80%.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
86,200	100,000	100,000	200,000	\$486,200.00

- The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2018.

U.S. Department of Agriculture
 Hawai'i Community Foundation
 Ulupono Initiative
 The Marisla Foundation
 Johnson Ohana Charitable Foundation
 Private individuals

- The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not applicable

- The applicant shall provide a listing of all federal, state, and county government contracts and grants it has been and will be receiving for program funding.

County of Kaua'i, initial grant: \$100,000. Second grant for \$50,000. Third grant for \$90,000 towards infrastructure. We are expecting \$1,100,000 from Rotary of Hanalei and private donations to go towards farmers market area development. We are working with the state and private donors as well as in-kind donations to raise \$355,000 for the water system implementation.

- The applicant shall provide the balance of its unrestricted current assets as of December 31, 2016.

\$30,847.87

IV. Experience and Capability

A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The

applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

'Āina Ho'okupu o Kīlauea has received stewardship of the 75-acre parcel from the County of Kaua'i for the express purpose of developing the project space as a regional agricultural park for the Kīlauea and north shore communities. The fact that the County of Kaua'i has engaged with this non-profit organization demonstrates reasonable due diligence by local governmental agencies. The Executive Director has been implementing management plans for Waipā Foundation for six years and has demonstrated his ability to engage with the community, government, private foundations, and federal agencies to not only create 'Āina Ho'okupu o Kīlauea's 501c3 status but also plan, budget, and implement Phase I of the project including initiating movement on the parcel with fencing, site cleaning, and clearing of 12 acres. In year one, 'Āina Ho'okupu o Kīlauea has managed \$440,000 in grants and donations, and has fully implemented Phase One. It is now ready to implement Phase II (\$2.1-million development) to create the farmers market area and the water systems for the 75-acre site. It has developed a strategic plan as well as a business plan that has determined the need for a retail outlet to manage the site that it is currently developing as a food hub.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

Site facilities now exist with a nearly-completed temporary office space and storage as well as a one-acre community farm providing CSA (Community Supported Agriculture) boxes and food for the community (seniors, and volunteers). The site is fully fenced, has a County water system, an access road for the community farm, five acres of commercial lots, a pedestrian path and walled entryway.

V. Personnel: Project Organization and Staffing

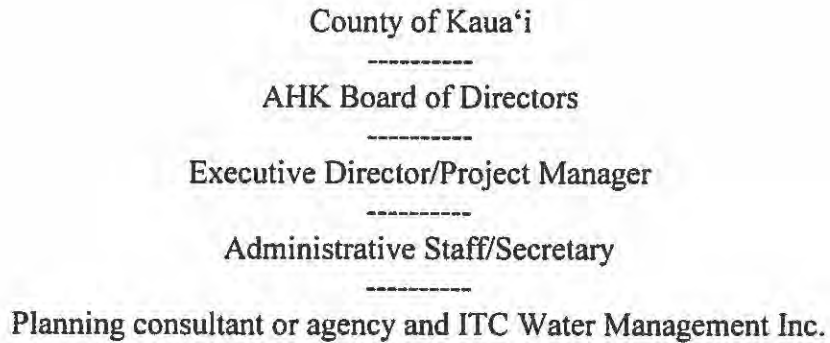
A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

The proposed staff includes an Executive Director/Project Manager, an administrative assistant, and two interns. The Executive Director is currently managing all aspects of this project from planning, fundraising, outreach, and implementation as well as construction, staff, project, and contract management. A full time administrative assistant with extensive experience and skills is needed to provide support for administrative aspects of the organization for this request and other non-profit needs.

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.



C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

- Executive Director - \$75,000
- Administrative Assistant- \$35,000
- Farm Manager – \$35,000

VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

Not applicable

B. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

Certified Organic (for five acres of commercial farm plots)

C. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

Not applicable

D. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2017-18 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2017-18, but

Once the waterline is installed there will be no further needs for monies except for maintenance, which will be provided by fees for water use.

- (2) Not received by the applicant thereafter.

If the grant is not received 'Āina Ho'okupu o Kīlauea will look for other agencies and private donations to implement this vital component of this agricultural community center.

E. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2016.

See attachment.

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2017 to June 30, 2018

Applicant: "Āina Ho'okupu o Kilauea

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2015-2016	FY: 2016-2017	FY:2017-2018	FY:2017-2018	FY:2018-2019	FY:2019-2020
PLANS			186200			
LAND ACQUISITION						
DESIGN						
CONSTRUCTION				355000		
EQUIPMENT/ material			300000			
TOTAL:			486,200	355,000		
JUSTIFICATION/COMMENT For material purchase, survey and easement recording, on-site water delivery system design and filter station to be paid for by state funds. All labor and equipment work covered by AHK						

GOVERNMENT CONTRACTS AND / OR GRANTS

Apri 'Āina Ho'okupu o Kīlauea Contracts Total: 360,000

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Initial clearing and site development (through fiscal	FY 2015	Office of Economic Dev	Kaua'i County	100,000
2	Clean up rubbish and cars onsite	FY 2016	Office of Economic Dev	Kaua'i County	50,000
3	Farmers market site prep and permitting	FY 2017	Office of Economic Dev	Kaua'i County	90,000
4	County water system & pedestrian entry (through	FY 2015	ADC	State of Hawai'i	120,000
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**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

‘Āina Ho‘okupu o Kilauea

(Typed Name of Individual or Organization)



(Signature)

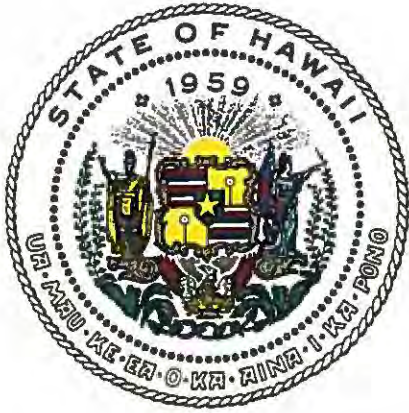
1/18/2017

(Date)

Yoshito L'Hote, Executive Director

(Typed Name)

(Title)



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

'AINA HO'OKUPU O KILAUEA

was incorporated under the laws of Hawaii on 10/29/2014 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 16, 2017

Catherine P. Owa-Cole

Director of Commerce and Consumer Affairs

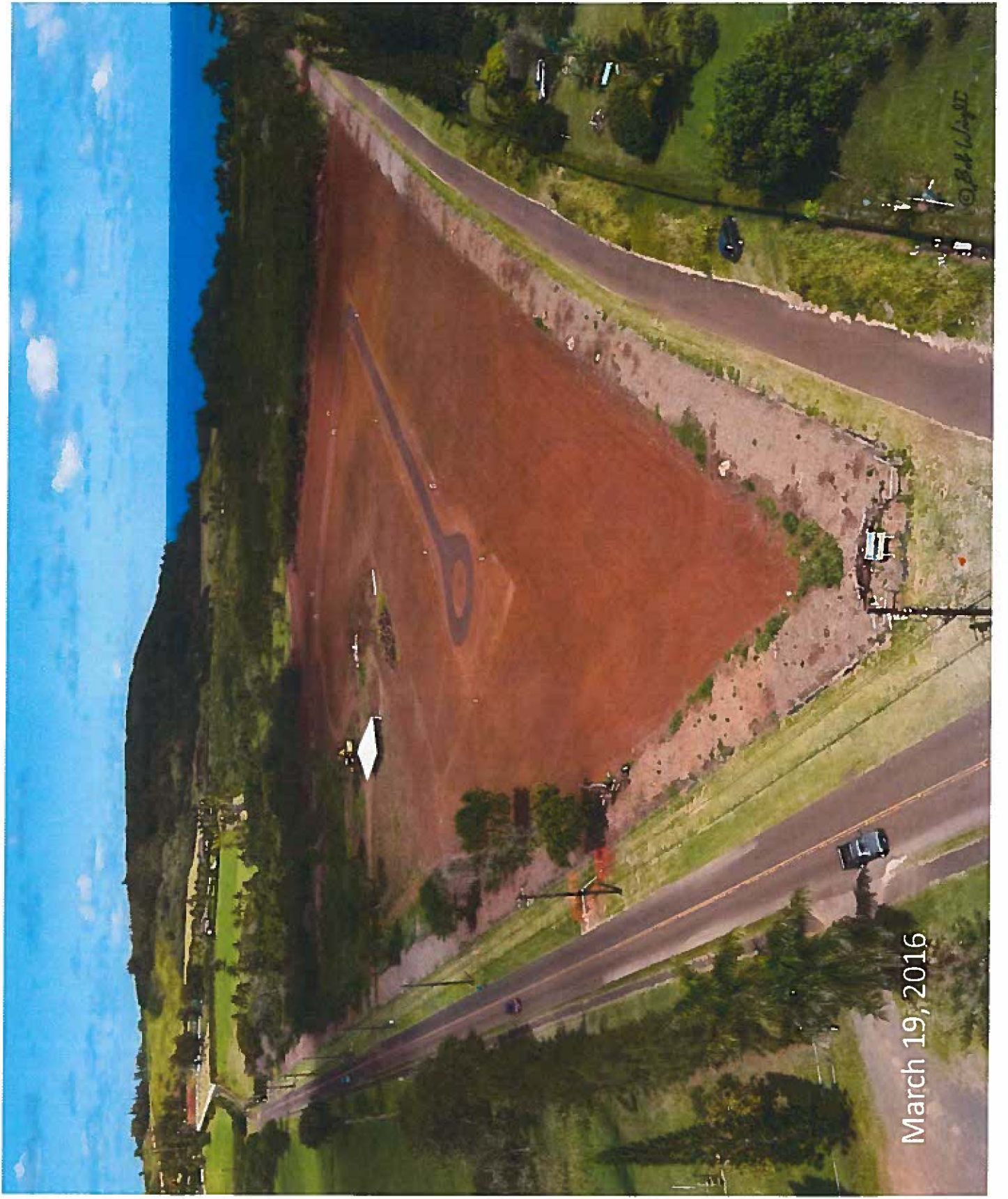
~Budget Cost~

Date: 1/19/16
To: Yoshi L'Hote, Aina Hookupu O Kilauea
From: Bill Hewetson
Subject: Budget cost for Irrigation pipeline to the proposed Kilauea Ag Park

Preliminary Design Parameters, Considerations and Assumptions:

Note: These items below are preliminary in order to create a budget cost. Final design specifications may change.

1. Gravity flow to the Ag Park will need to be limited to 200 GPM in order to maintain adequate pressure to "Common Ground". Gravity pressure at the Ag park will be 33 PSI Static and 21 PSI Dynamic.
2. The mainline from the Golf Course to the Ag Park is sized at a minimum 8" HPDE SDR 17.
3. If the Anaina Hou pumps are run, Ag Park usage can increase up to 600 GPM with 95 PSI Static and 35 PSI Dynamic.
4. Gravity flow water will be unfiltered. If the pumps are run, the water is filtered.
5. Kalihiwai reservoir will need to be maintained at or above the 390' elevation.
6. The Ag Park Point of Connection will include an automated controls valve that will be operated to shut off flow in the event of a fire.
7. A pressure sustaining valve will be installed at the Point of Connection to maintain a minimum pressure at Anaina Hou.
8. A meter will be installed at the Point of Connection.
9. Because of relatively low gravity pressures at the Ag Park, a manually operated screen filter is proposed. Automatic filters require a minimum of 35 PSI to operate.
10. Pipe lines are to be buried with 6' of cover through the private property.
11. The State highway crossing will be done by slipping the pipe through the existing, old plantation ditch culvert. It is assumed that this culvert goes completely under the road.
12. The County road crossing at the Ag Park will be done by directional drilling.



March 19, 2016



Kilauea Farm
Dec. 2016

© Bob Wright

Aloha from Kīlauea

The Board, Executive Director, Farm Manager, and volunteers from 'Āina Ho'okupu o Kīlauea wish you a Happy New Year.

2016 has been a wonderful year for the Kīlauea Community Agricultural Center, located on the way to the Kīlauea Point National Wildlife Refuge, Home of Daniel K. Inouye Kīlauea Point Lighthouse, as we have moved great strides and accomplished the implementation of Phase 1. We have opened 12 acres, fenced the site, constructed an interior road, county water system, developed five acres of commercial farm lots, seven of which are already being farmed and three have commitments in place. The two acres of Community farm have been developed and are now providing hundreds of pounds of produce to the Kīlauea Community. The stonewall that frames the pedestrian entry is completed and awaiting the arbor that will crown it. The individual plots are being created and 1,000 feet of edibles, hardwoods and flowering trees/privacy berm has been planted. We have finalized the plan for the 2.5 acre Farmers Market/fruit stand/public bathroom area. Buildings are being engineered and we are hoping to go in front of the Planning commission to get our special use permit in a couple of months

We want to express a special mahalo to our donors and supporters for making our vision come to life. It has been an incredible opportunity to work with the state, county, neighbors, and other organizations, to shape what we believe is a truly special project. This is a project that will create economy, provide a community space, make organic produce available to all in the community, and address our food dependency on the mainland, while keeping our beautiful island's rural character.

Ag Produce Boxes: We are also taking this opportunity to ask for your support as we are rolling out our Community Supported Ag produce boxes that will financially support our community farm and ensure its perpetuation into the future. Email for more information: kilaueacommunityfarm@gmail.com

Surface Water System: We also are looking to fund our lifeline, the surface water system, which is the biggest missing piece in our puzzle. The total cost of implementation is approximately \$750,000 and we are looking to partner with the state, federal government, and individual donors or foundations to achieve that goal.

Farmers Market Area and Public Bathroom Area: The other infrastructure needed is our farmers market area and public bathroom area, where we already have commitments from the Rotary Club of Hanalei (hanaleirotary.org) to build the two farmers market structures. The County of Kaua'i through the Department of Economic Development has granted us \$90,000 for the parking lot and permitting needs. An individual donor has vouched to fund the public restroom but we still need some help for the fruit stand. More information can be found at ainahookupuokilauea.org, OR send an email yoshitol@yahoo.com OR call 937-8646.

Mahalo a nui loa to our Mayor, our council members, our state legislature representative, and our wonderful community members that have been with us to get this project off the ground and running. Mahalo for getting involved, caring for our island, and making sure its beauty is perpetuated for our keiki.

Me ke Aloha Poina 'Ole,

Yoshito LHote

E.D. for 'Aina Ho'okupu o Kilauea

